

ALL CHANGE FOR THE LEARNING AND SKILLS SECTOR?

Ann Hodgson, Ken Spours and Richard Steer

Institute of Education, University of London

Correspondence to be sent to:

**Ann Hodgson
Faculty of Policy and Society
Institute of Education
University of London
20 Bedford Way
London WC1H 0AL
Tel. 020-7612-6762
Email: a.hodgson@ioe.ac.uk**

Abstract

Using data from a three-year project funded under the ESRC Teaching and Learning Research Programme, this paper examines two major questions:

How has the organisation of the learning and skills sector (LSS) in England changed as a result of recent policy?

What are the implications of these reforms?

We draw on the theoretical work of policy analysts such as Ball and Newman, as well as our own conceptual work, to make sense of 15 major policy documents and over 130 in-depth interviews with European, national, regional and local policy-actors carried out during the period 2004 to 2007. Having described recent reform in the LSS, we argue that the government appears to have moved from a 'planned' and unified to a more directive and market-oriented model of governance. We discuss the implications of this policy shift and introduce the concept of a 'devolved social partnership system' as a possible way forward for the sector.

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INTRODUCTION

In the six years since 2001 when the Learning and Skills Council (LSC) was established and given responsibility for all forms of publicly funded post-16 learning opportunities outside higher education, the learning and skills sector (LSS) has been in a constant process of organisational change. Considerable sums of money have been invested, new buildings erected, high-profile national initiatives launched and new organisations founded.

Moreover, during its short life the LSC has already been through two related rounds of restructuring. As we describe later, the first reorganisation was in 2003/4, which saw significant downsizing of central staff and the establishment of a regional layer of management. More recently, the LSC has also reorganised its 47 local LSCs into much smaller 'partnership teams'. The division of the work of the Department for Education and Skills (DfES) between two new ministries – Department for Children, Schools and Families (DCSF) and Department for Innovation, Universities and Skills (DIUS), allied to a third Department for Business, Enterprise and Regulatory Reform (DBERR) – heralds a period of considerable uncertainty regarding the scope and role of the LSC, although major practical changes will not occur before 2010.

This paper draws on the research we undertook as part of the Economic and Social Research Council's Teaching and Learning Research Programmeⁱ. In this paper we analyse the effects policy has had on the LSS, or what the Government now terms the 'FE System'.ⁱⁱ On the one hand, the Government has placed a far greater priority on learning and skills than the Conservatives, because of its central role in economic competitiveness and inclusion. On the other, the price of attention has been close scrutiny and unrelenting policy intervention.

Our definition of and stance towards policy has been underpinned by the theoretical work of policy analysts such as Stephen Ball and Janet Newman. Ball's concept of the 'policy trajectory' has informed our approach to policy-making and policy levers (Ball 1993, 1994). We have not, therefore, narrowly confined our discussion to policy texts, but have sought to describe the dynamic, contested and interactive nature of the policy process and the role of key players within it. When we have been trying to understand the diversity and complexity within governance, we have turned primarily to the writings of Janet Newman (2000, 2001, 2005). In addition to these external sources, we have also used our own conceptual work (e.g. Steer *et al.* 2007, Spours *et al.* 2007), to make sense of the latest round of our 131 in-depth interviews with 123 European, national, regional and local policy actorsⁱⁱⁱ carried out during the period January 2006 to March 2007 and 15 major policy documents mentioned by or affecting these policy actors. We examine policy change largely from the perspective of the policy actors we interviewed who have had to respond to top-down change by making sense of (or 'translating') rapid successions of politicians' pronouncements, responding to restructuring, taking up new roles and responsibilities or even facing redundancy during this time.

From this evidence we suggest that the LSS has gone through two major stages of development and may be entering a third. As Figure 1 illustrates, its first phase could be characterised as a 'top-down planning approach' that spanned the period 2001-2004 and the second, from 2005-2007, the changes secured by Mark Haysom, Chief Executive of the LSC.

INSERT FIGURE 1. ABOUT HERE

The full character and force of a possible third phase, which may well be emerging as a result of the significantly increased emphasis on 'demand-led' funding, following the

Leitch Report, together with the splitting of the DfES which effectively creates a divide between 14-19 education and adult learning, remains to be seen. We conclude this paper by attempting to make our own assessment of the significance of the newly emerging arrangements in the sector and to suggest a possible way forward.

WHAT ARE POLICIES ON LEARNING AND SKILLS TRYING TO ACHIEVE?

From 2001 to 2007, hundreds of policy documents relating directly to the LSS have been published by the DfES, the Treasury and the LSC. These have been supplemented by policy texts written by other national organisations and government departments, as well as by regional and local bodies, all of which have some bearing on how the sector is regulated and behaves. In addition, several influential government-commissioned enquiries (e.g. Tomlinson on 14-19 education and training, Foster on further education, Leitch on skills) have reported on issues impacting on the sector and added to the policy mix. We have logged some 331 policy documents that have been produced by or for organisations in the LSS and this has been done selectively not exhaustively.

How can we make sense of this plethora of policy and the impact it has had (or is having) on the shape and behaviour of the LSS? How can we tell which texts drive policy and policy-makers and which are merely elaboration or mood music? One way, and this is the approach we take in this article, is to focus on those key texts that policy actors themselves cite as important, the ones they use to explain or

legitimate their views or actions. Using this approach, in this paper we draw on 15 recent policy texts, nine directly referred to by the majority of our interviewees and six more recently published texts that relate to or elaborate on issues raised in our policy interviews (see Fig.2).

INSERT FIGURE 2 ABOUT HERE

Skills and social justice: the twin ‘policy drivers’

The central message in all 15 policy documents concerns the importance of raising skills levels in the UK to ensure we remain economically prosperous. This assertion, which is clearly stated in the 14-19 White Paper, ‘If we are to continue to attract many of the high value-added industries to this country and to compete effectively on the global stage, then we need far more of our population to have high levels of education.’ (DfES 2005b: 16), is endorsed in the FE White Paper (DfES 2006) and continues to echo throughout the Leitch Report (2006) and the Government’s response to it (LSC/DfES 2007, DIUS 2007).

The second and, in the Government’s view, related key policy aim is for increased social inclusion and social mobility^{iv}. The Skills White Paper, for example, talks of the need for ‘a step change in productivity and social mobility’ (HMG 2005: 4).

Interestingly, these twin policy drivers resonate closely with European policy-makers’ views (European Commission 2006). Although, as one of our European interviewees pointed out:

'for the UK it is always very important that the labour market is stressed, whereas other countries will say, "OK, that is extremely important, the labour market component, but education and training is also something which is for personal development, which is for cultural values and so on".' (Y4^v)

In English policy documents, it is clear that a direct link is being made between skills, employment and social inclusion. There is an assumption that the first leads to the second and on to the third, even though there are many who would question this assertion (e.g. Wolf 2002). Indeed, from close reading of these 15 policy texts it appears that the second aim of social inclusion is not only dependent upon, but also subordinate to the first aim of developing skills for economic competitiveness. Moreover, some of the policy actors we interviewed saw the two in tension with one another.

These twin drivers and the connections between them have, in fact, remained remarkably constant as the rationale for policy within the LSS in England throughout its whole lifespan. It is policy narratives, structures and mechanisms that have been the focus of change and turbulence and that have had greatest impact on the behaviour of the LSS to date.

HOW HAS THE ORGANISATION OF THE LSS CHANGED AS A RESULT OF RECENT POLICY?

When the LSC was established as a non-departmental public body in 2001, it comprised a National Council, located in Coventry, with 47 local councils across the

rest of England. This structure only lasted until January 2004, when the newly appointed Chief Executive, Mark Haysom, announced the creation of a regional management team. This organisational change was seen as necessary both to simplify the reporting structure and to ensure the LSC had a presence at the regional level. However, this was only the first step towards the current structure of the LSC, which now comprises nine regional offices responsible for 153 'local partnership teams' mainly covering the same areas as local authorities. The original 47 local councils were effectively decommissioned (although they cannot be finally wound up until the passage of the 2007 Further Education Act) and regional councils set up in their place^{vi}. This recent structure, which came into operation in Autumn 2006, is seen as part of 'simplification'.

The process of 'simplification'

The process of 'simplification' covers a number of organisational dimensions – the relationship between the DfES and the LSC, between each of the levels within the LSC itself, its relationships with providers and how it works with other partner agencies in the LSS.

One of the major criticisms in the final report of the Foster Review of FE (2005) was of 'micro-management' by the DfES with regard to the LSC (p. 51) and by the LSC in relation to colleges (p. 52) leading to potential confusion between the roles of the two national organisations. According to officials we interviewed from the LSC and DfES, these two criticisms are now being addressed. The DfES role was described by one as being 'to performance manage the national partners who deliver for us' (WO7),

while an LSC official asserted, 'I would say we have a robust relationship with the DfES, which means we can be frank, but we also work together.' (UA14).

But what about the way the new LSC structure operates at national, regional and local levels? Where does power lie and who makes the decisions that impact on local provision. The term 'tight-loose' was often used by our interviewees to describe the relationship between 'what must be tight and nationally prescribed and where it is loose in terms of regional and local flexibility' (UA15).

Far more of the non-LSC policy actors we interviewed in 2006/7 were positive about the LSC and the way it had delivered on its key performance targets for participation, achievement and quality than those we interviewed in 2004/5 before the organisational changes had taken place. Nevertheless, there was still concern about the capacity within the LSC; its lack of democratic accountability; its bureaucratic way of working; and whether it would be able to retain any independence from the DfES.

Yet more quangos

While the restructuring of the LSC has undoubtedly affected all post-16 providers within the LSS, it is by no means the only important organisational change to have taken place since 2001. Key national agencies have been merged (Ofsted and Adult Learning Inspectorate) and new ones have been born - the Sector Skills Development Agency (SSDA), Sector Skills Councils (SSCs) and the Quality Improvement Agency for Lifelong Learning (QIA). The policy actors we interviewed for this study differed in their views about the contribution that these new organisations would make to the LSS, although there was a general view that, as one

person bluntly put it, ‘The less national quango-type organisations that we’ve got the better really.’ (UC17).

The establishment of QIA in 2006 was described by DfES officials as an attempt to clarify the reciprocal roles of the LSC, Ofsted and QIA in quality assurance and improvement within the sector. While one interviewee was very critical of the new organisation, describing it as ‘totally useless and a load of private contractors’ (V10), others were more charitable. However, there was a recognition that QIA had communication problems, that it was possibly too small to achieve its stated objectives and that it appeared anomalous as a national organisation responsible for quality improvement in an era when institutional ‘self-regulation’ was being promoted. This analysis proved to be correct as the quality improvement functions of the QIA, together with the work of the Centre for Excellence in Leadership (CEL) have since been absorbed into a new FE sector self-improvement body.

The SSDA^{vii} was set up in 2002 and charged by the Government to encourage the formation of SSCs to cover all employment sectors within the UK. While Government money was made available for this task, the SSCs were intended to be independent employer-led organisations which would support the Government’s skills strategy, improve National Occupational Standards and provide a forum for employers to articulate the skills needs of their particular sector through Sector Skills Agreements (SSAs). Latterly, they have also been given a much stronger role in the design of all vocational qualifications in their sector (LSC/DfES 2007). The majority of the policy actors we spoke to, and this included employer organisations themselves, were very sceptical about SSCs. The main criticism was that they are not, in fact, employer bodies and cannot, therefore, represent employer views, particularly in relation to small and medium enterprises. As one interviewee commented, ‘they are apparently owned by the sector, but they were set up and paid for by the government and their

agenda is the government's' (ZA16).

So how has the organisation of the LSS changed as a result of recent policy? On balance, it appears to have become more centralised, with more focused targets and funding currently dominating other weaker trends that emphasise local and regional governance. Second, there is a continuing rhetoric of institutional autonomy, which is accentuated by the prospect of 'demand-led' approaches to funding. Third, the turbulence of the first three years of the LSS has continued, even intensified, throughout the last two, with continuous organisational change and, despite efforts at simplification, the introduction of yet more agencies to add to what has been constantly criticised as a complex sector. As one inspector commented:

'It's a bit like town planning, you know. The plan's very clear in the mind of the planners as to how everything's going to work, but in terms of the people actually kind of living on the streets... it's kind of, at times, anything but clear.'

(V13).

Is this town planning or is it, as Ewart Keep (2006) provocatively described it, a Government playing with 'the biggest trainset in the world'?

It is possible to view these changes as representing a further development of what Newman (2001) termed a 'modernised form of neo-liberal governance'. This would suggest a weakening of the mildly social democratic agenda, associated with New Labour's first Secretary of State, David Blunkett, which saw the birth of the LSS as a potentially unified sector, and the resurrection of a more openly 'new public management' approach to organisation and governance.

WHAT ARE THE MAIN MESSAGES FOR CHANGE?

Having described the new organisational structure for funding, planning and improving the quality of the LSS, it is now time to turn to the language and mechanisms policy-makers use to explain and fulfil their aims and to animate the system. Four key themes stand out in policy documents and were regularly referred to in our interviews with policy actors over the last two years (see Figure 3). Interestingly, these themes were not the same as those we found in the first round of policy actor interviews we undertook in 2004: policy language, it appears, has moved on as fast as the structures within which it is conceived.

We have already examined the process of simplification in relation to organisational changes. Here we focus particularly on two themes, 'prioritisation' and a 'demand-led system', although all four are examined in more detail elsewhere (Hodgson *et al.* 2007a).

INSERT FIGURE 3 ABOUT HERE

'Prioritisation'

Public Service Agreement (PSA) targets have played an important role under New Labour as part of its centralised performance management system (Newman, 2000), by focusing policy-makers, in this case primarily the DfES and the LSC, on the areas they need to address. The LSC translates these targets and the messages from DfES policy documents, ministerial statements and its annual remit letter from the

Secretary of State into an Annual Statement of Priorities for the sector, which indicates to providers what will be government funded and, by implication, what will not. In practice, the position is slightly more complex than this because, as one official explained, prioritisation is of two types – there are priority learners (e.g. those with learning difficulties and disabilities) and priority provision (e.g. adult basic skills) – and this, he said was ‘not well understood’ (UA14) – see Coffield *et al.* (2008) for more detail on this point.

PSA targets were seen by some policy-makers as positive because they ensure money from the Treasury for provision (e.g. adult basic skills) for those who might otherwise not have access to it. Several officials saw prioritisation as working very effectively in focusing colleges and work-based training providers more tightly on the type of provision that government wants to fund so that ‘the outcomes are more closely linked to the policy changes.’ (UA17). Moreover, there was a general recognition by both providers and policy-makers we interviewed that, as one put it, where there is a ‘tightening of the budgetary climate’ (ZA23), prioritisation is a necessary and logical step for policy-makers.

On the other hand, as our earlier work suggests (e.g. Hodgson *et al.* 2007b, Finlay *et al.* 2007), there are downsides to prioritisation. It was described by one policy-maker as being ‘centrally driven and normative’ and having ‘all kinds of turbulent effects on providers’ (ZA23) and another admitted that there was ‘fallout’ from moving money away from unaccredited adult learning (see also Taubman 2007).

Nor does the recent announcement by Andy Burnham (2007), Chief Secretary to the Treasury, of a drastic reduction in the number of PSA targets from 600 (in 1998) to 30 necessarily mean less central control. Indeed our evidence suggests it might lead

to an even tighter focus on certain types of provision to the exclusion of others that are very important for the learners we studied in this Project.

A ‘demand-led’ system and the role of ‘contestability’

‘Contestability’, which has been defined by government as giving ‘employers more choice over who provides training without being limited to a particular college or training provider.’ (HMG 2005: 24), is a central concept within what is being described as a ‘demand-led’ system. These two terms appear in sector-specific policy documents and in the broader public sector reform agenda laid out in Cabinet Office documents. The FE White Paper, for example, talks about ‘a system shaped by the demands of learners and employers’ (DfES 2006:16), a phrase which is echoed in the Leitch Report’s definition of ‘demand-led skills’ (Leitch 2006: 4). Both documents represent a sector response to the government’s broader policy intention that ‘public services should respond to citizens’ (PMSU 2007:11). Two major changes flow from this new approach – money increasingly follows the ‘customer’ and there is a move to ‘open up the supply side, where appropriate, so that the greatest possible diversity of provision is encouraged.’ (p. 11). Hence, the increasing use of ‘demand-led’ funding of adult skills provision and the application of ‘the principle of “contestability” as an important way of driving up quality’ (HMG 2005: 24). The way that demand-led funding and contestability are playing out in practice for providers is causing considerable anxiety to many in the sector, although there are significant differences of view.

First, there is a difference between the views of colleges and independent learning providers. The former feel that the pace of change is too quick, is distorting their

provision and is not allowing them to meet the needs of their local communities or particular groups of learners. The following quotation is typical of the views of senior management in colleges:

‘with contestability comes a different way of funding us, which means that we have got to respond differently, which means that the landscape is not so stable, which means that there are increasing interests being shown by the private sector in what we deem to be our work and, however much of an education business we have become – and we have – we still believe that we are firmly rooted in the public service ethos.’ (ZA27)

Independent learning providers, on the other hand, understandably support the reforms, but feel that they are not being implemented fast enough, that there is not a level playing field in which to compete (e.g. they are not entitled to the capital grants that FE colleges are) and that bureaucracy gets in the way of a proper market. As one policy actor rather graphically stated: ‘Your policies are great, Prime Minister, but the implementation’s balls-achingly slow.’ (ZA26).

Meanwhile, the LSC sees its role as: ‘being more of a market maker, to enable the sector to organise itself in a market and be responsive’ (UC17), although it is not clear to what extent it has the expertise for this role.

There is also a difference of opinion over how much of the learning and skills budget should be demand-led and contestable; whether this approach applies to 14-19 provision as well as to adult learning; the extent to which the state should intervene to protect the needs of those who are not well placed to articulate their own demands; and if there should be more emphasis placed on the demands of learners

or those of employers, because these are often seen as in tension with one another (see Finlay *et al.* 2007).

Moreover, it is not only providers who wonder whether ministers and civil servants really understand the implications of a fully demand-led system with demand-led funding. One official commented on his concerns about this approach:

'there are some real purists here who would like a very pure demand-led system that would, from a bureaucracy point of view, be an absolute nightmare and from a management point of view really difficult for providers to manage' (UA17).

He also went on to argue that: 'even companies and organisations that are totally demand-led get involved in planning. Otherwise you have chaos' (UA17).

WHAT ARE THE BURNING ISSUES FOR POLICY ACTORS IN THE LSS?

Too much, too fast and no time for reflection

The first really major issue for policy actors, and this was true of people we interviewed from all the different organisations involved in our study, as well as for practitioners (see Coffield *et al.* 2008), is the way that policy-making is conducted. While there was support for the Government's general policy aims, there were many complaints about the speed of policy: 'nothing is really given enough time to bed in

before the next thing comes along and I think we are really struggling to know what works and what doesn't.' (UC16). Constant change and restructuring were seen as counterproductive in terms of professional commitment: 'it is so destroying of any momentum, it is so demoralizing, it is so anxiety-creating, that actually performance suffers.' (V11). There was criticism too of the lack of a joined-up approach to policy with too many initiatives. This 'policy busyness' (Hayward *et al.* 2005), which was also recognised as a feature of the English system by our European interviewees, has undoubtedly been exacerbated by having frequent changes of ministers since 2000, each with her/his own mark to make. What policy actors complain about is the lack of 'policy memory' (Higham and Yeomans 2007) that is brought to bear on new initiatives: '*Skills for Life* started as though it was Year Zero, as though nothing existed and nothing had ever been done before.' (ZA21); and the lack of recognition that proper implementation takes time. According to one of the officials we interviewed, who has considerable experience of education and training systems across Europe, what we need in England is 'creeping not jumping' (ZA25).

Perhaps the sharpest criticisms were reserved for what we have referred to elsewhere as 'policy tensions' (Hodgson and Spours 2003), a term used to describe the way that one strand of government policy works against another. One of the most cited examples in the LSS is the tension between the drive for collaboration between providers and the equally strong drive for competition.

Will employers play their part?

A related and equally hotly debated issue for policy actors is the role of employers in the LSS. Many were sceptical about employers' commitment to training their

workforce. ‘So we’ve got quite a big strategic job to do in terms of making employers understand what they need to invest in their staff.’ (ZA22) In addition, there is a broader debate about whether the notion of employer-led policy is the right concept at all and whether a social partnership approach, such as that employed in other European and the Nordic countries, might be a more effective way of operating (see Boyd 2002 for discussion of different social partnership models).

‘When we talk about employer-led qualifications other countries talk about social partnership as the driving mechanism. There are two sides to the shop floor and you need both of them represented in discussion about skills and training and qualification needs if you are to understand what is really happening.’ (ZA25)

Several interviewees also argued for more sectors to introduce ‘licences to practise’, as well as greater financial rewards/opportunities for career progression for employees gaining qualifications. A few suggested that sector levies might be an effective way of increasing the role of employers in training. These are all issues that the Leitch Report (Leitch 2006) touched on, but ultimately shied away from, preferring to continue with the ‘voluntarist’ approach that has traditionally been the hall-mark of the English post-compulsory education and training system. What Leitch proposed instead was the introduction of a new ‘Pledge’ for employers ‘to voluntarily commit to train all eligible employees up to Level 2 in the workplace’ (Leitch 2006:4) and for this to be reviewed in 2010, with statutory arrangements to be brought into play if progress was not considered sufficient. This idea has been adopted wholesale by the Government: the ‘Skills Pledge^{viii}’ was launched in June 2007 with a review of its effectiveness in 2010 (DIUS 2007).

Fit for purpose qualifications?

Almost all of the policy actors we interviewed, including the European ones, commented on the powerful role of qualifications in lifelong learning, although the latter also stressed the importance of non-formal and informal learning, which does not necessarily need to be certificated (see Colley *et al.* 2003 for a discussion of informality and formality in learning). Current qualifications were seen as too inflexible to meet the needs of adults or employers. As a result, several countries in Europe are actively involved in creating a European Qualifications Framework (EQF) and England, somewhat behind Scotland, Wales and Northern Ireland, is in the process of developing the new Qualifications and Credit Framework (QCF). Our policy actor interviewees claimed that progress was too slow in this area, they had concerns about costs and about the way that the four countries of the UK still do not seem to be going in the same direction. Particular anxieties were also expressed about the greater role being given to SSCs for qualifications development and about the design and purposes of the new Diplomas (see HOC 2007a and Hodgson and Spours forthcoming for more detail on the latter).

FROM A ‘TOP-DOWN MARKET MODEL’ TO A ‘DEVOLVED SOCIAL PARTNERSHIP APPROACH’

In conclusion, during the last couple of years we have witnessed an acceleration in the pace of policy change and continued turbulence in the LSS. There has been some rationalisation and re-organisation of the existing agencies, but new quangos (and now government departments) have also been created. The more fundamental

shift, however, has come from the government signalling its intention to create a transformed LSS (now termed the ‘Further Education System’), based upon the extensive use of market mechanisms to make it more ‘responsive’ to the needs of business and of individuals.

The emerging ‘top-down market model’

When we last wrote about the LSS in 2005 (Hodgson *et al.* 2005; Coffield *et al.* 2005) we were reflecting on the formation of the LSC and its first four years of operation. At that time Mark Haysom had just been appointed as Chief Executive of the LSC and the ‘reshaping’ of its organisation was underway. We argued that the ‘Early LSC’ had achieved a great deal by establishing a more unified LSS and delivering more resources to learning, but that it also faced major challenges in reducing bureaucracy and resisting micro-management, improving its own capacity to deliver on the ground and in balancing policy tensions between area planning and market forces. These challenges remain. However, what we have witnessed over the last two years, and we only had a glimpse of this in late 2004, has been a significant shift in both thinking and strategy towards greater political intervention from the centre to promote a more active market in learning and skills which claims to be employer-led – what we term a ‘top-down market model’.

It is important to view the shifts in the LSS in the wider political context and, in particular, to recognise the driving force of the Cabinet Office’s public service reform agenda (PMSU 2006, 2007), which emphasises top-down performance management and the promotion of competition between a diverse range of providers as the means of fulfilling targets, raising quality and improving skills. This approach to policy has

achieved greater momentum through the recommendations of the recent Leitch Review of Skills and through the narratives provided by Ministers within the DfES and in other departments of government. The LSC has constructed its own particular 'take' on the emerging public service reform agenda. The main elements of its top-down market model are:

- the continued use of targets, but fewer, primarily focused on Level 2 achievements and with funding streams closely tied to them;
- shifting the power of purchasing provision, where possible, to employers (e.g. through *Train to Gain*);
- a reshaped LSC which can more easily communicate priorities through and with the 'delivery chain' of the various agencies and provider institutions within the LSS;
- attempts to reduce bureaucracy in the transactions between the LSC and providing institutions;
- a new set of learner entitlements at Level 2 and 3 backed by grants and allowances.

The components of the emerging strategy are a reflection of a seemingly coherent narrative (we say seemingly because this narrative contains some serious contradictions and tensions explored in the final section of this paper). The argument runs as follows - the country needs to raise its game dramatically to compete globally; Level 2 achievements and above are required in greater numbers; these achievements lead to employability which, in turn, supports social inclusion; ministers have to drive change from the centre and are spurred on by evidence that their interventions thus far have delivered improvements in performance; employers and learners need to be put in the driving seat to compel providers to respond and those

who do respond will find new freedoms in which to operate, while those who do not will find their government funding reduced or even withdrawn. And finally, the Government has listened to criticisms about bureaucracy and complexity by slimming down paperwork and rationalising national agencies.

Following the organisational divisions of the 1990s, the creation of a single LSS in 2001 conveyed a strong message about bringing different providers onto a level playing field to forge connections between them within a local area to deliver lifelong learning opportunities. The vision was of the LSC as both a planning and funding organisation and it was this concept that derived much initial support from a range of agencies and the education profession (Hodgson *et al.* 2005). Our research conducted over the last three years, however, suggests that the ‘top-down market model’ has eroded this planning vision, is somewhat less coherent, undoubtedly less stable and far more contested.

Areas of uncertainty and contestation

The policy process and policy implementation

Perhaps the first thing to note is that policy actors working at different points in the system do not speak with one voice. While there are certain issues where there is a common view, there are others where, as we have seen, there are considerable differences of opinion. All the policy actors we spoke to welcomed the higher profile being accorded to the LSS by politicians and noted the significant achievements that had been made since the inception of the LSC in 2001. Nevertheless, many also expressed disquiet about the conduct of the policy process itself, the way in which the general public service reform model was being applied to the LSS, the potential

marginalisation of certain learners, the unequal balance of power between local, regional and national governance and how major deep-seated issues, such as the reform of the qualifications system and the relationship between the education and training system and the labour market were being tackled (or not).

The meaning and consequences of ‘demand-led’

The concept of demand-led increasingly holds centre stage in the policy narrative and is only just beginning to receive criticism in published commentaries (e.g. Unwin 2007; Mackney 2007). However, leading policy-makers disagreed about what it would mean in practice and even questioned the term itself – a point also strongly made in the penultimate report of the Education and Skills Select Committee (HoC 2007b). Lower down the LSS chain, the response was both more severe and more divided. We found considerable fear among those representing further education colleges, because of the way the new demand-led approach is likely to destabilise the provider base in the LSS. This fear, though, is not universal and independent training providers have embraced the idea of a more open market-place, although their enthusiasm is tempered by a realisation that there will need to be interventions to protect disadvantaged learners (Hoyle 2007). Moreover, since completing our interviews, there have been press reports of colleges collaborating with large private training providers, such as Carter and Carter, to tender for *Train to Gain* contracts (Kingston 2007).

Currently, demand-led is focused on *Train to Gain* with the emphasis on meeting ‘employer needs’, and this has been strengthened in the recent Government response to the Leitch Report (DIUS 2007). Neither we, nor anyone we interviewed, were convinced about how this approach would mean individual learner needs being better addressed than at present. The newly announced Skills Accounts, an idea

taken from the Leitch Review, are narrowly focused on providing access to advice and guidance to motivate individuals to ‘gain skills and achieve qualifications, enter work and progress in employment’ (DIUS 2007:10). This does not encompass the very wide range of adult learning opportunities envisaged in New Labour’s original lifelong learning vision outlined in *The Learning Age* (DfEE 1998), nor would it help many of the learners we interviewed as part of this project whose needs and reasons for learning were more wide-ranging (Hodgson *et al.* 2007c).

All of this suggests the problem of abstract policy concepts taken directly from the Government’s public sector reform agenda and being applied to the LSS. The only point on which many commentators (as well as our interviewees) appeared to agree was that the imposition of a fully demand-led system will cause considerable turbulence and rapid change or even destruction of parts of FE (Klein 2007).

The balance between national, regional and local governance

Another related area of disagreement is the extent to which the structural changes to the LSC have made it more locally and regionally responsive or simply more effective at carrying out national government priorities. Our research suggests that it is the national/regional relationship that forms the equilibrium of the ‘new’ LSC and this nexus is very much focused on driving change from above while operating with a rather selective definition of ‘trust’ in relation to those below, as this comment illustrates: ‘So those providers which are seen to be delivering against government objectives and LSC criteria are left alone a lot more and where they’re delivering to performance targets’. (UA14)

There is no doubt that the Government’s declared intention, as part of its public sector reform agenda, is to devolve more power to the local level (see DCLG 2006;

PMSU 2007; Burnham 2007). This, nevertheless, remains a relatively subordinate policy discourse and currently does not have a strong presence within the LSS.

A subtext of many of the interviews with policy actors is the search for a new set of arrangements that might combine the following - slower and less hyperactive national policy-making; broader and less prescriptive targets with greater room for local discretion; and more area-based and collaborative decision-making within the context of a more devolved governance system. These messages resonated with the recent review of local government (Lyons 2007a) that called for 'a new partnership between central and local government...based on changes in behaviours from all tiers of government to achieve ...a shared ambition for the future.' (Lyons 2007b)

How much this policy intention will play out on the ground in the LSS is still unclear and, in any case, as both our interviewees and recent research in the area (Grainger *et al.* 2007; Steer and Lakey 2007) point out, the local authority level is probably not the right layer of governance for all aspects of the LSS, given the small size of some unitary authorities and the complex journey-to-learn patterns in large metropolitan areas. What appears to be needed in the future is a more finely attuned balance of regional and local governance within a supportive national policy framework as part of a drive for greater democratisation (Lawson 2005).

Challenges to government policy assumptions

Many of our interviewees accepted broad policy aims, but they also raised issues that appear to challenge prevailing policy assumptions in the top-down market model. Three stand out. First, where does education and training end and leisure or social service begin? This is a major problem for the LSS that has finite resources and

needs to prioritise which type of learning it can fund and which should properly be funded by other government departments. It is not an academic question, it has real practical implications for what type of learning opportunities post-16 providers can offer learners, especially when it is a case of slow progress, as measured by qualification levels, and learning which is not deemed to lead to 'economically valuable skills' (Leitch 2006:2) or that is difficult to measure using current qualifications. Ministers and DfES officials were seen as making hard and fast judgements on whether or not certain types of learning (and by implication certain types of learners) could be funded through education budgets, leaving the LSC to sort out some sort of 'protection' for disadvantaged learners. Many of the policy actors and practitioners we interviewed, however, advocated a much wider concept of learning, were concerned about the loss of a broad adult curriculum and felt that funding should be directed towards it. In this they are supported by research into the wider benefits of adult learning which does not simply lead to the 'economically valuable skills' that appear to be the only type of learning opportunities that will be publicly funded in the future (e.g. Gorard 2007, Schuller *et al.* 2004).

A second, related issue is how the qualifications system can be reformed to meet the needs of the 21st century. The development of the QCF is seen by many as a step in the right direction (see Hodgson *et al.* 2006) because it invites local flexibility within a national framework that could be used creatively by different 'social partners' – learners, employers, trade unions and education and training providers – to promote lifelong learning. However, the continuing insistence on a divided 14-19 qualifications system with GCSEs and A Levels on one side and Diplomas, other vocational qualifications and apprenticeships on the other, seems to disrupt these possibilities and is viewed as fundamentally unhelpful by many policy-makers and the vast majority of practitioners and researchers. Moreover, it is interesting that while some politically high-profile qualifications developments, such as the Diplomas, are

carried through at a pace that risks the quality of the final product (HoC 2007a), the less prestigious qualifications reforms – the Foundation Learning Tier and the QCF – which promise to make a considerable difference to the quality of learning for adult learners and all those below Level 2, proceed at snail's pace.

The third and possibly the most intractable issue, which affects both the supply and the demand for learning in England, is the lack of the type of social partnership arrangements that exist in other European and Nordic countries to underpin the relationships between employers, learners, trade unions, the education and training system and the government. The various initiatives designed to involve unions and employers (e.g. *Union Learning Fund* and *National Skills Academies*) were seen by our interviewees as valuable. However, as several argued, without a fully functioning social partnership framework with policy mechanisms such as 'licences to practise', sector levies, and tax concessions for employers, there is a limit to how much the reform of policy structures and initiatives can do to meet the challenging targets for workforce development set by the government itself.

In the latter section of this paper we have gone further than our interviewees by suggesting the necessity of a 'devolved social partnership system', which is not simply nationally based but also includes opportunities for real power-sharing and decision-making at regional and local levels. This concept of a 'devolved social partnership system'^{ix} would take the LSS away from the realm of central planning or central imposition towards a system based on agreements between social partners at different levels of governance. Such a system could provide fora for the kind of discussions between policy makers and practitioners that many of our interviewees craved and that recognise the valuable role that professional knowledge, experience and expertise can play in the LSS. Unlike the current concept of 'demand-led', this system would not be ideologically imposed from above, but pragmatically explored

from below within a governance framework that emphasised deliberation, reflection, subsidiarity, inter-dependence and collaborative learning relationships. David Blunkett's original vision of a lifelong learning system deserves no less.

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Notes

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ⁱⁱ The term 'FE system' was first coined in the FE White Paper (2006) and, in our view, has been used to signal a new and possibly a third phase of the LSS based on a partially planned approach to education up to 19, including the 14-19 phase, and a market-based sector post-19 in which FE institutions play a leading role.

ⁱⁱⁱ The term 'policy actors' is used in this paper to denote a wide range of individuals working at different levels of the LSS who are involved in policy-making and/or the implementation of policy at international, national, regional and local levels. Our data include: 52 interviews with LSC staff at national, regional and local levels, 27 with officials in national Ministries and agencies; 5 with staff based in and around the European Commission; 47 with other national, regional or local bodies. We are very grateful to all of the participants, both for the time they have given to the research (in many cases agreeing to be interviewed twice, attending project seminars and providing feedback on our work) and for the quality of their insights and reflections.

^{iv} For a more detailed discussion of this topic see Coffield *et al.* (2008), Chapter 6.

^v The codes used throughout this report to attribute quotations from policy interviews, while protecting the identity of individuals, begin with letters U-Z. U indicates LSC staff, at national, regional or local level; V is used for staff in the inspectorate and other arms-length agencies; W for national government officials, mostly those employed in the DfES at the time of interview; X for staff in learning partnerships and Regional Development Agencies; Y for European officials; and Z for officials of other national, regional and local organisations.

^{vi} The position in London is somewhat different because the funding of adult skills is overseen by a Skills and Employment Board chaired by the Mayor of London.

^{vii} As we were researching for this article, yet another change was announced with the UK Commission for Employment and Skills replacing the SSDA and the National Employment Panel in 2008.

^{viii} Currently 150 employers, mainly large companies and government departments, have signed the Pledge. This covers 1.7m employees (DIUS 2007).

^{ix} See Coffield *et al.* (2008), particularly Chapter 8, for a more detailed discussion of this concept.