

# Public value and learning and skills



Rebecca Fauth



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### Aims of The Work Foundation project

Building on existing academic and policy work around public value, The Work Foundation's project aims to help policymakers, public managers and institutions understand the concept of public value and see how it can be applied in practice.

Public value addresses many of the contemporary concerns facing public managers. These include problems of securing legitimacy for decision making, resource allocation and measuring service outcomes. This research project draws together different strands of the current debate around public value, clarifies its elements and seeks to further understanding of this topical and important conceptual innovation in public service delivery.

The project's objectives are to:

- provide a clear definition of public value
- provide public managers with a set of guiding principles that orient institutions to the creation of public value
- use sector and case studies to illustrate how organisations might understand where gaps occur in achieving public value
- clarify the components and processes of public value in order to facilitate its future capture and measurement.

#### **Sponsors**

The project is sponsored by the following organisations:

- BBC
- The Capita Group plc
- Department for Culture, Media and Sport
- Home Office
- London Borough of Lewisham
- Metropolitan Police
- The NHS Institute for Innovation and Improvement (formerly the NHS Modernisation Agency)
- OfCOM
- Quality and Improvement Agency (formerly the Learning and Skills Development Agency)
- Royal Opera House.

#### **About this report**

This sector paper is one of several reports in this series that examine how public value has been adopted by various sectors like local government, policing, skills, broadcasting, arts and culture, and health. These sectors are most relevant to our sponsor group. Please note that the views represented in this report are those of the author and may not necessarily represent those of the project's sponsors.

### 1. What is public value?

Public value is an emerging framework for public management and service reform. In contrast to traditional public administration in which public managers were responsible for meeting service targets set by politicians (eg a top-down, bureaucratic approach) and new public management (a more market-driven approach to public service provision that aimed to reduce the reach of the government), public value aims to put the 'public' back in public services by placing citizens at the heart of service reform.

Broadly, a public value approach captures institutional responsiveness to the refined preferences of the public. It offers a framework for organisations to assess the contribution they make to society that goes beyond efficiency and productivity targets.

Building on the work of Mark Moore<sup>1</sup> and the Prime Minister's Strategy Unit<sup>2</sup>, The Work Foundation's conception of public value focuses on whether organisations produce high-quality services that promote and maintain public trust, deliver on four qualities – universality, equity/fairness, accountability and transparency – and advance relevant outcomes beyond efficiency and productivity (determined in part by what the public views as important endpoints). Thus conceived, public value is both the outcomes and the processes of deliberating with the public.

Public value is produced via a dynamic process of authorisation, creation and measurement. Authorisation focuses on how organisations define and engage with their public, and how they establish legitimacy for their actions from the full range of stakeholders. The 'authorising environment' comprises the key agents responsible for strategising, planning, making choices and managing public expectations via democratic processes. Creation highlights the objectives and strategic goals of an organisation. In a public value framework, these objectives and strategic goals should be decided in a framework of collaboration and should lead to relevant outputs. Finally, measurement assesses how well organisations meet their outcome targets and whether the chosen assessment practices actually promote or inhibit public value. Each of these overarching processes is discussed in more detail below in direct relation to the learning and skills sector.

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<sup>1</sup> Moore M H, *Creating Public Value: Strategic management in government*, Cambridge, MA, Harvard University Press, 1995

<sup>2</sup> Kelly G, Muers S and Mulgan G, *Creating Public Value: An analytical framework for public service reform*, London, Strategy Unit, Cabinet Office, 2002. Available from: [http://www.strategy.gov.uk/downloads/files/public\\_value2.pdf](http://www.strategy.gov.uk/downloads/files/public_value2.pdf)

## 2. Background to the learning and skills sector

### 2.1 What is the learning and skills sector?

The learning and skills sector delivers funding and provision to a variety of post-16 education and training bodies, including those based in:

- further education (FE)
- work-based learning (WBL)
- adult and community learning (ACL).

FE provision can be classified broadly as 'preparation for work' and includes:

- academic and vocational training for 16-19 year olds
- vocational education and training for adults seeking employment
- workforce development for employers and employees
- basic literacy and numeracy skills improvement
- second-chance general education for adults
- higher education.

Instruction in these areas is under the purview of some 4,000 FE colleges, independent providers, sixth-form colleges and school sixth forms. This paper will not concentrate on sixth-form colleges or school sixth forms as the primary focus is on basic skills, vocational and general education, and workforce development.

WBL offers accredited learning in the classroom and workplace. For example, pre-employment via entry to employment (E2E) for 16-18 year olds not participating in post-16 learning, and employer training pilots (ETP), which offer short learning experiences at work – largely designed by employers themselves – aimed at rounding out the skills of workers so businesses can thrive. FE colleges, independent providers and employers offer these services.

Finally, ACL delivers lifelong, often unaccredited, learning to adults via FE colleges and local education authorities (LEAs) as a means of getting adults interested in learning. These courses often focus on individuals' interests including social, recreational and self-development interests, and often incorporate a community-specific element to them.

Thus, the learning and skills sector links up learning to benefit individuals, employers and communities. In a sense, the sector provides every kind of learning that the school and university system does not, and thus involves a large segment of the UK population.

### 2.2 Who participates in the learning and skills sector?

In Table 1 on the next page, data on attendance and the background of learners in FE, WBL and ACL is provided from the 2004-05 academic year.

**Table 1: Background characteristics of learners in 2004-05 (in 000s)**

	FE	WBL	ACL
<b>Sex</b>			
Female	2,487.4	237.7	705.9
Male	1,667.9	298.2	216.8
<b>Age</b>			
Under 19	699.2	369.3	26.9
19-24	508.4	163.6	44.9
25+	2,947.9	3.0	850.9
<b>Race/ethnicity</b>			
Asian	262.9	14.6	37.9
Black	205.1	11.9	21.9
Chinese	23.5	0.4	4.2
Mixed	56.0	6.5	6.5
White	3,316.7	493.0	762.7

*Source: Learning and Skills Council, 2005*

As Table 1 shows, females primarily use FE and ACL services relative to males. FE caters to learners across the age spectrum, while WBL caters to younger learners and ACL, adult learners. While whites dominate the racial/ethnic make-up of the learning and skills sector, people from black and minority ethnic (BME) backgrounds disproportionately use FE services relative to the UK demographic landscape. That is, while around 12 per cent of FE users are Asian or black, only 4 per cent of the general population aged over 16 are Asian or black. This is an important point to remember when considering the sector's place in the UK's educational landscape.

### **2.3 Brief history of the learning and skills sector**

Vocational training in the UK got its start with the rise of the Industrial Revolution at the end of the eighteenth century. Mechanical and technical institutes began cropping up as a means of helping workers improve their basic skills and acquire new knowledge. Right from their inception, FE colleges established their role as the places for 'second-chance' learning and skill enhancement.

Fast-forwarding to the end of the twentieth century, training and enterprise councils (TECs) and national training organisations (NTOs), both employer-led bodies, established themselves to assess sector training needs. Also around this time, the 1992 Further and Higher Education Act freed FE colleges from local education authority control. Accountability was thus moved without any clear strategic vision from the local authorities to national directorates.

Post-1992, FE colleges were required to become entrepreneurs, aiming to acquire as much of the 'learner' market as possible. Given the broad demographic of the FE learner market, colleges were facing difficulties establishing themselves as independent entities. The Further Education Funding Council (FEFC) was created to ease some of the burden from FE colleges via localised funding and auditing (through Ofsted). The FEFC's creation of funding incentives enabled FE colleges to become adept at chasing funding without streamlining their offering to local needs.

Alongside these FE college-level changes, the University for Industry (Ufi), the New Deal packages and the Skills and New Deal Task Forces were created to assess employers' skills needs, as well as to review skills gaps in the UK more generally. In 2000, the Learning and Skills Act eradicated TECs and the FEFC in favour of the Learning and Skills Council (LSC). The LSC was given the task of planning and funding the UK's skills training under the guidance of the Department for Education and Skills (DfES). In addition to the national body, 47 local LSCs were also created to allow for more localised planning. Completing this transition, NTOs were replaced by sector skills councils (SSCs) and the Sector Skills Development Agency (SSDA) in 2001. SSCs give responsibility to employers to provide leadership for strategic action that meets their sector's skills and business needs.

This very brief history sets the stage for the remainder of this report, where the current role and purpose of the learning and skills sector is detailed more explicitly.

### **2.4 Major developments in the learning and skills sector**

Since the LSC's inception in 2000, there have been eight landmark publications focusing on it. Box 1 on the next page summarises key points from each publication. Knowledge of each will help set the stage for the remainder of the report.

As Box 1 shows, a number of new plans and formulas have been devised to help the sector become more strategic, forward thinking and targeted in its mission. Yet, most of these strategies focus on what better education and training can do for employers, rather than on what they can do for individual learners.

The public value approach encourages critical thinking about key components of the sector with an eye towards more 'people-centric' management. To this end, putting the learning and skills sector to the public value test might be valuable on a number of levels. It will help to assess the sector's accountability structures, the role of the public (ie both learners and employers) in decision making, alignment between objectives and actions, and the utility of targets and measurement structures, among other issues.

### **Box 1: Eight landmark publications**

#### ***Success for All (2002)***

- Response to concerns about the post-16 education sector
- Change programme designed to improve quality and responsiveness across the learning and skills sector
- Aims to give FE and training its proper place in the UK educational system
- Focus on learners, employers and providers in delivering reforms
- Four main themes:
  - meeting needs and improving choice
  - putting teaching, training and learning at the heart of the sector
  - developing the leaders, teachers, trainers and support staff of the future
  - developing a framework for quality and success (eg New Measures for Success)

#### ***21st Century Skills (2002) and Skills: Getting on in business, getting on at work (2005)***

- Created the Skills Alliance to bring together key partners interested in skills and productivity to tackle weaknesses in supply and demand for training
- Major skills gaps include:
  - basic skills (ie literacy, numeracy, use of IT)
  - intermediate skills at apprenticeship
  - technician, higher craft, associate professional level
  - maths
  - management and leadership
- Work with employers and employees to provide greater choice and control over training, improved training for management and leadership, and business support services
- Target individual learners to create funding for adults without Level 2 qualifications, increase support for higher level skills, pilot new adult learning grant, safeguard ACL provision, provide better information, advice and guidance, and help adults gain ICT skills
- Establish national employer training pilots (NETPs), SSCs, centres of vocational excellence (CoVEs) and skills academies to give employers choice over the design and delivery of employee training at national, regional and local level
- Goals:
  - 90 per cent participation at age 17
  - 50 per cent of 18-30 year olds benefit from HE
  - 75 per cent completing apprenticeships
  - 2.25million adults with functional basic skills competence and 3million with first full Level 2

Cont...

### **Agenda for Change (2004)**

- LSC's programme of change to transform FE by delivering on *Success for All*, the Skills Strategy (see above) and 14-19 reforms
- Comprises six key areas of work:
  - meet skills needs for employers by creating nationwide network of colleges, developing a quality mark for colleges and NETPs
  - build a sector committed to quality by developing a culture of self-improvement, advancing the importance of quality improvement, creating effective measures of success, and developing skills and motivation among college and LSC workforces
  - ensure funding methods align with priorities by linking funding to college plans and simplifying FE funding
  - improve data-collection process by creating a consistent set of data definitions collected by one 'data partner', creating individual records of learning, and making coherent links between data and funding
  - help colleges become better businesses by introducing new benchmarking and value for money measures, continuing capital expenditure and encouraging collective procurement
  - secure colleges' reputations by promoting examples of best practice, developing a marketing and communications strategy, promoting equality of access and undertaking regular research

### **14-19 Education and Skills (2005)**

- Sets out long-term change in learning provision for 14-19 year olds
- New accountability framework designed to ensure that:
  - functional skills are prioritised
  - institutions encourage young people to progress as soon as they are able
  - institutions create a culture of staying on until 19 years of age and achievement of worthwhile qualifications
  - young people's achievements are recognised
  - all institutions work toward these goals
- Steps in the process:
  - establish a strong foundation at Key Stage 3 (11-14 education)
  - establish a strong core at 14-19
  - create a new system of specialised diplomas
  - strengthen GCSEs and A levels
  - engage all young people by creating a system focused on their needs
  - establish an accountability framework that supports and encourages the development of young people

Cont...

### ***The Foster Review (2005)***

- Summary and advice on key challenges and opportunities facing FE colleges
- Imperatives for colleges and college corporations:
  - improve employability and supply economically valuable skills
  - strive for long-term, continuous improvement while addressing failing provision
  - improve offer to employees
  - promote activities locally
  - set up comprehensive management information systems
- Imperatives for the LSC:
  - transform planning, funding and accountability systems to align with vision (see below)
  - work with HE and FE to develop clear learner pathways to enable progression to higher levels
- The government and DfES:
  - articulate core role for FE colleges in supplying economically valuable skills
  - expedite plans to reform the quality assurance process
  - lead a review of reputation
  - set the vision for FE in the context of a wide educational strategy to be translated through the LSC, and locally by colleges and other partners
  - develop a clear and targeted workforce development plan

### ***Leitch Review of Skills (2005)***

- Purpose is to identify the optimal skills mix in 2020 to maximise economic growth, productivity and social justice, and to consider policy implications of achieving necessary changes
- UK skills profile has improved in recent years, but:
  - over a third of adults do not have a basic qualification (eg Level 2)
  - 5million have no qualifications at all
  - one in six does not meet criteria for basic skills
- UK employers invest a significant amount of money in training, but:
  - training is most likely to be focused on the most highly qualified employees
  - training tends to provide employees with skills that are position-specific and not easily transferable
- Adults least likely to participate in learning are those facing multiple barriers to participation

Cont...

***Further Education: Raising skills, improving life chances (2006)***

- Recognition that FE is the main lever to deliver and develop skills to sustain an advanced competitive economy, but that there are many weaknesses in the sector
- FE should have an economic mission at the heart of its role
- Key objectives include:
  - every FE provider should develop specialist areas
  - providers should engage in better networking
  - greater focus on 19-25 year olds obtaining Level 3 qualifications
  - greater attention paid to meeting employers' needs
- Changes to the sector:
  - establishment of the QIA
  - CPD requirements for providers
  - mandatory leadership qualifications for principals
  - failing providers subject to improvement notices
  - DfES designated the strategic leader for the sector
  - LSC in charge of planning and funding

### 3. Authorisation in the learning and skills sector – who decides what?

Authorisation is the first of three key spokes of the public value cycle and focuses on 'who decides what?' Implicit in this question is the idea that the 'who' is comprised of 'authorising agents', both formal and informal, and the 'what' is the overall product and provision delivered by the sector. The public value approach goes beyond identifying the 'who' and 'what' to consider how the various authorising agents legitimise their core assumptions and aims, whether the public is engaged in the process and, in the end, if public preferences and policies are aligned. The following section thus reviews institutions of formal and informal authorisation, processes of accountability and the role of the public in the learning and skills sector.

#### **3.1 The authorising environment: Who is accountable to whom?**

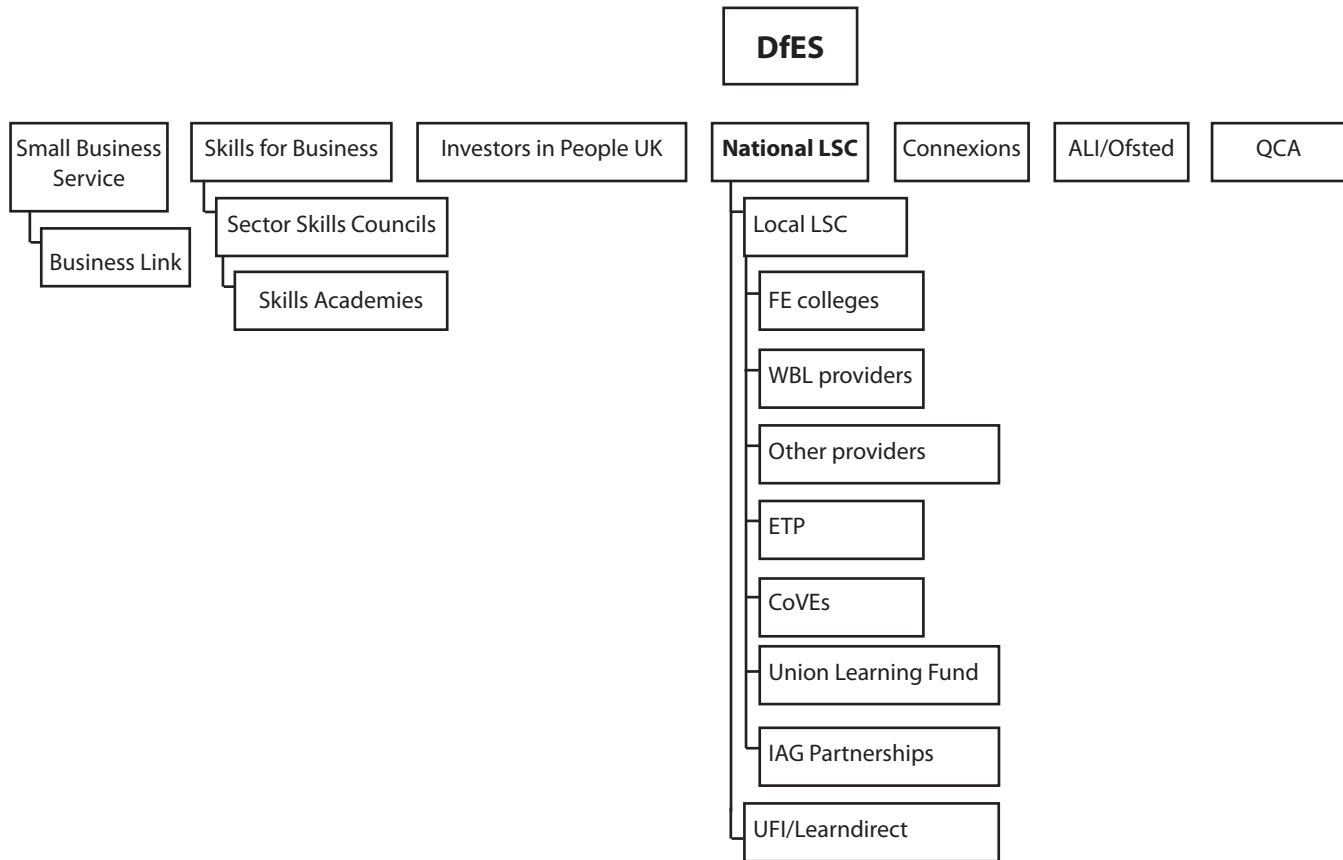
The full authorising environment for the learning and skills sector is a complicated system of networks that seems to be almost constantly in flux. At centre stage is the Department for Education and Skills (DfES), the main government body delivering policies to improve opportunities for all. The original plan behind the creation in 2000 of the national Learning and Skills Council (LSC) was for the DfES to provide funds for the national LSC, which would then be funnelled to the 47 local LSCs that are each responsible for allocating resources for specific learning and skills provision. The national and regional LSC bodies would together plan area provision using a range of local providers.

In addition to the overarching DfES-LSC link, there are many other non-departmental public bodies (NDPB) and private providers that comprise the learning and skills sector's authorising environment. Figure 1 on the next page presents an organisational chart detailing the primary departments and agencies involved in delivering learning and skills, and Box 2 on page 15 summarises the roles of Learning and Skills Council-funded bodies.

While many of these providers are ultimately responsible to either the DfES or LSC (or both), essentially each aspect of learning and skills provision is commissioned to a different agency, each with its own set of goals and responsibilities and accountability structure. Moreover, some of these bodies operate nationally and others locally. One gets the sense that there are far too many 'cooks' in the FE kitchen.

The LSC was established to be the overarching body co-ordinating learning and skills provision, with control over funding allocation and local strategic planning to ensure tailored area provision. In principle, this plan attempts to capitalise on the idea of creating flexible national standards that could be devolved and applied at the local level, with the national LSC as the interlocutor between the government (ie the DfES) and the locality/region. Yet, following unfavourable reports

**Figure 1: Summary of departments and agencies in the learning and skills sector**



questioning the LSC’s ability to steward workforce development, the DfES has been loath fully to give up control of the sector to the LSC, thus leaving the LSC with a primarily operations – and not necessarily strategic – function. Indeed, the 2006 FE white paper establishes the DfES as the sector’s strategic leader.

The Quality Improvement Agency (QIA) is a recent initiative, which commenced in April 2006, and a good example of complexity in the system. In the past, the DfES and LSC commissioned and contracted management improvement services, and the LSC advised colleges and organisations on quality improvement. Organisations such as ALI and Ofsted worked with the LSC to carry out provider assessments and inspections. The aim of the QIA is to formulate a single, integrated strategy incorporating a shared vision of quality, clear national priorities for improvement and strategic change, and integration and alignment of the efforts of key agencies. In actuality, the QIA will lead on developing a single, co-ordinated quality improvement strategy for the sector, advise individual organisations, and commission and fund improvement services and products.

### Box 2: Learning and Skills Council-funded bodies

- **Department for Education and Skills (DfES):** Government department established to create opportunity, release potential and achieve excellence for all
- **Learning and Skills Council (LSC):** Responsible for funding and planning high-quality vocational education and training for all to make England better skilled and more competitive
- **Local LSCs:** 47 local centres as above
- **FE colleges, WBL and other providers:** Diverse range of providers offering broad variety of vocational education and training for youths and adults aged over 16
- **Employer Training Pilot (ETP):** Funded by local LSCs to help employers identify skills shortages and deliver training programmes to help employees achieve Level 2 or basic skills qualifications
- **Centres of Vocational Excellence (CoVEs):** Funded by local LSCs to create a network of high-quality centres responsive to local, regional, sectoral and national needs that increase and strengthen employee/provider engagement, secure enhanced vocational learning opportunities for all post-16 learners and encourage collaboration among providers
- **Union Learning Fund:** Funded by local LSCs to promote activity by trade unions in support of creating a learning society
- **Information, Advice and Guidance (IAG) Partnerships:** Funded by local LSCs to co-ordinate the provision of information, advice and guidance on learning and work opportunities on a local level
- **Small Business Service:** DTI agency that aims to upskill the workforces of small businesses
- **Small Business Link:** Local operators of the above to provide information, advice and support to start, maintain and grow a business, including links to employee training
- **Skills for Business:** Network comprised of licensed sector skills councils and the Sector Skills Development Agency (SSDA) to improve skills and productivity in the UK
- **Sector Skills Councils (SSCs):** Independent, UK-wide organisations that involve employers, trade unions, professional bodies and other stakeholders in the sector to empower employers to provide leadership for strategic action to meet their sector's skills and business needs
- **Skills Academies:** Centres and sector-based networks of FE colleges, CoVEs and private training providers in line with SSCs
- **Investors in People UK:** Framework for delivering business improvement through people recognised by the LSC
- **Connexions:** Private organisation that provides information, support and advice for 13-19 year olds

Cont...

- **Adult Learning Inspectorate (ALI)/Office for Standards in Education (Ofsted):** Auditors and inspectorates who work in partnership with the LSC to inspect learning and skills providers using the Common Inspection Framework (NB: Ofsted is being enlarged to incorporate most of ALI's remit and will be called the Office for Standards in Education, Children's Services and Skills. The aim of this collaboration is to integrate services for learners more effectively)
- **Qualifications and Curriculum Authority (QCA):** Sponsored by the DfES to maintain and develop the national curriculum and associated assessments, tests and examinations and to accredit and monitor qualifications in colleges and at work
- **University for Industry (UFI)/learndirect:** Funded by the LSC to provide information, advice and guidance on learning and work opportunities on a national level and provide a range of flexible learning opportunities including e-learning

The inspectorates will still be involved in assessing quality (under Ofsted/the Office for Standards in Education, Children's Services and Skills), the LSC will continue to plan and fund provision (given providers meet minimum quality criteria) and the DfES will remain the overseer of the whole process. In theory, the development of the QIA is a move in the right direction with a nationwide improvement strategy and a one-stop shop for quality improvement. Moreover, according to preliminary plans, the new quality improvement strategy should allow for greater creativity on the part of teachers and providers as well as promote self-assessment methods, giving providers and frontline staff greater voice and autonomy in the quality process.

Yet, the establishment of the QIA (an additional NDPB in the sector) is another change to the sector's authorising environment that has the potential to add a further layer of bureaucracy and accountability. While its establishment was in part a response to Foster's contention that FE is overregulated and complex, it is not clear whether the QIA is a 'repackaging' of the same brand. A further consideration is whether or not the members of the authorising environment have ensured that all stakeholders are aware of the new changes? Do providers have an opportunity to ask questions or raise their concerns – particularly providers that have performed poorly in the past?

Accountability is also an issue locally. As the key authorising agent at the local level, the local LSCs, each led by a local committee and an executive director, are responsible for identifying skills needs and priorities for individuals, businesses and communities in their locality, as well as drafting local workforce development strategies in concert with local authorities and regional development agencies

(RDAs), among other players. All of this work needs to occur in line with the national learning and skills objectives. There is evidence to suggest that local LSCs are not performing their role as effectively as they could. According to the CBI's Employment Trends survey, just 61 per cent of employers have had contact with their local LSC and 31 per cent received useful information as a result of this contact.<sup>3</sup> From the point of view of actual learning and skills providers, they are accountable to all of the bodies summarised above, yet none of the bodies appears to be accountable to one another. Furthermore, the role of the providers with their local LSCs varies: some members of the governing boards of local providers see themselves as strategic partners with their local LSC, while others see themselves as 'branch managers' reporting to their superiors.

Partnerships between colleges and employers are also inconsistent. According to data from the 2004 LSC National Employers Skills survey, only 15 per cent of employers make use of FE college provision for their training and skills needs. Learning brokerage is being promoted in the sector as a means of bridging this provider-employer gap by setting in motion a chain of activities to provide an entry point to learning and skills provision, and better match learners with providers (based on employers' needs). Indeed, the 2006 FE white paper highlights plans to extend brokerage services via the Train to Gain programme. In the brokerage process, more effort is still needed at the level of employers and providers to become effective strategic partners. Additionally, there are complaints that there is not a lot of transparency in the brokerage process and that brokers are often unaware of the broad range of services individual colleges provide. In the past, it seemed FE was often apportioned blame in disjointed partnerships between providers and employers. A better approach would be to determine what an ideal partnership between both bodies would look like and to strategise how best to make this happen.

With all the changes in the sector that seem to occur on a regular basis, local LSCs and providers are left with great responsibility to implement quickly and effectively new strategies. Indeed, recent research with college principals and staff (down to lecturer level) at six post-16 learning and skills sector organisations revealed that effective leadership at the college level is crucial, particularly in light of all of the rapid-fire changes that occur at the level of the government.<sup>4</sup> Going further, staff members prefer a blended and balanced leadership such that their leaders promote both hierarchical structure and teamwork, work both formally and informally with their staff, and work for both the external and internal communities.

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<sup>3</sup> Statistic available at:

[http://www.cbi.org.uk/ndbs/cbi\\_bss.nsf/0/73c4d4a048d8a258802570ec004c1e05?OpenDocument](http://www.cbi.org.uk/ndbs/cbi_bss.nsf/0/73c4d4a048d8a258802570ec004c1e05?OpenDocument)

<sup>4</sup> Collinson M and Collinson Professor D, 'Blended Leadership: Employee perspectives on effective leadership in the UK FE sector', *Leadership for the Learning and Skills Sector Working Paper Series*, Lancaster, Centre for Excellence in Leadership, 2005

However, principals and other senior managers often adopt the hierarchical, formal and internally focused style due to the demanding audit cycle, inspection process and target-setting procedures they must adhere to.

### **3.2 Processes of accountability**

Armed with a better understanding of the key members of the learning and skills sector's complicated and intricate authorising environment, we can now turn our attention to processes of accountability. Discussing accountability with the learning and skills sector is quite difficult because there are many steps between providers on the one hand and the DfES on the other. In its response to the Foster review<sup>5</sup>, the National Institute of Adult Continuing Education (NIACE) makes the point that the 'positive features' of FE, including its social and economic purposes, the good links with local communities, the adaptiveness to national and local demand, committed staff and positive feedback from learners are aspects of the offering that are under the control of colleges.<sup>6</sup> Yet, many of the 'concerning features', notably burdensome regulatory and accountability structures, underdeveloped capital resources, fragmented qualifications arrangements and concern over funding are in the domain of governmental departments and bodies. The following section reviews some of these accountability structures with an eye towards public value.

The key system of checks and balances in the learning and skills sector follows from the new QIA. This incorporates two complementary streams: a national quality improvement strategy and the inspection cycles.

The QIA's quality improvement strategy is based on two main aims, which are set out in Box 3 overleaf.

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<sup>5</sup> Foster Sir A, *Realising the Potential: A review of the future role of further education colleges*, London, DfES, 2005. Available at: <http://www.dfes.gov.uk/furthereducation/index.cfm?fuseaction=content.view&CategoryID=20&ContentID=18>

<sup>6</sup> National Institute of Adult Continuing Education, 2005. Available at: <http://www.niace.org.uk/Organisation/advocacy/DfES/Foster-Review.htm>

### **Box 3: Main aims of the QIA's quality improvement strategy**

- Assist providers to be fully responsive to the needs of learners and employers, and commit to continuous improvement and excellence
- Ensure that the national agencies involved in quality improvement establish a coherent operational framework that will more effectively support the sector's own self-improvement by aligning their activities, sharing information and reducing duplicated contact with providers

The aims are targeted at achieving three key outcomes:

- eradication of poor provision with a shift towards excellence
- enhanced capacity to respond to priorities for strategic change
- an embedded culture of self-improvement as the basis for progress towards greater self-regulation

The inspectorates, notably ALI and Ofsted, are largely responsible for assessing the quality of provision in the learning and skills sector. Providers' actions are assessed on a four-year cycle against the Common Inspection Framework focusing on:

- learners' achievements and standards
- quality of education and training
- leadership and management
- social inclusion.

Providers are assessed annually and are given grades in each key area on a four-point scale where one is 'outstanding' and four 'inadequate'. Where provision is inadequate, the inspectorates assess the provider's plan with college leaders and begin monitoring inspections to determine progress.

Although necessary, the current system is often unduly inefficient and burdensome to providers. For example, the LSC collects data of interest to the inspectorates. However, the LSC-driven data are not always in the format needed by the inspectorates and/or are collected off the timing of the inspection cycle. Thus, ALI/Ofsted must re-collect essentially the same data in a more usable format. There are also inconsistencies between ALI and Ofsted data sources. The two inspectorates capture race/ethnicity – one of the key variables of interest – differently. In other cases, data are collected that are not widely used, including information on college staff.

Interestingly, research conducted by York Consulting and MORI for the DfES revealed that of 5,492 frontline staff in the learning and skills sector, only 8 per cent reported that they knew a great deal about the *Success for All* strategy. Thirty-seven per cent of respondents had only heard of the strategy (but knew nothing

about it) or were unaware of its existence. Thus, we have a large proportion of key staff promoting initiatives that they do not understand. It is likely that the learners themselves are even less aware than staff about key strategic shifts in the sector.

While the creation of the QIA, discussed previously, should minimise some of these inconsistencies (eg the creation of a more user-driven assessment system), the providers frequently have to use a large proportion of their staff to meet the needs of the inspectorates.

Thus, there is a tension between needing information for inspection purposes, particularly for colleges performing at the floor, and maximising staff availability to provide learning. In addition to the inspections, colleges are subject to a series of audits focusing primarily on finances and funding. FE leaders feel greater pressure from the government from rigorous targets, funding and budget controls and audits, and feel as if their autonomy is compromised. This is particularly true in a sector where swift and radical changes are commonplace. One principal noted:

'The government want changes yesterday. Instead of a two-year plan we need a ten-year plan. The government changes the aims annually. These changes are imposed on us. They don't just move the goalposts, they move the pitch!'<sup>7</sup>

The governance and accountability structures in the learning and skills sector are thus quite complex and often disjointed. This is not wholly the fault of the authorising environment as the key agents in the sector have been given the responsibility of planning, funding, organising and inspecting a huge range of provision – possibly more than should be in their control. It is seemingly difficult to come up with one strategy and a streamlined process when in one local area learners' needs, abilities and circumstances could range from an affluent, retired woman who wishes to take a leisure course to a single mother of three receiving welfare benefits who left school at 16. This diversity is apparent at both national and local levels. Recent changes are geared towards simplifying systems and should provide more coherence and transparency in the sector. If the learning and skills sector is going to remain as one large sector, then more effort is needed from the top and bottom to raise awareness of the importance of the sector for communities and the nation at large. Exploration of models from other countries where similar provision is more widely recognised and respected as a viable and equally valuable alternative to university education should help in this endeavour.

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<sup>7</sup> Collinson M and Collinson Professor D, 'The Nature of Leadership: Leadership challenges', *Leadership for the Learning and Skills Sector Working Paper Series*, Lancaster, Centre for Excellence in Leadership, 2005

### **3.3 Voice and choice in the learning and skills sector**

This section considers the status of the learner in the sector. By and large, the learning and skills sector caters to adults (25 years and older) who discontinued their learning at an earlier age and who are seeking basic skills qualifications, so called second-chance learning, and skills for work. This group of learners are disproportionately from BME backgrounds and of low socio-economic status (SES), and often face a host of barriers to learning including economic, social and emotional factors such as family constraints, lack of qualifications, anxiety about returning to the classroom, lack of knowledge about local learning opportunities and funding and current employment. This is the very population that has the quietest voice in society. Thus, planning a sector that focuses almost entirely on their needs (often quite specific needs) is exceedingly difficult. There is not going to be the same level of public interest as there is in FE's more prosperous counterpart, HE, even though the rationale for government intervention is arguably stronger for FE than for HE.

In attempting to keep the sector functioning and trying to improve its performance, it is easy to focus solely on policy, target setting and assessment without systematically engaging in bottom-up programme planning. In every new paper or initiative there is rhetoric about making the sector better driven by learners' needs. For example, the 2006 FE white paper focuses explicitly on reforms to make access to achieving Level 3 qualifications an entitlement for learners aged 25 or younger. Yet as seen in Table 1, adults aged over 25 years characterise the majority of FE users. The narrow focus on younger learners and top-down decision making is certainly not in line with the public value approach. There is also increased interest in providing WBL. Yet it is crucial that workers employed in those companies that are not particularly interested in employee training needs are not left behind.

Finally, with the push towards greater provider self-regulation, learners should be a key feature in the self-assessment and quality improvement process. Learner involvement would promote transparency and trust in the sector. More sector-wide effort should be put into piloting innovative, consumer-focused initiatives that promote users' voices across all age and demographic backgrounds.

A second, related point about gauging learners' perceptions has to do with choice. Choosing whether or not to use particular services based on past experiences or perceptions of the services is an indirect, albeit powerful, way of holding organisations to account. In the context of education, choice is a contentious topic that evokes thoughts of racial and economic segregation due in part to the ability of more affluent students to vote with their feet and travel their way out of a bad system. This is generally not an option for their lower-SES counterparts whose economic and familial obligations often prohibit them from commuting

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anywhere outside of the area serviced by their local FE college or provider. Thus, while FE is a universal service, it is not necessarily equitable because learners have little authority to choose their providers and colleges with mediocre or poor-quality provision are still allowed to function. While a solid education can be one of the most powerful forms of social and economic mobility, it can also be quite prohibitive.

### 4. Creating public value

Creation is the second of the three spokes in the public value cycle, directly following from authorisation. This section focuses more critically on what the sector is promoting. The eight key policy initiatives reviewed in Box 1 serve as the background for this section.

Creating public value goes beyond strategising to consider the value (if any) each strategy promotes, whether there is continuity across the sector or if the promotion of one value thwarts another. A related but distinct aspect of creating public value is resource allocation and whether funding is in line with the goals and aims of the learning and skills sector. This section addresses these topics.

#### **4.1 What value does the learning and skills sector provide?**

Several consistent themes emerge when reading the eight key documents. These themes focus on improving the quality of provision, providing better work-based training and preparing the workforce for the future. The 2006 FE white paper attempts to hone in further on the UK skills agenda, particularly in terms of keeping young people engaged in education and ensuring adults have the necessary skills for employment. This agenda is still rather broad and does not necessarily lend itself to specialisation. There is not, as Foster mentions, an overarching strategy or mission. The basic guiding principle is 'if you receive LSC funding, you are part of the sector'.

While the sector does provide different types of value (and has the potential to create even more) it is often not articulated as such. Indeed, there is little pertaining to 'value' that can be explicitly drawn from the key documents. Instead, the word 'initiative' comes to mind. Moreover, the exact nature and dose of value created is often provider-specific and thus does not span the sector as a whole. A further difficulty in articulating a clear strategy for the sector is the simple fact that by and large the learning and skills sector caters to the bottom end of the future labour force – a group that often remains at the fringe of the collective consciousness. This section articulates the different kinds of value the learning and skills sector supports, and offers examples of how this value is borne out through the work of various providers. It is important to keep in mind that this summary of value is inferred, not explicated, from publicly available material.

##### **4.1.1 Economic value**

The creation of economic value is at the core of the learning and skills sector. Indeed, this is the main focus of the policy initiatives. The sector does this at several levels. First, economic value is produced when learners gain qualifications that make them more employable, particularly for learners without a basic skills qualification. Second, when the skills needs of employers are met, organisations are more productive and efficient. Third, the sector promotes economic value by employing a large workforce at various skill levels.

### **Box 4: Promoting economic value at Leicester College**

In response to concerns that training does not meet employers' needs, Leicester College developed its own unique commercial operation, S4B (Skills for Business), to deliver an employer training pilot (ETP). This offers a one-stop shop for employers to access training with funding to Level 2. Its role is to manage initial meetings with the LSC and employers, co-ordinate the college's response in curriculum areas, and establish and maintain systems to monitor performance, invoice for funding and report back to the LSC.

The college received £75,000 pump-priming funding from the local LSC to develop the infrastructure for the service, which was based on an earlier proposal in the college's workforce development strategy. It now employs five training consultants who act as account managers for the ETP and all other employer-focused provision. They have relationships with specific curriculum areas or sector specialisms, and work closely with their respective curriculum area or across relevant areas in the case of those with sector specialisms. This enables curriculum staff to focus on delivering provision and on ensuring that the provision is tailored to employers' needs.

The college is looking to deliver to around 1,200 learners and an income of around £1million in 2004-05, and is the largest ETP provider in the area. The college delivers training to employers when and where they want it, including during the night and at weekends, and its work through S4B has been cited in the Institute of Directors and LSC handbook *Skills: Transforming Business*<sup>8</sup> and in other publications.

There are several programmes in the sector that support this value, including: ETPs, SSCs, sector skills agreements, skills academies, skills for life (literacy, language and numeracy training), CoVEs and apprenticeships. Each of these programmes highlights the need for partnership between training providers and employers and training employees to qualification level.

The example in Box 4 illustrates the promotion of economic value via an ETP programme. The programme teaches to the qualification level, offers personalised training for area employers and features flexible class times (eg at nights and weekends), which overcomes a significant barrier to learning.

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<sup>8</sup> Institute of Directors and the Learning and Skills Council, *Skills: Transforming Business*, London, IoD/LSC, 2004

### **4.1.2 Personal value**

Personal value incorporates the intrinsic benefit learners derive from education, as well as the other favourable impacts of education such as improving learners' sense of achievement, motivation, even their physical and mental health (eg through enhancing self-esteem) and family relationships. In its most effective form, education and learning can serve to create opportunity and release potential for individual learners.

All three forms of learning and skills provision – FE, WBL and ACL – have the potential to promote personal value. The Centre for Research on the Wider Benefits of Learning at the Institute of Education has explored links between education and non-academic outcomes using both quantitative and qualitative data sources.<sup>9</sup> By and large, their work suggests that the benefits of learning are especially apparent among second-chance learners – those who failed in the system before and are currently studying basic skills. Outcomes explored in these studies included health<sup>10</sup>, mental health (depression)<sup>11</sup>, and self-esteem and self-efficacy<sup>12</sup>.

### **4.1.3 Social justice and social inclusion**

Related to personal value, the learning and skills sector also has the potential to reduce social exclusion, educational inequality and intergenerational disadvantage. Realising the potential of the sector to contribute to these social justice-oriented initiatives is not to place responsibility on the learning and skills sector to single-handedly solve the inequities – often structured around race and class – in the UK. Instead, the learning and skills sector's offering should be seen as part of a comprehensive package of support targeted at segments of the population that have disproportionately performed under their potential. As such, the sector should be a strategic partner with welfare-to-work agencies, housing authorities, local education authorities and other providers of social services. As mentioned previously, upcoming changes to the sector suggest that the focus will be on 14–25 year olds. Is the sector sending a message that older learners are

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<sup>9</sup> <http://www.learningbenefits.net>

<sup>10</sup> Feinstein L, Hammond C, Woods L, Preston J and Bynner J, *The Contribution of Adult Learning to Health and Social Capital*, Wider Benefits of Learning Research Report, No 8, London, Centre for Research on the Wider Benefits of Learning, Institute of Education, 2003

<sup>11</sup> Feinstein L, *Quantitative Estimates of the Social Benefits of Learning, 2: Health (depression and obesity)*, Wider Benefits of Learning Research Report, No 6, London, Centre for Research on the Wider Benefits of Learning, Institute of Education, 2002

<sup>12</sup> Preston J and Hammond C, *The Wider Benefits of Further Education: Practitioner views*, Wider Benefits of Learning Research Report, No 1, London, Centre for Research on the Wider Benefits of Learning, Institute of Education, 2002

not worth the investment? A recent report from NIACE suggests that participation among older learners is markedly lower than a decade ago.<sup>13</sup> From the perspective of social inclusion, the sector needs to do more to promote learning among older adults.

Learning and skills provision for offender rehabilitation is one example of the sector's contribution to social justice and social inclusion. The goal of working with offenders is not only to improve training and job-readiness skills, but also to reduce recidivism. Thus, the focus of such programmes is on motivating offenders to learn, achieve and progress, creating and sustaining partnerships and collaboration, and supporting offenders' transitions as both offenders and learners.

#### **4.1.4 Community value**

In communities, learning and skills providers are frequently seen as key generators of community value. First, providers contribute to community-level cohesion in a number of ways by:

- bringing together community members who would otherwise not associate with one another
- encouraging collaboration and partnership between various community members
- engaging with local industry (eg WBL).

Second, educating members of the community with little or no qualifications provides aggregate (ie communal) economic benefits in terms of employability. Third, providers frequently tailor their provision to the particular needs of their communities both directly (eg targeting courses at local skills needs) and indirectly (eg offering courses on local leadership and community involvement). Finally, the physical buildings under the control of providers can be used for community meetings and clubs.

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<sup>13</sup> Aldridge F and Tuckett A, *Green Shoots? The NIACE survey on adult participation in learning*, London, NIACE, 2006

### **Box 5: Promoting community value at Tower Hamlets College**

Tower Hamlets College in East London hosts five programmes under their Community and Business Development: Partnerships Work offering. The Live and Learn (LAL) programme works with adults who have not previously engaged in learning by funding and supporting community groups designed to meet the needs of hard-to-reach learners and entice them onto mainstream courses. Franchising partnerships work with local voluntary, community and non-profit organisations to initiate opportunities for community members by extending the reach of the college. Workforce development/ Profit from Learning focuses on partnerships with local employers to offer Skills for Life and Level 2 qualifications for adults 19 years and older. Community development work training offers accredited training at all levels for people interested in becoming community development workers. Finally, youth work training provides accredited training for youth workers to enable them to deliver quality services to young people.

#### **4.1.5 Global value**

The potential value offered by the learning and skills sector extends beyond individual or community borders. In providing training and education to move more of the population towards a Level 2 qualification, the sector contributes to the UK's productivity and economy. The aim here is not to push full alignment between the needs of the UK economy and the actions of providers in the learning and skills sector, especially if fulfilling global needs comes at a cost to the individual or the community. However, in the authorising environment a coherent strategy should be developed that balances the needs – aligned or disjointed – of the nation as a whole and the individual communities it comprises.

The example in Box 6 on the next page describes a CoVE between Barnfield and Bedford Colleges that demonstrates the creation of value at a number of different levels.

### **Box 6: Promoting value via the Barnfield and Bedford College CoVE**

Alongside rising costs and demand for housing, construction of houses in the UK fell in the early 2000s – particularly construction of social housing for less economically able families. The Barnfield and Bedford College CoVE responded to this basic human need by offering foundation-, craft- and technician-level provision in all facets of construction (ie bricklaying, carpentry, electrical work, plumbing and painting). For younger learners, construction-related courses are offered for 14-16 year olds. Environmentally and socially responsible construction techniques, including timber-frame building and solar heating, are highlighted and the CoVE partners with nearly 100 local employers.<sup>14</sup>

If the learning and skills sector is effectively to create the values summarised above, then it is crucial that an overarching mission is devised from the top by the DfES. While one could argue that the eight key documents are the overarching mission, one could also argue, as Foster does, that these are 'too many initiatives without intellectual clarity and coherence'.<sup>15</sup> The mission should help to focus the sector, yet still permit the diversity and flexibility that allow provision to be individualised. In creating this overarching mission, the learning and skills sector needs more recognition of its successes and the social value it provides. This would help to alleviate the stigma of vocational education (in relation to academic-oriented education), which builds on divides of culture and class. That is, while services provided by the sector are not necessarily used universally, the benefits of learning and skills provision can certainly benefit the UK universally.

### **4.2 Resource allocation and public value**

The funding chains in the learning and skills sector broadly follow the organisation of the authorising environment described previously. The DfES funds the national LSC, which then filters funding to the local LSCs that are responsible for funding providers. Providers are funded based on the size of their adult population, with weightings for disadvantage and area-related costs. This section on resource allocation focuses more closely on how learners pay for their provision and what the funding streams can tell us about the sector's implicit goals.

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<sup>14</sup> Martin S, Martin M, Cohen J and Aitken L, *Contributing to Sustainable Development: Centres of Vocational Excellence*, London, LSDA, 2004. Available from: <https://www.lsda.org.uk/cims/order.aspx?code=041695&src=XOWEB>

<sup>15</sup> Foster Sir A, *Realising the Potential: A review of the future role of further education colleges*, London, DfES, 2005

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The services provided by the sector are universal, but funding provision is not. Funding is more or less in line with key sectoral aims: increase the post-16 participation rate from 75 per cent to 90 per cent, 2.25million adults achieve functional literacy, language and numeracy skills and over 3million adults achieve their first full Level 2 qualification by 2015. As such, the government fully funds the Skills for Life provision for adults (language, literacy, numeracy), all 14-19 education (Level 2 or 3), the Level 2 entitlement (L2E; for adults who have not previously gained a full Level 2 qualification) including NETP provision and Level 3 provision for adults without a full Level 2 who have the skills to move right to the next level. Adults in receipt of certain public benefits, including Job-Seekers Allowance, Income Support, Housing/Council Tax Benefit or Working Tax Credit among others, receive means-tested support for learning and skills. Part-time attendance for full Level 2 is permitted, and in rare circumstances adults with partial achievement towards their first full Level 2 are given remuneration for further achievement. Additional funding for learners includes a free one-to-one information and advice session for low-skilled adults (via Ufl/learndirect, local providers or employers if ETP), learner support funds to help with supplemental learning costs (eg registration and exam fees), career development loans, which provide deferred repayment bank loans, and adult learning grants, which is a means-tested weekly grant for those studying full-time for first full Level 2 qualifications.

Thus, much of the provision of the learning and skills sector is not fully subsidised by the government. Adults pursuing further education beyond Skills for Life or their first full Level 2 generally have to bear 27.5 per cent of the costs affiliated with their learning. Up to 40 per cent of ACL learning (soon to be personal and community development learning – PCDL) is the responsibility of learners. These are the very types of learning that may engage hard-to-reach learners as well as provide some of the ‘values’ outlined in the previous section. The sector is also planning for more fee income. By 2007, learners pursuing non-priority courses in colleges will be required to pay 37.5 per cent of costs, which will eventually be capped at 50 per cent. The increase in fee income has implications beyond adults’ pursuit of leisure courses. For example, lower-income adults who do not receive means-tested support may be unable to take a non-accredited course as a means of entry into the system. Or, an adult who has four GCSEs and is seeking a fifth for Level 2 qualification may be denied funding in favour of an adult with no prior GCSEs in pursuit of the same qualification. In a sense, the funding system prohibits an incremental or part-time learning system.

Of course, providers have some autonomy regarding their set-fee levels. If their LSC funding is decreased, then they will be left with the option of either cutting back on provision or charging learners higher fees. Providers frequently

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experience a shortfall because they feel obliged to support financially learners who fall out of means-tested categories, but who are unable to pay for their own provision. Moreover, many learners are unaware of their entitlement. Research conducted by MORI using a random sample of UK adults revealed that 59 per cent of adults were unaware that the government funds (fully or in part) FE provision, and of those aware of the current funding mechanism, 61 per cent were unaware what proportion of fees were paid for by the government. Lack of affordability was the main barrier to accessing courses mentioned by learners in the same sample. Thus, there appears to be some major gaps in information sharing and dissemination regarding funding to learners, indicating a need for providers to implement a system with which to better identify learners who are eligible for fee remission.

Further, as Foster explains, FE colleges are often receptacles for the learning and skills policy flavour of the day and required to tailor their offering based on where the money lies. Foster advocates coherent skills needs and gap assessments – down to the local level – that are publicly available. While current funding streams do target skills gaps to some extent, it is clear that these discussions are not made in consultation with the public, nor are thoroughly disseminated. Employers should be required to invest more in current and potential employees' skills to unload some of the burden from FE colleges in cases where the public purse runs dry.

The learning and skills sector creates many different forms and levels of value. At a national level, economic and global value is likely to be prioritised above and beyond personal and community value. Indeed, these other types of value are often left out of the FE debate at the government level. The primary value the sector provides is dictated at least in part by the funding system. While funding has become more aligned with the sector's skills goals, there are still gaps and some potential learners are left behind.

### 5. Measuring public value: Balancing regulation with less tangible outcomes

The following section more closely explores measurement of public value in the learning and skills sector. First, the top-down, government-mandated measurement and inspection system is described with reference to the value it provides and a focus on the measures of success currently in development. The limitations of target setting are also discussed. Alternative measures of success and new methods of engaging with the public are then suggested as ways of promoting public value.

#### 5.1 Measures of success

Traditionally, the government-mandated measures used in the learning and skills sector would answer the question of how much economic and global value the sector provides. The main source of top-down measurement was that carried out by the inspectorates and described previously.

Following from *Success for All*, the Common Inspection Framework (CIF) created and used by the inspectorates is framed around a developing national system of measures of success for LSC-funded providers. The DfES, LSC, Ofsted and ALI have all been working in partnership to create and pilot this new set of measures that allow for comparability across the sector (given the diversity of provision), accommodate different starting points for learners, and potentially avoid creating perverse incentives for providers. The planned body of measures assesses:

- learner success – retention and achievement of qualifications
- value added and distance travelled – account for differences in prior attainment
- learner satisfaction
- learner destinations – including long-term benefits of learning
- staff capability
- provider responsiveness to employers and learners
- recognising and reporting progress and achievement in non-accredited learning
- value for money – at both macro/sector and micro/provider levels
- workforce quality measures.

These measures incorporate more traditional assessments of efficiency, as well as personalised assessments of effectiveness in terms of learner satisfaction and learner destinations. The plan is for movement towards greater self-assessment and self-regulation of providers. The new self-assessment/inspection system is outlined as follows:

- All providers must agree a three-year development plan with their local LSCs
- Providers must complete annual self-assessment reports to evaluate progress implementing development/action plans and effectiveness in improving quality

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- Providers make self-assessment reports available on a provider-quality gateway web portal on an annual basis – only LSCs and inspectorates have access to the full range of self-assessment reports
- LSCs conduct annual planning reviews using providers' self-assessment reports:
  - providers demonstrating effective risk management and good quality experiences have the option of less intensive annual planning reviews from LSCs
  - for providers demonstrating poor-quality provision or lack of progress towards achievement, LSCs offer options for support and intervention
  - providers producing imprecise self-assessments are recommended to the QIA for support in revising their self-assessment
- LSC and inspectorates continue to share information
  - more effort to align the timing of LSC reviews and inspections
- Providers' self-assessments are key documents for inspectorates
- Providers' ability to demonstrate self-improvement is a key criterion for inspectorates
  - providers with inadequate provision in any area will be re-inspected within two years
- QIA to disseminate good practice and innovation.

In contrast to the current system, then, the new system incorporates relative (versus absolute) measures of success, learners' perceptions of their experiences in the sector and providers' ability to respond adequately to learners. When fully developed, the new measures of success should allow for learners' voices to ring through more clearly and allow assessment of more diverse forms of value as previously described. The move towards greater self-evaluation on behalf of providers should allow them to showcase the good work that they do in a manner to fit their purpose, including a greater focus on teaching and learning, which is at the heart of the learning and skills sector.

The move towards self-assessment precedes a move towards greater trust between the government bodies and providers on the one hand, and between different staff within providers on the other. To make this vision a reality, there is pressure on the QIA (as the national body overseeing quality and inspection) to set the proper tone. That is, a good self-assessment requires the ability to be self-critical and thus acknowledge strengths and weaknesses in equal command. Self-criticism in an environment of solidarity with the aim of maximising improvement is quite different from self-criticism in a punitive or competitive environment where providers are vying for scarce resources. Self-assessment should incorporate all those who contribute to the offer, allowing for more voice on the part of lower-level staff, learners and community stakeholders.

### **5.2 Measuring success or meeting targets?**

While appropriate use of success measures has the potential to tell a detailed and interesting story about the variety of provision in the learning and skills sector, it is important to note that LSC funding is contingent on these measures. In the simplest terms, providers that meet targets will continue to receive funding, potentially creating a perverse system of incentives. It is crucial that the measurement system does not encourage providers to centralise their efforts in getting learners through the door and offering them provision that is not geared towards learners' specific needs just to meet targets. Furthermore, meeting targets may go against providers' abilities to widen participation and remain inclusive of the variety of learners with their communities. Potential learners most in need of provision may also be the least likely to succeed according to measurement guidelines.

This discussion naturally leads to the question of whether or not current summative measures of learners' performance and achievement promote public value. Learners without past successful experiences in school may opt for accredited learning because they identify this type of learning with failure. These considerations need to be taken into account as new measures of success are developed and validated. For example, practical tests taken in the field (versus standardised, computer-based tests) would seem to go along with the sector's aims of increasing skills for work. Teachers and learners should have a say in the choice and construction of assessment measures to ensure buy-in at all levels. Individual learning plans (ILP) with personal targets, one-to-one meetings with teachers, self-evaluation metrics and establishing a student mentor/mentee system are other means of incorporating learners' views and voice in the measurement procedure. Furthermore, better assessment of how aggregate learning within a provider affects local skills needs should be completed more systematically.

### **5.3 Measuring alternative forms of success**

Measurement that promotes public value needs to assess the progress the learning and skills sector has made towards providing personal value, social justice, inclusion and community value. These types of value are less tangible and are not part of typical measurement frameworks. Relative to improved qualifications and skills, outcomes such as improved mental health or community cohesion may be secondary, but are nonetheless important and factor into learners' long-term success. There is a host of studies that have explored some of these less tangible, bottom-up measures using data from a variety of sources, including the National Learner Satisfaction Survey, the National Child Development Study and the British Household Panel Survey. More inquiry is needed at a national level on the types of outcomes that matter most to learners

both in the short and long term. While their first priority is likely to be obtaining consistent employment, their second- or third-tier priorities might be social mobility, improved parenting skills or staving off the intergenerational transfer of poverty. Going further, longitudinal studies that track learners' progress inside and outside of the sector over time could provide valuable information on what types of provision are most effective and for whom. These types of measures and study designs coupled with measures of success would offer a more complete picture of the value the sector provides to its users and the wider public.

### **Box 7: Measurement that promotes public value**

Learners in an entry to employment (E2E) programme at one provider work with their instructors to complete an initial assessment summary (IAS) to identify key aspects of the learner's position at entry into the programme including: achievements, qualifications and prior experience; language, literacy and numeracy; career preferences and suitability; interests and hobbies; learning difficulties and other support needs; preferred learning style; personal and social skills; health; personal circumstances and other relevant information. The IAS then forms the basis for target setting and monitoring. Learners are required to keep weekly learning logs and activity plans where they write down what actions they need to do to achieve their agreed targets. Learners' progress is monitored using these documents every four weeks to ensure they have met these small-steps targets. Learners who surpass their targets can be awarded their E2E passport earlier than anticipated and progress on the fast track into employment.

### **Box 8: Measurement that destroys public value**

'I have a vice-principal whose main duty is to prepare for inspections, and another teacher who spends four days out of five collecting data for quality assurance, and therefore only teaches the equivalent of one day a week. That is two people away from where they should be, supporting students and teachers. Yet quality comes from teachers in classrooms. We bought some software called Pro-Achieve, used by many colleges. Ours is a cheap version, but big colleges spend tens of thousands of pounds a year on it. It collects internal data, and you also have to buy interface software to check it with LSC data. There is a different bit of software from Ofsted for self-assessment, which is the basis for inspection. I have received from LSC a planning toolkit, which they want me to deal with by Friday.' Principal of Bede College, Middlesbrough, quoted in the *Guardian*.<sup>16</sup>

<sup>16</sup> Beckett F, 'Another Go at Duplication', *Guardian*, 21 February 2006

### 5.4 Improving engagement with the public

The learning and skills sector is very thorough at setting targets and establishing intricate measurement systems to assess targets at regular intervals. Yet the sector could do more to incorporate learners' voices in target setting. This is not to say that if learners do not like a particular assessment, then the assessment should be done away with all together. Rather, engaging more systematically with learners as experts in their own right would help to create a measurement and assessment system that is fit for the government's and learners' purposes.

For example, providers vary in their use of students as advisers on their governing bodies. Colleges should be required to host student councils and appoint learners from various disciplines to serve as representatives on their governing boards. Indeed, learner representation could go beyond the college level to local, regional or even national representation. What is suggested here are formal arrangements where learner representatives or caucuses are appointed by election. This would bring learners' voices, perspectives and diversity to the forefront of sector-wide decision making. As a supplement, regular newsletters could be distributed to learners to keep them apprised of new developments in the sector as well as to gauge their opinions via editorials and the like.

#### **Box 9: Learner-focused measurement at Leicester College**

Although targets (linked to funding) are very top-down, the college recognises the heterogeneity of the public it is there to serve – learners and potential learners, the corporation, staff, employers, local faith and community groups – and seeks to understand what the public deems to be valuable. Different mechanisms capture responses from different groups including:

- recording and monitoring of complaints (talkback forms)
- student satisfaction surveys
- student course representatives
- staff satisfaction surveys
- performance review meetings with the LSC.

The public's views directly inform the college's direction. For example, focus groups inform marketing activities, for example the development of the prospectus and the student handbook. The college also conducts profile research to determine public awareness of the college and its services. The college has regular contact with employers in addition to commissioning formal surveys to inform curriculum development and delivery.

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Alongside these efforts, research teams comprised of learners, administrators and researchers would be formulated to design and distribute surveys to fellow learners in the sector. These questionnaires would be instrumental in initiating a regular learner feedback system. Surveys would be personalised for institutions to best represent the diverse populations comprising the sector. In some cases, qualitative methods may be more useful than surveys and would be implemented instead. Learners would also play a major role in the analysis and dissemination of results, including co-ordinating with research teams at other organisations to compare and contrast bottom-line findings. Depending on results, providers would set up teams to address major issues or gaps in provision.

The learning and skills sector hosts a sophisticated measurement scheme to monitor providers' and learners' progress against a range of targets. With the implementation of measures of success and the move towards greater self-assessment, the sector's measurement system will provide relative, unbiased information regarding performance. Greater incorporation of non-achievement related outcomes would benefit the sector and give providers more credit for the varied work that they do to improve learners' wellbeing. Indeed, improved metrics could potentially boost the standing of the learning and skills sector as a whole. There is room for more student-led representation at provider and higher levels to acknowledge learners as informed members of the sector.

### Conclusion

The learning and skills sector serves a crucial purpose in the UK policy landscape. Talk of lagging productivity is common in policy circles and beyond. The sector's diverse offering can play a role in addressing this problem, particularly in terms of getting unemployed citizens or citizens at the lower end of the labour force prepared for stable employment. Yet the sector remains largely in the shadows. It is often disregarded as providing poor quality provision that drains taxpayers' pockets or, even worse, the public does not regard the sector at all. In reality, however, the quality of provision varies and as a whole learners are generally satisfied and trust in the system. This report explored the sector from a public value perspective, focusing specifically on the public value dynamic of authorisation, creation and measurement.

The authorising environment of the learning and skills sector leans towards the extremely complicated and bureaucratic. While the sector repeatedly attempts to streamline, the constant shuffling and rebranding of government bodies maintains a certain level of confusion surrounding the sector. The sector might try looking at models from other countries that use more autonomous and streamlined models (eg the US, Denmark and Australia) with stronger emphases on self-regulation, learner feedback, clear progression routes and more direct employer involvement.

A key aspect of the public value approach is for the sector to engage with all of its stakeholders, including both learners and providers, when making decisions and enacting new policies. Very few of the changes to the sector seem to occur following consultation with either group. Moreover, most government officials and governing bodies have little personal experience with the sector on which to base their decisions. Since the sector caters to groups that don't often wield much power in society, the lack of consultation with the public becomes a matter of social justice and inclusion.

A further issue is the relationship between colleges and employers. Only 15 per cent of employers make use of FE services. Clearly, for FE to target the UK skills agenda there needs to be better communication between the two. Along the same lines, part of the reason employers are unsatisfied with FE provision is because colleges are forced to play catch up with unprepared learners rather than focusing on building their skills. Schools need to take some responsibility for their role in inadequate preparation of students. As it currently stands, too much responsibility falls on FE to solve the UK's skills deficit.

Going further, greater partnership between the various education sectors is needed. The current system is quite segmented. Ideally, schools, FE and HE should be viewed as pieces of a whole, with equal respect for choices made by different

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types of learners. Partnerships between the different educational sectors need to begin with early-childhood education and continue through HE. Partnerships also need to occur between the learning and skills sector and job placement agencies such as Jobcentre Plus. The goal here is to offer a fluid, comprehensive package of training and job placement to learners. A partnership of this sort would allow for more systematic longitudinal data collection on individual learners that would enable assessment of the underlying factors associated with learners who successfully acquire qualifications but who fail to maintain consistent employment. Service improvement should be based on a full understanding of learners' progress through the various sectors and systems.

As Foster clearly mentions, there is little overarching strategy or mission from the sector. One can intuit what its main strategic goals are, but they are not explicitly laid out. For example, the sector contributes several forms of 'value' to society including economic value (eg when learners gain qualifications and are able to work), personal value (eg learning can improve learners' mental health), social justice and inclusion (eg learning and skills have great potential to reduce social exclusion by training learners who would otherwise not engage in learning or work) and community value (eg the sector often tailors its provision based on local needs, which benefits the entire community). If one were to explore the funding system within FE (to gauge what the government values), we would contend that getting young learners qualifications for employability is the main goal. There is less interest in non-economic outcomes or learning for older and more disenfranchised adults.

The FE's main accountability structure is the inspection and audit system. While necessary, it is often unduly inefficient and burdensome, requiring colleges to give up a large proportion of staff to accurately complete their inspection requirements. One of the unique attributes of the public value perspective is co-production, where governing bodies, providers and consumers work together to create unique value and outcomes. In education, where discourse, active engagement and deliberation between teachers and their pupils is central to its very foundation, it is unfortunate that the sector's main focus is on meeting targets. There is movement in the sector to provider self-assessment, which is indicative of greater trust between government bodies and providers. Furthermore, the new assessment measures incorporate both 'hard' (eg learner retention rates) as well as 'soft' outcomes (eg learner satisfaction and workforce quality). It is important to note that LSC funding is entirely contingent on both of these measures. This can create perverse incentives among providers as well as punish providers who cater to the least-prepared learners. Additionally, the measurement system does little to measure how much value the sector provides

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in achieving some of the non-academic outcomes mentioned previously (eg personal value, social justice and inclusion etc).

The public value approach does not endorse public or private provision of goods and services. Rather, it endorses high-quality services that place citizens at the centre of provision. In some cases, opening some learning and skills provision up to the market has the potential to produce more public value, especially if it increases quality of provision, offers a more targeted approach, lessens bureaucracy and improves learners' choices. Certainly not all provision in the sector should become contestable, but in cases where local or regional demand for the service is high and current provision of the service is not consistently high quality, contestability in the context of collaboration may be a viable and practical option.

This paper has attempted to describe in some detail the learning and skills sector from a public value perspective. A sector dedicated to improving the skills levels of UK citizens – particularly those without the means to self-improve – certainly provides value at a number of levels. The sector would benefit from more widespread understanding and acknowledgement of its activities, as well as better use of its main constituents – learners – in strategic planning and decision making. The learning and skills sector is faced with an exceedingly difficult job and has success stories and failures alike. There is always room for improvement in an organisation or sector, and the learning and skills sector may want to structure its next series of improvements around maximising value for all current and potential learners.

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The Work Foundation  
3 Carlton House Terrace  
London  
SW1Y 5DG

Telephone: 020 7004 7100

Email: [enquiries@theworkfoundation.com](mailto:enquiries@theworkfoundation.com)

Website: [www.theworkfoundation.com](http://www.theworkfoundation.com)