

**CHANGING COLLEGES**  
**Further Education in the Market Place**

**Alan Smithers and Pamela Robinson**

THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION

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## The Council's Purpose

The Council for Industry and Higher Education is an independent body made up of heads of companies, universities and colleges. Established in 1986, its aim is to encourage industry and education to work together and represent joint thinking to government.

To meet global competition and innovate imaginatively employers need to draw on the richest possible assortment of educated and trainable talent. Emphasis on the universities' role must not overshadow the paramount need to offer a useful education to all people over 16 at different stages of their lives. The education of future 'management' and high professional roles, though critical, is a fraction of the much wider task.

Only a very varied pattern of old and new universities, local colleges and schools, can offer the full spectrum of opportunities needed. They must cater not only for 'conventional' students but for part-timers, adult and employed students, those with competing commitments and limited time, those whose employment may move them from place to place, who have poor educational preparation, who want professional updating or a broad liberal education, and whose aspirations range from higher degrees to short uncertified courses.

The remarkable role and resources of the local colleges need to be better appreciated by society at large and by employers in particular. They expect much of the colleges namely:

- to answer to the education needs if all in their community, individuals and employers, and especially to later starters and those otherwise at a disadvantage;
- to develop alternatives to present sixth-form education which give as much weight to the vocational as to the academic, to the practical as to the theoretical, and to the applied as to the pure;
- to share with employers the responsibility for encouraging people to develop and learn, (and where possible to teach), at every stage of their careers and lives.

Colleges are well-known locally where they often command great respect but better national discussion demands a clearer map of the system as a whole. This study from the Centre for Education and Employment Research at the University of Manchester describes the colleges, the people they teach, the qualifications they aim at and the sources of their funds. It points to an agenda for discussion between the colleges and employers willing to join in.

The Council hopes that employers large and small will take steps to make themselves and their needs known to their neighbouring college.

## Acknowledgements

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Although we gladly acknowledge this help, the views expressed are ours, and ours alone, and should not be attributed to any of the sponsors.

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# 1. The Challenge

- 1.1 The Council for Industry and Higher Education believes that the UK's first national priority is to become a better education society at every level, from which a flexible, adaptable and trainable workforce can in future be drawn. Not only economic growth and competitiveness depend on it; so will social stability. In future the uneducated and the less trainable will find it increasingly hard to contribute economically or socially.
- 1.2 To achieve a better educated society we must look not only to the schools and universities but also, and probably first and foremost, to the local Colleges of Further Education (see Box A). As a group, the colleges already train and educate as many 17- and 18-year-olds as do the schools, and as many over 18 as the universities (Chart 1.1). They cater for two million students a year at a cost of about £2.5 billion in public funds and are expected to expand fast until the end of the century<sup>1</sup>.

## **Box A : What and Where?**

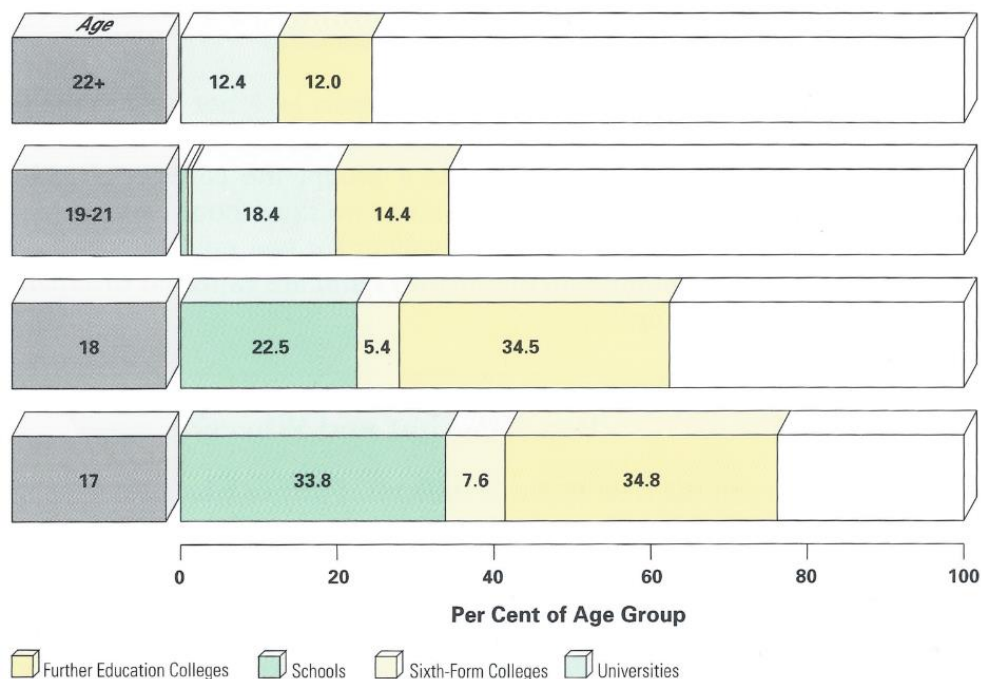
What to call the new sector is difficult. Further education, the label that has been traditionally used, is a bit of a turn-off. It is also ambiguous in both referring to a level of education and where it takes place; in fact, about three per cent of 'further education' is taught in universities and six per cent of 'higher education' in further education colleges. Our focus is the institutions. We shall therefore use the term 'The Colleges' in the hope that it will catch on as the equivalent of 'The Schools' and 'The Universities'.

The argument of this report is intended to apply to the UK, but the description and data refer mainly to England. The organisation and funding of education in the UK is devolved to the constituent countries. Further education is no exception. England and Wales have their own Further Education Funding Councils, FEFC(E) and FEFC(W). Scotland has locally-managed colleges funded through the Scottish Office. Northern Ireland has financial delegation to colleges through the Education and Library Boards. The different bodies each keep statistics in their own way and report them to their respective government departments. It is difficult at this stage therefore to aggregate the numbers meaningfully across the four countries.

- 1.3 With the aim of releasing new energies and extending their responsibility for their own futures, the government on 1 April 1993 removed the colleges from local authorities' control. They are now self-governing corporations. Like the universities, they now have their own funding council.

- 1.4 Included in the new ‘sector’ are the sixth-form colleges. These had hitherto been schools, formed from the merging of the sixth-form work in an area into single institutions. The sixth-form colleges have strong academic credentials and add to the intellectual range and variety of the new sector as a whole. They are expected to be exemplary in offering 16-year-olds a wide range of routes through which to progress to universities, employment and other professional qualifications.

**Chart 1.1: Colleges, Schools and Universities, 1992**



- 1.5 The contribution of the colleges of the new sector is more than a matter of sheer numbers. They have a special capacity and experience to meet the particular needs of the next ten years and beyond.

- **Education for All**

The colleges’ tradition, all-inclusive, rather than selective, can counter-balance the relative exclusiveness still of sixth-forms on the one hand and universities on the other. Some leading colleges already accept a mission of answering to the education needs, from the basic to advanced of *everyone* over 16 in the community.

Such a mission is highly appropriate in addressing the severe weaknesses in the UK’s educational record. Foundation education for 17- and 18-year-olds has to date acted as a sieve rather than a stepping stone. Only a small proportion of the age group (now about one in four and rising, but formerly many fewer) is picked out by

competitive, academic, examinations at the ages of 16 and 18 to go on to university<sup>2</sup>.

Rigorous selection has allowed the universities to educate undergraduates to a high standard in a short time with few drop-outs.

Selection of a minority, however, has implied the near rejection of the large majority. Many with talents vital to the economy become disillusioned by the prospects before the end of their compulsory school years; those qualified for vocational courses by academic failure inevitably have accepted them as only second best.

Given such a cultural climate, it is not surprising that two-thirds of the work-force lack vocational qualifications compared with only a quarter in the old West Germany and a third in Holland<sup>3</sup>. Moreover, employers often complain about weaknesses in basic reading, writing and calculating skills<sup>4</sup>.

- ***Developing Practical Education***

As our brief history of the colleges (Chapter 6) shows, they are rooted in employment-related education. They have been the ‘schools’ to which companies sent their young workers and apprentices every week. Alongside those studying for vocational qualifications, however, the colleges have increasingly accepted students for the General Certificate of Secondary Education (GCSE) and General Certificate of Education (GCE) A-levels. Many of the colleges therefore exemplify institutions, elsewhere little seen in the UK, where the pure and applied the academic and vocational, are equally worthy aspirations, and where students of literature and students of hairdressing can share the same canteen and exchange experiences.

- ***Continuing Education***

All know-how and knowledge is obsolescent; effective action in a competitive world implies lives of continuous learning, updating, creating and adapting new applications of knowledge. The wide spread of colleges around the country, particularly in major industrial areas, makes them convenient local partners for companies faced with large-scale re-training or rising employee demand for new opportunities to learn.

- ***Catching Up***

Late starters, people who have fallen behind for some reason, people who have become unemployed (as is increasingly likely to happen in a fast changing economy), people from other countries and others who are vulnerable, all need changes to catch up. Colleges, open to all comers, less confined than schools and standing less on their dignity than universities, can offer the right sort of encouragement.

- **Learning for Pleasure and Personal Development**

Education is about discovering a sense of meaning and purpose, and illuminating life, as well as developing employable skills. The colleges can provide opportunities for pleasurable learning and personal development not only in relation to earning a living, but in everything from aerobics to advanced degree studies.

- 1.6 It is to express the national aspiration for universal education, vocational commitment and life-long learning, that the government has adopted from the Confederation for British Industry (CBI) a set of National Education and Training Targets (Box B). In early 1993 ministers established the National Advisory Council for the Education and Training Targets (NACETT) to monitor progress and report publicly<sup>5</sup>. Taking as examples the three targets in Chart 1.2 we can see that an encouraging start was made last year but the slope of proposed future achievement is steep: meeting most targets implies rates of improvement of between two and five per cent a year.

### **Box B: National Education and Training Targets**

#### *Foundation Learning*

1. By 1997, 80 per cent of young people to reach NVQ 2 or equivalent (4 GCSEs, Grades A-C).
2. Training and education to NVQ 3 (or equivalent) available to all young people who can benefit.
3. By 2000, 50 per cent of young people to reach NVQ 3 or equivalent (2 A-levels).
4. Education and training provision to develop self-reliance, flexibility and breadth.

#### *Lifetime Learning*

1. By 1996, all employees to take part in training or development as the norm.
2. By 1996, 50 per cent of the employed workforce to be aiming for NVQs or credits towards them.
3. By 2000, 50 per cent of the employed workforce qualified to at least NVQ 3 or equivalent.
4. By 1996, 50 per cent of the medium to large organisations (200 or more employee) to qualify as Investors in People.

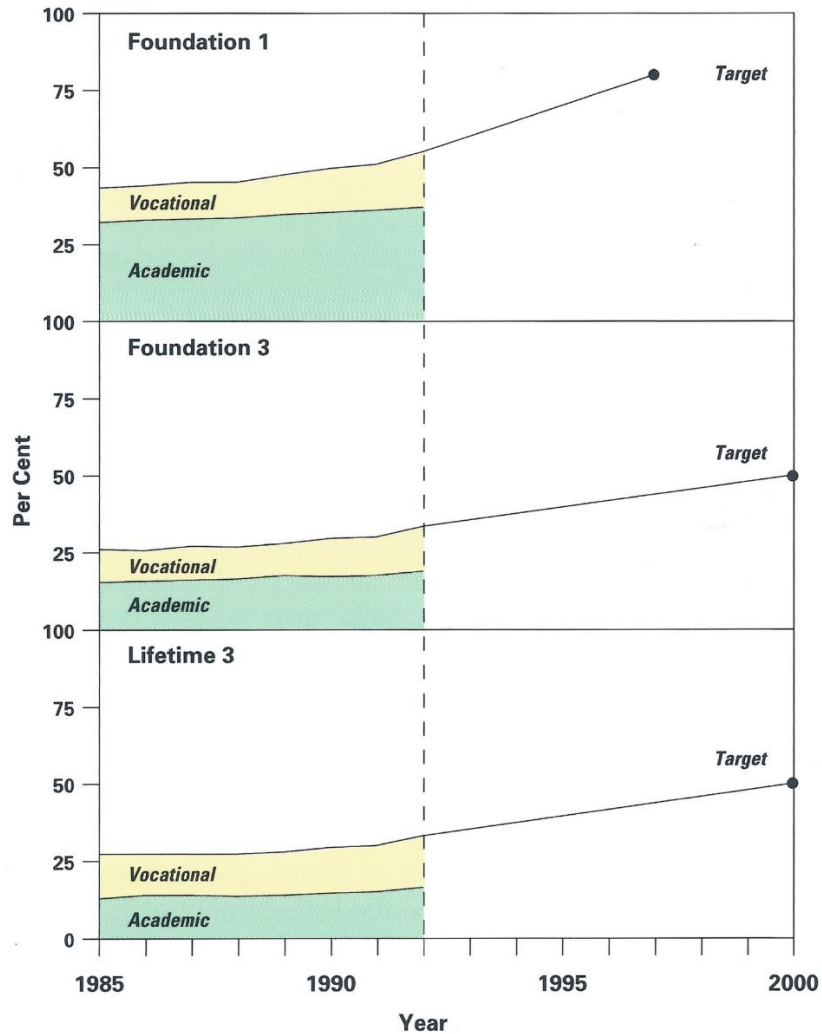
Source: As stated in *First Annual Report on National Education and Training Targets*, March 1993; targets also embrace Scottish Vocational Qualifications and Standard Grades, but these have been omitted for simplicity.

- 1.7 In the case of the ambitious ‘Lifetime Target 4’ (that by 1996 half the larger organisations should have committed themselves to helping their employees

work towards vocational qualifications) improvements of 16 per cent per annum are needed. The national ‘Investors in People’ (IiP) standard (which expresses that commitment) has been reached so far by only 90 of the 8000 target organisations which employ 200 people or more.

1.8 The improvements sought imply redressing the balance of courses sharply in favour of vocational education. At present, two-thirds of those achieving ‘Foundation Target 3’ (essentially the 18-year-old target) do so through GCE A-levels. But A-level courses are unlikely to be useful to many more than the 35 per cent of young people who now take them. (That proportion has already grown ten-fold over forty years, and failure rates are high). Future growth, therefore, both by intention and necessity, is likely to be mainly through courses leading to vocational qualifications.

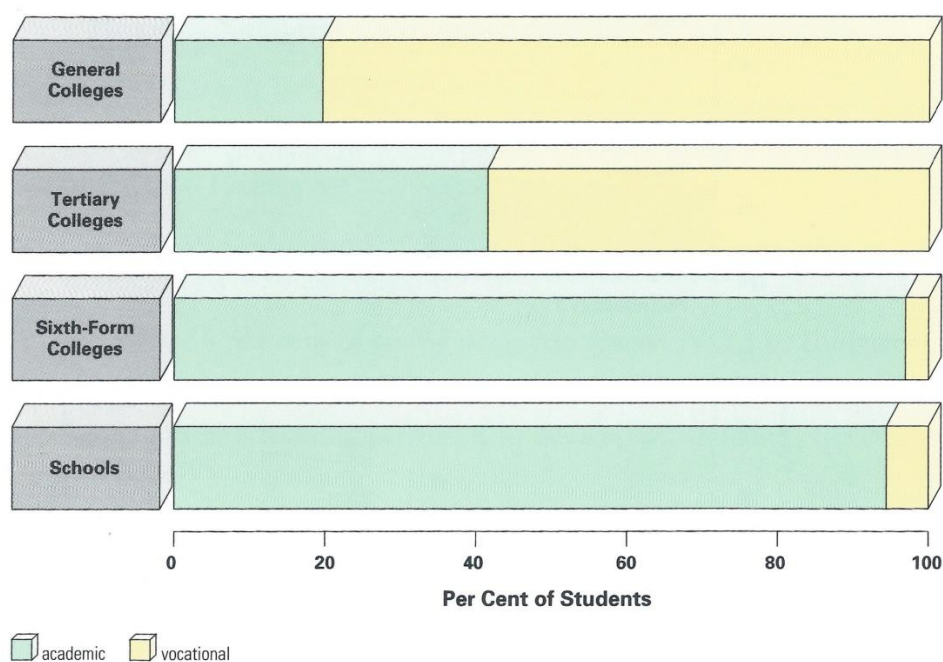
**Chart 1.2: Progress towards Targets**



Source: First Annual Report on National Education and Training Targets, March 1993.

- 1.9 Much is therefore expected of the colleges. Employment-related education is in the mainstream of their tradition, but new and as yet peripheral to most schools (Chart 1.3). Since the colleges can offer the full spectrum of opportunities for the 16 to 19-year-olds, they will have an important part to play in the development of general education for this age group. They will also share with universities the education of the over 18s, and have a special contribution to make towards achieving the lifetime targets.
- 1.10 The Council believes that the colleges, the scale and variety of their work and what must now be asked of them, are, to say the least, far from properly understood in the country at large. Nor are they understood by those in industry responsible for policy-making and for representing views on priorities for education and public spending. Without such understanding employers will be unable to decide either on policies for their own companies or on how to contribute constructively to national debate. Even for those familiar with it, statistical data have so far provided only a very sketchy picture.

**Chart 1.3: Balance of Education of 17- and 18-Year-Olds**



Source: *Statistical Bulletin 16/93*, London: DFE.

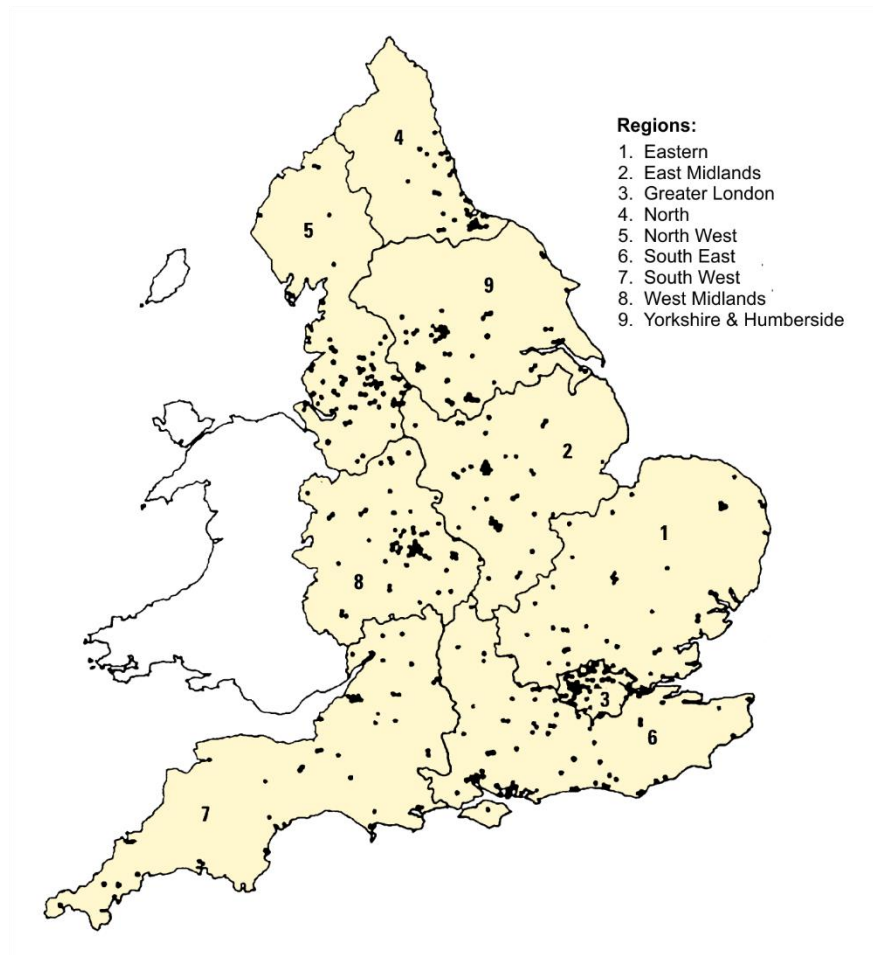
- 1.11 The Council, with the Department of Trade and Industry and Unilever, has therefore commissioned the Centre for Education and Employment Research at the University of Manchester to describe, clarify and quantify the colleges' activities and their clients. The Council has further invited the Centre to suggest what a partnership of education, government and employers can do to help colleges fulfil the high expectations now held of them.

- 1.12 The study flags issues to which employers will need to attend if the aim of partnership is to be serious. They will need:
- to learn the range of interactions possible between their own establishments and local colleges;
  - to consider how employees can be encouraged to play well-informed parts on local governing bodies and advisory committees;
  - to review their own corporate schemes to encourage employees' continuous learning;
  - to monitor the UK's progress towards a better educated population;
  - to assess where their own interests lie.
- 1.13 *Changing Colleges: Further Education in the Market Place* celebrates achievements and assesses prospects. We have supplemented national statistics by a new survey of a 20 per cent sample of colleges and detailed case studies of ten of them<sup>6</sup>. In Chapters 2-5 we describe the colleges as they were on the threshold of independence, with a chapter each on the colleges, students, courses and qualifications, and funding. In Chapter 6, as a punctuation mark, we take a brief look back to see how the colleges came to be as they were.
- 1.14 From Chapter 7 onwards we focus on the future. In that chapter we consider what meeting the challenge means for the colleges. This is again followed by a chapter on each on students, qualifications, and funding. In Chapter 11 we turn to adult education to consider the consequences of dividing the funding between the Funding Council for courses leading to recognised awards and the local authorities for the rest. In Chapter 12 we explore how employers and colleges may better share responsibility for enabling people to contribute and continue to learn in the working world however the working world turns out to be.
- 1.15 The colleges' overall aim is to serve people of all sorts and at many levels, to enable them to progress and so expand their range of choices in work and life. For many students college studies are preparation for a job. For many others they are a step to another stage of education, often professional. It is in employment-related education that the colleges' unique, and specially valuable, strength lies. Building on that strength promises a bright future.

## 2. The Colleges

- 2.1 The huge educational resource of the colleges is well distributed across the country (Chart 2.1). Most people, and most employers, are within easy reach of a college and many have a choice of several.

**Chart 2.1: Distribution in England, 1992**



Source: *Directory of Colleges, Circular 92/05*, Further Education Funding Council Unit, London : DFE.

- 2.2 The 465 colleges<sup>7</sup> are conventionally divided into six groups according to their function:

- 224 General
- 63 Tertiary (like General but usually the sole providers of education 16-19 in an area)
- 35 Agriculture and Horticulture
- 13 Art and Design and Performing Arts

- 116 Sixth-Form (transferred from the schools' sector)
- 14 'Designated institutions' (including the Workers' Education Association, adult residential colleges, nautical and other specialist colleges.)

The general and tertiary colleges together employ about 61,500 lecturing staff (47,400 full-timers and the equivalent of 14,100 full-timers as part-timers)<sup>8</sup>.

2.3 The colleges differ considerably in size (Chart 2.2). The general and tertiary colleges (where 95 per cent of all the students go) may serve as many as 26,000 people (or as few as a hundred or two), but on average they cater for the 'equivalent' of about 2500 full-time students (counting part-timers as full-timers according to a formula). That compares with student populations of between 8000 and 9000 in medium-sized universities like Bristol, Southampton or Warwick.

**Chart 2.2: Types of College**

Type <sup>1</sup>	N	Average FTEs <sup>2</sup>	Range in Enrolments	
			Full-time	Part-time
General	224	2,523	0 – 4,380	0 – 21,780
Tertiary	63	2,449	534 – 3,182	399 – 14,071
Sixth-Form	116	830	365 – 2,902	<i>negligible</i>
Agriculture/Horticulture	35	394	0 – 674	132 – 1,829
Art & Design	13	601	84 – 1,049	0 – 1,283

1. Not including 14 designated institutions.

2. Full-time equivalent students.

Sources: *Statistics of Education, Further Education, Higher Education, in Polytechnics and Colleges 1991/92*, London : DFE; *Statistics of Education Schools 1992*, London : DFE; *Statistics Bulletin Issue Number 2*, June 1993, Coventry : FEFC.

2.4 The sixth-form, agriculture and horticulture, and art and design colleges are smaller, most having fewer than 1000 full-time students and 1500 part-time students (sixth-form colleges, formerly schools, have hardly any part-timers).

### **General Colleges**

2.5 The general colleges are as varied as their histories (see Chapter 6). The college described in Box C was once the local 'tech' and was for many years geared towards training apprentices for by steel industry. It actually sits on the same site as a sixth-form college with the LEA having enforced a clear division of responsibilities. In contrast, the college described in Box F sees itself as mainly offering a second chance academic education, with a particular concern for ethnic minorities. It came to vocational education – in this case law, pharmacy, performing arts, business and computing – quite late.

### **Box C: General College**

#### ***Catchment***

Small industrial town but also serving surrounding agricultural area. Next further education college 30 miles away but sixth-form college on same site. Transport into college difficult period.

#### ***People***

Number of students on role in 1991-92, 11,169 of whom 14.0 per cent were full-time. Local 16-18 participation rate has increased from 40 to 60 per cent. Adults comprise 30 per cent of full-time students. Decline in part-time employment-related students to about 30.0 per cent of enrolments. Expansion in part-time day students partly in response to attempts to attract under-represented groups in the community, for example, from sizeable Asian population.

#### ***Courses and Qualifications***

Originally a College of Technology closely linked with local steel industry. Courses dominated by training and employment needs of the industry, with emphasis on part-time day-release. With its decline deliberate policy of broadening the range: dropped the word 'technology' from the college name; developed student guidance, counselling and support services to attract wider range of students; improved physical fabric, and catering facilities. Still predominance of vocational courses, 72.0 per cent of enrolments, with emphasis on engineering. Academic courses, mainly GCSEs and some A-levels, account for a further 22.0 per cent; with only 6.0 per cent adult non-vocational. LEA runs access, basic skills and English as second language courses. College competes with LEA by running courses at marginal cost subsidised from other activities. Keen to develop higher education franchise work since it believes it enhances the ethos. Currently has 55 full-time students on degree and diploma courses held in collaboration with local university.

#### ***Funding***

Budget for 1991-92 approximately £8 million, about 66 per cent of which was from the LEA.

### ***Tertiary Colleges***

- 2.6 The tertiary colleges are similar to the general colleges but usually are the main or sole providers of education for 16-19-year-olds in an area and, unlike the sixth-form colleges, also have a substantial involvement in the education of the over 18s. They came about as a particular response to the comprehensive re-organisation of the 1960s<sup>9</sup> when some authorities divided responsibilities between schools for education up to 16 and tertiary colleges for those of the sixth-form years and older. The first was in 1970 in Devon. Not all the tertiary colleges bear the name – some are called 'community college' or just 'college'.
- 2.7 One tertiary college is described in Box D. It offers a range of courses very like those of the general colleges: a wide choice of GCSEs and A-levels; many

### **Box D: Tertiary College**

#### ***Catchment***

Large metropolitan borough in north. Competing for students with strongly established sixth forms in the borough, and with three further education colleges nearby but outside the LEA.

#### ***People***

In 1991-92, 9,957 students enrolled; only 13.3 per cent were full-time, (some 10 per cent less than the national average) just over a quarter of whom were 17- and 18-year-olds on A-level courses. More men (51.3 per cent) than women, contrary to the national pattern. One in five students on day-release and one in 10 on short courses paid for by employers through the college's training consultancy.

#### ***Courses and Qualifications***

Originally a Mechanics Institute in nineteenth century. By 1950s had grown into a technical college geared to day-release, with as specialisms automobile engineering and, less obviously, fine art conservation. The technical college was closed as such in 1990 but re-structured and re-organised as a tertiary college. A full range of academic and vocational courses is provided (other than in building and construction), but the college still retains reputation as a centre of excellence for motor vehicle repair and engineering. Adult education is mainly the responsibility of the LEA delivered via its adult education centres but the college provides some part-time leisure courses and also foundation courses for adults. Considerable development of higher education work including higher national diplomas and certificates in business and finance and mechanical and electronic engineering, 200 students on access courses, and franchise arrangements with three universities.

#### ***Funding***

Budget in 1991-92, £7.4 million of which about three-quarters came from LEA.

vocational courses, extensive programmes of adult and continuing education and opportunities for specific groups such as the unemployed, ethnic minorities, those with special needs, and women preparing to return to work.

### ***Sixth-Form Colleges***

- 2.8 The sixth form colleges, like the tertiary colleges, owe their origins to the re-organisation of secondary education in the sixties. But they differ in catering mainly for full-time 17-year-old and 18-year-old students on academic courses, usually A-levels, moving on from comprehensive schools without sixth forms of their own. The first sixth-form college opened in Luton in 1966, and by 1993, 116 colleges at missing about a quarter of all sixth-form pupils in maintained schools had been set up in 52 LEAs. Until becoming self-governing in April 1993, the sixth-form colleges worked under local authorities to school regulations.

- 2.9 Since 1991 they have been allowed to offer vocational courses approved by the Business and Technology Education Council (BTEC) and from 1992 to join the pilot phase of the new General National Vocational Qualifications (see Chapter 9). Nonetheless they have offered a narrower range of courses to a

### **Box E: Sixth-Form College**

#### ***Catchment***

Densely populated urban area on south coast. Most students come from seven 11-16 city comprehensives, its 'feeder' schools. Strong competition from nearby large further education college and a well-established sixth form college.

#### ***People***

In 1991-92, 769 full-time students aged 16-19 on roll. Numbers have doubled in five years. A handful (about ten) of mature students on mainstream day-time courses. In addition, some 350-400 adults on a variety of vocational and non-vocational (mainly recreational) courses in the evening.

#### ***Courses and Qualifications***

College founded in 1984 as a result of re-organisation of secondary education in LEA (too many small sixth forms and difficulty of sustaining minority courses). Wide range of A-levels, 32, and 13 Advanced Supplementary courses. But lower proportion of students on two-year A-level courses (62.8 per cent) than in most sixth-form colleges. The rest take one-year courses, mainly GCSE, but also some vocational options. One-year courses (42 in all) include NVQ levels 1 and 2 in retailing and business administration. College is piloting GNVQs, level 2, in leisure and tourism, health and social care, art and design, business and manufacturing and similarly at level 3 except manufacturing (no demand, and very low take up at level 2). College provides optional programme – includes general studies as well as recreational activities, community service and work experience – which is expensive in terms of staff costs and may not survive under new funding arrangements. Future developments expected in access courses, franchising with higher education partner (college already contributes biology component of BEd science course delivered in local university), and recruitment of foreign students to increase fee income. Adult education courses may be vulnerable to take-over by larger further education college nearby.

#### ***Funding***

Budget 1991-92, £2.1 million of which 98 per cent from LEA.

more clearly defined client group than the general or tertiary colleges. Box E describes a sixth-form college on the south coast.

#### ***Other***

- 2.10 The new sector also embraces 35 agriculture and horticulture and 13 art and design colleges. Other art and design colleges merged with higher education

institutions in the 1970s, and some have become departments in the new universities. Even the 13 now in the college sector are doing university-level work (degrees and higher diploma courses) with nearly 30 per cent of their students (see Chart 4.4, page 19).

### **Box F: General College**

#### ***Catchment***

Inner-city London college in area characterised by high density housing, high unemployment, and high proportion of second generation immigrants. Only 20 per cent of students from within local authority; 50 per cent from other inner London and 30 per cent from outer boroughs.

#### ***People***

Number of students on rolled 1991-92, 8,187. Some 30 per cent of students were full-time, mainly young people in 16-23 age group. In all about one-fifth of students under 19 years of age. The great majority were adults on part-time day (37.0 per cent) and evening classes (34.0 per cent). Higher proportion of women students (60.0 per cent) than nationally. Well over half of students (about 60 per cent) from ethnic minorities speaking over 40 different languages but particularly Bengali, Arabic, Greek, Turkish. Small but growing proportion of students the refugees, particularly from Horn of Africa. Student mix makes heavy demands on the college's specialist counselling services.

#### ***Courses and Qualifications***

Strong tradition in offering general and academic courses at all levels. Vocational provision came quite late and had some difficulty in becoming established. Given law and pharmacy as its specialisms by the old Inner London Education Authority, but has developed courses in the arts – visual, performing, music, dance, drama – reflecting its London location, and also business and computing.

#### ***Funding***

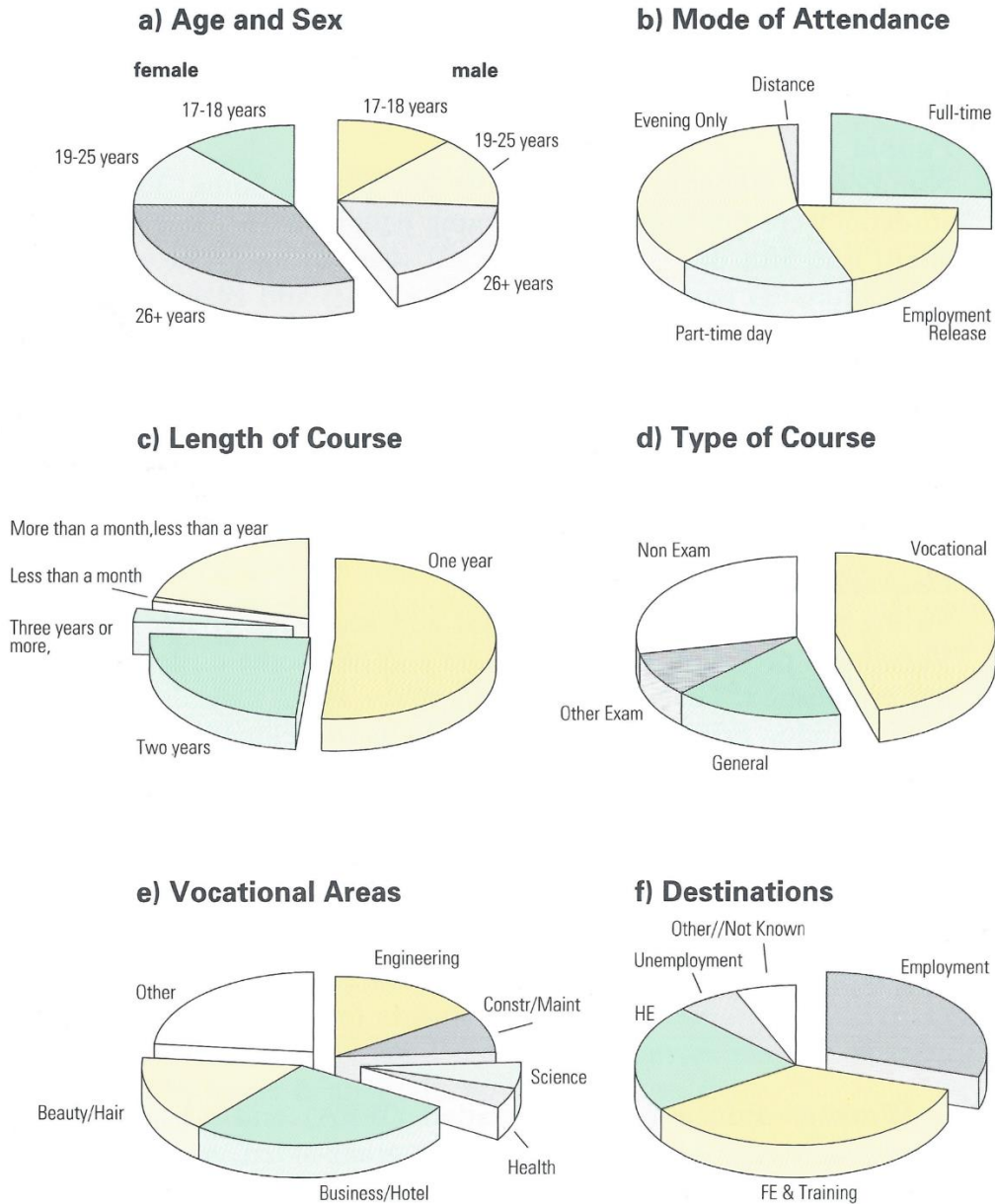
Budget for 1991-92, £7.6 million, approximately 70 per cent from LEA. Working hard to diversify funding base, particularly through European Social Fund and franchising.

- 2.11 The Workers' Educational Association (WEA) and 13 other institutions, formerly assisted by local authorities or grant-aided, are also to be funded through the new Council. They include four specialist colleges in London (for example, the Mary Ward Centre and the Working Men's College), six long-term residential colleges for adults (for example, Ruskin College and Hillcroft College) and two nautical colleges, the College of the Sea and the National Sea Training College, and also the Cordwainers College.

## 3. Students

3.1 Variety is a special strength of the college sector. Colleges can provide for as wide a range of learners as the school's and far wider than that of the universities. Different groups of people – some full-time, some part-time – use the same college premises on different occasions and for different purposes.

**Chart 3.1: College Students**



**Source:** *Statistics of Education, Further Education, Higher Education, in Polytechnics and Colleges 1991/2*, London: DFE; and Survey of Colleges.

3.2 The pattern of enrolments<sup>10</sup> in further education is set out in Chart 3.1 (based on data for 1991 when sixth-form colleges were not included). About half the students were aged 26 or over and about a quarter were of sixth-form age. More

than half overall were women (55.7 per cent), and adult women (31.4 per cent) were the biggest group. About a fifth of the students were full-time, about a fifth were on employment-release, just under a fifth were part-time day, and nearly two-fifths were evening-only, and a handful were distance-learners in the manner of the Open University.

- 3.3 Adult students are usually in a hurry for qualifications so it is perhaps no surprise that nearly three-quarters of courses should be for a year or less. (Courses of less than 29 weeks make a contribution about double what is shown in Chart 3.1 since it includes only those running on the census date, 1st November; short courses put on at other times amounts to about a further fifth, 22.0 per cent, of total enrolments).
- 3.4 Just under half of the students were taking vocational qualifications, one sixth A/AS levels or GCSE and nine per cent other examinations. The vocational courses are mainly for awards of the Business and Technology Education Council (BTEC), City and Guilds of London Institute (CGLI) and the Royal Society of Arts Examinations Board (RSA) in the fields of business studies, hotel and catering, beauty and hairdressing, engineering, construction, health and science. Of the full-time students on academic or vocational studies just under a third went into employment, just over a third continued in further education or training, and about a fifth went on to higher education.
- 3.5 About one student in three was taking a ‘non-examined’ course – one of a huge range from bereavement counselling to yoga. Such courses often attract those less used to formal training; they can build confidence and so be a stepping stone to courses leading to qualifications.

**Chart 3.2: Students by Course, 1991-2**

Course	% Male	% Full-time	% 17-18	Age % 19-25	% 26+
BTEC	59.0	61.1	48.2	38.1	13.7
CGLI	66.9	16.7	31.8	32.2	36.0
RSA	12.9	11.0	13.6	26.3	60.2
Prof Qual	33.4	22.0	15.8	30.4	53.8
A-level	41.9	46.9	36.4	39.5	24.1
GCSE	37.2	16.5	26.4	30.6	43.0
Other Exam	37.7	28.2	14.9	30.1	55.0
Non Exam	34.6	4.2	5.0	12.5	82.5

Source: *Statistics of Education, Further Education, Higher Education, in Polytechnics and Colleges 1991/2*, London: DFE.

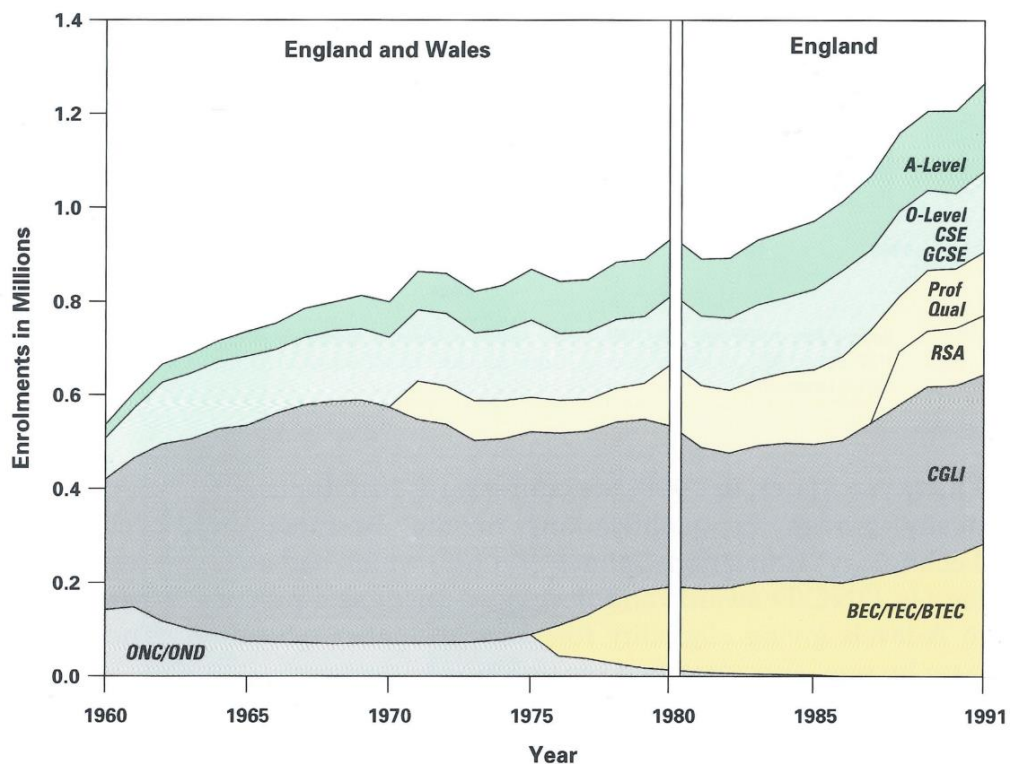
- 3.6 The different qualification-aims identify different groups of people. Among the vocational qualifications, Chart 3.2 shows that BTEC courses are taken mainly by younger men full-time, those of CGLI by men of all ages part-time, and RSA by women over 26, part-time. That reflect the nature of the awards. BTEC has evolved as a practically-based alternative to A-levels from technician and equivalent-level business qualifications, CGLI are mainly craft qualifications, and RSA serve mainly to upgrade secretarial and clerical skills.

- 3.7 GCE A-levels are taken by both sexes, through full or part-time study, mainly by school-age students or young people aged 19-25 (Chart 3.2). GCSEs by contrast are more often taken by women, and by part-time study, later in life. The pattern for 'other' exams is somewhat similar, but the 'non-exam' groups contain a high proportion of senior citizens on short courses, and again they are mainly female.

## 4. Courses and Qualifications

- 4.1 Unlike the schools which admit by age and the universities which select by ability the colleges are open to everyone over the age of 16. Most are attractively diverse and accessible. Most are organized around times when people are free to attend.
- 4.2 The colleges have traditionally been the main providers of vocational education for many jobs in engineering, construction, business, hotel and catering, hairdressing, health and other areas. They have come to provide, in spite of sometimes being restricted by the local authorities from competing with schools, a second chance at GCSE and an alternative route to GCE A-levels. They have been keen to be involved in higher education access courses and, increasingly, under franchise arrangements with universities to teach parts of degree courses. They also offer return-to-study courses, re-visit basic literacy and numeracy, teach English to speakers of other languages, and cater for students with learning difficulties and disabilities. Beyond this, is a rich variety of other courses, which may, but usually do not, lead to qualifications.

**Chart 4.1: Qualifications in Colleges**

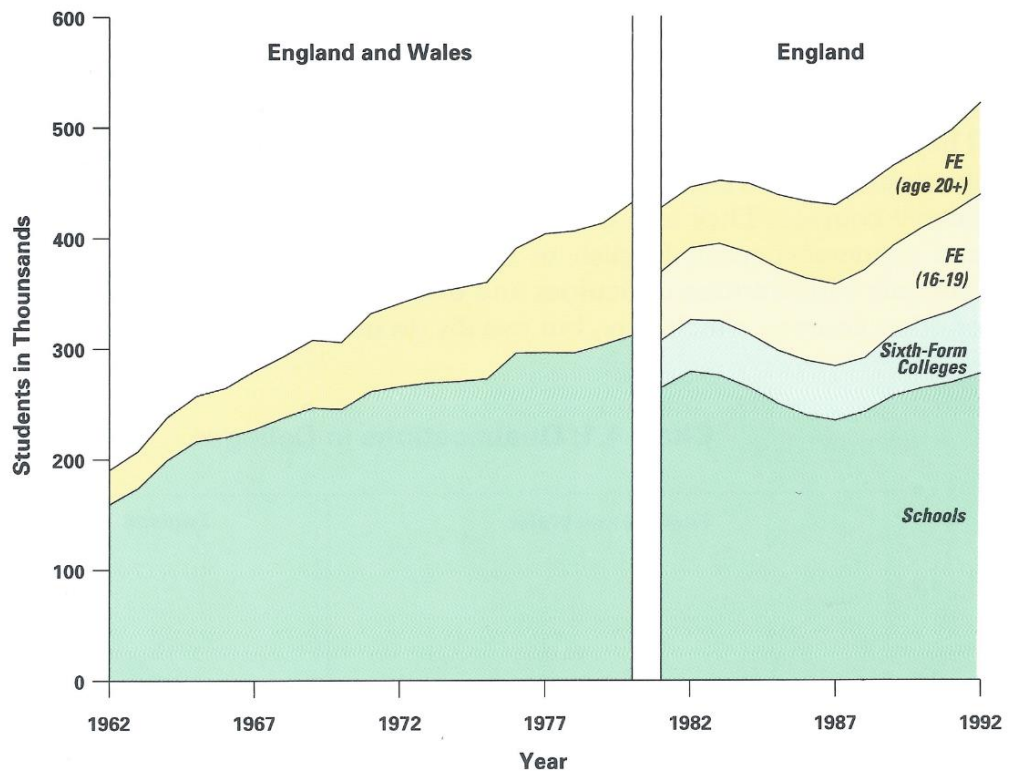


Source: *Education in 1960, 1961, 1962*, London: Ministry of Education; *Statistics of Education, Further Education, 1963 to 1987*, London: DES; *Statistics of Education, Further Education, Higher Education, in Polytechnics and Colleges, 1988/89 to 1991/2*, London: DFE.

- 4.3 The trends of the past 30 years are shown in Chart 4.1. In 1960, when the colleges were often called 'techs', of a high proportion of the students were pursuing craft awards through City and Guilds, or ordinary national

certificates/diplomas (ONC/D) as part of their technician training. There were also a sizeable number on GCE O-level courses, but only a few on A-levels. (There must have also been a lot of students studying for secretarial and clerical qualifications of the Royal Society of Arts but they are not shown separately in the published statistics of the time.)

**Chart 4.2: Students on A-level courses**



1963 to 1987, London: DES; *Statistics of Education, Further Education, Higher Education, in Polytechnics and Source: Education in 1960, 1961, 1962*. London: Ministry of Education; *Statistics of Education, Further Education, Colleges, 1988/89 to 1991/2*, London: DFE.

- 4.4 Thirty years later, in 1990, the craft awards had diminished, but there had been steady growth in qualifications of the Business and Technician (later Technology) Education Council (BTEC) which had assumed responsibility for the old ONC/D awards and develop them as a practically-based alternative to A-levels giving eligibility for entry to higher education. The RSA awards were by now also identified separately.
- 4.5 Not shown are ‘other vocational awards’ offered by a plethora of awarding bodies. (The National Council for Vocational Qualifications [NCVQ] was set up in 1986 to rationalise the whole field but, as we shall be seeing in Chapter 9, it has done much else besides.) There now are more than 150 awarding bodies offering about 1700 different qualifications, although BTEC, City and Guilds and RSA account for 90 per cent of the entries.
- 4.6 Among the academic courses there has been some and growth in O-level/GCSE, but the striking change has been at A-level. Now that the sector

**Chart 4.3: A-Level Performance, 1992**

per cent

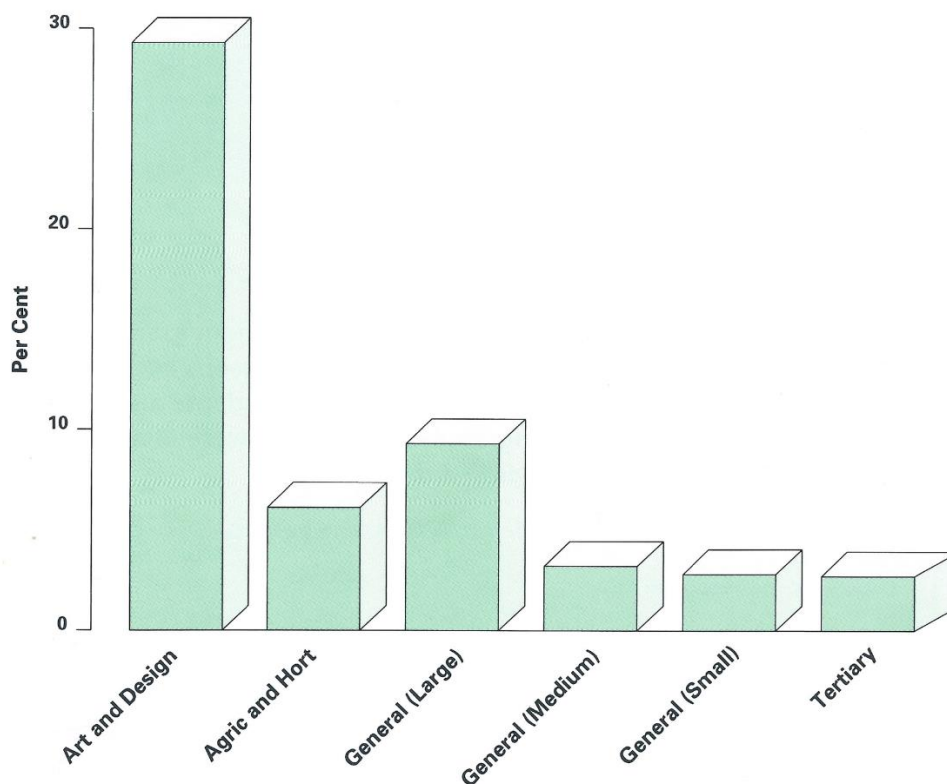
Grade	Colleges			Schools	
	Tertiary (45,797)	General (122,022)	Sixth-Form (104,820)	Maintained <sup>1</sup> (326,221)	Independent (109,756)
A-C	41.9	35.5	45.5	45.2	66.2
D-E	35.8	35.6	35.1	34.5	24.6
Fail	22.4	29.0	22.4	20.3	9.1

<sup>1</sup> Other than sixth-form colleges.  
 Source: *Inter-Board Statistics*, AEB.

includes the sixth form colleges it has about half the A-level candidates (although not examination entries since school students typically take three A-levels, while college students often take only one or two perhaps alongside a vocational course). Chart 4.2 shows that, in 1992, the sixth-form and further education colleges together taught about 47 per cent of the A-level students (31 per cent of sixth-form age plus 16 per cent adults).

4.7 From having less than a fifth of the A-level candidates 30 years ago, the colleges will soon be taking more than the schools. But the average performance of the students in the two sectors differs (Chart 4.3). Only about

**Chart 4.4: Higher Education in Colleges, 1991-92**



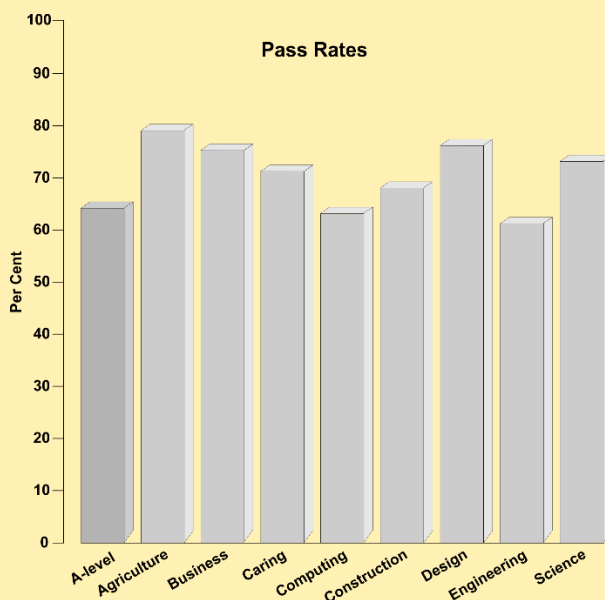
Source: *Statistics of Education, Further Education, Higher Education, in Polytechnics and Colleges 1991/2*, London: DFE.

a third of students in general colleges achieved one of the top three A-level grades compared with 45 per cent of those in maintained schools and nearly two-thirds in independent schools. Nearly thirty per cent failed in the general colleges compared with about 20 and nine per cent in the maintained and

### Box G: Non-Completion

A joint report from the Audit Commission and Her Majesty's Inspectorate<sup>1</sup> concluded that, on a national level, some 150,000 young people aged 16-19 were leaving schools and colleges without achieving the intended qualifications. They suggest that the cost of courses taken by failing students is about £500 million a year – not to mention the waste of students' time.

But the detailed analyses provided by BTEC<sup>2</sup> suggests that this may be too pessimistic. At national diploma level the pass rate was of the same order as A-level (64 per cent when allowance is made for those who did not get as far as taking the examination) ranging from 61 per cent in engineering to 79 per cent in agriculture. About half the rest



modules at the pass grade. Only about a third of the students did not complete because of failed assessments or poor grades. Obtaining or changing employment or other work-related reasons accounted for 31 per cent of non-completions among certificate students and 19 per cent among those on diploma programmes. Students were sometimes dropping out of one course to opt into another.

1. *Unfinished Business: Full-time Educational Courses for 16-19 Year Olds*. A Study by the Audit Commission and HMI (1993). London: HMSO.  
 2. *Staying the Course*, (1993). London : BTEC.

independent schools respectively. (The sixth-form colleges had results like other state schools). The contrast, however, probably reflects only that three-quarters of those with five or more GCSEs at grades A-C stay in school, while it is those with lower grades who tend to move into further education.

- 4.8 Concern has been expressed recently at the apparently high failure rates among 16-19-year-olds, but non-completion can be for a variety of reasons (see Box G).
- 4.9 The colleges also offer convenient and familiar local access to university level courses (defined officially as ‘higher’ as distinguished from ‘further’ education). Sometimes those are designed to follow naturally on colleges’ lower level vocational courses. Already nearly seven per cent ‘higher education’ takes place in the general colleges and ‘degree/diploma’ students account for nearly ten per cent of the largest colleges’ total student intake (in terms of ‘full-time equivalents’).
- 4.10 Universities themselves choose to subcontract some of their first year degree teaching to ‘franchised’ colleges. The colleges welcome both the academic prestige and the additional income they receive. Some colleges aspire to become universities as others have done over the years. Those trends will need the attention of all concerned, not least employers, that the practical education of technicians and supporting professionals does not get submerged by academic pretensions. As we move towards a pattern of ‘mass’ higher education, the distinction between universities and colleges will probably blur.

## 5. Funding

5.1 From the current financial year onwards, the colleges in England will receive most of their funds from a single central source, the newly-established Further Education Funding Council, FEFC(E), rather than from the 107 local authorities (the City of London did not have a college) which have hitherto controlled and funded them. The change gives an important opportunity to rationalise the diverse, obscure and anomalous arrangements for funding the colleges which our survey reveals. Financial influences have been powerful but have borne little relation to real priorities of students and employers or to cost effectiveness; lack of financial clarity has discouraged students and inhibited market-related innovations. The new arrangements are likely to have profound consequences for **the colleges** and **the people** they serve.

### Colleges

5.2 Chart 5.1 shows average college income for 1991/92 based on returns from a 20 per cent stratified sample<sup>11</sup>. It shows that on the threshold of independence just over three-quarters of the colleges' income was coming from the local authorities. But there were wide variations around the average, with some colleges receiving as much as 90 per cent of their income and others as little as 50 per cent from that source.

**Chart 5.1: Average Income, 1991-92**

Source	£	Per Cent
LEA	5,802,810	77.0
Education Contracts	774,692	10.3
Tuition Fees and Charges	433,687	5.8
Grants	330,513	4.4
Sales and Lettings	96,181	1.3
Other	94,432	1.3
<b>Total</b>	<b>7,532,315</b>	<b>100.1</b>

Source: Survey of representative sample of 54 general colleges.

### Local Authorities

5.3 The local authorities have been main funders of the colleges during most of their respective lifetimes. Only a year after the authorities themselves were created in 1888 they were empowered to raise a local rate of a penny in the pound to finance technical education. In 1902 they were made statutorily responsible. Their response was to set up colleges. The colleges have thus grown up in a tradition of municipal public service and finance. They have been locally organised and this is reflected in the great diversity of funding arrangements described in Box H.

5.4 Other sources of income were contracts, tuition fees and charges, grants (including the European Social Fund), sales and lettings, and other income generation.

### **Box H: LEA Funding of Colleges**

It is perhaps no exaggeration to suggest that each of the 107 LEAs (in England) with colleges had its own method of arriving at how much was to be allocated to them. Since the 1988 Act which introduced financial delegation and local management to colleges, just as it did to schools, also required each LEA to have its funding formula approved by the Secretary of State we can see what the schemes were<sup>1</sup>. All the authorities used a formula based on subject areas (eg classroom, workshop, general education) multiplied by attendance expressed as modes of (eg full-time, part-time released, evening-only) or timetabled-hours. But each authority had its own weightings and conversion factors and, in addition, could make special allocations for such things as music and language teaching, split sites and special needs including disability. (Sixth-form colleges which are now included in the sector were funded on the schools' basis of age-weighting.)

The rules varied from place to place and one big difference the new Funding Council will make is to create a common framework. The local authority budgets were also based on target enrolment figures and there was often latitude in how the money was spent. The coming of the FEFC has opened up college financing for discussion.

1. Description of Local Authority Funding Methodologies, Annex C, *Funding Learning* (December 1992). Coventry : FEFC.

### **Contracts**

5.5 About 10 per cent of the colleges' income has come through contracts with government departments and their agencies.

#### **• Employment Department**

Some five per cent (now £110 million a year) of central government's spending on further education in England and Wales has been earmarked for spending on a 'Work Related Further Education Programme'. It was intended to encourage colleges to adopt 'strategic plans' related specifically to local employment needs, to develop relevant local vocational teaching, and to draw in students to upgrade their skills.

That money, channelled originally through local authorities, has since become the responsibility of the 76 local Training and Enterprise Councils (TECs see page 48). The TECs have also assumed the responsibility for distributing funds for the Government's major programmes for training young people and the unemployed, 'Youth Training', 'Training for Work' and 'Youth Credits'. The Employment Department has also funded the Technical and Vocational Education Initiative to support education 14-18 but that is now being phased out.

#### **• Higher Education**

Higher education students tend to be funded at a more generous rate than further education students, and are a valued source of income to those

colleges receiving funding provision from the Higher Education Funding Council (England). They are able to bid for such courses as degrees, higher national diplomas and certificates, the diploma in higher education and the certificate in education. The colleges are also increasingly teaching higher education courses franchised from universities and receiving some part of the income. Other than franchising, colleges not already receiving funding from HEFC(E) can only mount higher education courses on a 'fees only basis' where the fees are payable by the students or a 'full-cost recovery basis' where the fees and unit funding are met from some other source.

- *Other Contracts*

The colleges contract with many other organisations including the health authorities and prison service. In future the colleges will also enter into contracts with LEAs to provide adult education (see Chapter 11), and to put on joint courses with schools.

### *Tuition Fees and Charges*

- 5.6 A third source is the tuition fees and charges paid by students and employers, but typically it has accounted for only about a twentieth of college's income. This is because of the widespread exemptions and the large element of subsidy. The local authority subvention was expected to cover fees for all full-time students under 18 and some other categories, for example, the unemployed. Full-time education is free to 16-18-year-olds whether they be in school or college. Part-time students under 18 and students over 18 do pay fees but they tend to be heavily subsidised. A student following a full-time three A-level course costing perhaps £2-3,000 would pay £5-700; a part-time one A-level course would perhaps be charged at £50 per annum. The level of support has to some extent been reduced, particularly in relation to adult education, but the new funding arrangements could bring about further scrutiny. Colleges also run courses where the full costs are charged and increasingly colleges have been seeking to develop 'customised' training for employers.

### *Grants*

- 5.7 The colleges have also tapped into grants for a variety of sources.

- *European Social Fund*

The ESF has the general aim of improving employment opportunities in the European Community by providing financial support towards the running costs of vocational training and job creation schemes. In some cases LEAs took account of successful bids from colleges when calculating their budgets, but for others it was additional money. The Employment Department acts as a national authority for approving applications, claiming the money due and passing it on. (It also claims support for eligible government training and employment initiatives delivered through TECs.)

- *Home office*

The Home Office, under section 11 of the local Government Act, 1966, makes grants available to local authorities with substantial numbers of

people from the Commonwealth in their area. The colleges are able to claim for pump-priming to provide necessary English language and basic skills to support courses providing access to further and higher education and entry to specific types of vocational training. It is being sharply cut-back.

- ***Department for Education***

The Department has operated a number of schemes like Grants for Education Support and Training (GEST) and Professional Industrial and Commercial Updating Programme (PICKUP), the relevant portions of which have now been transferred to the Funding Councils. It also offers grants to enable colleges to provide education for travellers, refugees and displaced persons under section 210 of the Education Reform Act, 1988, but only a small number of colleges receive them.

- ***Research Grants***

Research is a much less important part of the work of the colleges than the universities, and it is mainly to do with institutional development, market research and education. The colleges are, however, increasingly looking to undertake academic research and applying for Research Council funding, particularly the colleges with more higher education.

### ***Sales and Lettings, and Other Income Generation***

- 5.8 The colleges derive some income from conferences, their residences, training restaurants, beauty treatments, and any shops they run. The colleges educate in employable skills which need to be practiced in realistic work environments. When a certain degree of proficiency has been achieved the colleges can, if they wish, charge for skilled services. They therefore have it in their own hands to make money. The figure of 1.3 per cent for ‘other income generation’ in Chart 5.1 probably greatly understates what is brought in. Many of the colleges operate consultancy services through companies – which have tax advantages – and although the money is transferred to the college it may be treated separately (and not revealed to us in our survey).

### ***People***

- 5.9 It is one of the anomalies of our education and training system that while academic education post-18 is usually more or less free to the consumer, vocational education is not. Students gaining entry to study full-time in universities usually have their fees paid, have an entitlement to a mandatory grant (assessed on parental income) and the opportunity of taking out loans on favourable terms; students pursuing further education after the age of 18 in a college have to find their own fees, and grants are discretionary. There are suspicions that with the reductions in local authority education budgets the number and value of discretionary awards has decreased alarmingly<sup>12</sup>. Career Development Loans are available to support studies for vocational qualifications, with the Employment Department paying the interest during the training period and for up to three months after.
- 5.10 The treatment of college students is very uneven. Paradoxically, some could be better off financially studying part-time for a higher national certificate in a

college then going full-time to take a higher national diploma or degree in a university. Under Department of Social Security rules anyone studying less than 21 hours per week (which is about the average school week) and registered for work is allowed to claim income support. Unemployed students have usually had their fees waived by the college (paid by the LEA). Such a student would therefore not only study free, but, if living away from home, have his or her rent paid and receive weekly income support, benefits of perhaps £4,300 per year compared to a student grant plus loan of say £2,980 per year. In contrast, an employed student or someone who had a spouse who was working might both have to pay fees and provide for himself or herself. Two students sitting side-by-side could, according to the category they found themselves in, be receiving fairly generous support or nothing.

- 5.11 There are major inconsistencies in the funding of students related principally to the level of course of study and to status (for example, whether they are unemployed and in receipt of income support). It is important that there should be more equitable treatment between colleges, more equitable treatment between people, and more equitable treatment between the academic and vocational.

## 6. A Brief History

- 6.1 The diversity of the colleges reflects their heterogeneous origins and their flexibility and responsiveness in serving many different clients. They have re-invented themselves continually to meet the evolving demands of students, employers, the community, government and many other agencies.

### *Colleges*

- 6.2 Technical education had its origins<sup>13</sup> in the demand from working men for some sort of education (which was first opposed by the middle class as being dangerous). It began to take shape (chronology in Box J) when it was accepted that those with useful knowledge might make better workmen. Middle class

### **Box J: Chronology of Institutions**

Workers and Mutual Improvement Society (1750).

Mechanics Institutes (1823).

Science and Art Department of Board of Trade helped cities to establish science schools (1854).

Quintin Hogg's evening classes (1864).

London Artisans' Club (1868).

Finsbury Technical College (1880).

Regent Street Polytechnic (1882).

City and Guilds College, South Kensington (1884).

Nine polytechnics created from funds of old City charities (1897).

Excise duties diverted to build 25 polytechnics and over 100 science schools (1890-1902).

County and county borough councils made responsible for technical education leading to a great growth in the number of colleges (1902).

Hierarchy formed of local, area and regional colleges with eight (later ten) Colleges of Advanced Technology at apex (1956).

CATS became universities (1963).

Polytechnics created mainly from regional and area colleges as flagship of public sector (1966).

Polytechnics became universities (1992).

Further education colleges and sixth-form colleges established as corporate bodies independent of local authority control (1993).

philanthropy established the Mechanics Institutes in the early nineteenth century. But they tended to be taken over by the middle classes and concentrate on the 'principles' rather than the practice of a trade. A breakaway movement set up the London Artisans' Club in 1868 to provide instruction in actual trades and crafts and this was followed by three others. Their success provided the inspiration for Quintin Hogg, who some years earlier had initiated evening classes, to establish the Polytechnic in Regent Street in 1882 (now the University of Central London). At about the same time the Livery Companies of London became interested have in technical education and set up the City and Guilds of have London Institute which founded Finsbury Technical College in 1880, and City and Guilds College in South Kensington in 1884 (of now part of Imperial College).

- 6.3 From those beginnings there was rapid advance at the end of the nineteenth century. The Charity Commissioners were able to endow nine further polytechnics in London and money from a tax to compensate publicans losing their licences as the temperance movement gained ground was diverted to building twelve more polytechnics in London, thirteen elsewhere and 100 science schools. From 1889 the local authorities were able to raise the rate of a penny in the pound to support technical education. The technical instruction committee's that some authorities established were the forerunners of the local education committees set up in 1902 when the county and county borough councils were made responsible for technical education along with elementary and secondary education.
- 6.4 The colleges took off. Most local authorities established one or more and by the end of the second world war there were over 700. Technical education grew up in the public sector largely funded by public money but under local control. The legislative framework is shown in Box K.
- 6.5 In 1956 the colleges were organised into a hierarchy of local, area and regional colleges with eight (later ten) Colleges of Advanced Technology (CATs) at their apex. The CATs soon became universities. They have been followed by some of the regional and area colleges which became polytechnics from 1966 and universities from 1992. Other colleges have become universities also, and more hope to do so.
- 6.6 There seems to be an inexorable process by which colleges established to deliver intermediate technical skills aspire to become high-level academic institutions. It has a long history. In Manchester, Owens College was a sort of technical college. When it became a university college many of its lower level technical classes were taken over by the Municipal School of Technology founded in 1902. This itself achieved university status in 1956 as the University of Manchester Institute of Science and Technology. Some of the work it shed went into the John Dalton College of Technology which became part of a polytechnic but is now the Manchester Metropolitan University.

Within the same conurbation, Salford Technical College became the College of Advanced Technology and is now Salford University.

### **Box K: Chronology of Commissions and Legislation**

Technical Instruction Act (1889) empowered the local authorities (created in 1888) to “supply or eight the supply of technical or manual instruction” out of the local rate.

Education Act (1902) major local authorities responsible for technical education.

Fisher Education Act (1918) required compulsory attendance at Day Continuation classes between 14 and 18 for those who had left school (succumbed to slump of twenties).

Education Act (1944) provided for County Colleges which school leavers would have to attend part-time to age 18 (never happened).

The Percy Report (1945) distinguished the functions of universities and technical colleges.

Technical Education White Paper and Circular 305 (1956) brought into being the Colleges of Advanced Technology.

Robbins Report (1963) cleared the way for the CATs to become universities.

A Plan for Polytechnics and Other Colleges White Paper (1966) laid the foundations of the binary policy of polytechnics and universities.

Report of the Committee on Technician Courses and Examinations, Haselgrave (1969), recommended the establishment of the Technician Education Council and the Business Education Council.

Education Reform Act (1988) gave autonomy to the polytechnics, and defined further education.

Employment for the 1990s (1988) paved way for employer-led bodies to set standards and work for recognition of vocational awards.

Further Education: A New Strategy (1989), Kenneth Baker signalled the government’s intention to move further education centre stage.

Further and Higher Education Act (1992) allowed polytechnics to re-title themselves universities and freed further education and sixth-form colleges from local authority control.

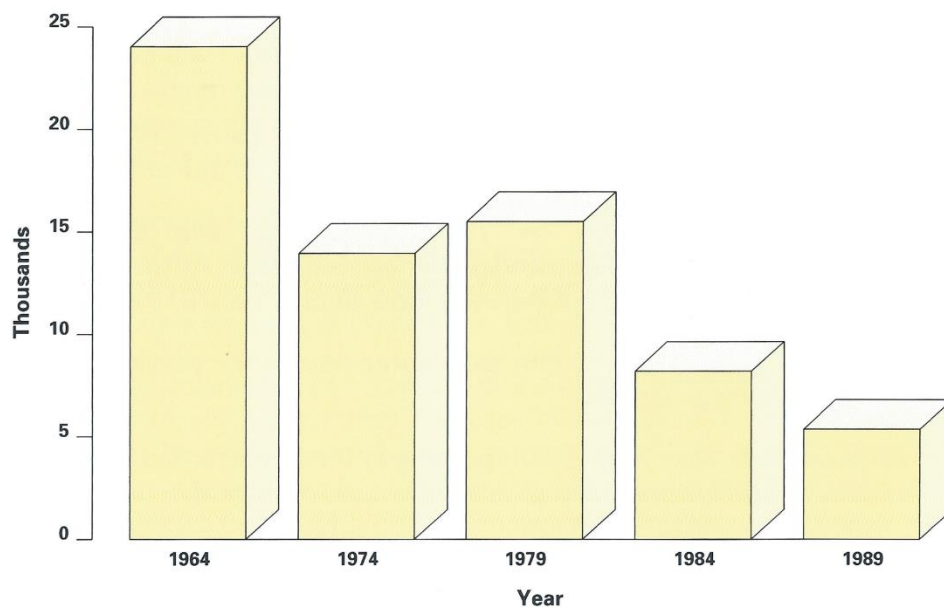
- 6.7 By 1900, through amalgamation and re-organisation the 700 further education colleges had fallen to less than 400, but the number of higher education institutions had grown from 21 to 124 (see Chart 7.1, page 35). This ‘academic drift’ from middle to higher levels of training, and often away from practice

and towards theory deserves vigilance from employers, if they are concerned for a technically competent future workforce.

### Students

- 6.8 The colleges have always had a diversity of clients but much of their work for many years was teaching apprentices on day-release. In 1960 there were over 435,000 on such courses including a quarter of all 16-year-old males. Day-release developed as a voluntary system granted as a privilege by employers for apprentices to attend college for study towards a certificate like those of City and Guilds. Apprentices were paid a junior wage for the five years of study and on successful completion qualified for the adult wage of at 21. Voluntary day-release was, in effect, the employers' means of fending off the compulsory Day Continuation Schools stipulated in the Fisher Act of 1918, and it also gave them some protection against the compulsory part-time education for all school leavers between 14-18 contained in the 1944 Act but never implemented.

**Chart 6.1: Apprentices in Manufacturing**



Source: *Training Statistics 1990*, London: HMSO.

- 6.9 Since the sixties apprenticeship has been in decline (Chart 6.1). The nature of craft skills has changed, recessions have forced companies to economise, and time-serving is no longer accepted as a guarantee of competence. The 'training levy' introduced in 1964 undermined a tradition of voluntarism; it was later abandoned but had changed attitudes. Youth training schemes have done something to sustain day-release education but demand has fallen to the point where some colleges are considering withdrawing altogether.

### *Qualifications*

- 6.10 The diverse origins of technical education are reflected in the plethora of qualifications. The Lancashire and Cheshire Institutes came together in 1839 to establish an exam. The chronology of Box L shows this gave the lead to the Royal Society of Arts (1856) and later City and Guilds (1880) whose exams are still current today. A major development took place in 1921 when the Board of Education co-operated with the Institute of Chemistry and Mechanical Engineers to establish a national system of ordinary and higher national certificates and diplomas (ONC/D) which became the pre-eminent vocational qualifications until they were replaced by the awards of the Technician Education Council (TEC) and Business Education Council (BEC) in 1975.

#### **Box L: Chronology of Exams and Qualifications**

Union of Lancashire and Cheshire Institutes exam (1839).

Royal Society of Arts exam (1856).

City and Guilds of London Institute (1880).

Ordinary and Higher National Certificates and Diplomas of the Board of Education and Institute of Chemistry and Institution of Mechanical Engineers (1921).

Diploma in Technology – degree equivalent soon to become a degree (1955).

National Council for Technological Awards (1955) becomes Council for National Academic Awards (1964).

Technician Education Council and Business Education Council (1973, 74).

Business and Technician (later Technology) Education Council (1983).

National Council for Vocational Qualifications (1986).

Lead Bodies (1988) established or recognised to define standards for vocational awards.

When the Colleges of Advanced Technology (CATs) achieved university status, ONC/Ds became acceptable alternatives to GCE A-levels for admission to universities. BEC and TEC were merged in 1983 to become the Business and Technician Education Council (BTEC) generally recognized to offer the top vocational awards.

### *Funding*

- 6.11 There was some early government money from the Board of Trade to support science and technical classes but the main impetus came from philanthropy, public subscription and the diversion of some excise duties (Box M). From 1889 to 1993 technical education was funded mainly through local authorities.

- 6.12 Central government money has been channelled into further education through the rates support grant and through the Employment Department which has absorbed the successors to the Manpower Services Commission. The Employment Department has used an earmarked part of the budget to encourage courses related more closely to the needs of the labour market and the needs of students to become employable. It has also acquired responsibility for the youth training and employment training schemes (currently called ‘Youth Training’ and ‘Training for Work’). Both are now devolved to the

### **Box M : Chronology of Funding**

Board of Trade grants to Schools of Design (1833).

Science and Art Department of Board of Trade made grants to classes in technical subjects (1859).

Funds of old City of London charities used to offer endowments to polytechnic institutes built by public subscription (1883).

Local authorities (set up in 1888) enabled “to supply or aid the supply of technical and manual instruction” through a rate of up to a penny in the pound (1889).

Custom and excise duties diverted to supporting technical education (1890).

Local authorities made responsible for technical education (1902).

Industrial Training Boards (1964) set up to levy employers to finance approved training programmes (levy abolished in early 1980s).

Manpower Services Commission responsible for administering Youth Opportunities Programme (1978) and Youth Training Scheme (1983).

Control over training programmes devolved to employer-led Training and Enterprise Councils (1990-92).

Further Education Funding Council (1993).

Training and Enterprise Councils (TECs). The Department for Education, as it now is, has put in money through initiatives like the Professional Industrial and Commercial Updating programme (PICKUP) scheme, and Grants for Education Support and Training (GEST). The Department of Trade and Industry has retained its interest through various programs.

- 6.13 But the main funding has until this year come through the local authorities with all the strengths and drawbacks associated with local politics. Most of the colleges for their whole existence have been a public-sector activity and transfer to their own funding council is a major departure.

## 7. Meeting the Challenge

- 7.1 That is the colleges as they were: a fertile local resource spread widely across the country, offering a huge variety of courses, flexibly and responsibly, to everyone over the age of 16. They came into being and flourished as public-sector institutions, but regulation *locally* has left them largely unsung *nationally*. Now they are self-governing institutions, freed from local authority control, having to learn to operate successfully in the market place.
- 7.2 The challenge to the 465 colleges on independence is to develop distinctive roles, alongside the schools and universities, in helping to meet the five broad areas of educational need with which we began:
- education for all;
  - developing practical education;
  - continuing education;
  - helping the vulnerable to catch up;
  - learning for pleasure and personal development.

The colleges can be proud of what they have already achieved and on which they will be seeking to build.

- 7.3 The changed world of the colleges from 1 April 1993 is set out in Box N. It is clear they are intended to run as businesses generating sufficient income to exist in a system where money follows students. (About a quarter of colleges will have begun with some debts inherited from the local authorities, which will have to be cleared)<sup>14</sup>. They will be in competition not only with other colleges, but the schools and universities, and also private providers and in-house company training. The hope is that the 'market' will result in demanded adjustment of the supply of places and the quality of services.
- 7.4 The colleges are in the market place. It is a heady new world and they could evolve in a number of different directions. Any one of the five broad areas of educational need could be emphasised and within them are any number of possible specialisms. It is therefore important for employers and others who would want to see the colleges remain at the forefront of vocational education to press for a policy framework which brings forward the students and helps to secure the colleges on that path.
- 7.5 Although the market is a powerful means of allowing people to express wishes and choices, it will not necessarily make for an educational system which serves the best interests of the nation, especially if there is a major distorting influence. One such is the strength of the academic tradition.
- 7.6 So great is the prestige attached to the academic in this country that all education seems drawn to it. Institutions specialising in the technical and practical have continually aspired to the academic, right from the time the Mechanics Institutes were undone by insisting on teaching extraneous theory rather than the actual practice of trades and crafts. There has been a continual

### **Box N: The Changes**

Creation of new sector with unified statutory framework; sixth-form colleges no longer schools.

Colleges become corporate bodies having own legal identity with charitable status, and responsible for own financial affairs, staff and buildings.

Funding Council for England (and another for Wales) to allocate resources; advise on re-organisation, mergers, closures; and assess quality (taking over from LEA inspectors).

FEFC(E) to be assisted by 9 Regional Advisory Committees each of which will have two representatives from Training and Enterprise Councils.

Governing bodies to be reconstituted having at least one TEC representative (but not necessarily anyone from the LEA).

Funding to come mainly from FEFC, but colleges encouraged to attract money from other sources; free to charge what private fees the market will bear (FEFC will recommend levels).

FEFC to fund vocational and other specified courses, but non-examined adult education to remain with LEA.

Colleges expected to work closely with TECs which since 1991 have been responsible for delivery of work-related further education; where Youth Credits are being piloted TECs also responsible for funding part-time education of 16 to 18-year-olds (elsewhere responsibility of FEFC).

Staff transferred to new sector on existing pay and conditions but direct negotiations between employers and employees to be encouraged.

Greatly diminished role for LEAs; retain only youth service, some adult education, maintenance allowances, discretionary awards and transport to college (same provision for 16 to 18-year-olds as for schools).

Source: *Education and Training for the 21<sup>st</sup> Century, vol 2, The Challenge to Colleges* (May, 1991) Cm 1536. London: HMSO.

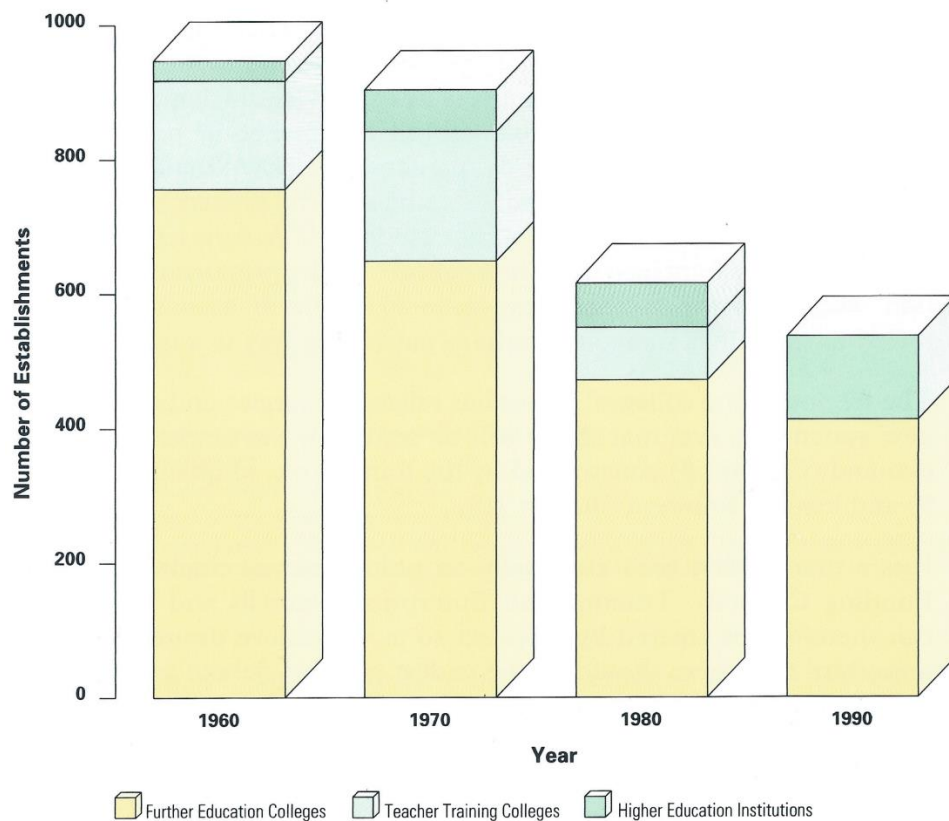
creaming-off of the top further education colleges to become universities – first the Colleges of Advanced Technology, then the regional and area colleges which became polytechnics, and more recently some of the other colleges – at which point they have dropped a lot of their valuable practical work. Chart 7.1 shows how the balance has shifted since 1960; higher education institutions have increased five-fold while the number of further education colleges has nearly halved (although with increased student numbers). Some of the newly-independent colleges could similarly aspire to change their status.

7.7 Already the colleges are showing increased interest in academic studies. About half the GCE A-level candidates are now from the sector, and the colleges

could seek to increase their involvement further, perhaps at the expense of part-time vocational studies. A danger of the market philosophy is that schools and colleges could be thrown into competition for the prestigious A-level students when given their differing expertise they should be working together to provide the full range of opportunities post-16 leading on from the national curriculum.

7.8 The colleges are also increasingly attracted to degree studies and research and that is good if it improves accessibility to students and leads to more applicable

**Chart 7.1: Colleges and Universities**



Source: Education in 1960, 1961, 1962, London: Ministry of Education; Statistics of Education, Further Education, 1963 to 1987, London: DES; Statistics of Education, Further Education, Higher Education, in Polytechnics and Colleges, 1988/89 to 1991/2, London: DFE.

and useful knowledge. The risk is that it could accelerate the process of academic drift.

7.9 The colleges are also likely to give themselves up to meet the challenge of the National Education and Training Targets through mergers and strategic alliances. As Chart 2.1 (page 8) shows, the colleges as newly designated can be very close together. Sometimes there are two or three colleges within the same square mile, two on the same site even. With colleges that were previously administered under different regulations now part of the same sector, like the sixth-form and general colleges, new opportunities arise for

coming together. Sixth form colleges are particularly attractive as partners since they would bring with them a dowry of valued GCE A-level students, but they themselves may be less keen fearing that merger would in practice mean closure. Independence however poses something of a dilemma for the sixth-form colleges which until 1 April 1993 were schools. They perhaps have the greatest adjustment to make, having to learn the rules of a completely new game. How do they best adapt? Now that they are free to offer and charge for part-time, vocational and adult courses do they try to become like the general colleges or do they seek a special niche providing mainly full-time school-type courses?

- 7.10 As well as college-college mergers, some colleges could join with universities. Some of the art and design colleges are likely to want to. Already, as we saw in Chapter 3, they have a significant proportion of higher education students and they tend to be colleges left out of the previous round of mergers. Some of the other colleges too could join universities. This could happen, for example, when a university is anxious to establish a presence in part of the country poorly served by university courses and actively seeks to make its own available through a local college. Or it could just be that the university is entrepreneurial, perhaps not having room for all the students it can attract and realising that it can profitably franchise them to a college. As the proportion of higher education work rises the college may come to see itself as part of a university, referring to itself as such, and perhaps paving the way to a merger.
- 7.11 The freeing of the colleges' sector has released energies and created a dynamic new system. Its eventual shape will be settled in the market place of student demand (Chapter 8) constrained by the frameworks of qualifications (Chapter 9) and income sources (Chapter 10).
- 7.12 It is a market that runs essentially on public money channelled through the Funding Councils, Training and Enterprise Councils and other agencies. It can therefore be steered by rules set so as to achieve desired outcomes. It is important that there should be the widest possible debate and consultation as to what these might be, in which employers must play their full part.

## 8. Growth

- 8.1 The government has put the colleges at the forefront of its education policy for the over-16s. Its expenditure plans, announced in autumn 1992, envisage rapid expansion (Chart 8.1). Universities, already on course to accommodate of about one-third of the young age group (and many older people too, by the century's end), have been invited to hold their entry of numbers at present levels. The colleges, by contrast, have been asked to increase their intakes by a of quarter over three years<sup>15</sup>.

**Chart 8.1: Planned Expansion**

	Year				% Increase
	1992-3	1993-4	1994-5	1995-6	
<b>FE</b>					
N ('000) <sup>1</sup>	918 <sup>3</sup>	993	1061	1151	25.4
£ (m)	2341 <sup>4</sup>	2550	2734	2944	25.8
<b>HE</b>					
N ('000) <sup>1</sup>	816	872	897	889	8.9
£ (m) <sup>2</sup>	3716 <sup>5</sup>	3824	3995	4024	8.3

1. Full-time equivalents.

2. Recurrent grant and related tuition fees to local authorities from central government.

3. Includes sixth-form colleges.

4. Amount transferred out of local government finance to FEFC.

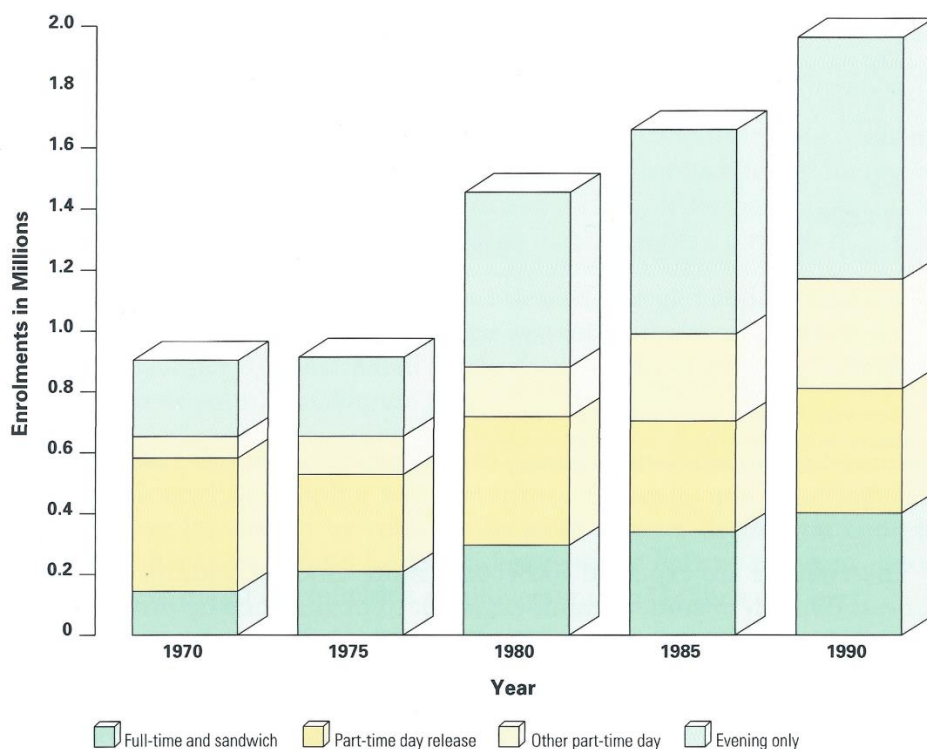
5. England only, funding for Scotland, Wales and Northern Ireland subtracted.

Sources: *The Government's Expenditure Plans 1993-94 to 1995-96*, Departmental Report, DFE and OFSTED, Cmnd 2210 (February 1993) London: HMSO; *Hansard*, vol 213, no 72, 12 November 1992; *Recurrent Grant and Student Numbers for Academic Year 1992-93*, Bristol: Universities Funding Council (Circular 4/92).

- 8.2 The colleges are expected to become more efficient without loss of effectiveness. Growth in student numbers is not to be matched by a pro rata increase in funds. (Chart 8.1 shows funding in cash, not 'real', terms and so makes no allowance for inflation.)
- 8.3 The increases looked have for are on top of the considerable growth of recent years. Chart 8.2 shows enrolments rising from about 900,000 in 1970 to nearly two million in 1990. Growth has included full-time, part-time day and evenings-only students. Day-release has fallen not merely as a proportion but in absolute numbers. These changes reflect the decline of apprenticeship (see Chapter 6), the introduction of more flexible modes of learning, and the increasing acceptance by parents that staying on in education full-time at 16 is desirable.
- 8.4 The colleges are well placed to meet the challenge of more, and more appropriate, education (cf. para 1.4). They are locally-based, work on a large scale, are open to all comers and so can respond to the five key aspects of the new demand. People are turning to the colleges in ever-increasing numbers.
- The proportion of young people seeking education beyond the age of 16 is rising fast (see Chart 8.3). Many prefer the less constraining atmosphere of the colleges to that of school.

- New vocational courses are being developed and publicised.
- Many more adults, often encouraged by employers, are seeking to update skills or expand horizons. The ideal of life-time learning is in the early stages of realisation.
- For the more vulnerable members of society, education is their best chance of wider opportunities and choice.
- The colleges are a convenient means of accessing higher education particularly for mature students, and those who want to study locally and part-time.

**Chart 8.2: Enrolments by Mode of Study**



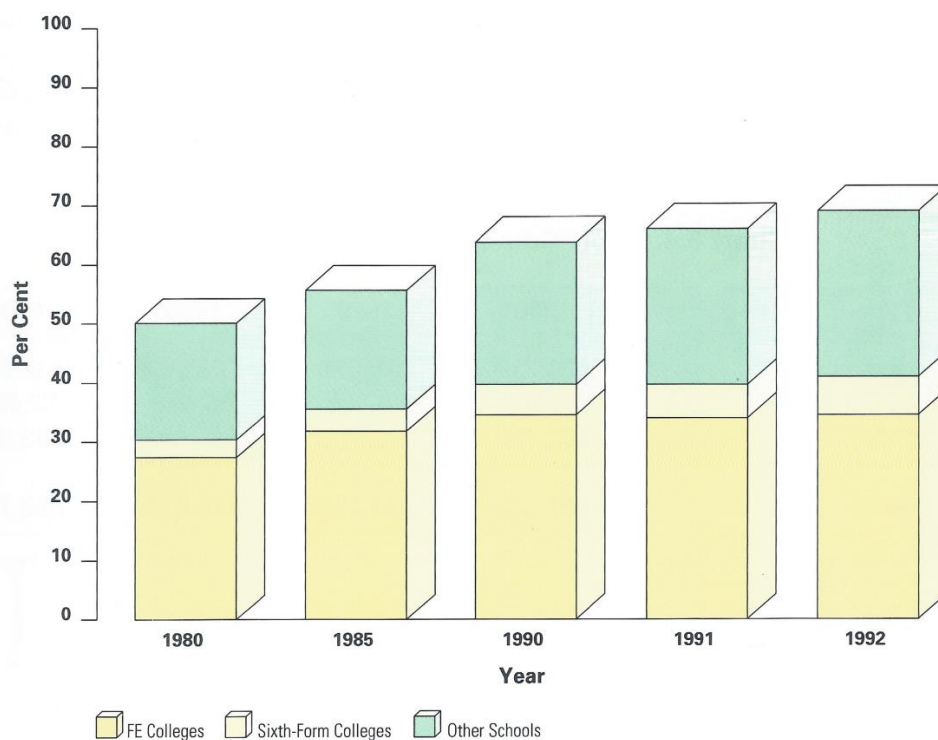
**Source:** *Education in 1960, 1961, 1962*, London: Ministry of Education; *Statistics of Education, Further Education, 1963 to 1987*, London: DES; *Statistics of Education, Further Education, Higher Education, in Polytechnics and Colleges, 1988/89 to 1991/2*, London: DFE.

### **Foundation Education 16-19**

- 8.5** A fast growing proportion of young people are choosing to continue their education beyond the compulsory school leaving age of 16. Between 1980 and 1992 the proportion of 17- and 18-year-olds in education, full-time and part-time, rose from 50 to 70 per cent; those in the colleges from 27 to nearly 35 per cent. With sixth-form colleges included those in the new college sector are over 40 per cent.
- 8.6** The colleges' share of the age group can be expected to rise. On the one hand their new independence will encourage them to compete more vigorously for

GCE A-level students, in which the sixth-form colleges are, of course, already specialists. On the other, they can readily offer new and existing courses with a less academic and more vocational emphasis. They have equipment, in particular, which many schools will find it expensive to install.

**Chart 8.3: 17- and 18-Year-Olds in Education**



Source: Statistical Bulletin 14/92 and 14/93, London: DFE.

- 8.7 Since many school sixth forms are already small and have places unoccupied, college competition will probably mean that some are closed altogether. That in turn would further enlarge the colleges' sphere of responsibility.

### *Vocational Qualifications*

- 8.8 The colleges' vocational tradition is coming into its own. The national ambition (expressed in Lifetime Target 3, see chart 1.2, page 5) is that half the employed population should by the century's end have acquired vocational qualifications at a level comparable to A-level or higher. The current proportion is a little over 33 per cent. The rate of improvement needed is a measure of the opportunity for the colleges, which should expect to compete confidently with private providers and schools.
- 8.9 Much will depend on the colleges learning to work closely with employers in developing and teaching the new courses for awards approved by the National Council for Vocational Qualifications. They must attempt to define purposes in conditions of high structural unemployment, and uncertainty about the future nature of work. Industry and commerce ought to look to the newly established National Advisory Council for the Education and Training Targets for reports on progress in up-skilling the workforce to target levels.

### Continuing Education

8.10 Leading companies are beginning to define themselves as ‘learning organisations’, engaged in creating, and adapting to, continuous change. Some have already begun to offer all employees opportunities (time, money or both) to take courses and build qualifications so as to develop their capacities beyond the immediate demands of their work. Re-training and updating whole echelons of work forces to meet changing tasks ought to multiply the demands on colleges (and universities). Chart 8.4 gives some indication of the growth in activity since 1988. For the colleges there is a nearly limitless and paying market to develop where the needs of individuals, employers and colleges themselves coincide. It is for colleges (and universities) and employers to spur each other into action if an economy of learners is to be realised.

**Chart 8.4: Short Course Enrolments in the Colleges**

Type of Course	1988	1989	1990	1991
Updating <sup>1</sup>	196,716	216,578	228,199	232,825
TEED-funded <sup>2</sup>	28,509	48,958	85,630	72,204
Other <sup>3</sup>	102,108	182,762	314,791	383,096
<b>Total</b>	<b>327,333</b>	<b>448,298</b>	<b>628,620</b>	<b>688,125</b>

1. Post-experience training, updating and re-training which is specifically vocational to meet the needs of employers and their work forces (includes in-service education of teachers).

2. Training Enterprise and Education Directorate of Employment Department.

3. Any other short course.

Source: *Statistics of Education, Further Education, Higher Education, in Polytechnics and Colleges 1991/2*, London: DFE.

### Catching Up

8.11 Special help must be given to the vulnerable. The Further Education Funding Council has a statutory responsibility to ensure that disabled students are properly catered for. The impact of schemes to help the unemployed and those with special educational needs can be seen in Chart 8.5; the numbers have more than doubled since 1989. The fall in youth training numbers reflects the increased tendency to remain in education full-time. There are no published figures for ethnic minorities.

**Chart 8.5 Impact of Special Schemes**

	1989	1990	1991	1992	% Change 89-92
Youth training scheme	146,302	131,966	110,461	92,777 <sup>1</sup>	-36.6
Special Educational Needs	17,235	26,776	31,928	38,602	+224.0
Adult Training Scheme	6,438	24,887	20,958	15,325	+238.0

1. Including Training Credits (N=4601)

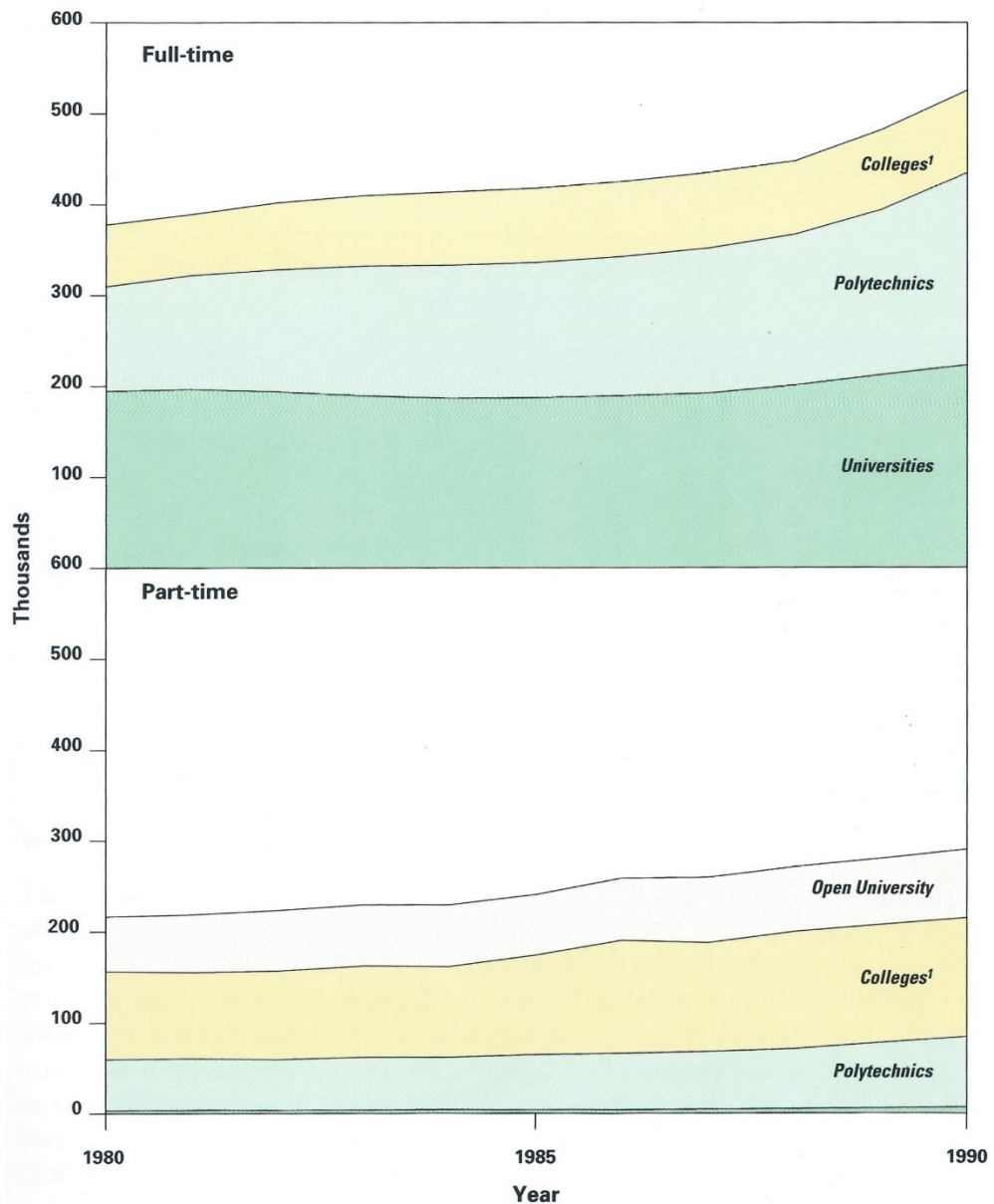
Source: *Statistics of Education, Further Education, Higher Education, in Polytechnics and Colleges 1991/2*, London: DFE.

### Higher Education

8.12 The colleges can also be expected to make a greater contribution to higher education. Chart 8.6 shows that there is a rising demand for degree studies both

full-time and part-time. The universities are unlikely to be able to accommodate all who want to come and can be expected to turn increasingly to franchising parts of their degrees to the colleges. Many people, particularly mature students, prefer to start higher education locally and part-time and, as Chart 8.6 shows, the colleges are already strong here.

**Chart 8.6: Enrolments in Higher Education**



1. Includes former teacher training colleges as well as further education colleges.  
Source: *Statistical Bulletin*, 19/92, London: DFE.

8.13 As the spectrum of acceptable entry qualifications widens and with increasing emphasis on the vocational, it will probably become natural for students to move into vocational degree courses after achieving vocational qualifications at the age of 18. Some such degree or diploma courses may be mounted by the

colleges themselves. The distinction between further and higher education, unnecessary in many countries, will be blurred. In such an important development, however, it is vital that the special contribution of the colleges in relation to employable skills should not be lost.

- 8.14 The future of the colleges is bright. Changes are being made progressively to bring more students forward in foundation education, vocational education, and continuing education, to offer help to the vulnerable, and to make available opportunities for advanced education to those wanting to tackle it. The colleges are in a good position to deliver on all five.

## 9. The Qualifications Framework

- 9.1 For educating those over 16, government policy aims to see developed three broad pathways of qualifications (Box P). GCE A-level courses (and the AS, Advanced Supplementary, courses added for breadth) provide the more theoretical and academic education. National Vocational Qualifications (NVQs) courses provide practical education, knowledge and skills strongly related to specific tasks at work and may be taken by those at work as well as those still at college or at school. In-between on the academic/practical spectrum is the new style of education intended to give a broad introduction focused on a particular occupational area. These last, still in pilot stage, are the General National Vocational Qualifications (GNVQS) also to be known at level 3 as vocational A-levels.

<b>Box P : Equivalence of Vocational and Academic Qualifications</b>		
<i>NVQ Level</i>	<i>GNVQ Level</i>	<i>General Education</i>
5 (Professional, Managerial)		} Higher Education
4 (Higher Technician, Junior Management)		
3 (Technician, Supervisor)	Advanced	2 GCE A-levels
2 (Craft)	Intermediate	4 GCSEs, A-C
1 (Foundation)	Foundation	Other GCSEs

- 9.2 The colleges have an advantage over the schools in already covering the range of pathways and in pioneering developments in all three. Already they put forward just as many GCE A-level candidates as the schools and are engaged in experiments with more practical A-level syllabuses and ‘modular’ versions. They are well placed to work with employers on NVQs and to compare the outcome with employers’ and employees’ real working needs. The GNVQs are in part the successors to the BTEC ladder of ‘First’, ‘National’ and ‘Higher National’ awards. Colleges are among the organisations already piloting GNVQs which are, or are planned to be, in occupational areas with which most colleges are already broadly familiar.
- 9.3 Both NVQs and GNVQs are being developed under the auspices of the National Council for Vocational Qualifications (NCVQ)<sup>16</sup>. NCVQ was established in 1986 to bring order to the great diversity of vocational qualifications. It has tried to do this by locating all such qualifications within a matrix framework of five levels (see Box Q) across eleven occupational areas

(including, for example, engineering, transporting, and health and social care). NCVQ hopes in this way to:

- recognise ‘competence’ in the case of NVQs and ‘learning outcomes’ in the case of GNVQs at different levels so that the awards of bodies like BTEC, City and Guilds and RSA can be compared on a common scale and new awards developed with criteria appropriate to particular levels;
- establish notional ‘equivalence’ between vocational and academic qualifications; and
- make it easier for people to advance logically up ladders of qualifications or transfer from one ladder to another.

**Box Q : NCVQ Matrix**

Level	Occupational Area
5	Tending animals, plants and land
4	Extracting and providing natural resources
3	Constructing
2	Engineering
1	Manufacturing
	Transporting
	Providing goods and services
	Providing health, social care and protective services
	Providing business services
	Communicating
	Developing and extending knowledge and skill

9.4 The occupationally-specific NVQs are national standards which set out the knowledge, skills and understanding that employers specify they need through their representatives on ‘lead bodies’ (see Box R). The performance of students is assessed in workplace conditions and NVQs are gained by demonstrating competence. It matters only that the competence has been acquired, not how it was, so the learning can be through courses, job experience, housework or leisure time activities. NCVQ has now approved NVQs to cover the needs of 80 per cent of the workforce.

9.5 NVQs thus appear to have a form and structure to encourage and give credit for practical achievement; they vouch for what people can do, not how they have learned to do it. Such qualifications are distinctively occupational and relate solely to performance. But if they are to mark the path for new and imaginative training and education, employers must be ready from now on to press for adjustment in the light of experience. The challenge is to outline the desired capabilities, not of a limited craftsman, but of the flexible, adaptable, workers-with-others, with a sound enough education base to handle what they have not met before. Such qualifications must also be used by employers themselves in framing their in-house training, if they are to be properly valued.

These issues are often disguised in professional jargon; they need instead to be recognised as important directions of future policy and future competitiveness.

- 9.6 It is not yet clear how the new GNVQs can be brought to combine the demands of broad preparatory education with criteria of tightly specified, work based 'learning outcomes'. They are intended to be taken in colleges and

### **Box R : Lead Bodies**

Lead Bodies are the standard setting bodies for an area of employment (for example, the Federation of Bakers, the Motor Industry Training Standards Council, and the Veterinary Lead Body). They are formed by the employers themselves and recognised by the Employment Department. The need for such bodies was identified in the White Paper, Employment for the 1990s (1988), and there are currently about 180 which have either been specially created or have become part of the work of an established Industrial Training Organisation. In order to try to avoid excessive fragmentation overarching Occupational Standards Councils are coming into being. The Engineering Occupational Standards Group for example (based at the Engineering Council) has been set up to co-ordinate the development of a coherent set of standards and related assessment systems for the full range of engineering occupations.

The main function of a Lead Body is to define the competencies required in employment – what is necessary to do the work successfully. Within an occupational area (based on the Standard Occupational Classification) they are responsible for identifying the standards at all levels to the most senior professional and managerial, and agreeing with the National Council for Vocational Qualifications and the Scottish Vocational Education Council a framework of vocational qualifications. They are also expected to ensure that the Awarding Bodies (examining and validating bodies) devise suitable assessment arrangements (the Lead Bodies may themselves be Awarding Bodies), that full accreditation is achieved and that the standards remain up-to-date and relevant. Commonality across occupations is to be achieved and maintained through liaison, consortia (for example, the Care Sector Consortium) and cross-sectorial bodies (for example, the Training and Development Lead Body).

Source. *Lead Bodies for the 1990s* (April, 1991). Employment Department Group.

schools and to lead on either to higher education or to a recognised path of career development. The new courses are being introduced by the existing vocational bodies, BTEC, City and Guilds and RSA, to fit in with the national (NCVQ) overarching criteria. GNVQs first called levels 2 and 3, but recently renamed intermediate and advanced, were piloted in about 100 centres in 1992-3. The first five covered 'art and design', 'business', 'health and social care', 'leisure and tourism' and 'manufacturing'. All colleges should be able to offer those from September 1993. Nine other subjects are due to be piloted from 1993 and phased in, including 'science' in 1994 and 'engineering/technology'

in 1995. The latter at advanced level will in effect replace the popular BTEC national diploma/certificate courses.

- 9.7 Although bearing a similar label, GNVQ courses, in fact, have very different aims from NVQs. The former may be called applied education and the latter targeted training. GNVQs should in principle consist of a platform of general education organised around some specific skill training to provide focus and motivation. Not all the outcomes of general education can be precisely specified in advance. It is of critical importance that the search for clear objectives, to be evidenced in ‘performance’, does not narrow the educational experience unduly. ‘Parity of esteem’ for vocational with academic education will depend largely in striking the right balance.

#### *Effects on Colleges*

- 9.8 The ‘competence-based’ approach has important implications for colleges. It reflects a belief that demonstrable ‘competence’ is the whole aim, so that how the competence is acquired is strictly speaking irrelevant. It requires assessment to be available on demand. It shifts the focus from curriculum and education to assessment and qualification. It has been suggested that such an approach, taken to an extreme, threatens colleges with becoming the education equivalent of driving test centres!
- 9.9 But emphasis on the practical objectives has major advantages too. It releases colleges from the time-serving aspect of courses and opens the way to more flexible forms of learning. Colleges are free to create ‘drop-in’ learning centres where students can work through learning ‘packages’ at times to suit themselves. Many colleges are working to produce suitable learning materials and are setting up open-learning suites. Programmes can be tailored more closely to the needs of individuals with the teachers there to offer expert advice when it is needed. The emphasis on ‘performance’ – on what people can do – makes it easier for colleges to give official ‘credit’ for what their recruits may have learnt informally at work or elsewhere.
- 9.10 Courses can be broken down into units each carrying a ‘credit’ that offers the chance of combining units, perhaps both academic and vocational, to create an individual pathway with official recognition. But it must be remembered that ‘modularisation’ and ‘credit accumulation’ are means to an end<sup>17</sup>. They do not themselves settle the aims or define the point of education.

#### *Appropriate Vocational Education*

- 9.11 *Hitherto academic education has been seen to broaden the mind and open up a student’s range of choices, while vocational training has often seemed to narrow both. The critical challenge is to design an employment-related education which incorporates skill training but widens choices and provides a foundation for an unknown future, flexibility and adaptability, personal and professional development, and continued learning. It is vital that employers work with colleges to ensure that vocational education is appropriate and its qualifications are recognised. Unless NVQs and GNVQs do open doors to getting jobs and progressing in them and unless they are a platform for further learning they will never come to have the same standing as GCE A-levels have enjoyed, and claims to equivalence will be dismissed as rhetoric.*

## 10. Future Funding

- 10.1 The requirements of NCVQ, the employer ‘lead bodies’, awarding bodies and other agencies are important influences, but it is those who fund the colleges who will do most to determine their future. Chief among funders will be the new Further Education Funding Council (FEFC), responsible for about four-fifths of their public money. The 76 Training and Enterprise Councils (plus 6 in Wales) will also play a part. But to safeguard their financial independence and extend their freedom of action, colleges will need to secure a plurality of income sources.
- 10.2 The FEFC(E) (and a parallel body in Wales) took over the funding of the colleges from the local education authorities on 1st April 1993, receiving from the Department for Education the relevant proportion of what would otherwise have been the authorities’ revenue support grant. Recognising the crucial importance of its funding method, the Council has held extensive consultations around a well-argued discussion paper, *Funding Learning*<sup>18</sup>.
- 10.3 The FEFCs’ chosen arrangements will be judged by their success in meeting a set of major objectives. The arrangements need to:
- encourage rapid expansion at steadily diminishing average costs;
  - encourage colleges to respond to student preferences, as well as the needs of local employers;
  - gradually narrow the income difference between the most generously and the most poorly funded colleges while respecting underlying local cost differences;
  - reward high quality work;
  - reflect colleges’ success in enrolling and retaining students as well as the students’ final achievements;
  - encourage serious attention to guiding and advising students and planning their learning in the light of their career aspirations;
  - offer a degree of financial stability to allow colleges to maintain longer perspectives against short-term fluctuations in student demand;
  - influence the balance of the colleges’ work if the national interest seems to require it;
  - ensure that education is available across the country even in less well populated areas.

The method chosen by the Council to achieve those multiple aims is explained in Box S.

- 10.4 The approach looks promising. It was strongly supported in the consultation and seems to strike an appropriate balance between recognising a college’s past achievements and allowing for change.

### **Box S : FEFC Funding**

The FEFC recently asked colleges their views on what principles they thought should underlie the Council's annual allocation of funds to them.

Almost all respondents believe that the grants they receive from the Council should reflect various 'elements' of their 'programmes'. The Council has agreed to adopt such a system.

'Programmes' are categories of courses, arranged by broad subject areas ('construction', for example or 'catering'). Fundable 'volumes' of activity within 'programmes' would be arrived at by weighting student numbers to reflect different study modes, for example, 'full time, full year'; 'part-time non-released').

The 'elements' are effectively the numbers of students enrolled on courses, the numbers continuing those courses, and the numbers successfully completing them. The introduction of 'elements' is a major change from local authority funding arrangements which largely followed 'target enrolments' ie. the number of students colleges planned to recruit. By giving appropriate emphasis to the continuation and successful completion of courses as well as to enrolment the Council expects to encourage colleges to look to the methods by which they advise students on the best courses to take, offer attractive teaching, monitor progress, and achieve results. Equally it hopes to avoid distortions that may be caused by over-emphasis on payment by results (output funding) ie. pressure on the assessment process and colleges' uncertainty about their income levels until after the years' end.

The method the Council has adopted is flexible and (relatively) simple to operate; it reflects the colleges' complex of objectives, and will allow the Council to steer policy by varying the weightings given to the different 'programme elements.

The Council has also decided to maintain stability from year to year by guaranteeing to each college a large enough proportion of its previous year's funding to act as a safety-net, and use the funding method to allocate the balance among colleges for growth.

Source: *Funding Learning* (December, 1992). Coventry : FEFC; *Recurrent Funding Methodology 1994-5*, FEFC Circulars, 93/16 and 93/20.

### ***Training and Enterprise Councils***

- 10.5 TECs are local employer-led bodies with a brief to foster economic growth and regeneration. Unlike the FEFC which receives its money from the Department for Education, the TECs receive theirs from the Employment Department. The 76 TECs in England are due to receive some £2 billion of public money in 1993-94 to be spent on Training for Work (39.4 per cent), Youth Training and Credits (35.6 per cent), Work Related Further Education (5.1 per cent), with the remaining 20.0 per cent going on a wide variety of initiatives including Business Start-up, Investors in People and Education-Business Partnerships<sup>19</sup>.

- 10.6 We have already considered the contribution of Work Related Further Education, Employment Training (now called Training for Work) and Youth Training schemes towards the income of the colleges (Chapter 5). The TECs themselves are paid according to the volume of training delivered and the outputs achieved and they have tried on pass on this method of payment partly by results to the colleges and private providers.
- 10.7 The TECs are also responsible for piloting ‘Youth Credits’. This scheme is an attempt to attach some of the public money going into training to the student-consumer so as to create a more efficient market. School leavers aged 16 or 17 receive the equivalent of a voucher with which to buy training from an employer, a college or a private provider. Training credits have been tried out in nine TECs in England (plus one in Wales and a Local Enterprise Company in Scotland) since 1 April 1991 and a further six (plus three) joined in April 1993. It is intended to achieve national coverage by 1996.
- 10.8 The credits are not new money; their cost has been met mainly from the national budget for Youth Training and by re-routing the revenue support grant from the LEAs for part-time vocational courses. The second source is in effect a deduction from the income of the colleges which now have to bid for it in competition with other colleges and private providers.
- 10.9 The scheme has yet to prove itself<sup>20</sup>. It can be an incentive for young people to seek out suitable training, and for colleges to respond. But the trial has been complicated by the recession which has led to falling demand for employment-released training and an increase in that for full-time study which the colleges have found difficult to fund, as in the past when all the money came from the LEA, by transferring between budgets. Not all employers have wanted to pay the full costs of training and some have placed their credit-bearing employees outside the pilot areas in colleges where they could still enjoy previous levels of subsidy! Some colleges have reported finding the scheme time-consuming and bureaucratic to operate. They have also said identifying the credit-bearing students can be difficult and the value of each credit is hard to predict since it depends partly on the individual student’s eventual achievement. But these may be only teething troubles which can be corrected as credits are progressively phased in.

#### *Other Sources*

- 10.10 The colleges are to be encouraged to seek funding from a variety of sources. In Chapter 5 we discussed the wide range they already successfully draw on. Earnings are likely to continue as a mix of grants and contracts, fees, lettings and other income-generating activities but two developments can be expected: fees will probably become an increasing proportion of income and the colleges are likely to make more use of their own students’ employable skills.

#### *Fees*

- 10.11 At present, our figures show that only about one-twentieth of the colleges’ income comes from students’ fees paid either by the people themselves or employers. This does not give the customer much clout. The proportion derived from fees is likely to increase for several reasons:

- ‘Youth Credits’ is putting in place a mechanism by which funding explicitly follows the students;
- the funding arrangements of the FEFC will clearly show the extent to which fees are subsidised (this was obscure under LEA arrangements);
- colleges will run as businesses and private fee income will be additional money; they can expect to develop large paying markets, with companies offering opportunities for continuing learning to their staff;
- restraint on local authority spending means that non-vocational adult education for which the authorities retain responsibility will be less generously supported than in the past.

These and other factors are likely to lead to colleges asking individuals and employers to pay more. As we shall be seeing in the next chapter, this has already had some impact on adult education. The decline of discretionary awards is a cause for concern. A question for employers is how much are they prepared to pay for the education and training of their employees.

### *Employable Skills*

- 10.12 Many colleges already operate consultancy companies (which have tax advantages). But the potential is far more than that as the principal of one of our case study colleges illustrates:

“We have been able to harness this pool of talent that we’ve trained. It’s all above board, because the company that I have here is a legitimate building company. My own estate management team will act as a contractor and sub-contract the programmes out anyway. The people I’m training at the moment I couldn’t place them into the quality work placements that I think is necessary. I’m not able to do that. I’ve created my own building company, legitimate building projects, properly planned, designed by architects. The quantity surveying is done properly, planning permission has been obtained, nothing wrong at all, observing the same sort of safety practice. The end product is that I’m allowed to develop this and put buildings up at about one-fifth the cost of what it would be if I engaged an outside building company”.

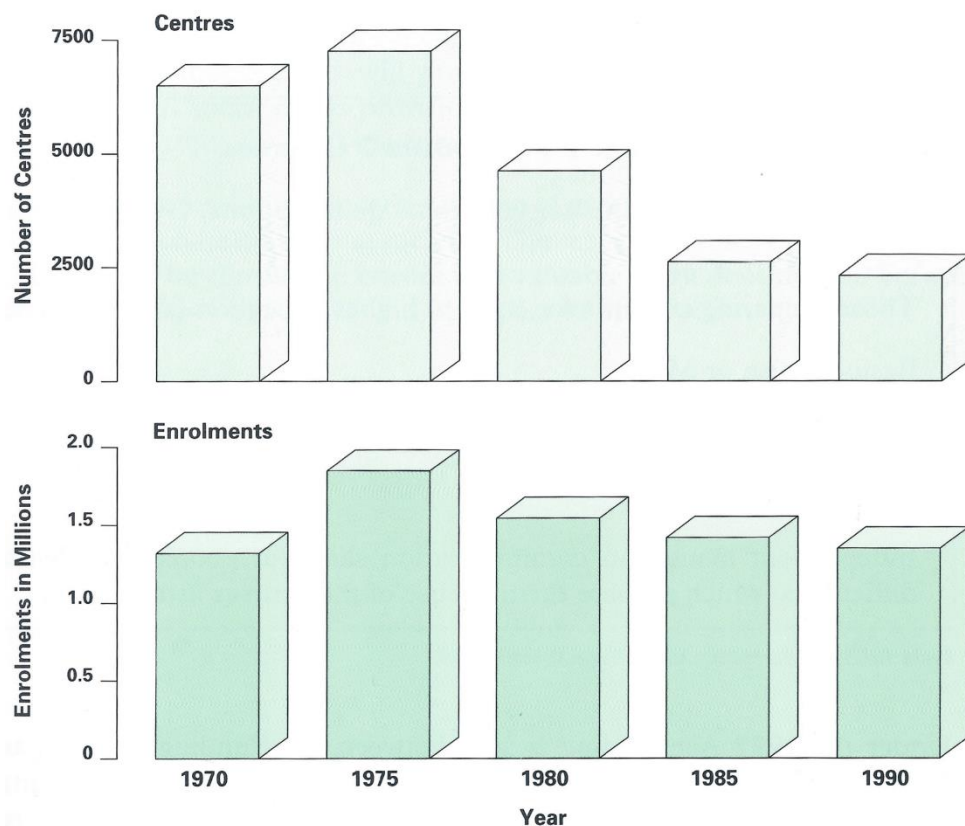
Colleges need no longer suffer poor premises; they can adapt and improve them themselves. And beyond building there is the whole range of other employable skills from catering to telecommunications developed within the college that can be practised to generate income for the college.

- 10.13 By properly exploiting their earning power and bringing in income from a range of sources, the colleges will be able to work with and through the FEFC and TECs to take control of their own futures.

# 11. Adult and Community Education

11.1 There is some confusion and concern about what the new funding arrangements will mean for Adult and Community Education, that whole raft of opportunities for personal development that have traditionally been provided by the local authorities. In its final year for example the Inner London Education Authority offered 624 different courses including 53 foreign languages from Amharic to Zulu. Some of the courses led to qualifications such as GCSEs, City and Guilds, and RSA, but most were not certificated, and as such distinct from mainstream activity in further and higher education.

Chart 11.1: Adult Education



Source: *Statistics of Education Further Education 1970, 1975, 1980, 1985*, London: DES; and *Statistics of Education, Further Education, Higher Education, in Polytechnics and Colleges 1990/91*, London: DFE.

11.2 Adult and Community Education has been mainly organised through adult education centres (AECs) and the further education colleges. In 1991 there were about 1.35 million enrolments in 2315 AECs run by the LEAs, amounting to about half (47.1%) the total. A further 23.5 per cent were served by the colleges. The rest were catered for by the Workers' Education Association and extramural departments (14.7 per cent), the universities including the Open University (8.8 per cent), and adult residential colleges (5.8 per cent). Most of the work of the AECs is in the evenings (64.5 per cent of enrolments); most of the students are female (73.6 per cent).

- 11.3 Although there was a period of rapid growth in the early 1970s, the level of enrolments in the ACEs is about the same now as twenty years ago (Chart 11.1). It is not clear why the growth has not been sustained, whether it was due to changes in fee policy or because people were opting more for college-based courses. The fall in the number of centres has been dramatic, by almost two-thirds from 6502 in 1970 to 2399 in 1990.
- 11.4 The amount spent on general and basic adult education in AECs, colleges, and elsewhere by individual LEAs varied widely. A recent report from HMI (1991)<sup>21</sup> showed that in 1987-88 per capita expenditure could be as much as £10 or just a few pence. In low-spending authorities they found that the fees charged were expected to cover costs with some remission for the elderly and less well off. The low level of funding limited the range of activities, and curtailed development work which was forced to rely on short-term external funding or voluntary efforts.

### **Box T : Schedule 2 Courses**

Those preparing students for vocational qualifications, GCSE, A and AS levels.

Those preparing students for entry to higher education (access courses).

Basic English or Maths.

English as a second language.

Literacy in Welsh.

Independent living and communication skills for people with learning difficulties, which prepare them for use of the courses listed above.

Source: Further and Higher Education Act 1992. Chapter 13. London : HMSO.

- 11.5 Under the 1992 Act funding is split between the Funding Council and the LEAs. The Funding Council is responsible for the courses leading to qualifications and some others, known as Schedule 2 courses (Box T). The rest are funded by the local authorities as they have done in the past. Only the colleges (including the former sixth-form colleges) may bid for FEFC funds; other organisations providing Schedule 2 courses such as the Adult Education Centres have to bid through a sponsor. This has to be one of the sector colleges.
- 11.6 The Act safeguards Schedule-2-type courses but what will happen to the rest, broadly the non-vocational courses? The capacity of the local authorities to maintain these courses will be severely tested. Not only have their responsibilities and income relating to further education in the main been transferred to the FEFC, but their budgets, it is claimed<sup>22</sup>, have been reduced by five per cent on average in the latest round of government assessments.

- 11.7 To bring some of the excluded adult education courses within the ambit of FEFC, efforts are being made to ‘vocationalise’ them, to make them eligible under Schedule 2, for example, by making a leisure course such as cooking preparation for a City and Guilds qualification. It is not always easy to draw the line between ‘leisure’ courses and ‘vocational’ ones. In theory almost every course could lead to a qualification of some kind. But the money available from the Funding Council is finite and not all bids will be successful.
- 11.8 Our survey found that 40 per cent of colleges were anticipating no change in the organisation of adult education under the new arrangements. Just over a quarter (28.6 per cent) said there would be a shift from LEA to college and LEA jointly, the remainder (31.4 per cent) were unsure about what would be happening. Whatever pattern emerges non-vocational adult education is potentially vulnerable. Colleges which in the past have subsidised it are likely to be looking increasingly for income-generation. Schools will also compete for profitable courses. LEAs will probably be left with a rump of uneconomic minority and social needs provision to meet from declining budgets. It seems that fees to students must inevitably rise.
- 11.9 Adult and community education will be of greater, not lesser, importance if the UK is to become a ‘learning society’. The respective roles of the FEFC and the LEAs must be clarified to ensure that valuable work does not fall between the funding regimes of the two and disappear in the process.

## 12. Partnership with Employers

- 12.1 ‘Employability’ means the capacity to contribute to the working world and to continue to learn in it, however the working world turns out to be. A dialogue between the colleges and employers needs to take place all over the country. It is not that industry is merely a customer with full understanding of its own needs nor that the colleges should aim to turn out people moulded to a specified shape. On the contrary the dialogue needed must be between equal partners *accepting joint responsibility for enabling people to learn, progress and take opportunities in the world as it seems to be developing.*
- 12.2 It is important that employers should consider working more closely with education at all levels. In *Assessing the Value*<sup>23</sup> we argue that it should be a normal part of doing business and it will bring tangible benefits that can be assessed in a business-like manner. But the *raison d’être* of employment-related education is employment and if it is to have meaning and relevance it must relate to the working world as it is and is becoming. It is particularly important therefore that employers should strengthen their links with colleges with their special role in developing vocational education.
- 12.3 Dialogue in the past has been hampered for want of a common language. But employers through their representation on lead bodies, Training and Enterprise Councils and governing bodies are becoming increasingly familiar with the language of education and training, and the colleges are themselves now businesses with strategic plans, staff, customers, services, products and budgets. It is both necessary and possible for debate to be joined. What should an employer acting with enlightened self-interest best be saying and doing with reference to the colleges? This is something on which the Council for Industry and Higher Education may wish to consider giving a broad lead.
- 12.4 We think that a company determined to approach these issues seriously would need to address at least a five-fold agenda.
- How should senior management extend to all qualified manpower and to the colleges, the same attention it has already learnt to pay to graduates and the universities?
  - How far does it believe that demands of innovation and team work make it important to extend education and training opportunities to the work-force?
  - Does the company wish to encourage local managers to play an active part on college boards and committees? Colleges need good people. Company management can get first-hand understanding of the colleges by helping them.
  - Does the company understand the underlying issues to do with vocational education and training, so as to express useful views to those responsible for developing it and its awards?

- How can the employer-led Training and Enterprise Councils be encouraged locally to help colleges build close working connections with smaller employers as well as the subsidiaries of larger companies?

### **Box V : Partnership**

#### ***Movement of People***

Young people released from employment to college, and college to work experience.

Older people encouraged to learn through company funding.

Industrialists to help with teaching in colleges, and lecturers to teach in employer premises.

Lecturers help managers learn to tutor employees.

Shadowing, for example, of college principals by employers, and vice versa.

Joint learning occasions on local economic issues.

#### ***Resources***

College facilities available to industry.

Companies lend/give equipment.

Joint work on 'project material' for courses.

Help with repair/re-decoration of premises.

Company sponsorship of special events.

Occasional gifts.

#### ***Governance and Advice***

Employer representatives on colleges' new governing bodies.

Employer participation in department and curriculum advisory groups:

- what do students need for the working world,
- are qualifications right,
- what is good work-based learning,
- shape of jobs to come?

#### ***Employers as Customers***

Tailored courses.

Flexible learning for small and medium sized enterprises.

Offsite training centres for employers.

Delivery of large company programmes.

Equipment facilities for use by subsidiary companies.

Response to TEC schemes.

Language courses and mobile language centres.

- 12.5 There are many opportunities for practical local co-operation. Box V gives examples and Box W presents illustrations from two of the case study colleges.

### **Box W : Links with Industry**

#### ***General College***

Principal sees industrial links developing at two levels: (a) informal - representation on governing body, departmental advisory committees, personal via work placement; (b) formal - via customised services. Not keen to establish a consultancy company (other than for tax purposes), believes industrial links should be fully integrated into the activities of the college. Currently provides tailor-made courses for some 54 companies, for example, to provide one and two years off-the-job engineering training for town's major employer, which has just closed its training centre. This £300,000 project will provide multi-skills training. Profits from college activities built new fabrication and welding workshop to accommodate the project. Other course specialisms in quality assurance, basic food hygiene, up-dating for engineers, and foreign languages for business people. Strong links with TEC. Income approximately £1 million. Managing agent for Youth Training specialising in motor vehicle maintenance. Also jointly with Construction Industry Training Board for 'Training for Work'.

#### ***Tertiary College***

Major effort to expand services to industry via consultancy and customised courses. Established college training consultancy in 1991, in specialist accommodation. Four client managers work with specific employers, mainly large and medium-sized companies, especially major overseas car manufacturer. Also developing flexible training provision for small and medium-sized companies in selling and storage. Other specialist area is in computing. The college has largest information technology facility in the north east and acts as main training centre for a leading international computer company. Sees pivotal role in next decade for college as training provider for industry especially in administration, management and service sectors, as local pool of skilled labour declines. Other major area of activity Youth Training and 'Training for Work', especially motor vehicle engineering, hairdressing and IT. Formerly acted as a managing agent but now sub-contracted by LEA which has appointed its own training manager to liaise directly with the local TEC on behalf of the whole borough.

- 12.6 This is a basis on which to build. But it is important for both colleges and employers to understand the issues, join the debate and feel they are getting a hearing. Employers who know their local colleges are more likely to contribute and encourage their employees to participate. As companies come to do and

contribute more, their input to the debate will become better informed, more clear-sighted and carry more weight. Colleges who know their local businesses are better able to help their students through developing genuinely employable skills.

12.7 The colleges and employers together can help to bring about the necessary cultural shift from academic to vocational education, and contribute to the delivery of the National Education and Training Targets. The colleges have been given new impetus through independence. Education in this country is coming to be clearly seen as consisting of a triumvirate of colleges, schools and universities. In partnership with employers the colleges can build on their expertise and experience in developing employable skills. In partnership with the schools and universities, the colleges can also offer locally-based and accessible opportunities of many kinds, including foundation education 16-19, continuing education, help for the vulnerable, adult liberal education and degree studies. But it is important that they should not see themselves as the poor relations of the universities, nor succumb to 'academic drift'. If they play to their strengths, the future is theirs.

## Notes

1. *The Government's Expenditure Plans 1993-94 to 1995-96*, Departmental Report. Department for Education and Office for Standards in Education, London : HMSO; Statistical Bulletin 14/93, London : DFE.
2. The argument is more fully developed in Smithers, A and Robinson, P (1991). *Beyond Compulsory Schooling*. London : CIHE.
3. Mason, G, Prais, SJ and Van Ark, B (1992). Vocational education and productivity in the Netherlands and Britain. *National Institute Economic Review*, no 140, May 1992.
4. The Adult Literacy and Basic Skills Unit (1993). *The Cost to Industry : Basic Skills and the UK Workforce*. London : ALBSU.
5. National Advisory Council for the Education and Training Targets (1993). *Targets, Education and Training*, First Annual Report on National Education and Training Targets, March 1993. London : NACETT.
6. A one-in-five stratified sample based on the *Directory of Colleges*, FEFC, May 1992, comprising 54 General, 10 Tertiary, 24 Sixth-Form, 7 Agriculture/Horticulture, 3 Designated and 2 Art and Design Colleges, completed a short questionnaire. Besides general details, colleges provided information on enrolments, income, and gave their views on the impact of the change to independent status. Ten of the colleges were selected as case studies on the basis of region, type and size, and provided detailed accounts of their catchment areas, students, courses and qualifications, funding and modes of operation.
7. One of the Further Education Funding Council's first tasks was to clear up how many colleges it was responsible for. The figures quoted are from a table privately provided by the Council showing the number of colleges as at 1 April 1993. The numbers differ slightly from the *Directory of Colleges within the Further Education Sector in England*, March 1993. Coventry : FEFC and somewhat from the *Statistics of Education, Further Education, Higher Education, in Polytechnics and Colleges*. London : DFE.
8. *Statistics of Education, Further and Higher Education, Student : Staff Ratios and Unit Costs*, 1990-91, England. London : DFE.
9. Circular 10/65. *The Organisation of Secondary Education*, London : DES.
10. The most complete statistics are available for 'enrolments'. In 1991-92, the Further Education Statistical Record shows that the number of enrolments in further education was 2,054,242 and the number of students 1,815,341. The discrepancy is because some part-time students enrol for more than one course (23.7 per cent of those on part-time day, 19.5 per cent of those on evening-only and 8.5 per cent of those on day-release). Student and enrolment numbers correspond for full-time and sandwich courses.
11. Based on the 54 General Colleges in the one-in-five survey (see note 6).
12. Following evidence from the Association of County Councils, the Arts Council and the Law Society concerning the 'squeeze' on discretionary awards, the Gulbenkian Foundation and Sir John Cass' Foundation in collaboration with the DFE have commissioned a survey of discretionary awards made by LEAs in England and Wales.
13. We are indebted to accounts of the history of the colleges in Burgess, T and Pratt, J (1970). *Policy and Practice : The Colleges of Advanced Technology*. London : Allen Lane; and Pratt, J and Burgess, T (1974). *Polytechnics : A Report*. London : Pitman Publishing.
14. Tysome, T (1993). Colleges in debt. *Times Higher Education Supplement*, 23 July 1993.
15. Secretary of State's statement about the DFE's expenditure plans for the years 1993-4 to 1995-6 given as a written answer in *Hansard*, Thursday 12 November, 1992, vol 213, no 72.
16. The NCVQ 'philosophy' is explained in Jessup, G (1991). *Outcomes : NVQs and the Emerging Model of Education and Training*. London : The Falmer Press; *The NVQ Framework* (January 1992). London : NCVQ; *General National Vocational Qualifications : A Consultation Paper* (October 1991). London : NCVQ.
17. The Further Education Unit has been developing models of 'credit accumulation'. See *A Basis for Credit?* (February 1992). London : FEU and *Developing a Post-16 Credit Accumulation and Transfer Framework : Feedback and Developments* (February 1993). London : FEU.
18. *Funding Learning* (December 1992). Coventry : FEFC.
19. Employment Department Group (February, 1993). *The Government's Expenditure Plans 1993-94 to 1995-96*. Cm 2205. London : HMSO.
20. *Credit Limits : A Critical Assessment of the Training Credits Pilot Scheme* (January, 1993). London : Youthaid and NATFHE.
21. *Education for Adults : A Review by HMI* (1991). London : HMSO.
22. Tuckett, A. Growth potential, but fees could be much higher. *The Guardian*, 2 March 1993.
23. Smithers, A and Marsden, C (1992). *Assessing the Value*. London : BP.



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