Local Leadership Challenges

Graham Moore OBE

Chair 157 Group

Principal & CEO Stoke-on-Trent College

Community Leadership

"FE Colleges are leaders in their community – not just in education but as institutions that can drive economic development and regeneration through presence, participation and leadership"

Rt Hon John Denham & Rt Hon Ed Balls

September 2008

Down Memory Lane

- 20 years a principal
- 1989 still part of the Local Education Authority
  - One budget to deliver 16-18, 19+ and Adult Ed
  - An inspector, finance & HR support from LA
  - Regional bodies to allocate course approvals
  - Annual haggle over budgets & staffing
  - OK if you recruited the students and improved performance

1992 Freedom! FEFC Created

- New Government with a competition agenda
- Funding equalised with marginal funding for growth that pushed down ALF
- Local salary “agreements” (gap with schools opened up)
- Treasury overspent and the brakes slammed on
- But the system did respond to the market, FE grew rapidly and success rates rose

1997 Too much Freedom

- Colleges exploited funding freedoms looking for volume and margin rather than focusing on local priorities
- Franchising, lax controls, disaster
  - Derby, Stoke-on-Trent, Halton, Bilston, Wirral
- The roots of today's bureaucratic micro managed FE system
- Lack of transparency, trust and strategy

Scuba diving torpedoed

- Dept for Education and Employment investigates FEFC decision not to fund scuba diving courses because it classes them as recreational rather than educational
- FEFC spokesman Patricia Stubbs said “We could find ourselves having to pay for kite-flying courses rather than the education and training courses which generally improve people’s life chances”

Simplification - LSC launched 2001

- TECs abolished, all 16+ education except HE funded through LSC.
- TEC skills bureaucracy never really integrated
- Schools still light touch. Little real progress on common funding
- Unresponsive providers beaten with “demand-led” stick.

LSC bows out 2010

- Full Qualification to meet international targets
- Multiple budget lines to address multiple targets with no virement.
- Account managers now approving all enrolments in Employer Responsive budget
- Employers seek direct funding for training they used to expect to fund
- Sector Skills Councils now being

Is there another way?

- Good colleges and private providers know their local markets.
- Principals are highly trained, often the equal of or better than their private sector MD equivalents
- Governing Bodies are well stocked with experienced business and community leaders

Is there another way?

- Colleges work closely with local authorities not just 14-19 but through Local Strategic Partnerships, delivering the Local Area Agreement targets and addressing regeneration and social cohesion issues
- Colleges and private providers increasingly cooperate to deliver comprehensive benefits to their business community

Is there another way?

- The new education act places a duty to cooperate on colleges and requires them to address economic regeneration and social cohesion. (+ 153 Sweeping new powers)
- Are we close to the point where colleges can fully take their place as key local and sub-regional strategic partners, leading the Skills agenda in partnership with a network of other providers?

A brave new government?

- With acknowledgement to LSIS seminars (previously CEL) and Caroline Mager the new Department of Business, Innovation and Skills with the new Skills Funding Agency needs to create a new model that enables strong effective providers to address both the national skills strategy and the local social and economic priorities

Actions

- A clearer narrative from colleges
- Better commissioning
- More flexible budget lines
- Funding arrangements that encourage and do not frustrate engagement with its communities
- Innovate models and approaches to partnership

Actions

- Locality based professional development of public servants
- Clearer supportive narrative from the centre

For more information contact:

Caroline Mager,

Executive Director, Policy and Strategic Intelligence *caroline.mager@lsis.org.uk* *or go to web site*

Is do nothing an option?

- Funding crisis leading to more rationing reducing employer responsiveness and requiring further bureaucracy to manage
- Intensification of competition for scarce funding leading to provider failure or quality and probity issues
- Inability to respond to local issues and weakening of trust and support arrangements

Is do nothing an option?

- Efficiency savings falling on providers whilst central costs remain high. HEFCE council costs £18.3m – LSC admin £210m
- Loss of entrepreneurial leadership from principals and governors who whilst commanding large budgets have little room for discretion and become increasingly risk averse

End Game

- A clear and consistent skills strategy from government(s) that sets a long term framework
- Transparent funding and outcomes measured against that strategy
- Trust between government, self governing strategic provider networks and local communities

End Game

- A national network of strategic colleges (say 50-100) who take responsibility with their partners for the sub-region skills agenda
- Clear accountability to the local community and national government (through a slim funding agency like HEFCE) for transformation of the nations skills base
- Mutual support across the network to minimise the need for consultancy and quality improvement agencies