The Long-Term Implications of Devolution and Localism for FE in England

Written by Ewart Keep
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www.fetl.org.uk
Email: enquiries@fetl.org.uk
Twitter: @FETforL
Foreword

David Hughes, Chief Executive, Association of Colleges

Colleges are vital parts of the local education system, are major employers and do so much to support the local economy, healthy communities and social cohesion. Yet they have been pushed and pulled by national policy shifts more than any other institutions in education. That’s why we need to think about how localism might best be implemented so that it can provide a more stable, secure and fruitful future for colleges to be able to serve their communities, employers and students.

This project set out to evaluate how this is being developed now and the impact it will have on colleges. Through in-depth research and events, Professor Keep has set out the approaches college leaders might consider to ensure localism works well. I believe that there are opportunities in localism and devolution as well as risks and this report is an important contribution to realising those opportunities.

With the changed leadership in Government, it is unclear how devolution and localism will develop. The plans to give control of the Adult Education Budget to local leaders were not seen as sufficient in many parts of the country where the interest was also in 16-19 funding and apprenticeships. The machinery of government change has now brought the more pro-localism BIS into the more centralist and market-led DfE, so it will be fascinating to see what happens next.

Whether or not you are a proponent of localism and devolution, it is abundantly clear from this paper that many localities do not yet have the capacity or capability to manage the Adult Education Budget, let alone anything more. Whitehall itself has not yet articulated clearly how it intends to set the balance between central and local power. Meanwhile, the country as a whole, is going through a period of transition and we await the full impact of Brexit, not least on migration and the labour market.

At the same time, the policy changes do mean that there is a lot to play for. It may be that good devolution, well thought through would bring colleges together with local leaders in a powerful force for good. That’s why the findings of this report are so crucial for college leaders and why I am keen that we use this report to support college leaders and ensure that colleges remain at the heart of the skills and education agendas.
Foreword

Dame Ruth Silver, President, Further Education Trust for Leadership

Professor Keep has produced an extremely useful, lucid and timely report, which not only takes the temperature of the further education and skills sector at a time of profound and far-reaching change but also offers a number of intelligent, forward-focused provocations to help leaders orient their thinking and plot a sound course for their institutions. These are, of course, challenging times for further education colleges and independent training providers – to a degree, it has always been thus: life on the neglected mezzanine floor of the English education system has long been one of near-constant adaptation and reinvention. Devolution may look like a step into the unknown, particularly given the unfolding implications of Brexit, looming ‘reform overload’ and the other competing pressures FE and skills leaders face, but I am inclined to be optimistic. I think we have the skills and the capacity to look beyond the short-term distractions and, with our partners, think our way to a future that is worth living in.

As Professor Keep says, the sector has reached a ‘foot in the door’ moment. Localism demands modernised models of governance, which, in turn, demand clarity of purpose and fresh thinking. The sector must go beyond adaptation and set the agenda, making its own sense of the opportunities it has and being outspoken about what it can offer. Making meaning in new and radically contested terrain is difficult, of course. The concept of devolution itself is problematic and there are distinct signs that the understanding of central government is somewhat at odds with that of those on the ground who would like devolution to proceed in a genuinely local fashion, with more devolved power, more control over funding and more ground-up policy solutions. Realistically, central government will continue to have a big say over the provision of further education and skills, alongside a shifting cohort of local players. If FE and skills is not to be squeezed between these competing forces it must become, itself, a force to be reckoned with: bold, self-confident and creative in its response to change.

This is a moment not to reform further education and skills but to reformulate its role within still-emerging local frameworks of influence. Professor Keep uses the concept of ‘metis’ – localized, practice-based knowledge and expertise – in contrast to the view that has characterized English skills policy for the past 30 year or so, that ‘the centre nearly always knows best’. I find this particularly useful and fitting. The localism agenda represents an opportunity to place greater emphasis on metis and rebalance national and local power in further education and skills. Elsewhere, Professor Keep has stressed the interconnections between metis and trust. As he argues, the most effective education and training systems ‘possess and engender relatively high levels of trust between different actors and stakeholders’ (Keep, 2016: 3). Decades of centralisation have somewhat eroded this but localism creates a space in which to begin to rebuild it, provided central government lives up, in part at least, to the rhetoric of devolution and is prepared to relax its grip on the levers of power and allow local actors to use their local expertise intelligently and creatively.

If the sector can get on the front foot I believe it can play a meaningful role in a rebalanced system where the political anima is around new connections and partnerships, with employers, with local authorities and with other key local players at different levels of influence. The US Cities of Learning project, recently described by Anthony Painter in a joint publication from FETL and the RSA (Painter, 2016), offers some light here. This digital-
led initiative sought to strengthen the identity of cities as places of learning by galvanizing local institutions, organizations and communities, gathering together educational, business and political support around a city-wide digital platform linked to learning opportunities – effectively connecting the whole city. There is clearly some potential for FE and skills providers to lead similar projects in the UK, given the shifting landscape and the uncertainty of destination. At the very least, the US project highlights the untapped potential for FE and skills to play a much more energetic, enterprising role in localities.

To make progress, and to avoid being pulled in two different directions by competing national and local priorities, the sector must, as Professor Keep eloquently argues, confront its choices as well as its mission and vision. We need to ask not what devolution means (the term is essentially contested) but what it could mean for us, stretching governance beyond regulation into being genuinely strategic and generative in our thinking. The report ends with some questions to be used as a starting point in framing moves to respond to the issues it sets out. These are a useful means of steering and stretching our thinking, as well as an invitation to the sector to be more future-focused. This is important. At FETL, we do not see our role as being to tell others what to think or how to be. Our role is to feed the brains of others so they can respond to change in an appropriate and far-sighted way. We aim to enable people to make and take a fitting and forward-looking place in the FE and skills system. This report offers just such a provocation; detailed, readable and intelligent but also highly useful in helping us exploit in expansive ways the new space that now exists in the sector for fresh thinking and new strategic partnerships.
Introduction

This publication highlights some of the key issues and findings emerging from a one-year research project undertaken in partnership between the Association of Colleges (AoC) and the Centre on Skills, Knowledge and Organisational Performance (SKOPE), Oxford University, and funded by the Further Education Trust for Leadership (FETL). A longer and more detailed final report is also available.

The project had two aims:

1. To explore how the leadership and governance teams in individual institutions, localities, the further education (FE) system more widely (including its many stakeholders), and the national bodies that superintend the system conceive of and make sense of localism, and how they identify and develop effective models of organisational strategy to support moves towards a more devolved, localised pattern of FE governance and funding. To then use this information to further understanding of how localism is developing across the system, and support the creation of new models to best deliver localism, for example, through the construction of scenarios of the different forms that localism might take.

2. To identify the capabilities, theories, knowledge and expertise (individual and institutional) needed to underpin and develop effective organisational leadership and associated strategies, and explore how these might be better developed and delivered across the FE system.

Research was conducted in a number of AoC regions, via interviews, focus groups, conference sessions and other meetings with college staff, governors, local stakeholders and national government and agencies.

The conceptual backbone of the project has been the notion of ‘metis’ or localised, practice-based knowledge. One of the key questions the research has explored is the degree to which localisation/devolution allows metis to be deployed in conditions of trust between central government and localities, and between local actors and stakeholders.
Devolution as an ongoing process

Devolution as a policy agenda and process in England remains a work in progress, both in general terms and also in relation to skills and FE. As a result, writing a report that attempts to lay out what could or should happen next, and what implications might arise, is akin to trying to review a play as the curtains are closing on its first act.

The vast bulk of practitioners’ attention has been focused, not on the long-term, but on more immediate concerns, most notably area based reviews (ABRs) and the mechanics of the devolution of the Adult Skills Budget (ASB) and its transformation into a localised Adult Education Budget (AEB). As a result, few senior practitioners, both in FE and among its stakeholders, have had the time to “see beyond the now”, as the former head of the Association of Employment and Learning Providers (AELP), Stewart Segal has put it.

In addition, many aspects of education and training (E&T) policy are currently undergoing another series of fundamental reforms. These include: the Sainsbury Review and the Post-16 Skills Plan; the rollout of the new, expanded post-19 FE student loans system; apprenticeship reforms and the apprenticeship levy; and machinery of government changes that will see the Department for Education (DfE) take charge of post-19 FE, apprenticeships, and the teaching aspects of higher education (HE) policy. Taken together, these signal massive disruption to funding and course provision. The results of the EU referendum and changes in the ministerial team are still further sources of uncertainty.

Localisation and devolution is just another element of instability within an already turbulent policy environment. Some stakeholders interviewed for this project were concerned at the ‘reform overload’ that was looming. An employer observed that, “FE has been kicked around like a rag doll for the last 30 years, leaving colleges constantly on the back foot reacting to yet another government policy change”.

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The context set by wider notions of devolution

Devolution is a contested concept. Many of the issues that surround the localisation of skills are simply reflections of wider questions about what devolution in England is meant to bring about, and how the devolution process is being designed, conducted and managed. Different players hold radically divergent views on where devolution and localisation are meant to be heading.

Devolution is also being undertaken in a very top-down fashion. Professor Robin Hambleton has argued that, “ministers, not elected local politicians, still less local citizens, will decide whether the deals are acceptable. The accountability is up to distant figures in Whitehall, not down to local people”. This approach has applied as much to skills issues as it has to other policy areas.

At the same time, great expectations have been placed on devolution concerning the re-balancing of economic activity and a reduction in spatial inequalities; better long-term outcomes (economic and social); re-invigoration of local governance and accountability; and opportunities to bring local knowledge and understanding to bear on difficult economic and social policy problems (i.e. the deployment of metis). These are large promises and they occur against a backdrop in which the social and economic problems that devolution is expected to address are becoming more rather than less acute. In addition, the gap between the policy goals and the actual powers and resources that are being granted to localities to achieve these goals is considerable. The scale and longevity of these challenges raises issues about the corresponding extent of policy responses, not least in terms of localism’s ability to act as the ‘solution’. There is, therefore, a danger that devolution is being over-sold.
Fundamental choices about underlying models for E&T

It is important to locate skills devolution within the overall structure and direction of E&T policy. There are two key points of tension: national versus local; and markets versus systems. It is at these points where the expectations and desires of national and local actors sometimes diverge.

National versus local

For the last 30 years the balance of power between national and local has been simple and unidirectional, as discretion has been removed from localities and transferred to national government. In the sphere of E&T, the overall tenor of these developments has been a process of delocalisation, centralisation and nationalisation. This has implications for how devolution is playing out.

First, national politicians’ goals for devolution are less ambitious than the expansive agenda embraced by their counterparts at local level. Second, the gradual removal of planning, funding, management and inspection powers from local authorities (LAs) means that they now have limited staffing and E&T expertise, and their knowledge of FE and skills policy is often weak. The return of some responsibilities via devolution therefore raises a major challenge around institutional capacity.

Finally, central government maintains unilateral control over the bulk of decision-making and funding choices. The pattern of policy control and funding for E&T once current plans for devolution are complete will be that early years, primary schooling, secondary schooling, 16-19 FE, post-19 loan-funded FE, apprenticeships, HE, and the inspection system will all be nationally controlled. The local element, subject to nationally determined learning entitlements, will be the devolved AEB, which at £1.5 billion per annum represents about 1.7% of planned overall educational expenditure by the UK government in 2017 (£85.2 billion).

Consultative mechanisms that allow localities to input into the formulation of national E&T policy are currently absent. For example, local involvement in thinking about safeguarding, maths and English, Prevent, apprenticeship reform, and the reform of post-16 qualifications and curriculum, has been minimal.

Markets versus systems

Marketisation has spread and now embraces most forms of state-funded education. Once devolution is complete, early years, primary and secondary schooling, 16-19 FE, apprenticeships, post-19 loan-funded FE and HE will all be covered by nationally designed and managed markets. The two potential exceptions will be qualifications and localised AEB-funded post-19 FE. There is arguably limited space within this model for substantive local policy influence or intervention.
The big issues

Given this complex and turbulent backdrop, what are the big questions and issues? What affect will localisation have on FE?

**Massive uncertainty induces a short-term focus**

The first point that emerges clearly from the research is that the oncoming tidal wave of reforms means that neither colleges nor local stakeholders have sufficient time, energy or capacity to devote to creating longer-term visions of the future. The realities of dealing with the ABRs and the new localised AEB are soaking up managerial capacity. Moreover, the uncertainty engendered by the reforms makes thinking through what the future might look like extremely difficult to achieve.

**The devolution of the AEB**

Although the mechanics of localising this funding stream are becoming clearer, many important details are still to be finalised. Two overarching problems are apparent. First, it is uncertain how much discretion localities will have in choosing how they to spend their allocation (as and when this is calculated). Some estimates indicate that more than a third of the AEB is already committed to meeting various adult entitlements and literacy and numeracy priorities.

The second difficulty is that the list of potential streams of activity that the ASB/AEB could be used to fund is liable to far exceed the sum of money available. These include: English for speakers of other languages (ESOL); adult and community learning; adult literacy and numeracy; additional support for apprenticeship provision; re-training for those at risk of being made redundant; re-training for those changing careers; improvements in locally-available information, advice and guidance (IAG); upskilling for workers who want to progress within employment; provision for post-19 individuals not in education, employment or training (NEETs); additional funding for training for long-term unemployed adults; investment in skills to support bids for inward investment; skills to support local enterprise partnerships (LEPs) and combined authority (CA) priority economic development sectors; and funding to support the costs of re-organisation and re-structuring of institutions as a result of ABRs.

It seems inevitable that future demand for learning will outstrip the sums of public money available to fund it. As a result, some hard choices will have to be made, with decision-making (and subsequent blame for the fallout that is generated) shifting from national to local levels.

**Local geographies and identities matter**

There is considerable debate about devolution in terms of the spatial levels at which particular issues are best decided. As one respondent noted, current “administrative boundaries are a very weak way of coralling loyalty”, while they also often fail to reflect complex travel-to-learn patterns. Travel-to-learn issues also had major implications for attempts to concentrate specialist provision. Deciding at which level or spatial unit E&T provision should be funded, conducted and overseen was problematic, and often open to contest.
There were also significant differences within and between localities, in terms of their underlying social and economic foundations and trajectories. What works in large combined authorities will not always be applicable in smaller towns and cities or rural areas. Underlying economic geographies suggest that patterns of provision will continue to diverge.

**Local actors’ aspirations for devolution**

Many local stakeholders and actors wanted and expected devolution to go beyond what was currently on offer. Their key ambitions concerning ‘place leadership’ were:

1. The creation of local skills systems not mini-markets, although control of schools, HE and 16-19 provision will not immediately be available to them.

2. Influence over wider aspects of E&T policy, beyond the AEB. Aspirations included: influence and/or some element of control over apprenticeships and the levy; control over the traineeships budget; influence over student loans for FE; and some co-ownership over elements of the Department for Work and Pensions (DWP) budget for skills for adult unemployed and the disabled. There was a strong desire for localities to have some influence over schools, particularly the ability to intervene when they are failing.

3. Opportunities to influence national policy development were sought in the longer-term, by creating a shared agenda with national government that would allow the gradual development of greater mutual trust and respect, and enable localities to earn their way into the national policy conversation.

**Planning and matching skills with economic development**

The models for how these emergent local systems might operate were often tied to traditional policy concerns about ‘matching’ local provision (in terms of student numbers, types of skill and course levels) with local employer demand, via various forecasting, planning and control systems. Leaving aside the technical difficulties of delivering this, such ambitions suggested that thinking had yet to take place about more sophisticated approaches to link skills development with wider economic development, business support and improvement. There were few signs, for example, that a skills ecosystem approach was emerging in many localities.

**Likely government responses**

The evidence suggests that, at least for the moment, there is little chance of many of the items on the wish list being granted. This situation reflects the government’s commitment to national control to drive forward marketisation in schools and HE, and the now well-established expectation that Secretaries of State can and should intervene in and control matters of detail. One national respondent suggested that localities needed to develop, “realistic expectations”.

The danger for FE is that it gets caught in the middle of this conflict between national and local expectations, and is neither responsive enough to the invisible hand of the market to satisfy ministers, nor sufficiently hard-wired towards meeting local demand. As a result, colleges will be pulled in two different directions by divergent local and national policy priorities.
Future scenarios

The early stages of the fieldwork indicated that pressures generated by reform overload meant that thinking about the future was largely focused on short-term issues, and that well-developed models of where devolution might lead were yet to emerge. In seeking to explore how localised skills policy might play out, a set of scenarios were developed as a device for structuring discussions. They were designed to aid reflection about different visions of the future, rather than offering 'the vision' itself, and different elements of some of the scenarios could be in play at the same time. The scenarios helped to clarify some of the fundamental options and choices that colleges and their stakeholders face.

The four scenarios were:

1. Less of the same, wherein an even more resource-constrained version of current provision emerged, and national government retained control and oversight of most aspects of the E&T system.

2. Patchwork quilt, in which different economic trajectories, funding decisions and other strategic choices meant that patterns of provision became increasingly divergent, and a learning postcode lottery developed.

3. Markets rule!, in which national marketisation policies and scarce resources meant that efforts to create local systems were swamped by the effects of the invisible hand of the market, provision was determined by what paid, and where colleges reacted to the incentives they faced by ‘following the money’.

4. Localism in the lead offered a world in which localities banded together to act as a counterweight to national influence, where national government sought local help in steering reform, and where levels of trust were starting to grow.

For further details of the scenarios, see the full report.

The vast majority of those outside central government with whom the scenarios were discussed preferred scenario 4, but believed the most likely outcome was a combination of scenarios 1, 2 and 3. Respondents expected the future to resemble the recent past or the present, but with problematic aspects of the current situation accentuated. This was certainly not their vision of choice. They would have preferred moves towards a model where localities were better able to deal with the national level, if not as equals then at least as a partner, and for higher levels of trust to develop.

There was a clear view that the market model predicted under scenario 3 worked badly for the less fortunate (students, institutions and localities), but privileged the powerful (in terms of money, choice, room to fail, information, etc.). Concerns were expressed about those who might get left behind in this brave new world. It was also the view of many that it would take a significant length of time for the underlying direction of travel to become apparent, and that what happened in the next year or two might not form a good guide to longer-term developments.
Divergent expectations and the dangers of disappointment?

There is plainly potential for divergence and dispute between those involved in devolution – government (who are transferring power downwards) and those in localities who are receiving new responsibilities and resources. The issues for both parties chiefly centre upon:

1. Scale of expectations. The research has suggested that government’s expectations of the freedoms being granted are limited, whereas commentators and localities want to present devolution as a fundamental change.

2. Different ideas about the best model for progress, where devolution should lead, and how far it should go.

There is also the potential for differences of opinion within the two camps, particularly within localities, where markedly different visions of what localisation might mean are often in play as various interest groups and stakeholders vie for power and influence over the policy agenda and resource allocation.

The most fundamental danger is one of unfulfilled expectations, particularly at local level. Devolution has become laden with hopes for solutions to the long-term, structurally embedded economic and social challenges found in many of our communities. As a result, significant expectations have built up around devolution, City Deals, and the localisation of aspects of skills policy and delivery. In the short-term at least, these may not be fully met.
Governance issues need to be addressed

It was apparent that there were a wide range of governance issues that were being thrown up by localisation and other changes. These occurred at three levels:

1. Meta level – national government to local area.
2. Mesa level – local body to their locality (including oversight of elements of E&T).
3. Micro level – college or FE provider to stakeholders, locality and central government.

As the full report details, there are problems at all three levels.

What has emerged to date on national and local relationships has proved contentious. Devolution represents a limited transfer of power from the national level to the local (variously defined), but to date it has not proved to be particularly concerned with securing a greater public scrutiny or democratisation of decision-making. Policies, choices and deals once made behind closed doors in Whitehall are now to become policies, choices and deals made behind closed doors inside LEPs and CAs.

At the same time, the model for local governance – City Deals, CAs and elected mayors – may act as a lightning rod for blame in instances of policy failure or poor usage of public funds. Furthermore, they do almost nothing to address issues to do with the involvement of local stakeholders in the decision-making process within their locality, or the accountability of individual institutions that are in receipt of funding from a locality. Where the AEB flows through a LEP, both the nature and structure of LEPs’ accountability is far from clear.

Colleges may find themselves in the situation of being both nationally and locally accountable. This dual spatial accountability has been in place since incorporation, with the balance of power (until recently) strongly tilted towards the national stage. However, devolution of elements of skills funding now means that a college is accountable for a divided flow of resources. A college is responsible to national government for its 14-18/19 funding, but to the locality for its share of the AEB. These issues are compounded by new forms of organisation within FE: vertical integration, where colleges form links up and down the educational ‘supply chain’ (for example, by sponsoring university technical colleges (UTCs)), and by horizontal integration, where colleges (or colleges and training providers that the colleges have absorbed) form chains and operate across extended geographies rather than within a single locality. Both strategic moves are a way of dealing with uncertainty by diversifying income streams, and they pose significant challenges to established models of governance. Where colleges operate as part of a group across different localities, for instance, are governors in individual colleges simply superintending a branch office? Furthermore, if major decisions about patterns of provision are made centrally at group level, how and to whom is the group structure locally accountable?

The research uncovered a range of questions on governance to which practitioners wanted answers. These cross-cutting issues were linked to how and by whom a new system of multi-level governance is to develop in a world of differentiated and localised power-sharing between central government and individual localities – as well as between colleges at local and national levels. Answers have not yet been forthcoming. There has been an absence of any wider public debate on the longer-term evolution of new governance arrangements.
The pressure for new thinking will not go away. As sources of funding diversify, and more are outside the direct control of central government (student loans, AEB and employers spending their apprenticeship levy contributions), the issue of those who pay having more say will inevitably loom. If the majority of post-19 students fund their course through loans, it implies a different line of responsibility from that of the early 2000s, when national government was the main funder. As the devolved skills ‘deals’ and governance configurations of individual localities are different, devising local governance arrangements for FE may vary from locality to locality.
Matters for further thought and reflection

Capacity issues

There was an almost universal view that many localities lack the capacity (staff, time, expertise, contacts and networks, analytical capacity, processes and data) to fulfil their new and emerging role as custodians and supervisors of localised skills policy. The task of taking charge of the AEB is liable to represent a major challenge, as local authorities have seen their expertise in non-school based E&T dwindle away, and because FE and vocational skills was “fiendishly complex“, as one college principal put it.

There were also concerns about colleges’ long-term ability to thrive and take the lead in the future. The challenges described have put college management and governance teams are under significant pressure. Managing the impacts of localisation is just one problem among the many. This situation raises issues about senior management staffing at colleges, as well as their training and development needs. Caught between the rock of a high stakes national inspection and performance management regime, which draws energy and attention towards day-to-day delivery issues (attendance, Prevent, safeguarding and success rates); and the hard place of structural change (reforms to funding, curriculum, assessment and the need to interact and manage relationships with a large and expanding range of external stakeholders), it is clear that college management is complex and high pressured.

As a result of these pressures, there was support among respondents for a staff training and development centre along the lines of that recommended in the Sharp Review. This would deliver development and CPD, management and leadership training, and act as a think tank for the sector. Participants on its courses and activities could be drawn from:

- FE provider senior management teams
- Governors
- LEP and CA staff covering both skills and local economic development
- Government and its agencies
- Institute for Apprenticeships (IfA).

The opportunity for staff from different constituencies to interact, learn from one another and establish a common baseline of knowledge and understanding would be a significant advantage in developing local learning systems.

New spaces or same old game?

Many believe that localisation will open up new policy spaces, but in reality it may simply deliver smaller versions of what has gone before. To put it another way, the development, acknowledgement and deployment of metis is not a foregone conclusion arising from localisation. Localisation may deliver more of the same on a different spatial scale, whereby colleges swap elements of national bureaucracy for a new localised set of electronic forms. If the localisation of elements of the E&T agenda is to produce opportunities for fresh thinking and new ways of working, it requires leadership and sustained capacity building, as well as the development of trust.
A ‘foot in the door’ moment?

If form is a function of purpose then the pursuit of new models of FE governance will require greater clarity about what FE is there to do, and, perhaps even more importantly given its traditional status as provider of ‘last resort’, what it is not there to do.

An important strand in the research was the identification of a need for FE to develop what one respondent termed, “a clearer vision of what it wanted its future to look like, rather than having other people’s multiple and often competing visions imposed from outside on colleges”. However, it was also widely acknowledged that it was much easier to state the need for this than to actually accomplish it. As one interviewee noted, “vision in the sector is often ‘what we’ve got, plus hoping for a bit more...’”.

This means taking a step back from immediate questions and concerns, such as what to do with or about the AEB. It means confronting fundamental choices concerning mission, vision and purpose for skills provision in localities and institutions. Without fresh thinking, there is a considerable danger that expectations on all sides may not be met.

For colleges, this demands thought about how they wish to perceive themselves – as players, victims or agenda setters. Many colleges have been socialised into and are extremely adept at reacting to external stimuli, often in highly innovative and entrepreneurial ways, but may not be quite as proficient at carving out their own visions, priorities and establishing the means to deliver these – either on their own or in partnership with others. Without change, colleges will be ruled both by local and national forces and bodies.

Localism provides a powerful impetus for contemplating wider changes. It also offers a foot in the door of policymaking. The current skills reform agenda is massively ambitious; realistically, it can only be delivered if actors at local levels endorse its various elements and help to deliver them. National government can will the ends, but the means of delivering them ultimately requires negotiation and coalition with other interested parties. As a result, there may be a significant opportunity to create the space for fresh thinking and to forge new alliances at a range of levels. For instance, a major step would be the conceptualisation of governance mechanisms that go beyond accountability, and act as forums for catalysing, energising and harnessing broader coalitions to deliver mutually agreed goals.

Once the dust from ABRs has settled, colleges and other stakeholders need to discuss what they want to see and how they might go about achieving their aims. Discussions need to take place at national level between parties such as AoC, FETL, the Education and Training Foundation, the Skills Funding Agency, Ofsted, the Institute for Government, the Local Government Association, DfE and other representatives of localities and the devolution movement (including the relevant think tanks). Conversations also need to occur within and between individual localities.

Below are some questions that might be useful as a basic starting point for framing efforts to address the issues outlined in this report:

4. Where in 10 years time do people want to be, and how do they think they might get there? What can FE colleges (individually and collectively) do to influence what happens?
5. What can localities (and the colleges that serve them) do that is both different and better than current policies and models allow?

6. Should the guiding overall design principle for FE be one of markets or one of systems?

7. If there is to be any re-balancing of the rights, roles and responsibilities between national and local levels then it would seem reasonable to assume that, sooner or later, there needs to be some more explicit formulation of this new balance of power. How and by whom might this best be arrived at?

8. If localities want to assume greater responsibilities and to design and enact skills policy better than has been the case with central government, what capacities and capabilities do they and other partners need to develop? For example, what knowledge, skills and abilities do college leadership and management teams need to thrive in this new environment, and to what extent are they different from the skills needed in the recent past? How can such skill needs best be met, and by whom?

9. What new forms of local accountability may be required, and how can we create new representational institutions that deliver stakeholder involvement and commitment, not least from employers? Where, in the long-term, might multi-level governance take us, and what institutional forms might it take? Is a local skills ecosystem approach useful, and to what extent do localities have the capacity and willingness to adopt and develop this model?

10. How can employers and students be more involved in governance? How can the (sometimes) competing demands of employers and the individual student best be balanced in the new w