

# A STRONG FE IN THE NEW ERA

WITH NICK DAVY

**Aphrodite Papadatou catches up with the Association of Colleges (AoC) HE Policy Manager Nick Davy about all things FE. Nick, a highly regarded public figure in the field, discusses the future of the sector going forward at a very timely moment. The message is simple: if the sector is to play a pivotal role in supplying the labour market of the future, it needs to be strengthened with autonomy and investment. Prospects is working with the AoC to deliver its resources to the FE sector as part of its expanded graduate employability strategy.**

**Nick, we have worked together for a while now in support of each other's organisational missions so first and foremost I would like to say what an absolute pleasure it is to be interviewing you for an election-special edition of GMT! I think it is very important to have an insight on the future of FE at this very moment. What needs to be addressed by a new government, the FE sector, and employers alike?**

Thanks Aphrodite. It has been a pleasure working with you and Prospects over the past couple of years and it was great to see Prospects sponsoring and your stand busy at the recent AoC annual college HE conference. I hope more colleges will be talking to you and signing up to access the services you can provide for FE and HE in FE learners.

The key to the future of colleges is re-imagining how colleges can ensure that learners are ready for the work-place. This means continuing to improve our local labour market intelligence, working even more closely with employers and developing the courses that will lead to employment.

**How do we get to the position you have just described?**

It probably needs several changes. First of all, improving careers advice in schools and colleges which means improved investment. Second, we need improved understanding of local labour markets.

AoC is working on that with the University of Warwick, UKCES and RCU. Last but by no means least, colleges must be provided with powers to award their own technical qualifications at education levels 3,4 and 5 – underpinned by lifelong learning accounts. In that way we can begin to create a proper lifelong learning system that does not privilege academic education over vocational and technical.

**Now let's get more personal. Where does your passion for education stem from and what drives you now?**

This is a difficult question to answer, especially as I recently turned a certain age where one tends to look a little more closely at pensions policy than previously! Actually, a couple of times in my career I have tried to turn my hand to other things, but I have always come back to FE and HE – I just seem unable to generate the same commitment to other potential areas!

I really don't know why that is the case, but it does seem quite endemic to education. The creativity and determination of so many people in the sector pulls you along. To give an example: we recently won a HEFCE Catalyst Fund bid to enhance scholarship and technical learning, and the creativity of some of the college practitioners in this field is incredible – often with very limited resources. First, it's great to be part of that and second, the work of these colleagues pushes you on because you don't want to let them down. And of course FE prides itself on giving chance to people who often 'failed' at school and improving their chances – this is a great motivator.

**FE has been hit harder by the spending cuts than HE or schools. How has the sector managed overall in your opinion?**

It has been a very difficult five years for colleges, particularly for those colleges with large adult student populations, and the next five years according to recent announcements could be equally as hard. There will be continuing college mergers and colleges seeking new markets in

apprenticeships, 14-16 years, higher education and, for some, international work. Yet colleges are resilient. There have been numerous tales of imminent disaster over the past 50 years but they always pull through. In that period many colleges have become more 'comprehensive' – taking in LDD students, level 1 and 2 students, expanding apprenticeships and higher education and developing stronger links with employers. Now the country is facing some fundamental changes in the labour market, which could be to the advantage of college provision.

**What should be the principles for educational spending going forward?**

Tricky question. I still think we need to develop vocational and technical provision, and that means investment. We also need to equalise spending between the different vertical structures of education – early years, primary, secondary and tertiary. I think the universities were a little opportunistic in setting most of their fees at £9,000 in a period of austerity, especially when they were receiving far less than that for many of their humanities and social science courses previously. The government was possibly a little naïve but even so, I believe that was a wrong decision, especially as most of that debt will now fall on the individual. I am sympathetic to Labour's proposal to decrease fees to £6k but it is not entirely progressive – and we do need to find a formula that allows appropriate spending on HE without loading all the costs onto loans and debt. It will be interesting to see what happens to the payback threshold over the coming years; plus I think there is rightly a question mark over bursaries policy which doesn't seem to have much influence on behaviour. For colleges, the maintenance of the student opportunity grant is critical – as it makes up about 15% of all college HE income.

**So what would you say is equitable funding for education?**

On a broad front I think it is dangerous if the State continues to withdraw from

fundamentally funding provision post-18. Markets can obviously bring some provider efficiencies and creative behaviour, although I am unsure how much we have seen in the past five years. However I strongly believe that tertiary education needs some form of State steer. Why? First of all applicants can only ever have partial information. Then there is evidence that some new entrants are only putting on bog-standard courses with very little notice of labour market need. In a fast-changing labour market it is the responsibility of governments to ensure provision is broadly in line with those changes.

**What is the future of mixed economy provision and why does it seem to be now more important than ever?**

I think college HE is viewed as important for several reasons. It provides a local HE service for those unable or unwilling to travel, it can provide a technical and professional education service to local labour markets and employers and it is a crucial service for those from disadvantaged backgrounds and those who did less well in the statutory education system. On this last point, there will be some new research commissioned by BIS soon which will demonstrate how well colleges do at getting level 2 students and those with no previous qualifications through HE – a really fantastic achievement – which also demystifies some of the exclusionary nature of HE study.

**A lot has been said about technical education in recent education policy, especially from the Labour side. Where will it sit in the educational landscape of the future?**

The future has to be more technical and professional education offered by all providers. There is now increasing anecdotal evidence of more graduates moving into vocational and technical courses to gain jobs. One wonders if in the future, as employment rises, they will go straight to the technical and miss out the 'academic', especially as debt levels rise.

Labour market signals will play a part, especially if providers improve their labour market intelligence. Applicants are already moving in this direction, with more taking 'vocational' degree options. I also think we need to re-think the 'transformational' nature of the HE experience since although undoubtedly many people gain an enormous amount from academic study, the really transformational aspect is that they achieve a stimulating and well paid job post-graduation. That is what transforms lives: not the attainment of a degree per se but how that degree attainment has opened up new job and career opportunities.

The problems is that in England we have put all our eggs (or too many) in the three-year full-time residential degree and it will take several successive governments, committed to part-time and flexible technical education, to turn that around. So we need to look at the supply by, for example, allowing colleges to award their own technical education awards. However, governments also need to stimulate demand – better careers advice, promotion of technical education and, if necessary, incentives such as technical education lifelong learning accounts and tax breaks for SMEs to invest in this type of education.

It is not a one-size solution. FE needs several years of support and a multi-pronged approach – similar to the support academic HE has received for sixty years. And I guess your organisation has a role in this.

**Thanks Nick – I think we do! So how should education respond to the 'hourglass' labour market?**

The hourglass is quite complex, as there will be more than three million retiring over the next ten years who are functioning around levels 4 and 5. So although there is a demand for the highly skilled and those in less skilled jobs (care and catering, for example) we also need to factor in the demand for level 4 and 5 jobs. This relates to the need for more

courses at intermediate level including level 3 – which is the 'technical' level we have been discussing. I think at that level colleges are probably the best to deliver as all the evidence throughout the world is that universities are less interested in sub-degree provision. HEFCE evidence supports this claim for England. So the need for the tertiary system is possibly even more acute.

**How has employability been an embedded mission of college education historically and is it more important for colleges to deliver employability now? From our experience at Prospects traditionally large graduate employers are now keener than ever to recruit talent straight out of FE, or even straight out of school.**

Colleges are working hard on the employability agenda. In some ways we need to go back to the past to see how the future could work. Traditionally the strength of many colleges was in its level 3, 4 and 5 courses (the intermediate or technical) and we need to get back to that so that local communities begin to see more clearly that colleges are the route to get a new job, achieve promotion or start a new company. This means working even harder with local employers, recruitment agencies and organisations like Prospects to achieve these goals. Colleges need the autonomy, like universities, to make their own technical education awards – like they used to.

**Are there now, and will there be, graduate-level jobs in the economy?**

Yes, of course. In addition many graduates are very entrepreneurial and will create new graduate jobs! It is sometimes forgotten that there are significant graduate jobs in health, teaching, many professional roles and local government. These are jobs and careers which every advanced economy will always need.