'Modernisation' and the Role of Policy Levers in the Learning and Skills Sector

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Abstract

This paper examines the changing use of policy levers in the English post-compulsory education and training system, often referred to as the Learning and Skills Sector. Policy steering by governments has increased significantly in recent years, bringing with it the development of new forms of arms-length regulation. In the English context these changes were expressed during the 1980s and 1990s through neo-liberal New Public Management and, since 1997, have been extended through the New Labour government's project to further 'modernise' public services. We look here at the changing use of policy levers (focussing in particular on the role of targets, funding, inspection, planning and initiatives) over three historical phases, paying particular attention to developments since the formation of the Learning and Skills Council (LSC) in 2001. We conclude by considering the range of responses adopted by education professionals in this era of 'modernisation'.

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Introduction: the rise of policy steering

'Policy steering' of lifelong learning is not confined to the UK and is part of a much wider international debate about the role of national governments in education and training policy (Green 1999). This paper attempts to add to this literature on 'policy steering' through an examination of the way that the UK government has used different configurations of policy levers in the English post-compulsory sector since the 1990s, with a particular focus on funding, targets, planning, inspection and policy initiatives. It is one of a series of papers from the ESRC Teaching and Learning Research Programme project on 'The impact of policy on learning and inclusion in the new Learning and Skills Sector (LSS)',[1] which aims to evaluate the impact of national policy steering mechanisms on teaching, learning and assessment in the LSS.[2]

Any analysis of the role and impact of policy levers in the LSS needs to be seen within the context of changing forms of governance and the rise of policy steering. The concept of policy steering refers to the processes whereby national governments have withdrawn from direct control over the administration of public services and have increasingly used a range of different levers to steer policy. Policy steering became increasingly widespread as the administrative Keynesian state declined and was replaced by new forms of governance based upon neo-liberal principles (Ainley, 2004; Newman, 2000).

The rise of policy steering may be seen as a response to the displacement of the old certainties of twentieth century industrial society by a more 'reflexive modernisation'

(Beck, 1994) in which there is a growing awareness of the limitations of the state's capacity to solve complex social problems on its own. Newman (2001) argues that the involvement of a wider range of 'stakeholders' in public service delivery is necessary for tackling social and policy problems, leading to increased policy steering. The rise of policy steering has also been politically driven, underpinning neo-liberal approaches to public service reform (New Public Management) and, subsequently, the UK New Labour government's agenda of public service modernisation.

New Public Management and modernisation

During the 1980s and early 1990s public services and the relationship between government and citizens in the UK were transformed by New Public Management. Primacy was given to economic norms and values in the public services (Christiansen and Lægreid, 2002). Public management was reformed through: *'restructuring of the public sector, particularly through privatisation; restructuring and slimming down central civil services; introducing competition, especially through internal markets and contracting public services to the private sector;* [and] *improving efficiency, especially through performance auditing and measurement'* (Minogue, 1998:18). Thus, *'citizens and clients were recast as consumers, and public service organisations were recast in the image of the business world'* (Newman, 2005:45).

Since 1997 the New Labour government has developed a new model of governance based upon a discourse of modernisation (Newman, 2005). In important respects modernisation continued the New Public Management project of transforming the public sector through the use of market mechanisms and the promotion of a consumer ethos, attacking monopoly forms of provision and increasing accountability to service users and

other 'stakeholders'. There was also continuity in the *'focus on the containment of welfare expenditure, on organisational efficiency and performance, and on the search for business solutions to social and policy problems'* (Newman, 2005:46). Modernisation was presented as a rational process of improving public management, *'of updating services to match the expectations of modern consumers … and to meet the business requirements of the 'modern' world'* (ibid.).

What makes modernisation distinct from New Public Management is that it is linked to social democratic attempts to construct a 'third way' in politics (Giddens, 1998). Modernisation seeks to deliver a more diverse set of policy outcomes using arms-length agencies and a more comprehensive set of policy levers. As the operational functions of government have increasingly been 'contracted out' to various Non-Departmental Public Bodies and public-private partnerships (Ainley, 2004; Steinberg and Johnson, 2004), so its role has shifted to that of *'a regulator of services, setter of standards and guarantor of quality'* (Newman, 2001:83). Policy levers, such as performance targets, standards, audit, inspection, quality assurance processes and powers to intervene where public services are 'failing', have consequently become central instruments in a system of *arms-length regulation*.

The role of policy levers

We use the term policy levers to refer to the 'governing instruments' (Kooiman, 2003) which the state has at its disposal to direct, manage and shape change in public services. 'Policy levers' thus serves as shorthand for the wide array of functional mechanisms through which government and its agencies seek to implement policies.

However, they are not neutral tools: the choices about which policy levers to use and how they are used are inherently political and not simply rational administrative responses to pre-existing policy problems. The political character of policy levers means that they can become ends in themselves. A classic example of this is government targets.

It is important to distinguish between policy levers and the *policy drivers* that define the goals of policy (Shires, 2003). Policy drivers, whether expressed through official policy documents, ministerial exhortation or statements of government priorities in the mass media, may be taken as cues to action by those who manage and deliver public services. As well as providing the framework within which policy levers are constructed and implemented, policy drivers can prompt direct responses 'on the ground' (which may however constitute 'misreadings' of the intentions of policy-makers).

Informing our approach to policy levers is Ball's concept of the 'policy trajectory' (Ball, 1993, 1994). This goes beyond the 'stages' model of public policy (John, 1998) to a more encompassing view of *interactions over time and at different system levels*. Interactions around the implementation of policy levers can be conceptualised in at least four ways.

- Firstly, there are *interactions at different levels of the governance system*. This is particularly important where multiple decisions about the operation of policy levers are made through a range of arms-length agencies at different strategic levels (e.g. national, regional and local). Some of the main dynamics of these relationships between different organisations within the LSS were explored in our

first papers on the new learning and skills landscape (Hodgson *et al.*, 2005; Coffield *et al.*, 2005).

- Secondly, there are *interactions at the level of 'local ecologies'.* The concept of local ecologies refers to local conditions within which education and training provision takes shape and is delivered, encompassing historical patterns of educational provision, local competitive or planning environments, differing configurations of institutional provision, economic conditions, local labour markets and patterns of employer demand, geographic factors, community needs and the nature of learners and their journey to study patterns (see Spours *et al..*, 2007 for a more detailed discussion). This notion of ecologies has affinities to the Transforming Learning Cultures project's use of the term 'cultures', and we share the view that *'teaching and learning cannot be decontextualised from broader social, economic historical and political forces, and that addressing this complexity directly is the most likely route to understanding that is useful to policy and practice'* (Hodkinson and James, 2003:393).

- Thirdly, there are the *interactions that occur at the institutional level and at various levels within institutions*. For example, the processes whereby a national policy initiative is 'translated' into a college policy, which is in turn re-translated by middle managers into departmental policies, which are further re-interpreted and then acted upon by teachers in classroom practices. The accumulation of these acts of translation and the interaction of these with other factors gives rise to what we term 'policy mediation'.

- Finally, there are the *interactions that occur between policy levers*. Individual policy levers rarely operate in isolation but usually combine with other levers in ways which may not be easy to predict, even by those who construct the levers.

Each of these types of interactions lead to policy being mediated in particular ways, giving rise to the possibility that the way in which a policy lever was intended to operate becomes distorted or even lost in the processes of its translation. This leaves room for a range of responses by the professionals charged with implementing government policy and may lead to unintended consequences or perverse outcomes of policy.

Configurations of policy levers in the LSS: 3 phases from the 1990s to the present

In this section we will characterise the recent history of the post-compulsory sector in England, from the 1990s to the present, as having moved through three distinct phases each distinguished by particular *configurations* of policy levers.

Mixed models and a dominant lever: the role of funding during the 1990s

During the 1990s England had a 'mixed' post-compulsory education and training system (Raffe, 1992), in which there was neither a dominant form of 'delivery' (Spours and Lucas, 1996) nor a single mode of governance. Following the 1988 Education Reform Act and the 1992 Further and Higher Education Act, this sector of education was divided into three main parts: the newly incorporated Further Education (FE) college sector funded by the Further Education Funding Council (FEFC); government training programmes and the wider work-based learning sector under the auspices of the local Training and Enterprise Councils (TECs); and 'non-vocational' adult leisure courses and

community learning provision funded by the Local Education Authorities (LEAs) (Hamilton and Hillier, 2006).

The establishment of the TECs during 1990-91 and the FEFC in 1992 embodied the New Public Management agenda of improving efficiency and effectiveness through semi-private delivery arrangements and the promotion of an education and training market. Incorporated FE colleges under the FEFC and work-based training providers under the TECs were steered primarily by funding. The FEFC funding methodology sought to standardise rates of funding between colleges, which had previously received widely varying rates through the LEAs. FEFC funding was based upon the principle of resourcing specified units of activity and this approach was used to drive down unit costs and expand learner numbers in FE. This funding unit mechanism enabled the FEFC to encourage colleges to pay more attention to induction, tutorial support and action planning with students; and to promote the provision of more courses which met national learning targets (Leney *et al.*,1998). However, the drawbacks of this funding system were that some colleges engaged in 'unit farming' (entering students for extra qualifications within a single course, thereby increasing the number of funding units without having to increase student numbers) and 'unit maximisation' (focussing on those students who would attract the greatest number of funding units).

The TEC funding system, in contrast to that of the FEFC, allowed considerable local discretion (see Coffield, 1992 for a critique) and variability in the rates that TECs paid providers for delivering work-based training (Ramsden *et al*, 2004). The TECs used output-related funding which aimed to sharpen providers' focus on achievement and to encourage them to deliver outcomes more cost effectively. However, a problem with this approach was that it could lead to a greater focus on short-term labour market needs

rather than the longer-term skills required by individuals or the local economy. Moreover, output-related funding carried the risk that *'there is great pressure on training providers to cut corners and even <u>manufacture</u> outcomes (qualifications or jobs)'* (Felstead and Unwin, 2001:103 – emphasis added).

Under the FEFC and TECs other policy levers were not harnessed to anything like the same extent as funding:

- The use of planning to meet learner, employer and community needs, was largely absent. The TEC system in particular was criticised for its lack of area-based and sectoral planning (Coffield, 1992; Vickerstaff, 1998);

- Targets were used differently in each sector - FE colleges were set national growth targets for achieving a rapid expansion of student numbers, whereas the TECs were subject to performance targets that were set regionally – but they were not a major focus for colleges and other training providers;

- The major policy initiatives were Youth Training, Modern Apprenticeships, National Traineeships, Training for Work and the New Deal, which were mainly focussed on offering young people and adults avenues into employment. Each of these was a substantial national programme with its own history, successes and failures;

- Responsibility for inspection was divided between the FEFC and the Training Standards Council. Despite its many positive features, a significant weakness of

the FEFC's approach to inspection was the absence of effective mechanisms to support improvements following inspection (Spours and Lucas, 1996), while the TEC-funded sector was dogged by concerns over the quality of provision and the weakness of mechanisms for improvement.

Multiple levers and the rise of planning in the new Learning and Skills Sector (2001-2003)

The election of the New Labour government in the UK in 1997 signalled the start of a new era for the post-compulsory education and training sector. Under-funding and an over-reliance on market forces were replaced by a new focus on lifelong learning, widening participation and improving quality and standards (McDonald and Lucas, 2001). Following publication of the White Paper *Learning to Succeed* (DfEE, 1999), the Learning and Skills Council (LSC), together with the new Adult Learning Inspectorate (ALI), were brought into being by the *Learning and Skills Act* (Great Britain, 2000).

The establishment of the LSC and its 47 local offices in April 2001 represented not just a new governance structure for the English post-compulsory sector, but also an attempt to create for the first time a single Learning and Skills Sector. The newly formed LSC lay between the bureaucratic planning model of the Keynesian era and the marketised paradigm of New Public Management. It promoted both planning and markets and used a range of policy levers rather than relying upon funding as the primary policy steering mechanism. Previously disconnected policy levers were to be integrated within a planning framework to ensure that provision in the LSS became more responsive to local needs. In setting out the mission for the new organisation, the Secretary of State for Education stressed the need to bring the functions of planning, funding and inspection closer together:

The planning and funding system must respond to the customers of education and training. It must be driven by need, not by central design or existing routes, and it must promote equality of opportunity for all to learn and acquire recognised skills and qualifications. Plans should also take account of feedback from individual learners, findings from area inspections, and provider inspection reports about standards of provision. (Blunkett, 2000: para. 19)

This more integrated approach was intended to allow the LSC to provide more strategic planning of provision at the local level than had hitherto existed. However in reality, to paraphrase one of our interviewees from a local LSC (LLSC) office, during the first two years of operation it proved very difficult for the LLSCs to flex their 'strategic muscles' in the ways that had been hoped.

During the development phase of the LSC, from 2001 to 2003, LLSC planning was based upon three main processes: reviews of individual providers' performance, three-year planning agreements provided by providers and local area reviews. From the outset there was a system of Provider Performance Review, through which LLSC staff monitored and assessed performance in relation to 'participation and recruitment', 'learners' experience and performance' and 'management'. Judgements about performance were informed by providers' own Self-Assessment Reports, inspections reports, data returns and quality monitoring visits by LLSC staff. It was not until the publication of *Success for All* (DfES, 2002), however, that LLSCs were given a wider range of planning tools with which to plan provision on an area basis and to integrate further the different policy levers at their disposal.

Success for All recognised that the inherited *'system of annual funding agreements has led to short-term planning horizons for providers, greatly restricting their ability to take longer-term investment decisions because of uncertainty about future income flows'* (DfES, 2002:40), and promised three-year funding arrangements. In return for greater stability (which in fact did not materialise because funding has continued to be allocated on an annual basis), funding was to be linked to performance management and a new set of targets. Providers were required to produce Three-Year Development Plans, which included a set of improvement targets, to be agreed with the LLSC. If providers agreed a Plan, and made progress towards delivering the targets in it, they would receive a higher unit rate of funding, with the possibility of earning a premium rate for significantly exceeding the targets. Correspondingly, persistent unsatisfactory performance would trigger a lower rate of funding, with intervention and support offered by the LLSC to aid improvement. Performance assessments formed *'the basis for determining whether or not to enter into three-year funding agreements with colleges and other providers and for different rates of funding linked to performance'* (LSC, 2003:22). In this way, planning, funding, inspection and targets became much more closely integrated.

The final component of the early LSC's approach to planning was the Strategic Area Review (StAR) of provision within each area. The StAR process involved extensive consultation with local partners and was intended to *'ensure provision is well planned and will aim to build upon the high standard of existing provision in many parts of the post-16 sector. It will also identify options for improving weaker provision and filling gaps... and consider new, radical and innovative options for change ensuring that learners in each part of the country have high quality, safe and accessible learning opportunities'* (Harwood, 2003). The reality of the StAR process proved somewhat

different, as LLSCs soon discovered. Where the sensitive issue of 16-19 provision was concerned, for example, they had neither the power nor the political support to reorganise provision in the radical and innovative ways the original policy had suggested.[3] At the same time, questions were being asked about whether LLSC staff, many of whom had formerly been contract managers within the TECs, had the capacity and experience necessary to undertake such a comprehensive planning task. Moreover, providers and even some LSC officials complained that its planning processes and internal management structure were excessively bureaucratic. These problems were exacerbated by the tendency of the government Department for Education and Skills to micro-manage the LSC rather than stand back and allow it to operate as a genuinely arms-length agency (Hodgson *et al.*, 2005).

Nevertheless, the early LSC successfully achieved a smooth transition from the FEFC and TEC systems and overall levels of funding for the LSS increased substantially during this period. The New Labour government aimed to ameliorate the worst effects of the quasi-market while maintaining a commitment to formula funding and allocating significant additional funding to the sector. Real increases in funding are illustrated in Table 1 (it should be noted that some of the increases were the result of including additional areas of activity e.g. sixth form funding from 2002/03).

INSERT HERE TABLE 1 - LSC Annual Grants

In an article on school funding which has strong parallels for the funding of post-compulsory education, Simkins (2004) has argued that, since taking office, the Labour government increased the use of *'direct funding tied to specific policy objectives'*

(2004:369). He highlighted *'two apparently contradictory philosophies…of <u>delegation</u> and <u>determination</u>'* (ibid, original emphasis) that had underpinned strategies since 1997. Essentially the tension was between *'central government …specifying required changes and in using the powers at its disposal to drive change forward'* and permitting localities to deliver quality provision while meeting diverse local needs. Ramsden *et al.* (2004) support Simkins' claims: *'greater national coherence has been achieved at the expense of local flexibility'* (2004:416). They point out that local discretionary funds are relatively small and tend to be used for a large number of small-scale projects. Our earlier research (Coffield *et al.*, 2005) found that levels of discretionary funding for local LSCs were below what had been originally envisaged and were in fact decreasing.

During this period the LSC sought to align targets with planning, funding and quality improvement mechanisms. In 1998, the government offered a definition of effective targets, which were to form the heart of the Public Service Agreements (PSAs) between the Treasury and departments. Effective targets were to be *'SMART – specific, measurable, achievable, relevant and timed'* (HMT, 1998. See also LSC, 2002). LSC-funded providers were initially set four 'headline targets' related to learner numbers, employer engagement, success rates and the proportion of teachers and lecturers with professional qualifications. In addition, the LSC subsequently set 'floor targets' for providers, setting out minimum levels of acceptable performance (LSC, 2003). At the national level, the proliferation of PSA targets, to more than 700, highlighted the growing problem of a culture of measurement. The attention of many professionals was increasingly concentrated on meeting the targets rather than improving the quality of the services, resulting in targets becoming a threat to the very standards they were introduced to raise. Targets, it became clear, could bring unintended, and often quite perverse, consequences and distortions. The top-down nature of many targets also

caused difficulties, as, admitted by a former Secretary of State for Education: *"The biggest problem at the moment is that the profession feels no ownership of the targets, none whatsoever"* (Estelle Morris quoted in House of Commons, PASC, 2003:14).

Another major theme of the Labour government's approach to the LSS has been a continuous focus on the quality of provision, with improved provision equated with increased levels of participation, retention and achievement of learners (see for example DfEE, 1998). Hence, as *Learning to Succeed* asserts: *'We need a major drive to raise standards in post-16 provision as we have done in schools'* (DfEE 1999:43). Inspection has been seen as an important lever for driving this improvement in standards. The role of the two inspectorates for the post-16 sector – Ofsted and the newly formed ALI - was to *'evaluate and report on standards achieved by providers, the quality of learning and the efficiency with which resources are managed'* (Blunkett 2000: para 64). Both were expected to work within a *Common Inspection Framework*, first published in 2001, and revised in 2005.

A plethora of other national agencies also had a role in the 'drive for quality' in the sector - the LSC, the Learning and Skills Development Agency (LSDA), the Centre for Excellence in Leadership (CEL), the DfES Post-16 Standards Unit, the Qualifications and Curriculum Authority (QCA) and Lifelong Learning UK (LLUK). The confusion and bureaucracy experienced by providers as a result of the involvement of so many agencies with overlapping remits was something that emerged from our research during 2004 (Hodgson *et al.*, 2005) and was also publicly recognised in a speech by the Education Secretary in June 2004 (Clarke, 2004) and in the Foster Report (2005). However, external agencies that form part of *'the audit explosion'* (Power, 1994) are not the only actors with responsibility for quality improvement in the LSS. Policy documents

also pointed to the role for providers themselves in 'the drive for quality'. *Success for All*, for example, claimed that the reforms it proposed would *'lead to a new relationship between the LSC and providers based on partnership and trust'*, seeing change as *'a shared challenge'* (DfES 2002:13).

The period of the early LSC coincided with the development of three major initiatives. In the field of adult literacy and numeracy the government unveiled the *Skills for Life* strategy in 2001, comprising a comprehensive programme of new national standards and core curricula, teaching materials, teacher qualifications, new National Tests and a national research and development centre. The strategy had a high profile target *'to reduce the overall number of adults who have difficulty with literacy or numeracy by 750,000 by 2004'* (DfEE, 2001:35).[4] For younger learners at this time the government was piloting *Education Maintenance Allowances* (EMAs), which paid 16-19 year olds from lower-income families a weekly allowance to support their participation in post-16 education. *Employer Training Pilots* were set up in September 2002, with the aim of encouraging employers to invest in skills and qualifications, particularly through support for workers with low skill levels. They tested ways to improve access to training, including offering employers part or fully subsidised training and/or paying replacement costs for the time spent by their employees on training. Although *Skills for Life*, EMAs and the *Employer Training Pilots* were all at an early or piloting stage in the 2001-2003 period, their introduction was a sign of the government's commitment to promoting social inclusion through education and training and these initiatives reflected a spirit of innovation, optimism and expanded opportunities in the new LSS.

While the period of the early LSC was a period of growth and new opportunities, the LSC's planning-based approach was criticised for its tendency towards bureaucracy,

micro-management and its appetite for data. A crucial problem for the early LSC was that it could not coherently configure major policy levers because it was denied the political support necessary to reorganise post-16 provision and, as such, it did not have all of the 'tools for the job' and could not deliver quickly enough for a government impatient for quick results (Coffield *et al..* 2005).

National priorities and market-led improvement under the LSC business model (2004 -)

Following the appointment of Mark Haysom as the LSC's second Chief Executive in October 2003 a new structure for the organisation was announced, leading to the introduction of a regional management tier and an overall reduction in staff of between 30-40 percent. The whole thrust of the reorganisation was to make the LSC *'more streamlined, manageable and responsive'* (LSC, 2004). In the re-shaped LSC the balance shifted towards a more overt business model in which a particular concept of planning was allied to notions of choice, competition and 'contestability'.[5] Described as a streamlined 'business model' (LSC, 2005a), the LSC approach to planning within the business cycle was elaborated in *Planning for Success* (LSC, 2005b), comprising the following principles and features:

- a 'clear line of sight' between national PSA targets, plans and funding to provide the LSC with its priorities;
- national priorities translated into local targets/local priorities;
- based on the concept of trust;
- strategic analysis within an area to identify gaps and weak provision;

- sharing data on provision to identify new markets and the use of persuasion and influence rather than direction (Gardner, 2005);

- a 'transactional' relationship with institutional development plans;

- a focus on institutional improvement and self-assessment within the rhetoric of a 'light touch' approach;

- collaboration with the inspectorate to exercise a range of sanctions and improvement strategies;

- an emphasis on bringing in new providers to break local provision monopolies if they proved to be ineffective.

The LSC's business cycle was designed to provide a clearer and more differentiated approach to planning, intended to *'be simple and transparent, yet sophisticated enough to reflect properly the unique contribution made by each provider in meeting the learning and skills needs of its local community'* (LSC, 2005b:1). There was a shift away from the earlier emphasis on planning, in favour of a more transactional view of the LSC's role as being to *'only purchase provision which is of good quality and responsive to needs and priorities'* (LSC, 2005b:3). This movement away from planning and towards a more 'demand-led' approach was given added impetus by the Leitch Review (Leitch, 2006), which recommended that *'all publicly funded, adult vocational skills in England, apart from community learning,* [should] *go through demand-led routes by 2010'*, via the new National Employer Training Programme (*Train to Gain*) and new Learner Accounts. As a result of 'contestability' and a renewed emphasis on the responsibility of institutions for their own self-improvement, the business model can be seen as representing a more market-led approach to planning and improvement. However, it is perhaps best seen as an *adjusted market model* because it is also strongly politically driven to deliver

government PSA targets, with the LSC having to reconcile the imperative to meet national priorities with the need for *'local dialogue about how best those priorities and targets are delivered in each locality'* (LSC, 2005b:3).

As a result of expanding numbers of 16-19 year olds and adults participating in education and training[6] and rising costs in some areas, funding in the LSS has begun to tighten. In line with the principles of the LSC business model outlined above, the response to these funding pressures has been a greater focus on the government's national priorities. The main priority areas for 2006/07 and 2007/08 are reforms of the 14-19 phase to improve Level 2 attainments by the age of 19; to offer all adults a free entitlement to improve their Basic Skills and to achieve their first Level 2 qualification; and to expand employer engagement through the *Train to Gain* initiative. To achieve its targets in these priority areas, the government and the LSC have increasingly talked about maximising provider income raised through learner and employer fees in other areas of learning (LSC, 2005c). One of the dangers of the current emphasis on the national priority areas is that it runs the risk of excluding some of the very groups it is targeting. For example, there is a danger in emphasising targets for attainment at Levels 1 and 2 so strongly that providers will concentrate on these courses at the expense of adults whose need is for Entry Level courses (NIACE, 2005). Hodgson *et al.* (2007) discuss the impact of cuts in Adult and Community Learning on provision for Basic Skills learners.

The period since 2004 has been one in which the three major initiatives we are looking at became firmly established and two of them, *Skills for Life* and *Train to Gain*, now feature as headline government priorities for the sector. EMAs have also become an important part of the 16-19 landscape and the LSC is currently developing an Adult

Learning Grant for disadvantaged adult learners undertaking full-time courses in FE (DfES, 2006).

The government's response to the confusion that previously existed around responsibilities for inspection and quality improvement was rationalisation. Ofsted and ALI are to merge into a unified inspectorate and a single Quality Improvement Agency for Lifelong Learning (QIA) has been established, to *'lead and co-ordinate a new strategy for quality improvement in the sector aiming to achieve excellence in learning and skills provision' and 'work closely with the key national agencies with responsibilities for quality assessment, assurance and improvement to ensure a single, integrated approach across the whole sector'* (QIA, 2006:6).[7]

In the White Paper, *Further Education: Raising Skills, Improving Life Chances* (DfES, 2006), the onus for improvement and consequent growth and success of the sector is placed squarely on the shoulders of providers. The rhetoric is of a move from inspection and compliance to self-assessment and excellence; the tone of the White Paper is impatient, assuming success and predicting the elimination of failure (p.56):

> *Each college or provider will see quality as the core of its business and be constantly striving for improvement. As a result, the system will have a reputation for high and rising standards. Young people and adults will want to participate, because they will be confident that their learning and qualifications will help them to achieve their own goals and ambitions. Employers will be impressed by the commitment to quality of service, and be able to find education and training that adds real value to their business.* (DfES 2006:17-18)

The prize for those providers achieving these aspirations set by the Government is *'lighter touch'* accountability with the possibility of fewer inspections, longer-term funding, the *'freedom to develop and innovate'* and to *'spread their excellent practice more widely'* (p. 60). The penalties for those 'failing' or even 'coasting', however, are severe, ranging from formal notification of the need to improve, through funding restrictions to a change of leadership and/or governance, cessation of funding and merger.

The consultation document *Framework for Excellence: A Comprehensive Performance Assessment Framework for the Further Education System* (LSC, 2006) sets out in more detail the LSC's approach to promoting excellence in the sector, promising a clearer and less bureaucratic system of accountability. The aim of the Framework is to *'provide readily understood measures of performance that can be used publicly to promote excellence and the reputation of the sector'* within a *'comprehensive yet simple framework'* (LSC, 2006:3). Closely correlated with the Common Inspection Framework, the Framework for Excellence is founded upon a 'scorecard' of 7 Key Performance Indicators (KPIs) which describe three key dimensions of provider performance (responsiveness, effectiveness of provision and finance) [8]. On the basis of the 7 KPIs each provider will receive a single overall performance rating and the following ambitious claim was made for this new system of performance measures:

> *With excellence and the route to it clearly defined, managers and governors will be able to form a clearer understanding of what they need to do to secure a good or excellent rating. The aim is to create demanding standards that will help the best colleges and providers maintain and enhance their excellent record, enable those that are good to reach the standards of the best, and provide a tool that will*

make clear to those that are average or not improving what they must do to raise their levels of performance (LSC, 2006:6)

It is also claimed the Framework for Excellence will help employers and learners to make more informed choices, allow comparisons of performance and value for money across the LSS, reduce bureaucracy and assist the movement towards greater self-regulation – all of which closely mirror the priorities of the LSC's business model previously mentioned.

The movement of planning within the LSS back towards a more marketised approach reveals both its strengths and weaknesses. Its strength lies in the way in which it assembles a coherent discourse around funding priorities, inspection, institutional flexibility and self-improvement. However, the LSC business model can also be seen as being more politicised because it is strongly driven by top-down targets and the priorities set by national government, resulting in a less secure planning environment for providers and leaving large swathes of adult provision in a precarious funding position. It is also a partial strategy because it does not seek to integrate partners in an equitable way. The model makes recourse to exhortation with employers (Hayward *et al.*, 2005); has negotiated a less intrusive approach with FE colleges, but cannot really engage with schools on 14-19 education and training because the leading role lies with local authorities (DfES, 2006). It is variously punitive and inclusive towards training providers. Above all, the business model displays weak area planning functions (Perry and Simpson, 2006; Hodgson and Spours 2006); something which the early LSC at least attempted to address, albeit bureaucratically.

Professional responses to policy levers

Professionals working within the LSS do not normally respond to isolated policy levers but tend to act on the basis of their combined effects. Moreover, policy levers are just one of a wide range of factors influencing their practice – the broader policy framework, staff professionalism and values, the needs and characteristics of the learners, the ethos and policies of the learning institution, the curriculum and pedagogy, management cultures, employer involvement and the physical learning environment all play an important role. Thus, any analysis of the impact of policy must look at the particular configuration of policy levers within the wider political context, at the interactions of policy levers with local ecologies and at their mediation within institutions.

Our research with 24 sites of learning in London and the North East suggests that the effects of policy levers are mediated at different institutional levels and that learning managers and tutors often proactively adopt particular stances in response to these external levers. In other words, the engineering metaphor of a policy 'lever' does not hold at the level of practice because there is little evidence of practitioners mechanically responding to these levers in simple and predictable ways. We have come across examples of 'translation' where institutions formulate policies that can have a major bearing on the way in which national policy is understood and implemented. These institutional level policies can either ameliorate or exacerbate the impact of policy levers for those working within the institution. It is also clear that the management style of institutional and departmental leaders, linked to the particular features of the 'communities of practice' (Lave and Wenger, 1991) they build, can mediate policy in important ways. As part of this, some managers may 'shield' their staff from the worst excesses of bureaucracy or hide their concerns about the possible effects of policy

levers. Others may become advocates for policy and seek to impress upon their staff the importance of national priorities, targets and so on. An alternative, more nuanced, response has been where staff 'strategically' and even 'ingeniously' comply with the demands of external policy levers, whilst acting in accord with their own professional values and judgement (Shain and Gleeson, 1999). This type of response may include forms of gaming, e.g. seeking to achieve targets quickly for 'priority' group A in order to then focus resources on 'non-priority' group B. Another more radical response is for staff at all levels to exit, i.e. to leave the profession altogether, in response to levels of stress that have become intolerable for them.[9]

Our account of the three different phases since 1990 highlights an evolution in which, regardless of the particular balance between planning and markets at any given time, policy appears to be being steered with ever more precision and increasing central control. As Newman argues, this development can occur alongside the growing emphasis on 'light touch' regulation because public service professionals are subject to a range of incentives and sanctions which promote professional *self-regulation* (which is very much in evidence in the *Framework for Excellence* and other features of the LSC business model)*:*

> *Under Labour, there has been an intensification of external controls (standards, targets, audit and inspection), coupled with the emphasis on distinguishing between successful and failing organisations. But each has the capacity to produce a self-regulatory effect… The installation of a 'calculative technology' does not, however, necessarily induce commitment to the government's goals, nor motivate public service staff to work in new ways.* (Newman, 2001:95)

Tighter policy steering and increased central control over the activities of front-line professionals does not guarantee that they will commit to the government's reforms and runs the risk of alienating them, even when they support the broad policy objectives. Policy steering may therefore be more effective when professionals are afforded meaningful opportunities to have an input into the way in which policy levers are implemented, so that they inform as well as deliver government policy. A recent discussion paper on the UK government's approach to public service reform (PMSU, 2006) presents a model in which the four main components of a 'self-improving system' to generate 'better public service for all' are: top-down performance management (e.g. outcome targets, regulation and standard setting, performance assessment/inspection and direct intervention); market incentives to increase efficiency and quality of service; users shaping the service from below; and capability and capacity (e.g. leadership, workforce development and organisational development/collaboration). This model appears to present professionals as *objects* of reform (e.g. through their subjection to training, monitoring and inspection) but not as active *partners* who have much to contribute to the improvement of public services. It also ignores questions about how those working within public services reconcile the tensions within this approach, such as that between meeting national targets and responding to user needs, or between markets and planning.

Is there, then, the potential for another model of planning to emerge within a new system of governance? We would argue, based upon our data, that such a model would have to possess a strong public ethos; be professionally democratic rather than bureaucratic and hierarchical; and be able to connect social partners at a local area and not just at an institutional level. In the next phase of our work we will be developing these ideas further as we use our data from interviews at all levels of the LSS to set out the key

features of an 'effective and inclusive learning system', making recommendations for how policy in the sector might be improved.

Notes

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[2] Learning and Skills Sector, or LSS, refers to post-compulsory education and training in England outside Higher Education.

[3] A turning point appears to have been a high profile case in Cumbria where the LLSC met stiff public opposition to its proposals to replace seven existing school sixth forms with a new sixth form college in Carlisle, and was forced to abandon the idea (McClounie, 2004).

[4] The PSA target is to improve the literacy and numeracy skills of 2.25 million adults by 2010, with milestones of 750,000 by 2004 and 1.5 million by 2007 (DfES, 2004).

[5] The term 'contestability' has been used by the LSC to refer to the way in which decisions are made about funding provision to meet the needs of learners and employers and to indicate a move away from historic funding arrangements, *'so enabling the LSC to fund whoever is most suited to deliver the provision required'* (LSC, 2005a:vi).

[6] Figures from the LSC indicate that by 2005, there were more than 100,000 additional 16-18 year olds in full-time education compared to 1997, the numbers of young people on Apprenticeships had tripled and over a million adults had tackled their basic skills needs (LSC, 2005c).

[7] See Coffield and Edward (forthcoming) for a critique.

[8] The 7 KPIs are: i. Delivery against plan; ii. Responsiveness to learners; iii. Responsiveness to employers; iv. Quality of outcomes; v. Quality of provision; vi. Financial health; vii. Financial control (LSC, 2006:8).

[9] Some of these different professional responses to policy are explored in more detail in our separate papers on adult and community learning (Hodgson *et al.*, 2007), FE (Spours *et al.,* 2007) and work-based learning (Finlay *et al.,* 2007).