Leadership in Turbulent Times: Partnership Delivery of Higher Education by FE Colleges and Universities

John Dishman, Reg Chapman and Helen Kenwright
Research Publication Notices

Research Reports

Many of the documents in this series are prepublication/preprint articles, which may subsequently appear (part or whole) in peer reviewed journals and books. In most cases they are draft documents, the purpose of which is to foster discussion and debate, prior to publication elsewhere, whilst ideas are still fresh. Further information about the research programme and other papers in this series can also be found at the following websites:
http://www.lsis.org.uk or http://www.lums.lancs.ac.uk/leadership/cel/

Citation Notice

Citation should conform to normal academic standards. Please use the reference provided or, where a paper has entered into print elsewhere, use normal journal/book citation conventions.

Copyright

The Learning and Skills Improvement Service (LSIS) owns the copyright for all publications it commissions. Permission should be sought before any materials are reproduced. Short sections of text, not to exceed two paragraphs, may be quoted without explicit permission, provided that full acknowledgement is given.

The Learning and Skills Improvement Service

The Learning and Skills Improvement Service aims to accelerate the drive for excellence in the learning and skills sector, building the sector’s own capacity to design, commission and deliver improvement and strategic change. LSIS is dedicated to developing excellent FE provision working in partnership with all parts of the sector to build and sustain self-improvement.

Disclaimer

This project has been commissioned by, but does not necessarily reflect the views of the Learning and Skills Improvement Service.

Contact Details

LSIS: Learning and Skills Improvement Service
Friars House
Manor House Drive
Coventry CV1 2TE
Switchboard: 024 7662 7900 Enquiries: 024 7662 7953 or enquiries@lsis.org.uk www.lsis.org.uk
## Contents

- Executive Summary  
  2  
- Introduction  
  2  
- Research Framework and Method  
  4  
- Research Findings  
  6  
- Conclusions and Recommendations  
  14  
- References  
  23  
- Acknowledgements  
  23
Executive Summary

This research explores the future of higher education within English further education colleges. Currently 10% of higher education (HE) students are taught in colleges usually in partnership with universities. After a decade of growth and innovation in collaborative delivery the climate has become more turbulent and unpredictable. Using case studies from colleges with different HE profiles and collaborative arrangements with their university partners, the research explores the strategic choices available to college leaders faced with threats caused by reduced funding for higher education and yet the opportunities offered from a more vocational skills-based HE curriculum.

A variety of strategies is identified across colleges studied as they adapt to their changing situation. In addition, three main strategic alternatives are identified amongst college leaders and their university partners. It concludes that colleges with a small HE offer are especially vulnerable and may choose to close their higher education provision and concentrate on their core market, further education. Most colleges, however, are likely to choose to retain their HE but consolidate whilst waiting for better times. Colleges with a very large HE portfolio could take the opportunity to champion a new style of vocational HE for which they may claim to be market leaders and create a new HE brand in the college sector within a more differentiated pattern of HE provision.

Keywords

Further Education, Colleges, Higher Education, Universities, Leadership, Partnership

Introduction

In recent years Higher Education (HE) has been one of the unsung success stories of Further Education (FE) colleges in England. In addition to providing 34% of all entrants to HE programmes, 170,000, or 10%, of HE students are enrolled on courses within FE colleges. Colleges are not only major suppliers of students to universities; they are significant deliverers of university level courses within an increasingly differentiated pattern of higher education in England. The HE provided in colleges is broadly distinctive from that found within universities. College based HE students are:

‘More likely to be over 25, more likely to study part-time, and more likely to come from areas with low rates of participation...and to be studying foundation degrees (FD) and sub-degree programmes such as HNCs and HNDs.’

(HEFCE, 2006:9)
For the purposes of this research, higher education is understood to mean all awards above Level 3 in the National Qualifications Framework whether funded by the Higher Education Funding Council for England (HEFCE), the Learning and Skills Council (LSC), its successors or other sources.

Policy makers see further education as being suited to delivering several related objectives: increasing the proportion of adults gaining HE qualifications; widening participation to HE by under-represented socio-economic groups; and developing a more skills-based, vocational curriculum delivered increasingly through flexible short cycle programmes, notably the Foundation Degree (FD). These objectives are expressed in two key documents ‘Higher Ambitions: the future of universities in a knowledge economy’ (BIS, 2009) and ‘Skills for Growth: the national skills strategy’ (BIS 2009a). These documents set out the direction the government wishes to drive colleges and universities as part of a programme of national economic recovery in a period of tighter public spending. A central priority is to create a new modern class of skilled technicians and associate professionals to meet local and national labour markets. This is expressed through the ambition that 75% of all young people participate in HE or complete equivalent apprenticeship or technician level qualifications by the age of 30 (BIS 2009 a:9). Colleges are seen as playing a vital role within this changing HE landscape.

Higher education in FE is provided overwhelmingly in collaboration with universities, with the exception of Edexcel Higher National Awards (HNs), National Vocational Qualifications (NVQs) and professional courses at level 4 and above on the National Qualification Framework. Collaborative partnerships with universities have both academic and financial dimensions. Academically, the university validates and approves courses to be delivered in colleges. In some cases the university will validate a college to deliver a university devised course, effectively franchising the course for the college to deliver on its behalf. Increasingly however, universities approve courses devised by the college partners to meet local needs. Financially, colleges may be funded directly by HEFCE to deliver the programmes or indirectly by the university on its behalf. These partnership arrangements have underpinned the establishment and expansion of HE in FE and many have flourished as HE provision has expanded. Universities have been challenged to widen access and increase participation and have been happy to see development of HE in FE. Indeed, some universities see collaborative partnerships as a way of ‘sub-contracting’ their role in widening participation. However, the climate is now more turbulent and despite record applications for HE places in 2010 the funding climate has changed profoundly with projected caps on student places (with some limited exceptions) instead of growth, and penalties for over-recruitment (HEFCE, 2010). Partnerships are likely to come under strain and there are serious concerns that some universities will switch places from colleges to increase their campus-based courses. Furthermore, as large colleges have the potential to free themselves from a university by obtaining Foundation Degree Awarding Powers (FDAP) an era of greater diversification in HE may be emerging offering new opportunities for the college sector.
This research set out to investigate the strategic choices facing FE college leaders in delivering HE at their institutions and whether partnership arrangements with universities will survive and adapt in a turbulent climate.

Research Framework and Method

Throughout the investigation the researchers focused on the strategic choices made by, or available to, college leaders. It examined the strategic leadership they offered to their institutions and localities. In particular, the research sought to investigate a range of issues associated with four themes concerned with partnership and collaborative delivery of HE in FE colleges:

- **Mission, Ambition and Strategic Positioning.** For universities that enter into collaborative partnerships with colleges, the numbers of students involved represents only a small proportion of their entire student body. Even for colleges which are large HE providers the proportion of HE students rarely exceeds 10% of their total enrolments. Yet by choosing to engage in this type of collaborative activity both universities and colleges are making important statements about how they see themselves: their respective missions, ambitions and strategic positions. The research investigated a number of these issues including: the institutional motives of the partners and how the local delivery of HE fits within their ambitions and strategic positioning; the distinctiveness of HE delivery by FE colleges; the mechanisms for aligning strategic missions and the intentions of partners to ensure effective partnership working and integrated delivery. It also examined how FE college leaders work to create a compelling rationale and narrative to secure support and ‘followership’ within their own institutions for what has not traditionally been seen as core business for colleges and may be seen as an expensive luxury in times of public spending cuts.

- **Organisational Forms, Structures and Cultures.** Successful partnership delivery of HE in colleges requires robust structural and cultural underpinnings. The research investigated a number of these issues including: arrangements and structures necessary to promote collaboration in planning and high quality delivery; the shared assumptions, understandings and behaviours necessary to underpin the formal arrangements, create trust and effective collaborative working; and within colleges how local ownership of HE is generated and an HE culture created and sustained within predominantly FE institutions. It did not examine the specific arrangements for quality assurance, validation, approval or review as these regulatory activities are subject to audit by the Quality Assurance Agency and are freely available on university web-sites.

- **Community Engagement and Impact.** A distinctive feature of HE provision in colleges is that it is primarily focused on meeting local needs and
engaging with the community and employers. (Although colleges may have niche courses which recruit from national markets.) The research investigated this feature, including the rationale and narrative FE leaders construct to secure external stakeholder support and engagement for local delivery of HE. It examined to what extent HE in FE is aligned to both national economic priorities as well as local economic and social regeneration plans.

- **Collaboration in Difficult and Uncertain Times.** Current collaborative arrangements for HE in colleges were formed in a more expansionist climate and will inevitably be affected by known changes in the financial climate. In addition there are many uncertainties surrounding demand for places and inevitable changes in HE funding and policy. The research sought to discover how these arrangements may survive and evolve over coming years. The future is not predetermined and the research sought to identify how it may be shaped by strategic choices made by college and university leaders. It also examined how college and university leaders constructed a revised rationale and narrative for HE in FE colleges for use internally and externally and whether they have revised their strategic positioning accordingly.

Initially, in pursuing these themes the researchers identified a substantial diversity in the institutional arrangements for higher education delivered in the FE sector. It also recognised that, a small scale study could not claim to be able to elicit causal relationships; neither would the extraction of significant large data sets be possible. As an alternative, the research methods chosen were to undertake case studies of six colleges, two from each of three common forms of partnership described below. This simple categorisation is based on size of the college’s HE offer and the autonomy of the college in HE matters which largely reflects the extent of direct funding. Though separated out in this way for research purposes it is accepted, however, that these may be points on a spectrum rather than discrete categories and that colleges may seek to move from one to another. The categories used for research were:

- **The Franchisee College.** In this category, the colleges typically have relatively few HE students (less than 200 FTE most of whom are part time), normally indirectly funded and offers a HE curriculum as an outreach provider for a partner university or Level 4 vocational qualifications funded by the LSC and fees.

- **The Mixed Economy College.** These colleges have a significant number of HE students (300 – 800 FTE), either directly or indirectly funded but is primarily a further education college and its HE offer is mainly university-devised with some validated programmes. It sees itself as an important player in the local community and its HE offer as a vital part of what it offers to local people.
The New Polytechnic. Colleges in this category usually have a large number of HEFCE directly funded students (1000+ FTE), often have multiple HE partners and are likely to want Foundation Degree Awarding Powers (FDAP). They will have a high level of autonomy over the curriculum and see themselves as a 'college of further and higher education'. They will be a major and distinctive player in HE but still require a validating service from a university.

The case studies consisted of confidential structured interviews with college leaders, managers and staff with strategic and operational experience and responsibility for planning and delivering HE in the college. The interviewers used a research instrument which was piloted at another college. All participants were interviewed on a voluntary basis with the right to withdraw at any time. All data is anonymous and followed Leeds Metropolitan University’s procedures for ethical research, including obtaining approval from the university’s Research Ethics Committee.

The aim of the case studies was to elucidate the lessons learned from operating HE in an FE setting as outlined in the research questions. Since in each case the particular circumstances are predominantly relevant to the specific college, the research was intended to illustrate how the leaders in each circumstance responded to each of the issues. This qualitative approach was felt to be more illuminating of the phenomena of HE in FE and was preferred over a large scale quantitative research design.

Research Findings

During the course of the research 6 colleges were visited as case studies supplemented by discussions with leaders from a number of other colleges and national organisations concerned with HE in FE. The case study colleges were selected on the basis that they fitted the chosen research categories of Franchisee College, Mixed Economy College and New Polytechnic which were defined earlier. Also, mindful of the diversity of partnership arrangements, the researchers wanted to investigate examples of colleges in a consortium arrangement with a university and others that had a singular but not exclusive relationship. Two colleges in each category were chosen providing the opportunity to compare and contrast the strategic leadership decisions taken when the institution is confronted with broadly similar challenges.

A common characteristic which appeared to impact on the strategic decisions taken was the form of funding contract that the colleges used to pay for HE delivery. Some colleges have a direct funding relationship with the HE funding council, HEFCE. The university’s role in the partnership is to validate and approve the courses being delivered. In other colleges, the funding relationship is said to be indirect in that the university, in addition to providing validation and approval, gives a portion of their own direct HEFCE funds to the college to pay for delivery of the courses. In the latter
arrangement, the university has the potential to reduce or increase the amount of HE provision in the college whereas in the former, the funding council has this power.

The Franchisee Colleges

These two colleges were similar in size, in terms of their further education provision, and each taught less than 200 HE students. The students, in the main, undertook part-time programmes. Both colleges had partnership arrangements with more than one university.

Place

College A, based in a town with a large rural hinterland, is primarily indirectly funded but with some limited directly funded student places. It has three university partners, although only one is located in the same region. Student access to HE programmes at this university is limited by poor levels of public transport.

College B serves a primarily urban community, which has suffered from the loss of employment from traditional industries. It competes for higher education students from other FE colleges that are within easy travelling distance; hence most of its students come from the town itself. The college does not have a direct funding relationship with HEFCE and relies on its university partners for its student number funding. Its partner universities are in the same region.

Mission

Both of the Franchisee Colleges saw their role in providing higher education as primarily meeting a local need to widen participation in HE and meeting the higher level skills needs of local employers.

The geographical position of the colleges and their relative lack of proximity to a university and/or the parochialism of their local communities mean that if the colleges did not provide these opportunities locally then people in the area would be unlikely to take part in higher education. Most of the students involved are older and are unable to access a ‘traditional’ university course. In addition, these students are often employed or have caring responsibilities which mean they can only study locally.

Additionally, the colleges contribute to the social prosperity of the locality through raising aspirations by offering progression opportunities to higher education in a single institution. Students without familial experience of higher education seek to study locally within a safe environment and at a substantially reduced cost.

Both colleges reported the importance of higher education in meeting the needs of local employers. Particularly relevant was the foundation degree as a vehicle to enable and accredit work based study. This was further supported by discussions with other small colleges who saw their higher education provision being boosted by growth in demand for higher level skills from local employers.
Ambitions

In the present circumstances, where opportunities for growth in higher education are very limited, both colleges had reviewed their ambitions for HE.

College A sees HE as an essential element of its mission and wishes to develop a distinctive model of HE in FE which builds upon the characteristics of the FE sector, i.e. strong employer engagement with provision which is flexible, accessible, relevant and vocational. The fact that the college has a direct contract with the funding council and not having to rely solely on indirect funding from a university buoys this ambition. However, the given the cap on HE growth, the college was trying to reduce the demand by restricting student places on Access to HE programmes.

College B was considering whether they would wish to continue offering HE and saw the withdrawal of student numbers by their partner university as a significant threat. They viewed HE as a desirable addition to their portfolio but not as a core aspect of their offer. A highly successful FE college with an outstanding Ofsted report, they see themselves overwhelmingly as an FE provider.

In neither case was there a dedicated HE manager nor dedicated HE facilities as the size of the offer could not warrant these.

Partnership

For both colleges, the partnership arrangements held with their respective universities were characterised by low levels of mutual involvement beyond that needed for regulatory control, quality assurance and financial arrangements.

College A reported that even their nearest university partner showed little interest and did not generally seem committed to work with FE partners. The college viewed this university as highly and unnecessarily bureaucratic and inflexible. In contrast one of its other partner universities, with a significant track record of working with FE was described as a good partner. The college suggested that, if a large FE college obtained taught degree awarding powers or foundation degree awarding powers, they would be more interested in using that organisation as a validating and approval body rather than a university. They felt that a college would have greater empathy with the issues of offering HE in an FE setting and in turn a better service could be provided to students.

College B also described their university partners as highly bureaucratic and not sympathetic to the needs of the college. In particular, the university approval processes led to the college having difficulty in responding rapidly to the needs of the local market.

In both cases, the colleges felt that the partnership was primarily one where the universities involved provided approval, validation and accreditation for the colleges’ HE programmes. The partnerships did not extend to having similar mission or ambitions for the communities the colleges served. There did not seem to be a
strategic relationship between the universities and the colleges and there was little interaction at a senior level.

The Mixed Economy Colleges

The two Mixed Economy Colleges had virtually an exclusive relationship with their partner universities. Each college had sizeable HE cohorts of between 800 and 1000+ students. Both colleges are situated in medium to large city conurbations and, along with their partner universities, meet a local demand for HE. Additionally, one of the colleges had a significant number of international students.

Place

College C has over 800 students following HE programmes. The college’s directly funded HEFCE contract provides 670 student places, 30 are indirectly funded and a further 200 on NVQs and professional courses funded by LSC and employer fees. The curriculum is highly vocational in character with large numbers of students studying on a work based route. Whilst the university partner has collaborative relationships with other colleges they do not comprise a consortium.

College D has over 1000 HE students, 16% of which are International students mainly from a partnership with a college overseas. As with College C, this college offers a vocational HE curriculum and many of the students are studying foundation degrees on their employers’ premises. This college is part of a consortium of FE providers working with a single university and there are opportunities to work together to share good practice. College D does not have a direct contract with HEFCE and is solely dependent on its university partner for funding student places.

Mission

Both colleges viewed their HE provision as being aligned with their missions to widen participation and to be responsive to the need of employers. Both cited their Employer Engagement strategies as being integral to their HE offer. Both colleges would wish to increase the amount of HE but are limited by the current funding conditions. However, they see HE as complimenting their FE provision and an integral part of their work. They did not wish HE to overwhelm the FE at the college but saw themselves as mixed economy institutions with the balance being in favour of FE. Neither college saw it in their interest to apply for FDAP since they recognised the importance of their university’s brand in attracting students.

HE Experience

The colleges saw that they offered a different HE experience to that found in universities. Students were attracted by lower fees (in College D), smaller class sizes, the level of tutorial support and opportunities to study part–time and in the work place.
College D had committed to developing a faculty dedicated to higher education which, whilst it exists in the same building as the FE work, has distinctive premises, equipment and student facilities. This approach came from the need to create a consistency of approach as HE in the college had expanded over recent years. Academic staff, with more than 70% of HE on their timetable had been allocated to the HE faculty and there were plans to consider changes to their terms and conditions and to recognise the additional requirements for research and scholarly activity placed on these staff by them teaching HE.

College C had a clear management structure for HE led by a Director of Higher Education (although this person has FE responsibilities also). An HE management group develops policy, ensures quality and oversees operational management. However, the HE is placed within the FE faculty architecture. Discussions within the college had identified the potential need for some HE distinctiveness within the college’s accommodation and learning support. Teaching staff have a higher weighting given on their teaching loads for teaching HE and there is a dedicated staff development budget to support HE staff.

**Partnership**

College C had one significant partner university, located in the same city, and small amounts of provision with universities at some distance away. College D had a monogamous relationship with its university partner in the same city. Where the colleges differed was in the funding relationship with HEFCE. College C is directly funded by HEFCE whereas College D is reliant on indirect funding through its partner University for its entire home and EU based student places. Hence, the provision in College D is potentially vulnerable to withdrawal of funded places by the university. The principal of this college reflected that the college was seen as a junior partner and they were being ‘allowed’ to offer higher education by the university which saw itself as a benefactor. There was no real shared strategy for the city that they both occupy, although the university valued the international and employer relationships that the college maintained and brought to the partnership.

College C was more confident and had experienced a more equal partnership with their university. The university saw the college as making a major and distinctive contribution to widening participation in the city. The university valued the fact that the college provides students that progress to it from foundation degrees, and respected the college’s strong reputation for high quality. Equally, the college had been loyal to the university where other colleges have ‘shopped around’. The partnership looked to create ‘win-win’ situations: non-competitive, complementary provision with a high degree of mutual respect. College C was in a strong position because of its direct funding and it had a justified reputation for quality including building much of its HE developments around its Centres of Vocational Excellence. It was mindful of competing when considering plans for expansion. The university has provided substantial levels of support for the college and there is a sense of a ‘community of scholarship’.
The New Polytechnics

The colleges studied here are examples of large providers of higher education in an FE setting. Both are based in large towns and both colleges have more than 1000 HE students. HE was seen as critically important to the colleges’ missions. In the main they drew students from their respective localities although specialist courses attracted students from further a field. Both colleges drew in international students.

Place

College E is based in a city where HE participation is low and contracting. The city is home to a large university that recruits country-wide for its home students. The college and the university had a strong relationship that is mutually supportive. To a large extent, the college fulfilled the university’s obligation to widen participation. Both institutions had respect for their respective roles. The college had an exclusive relationship with its partner university and the provision was entirely indirectly funded. The college was seeking to obtain Foundation Degree Awarding Powers (FDAP). The college saw employer engagement as the key driver for the development of HE. The local university did not compete to offer local businesses HE development opportunities. The college however, saw the ability to develop HE as enabling it to offer the full range of training and development opportunities to employers – from basic skills to degree level programmes. The college exerted substantial control of the academic development of the awards and was able to respond to meet the needs of local industry.

College F is based in a large town where it is the only HE provider. It had a number of university partners (four) and had grown significantly over recent years. It had a large HEFCE contract and has some indirect student numbers from one of its university partners. College F was also seeking to obtain FDAP.

Mission

The colleges were driven by a widening participation agenda and recognised that students on low incomes were being excluded. Both colleges were in low wage areas. Employer engagement was a key driver also in keeping HE as central to the colleges’ missions. The colleges saw their mission as being lead players in vocational education and training providing a full suite of programmes from Level 1 to undergraduate and occasionally postgraduate. They were not seeking university status but wish to remain part of the FE sector.

HE Experience

College E purposely set out not to try to replicate a university-like culture in the college. HE courses were located with other vocational provision in the faculty structure. It felt that the HE in FE experience was valuable in itself, that ‘good HE in FE is good’. The college provided a rigorous vocational and academic curriculum. Each faculty had the full range of FE and HE within it, which improved student aspiration and led to increased progression. The college did recognise that there may,
at some time, be a need to offer distinctive facilities for its HE students but it felt it hadn’t reached that point to date.

College F is building a purpose-built University Centre into which it will house its HE provision and the associated administrative and support functions. There was staff training and support for HE staff, and they undertook research and scholarly activity. Academic staff also had a different teaching contract to their FE counterparts.

**Partnership**

In College E, the relationship between the Principal and the Vice Chancellor of the partner university was held as a key element in the partnership. The relationship was viewed by both institutions (at SMT level at least) as being a partnership of equals. There was a shared mission to meet the needs of the local community, raise aspiration, and meet employers’ needs. Both institutions worked together to bring this about, both playing their part. There was no competition and a good atmosphere of co-existence. The level of mutual respect was in no small way, explained by the passion of each institutional head to make the relationship work. Senior staff from both institutions had roles on boards and committees in each other’s organisation, in a deliberate attempt to maximise the effectiveness of the working arrangements.

Although the college is applying for FDAP this was done with the support of the university partner and the college fully intends to continue with the relationship.

College F, in one sense had an advantage over College E in that it has a large direct contract with HEFCE. It had a greater level of autonomy in that it can move to a different HE partner, if it is unsatisfied with the service it gets from a partner. The college had indeed done this on several occasions. However, by working with several universities it had accrued additional costs associated with operating several quality assurance systems.

**Adaptive Strategies**

Few colleges will want to give up their HE. The wider research showed that in difficult times the colleges are pursuing a range of strategies identified below to adapt and stay in the game.

- *Curriculum innovation and renewal.* There is awareness of the need to align the college HE curriculum with emerging policy, funding and economic priorities. This emerges naturally from entrepreneurial FE curriculum work on Levels 2 and 3 with employers and Sector Skills Councils throwing up new HE demands which colleges will meet by recycling existing places – terminating underperforming courses and switching to new areas of growth. Curriculum innovation is being used to focus on creating more flexible, responsive delivery often in partnership with employers through work-based delivery and creating credible progression routes for successful Apprentices – an underdeveloped but
growing market in the future. Where a university partnership is unattractive some colleges are considering reviving their HNs.

- **Building on local economic and social development.** Colleges’ HE offer is primarily local and they are seeking to play a central part in local economic and social development. Their role will be to assert the pivotal role higher level skills play in economic renewal and social inclusion - ‘people making’ as fundamental to ‘place making’ in creating better towns and cities.

- **Shopping around for HE partners.** Many colleges are re-examining the links with their existing partners – ‘shopping around’. Solid partnerships based on a shared mission, mutual respect and benefit are likely to survive. But where universities withdraw funding or validation, then colleges are often forced to look for new partners or stop providing HE. Occasionally universities may wish to drop ‘weaker’ subject areas and franchise to FE partners. Although it is likely colleges may shop around the market will not be conducive to this strategy and so it is likely to be a marginal response for most colleges. One interesting prospect, though it would require changes in funding and accreditation rules would be the creation of partnerships led by colleges with FDAP. Colleges may feel more comfortable in partnership with another FE college than a university.

- **Using shared resources.** Some colleges are seeking to absorb tighter funding by making more use of shared resources available through their HE partnerships and consortia. Big savings in development costs can be achieved through making more use of off-the-shelf courses already approved for consortium use and sharing learning materials and VLE development.

- **Searching for new markets.** Colleges have always been entrepreneurial so if growth through ‘normal’ HEFCE routes is curtailed they will search elsewhere. The research found a number of examples where HE provision added value to the colleges’ Employer Engagement strategies. The work-based route is perhaps a more natural market for colleges than most universities, though employers are often reluctant to co-finance. There is certainly an opportunity for colleges to create credible progression routes for a growing number of successful Apprentices. These progression routes would value and build upon apprentices’ experience and rather than expecting progression to HE at 18 would make it easier to progress later once careers are established. Colleges can claim this as a natural market for them but will need to develop more flexible models of learning and assessment. Some colleges will also seek to expand their HE by recruiting more international students, including setting up overseas with local partners, but this is likely to be an increasingly competitive market and without the prestige of a university partner may prove difficult to exploit. To counter this competition, one of the case study colleges had developed a Foundation Degree + Top Up to
full honours ‘package’ which was proving particularly attractive to overseas students. The students studied their foundation degree at the college (in smaller classes with English language support) with a guarantee of top up at the university. This way each institution plays to their strengths and together gaining a competitive advantage in the market for international students.

- **Competing for Growth.** In an era of tighter funding HE activity and growth will be redirected towards strategic priorities such as Science Technology Engineering and Mathematics (STEM) subjects, industries seen as underpinning a knowledge economy and regional and sectoral priorities. If funding for these areas becomes contestable through competitive bidding then colleges indicated their intention to bid aggressively, sometimes with university partners but often in competition with universities.

**Conclusions and Recommendations**

The research revealed the collaborative working to offer HE in colleges is facing major challenges after a decade of growth and innovation. The future is not easy to predict but will certainly be shaped by a number of key drivers. However, it will also reflect strategic choices made by college and university leaders - in turbulent times there is more than ever scope for local leadership, creativity and choice.

**Key Drivers**

Partnership working will be driven over coming years by a number of factors beyond the control of colleges and likely to shape the whole of the HE system and beyond.

- **Policy and Funding.** HEFCE has recognised the importance of colleges for HE delivery and could state in 2006 that ‘HE in FE colleges is already a distinctive part of the HE system’ (HEFCE, 2006: 9). It has encouraged HE growth in colleges to achieve its policy goals of widening access and participation and fostering a more vocationally relevant HE, especially through Foundation Degrees which currently receive premium funding. Colleges claimed that Lifelong Learning Networks, in particular, became a route to increase their HE numbers. From 2009-10 the funding position became very different with cuts in funding for teaching and capital and phasing out of the Foundation Degree premium. Despite record applications growth in student places will be limited, conditional on pursuing government priorities and available through competitive bidding rounds. It is likely much of the limited growth will be steered through two year degrees, FDs and short cycle qualifications linked to employment, including progression from Apprenticeships. It is also likely that growth will be in specific areas, notably Science Technology Engineering Maths (STEM) subjects, industrial skill priorities and Foundation Degrees as announced in the Labour Government’s budget of March 2010. Students and employers will be expected to contribute
a bigger share of the cost. This type of provision is likely to widen participation in HE for many older people and those in employment. From a benign funding climate of growth for all now growth funding will become limited and contestable with fines for over recruitment all of which will create tensions for partnership working. As Lord Mandelson, Secretary of State for BIS asserted:

‘...The key challenge is not expansion, but the right kind of expansion.’

(Lord Dearing Memorial Lecture 2010)

Colleges are recognised as a valuable part of this changing higher education landscape but are warned that they:

‘...are not universities and should not aim to be...(their focus) should be on skills and qualifications up to and including foundation degrees.’

(BIS 2009: 104)

- **Quality and standards.** There will be even greater emphasis on ensuring quality and standards and public confidence in HE. The production of HE Strategies for HEFCE by colleges and Integrated Quality Enhancement and Review (IQER) interventions by the Quality Assurance Agency will raise the strategic profile of HE in colleges. Initial experience has been that colleges have performed well in IQER so universities have used this to vindicate their partnership arrangements. Nevertheless, colleges must heed the warning that ‘whatever higher education courses are delivered through further education colleges the highest standards must be assured’ (BIS, 2009a: 104). In particular, they need to justify their offer as distinctive and high quality avoiding being viewed as delivering ‘second class’ HE.

- **Students as discerning consumers.** The depressed jobs market, clearer labelling of courses and a likely rise in fees will encourage a more consumerist, instrumental approach by students. They may shop around more looking for value for money as fees rise to create a more price-sensitive market encouraging competition based on price between universities and colleges. This consumerist thrust will also show itself as students demand to be heard as active participants rather than passive consumers. They are likely to be more challenging, and even litigious, about the services they receive. Part time students with family or work commitments will be concerned, in particular, for a distinctive HE experience which may differ from that of younger full time students.
- **Universities' Strategic Choices.** Facing a difficult financial climate but growing demand for places many universities will seek to clarify their missions and focus on what they do best, rationalise and drop some areas of activity. They are likely to focus on more post graduate and international students to reduce dependence on public funding. Consequently, the HE sector may become more diverse with some newer universities choosing to focus on higher level vocational skills and employer responsive provision reviving their Polytechnic heritage and perhaps creating new forms of structural arrangement, including closer working with colleges and schools. In the short term high demand for places may lead to repatriation of funding and reduced franchising to colleges, especially small ones, to fund growth on university campuses. Certainly, colleges can expect a harder-nosed approach to contracting. Countering this is the valuable work colleges do in widening participation which universities may be reluctant to sacrifice to fund campus based students. In the medium and longer term, however, universities will make mission decisions which colleges will need to be alert to and adjust accordingly. Universities will not want to destabilise their partnerships with colleges where they share a common mission to serve their localities or regions. Nor is it in the interests of universities to alienate colleges who are now the largest suppliers of young people to undergraduate programmes. So it will be in mutual self interest to retain partnership working where possible, even if the terms of the partnership may be renegotiated.

**Colleges' Strategic Choices**

In this volatile and more hostile landscape colleges will have to make strategic choices about positioning themselves to deliver HE in partnership. The key variable influencing the freedom of choice available to colleges is the independence afforded by direct funding from HEFCE as opposed to indirect funding and programme franchising which limit independent choice.

The case studies and wider research suggest the pattern of partnership working in HE delivery may be changing rapidly, strongly conditioned by local factors. Nevertheless, the research identified three broad strategic options, though they are not mutually exclusive and may be points on a spectrum of choices. The three options that offer a useful way to depict choices available are: Closing, Consolidating and Championing a new HE brand.

**Closing**

Some smaller colleges may be forced out of HE delivery by withdrawal of indirect funding as universities retrench and repatriate student numbers to meet growing demand for their own provision. Even where such withdrawal is not total colleges may conclude their HE is no longer financially viable and voluntarily withdraw.
Following the loss of FE funding for adults some small providers may decide HE is a ‘luxury’ they can no longer afford. Such rationalisation of small HE providers may be encouraged by funding and quality agencies allowing redistribution towards stronger providers, including colleges. However, if there is widespread withdrawal of colleges this will jeopardise gains in widening participation to HE and embarrass the agencies and universities that have submitted Widening Participation Strategies to HEFCE. As yet there is little evidence of colleges withdrawing from HE but Scenario 1 could become a real possibility for many small HE providers and a rational choice for some.

**Scenario 1: Shutting up shop**

College X is a small college with a limited HE offer franchised from a university some distance away. The provision is small but seen by the college as an important part of fulfilling its local mission. The college is facing serious financial problems which may threaten its viability as an independent institution because of cuts in its FE funding and plans for a new campus with facilities to expand its HE fell with the collapse of Building Colleges for the Future.

The university partner is reducing its franchising and more closely monitoring HE contracts and quality in partner colleges. College X is faced with running smaller classes or reducing the range of its programmes, both of which would make the HE offer unviable. Given the difficulty of breaking even financially over coming years the College decides to withdraw from HE and concentrate on more promising FE markets.

**Consolidating**

Most colleges will want to continue with partnership provision to deliver HE and take the longer view beyond the current hostile climate. They will seek to consolidate their HE, nurture it and be ready for better times. For some this will mean fewer courses or choices within courses. But most colleges will take this opportunity to develop and refresh their portfolio to capitalise on new opportunities. During this consolidation colleges will build up their HE facilities and try to differentiate their HE students and learning environment creating a distinctive HE ethos within a predominantly FE environment. It is also possible to see emerging Scenario 2 below offering a ‘no-frills’ version of HE.
*Scenario 2: No-frills HE*

College Y is a medium sized college with 400 FTE HE places spread across the faculties with both direct and indirect funding. It is committed to HE and its university partner is supportive but cannot fund expansion. Given pressures on its FE funding the college develops an HE business model which it feels is financially viable whilst meeting student needs. The main features of this model are:

- A focus on local students in employment or with family or other commitments progressing internally from Level 3 or HE Access programmes
- A Portfolio offer refreshed continuously to meet changing local social and labour market needs
- Mainly part time study or full time with flexible attendance blurring the difference between full and part time
- A familiar atmosphere with small classes and good support
- Some work-based delivery and assessment in partnership with local employers
- Most facilities shared with FE students but some distinctive learning resources and specialist materials available on-line permitting more self-directed learning and tutor contact
- A vocational offer of FDs and HNs promoted as natural progression from Level 3 rather than as a distinctive HE portfolio
- Low fees, discounts, bursaries and easy payment arrangements
- A university partner allowing a high degree of college autonomy and offering top-up to full Honours
Championing a new HE brand

For larger HE providers in the college sector, most of whom are members of the Mixed Economy Group, the policy thrust towards vocational HE and higher level skills offers a once-in-a-lifetime opportunity to champion a new style of HE. They claim this as a natural extension of their core business and earned through their success in promoting HE with non-traditional students as expressed in the 157 Group pamphlet ‘One in eight: the voice of higher education students in FE colleges’ (157 Group, 2009). It was clear from the research, that such colleges did not see their future as becoming a new breed of university and the term ‘the New Polytechnic’ is inappropriate. Instead, colleges will create a distinctive brand of HE in the FE sector usually be based around a University or HE Centre. This University Centre strategy requires a large critical mass of students, direct funding, some capital funding and a university partner willing to work with this model for progression purposes. These colleges will also develop a distinctive view of the scholarly activity necessary to underpin vocational HE. Rather than the traditional model of academic research this HE in FE model will involve acquiring higher level qualifications, professional updating in industry and research projects which inform and improve teaching and ensure it reflects best practice in employment. A few large HE providers will secure FDAP and so reduce their reliance on universities, except for top-up awards. These colleges will strengthen their position as major independent players in the new vocational HE and increase their market share in competition with universities with whom they may compete through lower fees. A significant claim of these colleges is that they are more cost effective than universities and more likely to widen participation. Such colleges are likely to develop many of the elements of the ‘No-Frills’ option but with most of the ingredients in Scenario 3 to offer a distinctive HE experience - and indeed a new kind of Further and Higher Education College.
Scenario 3: The University Centre brand

College Z is a large college with a high reputation for quality in FE and over 1000 FTE HE places. Its HE brand includes:

- A strategic statement to be the local leader in offering higher level skills development and vocational HE
- A curriculum aligned with local and regional skill needs refreshed regularly to meet changing needs
- FDAP supporting a portfolio which is primarily based on FDs, with top-ups mainly delivered at the college, plus validated niche Honours programmes, HNs and professional qualifications
- Flexible and innovative delivery including on-line learning and learning fitted around work and family commitments including work-based programmes designed in partnership with employers.
- Study skills and specialist support to assist non-traditional HE students to succeed
- Support for local businesses through consultancy, short courses and business start up facilities
- A body of teaching staff wholly or mainly devoted to HE engaged in scholarly activity, well qualified academically and with current professional expertise
- A vibrant and influential student voice and an active student union/association
- A physically distinct University Centre incorporating teaching, learning resources, student support and social space - all prominently branded for HE students
- A Director of HE responsible for planning, development and quality of HE with dedicated registry, administration, finance, careers and support staff
- Aggressive growth through competitive bidding and employer partnerships
- Positive and confident marketing to promote the benefits of pursuing a ‘university education’ in an FE college at a competitive price
- Strong partnerships with regeneration, economic development bodies and Sector Skills Councils to position higher level skills as central to economic prosperity and social inclusion
- A relationship of mutual respect and equality with university partners
Some of the very largest colleges may look to expand their offer, both FE and HE, by mergers and acquisitions and organise their institutions as a group or federal structure with HE as a discrete mini-college alongside others for employment skills, Sixth Form or 14-19 provision.

**Recommendations**

The research produced some clear recommendations from practitioners to college leaders trying to secure the future of HE in their colleges in turbulent times. These can be summarised as:

- **Take the long view** – avoid panic measures and hasty decisions and look beyond current financial restrictions;
- **Create a distinctive HE experience** – offer a true ‘university education’ in a supportive HE environment;
- **Renew your HE curriculum offer** – continuously align your offer to local and national needs and priorities;
- **Work on your HE partnership** – create good personal links with university leaders and clarity about the respective role of each institution;
- **Embrace contestability** – look for opportunities for HE growth by competitive bidding, with or without a university partner;

But above all

- **Develop a compelling and confident case** for the distinctive role your college can play in HE delivery and what this contributes to your locality and beyond stressing three key benefits: assisting economic prosperity; widening participation and enhancing social inclusion; and cost effectiveness at a time of spending restraint. This case creates a powerful ‘calling card’ to initiate discussions with universities, funding bodies and local stakeholders.

Underpinning these practical recommendations seemed to be a leadership mindset necessary to deliver success in a period of great change. This mindset is confirmed by research with over 50 CEOs conducted by the Institute of Leadership and Management (ILM) entitled ‘Delivering in a downturn: what does it take?’ (ILM, 2009). The consistent message from the CEOs was that leaders required three main personal characteristics: a strong, purposeful and resilient approach; creativity and innovation to find new solutions quickly and flexibly; and an optimistic and positive outlook to encourage people to believe in, and fight for, a brighter future. This research report suggests that colleges have this necessary leadership mindset and
can use the current turbulence to mark out a new, more prominent role for colleges as leaders in vocational higher education in a changing higher education landscape.
References


Department of Business Innovation & Skills (2009) (a) Skills For Growth : The national skills strategy . London Cmnd 7641: HMSO


The 157 Group of Colleges (2009) One in Eight: The voice of higher education students in FE colleges, London

Acknowledgements

Thanks to the Principals, their colleagues and leaders involved in the colleges and universities who generously gave their time, support and insight into the production of this research.