

# RESEARCH

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Research to Assess Preparation for  
and Changes Arising from the New  
FE Reforms and Skills Policies:  
Summary Document

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## Background

This research was a qualitative analysis supported by a quantitative assessment of how colleges and training organisations were likely to react to the reforms and policy changes in relation to post-19 FE provision. The study was carried out by research contractors CFE in partnership with NIACE and the fieldwork took place in February and March 2011. A limitation of the study is the relatively small number of colleges and training organisations included, 30 in total. Caution is therefore required in interpreting the findings as they may not be applicable to the wider population of providers.

## Key Findings

At the time of the study, colleges and training organisations were understandably cautious about the reforms given the early stage at which the research took place. The findings represent initial reactions and preparations to the forthcoming changes from colleges and training organisations that took part in the research. The key findings were that:

- Colleges and training organisations were mainly positive about the need to move away from mainly free, sometimes incentivised provision to fee-driven services. There were however concerns about the scale of change needed to achieve a co-funded model, and the legacy of expectation amongst learners and employers.
- The response of colleges and training organisations was positive in principle to the greater autonomy granted to providers and the planned reductions in bureaucracy. However the research found little evidence of change to date, and some providers expressed some concern about how far the freedoms would be implemented in practice and were keen to understand more about the detail of how the changes would affect them.
- The reduction in public funding appeared to be a key driver of behaviour for most colleges and training organisations. Funding policy changes including the introduction of Minimum Contract Levels and the changes to adult entitlements were resulting in major reconsideration of business strategies.
- Given the funding context, discussions about efficiency and new business models were taking place. Contracting arrangements and mergers were being considered, with sub-contracting expected to increase sharply. There appeared to be a perception amongst those interviewed that concerns about efficiency could lead to more merger proposals. However, almost all strategic leaders emphasised that this ought not to be at the expense of local delivery points. Many colleges had also explored shared services as a route to increasing efficiency although most acknowledged that this solution is unlikely to provide all the answers.
- Several colleges and training organisations reported concerns about fee remission changes creating a disincentive to engage with certain priority groups including unemployed learners. However, nearly all colleges and training organisations reported established relationships with Jobcentre Plus and increasing regularity of interaction between providers and Jobcentre Plus.

## Conclusion

There has been significant progress in the delivery of the FE reform programme and skills policy changes since this study was carried out. For example in August 2011 Ministers announced that for 2011/12 academic year FE Colleges and training organisations will have local discretion to provide fully funded courses for people on a wider range of benefits than Jobseekers' Allowance and Employment Support Allowance (in the Work Related Activity Group) depending on what they need to help them enter and stay in work.

However, the findings from this study have usefully informed internal policy development and our response to the New Challenges New Chances consultation.

A copy of the report is available on request via [enquiries@bis.gsi.gov.uk](mailto:enquiries@bis.gsi.gov.uk)

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Any enquiries regarding this publication should be sent to:

Department for Business, Innovation and Skills  
1 Victoria Street  
London SW1H 0ET  
Tel: 020 7215 5000

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