

What Future for the Non-Formal Learning Sector?

**AN ANALYTIC REVIEW COMMISSIONED
BY THE LONDON DEVELOPMENT AGENCY**

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The Non-Formal Learning Sector (NFLS) is a term which has been used in the last four or five years to describe a plethora of small, independent organisations offering access, structured learning opportunities and in places, accredited training, in the arts, media and creative industries across London.

1 AIM

The purpose of this review is to define clearly a role for the NFLS as part of the overall 'ecology' of education and training in the creative and cultural sector at this current time. It will review the history, reach, and effect of the NFLS and analyse the mixture of qualifications/regulation, skills, training policies and market trends in order to suggest a rationale, and objectives for the continuation of national or regional support. It is intended partly for the London Development Agency (LDA) to offer the LDA a clear, coherent and co-ordinated role if it is to continue to work in this area, but more importantly for those working and shaping strategy in the NFLS itself who are considering how best to position themselves within the shifting policy landscape.

Although the LDA commissioned this review they did not do so as a conventional piece of consultancy. The LDA is only one of several key State funders working across this area. This review aims to generate debate amongst all key stakeholders and is thus addressed to as broad a constituency as possible

2 CHANGING CONTEXTS

The LDA, both implicitly and explicitly, has played a role in supporting the NFLS. The Mayor's Creative Industries Commission acknowledged the work that the NFLS does in underpinning London's creative economy¹. The LDA subsequently developed and co-financed (along with ESF) the Supporting Talent into Enterprise Programme (STEP), and supports other related training programmes; it has invested in the NFLS in terms of capital projects

1. The term creative industries is preferred by the LDA as a category description. The NFLS themselves are mainly located within specific technical disciplines (Dance, Drama, Music etc) so the term cultural industries are often used. In this sense the cultural industries are a subset of a broader concept of the creative economy.

and commissioning evaluation, advocacy research and market intelligence. Indirectly it has supported NFLS in a cross-thematic fashion through its skills policies and its interest in the NFLS in the context of initiatives based on cluster theses. The NFLS resonates with the LDA's work in developing London's skills, abilities and competitiveness. The LDA's primary interest is in generating economic growth and to date, it has been interested in the NFLS as forms of intermediary organisation working between private sector commercial initiatives and formal education.

However, there are a number of immediate short term challenges to the LDA's strategic interest in this sector. The current changes in how FE works; the changing nature of routes to training in the creative and cultural sectors (under the ever-changing remit of the Sector Skills Councils); changes to the funding of the post 18 sector as a consequence of the Leitch review; the break-up of the LSC and the arrangements proposed in the 2008 *Raising Expectations* White paper; and finally some of the recommendations of the DCMS' 2008 *Creative Britain* document mean that at both technical and strategic levels it is not obvious how the LDA could seek to continue to use the NFLS as an opportunity for imaginative and different kinds of interventions. The challenge here is to determine how the very complicated matrix of funding process, qualifications regulation, centrally driven initiatives around young people and training and demand-driven training is going to support the NFLS: and equally whether such changes will offer the LDA a lead or a delivery strategic role.

2.1 This review is divided into four substantive sections. Following an introduction and a few comments on method, section 4 offers a history of the NFLS and an account of its scope, range and reach. This is contextualised within an account of the non-formal learning sector at its broadest. Section 5 is more discursive and analyses models which have attempted to char-

acterise the core value of the NFLS and to find ways of accounting for its salient and unique achievements especially in terms of its contribution to London's creative economy. Sections 6 and 7 explore the main funding sources for the NFLS (charitable foundations, the FE and HE sectors) and considers how the NFLS works as complement, competition, or remediation in the context of these separate and discrete 'markets'. There is a conclusion with recommendations for strategic and programmatic interventions by the LDA.

3 |

3 METHOD

This is not really an original piece of research in the sense of gathering new data. Three experienced actors from the field were interviewed but most evidence was gathered through desk research. An embryonic enquiry into the economic impact of 'Community Music (now CM), carried out in 2005, including interview with CM's founders and research into its origins and work during the 1990's was utilised. The author worked for eight years for WAC Performing Arts and Media College and has considerable direct experience of operating within this sector. An invitation seminar held by Graham Hitchen was used to discuss and test out analyses. Academic enquiry in to the nature of informal learning and the use of the non-formal learning sector as part of a whole education system analyses has been used to inform the thrust of the discussion. However, academic referencing has been kept to a minimum in the interests of readability. As a provocation, this review aims to combine a robust historical understanding about the function of education systems as a whole, along with an understanding of current policy imperatives. Understanding of short and medium term trends is combined with a reading of long term education system-level change.

4 WHAT IS THE NON-FORMAL LEARNING SECTOR?

Whilst there is much evidence to suggest that

the raft of organisations that have been taken to comprise the NFLS do have much in common, it is unclear whether they really form a sector in any meaningful sense. The relative invisibility of these organisations in policy terms, indeed in political debate does not help this definitional problem: we shall return to this issue of increasing visibility throughout. On one level, the NFLS organisations do not constitute a sector in that they are not any one government department's remit or regulated by a single set of guidelines.

Indeed, the NFLS is characterised by the frequency and detail by which it crosses traditional sectors. Some organisations work with both 'children' and adults (thus requiring both OFSTED and ALI review); some with youth (defined by ACE, for example up to age 25) and adults; many cross local authority boundaries; some work with film and digital media, others with performing arts (thus breaking traditional barriers across guilds represented in the two sector skills councils (SKILLSET and CCS)); some offer accredited programmes falling under LSC provision; others diplomas and even foundation degrees (thus being funded by HEFCE); some work with people with disabilities either exclusively or as part of their programme; many have received various kinds of ESF funding; others exist on unrestricted donations or even less structured grants from charitable foundations; some are registered charities; others private businesses. The list can go on.

What defines all of the organisations who work in the NFLS in fact is that they don't fit neatly into the ways that governments or even policy imagines the way the world is organised. They are independent: and although that is a source of their strength (and weaknesses), it is an independence that is sorely tested by current changes in the 'ecology' of education and training.

The term Non-Formal Learning Sector was 'invented' in the report produced by Burns Owens Partnership and Denise Stanley for the

LDA in 2004. It is not a term in use in other parts of the world. In many ways it is a cover-all or umbrella term for these organisations that speaks of the current time. In previous eras many of these organisations would have been characterised as community or participatory arts and/or as vocational training projects. Two key policy discourses introduced by New Labour changed this. First is the mainstreaming of the idea of the creative industries and their role in the knowledge economy. And secondly we have to acknowledge the role of life-long learning and the changing nature of education and learning in the 'new' economy. Co-opting what had previously been political or socially inspired action into a relationship with mainstream socially inclusive education practices was an important move, and I shall suggest, one whose challenges have been mainly ignored by the mainstream. At the same time, the increasing policy attention to mechanisms, systems, structures and interventions to support the creative economy (however expressed and at what ever level of generality) created a sympathetic environment for projects which were in some way engaging with education for creativity and ground roots work in the cultural industries. Even though neither of these trends were explored in any great detail nor were any contradictions or difficulties investigated, they seemed to legitimate something called the non-formal learning sector and could justify its work.

The BOP/Stanley report made the case that London offered a large number of learning opportunities (around 14000 per year) through around 250 small organisations. Organisations ranged from a few months to twenty five years of age and from 1-2 employees to up to 25 full time equivalent workers. Turnovers ranged up to £1.4M p.a. These organisations were all independent and in governance terms, tended to be small businesses, limited by guarantee with charitable status. The report argued that there was in effect, an unrecognised, and to a large extent undervalued educational and training infrastructure existing in London with serious

claims to success and yet one which was being starved of funds by mainstream education providers. Subsequent reports commissioned by the LDA (by KMPG and PWC in 2005) were more sceptical about the educational benefit offered by the NFLS as they were concerned with how mainstream accountability mechanisms calculated the benefit of accredited and externally validated outputs. They did not speculate about the economic values of the sector in terms of its direct, preparatory or even indirect contribution to the cultural economy. The difficulties in calculating the meaning of learning opportunities are evident, given that the BOP/Stanley report did not offer any analysis of whether its assessment of learning numbers might exist on other providers' books and no reports were in any position to offer evaluations of quality. Even cost –benefits analyses were problematic (the NFLS itself is very keen to point out that it works with disadvantaged youth in many cases, thus offering serious long term savings to the State) but no accounts of these costs were ever really offered.

The main problem with these sets of reports was that they raised the central problem of values. The organisations of the NFLS were and are vociferous about their added value, the cost benefit value of their work in terms of social inclusion and the quality of their provision (both in terms of aesthetic practices and teaching and learning). Because the NFLS works at the margins there are no recognised studies supporting these claims and it is all too easy to suggest that even together these organisations do not pose a credible alternative (in the sense of a complement) to mainstream provision – especially as we will see later, that provision was to an extent distributed across a series of franchised providers. Whether there is any validity in the notion of a cumulative effect – that these organisations could be taken together, that they are in some ways equal but working in complementary geo-social areas, is another problem that has not been investigated – especially in relationship to any idea of a pan-London coverage.

The absence of well-founded evidence about how the NFLS might function systemically is a crucial challenge for further research on how it might work as any long term delivery agency. The strength of the sector however lies more in its high achieving examples that have promoted a form of ‘inductive appreciation’ – generalising from the particular to the general. Nevertheless, individual case studies are extremely interesting mainly because they point to how individual projects function as intermediary organisations, as ‘in between services’ offered by more mainstream sectors, and crucially how the NFLS offers an integration of arts practice and social justice that appears to work more entrepreneurially than the larger delivery systems.

4.1. ARTEC One of the most ‘famous’ and internationally renowned initiatives from this sector, the ARTs TEChnology centre was established through the education department at the London Borough of Islington. It was dreamt up in the late 1980’s to offer forms of training in creative applications on computers as a complement to the ITECs beginning to become popular in the early 1980’s. It was led by Frank Boyd and built on an earlier intervention developed by Frank and associates as ‘Cultural Partnerships Access To Media Production’ in the late 1980’s in estates across Hackney. It was funded throughout its 10 year life primarily through a series of European monies in partnership with the London Borough of Islington (LBI). It was closed in the late 90’s by LBI in disputed circumstances relating to its financial viability. Although set up originally to offer training to socially excluded groups in digital media, it diversified practice and worked as an artists’ lab, a production house, a training centre for professionals and an innovation centre.

As has been widely acknowledged, ARTEC was strikingly prescient for its time. Whilst the original vision for the organisation was fundamentally social, its inception occurred in tandem with what amounted to the birth of digital media or multimedia and ARTEC pioneered

work in this arena. It became a magnet for artists seeking to develop cutting edge projects and as well as training staff who were later to become key actors in other contexts and played a disproportionate role in defining, catalysing and driving a sector forwards. Although there has not been a return on investment analysis carried out, and anyway this is very difficult to do in respect of knock-on effects where they relate to people, ARTEC’s reputational effect is considerable.

Inevitably the organisations in the NFLS all vary but I want to draw out key analytic themes from this case study that might bear on our attempt to understand the sector more generally.

1. **Governance.** Unusually for a NFLS organisation, ARTEC was solely run by a local authority. Although ARTEC raised their own funds the security of core funds cannot be underestimated. Staff were LBI employees with related benefits. A board scrutinising ARTEC’s work was fairly loose and laissez faire, leaving management ‘in charge’. Monitoring requirements were determined by EU projects, most of which were explicitly innovative and constructed as ‘pilots’.
2. **Life-Cycle.** Below I liken the NFLS to how independents used to function in respect of larger companies in the music sector. They run the risk and then get incorporated when they have proved their market worth. Here we can see that by the end of the 1990’s the pioneering work done by ARTEC had been mainstreamed and was being offered by HE, (often offered by ex-ARTEC alumni). On the other hand, it could also be suggested that ARTEC had not been fully exploited (for example developing education work like FUTURLAB was later to do) and that its governance did not offer scrutiny which could have developed the project further.
3. **Arts Practice.** Like the other significant organisations in the NFLS, ARTEC had a distinctive field of endeavour. This supported the growth

of an indigenous community, with a located identity, loyalty and commitment. ARTEC capitalised on its people-centeredness in the development of an Arts lab.

4. **High-Cost, Intensive Training.** Courses at ARTEC were very expensive (around £10K per head²) and targeted disadvantaged, unemployed people. Although some graduates accessed this training, the primary thrust of the ARTEC offer was led by an idea of talent and opportunity. Courses were initially un-accredited (the qualifications did not exist and anyway were not industry relevant). ARTEC placed people in employment driving market growth.
5. **Social Mission.** The underlying premise of ARTEC was that it could offer training for employment in the burgeoning digital media industries to people who might not usually access these opportunities. Targeted recruitment and the need to meet ESF monitoring requirements helped here but the diversification of the business (driven both by an Arts practice logic and a need to draw in new income) led to moments of tension. It became challenging for the one institution to reconcile these competing demands within the governance and funding framework in which it found itself.

Today, there is probably an over-supply of institutions offering digital media courses and training and the idea of using employment in the cultural industries as forms of economic regeneration is commonplace. It is still as true now as then that such aspirations create tension and are not easy to programme, or fund. The relatively small numbers that went through ARTEC helped its premise – about seed-funding embryonic industries- and questions about this model in an era of greater market competition in training and indeed greater and more focused understanding about employability, now make us re-think this truism.

2. This is at contemporary (i.e.1990) costs but the initial start up costs for equipment were much higher at that time.

Funders now might argue that the posthumous success of ARTEC's mission can be countered by arguments that mainstreaming raises questions about scale and quality. The immediate effect of ARTEC was on a select cadre or avant garde (although it was more diverse than elite's in this country usually are). Whilst most now agree that Universities have taken on much of ARTEC's work, its original aims – trying to teach disadvantaged young people employable skills – has not been incorporated to the same degree. Indeed, the premise that this kind of vocational training can stand in parallel and in competition to mainstream educational provision is an argument which has been ignored, despite the success of ARTEC alumni in colonising jobs in an emerging marketplace.

4.2 COMMUNITY MUSIC (CM)

The second case study, Community Music, is also an emblematic example of the NFLS. It is as much a social movement as it is an individual business. It has come to stand for a broader cultural principle and a more general approach to music-making and musical culture: and although there is a business operating under the same name in the same sphere at this time, processes of mainstreaming now mean that the original project has radically transformed. The history of CM tells a different story of impact that is as much cultural as it is economic.

Unlike the emerging sector of digital media, music making was already constructed as an Art market, where different kinds of music and the pleasures offered to different communities already existed and were organised hierarchically around funding priorities and taste cultures. Unlike Arts Council priorities Community Music was as much interested in amateur and other kinds of music making beyond the established arts markets. Additionally it offered a model for music teaching and learning which, developing out of the philosophies of jazz improvisation.

A history of CM is also the history of many other sister organisations and allied institutions given that CM fostered, supported and in some cases part and seed-funded other organisations some of which, like Midi Music, are important players in the current NFLS. Direct 'spin-off' organisations include ADFED, Pyrotechnic radio, Sound Connections and Arts Learning Partnership, and although CM as an institution may be untypical of other NFLS organisations, the activities and interventions encompassed in its history are absolutely central to the sector.

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Like ARTEC, CM is a single sub-sector interest organisation – working in music. There are a very precise set of possibilities for the NFLS in respect of music which are very different for other sub-sectors (Dance for example). The 'hard core' of the music sector is and always has been surrounded by a large 'hinterland' of semi-pro, amateur and transient organisations and artists: CM and its sister organisations are both representative and constitutive of this mix.

CM has always been branded as kind of alternative intervention. This is clear from its beginnings in the mid 80's as a Manpower Services Commission (MSC) funded initiative to develop, in fact both build and run, a national Jazz Centre in Convent Garden. This project never got off the ground but it set the scene for two key principles. The first of these was 'ideological' and stems from CM's musical origins in Jazz. Jazz occupies a curious relationship with mainstream music. It is at the same time, radical, critical, conventional, high art and populist. One of the key founding members of CM was John Stevens, who delivered a whole philosophy of music education, 'Search and Reflect' based on the improvisatory nature of Jazz. Stevens (who died in 1994), his educational work and his musicianship, is hugely valued by all who met him and he still exerts a guru like influence over this field.

The second key principle evident in CM's origins lies in the founders' entrepreneurial

ability to appropriate public labour market interventions (the MSC) for the Cultural Sector. Whilst possibly not part of the MSC's original assumptions about where it would impact on up-skilling labour markets, CM's use of the MSC for cultural and creative work was an early indicator of the transformation of the arts into the cultural industries. It equally set the tone in that CM saw that the best way of carrying out its mission (music making and musical cultural) was to train up and 'professionalize' a cadre of cultural workers. The original MSC program quickly crystallised into the flagship program (MMNTC) which offered a structured programme of training in music and music education. MSC funding offered a way to fund graduates (still a key entry level qualification) to work in the hinterland of the music business (admittedly with minimal financial support) and to develop a network of possible tutors. In economic terms this amounted to a form of supply side investment. However, one of the distinctive achievements of CM is how their network of personnel have gone on to staff future developments and in that sense the supply side investment created demand for more and other kinds of music interventions.

This focus on defining impact in terms of personnel and community growth is of course similar to ARTEC. Perhaps even more so than ARTEC, CM offered opportunities to a wide range of people from non-traditional backgrounds to work in the music industry. No systematic comparison of entry routes into the music business (especially one paying attention to the role of higher education) exists, but CM (and indeed other NFLS organisations) frequently claim this kind of impact as particular to their success. In the mid to late 1990s CM also took advantage of cheap London rents and offered a large Clerkenwell facility for concerts and practise spaces. This kind of opportunity has become a key plank in many Development Agencies' plans to support growth but CM's 'squatter' approach led the way here.

In some ways CM offered a cunning model of employment by replacing full employment as musicians with the growth of training. Musicians could then be employed as trainers and music-making oriented toward the provision of structured courses. Not only did this approach expand the market for music, as it were, it increased the range and nature of musical practice. In some ways, this attitude also led to a kind of taste pluralism in that the organisation 're-invented' itself to suit changing circumstances, thus moving from an interest in jazz to MIDI in the mid-to late nineties.

This kind of entrepreneurialism meant that CM worked at a number of levels and with a variety of sectoral partners. Interviews with key players and even spin-offs like Community Music East (based in Norwich) all stress the role of accident, opportunity inefficiency, and even a kind of un-planning as a consequence of a lack of sustained support. It is also true that this kind of funding promiscuity may have led to structural re-definition, although core actors maintain that the social mission of the organisation has remained true.

4.3. IN SUMMARY Only a handful of organisations in the NFLS have any long term revenue funding and even where that exists, it comprises no more than around 10-15% of annual turnover. The questions to ask here are what the NFLS offers (distinctly) in respect of creative industries (see section 7 below), whether the current financial and accountability regimes efficiently and effectively support its actions, and (assuming that the answers to these questions are positive) what kind of investment and policies are needed to continue its work. It should be noted that although most of the Cultural Sector fundamentally exists as forms of private enterprise (notwithstanding Arts Council funding), the NFLS exists significantly on public funds and generally operates to support broad notions of public service.

A macro perspective might argue that this

instability is a necessary feature of the sector, that its role might be analogous to that of the independent record label in the context of the music business. There, smaller businesses can take risks, require less capital investment and provide a cost-effective way for the larger businesses (which typically buy up the smaller labels if they achieve success) to develop new markets and new artists without taking undue risks. The relatively recent attention to using the arts in social inclusion programmes (as described by funding prospectus' issued by the LSC) is a good example of how practices developed by the NFLS have become mainstreamed and how the funding regime in this area has accommodated innovations developed by the NFLS.

From this perspective, the instability of the NFLS makes little difference to how programme, activities and practices can be offered by mainstream government funding to wider sections of the population. Obviously this approach disregards the depreciation of human capital developed within NFLS organisations and may only offer a crude assessment of cost-effectiveness. For example, it may be that the smaller, highly person-focused nature of NFLS organisations can offer a better quality service than large mainstream organisations; and within the NFLS organisations there is considerable debate about how current audit procedures may or may not capture the value of services offered by the NFLS. It is not quite clear how continued short-term funding may be, in the long term, an efficient way of investing in the services provided by this sector. In other words, for all the pathfinder ways in which the NFLS operates in respect of mainstream cultural industries activities, it may be that structural insecurity does not offer an economically rational approach to the unique provision and bundling of services provide by NFLS.

5 HOW CAN WE CALCULATE THE VALUE OF THE NFLS?

This section is organised around three key

claims for the NFLS: economic impact, social inclusion and arts practice. Either singly or in some combination these three sources of value continue to be mobilised as a rationale for the NFLS.

5.1. ECONOMIC IMPACT Reeves' (2002) comprehensive meta-level analysis of the models of economic and social impact in the arts makes it perfectly clear that there are no accepted ways of simply defining economic impact¹. This is partly a methodological issue in as much as it is almost impossible to isolate economic impact from other variables and to attribute a value chain deriving from something as complex as the activities of an arts organisation. However, even if we set aside these methodological questions the concept of economic impact in and of itself is not simple. There are obvious indicators we can use. For example, the annual turnover of an organisation, the number of employees it has and the number of beneficiaries it supports are all indicative of how it creates wealth. Of course, this tells us nothing of how the organisation might contribute to wealth-generation as such indicators merely shows how income is disbursed (especially in the context of NFLS merely 're-distributing' State grants) and are only meaningful in terms of local multiplier effects.

The interesting question to pursue then is how the organisations in the NFLS might create wealth, how their actions might transform raw income (which after all is mainly derived from public funds) into greater and different kinds of economic value.

The key analytical problem here is that most of the work of the NFLS is educational in nature. By this I do not just mean that all of the activities of the NFLS are some kind of teaching or training (although much of them are) but that

they seek to help people achieve their creative potential. It is notoriously difficult to isolate variables in any educational transaction – how, for example can we account for what people bring as opposed to what they might learn?² There are two more key problems facing this approach.

The first and most intractable challenge is the problem of accounting for (in economic terms) opportunity costs. In our context this means trying to work out how costly non or other kinds of NFLS interventions would amount to, let alone how we could calculate them. If, for example, Ms Dynamite (who trained at WAC Performing Arts and Media College) hadn't had access to that particular provision does this mean her achievements might not have been as successful? Or, for example, if young people on social inclusion programs hadn't completed such courses how do we calculate an alternative trajectory of crime and imprisonment?

The second challenge is how we assess the difference any interventions might make to individuals and how to trace their impact. For example, if an individual learns to be a MIDI tutor in the NFLS and subsequently works with students who are commercially successful, how do we isolate the impact of the original NFLS training? What 'percentage' does it play if, for example, that tutor already experienced other kinds of music education as a child? How can we calculate its effect on the capital already present in that individual and what can we attribute to the NFLS organisation when the tutor is working in subsequent training regimes? Equally, the NFLS rarely offers an exclusive training regime. It is quite likely that it offers starter or finishing courses or experiences so again trying to determine the exact added value of the NFLS is virtually impossible.

1. Reeves, M. (2002). Measuring the economic and social impact of the arts: a review. http://www.artscouncil.org.uk/publications/publication_detail/php?browse=title&id=188&page=12

2. See for example the work of James Heckman, Heckman, James J. 1995. "Lessons from The Bell Curve." *Journal of Political Economy*, 103(5):1091.

These kinds of intellectual challenges aren't exclusive to the NFLS, although they are perhaps exacerbated by the NFLS' contingent intermediary role across so many possible economic spheres. Models used to calculate economic benefits (e.g. <http://www.economicmodeling.com/reports/seim.php>. or the account of Florida's Community College benefits¹) are always open to academic debate and there are no commonly accepted UK models of value to apply here.

10 | The final issue to consider here is the fit between economic impact and value. It is important to investigate how the NFLS actively generates wealth and how its unique mix of knowledge, networks, skills and innovative activities might generate economic growth, but there are also other ways in which economic value is only part of the value system operating in respect of the NFLS.

We can of course distinguish between economic impact in general (i.e. impact in terms of all sectors of the economy) and the more specific and measurable economic impact on the creative industries (i.e., employment and enterprise outcomes). It is in this latter arena that some of the strongest arguments for funding the NFLS have been made but the evidence would suggest that actually the NFLS may not have as much impact here as has been suggested – in as much as these kinds of measurements can be made and proved. Furthermore accounting for the unique economic contribution of the NFLS in a labour market stretched with an over-supply of graduates (and with graduate dominated employee profiles) is also a difficult case to maintain simply on this basis.

5.2. SOCIAL INCLUSION Perhaps the key claim for the NFLS is that it offers opportunities to people usually denied them and that it facilitates

1. "Putting Minds to Work" Pays Big Dividends! The Impact of Florida Community Colleges on Students' Prosperity and the State's Economy: A Solid Return on Investment, Research Report, February 2006 by The Center for Educational Performance & Accountability

access in pro-active and successful ways often working as an unofficial complement or form of remediation with the mainstream. Targeted recruitment especially working with vulnerable people at the margins of our society (homeless, those in care, those discriminated against and with special needs etc.) means that not only does the NFLS play a key as part in the ecology of an overall process of State provision but that we have consider its impact in concert with other provision.

Before exploring this in more detail, we need also to consider aspects of the NFLS that don't offer a contribution to social inclusion objectives. A few organisations in the NFLS are more focused on specialist training, working for example in the film and media sector to offer very particular and difficult to access training. There are a few other examples of organisations working with accomplished professionals (i.e. writers) to support high-end practices. This is another example where generalising about the NFLS on the basis of business likenesses is undermined by the fact that organisations do not all work equally in the same sphere of operations.

Setting these exceptions aside in this context, much of the work of the NFLS is directly and explicitly concerned with a social justice agenda. Many activities, either formally or informally organised, work with excluded people and indeed this is a core business with funding from a range of social inclusion sources. The main claims often repeated here are that the NFLS can engage and motivate both through its culturally situated work and through its various forms of work- and arts-based pedagogies. The NFLS argues that it is highly successful in moving unemployed people to work or at least work-based training. Again the absence of systematic, comparative research is unfortunate. Nevertheless, this feature of the NFLS gives rise to two key questions. The first is related to quality and success. And the second to inter-agency or joined up work.

There has been very little comparative or qualitative work which has explored how and why organisations in the NFLS might be successful (and possibly even *more* successful than other types of interventions) in the ways they are. There are no system wide analyses which allow us to compare how NFLS work in comparison with say PRU's or other YJB funded schemes for example. There are no quality marks or even indicators to show how one NFLS organisation might work in comparison with another. There are many anecdotes and many focused, slightly partial evaluations of projects but no disinterested studies of the effectiveness (or otherwise) of NFLS interventions.

This is partly because the structural nature of each organisation and activity make it difficult to compare like with like and the tendency of funding to concentrate on outcomes means that we have no real understanding of quality and no real sense of how distinctive interventions by NFLS are in the context of individual trajectories.

This does not mean we have no data describing the (in broad demographic terms) disadvantages, as 'inputs' on various programmes, but it does mean that we don't know how NFLS clients might be equally represented in other data-sets and how NFLS works across other sectors, housing, crime prevention etc. Not only is this a problematic statistical gap but, more practically, if the NFLS is successful in remedial forms of social exclusion, it is because the organisations *de facto* work in partnership alongside other agencies. This often means that the NFLS is carrying out more front line and support work in respect of social inclusion programmes than is often recognised and funding simply for programme outputs does not pay due recognition to the way that NFLS plays a role as an equal partner alongside more formal institutions.

5.3. ARTS PRACTICE As already noted in respect of ARTEC and CM, institutions in the NFLS

are often regarded as avant garde places and communities, frequently coalescing around innovative individuals, forms, genres, or taste cultures. This means that the NFLS play a lead role in developing new markets and cultural experiences and this maybe a crucial part of their impact. Examples of this effect might be the work of Jazz teacher and performer, Ian Carr's work at WAC Performing Arts and Media College developing protégés like Julian Joseph, the emergence of ADF at CM, and the key role WAC played in developing black dancers in the contemporary dance scene as well as promoting black theatre with Amani Naphtali (in concert with Stratford East). Four Corners' work in Video documentary is equally well recognised.

Again, none of these individuals or movements are exclusive – ARTEC was always part of a community of artists and other academics, for example at the University of Westminster, but the NFLS organisations do, I suggest, 'punch above their weight' in this dimension. A key offer NFLS can make is the capacity to grow and host community. Because many NFLS organisations are social spaces and run informally, this offers a classic context for communities of practice to develop either socially or around key individuals. Equally the semi-organised concentration of frequently marginalised communities offer a focus for aspiration and project development.

Not only can the NFLS thus act as talent or taste incubators but they also exert important effects as kinds of audience development and thus drive markets. An example of this might be the brief renaissance in the 80's of radical black theatre, exemplified in the way that the play 'Ragamuffin', produced in the late 1980s, drew exceptional new groups to the theatre, often for example building on the communities working out of centres like WAC. These kinds of effects have not been calculated (how could they be?) as part of the overall social contribution made by NFLS to the wider culture.

5.4. SUMMARY At a general theoretical level it is possible to divide up discussion in the field into concepts of direct and indirect impact or even direct and indirect values. Although this isn't an original observation it is obvious that much discussion about the NFLS has been located in the second, the indirect, area. There are of course no simple ways of reconciling the different values implicit in each of the values outlined above. The cost –benefit advantages of the social inclusion agenda cannot really be used as a substitute case in respect of simple economic advantage and this in turn needs to be set against the demand side issue of an over-supply of graduates. On the other hand questions about the long term value of original practice and talent isn't quantifiable in terms of immediate direct impact. The main challenge for discussion here is how to measure or calculate impact. This must remain a key question for the LDA and other funders – that they need to find imaginative, fit-for-purpose and credible methods to describe indirect effects if they wish to continue to invest in this sector. Funders are not usually authorised to act in such holistic of imaginative fashion and this is yet another example of the way in which the sector falls between administrative and accountability fault-lines.

6 THE WIDER CONTEXT: FURTHER EDUCATION AND THE ROLE OF QUALIFICATIONS

This section explores the NFLS from the point of view of the broader education market-place, especially the ever-changing world of further education. Not only is it important to locate the NFLS within this marketplace but we also need to explore the introduction and role of accreditation within the sector. The first part of this section deals with qualifications and their regulatory framework; the second with the structure and operations of the FE sector.

One important caveat here is that not only is this a set of interests subject to intense

political pressure which makes interventions difficult to organise and predict but, as is widely acknowledged, it is also an arena which, in recent years, has been subject to a frightening pace of change. This in turn has meant that the FE and Qualifications sector is often regarded as incompetent and highly bureaucratic. The introduction of the LSC at the beginning of the century and its subsequent partial re-organisation (including a new remit for the Qualifications Curriculum Authority) have not helped make this terrain any easier. At the strategic level then it isn't easy to predict which direction to take; and at a practical level the combination of centralisation and re-structuring do not make it a responsive and, some would argue, productive sector. This has obvious repercussions for interventions by the LDA and indeed problems are further exacerbated by the continuous re-definition of London as an administrative region in respect of the work of both the LSC and local authorities. This caveat is crucial as a continual refrain from the NFLS is about the difficulties of working with the LSC and within the current accreditation/funding frameworks.

(Indeed this problem came into acute focus at the time of completing this paper as the *White Paper – Raising Expectations* was published. The current proposal is to re-organise funding for this sector, yet again, breaking up the LSC and returning 14-19 responsibilities to Local Authorities. The other kinds of work offered by the NFLS (bespoke training, training trainers, Apprenticeships etc.) will fall under the remit of the newly constituted Adult Education and Skills-development authorities. Not only will these new arrangements take time to be introduced but they are likely to complicate and confuse how the NFLS works – a set of problems only exacerbated by the absence of a single regional authority working across London.)

6.1. QUALIFICATIONS: STANDARDS, STANDARDISATION AND REGULATION When ARTEC began its work in the late 1980's it offered training programmes but not only was the field of multimedia entirely

original, there were of course no professional qualifications in this or related fields. Indeed, it is important to remember that it is only in the last 15-20 years, that England has developed a national vocational framework, occupational standards and indeed developed a range of technical and work-based diplomas and certificates as a project to standardise training and upskill the labour force.

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Since this review is concerned with the viability of the NFLS it is not appropriate to digress too fully into arguments around the benefits of this process. The recent review by Leitch and polices aimed at implementing the aims and principles of this approach are now absolutely central to the 'training-economy'. Indeed the NFLS has over this period been at the forefront of defining, describing and piloting these developments. Often in receipt of ESF grants, many forms of accreditation were developed by the NFLS given their unique role bridging employers, practice and training. However now that accreditation has become more standardised and is controlled by the larger examination authorities (themselves regulated by the QCA), scope for innovation has become increasingly limited.

The relatively new Sector skills council for the cultural industries, CCS (taking over a role from Metier, who developed a range of occupational standards in the field) operates in parallel with Skillset (with responsibility for audio visual industries) and effectively duplicates the number of agencies working in the sector from the NFLS point of view. The current interest in Creative Apprenticeships is another example of State regulators now developing programme that might have been offered by the NFLS without the same degree of authority and at higher cost in the past.

There is a concern whether accreditation is a really meaningful form of entry to employment in the cultural industries. Whilst there is no doubt that achievement of qualifications fulfils

a variety of objectives, both personal and social, it is hugely contested that qualifications represent key entry mechanisms into the business of this sector. This has to be understood in the context of a significant graduate over-supply of labour and a reliance on all kinds of social networks as routes to employment. A wide range of research is sceptical about how increasing the supply of suitably accredited graduates is either necessary for growth or indeed more important than the portfolio of placements, internships and experiences which are equally important and have credibility and validity in the industry¹. Of course rather than just supply forms of accreditation, the NFLS itself can and does operate this network and these experiences.

It should also be noted that when the NFLS does operate in this areas it does pose a particular set of challenges for funders. Unlike large FE or HE institutions, the NFLS is financially precarious and works at small scale. Public funders have commented that they find the personalised individual nature of NFLS organisations challenging and there are clearly culture-clashes in respect of process, shared values and expectations.

Despite these concerns, we can see that the NFLS is, to an extent losing out to the vocational training that it itself was so instrumental in defining. This problem is further exacerbated by the relationship of qualifications to funding arrangements now usually in place under LSC control. Virtually all centrally controlled funding to the NFLS specifies qualifications outcomes as criteria for funding. Training organisations are 'rewarded' for numbers achieving outcomes, specified in contracts. Irrespective of arguments about the merits of this approach this now means that the qualifications framework operate as part of an overall regulatory system. Whereas, previously NFLS organisa-

1. For example, Guile, D. (2006) Access, learning and development in the creative and cultural sector: from 'creative apprenticeship' to 'being apprenticed', *Journal of Education and Work*, 19(5), 433-454

tions might define qualifications as fit for purpose, like CM's music tutoring, they now have to accept that they can only compete as delivery agencies for centrally determined contracts. Both in terms of the cultural industries and London's own labour market needs, as a whole system, this structure is now very challenging.

6.2. THE STRUCTURE OF THE FE SECTOR AND THE

ROLE OF LSC CONTRACTING Given that much of the NFLS now operates supplying accredited courses within the FE sector, we also need to explore the business structure of this market because, in concert with the discussion about qualifications above, I suggest that here too, the NFLS is facing structural difficulty.

There are two interrelated structural changes of crucial importance to the NFLS. The first describes what might be called the 'vertical integration' of mainstream colleges: the second relates to the gateway processes deployed by the LSC.

In London the last 10 years have seen considerable expansion and consolidation by FE colleges. Irrespective of the powers of schools to develop or offer sixth forms, Colleges across London have been rationalising their land-use and exploiting economies of scale as they have merged with neighbouring colleges to produce a new generation of super-colleges. These are now very large businesses but often concentrated in new and fewer sites. Again, re-organisation creates its own change-culture which affects delivery but the key issue to note here is that these new larger organisations do of course need smaller, more community-focused delivery structures to work with difficult to-reach clients. Whilst this should mean in theory that NFLS are well placed, should they enter into relationships with these larger colleges to become providers for them, economies of scale often mean that such franchise relationships are not cost-effective for NFLS institutions. Neither are the purchase-supplier relationship really appropriate to accommodate the NFLS'

salient offer, namely an authority in respect of curriculum (due to closeness to business). The NFLS' traditional high individual unit-costs are expensive but I would suggest ultimately provide worthwhile regimes of care. My observations here are based on the rate of drop-out from larger colleges and the expenses of mainstreaming very difficult to reach young people in successful education programmes. (However, there has been no systematic comparative analysis exploring how the cost/success ratio of the NFLS might compare across other educational providers in this way especially with respect to socially excluded groups).

These kinds of costs also be-devil LSC funding arrangements. The NFLS can only directly contract with the LSC if they reach various minimum quality standards. Typically the size and scope of NFLS organisations means that they find these standards difficult to reach. LSC are also interested in large, higher volume, higher turnover of outputs. Again this isn't the economics which drive most NFLS organisations. Outcomes driven payment can also de-stabilise NFLS organisations with their more precarious cash-flows. Finally at this level, it should be noted that many aspects of the application procedures run by LSC/ESF commissioning work do not work to the strengths of the NFLS which can often mean that their offer can not be properly evaluated.

Again, it should be noted that it isn't the purpose to this paper to judge how the LSC (in conjunction with the FE sector) works but to note that there is now a clear direct system incompatibility between the current set of funding and regulatory arrangements and the NFLS. Yet, the paradox here is that cross-party policies do expressly support this form of complementary provision given that is so well situated in respect of business growth and employment.

In essence, the cultural sector in London and in respect of disadvantaged youth, is a sub-set of a larger set of institutional arrangements,

relating to vocational education and training across the country at large. This is the focus of direct political interest. There are a clear set of decisions to be made. If the work of the NFLS is seriously valued by funding providers then an appropriate set of quality and accountability arrangements need to be established that support the NFLS to achieve what it does best – and possibly exclusively. If this discussion cannot resolve differences then either the NFLS will need to find supplementary funding to work within this framework or it will be squeezed out of business.

7 HIGHER EDUCATION AND NEW BUSINESS GROWTH

This section considers how the NFLS interacts with developments in higher education and the businesses of the cultural sector itself.

As noted above, a key feature of ARTEC's success was how it placed trainees in work or on placements which often led to employment. This in turn drove the scope of businesses who took on ARTEC placements. Equally CM's support for ADF made it impossible to distinguish between whether it was effectively incubating a new business or developing a training course. These examples blur the structural boundaries of the relationship between the training sector and sectoral growth. They point to how the NFLS is uniquely placed as an 'in-between' agency.

However, not all NFLS organisations or all of their activities work in this way and equally the last ten years or so have seen the Higher Education sector take on some of these roles as part of its more entrepreneurial approach. Galvanised by the 1998 Creative Industries mapping document and the emergence of the University of the Arts in London, the HE sector has itself invested in departments or agencies working out of Universities. The ECCA at the University of the Arts or the Cultural Industries Knowledge Transfer Agency at Kings College,

University of London, are two examples of how Universities have sought to change their profiles in this respect. The more established conservatoires, RADA, RCM etc. have always supported employment through their networks of agents and links with employers.

Clearly, these new initiatives are supported by the core business of the University and work primarily to promote the graduates produced by their hosts. They are not services available to others. Perhaps the best known work is in the Fashion sector, where the HE sector recognised that incubating start-up businesses of recent graduates now adds great value to simplistic ideas of training. Other sectors aren't quite as accessible to these kinds of investment.

Unlike the sections above, there is no real conflict of interest between the NFLS and these kinds of developments. But they do point to how added value is created through a network-style infrastructure and that this is how the NFLS have been creating wealth over the last thirty years. The fact that high quality premier institutions now adopt these methods and initiatives may be attributed to some of the successes of the NFLS but reputation notwithstanding, it shows how the roles and function of intermediary institutions or agencies are now seen as central to the processes of wealth-creation and growth in this sector.

7.1. TRADE ORGANISATIONS There are a few NFLS organisations, especially in the Film and Media sector which work much more as supplementary forms of continuous professional training (with an emphasis on specialist bespoke technically arcane training) or even as trade associations. Examples here might include VET, FT2 or the New Producers Alliance. Some of these organisations do not offer social inclusion type of work and conversely some of the social inclusion programmes also offer activity in this area. Funding for areas of work comes directly from Skillset, ESF or even other kinds of industry run funds or trusts.

I have mentioned this tranche of work here, partly to acknowledge the complexity of trying to describe a diverse sector like the NFLS which as noted above, does not necessarily possess single exclusive types of categorisation, but additionally to note how a significant (if statistically relatively small) range of NFLS activity continues to sit within an Industry-led training remit. At present universities, or even the conservatoire type academy vocational schools have not developed these additional functions and this leaves the NFLS as sole actors here. As the university sector continues to diversify their work in business support and to develop closer long-term relationships with industry sectors, it would seem likely that these functions will become more integrated with this sector but this will depend on whether industry-standard training becomes standardised and accredited. At present it is much more customised and tailored and this model is more efficiently delivered by the NFLS.

8 WHAT CAN (OR SHOULD) THE PUBLIC SECTOR FUNDERS DO FOR THE NFLS (OR WHAT CAN THE NFLS DO FOR THE PUBLIC SECTOR)?

Although this paper was commissioned by the LDA, unlike many public sector consultancies, I was given an academic remit. In practice, especially with the pressure of the Olympics and the changing role of post-14 funding, the role of the LDA will very possibly not hold any remit for the NFLS and it was never the intention of this paper simply to try to resolve current funding difficulties. My concern has been more broad-ranging, and to try to lay out what systemic role the NFLS has played in London over the past twenty to thirty years and to try to forecast how changing institutional arrangements will affect its traditional functions within the wider systems or networks of providers - what I think of as an ecology.

The key aim of this essay is really to consider if, to put it bluntly, it would matter if the NFLS

institutions all closed tomorrow, and if so, to whom? What would be lost from London's' educational training ecology and, most specifically how would this impact on growth in the creative and cultural sectors? And, if the answers to these questions are negative and require intervention, whose responsibility should this be?

One key frame of reference when considering the rationale for supporting the NFLS is centred on the concept of market failure. This is prevalent in the policy-making of most economic development agencies. The basic argument is that public funding should only be provided where there is clear evidence that the market on its own will not produce the required economic or social outcomes. When applied to the NFLS the argument would be that that the market on its own fails to connect disadvantaged individuals with economic opportunity on a number of levels: there is a failure to get the information about how to improve their skills and develop their talent for particular jobs in the first place; this is then followed by a failure to coordinate and target the relevant education and training services for certain individuals and groups. This was certainly a core rationale for the LDA's investment in the creative hub programme (2004-2008), with many NFLS organizations being part of the creative hub partnerships.

However, by situating the NFLS within the changing roles of further and higher education this review has explored other rationales and policy interests in the NFLS. There is no single reason to support this sector, neither is it clear that the NFLS sits easily within the broader processes of consolidation and centralisation that we have witnessed working across education and training. Whilst this review has made the case that the NFLS is historically unique, that it has carried out original and important work (indeed it should be noted that the NFLS tradition has an international reputation), it is also clear that the changing institutional and system wide contexts for the NFLS 'project' (at both theoretical and practical levels) is now

different. In some respect the work of the NFLS has been mainstreamed, so this should be cause for success; on the other hand the funding possibilities for many NFLS organisations look increasingly fraught.

Indeed, one negative finding of this review might be that ten years of the NFLS positioning itself within the Creative Economy agenda with all of its associated funding programmes has meant that the case for outlining the NFLS' value has become confused. To be blunt, the NFLS is an un-proven way of supporting the economic growth of the creative industries, or even showing how it can drive the talent base which the sector needs. The NFLS thus, has little part to play in any industrial strategy for growing the sector, but it does have a part to play in terms of achieving policy objectives around social exclusion, diversity, and social justice. Such a finding would therefore need a different kind of political settlement.

This may be a contentious finding and it may not be sensitive enough to genuine (if partial and uneven) successes. As noted above, calculating the 'success' of the NFLS is not a straightforward business and the following summary of key values is framed as questions for future development:

1. In what ways do the differences between sub-sectors (as defined by Creative Industries analyses) affect or impact on NFLS performance. In some areas (film and video) a sub-sectoral AV grouping has been formed called the Moving Image Training Association (MITA). Are there either economic, industrial or training dimensions which affect the different sub-sectors differently? Should NFLS unite across all sub-sectors? In what ways is the kind of voice MITA might give its member organisations appropriate for other organisations? And if so how could such sub-sectoral umbrellas be developed?
2. A related but distinct question to this issue of sub-sectoral reach is the one of geographical

coverage. Because the NFLS organisations have been driven by serendipity and key individuals there is no sense that even together they comprise an organised and equal offering across London. Would it help or they could make a broader and more standard kind of offer? Would it help make the general case if NFLS could be offered equally across London as a systemic part of educational provision?

3. This gives rise itself to the question of collective organisation. Why are there not any broader forms of structural organisation for the NFLS? Could a form of collegiate pan-sectoral organisation work? Who could lead or fund such an idea? Would a form of collective structure ameliorate the sorts of practical challenges faced by competing in the FE sector (see section 6 above)? Which public body is best placed to play a lead here in developing such an initiative?
4. In turn this raises the question of quality. Are all NFLS organisations equal in terms of what they do? How would we know this and what quality standards might be applied? Why, in the light of the McMaster's review, is there no system of peer review? Indeed the absence of quality marks or standards makes it very difficult for funders to see what is distinctive about the NFLS and indeed the existence of such quality standards could help distinguish NFLS from being judged purely against externally imposed outcome-values.
5. This challenge of the distinctiveness of the NFLS offer goes to the heart of the problem. If NFLS isn't going to continue to compete in the FE marketplace (and on the whole it isn't a level playing field, and I am not alone in speculating that the NFLS will continue to 'lose'), the integrated nature of the NFLS offer (which isn't susceptible to economies of scale and is likely to be more expensive outcome-for-outcome), needs to be recognised in accountability mechanisms which credit salient achievements rather than compare centrally-led outcomes. Who can make this case and how can such mechanisms

- be defined?
6. In particular, the NFLS might need to be more strategic about its ability to meet challenging targets. These are generic (like London's NEET targets) but might also be specific (for example, developing industry relevant diplomas). Finding ways to get the NFLS more involved in discussion about future areas of need (possibly in conjunction with aspirations to develop a London based academy led by the University of the Arts) and development might be a more rational way of assisting the market: and again institutions like the LDA might be in position to offer a brokering role here.
 7. In this context it may be useful to consider supporting the growth of a few beacon organisations possibly to act as agencies for the organisations that are going to find it even harder to survive. Given that a general question emerging from this review is whether NFLS should operate as offshoots (franchised) or independent businesses, it may be that helping rationalise NFLS around centres of excellence will allow them to scale up and compete across the ever-changing education and training marketplace. Whilst this would be controversial, it may be the only way to help sustain the future of the NFLS. Additionally, this may be another way of realising the challenge of collective or collegiate forms of organisation suggested in 3 above and help NFLS compete on the basis of economies of scale. But again who might champion this kind of initiative?
 8. Finally, we return to the question of values. NFLS is not regarded as normal, as part of the mainstream, it does not have political champions. Targeted research needs to be commissioned to show what it does distinctly and best. And of course, the NFLS needs to face up to the fact that such research may not find what it believes it does so well.

Both the education and training markets and the cultural and creative industries themselves may be changing and diversifying but it seems

unlikely that community based organisations with their roots in London's diverse and dynamic communities will not have a role to play in future growth. To date, these energies have been developed piecemeal and at cost. Although it is unlikely to happen I still think that the LDA or another public agency should seek to mainstream and scale up the institutions that do work beneficially at the intersection of both sets of marketplaces. To do this we have to know more about successful practices and pathways to be able to distinguish the needs of current institutions from the values they might serve. Without such knowledge, NFLS will remain at the whim of changing fashions. They will continue to be re-invented for political ends and fail to make the impact that recent history shows that they are capable of making.

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