Click Newsletter

Issue 2, August 2010

Well, how time flies when you're enjoying yourself, and here we go again with this, my second attempt at a newsletter for ***Click*** associates.

Given below is an attempt to summarise some of the things which are, or have been, happening in the wider wacky world of FE. I've tried to be a bit light hearted in some of the sections on sector developments below, but no disrespect to anyone is intended-honest.

FE sector developments

Connexions Services face 50% budget reductions

Unison has gathered evidence which shows that as a result of cuts in central government grants, local authorities are slashing their budgets for purchasing careers guidance from the Connexions service by up to 50%. There has been an outcry against these cuts, although the protests, understandably, appear to be largely from managers and other staff employed by the Connexions service.

When asked the question, a spokesperson for the Local Government Association said that she was aware of the duty of local councils, ' to provide some form of careers guidance' and went on to say that she was 'confident that councils are meeting, and will continue to meet, this responsibility'.

One critic of Connexions said that 'the service is, and has always been, ill founded, disparate and lacking in drive and direction'.

With reference to the future provision of careers advice, the new coalition government has stated that in the future it wishes to see an 'all age careers strategy' in place, with 'an ending of the arbitrary cut off point at 19'.

This story is true. I once met a local authority careers officer who admitted to me that he had 'really wanted to be a train driver'. He ended up in the careers service and eventually went on to work for the Connexions service, so I suppose now is his chance!

NIACE calls for tighter scrutiny of employers tax breaks for training

The National Institute for Adult Continuing Education (NIACE) has said that around £3.7 billion of tax relief is currently being received by firms as a result of offsetting the cost of training against taxation on company profits. This, NIACE says, 'is a sum nearly equivalent to the entire adult skills budget and yet it is barely accounted for.' They went on to say that tax relief in respect of company expenditure on training was, in effect, a government subsidy and that it was vital that it was not being exploited as a tax avoidance loophole by unscrupulous company accountants.

To be fair, I suppose when you consider the staggering levels of audit, inspection and other scrutiny that colleges in receipt of public funding are subjected to, NIACE probably have a point.

College de-merger

Reading College has been officially resurrected as a separate entity after its demerger with Thames Valley University. The re-born college will be based on the university's Reading campus. Under the currently fashionable, but nevertheless curious, banner of exploring 'alternative models for FE governance', it has been agreed that the college will be the first to be managed by an external body.

The 'external body' in this case is the Learning and Skills Network (LSN). LSN is a former government quango which is now a private company with charitable body status.

LSN will be assisted in their new venture by experienced staff from Oxford and Cherwell Valley College, presumably on the basis that in situations like this, it is usually a good idea to have at least a few people around who have had recent first-hand experience of actually running a college.

Sweet charity

In the meantime, LSN finds itself under scrutiny. In a recent letter to the editor of the TES FE Focus, the managing director of MCA Cooper Associates has asked potentially awkward questions of LSN about such things as the apparent substantial level of cash reserves inherited by LSN when it was 'separated from government in 2006', whether this cash has subsequently been used to acquire private sector consultancy and training organizations (which apparently it has) and whether in doing so, LSN's charitable status has provided the company with an unfair commercial competitive advantage when selling consultancy and training services compared to other organizations providing similar services..

The same letter also drew attention to LSN's March 2009 accounts which apparently indicate that some £35 million of the company's total income in the 2008/9 year was derived from the Learning and Skills Improvement Service (LSIS), which is itself another government quango, £2 million came from the Department for Children, Schools and Families (DCSF) and a further £2 million came from the Northern Ireland Department for Employment and Learning.

On the basis of the volume of income received from government bodies during this period, critics could be forgiven for concluding that extent to which LSN really was 'separated from government in 2006' is perhaps a little questionable.

Prison education staff in walk out

Prison education staff employed at prisons where provision is managed by the Manchester College walked out at the beginning of August over plans to reduce holiday and sick pay. Manchester College is currently the largest provider of prison education in the UK.

UCU, the lecturers' union, has said that this action 'will seriously jeopardise prison education in this country' and that '78% of staff had voted for strike action based on a 51% turnout'. Against this, a spokesperson for Manchester College management has said that 'more than 80% of staff had signed the new contract'.

Prison education probably has one of the highest student retention rates within the whole of the FE sector and I would imagine that, were they to be offered, courses in areas such as scaffolding, ladder work, tunneling, filing and hack sawing, and foreign travel on a limited budget, would be particularly popular.

Cambridge University rejects A level reform proposals

In the last edition of the ***Click*** newsletter I mentioned Michael Gove's proposals for replacing the current modular structure of A levels with a single end of course examination. Cambridge University is the first to reject the minister's proposals for such a reform.

The Education Secretary was allegedly overheard to respond to this rejection by one of the UK's leading universities with comments such as 'bloody toffs' and 'am I bovvered?'

Consultation on the post 19 Further Education and Skills Funding System and Methodology

John Hayes, the Skills Minister, has launched a consultation period to run to October 14, to seek stakeholder views on what the future of the FE funding methodology should be. The consultation is intended to 'examine ways in which the funding system and methodology for post 19 further education and skills can be simplified to ensure greater transparency for learners and employers bureaucratic and administrative burdens on Further Education colleges and training organisations can be reduced '.

The consultation document can be downloaded at www.bis.gov.uk/fe-funding-consultation

This document is, I think, well worth a read if you have the time.

At the same time as the consultation on funding methodology was launched, the Department for Business, Innovation and Skills (BIS) launched a further consultation on its vision for skills and skills development. This consultation document, entitled 'Skills for Sustainable Growth', can be downloaded at www.interactive.bis.gov.uk/comment/skills

16-19 Funding- 'A new direction'

The Schools minister, Nick Gibb, has recently confirmed a major change to the arrangements for funding of 16-19 education. In a letter sent to the Young People's Learning Agency, to local education authorities and to various other national bodies concerned with 16-19 education the minister asks the YPLA to make payments directly to general FE and sixth form colleges with effect from 1 August 2010, without the need for intermediary local authority grant agreements.

This should significantly simplify the allocation process and will presumably help avoid situations which would otherwise have left some colleges (particularly those in urban areas) having to agree funding arrangements with several different local authorities. It also recognises that, to all intents and purposes, young people 'commission' their own provision by virtue of their individual choice of post 16 provider.

Where exactly this leaves local authorities in the16-19 'commissioning' process is hard to tell. However, the letter does suggest that local authorities should retain a degree of 'influence', whatever this means

Publication of 'Co-investment in the skills of the future'

This is the final report of the independent committee chaired by Chris Banks (formerly the Chair of the LSC), which was basically set up to explore what should be the correct balance between the respective contributions of the government, firms and private individuals towards the cost of providing further education and skills training. I think I may also have mentioned this in the last edition of the ***Click*** newsletter.

The final report makes a number of recommendations to ministers. These include such things as:

- Funding should ‘follow and support the choices and contributions of individuals and employers’ (i.e. be demand led).
- The cost/price of courses should be defined, and BIS should match the contribution of individuals and firms up to a ‘published maximum’.
- BIS should clearly set out which courses they will fund and for whom and at what level of maximum contribution.
- BIS should give priority to the development of an on line learning account system. (Presumably because the previous Individual Learning Account (ILA) system was such a success!).

The LSC, under Mr. Banks chairmanship had previously supported imposing employer contributions of up to 50% towards the cost of training. This, of course, excluded the LSC’s flagship scheme for adults, ‘Train 2 Gain’, which was promoted to employers as being largely free for employees without a full level 2 qualification.

ITT Fee Grant launched

Ministers have confirmed that a non means tested fee grant of £400 will be made available in 2010/11 to help teachers, tutors and trainers to undertake Diploma level ITT qualifications on a part time basis commencing in September 2010.

The Institute for Learning (IfL), another quango, will be responsible for the administration and distribution of the grant.

Proposal for a new colleges’ awarding body

I’m not sure of the actual sums involved in this, but for the purposes of an example, assume that say, 320 colleges spend a not untypical £700,000 on exam fees each year. In this hypothetical example, the FE sector would be spending £240 million each and every year on external awarding bodies in validating thousands of different types of qualification.

For many years, people in colleges have been arguing in favour of the FE sector being allowed (albeit subject to external moderation) to award its own rationalised range of ‘signature’ qualifications, in the same way as universities do.

So far, although for example, McDonalds has been accredited to award its own NVQ’s, colleges have always been denied qualification awarding powers. Presumably this is because, unlike McDonalds, the previous government felt that they couldn’t be trusted with such powers.

Well, this position may change in the not too distant future. The ‘157 Group’, which consists of 28 self styled ‘large and successful’ colleges, have been in discussions with the Cabinet Office to explore ways in which they could award their own qualifications under the banner of the Cabinet Office's scheme to 'encourage entrepreneurialism in the public sector'.

The chief executive of the 157 Group chief has said that such a move would help retain 'public funds within the FE sector rather than feeding surpluses into private sector stakeholder profits'.

'More power to their elbow', is what I say. I really hope that this comes off, with the caveat that the rest of the FE sector is eventually allowed to participate in the initiative, rather than it being limited to any single exclusive group of colleges.

More stuff next month and, as the desk sergeant in Hill Street Blues used to say, 'Be careful out there'.

Alan Birks

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