Click Newsletter

Issue 15, November 2011

Sector Developments

Metamorphosis for the Young People's Learning Agency (YPLA)

It appears that earlier rumours of the impending demise of the YPLA may have been exaggerated. The YPLA seems to have survived the recent 'bonfire' of the quangos and will instead be given a new name, the Education Funding Agency (EFA). In April 2012, the new EFA will arise, phoenix like, from the ashes of the YPLA, and become part of the Department for Education (DfE). The EFA will continue to directly fund academies and those other schools in England that are not maintained by local education authorities, and will also administer bursary funds for 16-19 year-olds. Maintained schools with sixth forms will receive funding from the EFA channelled via their local education authorities (LEA's). FE colleges with 16-19 provision will receive funding from the EFA via the Skills Funding Agency (SFA).

YPLA and SFA Funding Reviews

Both the YPLA and the SFA have recently undertaken reviews of their funding methodologies, 'to enable colleges and other providers in England to more easily meet the needs of local communities and businesses' and to 'greatly simplify accountability arrangements through reducing the data collection burden'.

The SFA has proposed 'a simple matrix' to fund qualifications and units accredited through the Qualifications and Credit Framework (QCF). This will theoretically reduce the number of different funding rates from 1,300 down to 30. There will be 5 grades of qualification, ('standard, low, medium, high and specialist') and 6 different 'sizes' of qualification ('from single units to fully funded apprenticeships'). The SFA also intends to significantly reduce the number of 'uplifts' applied to funding rates. However, in response to concerns expressed by colleges and other providers, the SFA is proposing that 'cost and disadvantage uplifts' will be retained. This is in order 'to avoid the risk that simplification will have a negative impact on the most vulnerable learners'. It is proposed that the new SFA funding methodology will be fully introduced in 2013/14 to coincide with the introduction of FE student loans in England, that is also scheduled to be introduced in that year.

The proposed new YPLA/EFA funding methodology will move away from the current 'payment per qualification', to a new system of 'funding course programmes reflecting the needs of the individual learner'. This, along with the government's stated intention to fully implement the Wolf review proposals that 16-18 year olds should continue to study mathematics and English until they eventually achieve a pass at GCSE grade C or equivalent, will clearly have implications for the way in which schools and colleges design and organise their 16-18 curriculum.

Nevertheless, a further complication seems to have emerged. With reference to vocational courses delivered in colleges, government ministers were initially of the view that the link between funding and success rates should have less importance in order to reduce the incentive for colleges to manipulate their success rate data in order to produce artificial results. However, ministerial thinking now seems to be veering towards linking funding not just to qualification success rates, but also towards student success in obtaining employment. Colleges may therefore eventually be required to undertake the monitoring and collation of data on progression long after a student has left college, or run the risk of their future funding levels being placed in jeopardy. How this development will contribute to 'reducing the burden of data collection' is a little uncertain at the moment.

The fact that each successive funding methodology (even those which have been intended to simplify things) seems to have been more complicated than the one that preceded it, doesn't give much cause for optimism that things will get simpler any time soon. But I suppose you never know.

SFA outlines its approach to provider under and over performance in 2010/11

In the meantime the SFA has announced that funds will not be 'clawed back' from providers that have delivered 97% or more of their funded programmes in 2010/11. The SFA has said that the final decision to invoke claw back from providers achieving less than 97% of their funding target will depend on factors such as 'the provider's performance against targets in previous years' and 'the accuracy of the provider's in-year estimates of year end performance'. Amongst the alternatives to clawing back funds will be the option to 'rebase' an under-performing provider's 2010/11 allocation to a lower level. This would involve a voluntary payback of funds to the SFA. However, because of the 3% tolerance on the rebased lower allocation, the total amount repaid to the SFA would be less than would be the case if claw back had been based on the original higher 2010/11 allocation, if you get my meaning. (Remember that, coming as I do from the Black Country, English is not my first language. Now I come to think about it, English may not be the SFA's first language either).

The SFA has also said that, 'depending on the circumstances' it is currently in a position to provide additional funding to providers that have delivered in excess of 100% of their funded programme in 2010/11'. Where a provider is eligible for additional funding in respect of over provision, this will be 'up to a maximum of either 10% of their allocation, or £1 million, whichever is lower'.

National Audit Office to publish report on bureaucracy facing colleges

The National Audit Office (NAO) will shortly be publishing its findings in respect of the extent to which the SFA is making progress in reducing the levels of bureaucracy colleges are required to deal with. The NAO report is expected to be published sometime in November. The imperative for this seems to be to help colleges avoid the unnecessary expenditure incurred in having to deal with excessive levels of bureaucracy, rather than reducing college workloads. Personally, I think it might also be interesting to have the NAO produce a report on its own levels of bureaucracy. (I might have imagined this, but wasn't the NAO scheduled to be abolished?)

BIS to undertake a review of the SFA and the role of the SFA Chief Executive

Potentially piling on what seems to be even more pressure for the SFA, BIS has announced that it intends to conduct a review of the role of the Chief Executive of the SFA and the SFA itself. Other than the mention of the words 'transparency' and 'accountability', the terms of reference for the review and the process to be used, appear to be vague. There may be no immediate cause for SFA officers to void their bowels over this, since review is part of the ongoing 'Cabinet Office Public Bodies Review Programme' and reflects the government's commitment to undertake regular reviews of public bodies. Nevertheless, given that the SFA is only around 18 months old, some observers have suggested that there is a chance that the review might possibly be a cause for an outbreak of brown trousers.

Potential for colleges to bid for additional HE places

The Higher Education Funding Council for England (HEFCE) has announced a change to the proposals it initially published in July this year. The change involves a cut of 9% to student numbers for 2012/13 for all institutions (including FE colleges and universities with fees below the £6,000 threshold). The funding saved from this will be used to create 20,000 new HE places for redistribution to those universities and colleges that can demonstrate that they can deliver quality HE provision while charging lower fees (below around £7,400). HEFCE has also encouraged those FE colleges that have lost HE programmes that were previously franchised to them by universities, to use the opportunity to bid for additional HE places to replace those that have been lost. Meanwhile, the University Admissions and Clearing Service (UCAS) is reporting that university applications are down by 12% compared to the same period last year. (One university has reported that applications are down by 40%). This has prompted some universities to reconsider their earlier proposals in respect of fee levels.

Proposed changes to university clearing

UCAS is currently consulting on proposals for changes to the current university clearing system. The proposed new system would involve applications being made after the applicant's GCE A level (or equivalent) results are known. Most responses to the consultation have been favourable, however some responses have suggested that the change would necessitate GCE A level examinations being taken earlier than at present and university courses being commenced later than at present, in order to allow sufficient time for clearing to take place. The consultation period ends on 20 January 2012.

Learning and Skills Network (LSN) goes into administration

LSN, which more 'mature' readers will know had its origins in the earlier government funded Further Education Unit (FEU), has gone into administration. The trustees of the charity that oversees LSN have decided that it could not be sustained as a going concern, and have called in receivers from the accountancy Price Waterhouse Coopers (PWC).

LSN has suffered a dramatic decline in its financial health, caused by, amongst other things, cuts in government grants, a reduction in the demand for its services and mounting pension liabilities. LSN has seen its annual turnover fall dramatically by over £29 million in just 2 years. A dramatic erosion of its previously substantial cash reserves has also contributed to its financial problems. Apparently this was partly as a consequence of spending significant sums on acquisitions, a significant proportion of the value of which consisted of 'goodwill'. (For example, the purchase of a company for £6 million which was then sold back for £1, may not, with the benefit of hindsight, have proved to be the most astute of investments). Administrators are now seeking buyers for LSN, but the organisation's 117 employees are inevitably facing an uncertain future.

Increase in numbers taking up apprenticeships

Data from the Statistical First Release (SFR) shows that there has been a substantial increase in number of people starting apprenticeships. The SFR data reveals that:

- Between August 2010 and July 2011 there were 442,700 apprenticeship starts. This compares to 279,700 apprenticeship starts in the period between August 2009 and July 2010, and is an overall increase of 58% on the previous year.
- The biggest rise in apprenticeship starts was in respect of those aged over 25. The number of over-25 apprenticeship starts rose to 175,500 compared with the 49,100 starts the previous year and this represents an increase of 257%.
- The number of apprenticeship starts for those aged 19-24 increased to 138,900 compared with 113,800 starts for those aged 19-24 in the previous year. This is a 22% increase.
- Under-19 apprenticeship starts saw the lowest rate of increase, with the number of starts rising to 128,300 compared with 116,800 in the previous year. This is a 10% increase.

Within these totals there was a:

- 70% increase in apprenticeship starts in the Business, Administration and Law.
- 63% increase in apprenticeship starts in the Retail and Commercial Enterprises.
- 24% increase in apprenticeship starts in Engineering and Manufacturing Technologies.
- A 5% increase in apprenticeship starts in the Construction, Planning and Built Environment.

Research conducted by Greenwich University has also revealed that 1 in 8 young people taking advanced apprenticeships have progressed to higher education.

The increase in apprenticeship take up has received a warm welcome from BIS Secretary of State, Mr. Vince Cable, who said, 'This government's unprecedented investment in apprenticeships is working for business and creating long term career opportunities for record numbers of trainees'. However, there has been a more measured response from other observers who have made reference to recent revelations that thousands of 'new' apprenticeships created by large supermarket chains were largely just existing jobs that have been re-badged' as apprenticeships. Further revelations have shown that many new apprenticeships are of a very short duration. For example, the hotel group De Vere has more than 700 apprenticeships which are either 12 week 'customer services' programmes or 16 week 'professional cookery' programmes. These are delivered by the 'De Vere Academy of Hospitality' in various locations around the country.

‘Specification of Apprenticeship Standards’ (SASE)

The proliferation of short apprenticeship programmes has resulted in the SFA and the National Apprenticeship Service (NAS) establishing a ‘Specification of Apprenticeship Standards’ which give guidance on the minimum levels of time to be spent by apprentices both ‘on the job’ and ‘off the job’. The NAS has acknowledged that the De Vere programmes mentioned above currently ‘do not meet the SASE requirements’. The NAS has nevertheless, defended the De Vere programmes, claiming that they did provide ‘appropriate and valuable provision for young people who want to enter the hospitality sector’.

Concern at earnings of private training company boss

Mind you, the NAS has also recently defended a private training company that, in spite of apparently receiving some criticism in respect of the quality of its courses, has nevertheless paid a director nearly £3 million last year and that has used company funds to buy family properties worth around £6 million. Elmfield Training is one of the fastest growing training companies in England and currently receives the majority of its income from the delivery of apprenticeships and other training programmes funded by the SFA. In 2010/11 the company made a profit of £12 million on an annual turnover of £33.8 million (a profit margin of around 36%). This enabled a dividend payment of £3 million to be made to shareholders, however since one director apparently owns 95% of the shares, most of this went to him. In May 2009, the same director set up his own awarding body, Skills First Awards Ltd to accredit the QCF qualifications and apprenticeship frameworks of Elmfield Training. Perhaps we shouldn’t be too surprised by this. For example, Pearson, a multi-national company, that amongst other things develops FE learning resources, also owns the accrediting body Edexcel.

Meanwhile, the SFA has awarded £37 million to Elmfield Training this year for the delivery of apprenticeships for companies such as Morrison’s, British Home Stores and Vodafone.

The demise of the Diploma?

The Advanced Certificate in Vocational Education (AVCE) came and went, and then the General National Vocational Qualification (GNVQ) disappeared. It now appears that the 'new' Diploma (variously known as the 'Vocational Diploma' and then the 'Specialist Diploma') may also be about to disappear. The Assessment and Qualifications Alliance (AQA) and City and Guilds have announced that from the commencement of the 2012/13 academic year they will no longer be offering the Diploma qualifications.

You have to feel sorry for all those students who, in the past, have studied hard for qualifications, that today, most of the general public have forgotten about. You might also perhaps be forgiven for thinking that all that effort spent preparing for AVCE’s, GNVQ’s and Diplomas, may not have represented the best use of teachers' time, or the best value for money. Still, no doubt it will be good practice for when the next hair brained scheme is foisted on the sector, or the next qualification that nobody really wants comes along. And we know that we probably won't have to wait all that long until this happens.

Risks to ‘face to face’ careers advice and guidance provision

Careers advice and guidance provision is facing a £200 million budget cut and concerns have been expressed that the budget for the new National Careers Service for England (NCS) will be inadequate to provide ‘face to face’ careers advice, for all those that want it. The Education Bill currently passing through parliament contains proposals to abolish the Connexions Service and to shift the responsibility for providing careers advice and guidance in England from local authorities to schools. Schools will be required by law to make provision for careers advice, but this has led to fears that schools will be unwilling to buy, or be unable to afford, ‘bought in’ careers advice and guidance.

The careers advice and guidance that schools do provide their pupils with must, by law, be ‘independent and impartial’. It is difficult to see how teachers in schools, and particularly those with sixth forms, can be deemed to be ‘independent and impartial’, however this problem can theoretically be resolved since schools will be able to demonstrate that they have met the legislative requirement to provide 'independent and impartial' advice and guidance, by referring pupils to the NCS website. The NCS website will provide on-line advice and guidance, along with additional support via telephone links, but not direct access to 'face to face' advice and guidance.

Not all of the reaction to the proposed changes has been negative. FE and sixth form college staff have often found it difficult to gain access to schools to enable them to provide pupils with information on college courses. Some schools are alleged to have cajoled pupils into staying on in the school sixth form by engaging in practices such as 'tearing up college prospectuses, banning colleges from attending schools careers fairs and rubbishing the quality of college teaching'. In situations such as this, it has been argued that although advice provided by telephone or via the internet may not be the best method of providing guidance, it is still more likely to be 'independent and impartial' than the advice received from teachers.

More on the Education Bill

The Education Bill is continuing through it legislative stages in the House of Lords. Mention has already been made in respect of the Bill's clauses in respect of the replacement of the YPLA with the EFA, the creation of the NCS and the transfer of responsibility for providing 'independent and impartial' careers advice and guidance from local authorities to schools. Other aspects of the bill include the following:

- Proposals to reduce the burden of bureaucracy and to de-regulate colleges, (including changes to current arrangements in respect of governance and mergers)
- Proposals for the establishment of 16-19 Free Schools
- Reduction in level 2 entitlements
- Proposals to exempt outstanding colleges from Ofsted inspections

Unison, the support staff union recently issued a press release claiming that a last minute amendment had been tabled to the Bill, which if passed, would have removed the mandatory legal obligation for further education corporations (FEC's) to include staff and student governors. The amendment 'provoked outrage' from Unison, the University and Colleges' Union (UCU) and the National Union of Students (NUS), all of whom argued that FEC's would be considerably less accountable if staff and student governors were excluded and that incidents of malpractice, such as fraud, would be more likely to go undetected. After strong lobbying from the unions, the proposed amendment has now been dropped.

Concerns in respect of FE Initial Teacher Training funding in England

The Institute for Learning (IFL) and the Universities Council for the Education of Teachers (UCET), have both expressed concerns that the prospect of £6,000 of debt on completing an FE initial teacher training course will deter those with advanced technical and professional qualifications skills and experience from taking up a teaching career in FE colleges. At a time when initial teacher training in schools continues to attract bursaries of up to £20,000, from 2012 onwards there will be no financial support at all for those wanting to train as teachers in FE, even where prospective applicants possess expertise in shortage subjects such as science, technology, engineering and mathematics.

Colleges merge

Barnet College and Southgate College officially merged on 1 November to form the new 'Barnet and Southgate College'. The merger of the two London based colleges has resulted in a single institution with an annual turnover in excess of £50 million.

Association of Colleges (AoC) 2011/12 pay recommendations confirmed

The AoC has confirmed its pay recommendations for 2011/12 for teaching and support staff in FE colleges in England. These recommendations are as follows:

- All staff earning below £21,000 to receive a consolidated salary increase of £200 per annum.
- All staff earning £21,000 or above to receive a consolidated salary increase of £125 per annum.

- The minimum annual salary in colleges to be increased by 2.2% to £13,851 per annum. This will be achieved through a consolidated salary increase of £309 per annum for those staff on the minimum pay point (spine point 4) of the AoC salary scale.
- The minimum hourly rate to be increased to £7.20 per hour. This is deemed to be the minimum 'living wage' (i.e. the minimum needed to ensure that a worker is able to provide essentials for his or her family) for those outside London.

This offer has now been 'reluctantly accepted' by all college unions, except Unite.

And finally……

A college student was 20 minutes late for his class and, in the light of an impending Ofsted inspection, he was immediately challenged by the class lecturer, who somewhat aggressively asked the student for an explanation as to why he had not been in class on time. The student explained that his mother had asked him to drive her to the local hospital maternity unit to visit her sister, his aunt, who had given birth to a new baby during the previous night. The lecturer felt that, in the circumstances, perhaps he had made his point about lateness somewhat harshly, and attempted to engage in more friendly conversation with the student by asking what the new baby's name was. The student replied that his mother had told him that the baby had been named Denise. 'And do you know what the baby's name would have been if it had been a boy?'' the lecturer went on to ask. 'I'm not sure,' the student replied, 'but I think that the baby would have been called 'Denephew''.