Click Newsletter

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Happy New Year

We hope that you all had a restful break and enjoyed your Christmas and New Year celebrations with family and friends

Sector Developments

Starting on a bit of a gloomy note, 2012/3 is the year when the impact of the government's comprehensive spending review (CSR) and subsequent deficit reduction programme, will really start to be felt. The level of funding is likely to get worse in the following year because the heaviest cuts in government spending are scheduled to take place towards the end of the 4 year CSR period.

Reductions in Skills Funding Agency (SFA) allocations to colleges

If further evidence of this were needed, provisional funding allocations made by the SFA to colleges for the 2012/13 academic and financial year are down by an average of 12%. This year, the SFA appears to have been able to access various pots of extra funding to help ameliorate the cuts to college budgets. However, colleges are being warned that it is unlikely that there will be any significant additional funding available to help mitigate budget cuts in 2012/13. There are also concerns that funding released as a consequence of the underperformance of colleges failing to meet their student number targets, will be retained by government departments, rather than redistributed to colleges that over achieve their targets.

Retirement of SFA Chief Executive

One person who probably won't be worrying too much about all of this is Geoff Russell, the Chief Executive of the SFA, who will be retiring this summer at the ripe old age of 53. For those of you who may not already know this, Mr Russell was initially seconded from KPMG to act as interim Chief Executive of the Learning and Skills Council (LSC) after the previous incumbent resigned in the wake of the collapse of the LSC capital programme. Mr Russell's position was eventually made permanent and, with the abolition of the LSC in April 2010, he went on to become Chief Executive of the, then new, SFA.

FE loan scheme

As you will no doubt be aware, the government is seeking to raise the level of contributions made by adult students towards the cost of their courses. To help mitigate the effect of this, it has now been confirmed that, with effect from March 2013, any person aged 24 or above studying on an FE course at level 3 or higher will be eligible to apply for a loan towards the cost of tuition fees for courses starting in the 2013/14 academic year. Applications will be assessed by the Student Loans Company using the same procedure and criteria as that currently used to assess applications for loans to help meet the cost of university tuition fees. As is the case with HE loans, successful applicants for FE loans will begin paying back their loan when their earnings reach £21,000 per year or more.

Extra 16-18 full time places created in response to the raising of the participation age (RPA).

The Young People's Learning Agency (YPLA) has announced that a further 34,000 full time places will be funded in response to the raising of the participation age to 17 in 2013. This is an increase on the existing 1,543,000 places expected to be funded in 2011/12. The increase is made up of 14,000 extra places in school sixth forms, 2,000 extra places in colleges and 18,000 additional apprenticeships. The government is also making a further £107 million of capital funding available to help alleviate pressures arising from the increased accommodation requirements for 16-18 year olds in school sixth forms and colleges. Of the total, £63 million will go to sixth form colleges. However, at a time when the government is increasing total funding for each primary school and secondary school pupil by 0.5%, total funding for 16-18 year olds is being cut by 1.1%.

Apprenticeships for over 25's to be discouraged

The recruitment of over 25's onto apprenticeship programmes is now being actively discouraged by the SFA. The SFA has said that providers should prioritise apprenticeships for younger learners, those with lower skills and those who are unemployed. A spokesperson for the SFA has confirmed that, in respect of adult apprenticeships, ‘we expect a greater focus on the recruitment of young people age 19 to 24, rather than the maintenance of current levels for those aged 25 and over’.

Apprenticeship Hubs

As part of the new ‘City Deals’ initiative launched last month by the Deputy Prime Minister Nick Clegg, it is proposed to set up ‘apprenticeship hubs’ in eight main cities outside London. The hubs are intended to encourage local employers to take on more apprentices by assisting them with the completion of the paperwork and other administrative tasks that would be required of them. It is also intended that apprentices will be placed with employers through the new apprenticeship hubs.

Alliance of Sector Skills Councils (ASSC’s) launches ‘Apprenticeship Certificates England’ (ACE)

The ASSC, in partnership with the Department for Business, Innovation and Skills (BIS) and the National Apprenticeship Service (NAS) has introduced a new on-line system of apprenticeship accreditation in England, which is referred to by the acronym ‘ACE’. The new system was launched by John Hayes, the Minister for Further Education, Skills and Lifelong Learning on 25 January, and will allow providers to track the progress of their apprentices. The new system is also intended to help providers with the administrative costs associated with accreditation. Interestingly, the ASSC has tasked individual Sector Skills Councils with the responsibility for printing the actual certificates when a candidate has successfully completed his or her apprenticeship. I suppose you might be forgiven for thinking that perhaps the ACE system could have done this.

Review of ‘short’ apprenticeship programmes

At the request of John Hayes, the NAS and the SFA are jointly undertaking a review of apprenticeships of ‘short duration’. At present, just over half of all apprenticeships for 16-18 year olds are of less than one year’s duration. The apprenticeship programmes offered by 45 training providers (including both colleges and private trainers) are currently being investigated. This is as a consequence of a review of their provision against the recent ‘Specification of Apprenticeship Standards for England’ (SASE) and the ‘Delivery Model Guidance for Apprenticeships’. A spokesperson for the Association of Colleges (AoC) has pointed out that just because these providers are being investigated ‘it does not necessarily indicate that all 45 cannot justify their delivery models’.

However, John Hayes is reported as saying that ‘If the standards are sufficiently stretching and the expectations of competence are high, I believe that a course should naturally extend over at least 12 months. That will be the expectation for 16-18 apprenticeships from August 2012 as new contracts to training providers are issued.’ He went on to say that he had ‘asked the NAS to work with the ASSC to tighten guidance for those developing apprenticeship frameworks in order to ensure that national expectations on national standards and rigour are met’.

The increased attention being given to apprenticeship delivery models seems to be already having an impact. For example, the De Vere Hotel Academy, which has in the past offered 12 and 16 week apprenticeships, has announced that these will be replaced by a new 1 year apprenticeship programme that will commence on 1 February.

BIS Select Committee Inquiry into apprenticeships

Presumably not wanting the NAS and the SFA to have all the fun, a BIS Select Committee has launched its own inquiry into apprenticeships. Terms of reference for the Select Committee Inquiry include the following:

- How successful has the NAS been since it was established in April 2009?
- Is the current level of expenditure on apprenticeships really necessary and how is funding for apprenticeships best spent?
- Are apprenticeships of a high enough quality to benefit both apprentices and their employers?
- Should there be more level 3 (and above) apprenticeships?
- Is the current funding level of 100% for 16-18 apprenticeships and 50% for 19-24 apprenticeships appropriate?
- Will bonus payments encourage small and medium size employers to take on more apprentices?
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NAO review of apprenticeships

The National Audit Office (NAO) also seems to want to get its teeth into apprenticeships and is undertaking its own review of all apprenticeship programmes. The NAO findings are expected in February 2012.

As if this wasn't enough, 'Radio 5 Live Investigates' has recently broadcast a programme that was somewhat critical of alleged malpractice and waste in the way in which apprentice funding was spent, and the government has just announced that it is proceeding with its plans to reduce apprenticeship funding by 2% next year (in spite of the apprenticeship budget being under spent by £15 million in 2010/11).

NAS Executive Chair to stand down

Given all of this, perhaps it is hardly surprising that Simon Waugh, the Executive Chair of the NAS, has announced his intention to stand down at the end of his 3 year contract in March this year. Mr Waugh has said that he 'wants to spend more time with his family'. He presumably sees this as a more attractive alternative to spending more of his time with auditors. Until a successor for Mr Waugh can be found, the NAS (which is actually part of the SFA) will be led by its current Chief Operating Officer, David Way.

New Register of Training Organisations

Following an extensive review and evaluation of the former 'Approved College and Training Organisation Register' (ACTOR) last year, a new 'Register of Training Organisations' (or ROT, if you're dyslexic) has been launched. All training organisations wishing to be considered for receipt of public funding, including apprenticeship funding and grants from the European Social Fund (ESF), will need to satisfactorily complete the new 'Due Diligence Gateway' assurance process. This requirement will also include all providers that were previously exempted from the previous ACTOR requirements.

Further education and training is no defence against unemployment (apparently)

A recently released research study of employment patterns for 16-19 year olds over the period 1991 to 2008, conducted by the 'Centre for Analysis of Youth Transitions' (whatever this is) on behalf of the Department for Education (DfE), has revealed that:

- Unsurprisingly, young people from the most deprived backgrounds are the least likely to stay on in full time education or obtain a job with training.
- A young person taking a job without training is no more likely to be in long term unemployment later on in his or working life, than is a young person who stayed on in full time education or took a job with training.
- Nevertheless, over the period of the study, over half of all 16 and 17 year olds who were unemployed, were still unemployed one year later.
- Those aged 19 who were unemployed at the commencement of the research, were found to be 20% more likely to be unemployed 10 years later.
- In drawing conclusions, the authors of the research report accepted that the effects of the post 2008 recession on patterns of youth employment could not be taken into account in the study.

In her recent Review of Vocational Education and training for 14-19 year olds, Professor Wolf has argued against the raising of the participation age (RPA). This is on the basis that it would make young people too expensive for employers to hire and would add £580 million per year to the national education bill. The findings of this study would seem to support Professor Alison Wolf's assertion that the most important thing for some young people is 'the ability to get and keep a job', to demonstrate to employers that they had developed a work ethic, whereas 'work tends to breed work, unemployment breeds unemployment'.

Inconsistencies remain in comparing school success rates with college success rates

Ofsted officials have confirmed that there will be a separate section in the inspection reports of secondary school with sixth forms (which rapidly seems to becoming all of them). The new section will indicate whether a school's 16-19 provision is judged to be 'outstanding', 'good', 'satisfactory' or 'inadequate'. However this judgement will not be given as a separate 'stand alone' grade. It will instead be subsumed in the school's overall inspection grade. Ofsted claims that this will help to satisfy the requirement for more transparent reporting in respect of the quality of 16-19 provision across different types of provider. Whether it actually will or not remains to be seen.

Meanwhile, the government has reaffirmed its commitment to publish comparable data in respect of examination results for both the FE and the schools sector. Current plans include proposals to report GCE A level results by subject, along with how many students achieved AAB grades. There will also be separate information published on vocational qualifications.

However, whereas success rates comprised of both retention and achievement data will continue to be used to measure FE college performance, success rates in school sixth forms will continue to use only achievement data and will not take account of retention. Sixth forms will therefore continue to be given bit of an edge when prospective students, their parents and other key stakeholders are making post 16 choices based on comparisons of published data purporting to show the relative performance of schools and colleges. Why the government is allowing this anomaly is to persist remains unclear.

'Satisfactory' is no longer satisfactory

It seems that Ofsted is poised to eliminate the 'Satisfactory' grade from its lexicon of judgements on college performance. The 'Satisfactory' grade is likely to be replaced with 'Requires improvement'. Apparently, the change is intended to focus the minds of the managers of those colleges that Ofsted considers to be 'coasting'. The recent annual Ofsted report refers to 16 colleges as having been graded as 'Satisfactory' in each of their last three inspections, and there are thinly veiled suggestions that, from now on, failure to improve beyond 'satisfactory' will trigger intervention.

For reasons I can't quite put my finger on, all of this reminds me of a Further Education Funding Council (FEFC) conference I attended in the dim and distant past, at which the Chief Inspector showed his finer grasp of statistics by telling the audience that the government expected all colleges to perform above average.

25 Colleges to be given extra funds to promote work experience

The DfE has announced that 25 colleges located in areas with high proportions of young people who are not in employment, education or training (NEET) are to be given extra funding to help pilot programmes designed to increase the provision of work experience placements for 16-19 year olds. The funding is based on a sum of around £1,000 for each learner up to a maximum of £80,000 per college. It is expected that the funding will help provide access to around 4,000 extra work experience places. A similar amount of funding is expected to be made available by the government next year. Those colleges allocated this extra funding will be expected to identify ways in which work experience placements can be further increased and how employers can be helped to overcome the difficulties they may face in providing work experience placement opportunities. One of the key aims behind the extra funding is to increase the total number of work experience places likely to be available in 2013/14, when work experience becomes a compulsory component on all full time courses for 16-19 year olds.

Extra money for sports in colleges and universities

Jeremy Hunt, the Minister for Culture, Media and Sport, has announced that £25 million is to be made available to help boost sports provision in schools and universities. The extra money is expected to provide funding for sports professionals in around 150 colleges. It is also intended to encourage sports governing bodies to do more to engage young people in the 14-25 age range. The funding itself is part of a £1 billion package intended to promote an 'Olympic legacy'.

Extra money for 'Free Schools' expansion

The Department for Education (DfE) has announced a further allocation of £600 million to support the expansion of the Free Schools programme. This will include the establishment of 16-18 'Maths Free Schools', but as yet nobody seems to have a clue as to what these 'Maths Free Schools' actually are.

Extra money for 'Studio Schools' expansion

The DfE has announced that additional funding is also to be made available for a further 12 new 'Studio Schools' to join the 6 which are already open. Apparently, Studio Schools 'will offer academic and vocational subjects, but teach them in a practical and project based way'. How these will differ from University Technical Colleges (UTC's) remains a little unclear. The new Stephenson Studio School, for example, operates on a model whereby older students divide their time between studying and working, with 3 days per week spent studying A Levels and 2 days spent working. Pupils are paid the minimum wage for the work they do. Hours spent at school reflect the working day with lessons starting at 8.45 am and finishing at 5.15 pm. However, UTC's also have early starts, late finishes and significant levels of work experience within the curriculum.

Consultancy support for further UTC development

Partnership for Schools (PfS), has appointed the consultancy firm Mott McDonald to assist as 'technical advisor' for the development of a further 16 UTC's. The consultancy support will include the provision of help with developing schemes, the appraisal of sites, the appointment of design and build contractors and the conduct of feasibility studies.

National Extension College (NEC) is reborn

The NEC, which still has around 15,000 distance learning students on its books, faced extinction following the collapse of its new owner, the Learning and Skills Network (LSN). LSN has recently gone into liquidation and there were fears that the NEC would disappear along with it. However, the NEC has now found a new owner in the Open School Trust (OST). The OST is made up of former employees and trustees of the NEC who were involved with the home study college before it was taken over by LSN in 2010. The OST was established as a charity in 2003 and has been largely dormant since then, but has retained its charitable status. Interestingly, both the NEC and the OST were originally established by Lord Young of Dartington, who, for those of you old enough to remember it, was the head of the Manpower Services Commission (MSC). The OST is currently headed by Dr Ros Morpeth, who was the head of the NEC prior to its acquisition by LSN.

As a result of a fortuitous pre-acquisition legal arrangement, one other of LSN's more recently acquired subsidiaries, FE Associates, was able to successfully disengage and remain as a going concern. However, receivers Price Waterhouse Coopers (PWC) have been unable to find buyers for the remaining four LSN subsidiaries.

More strikes may be on the way

The National Union of Teachers (NUT) has written to Sixth Form Colleges informing them of their intention to hold ballots of members in respect of 'discontinuous industrial action' over cuts to funding and pensions. The University and Colleges' Union (UCU) is expected to follow suit in respect of holding ballots for industrial action in general further education colleges (GFE's).

UCU suspends legal action against the Institute for Learning (IfL)

Following the earlier agreement by John Hayes, the Minister for Further Education, Skills and Learning, to commission a review of the role and function of the IfL, UCU has now formally called off its legal action against the IfL. UCU is, however, still recommending that its members continue to boycott the payment of IfL fees until the review has been undertaken. Meanwhile, the IfL has recently exercised its ultimate sanction by banning 3 former college lecturers from any further teaching because of behaviour judged to be gross professional misconduct and as being likely to bring the sector into disrepute.

Applications for 2012 University places continue to fall

Figures released earlier this month (January) by the University and Colleges Admissions Service (UCAS) reveal that overall applications for university courses commencing in 2012 continue to fall. To date:

- Total applications to UK universities are down by 6.4%.
- Applications from females are down by 5.6% and applications from males are down by 7.6%,
- Applications from people aged over 24 are down by a very significant 14.4%.
- Applications from those domiciled in England were down by 8.3%, applications from those domiciled in Northern Ireland are down by 5.7%, applications from those domiciled in Wales were down by 1.9% and applications from those domiciled in Scotland were down by just 0.8%.
- Applications from those domiciled in the UK overall were down by 7.6%, and applications from those domiciled in the rest of the European Union (EU) were down by 10.7%.
- However, applications from those domiciled outside the EU were up by 13.3%.

Development of first college 'hard' federation

There has been much talk about the need for colleges to explore 'new business models' as a means of driving down costs and increasing efficiency. One of these new business models involves 'federation'.

There are lots of examples of 'soft' federations, where colleges collaborate with each other to gain savings on bulk procurement or by sharing back office services, and the Department for Business, Innovation and Skills (BIS) has recently made a grant of £15 million available in order to encourage such collaboration. However, Kingsway College and Carshalton College have gone one step further and have decided to share a single principal and a single senior management team. The two colleges remain as separate legal entities, have separate Corporations and are allocated separate budgets by the main funding agencies. However, they are managed as if they were one college.

I think that in the FE sector, this is referred to as a 'hard' federation. Although arrangements for federations such as this are relatively common in the schools sector (where apparently they are referred to a 'statutory soft governance federation), this is the first example in the FE sector. The arrangement required ministerial approval in order to amend each college's articles of government to allow accountability to each board by a single 'accounting officer' (who in this case is the principal of Kingsway College).

Youth unemployment hits new record high

Office for National Statistics (ONS) data released earlier this month (January 2012) reveals that youth unemployment has now reached 1.04 million. This is an increase of 52,000 on the previous 3 month period (which was itself a record high). The unemployment rate for 16-24 year olds now stands at 23% of the economically active population for this age group. Of these, 313,000 are currently in full time education, but are actively seeking work.

Home Office facing legal action over 'bogus college' claims

The Home Office is facing legal action from 'English UK', a body representing more than 450 private English language colleges. English UK claims that many of its members have been mistakenly labelled by the Home Office as being 'bogus' and are, in effect, just 'a front for issuing visas to economic migrants'. In addition to taking legal action, English UK is demanding an apology from the Home Office and an immediate retraction, claiming that unless this is done swiftly, many of its member colleges could be potentially facing bankruptcy.

A spokesman for the Home Office said that English UK member colleges were amongst 'scores of colleges that had lost their right to recruit overseas students because they could not meet the standards of the new inspection and registration regime'. Many English UK colleges 'had not applied to be on the compulsory register of institutions authorised to enrol overseas students'. However the Chief Executive of English UK countered this by saying that most of its members 'offered courses of less than one year and were therefore not required to register', and that many members had decided not to register voluntarily 'because the process was too expensive'. English UK went on to complain that the Home Office, by their actions, had 'allowed it to be inferred that all colleges not on the register were bogus, fronts for illegal immigration and were of poor quality'.

A spokesman for the UK Border Agency said that it was unlikely that the Home Office would be issuing any apology or retraction. Neither would the UK Border Agency be altering their position on colleges not approved to enrol international students.

National Audit Office (NAO) urges ministers to accelerate reductions in bureaucracy

The NAO has produced a report showing that the administrative costs of managing the current raft of further education funding, qualification and other assurance processes, is estimated to be between £250 million and £300 million per year. This equates to almost 4% of the total funding received from the SFA and YPLA and is equivalent to around £150 per student. As a result, the NAO has called on ministers to accelerate the process of 'simplifying funding and cutting red tape'.

Should the FE sector be allowed to develop its own qualifications?

The NAO call for simplification in funding models and reduced bureaucracy comes at a time when the Education Select Committee is taking evidence for its inquiry into the administration of exams for 15-19 year olds. Personally, I've often wondered how much more money could be saved if the FE sector was allowed to develop and accredit its own qualifications.

In a hypothetical situation where say, 350 colleges were each spending an average of £700,000 each year on external accreditation, this would mean that each year, every year, around £245 million would be flowing out of colleges and into the coffers of the various exam boards. Surely, it can't be beyond the capacity of the FE sector to come up with its own assessment and accreditation system, which costs less than this?

Apart from cost savings, at present there are more than 16,000 different FE qualifications and over 60,000 qualification aims on the qualifications data base. The sheer number and complexity of these qualifications (many of which seem to disappear almost as soon as they are launched), confuses even those working in the sector, let alone prospective users. In an FE system where colleges offer courses in up to 15 broad sector subject areas (SSA's), at up to 5 levels of study and through 2 main types off attendance (full time and part time), surely the FE sector is capable of developing a more simplified and cohesive accreditation system, based on credit accumulation and transfer, which would allow for easier progression between levels (and even between SSA's).

Ownership of the FE accreditation system would help colleges to work with employers more effectively in developing curriculum and assessment more appropriate to their needs. It would also help develop the increased use of information technology to deliver learning, which in turn would increase flexibility in modes of attendance.

The HE sector is allowed to develop and accredit its own courses, and so is the MacDonald's fast food restaurant chain. Surely the FE sector could be trusted to do the same? (I'll get off my soap box now)

FE developments north of the border

As regular readers of this newsletter may be aware, I may possibly have passed the odd comment or two, on the perceived unfairness in the way in which post 16 students are treated in Scotland, compared to their counterparts in England. However, this real or imagined imbalance of treatment might soon be about to change. It seems that education ministers in the Scottish Parliament have come up with radical proposals for the 'regionalisation' of the Scottish FE system. These proposals would involve the number of Scottish FE colleges being reduced from the current 41 down to 'between 10 and 12'. There are also proposals to put in place a new FE funding system for Scotland by July 2012, which would apparently involve a massive 30% reduction in college funding over the following 3 years. Needless to say, the proposals have not been particularly well received north of the border.

And finally….

You probably aren't interested in my New Year's resolution, but just in case you might be, I can tell you that it is 1280 x 720.

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