Sector Developments

Heseltine Report questions the need for the Skills Funding Agency (SFA)
Lord Heseltine, the former Conservative deputy prime minister, has published a report entitled 'No Stone Left Unturned' (not to be confused with 'No Tern left un-stoned', a book that chronicles one man's attempt to exterminate the entire seagull population by hurling rocks at them). The report says that 'for the UK to face up to the challenge of increasing international competition, we must reverse the long trend to centralism', going on to say that 'local leaders are best placed to understand the opportunities and obstacles to growth in their own communities'. The report argues 'that the powers and funding controlled by centralised bodies should be devolved to the 39 Local Enterprise Partnerships (LEPs)'. This would involve around £48 billion of funds currently controlled centrally by Whitehall departments, along with a further £9 billion of centrally controlled European Union (EU) funding, being transferred to a 'single local funding pot'. The 39 LEPs would then bid for funds from the pot to spend on meeting local needs.

The report has 89 recommendations, and one of these is that 'the budget for vocational training for learners aged 19 and over, and all funding currently set aside for apprenticeships' should be devolved to the LEPs. The report then goes on to say that if this were to be implemented there would be no need for the continuation of the SFA. A further recommendation in the report is that LEPs and local employers should take into account 'the practical experience of local FE colleges. Interestingly, this comes just one month after research by Association of Colleges (AoC) revealed that the LEPs were largely excluding FE colleges from their planning. The report goes on to criticise the 'disproportionate growth in apprenticeships taken up by trainees aged 25 and over, the vast majority of who are already in work'. Adult apprenticeships currently make up around 40% of total apprenticeships, but the report argues that 'it is investment in younger individuals starting an apprenticeship as a new job, which has the greater impact on the economy'.

The SFA declined to comment, but in a question and answer session at the recent Association of Colleges (AoC) annual conference in Birmingham, Vince Cable, the Secretary of State for Business, Innovation and Skills (BIS), said that he was 'happy with current funding arrangements for colleges' and that some of Lord Heseltine's proposals 'would lead to unnecessary complications'. Martin Doel, the chief executive of the AoC was also sceptical, saying that there was 'much to be commended in the current system, particularly more recently with some flexing of funding rules' and that 'we hope this continues and that learning providers are given even more freedom to plan and show accountability to their communities'.

The Chancellor's Autumn Statement and the Skills Funding Statement 2012-2015

Despite Lord Heseltine's suggestions for the transfer of skills funding to the LEPs, one of the outcomes of the recent Autumn Statement and associated Skills Funding Statement, is a strong indication that the future of the both the SFA and the National Apprentice Service (NAS) remains secure The new Minister for Further Education and Skills, Matthew Hancock, said that 'the SFA will continue' and that the NAS, 'will continue to have a very important role'. Nevertheless, while the SFA will retain responsibility for the majority of the skills budget, in his Autumn Statement, George Osborne said that 'from April 2015 the Government will place more of the funding that currently goes to local transport, housing, skills and getting people back to work into a single pot that LEPs can bid for'. He also said that LEPs will take the lead role in managing the Employer Ownership Pilot and establishing priorities for the expenditure of European Social Funding.

Other key points arising from the Skills Funding Statement include the following:

- An extra £270 million of capital funding will be made available for college building projects by September 2015. This is new capital funding will be added to that which was released earlier as a result of the outcome of the recent Estate Renewal Grant (ERG) funding round. The ERG will provide a further £110 million in capital grants to support 56 college building projects. Projects supported through the latest ERG allocation cost a total of £300 million, with the balance of funding having to be found by colleges through loans or from within their own financial reserves

- It is proposed that one of the criteria that would need to be satisfied in order for colleges to be granted 'Chartered Status' by the new FE Guild (see below) is that they would need to demonstrate that they had 'adequately reflected the priorities of their LEP' in their own strategic plans
- Colleges will be required to work with the Department for Work and Pensions (DWP) with a view to 'developing future funding schemes that incentivise job outcomes'
- There will be (another) review of the post 19 Qualification and Credit Framework (QCF)
- The Employer Ownership of Skills Pilot will be extended to 2015/2016. Total funding will be increased to £340 million as a result of a further £90 million being redirected to the scheme from elsewhere
- FE course outcomes are to be made available through 'Key Information Sets' and data will be published 'by course and vocational sector to show how much learners might expect to earn when they qualify'
- The UK Commission on Education and Skills (UKCES) will undertake a review of the current National Occupational Standards (NOC)
- Proposals for a new Traineeship to deliver pre-employment training will be published (see below).

The new FE Guild gets underway…………….

Mr Hancock has announced that the responsibility (and government funding) for the development and administration of the new FE Guild, has been given to the partnership comprised of the Association of Colleges (AoC) and the Association of Employment and Learning Providers (AELP). Once established, the new FE Guild will assume responsibility for:

- Developing the professionalisation of the FE workforce in England
- Improving standards in the FE and Skills sector in England
- Establishing a new quality standard for colleges and other providers in England, that will lead to the award of 'Chartered' status for those organisations that meet the criteria set by the Guild.

The AoC/AELP partnership will now begin to develop its plans for the establishment of the Guild. David Hughes, the chief executive of the National Institute of Adult Continuing Education (NIACE), has been appointed as the independent chair of a new Steering Group established to monitor progress in the Guild's development. Also, a small project team has been established, led by Peter Davies, the former Principal of City Lit, to deal with operational matters referred to it by the Steering Group. The Project Team's first task is, by January 2013, 'to prepare a paper outlining the potential role of the Guild and its mode of operation, which can then be used as the basis of a consultation exercise '. An implementation plan will be produced by March 2013, with a view to the Guild becoming fully operational by August 2013.

………..and results in the demise of the Learning and Skills Improvement Service (LSIS)

The responsibilities and duties of the Institute for Learning in respect of FE professionalisation and workforce development have been transferred to the new FE Guild. Government funding has been withdrawn and the IfL remains in existence as an independent body only through the voluntary subscriptions of its members. However, the new FE Guild has now also been given responsibility for developing quality and improving standards in FE (both of which were previously within the remit of LSIS) and Mr Hancock has now confirmed that future government funding for LSIS will be withdrawn. The Trustees of LSIS have therefore agreed that 'as a consequence of this cessation of funding, we have no alternative but to begin a managed exit from our activities and services by 1st August 2013'. This means that all current LSIS programmes will cease on this date. (By way of background information, the LSIS annual budget peaked at £147 million in 2009/10 and since then has been subject to significant year-on-year cuts, with the 2011/12 budget currently standing at around £30 million).

Department for Business, Innovation and Skills (BIS) reviews apprenticeships, again…..

Reviews are clearly proving to be very popular and none more so than reviews of apprenticeships. Observers have argued that it is sometimes difficult to identify common themes arising from all these reviews, since the findings of one sometimes appears to be at odds with the findings of another. However, David Way, the chief executive of the National Apprenticeship Service (NAS) has argued that there *is* one common theme running through all reviews, and this is 'that employers should be given greater ownership and control of apprenticeships'. Against this, the findings of the most recent review of apprenticeships, which was carried out by the BIS Select Committee, suggests that there are serious concerns in respect of certain aspects of employer involvement with apprenticeships and argues that there is a need for 'greater levels of government intervention'.

The Select Committee report questions what it describes as the government's current 'hands-off' approach, which it says, 'has allowed some training providers to rake in huge profits and has failed to ensure that employers are paying their way'. Specific reference was made to Elmfield Training, a private provider which was allocated £41 million by the SFA last year. Committee members say that, 'we were particularly troubled that the minister appeared unconcerned about the 36% level of pre-tax profits achieved by Elmfield Training, and that even the chief executive of that company said that he believed that the government had paid out too much money'. Committee members also thought that 'many employers did not invest a sufficient amount of their own funds in delivering apprenticeship programmes' and went on to accuse them of gaining access to 'significant government funds for training under the guise of offering in-kind contributions'. The report says that, because of this, 'either the quality of training is being compromised in order to reduce costs or that too much public money is being spent on training that employers should be funding themselves' and added that there was a need for a 'more robust' approach to establishing the real monetary value of employer's 'in kind' contributions

The Committee also recommended that apprenticeships 'should be more closely monitored to ensure that they deliver quality, are fit for purpose and are providing value for public money' and went on to argue that there was 'a need for a formal definition of apprenticeship' and 'an overarching government strategy and statement of clear purpose for the apprenticeship programme'.

The Select Committee's call for greater government control and scrutiny of the apprenticeship programme seems to be at odds with the government's plans to hand over even more public money to employers (through, for example, the extension of the Employer Ownership of Skills scheme). It also appears to be particularly at odds with the Labour Party's recent proposals to hand over the entire £1 billion apprenticeship budget to private sector firms, and casts doubt on whether this really would, as Mr Miliband has suggested, 'provide more leverage for firms to invest their own funds in training'.

.........and also criticises arrangements for apprenticeship accreditation

Although many might think that this was fairly obvious, the BIS Select Committee also highlighted the potential for 'conflicts of interest' to arise in situations where providers of apprenticeship programmes are also using their own awarding bodies to accredit these programmes. Members of the committee said that 'we do not believe it is desirable for training providers and awarding bodies to be owned by the same group or individuals' and recommended that 'the government should look critically at this serious issue'. Again, specific reference was made to Elmfield Training, which uses SkillsFirst Awards Ltd; a firm which is owned by Elmfield Training, to accredit its own government funded training programmes. These programmes include those that it delivers on behalf of the supermarket giant, Morrison's (although, having returned a profit of £947 million on a turnover of around £17 billion last year, many are left wondering why Morrison's would need a government funded subsidy towards the cost of its staff training). In Elmfield's defence, a spokesperson claimed that it was 'common practice for training providers and awarding bodies to be owned by the same organisation' and referred committee members to Pearson, and City and Guilds, both of which receive significant levels of government funding for the delivery of training programmes, and both of which use their own qualifications to accredit these programmes. Ofqual responded to this by saying 'we are continuing to develop our thinking about these potential conflicts of interest, and will be saying more about this in due course'. Ofqual also said that it was already conducting a review of Pearson's accreditation practices. The review commenced around a year ago and is expected to take 18 months to complete.

Many college leaders find it difficult to understand why the government appears to be quite happy to let private 'for profit' firms accredit their own training programmes, but seem reluctant to trust the FE sector to develop and accredit its own sector wide qualifications. They ask how difficult could it be to develop a cohesive qualification and accreditation matrix covering the 15 Ofsted Sector Subject Areas (SSAs) and a maximum of 5 QCF levels of study. They go on to make the point that the opportunity that this would present to rationalise the current plethora of FE qualifications, and the potential for saving a significant proportion of the estimated £300 million or so that colleges have to spend every year on external accreditation, would be surely be sufficient justification for the government to at least consider this.

The Richard Review of Apprenticeships

Another review of apprenticeships has recently been commissioned by BIS. This is the Richard Review, chaired by entrepreneur, founder of the 'School for Start Ups' and former 'Dragon's Den' celebrity, Doug Richard. Mr Richard was tasked by BIS with 'taking a medium to long-term look at the future of apprenticeships in England in order to identify best practice, to ensure that future apprenticeships meet the needs of the changing economy, and to ensure that apprenticeships deliver the qualifications and skills employers need to world class benchmarks'. Mr Richard has argued that his report 'should be implemented in its entirety or not at all' (with the AELP already indicating a preference for the 'not at all' option). Mr Richard's main recommendation is that employers should meet the cost of apprenticeships by paying providers directly. Employers would then be eligible to receive 'tax breaks and other government incentives' in respect of the money they spent on training. Mr Richard argues that 'a provider would still be providing training and would still be paid, albeit indirectly, through a government subsidy. However 'the provider's customer would be the employer, not the government or one of its agencies'. Other recommendations in Mr Richard's report are as follows:

- Apprenticeships should be 'redefined'
- The focus of apprenticeships should be on outcomes
- The government should 'set up a contest for the best qualification'
- The testing and validation process should be independent and genuinely respected by industry
- All apprentices should achieve level 2 in English and maths before they complete their apprenticeship
- The government 'should encourage diversity and innovation in delivering apprenticeships'
- The government has a role to play in promoting good quality delivery
- Government funding 'must create the right incentives for apprenticeship training'
- Learners and employers need access to good quality information
- Government must 'actively boost awareness of the new apprenticeship model'

The Richard Review follows closely on the heels of the Holt Review of Apprenticeships (see the last ***Click*** newsletter). The Holt Review was chaired by jeweller, founder of Holt's Academy of Jewellery and social entrepreneur, Jason Holt. Presumably on the basis that you can never have too much of a good thing, both reviews appear to have covered, more or less, the same thing. No doubt in order to avoid suggestions of unnecessary duplication, Mr Holt has commented on the Richard Review, saying that he had spoken to Doug Richard and that 'he (Mr Richard) had read my review', adding that 'he was even testing me on it'. He went on to say that he now chairs the 'Holt Review implementation team that meets every quarter', explaining that the team had 'already met once' and adding that 'we're there to hold the government's toes to the fire in terms of getting the things done that it said it would'. Mr Holt then said that it was 'really refreshing for the government to have set up this team to make sure my review doesn't fall by the wayside' which, to some, might appear to be labouring the point a bit.

Despite the costs incurred in conducting reviews, it seems unlikely this latest batch will be the last. The prospect of endless future reviews has prompted suggestions that higher apprenticeship programmes should be developed for those interested in a career in conducting reviews. There is also an unsubstantiated rumour that a new review is to be commissioned to review the reviews that have been carried out thus far. This review would apparently be called the 'Review Review' and would ascertain whether the earlier reviews were sufficiently comprehensive and that the review's objectives had been met. The 'Review Review' would also consider how far the recommendations of these reviews had been implemented. This would then be followed by a review of the 'Review Review', which would be called the 'Review Review Review'. The purpose of the 'Review Review, Review' would be to ascertain the extent to which the 'Review Review' had reviewed all of the key issues arising from various previous reviews, and whether the outcomes arising from the subsequent implementation of the Review Review's proposals had themselves been adequately reviewed.

Many apprentices are underpaid

In view of the fact that many employers appear to be disinclined to make any financial contribution at all to the cost of training their employees, it is perhaps hardly surprising to learn that large numbers of employers do not pay their apprentices the minimum wage and that many employers demand that apprentices work unpaid overtime. What is surprising however is that some employers do not pay their apprentices any wages at all. Theoretically, apprentices are entitled to at least £2.65 an hour if they are aged 18 or under in the first year of their apprenticeship. After that, they are entitled to the national minimum wage for their age bracket, this being £4.98 for under 21's and £6.19 for others. However, research recently commissioned by BIS shows that 20% of apprentices are currently paid less than the apprenticeship minimum wage (particularly apprentices in their second year), and that 5% of apprentices actually receive no pay at all. Even apprenticeships advertised through the NAS online matching system have explicitly been offered with rates of pay below the minimum level.

Underpayment of apprentices was found to be particularly rife in hairdressing. This is because many employers count the tips received by apprentices as being part of the minimum wage, even though this practice was banned in 2010. The research also showed that many apprentices were required to work overtime without pay. For example, in hairdressing 60% of apprentices worked overtime for which they were not paid. The research went on to examine the practice of paying a 'zero wage', which in effect means that an employer is really providing unpaid work experience and calling this an apprenticeship. Zero pay 'apprenticeships' were found to be particularly prevalent amongst those aged 18 or under, those from ethnic minorities and those undertaking apprenticeships in construction, care or hairdressing.

The problem has apparently become worse in recent years. For example, in 2007, only 5% of apprentices were found to have been paid less than the minimum wage. UnionLearn, the education and skills body for the Trades Union Congress, has now launched a campaign to inform apprentices of their rights at work and to draw to the attention of employers their legal duty to pay apprentices the appropriate minimum wage. Responding to the research findings, a BIS spokesperson said that 'the department was concerned by the level of underpayment of apprentices' and that it had 'commissioned further research to explore ways to improve the enforcement of the minimum wage'. Responsibility for enforcing the minimum wage currently lies with Her Majesty's Revenue and Customs (HMRC), but it has been alleged that the numbers of actual prosecutions brought by HMRC against employers for failing to pay the minimum wage to apprentices were relatively few.

Apprenticeship numbers in key areas fall

Figures showing the breakdown of 502,500 new apprenticeship starts in 2011/12 reveal that, overall, the number of 16-18 apprenticeships fell by 10% compared with the previous year. The total number of engineering apprenticeships fell significantly by 30% to 12,890 and total construction apprenticeship numbers fell by 18% to 12,850. (This compares to a peak of 20,700 engineering apprenticeships in 2006/07 and a peak of 18,330 construction apprenticeships in 2010/11). Against this, the number of management apprenticeships rose to 43,330 in 2011/12. (This compares to an all-time low of just 800 management apprenticeships in 2003/2004).

Matthew Hancock's speech to delegates at the AoC Conference

Further Education and Skills minister, Matthew Hancock, made a keynote speech at the recent AoC Conference. In his speech, Mr Hancock said that he wanted to become 'the unequivocal champion of Further Education', and went on to announce a range of measures aimed at 'raising the value, esteem and regard of further education and skills'. Key points made in his speech include the following:

- 'Traineeships' will be introduced for young people 'who are not yet ready for an apprenticeship'. Mr Hancock said that 'raising the standard of apprenticeships will leave a gap' and that the introduction of traineeships would 'fill that gap'. With reference to the content of the new traineeships, Mr Hancock said that there would be a 'rigorous core' of work preparation and work experience, along with English and mathematics; however there would also be 'a large degree of flexibility' over the content of the remainder of the traineeship.

- The list of approved vocational qualifications for 14-16 year olds will be revised. From September 2013, only 400 of the 4,000 vocational qualifications currently available to accredit courses for pupils aged 14-16 will be allowed to count towards a school's performance in the national league tables. The revision to the list follows the recommendation in Professor Alison Wolf's report on vocational education, which called for 'less rigorous GCSE equivalents' to be eliminated.
- The level of government funding for adult English and mathematics functional skills, and for English and mathematics within an apprenticeship will be doubled. Mr Hancock said that 'the government could not wait for its reforms in schools to take effect' adding that 'it often falls to you (FE colleges) to pick up the pieces'. (The SFA has not yet said when this increase will be implemented, or where the additional funding will come from).
- Colleges will be allowed to recruit pupils aged 14 and 15 to college courses and will be directly funded for delivering this provision (see the section below)
- The way in which the government measures minimum levels of performance and success rates will (eventually) be applied equally to colleges and to school sixth forms.

Recruitment of full time 14-16 year olds in colleges gets the go ahead

The recent Wolf Report recommended that the government should 'make explicit the legal right of colleges to enrol students under 16 and ensure that funding procedures make this practically possible'. In response to this, a 14-16 Implementation Group was established by the Department for Education (DfE) comprised of representatives drawn from the DfE, BIS and the AoC. The Implementation Group has now completed its work and has submitted recommendations to the DfE and BIS Secretaries of State. Mr Hancock has now announced that full time 14-16 enrolment can go ahead in September 2013 if colleges can meet various criteria. These include:

- They must not have been judged 'inadequate' by Ofsted in their last inspection
- They must be able to demonstrate an upward trajectory in terms of their success rates
- There must be a separate dedicated area for 14-16 year old students within the college's estate
- There must be separate leadership for 14-16 programmes

There are currently 283 colleges that meet these criteria. Inspection of 14-16 provision by Ofsted will be carried out under the schools inspection framework.

When asked if she supported the proposals to fund colleges to recruit 14-16 year olds, Karen Buck, Labour's shadow FE and Skills minister, dismayed many of the delegates at the recent AoC conference, when she suggested that FE staff 'would not have the skills or experience needed to provide the same quality of pastoral care and support for 14-16 year olds studying full time at a college as they would receive if they remained in schools'.

'The Conservatives stole our Tech Bacc'

Stephen Twigg, the Shadow Secretary of State for Education, has accused the Conservatives of stealing the Labour Party's idea for a Technical Baccalaureate. Skills minister, Mr Hancock agreed that the idea for the 'Tech Bacc' originated (along with Academies) with the former labour minister, Lord Adonis, 'a man for whom the Government has huge respect'. He went on to say that 'one of the things that we will do is to ensure higher quality occupational and vocational qualifications and that there is more respect for them' (which sounds more like two things, if you ask me). At a time when many colleges are disengaging themselves from the debacle of the last 'Diploma' initiative, many observers are left wondering if either Lord Adonis, or Mr Twigg or Mr Hancock have ever head of BTEC Diplomas, or of the regard and recognition given to them by students, parents, employers and FE practitioners.

Research shows that teachers and parents feel unable to give children effective careers advice

The assumption that parents and schoolteachers are an effective source of advice for young people in making their future education choices has now been challenged by the findings of research recently conducted by the AoC. The research reveals that:

- 82% of teachers felt that they did not have sufficient knowledge to give their pupils appropriate and meaningful careers advice.
- 44% of teachers admitted that they had, in the past, given pupils bad or uninformed careers advice.
- 82% of teachers said that they wanted better training and guidance in respect of providing advice to pupils about their post 16 options.
- 57% of school teachers feel obligated to encourage pupils to stay on at their school post16,
- 26% said this was 'due to pressure from management'
- 16% said that 'they feared losing their job if pupils did not stay on in the school'

These findings have significant implications for schools which, with the demise of the Connexions service, now have a statutory obligation to provide their pupils with *impartial* careers advice. The AoC research also showed that:

- 20% of parents felt 'out of their depth advising their children about careers'
- 32% said that they 'only felt comfortable talking about jobs they knew'.
- 11% said that they feel their offspring 'are ill-prepared for work'
- Perhaps surprisingly, 11% said that they 'would not employ their own child'

January GCE A level entry to be phased out

Ofqual has announced that with effect from September 2013, students in England will no longer be able to sit GCE A level examinations in January and will only be able to sit AS and A level exams in the summer. This means that students who started a two-year course in September 2012 will not have the option of sitting January examinations in their second year. The change, which comes after a three month consultation into A level reform, is the first in a series of proposed reforms to A levels in England which include greater involvement of universities in the design of A levels, and the abolition of modular A levels.

New English and mathematics will not require Ofqual approval to be eligible for SFA funding

New English and mathematics skills qualifications designed to help adults progress to a GCSE or level 2 functional skills standard will currently be eligible for SFA funding without the need to obtain prior approval from Ofqual. A spokesperson for the SFA said that 'new qualifications were due to be available from August, but that the timescales for their development and accreditation had been challenging'. The spokesperson went on to say that the revised plans for approving the funding for new English and mathematics qualifications had been agreed with Ofqual using the new 'Innovation Code'.

New Innovation Code guidance issued by the SFA

Revised guidance has been issued by the SFA on how colleges can use an element of their funding allocations to run courses in response to local employment and skills needs. The new guidance comes just over a month after Baroness Sharp (who chaired the recent 'Independent Inquiry into the role of Colleges within their Communities' which led to the introduction of the Innovation Code) accused the SFA of 'misinterpreting her suggestions' for the way in which the Innovation Code should be used and that the SFA had 'wrapped it up in precisely the sort of restrictions that we were trying to get away from'. Baroness Sharp has now said that she is 'delighted that the SFA has responded to earlier criticisms', adding that the new guidance 'was a major improvement…and really begins to give the flexibility we were asking for'. Colleges can now begin to use the Innovation Code to deliver courses that meet specific local needs but do not necessarily lead, at least initially, to an accredited qualification, with the priority being 'to help get people into work first and to develop the qualification later'.

Sixth Form Colleges consider collectively converting to Academies

The 92 members of the Sixth Form Colleges' Forum (SFCF) is considering whether to give up their incorporated status and to convert 'en masse' to academy status. The chief executive of the SCFC, David Igoe, has written to member colleges saying that he has 'come to the view that the best interest of sixth-form colleges may be in aligning ourselves with the structures that support current government education policy, and that means finding a place in the world of academies'. While the decision ultimately rests with individual college governing bodies, the SCFC is proposing a vote on an 'all or none' course of action that could potentially mean that next year, all of its members would make simultaneously make the transition to academy status. The SFCF argues that sixth form colleges receive significantly less funding per student than schools, and that this has meant that 'nearly all colleges have had to reduce staffing and have made deep inroads into student support and enrichment programmes'. The SCFC also claims that 'unchecked growth in school and academy sixth forms could destabilise existing sixth-form colleges to the point where many will become unsustainable'. Adding to the SFCF argument for conversion, a National Audit Office (NAO) report published last year revealed that sixth form colleges outperformed school sixth forms 'in most areas', despite receiving less funding, and that 'converting to academy status would save the average college between £200,000 and £300,000 a year in VAT bills alone'. A spokesperson for the DfE said 'we welcome the interest in academies shown by the sixth-form college sector' and added that 'representatives of the DfE will be meeting with the SFCF to discuss this further'. (A wholesale switch to academy status by sixth form colleges would have significant implications for the AoC, which could lose up to a quarter of its members should the proposed move go ahead).

Work Programme 'isn't working'

The government's £435 million flagship programme for tackling long term unemployment, the 'Work Programme', appears to be floundering. Statistics released by the Department for Work and Pensions (DWP) show that by the end of the first year of operation, around 800,000 long-term unemployed people had been entered into the programme, (usually as a condition of their eligibility to continue to receive unemployment benefits). Of these, around 200,000 had been referred to employers for work. However, of those who obtained a job, only around 31,000 were still in the job 6 months later. This means that the scheme has generated a sustainable employment rate of around just 3.5% (against what seems to be a surprisingly low government target of 5.5%). To make matters worse, it appears other government data shows that 5% of people who were long term unemployed but who had *not* participated in the Work Programme, found sustainable employment through their own efforts. Ironically, this would seem to suggest that those who do not participate in the Work Programme stand a greater chance of obtaining sustainable employment than those who do. Because the scheme operates on the basis of 'payments by results', the lower than expected success rates in achieving sustainable employment means that the DWP has not been required to make the same level of payments to providers as was originally anticipated. Underperforming providers have been given until April 2013 to improve. If there is no improvement by then, providers will be punished by having their Work Programme contract withdrawn. I suspect that some can hardly wait

New 'Entrepreneurs and Education Programme' launched

The unexpected rise in the number of new social enterprise and small business start-ups has prompted the government to launch a new £1.1 million government initiative designed to help promote entrepreneurship and enterprise. The aim of the scheme is to ensure that the appropriate training is made available in universities and FE colleges to help support those people wishing to follow careers in business and entrepreneurship. The 'Entrepreneurs and Education' programme 'will link successful entrepreneurs and business managers to educators, researchers and academics' and will fund universities and FE colleges to provide the training needed 'to support business start-ups, to develop the skills needed to improve opportunities for self-employment, and to help ideas for new business opportunities to become a reality'.

Changes at the top for the AoC

Carole Stott, Chair of Governors at City Lit, will become the new Chair of the AoC Board on 1 January 2013. She succeeds John Bingham, whose tenure as Chair comes to an end after 6 years. Also a new AoC deputy chief executive has been appointed. Gill Clipson, currently principal of Amersham and Wycombe College will replace Lesley Davies who leaves the AoC to become Director of Quality and Standards at Pearson.

Confederation of British Industry (CBI) calls for 'a complete overhaul of the educational system'

The CBI has published its report entitled 'Ambition for All in Schools'. The report says that 'much of the last 35 years of education reform has focused on narrow measures of performance, such as exams and league tables' and goes on to say that 'this has allowed too many young people to fall behind'. Despite spending more on education than many of our competitors, the report also says that 'the UK has slipped down international league tables. The report says that, 'in England alone, half of the poorest children fail to achieve the expected levels in reading, writing and mathematics at age 11, and don't catch up in secondary school, even though the bar is lower than for many of our competitors'. The report makes several recommendations including the following:

- 'Giving more freedom to teachers'
- 'Moving the focus from league tables to delivering a more rounded education'
- 'A shift from GCSEs to make 18 the focus of secondary education'
- 'Introducing vocational A levels with the same standing as traditional A-levels'

Skills Commission urges private companies to 'buy stakes in FE colleges'

The Skills Commission is an organisation that meets monthly to discuss issues in skills, training and further education policy and to produce reports containing the Commission's recommendations. Members of the commission include MP's from all the main parties, and 'leading practitioners from across the skills sector'. The Commission is co-chaired by Barry Sheerman MP and Dame Ruth Silver, the chair of LSIS. Presumably based on the belief that many FE colleges are comatose, the Commission has published a report that calls on multinational companies to help 'awaken the sleeping giant of FE', by creating new 'branded colleges', such as a 'Google College' or 'Dyson College' (or perhaps even 'Wonga College'). The report also calls for the creation of a network of 'McKinsey Colleges' (named for the global consultancy firm) to provide business development services to small and medium enterprises.

The Skills Commission's report follows a six-month inquiry and sets out 10 recommendations. The Skills Commission has suggested that another skills commission, this time the UK Commission for Employment and Skills (UKCES), should now carry out the work needed to identify how the recommendations in the report might be implemented and, in particular, what needs to be done 'to encourage large firms to invest in FE colleges'. The 10 recommendations in the Skills Commission report are as follows:

- Ofsted should review technical and vocational provision across FE.
- The IfL and LSIS should examine professional development in FE.
- UKCES should consider the role of specialisation in the next phase of the Employer Ownership Pilots.
- UKCES should consider how large firms can be encouraged to invest in FE.
- UKCES should undertake an audit of specialist infrastructure, facilities and equipment across the FE sector.
- BIS should look into 'a government backed loan scheme to support the specialist infrastructure, facilities and equipment within FE'.
- The 'Technology Strategy Board' (a government funded organisation that promotes innovation in business) should review the take up of 'Knowledge Transfer Partnerships' (a government funded initiative to encourage partnership between universities and business) and consider how providers can be encouraged to take up more of these opportunities.
- The AoC and AELP should review the number of providers that offer business development services and the funding gained from these. They should also develop a set of 'best practice guidelines' for business development services offered by FE providers.
- The BIS Select Committee 'should consider the role of specialist providers in regional and local economic development'.

Presumably, those firms that could be persuaded to invest in FE colleges would be looking for a financial return on their investment, and would probably want a share of the control of the colleges they had invested in; however the report appears to remain silent on how this might work in practice.

Ofsted 2011/12 Annual Report criticises FE colleges

In his first annual report, the Ofsted Chief Inspector, Sir Michael Wilshaw says that the government needs to ‘shine a spotlight’ on the further education sector. This comes in the wake of the 261 learning and skills inspections involving 70 FE colleges, 63 adult and community learning providers and 128 independent learning providers which were carried out over the past year. Commenting on these inspection findings, Sir Michael says that ‘the further education sector is a real concern’ for him, and goes on to say that ‘the government has got to intervene much more effectively and do what’s necessary’. Criticisms of the sector contained in the Ofsted Annual Report include the following:

- The quality of provision in the learning and skills sector overall ‘is not improving’. In the case of general further education (GFE) colleges, ‘the overall picture of inspection results has worsened over the past year’
- 13 colleges were judged as being ‘inadequate’ in 2011/12, compared to 4 in the previous year. This was a ‘threefold increase’ in the number of colleges judged as ‘inadequate’
- The 261 providers that were inspected delivered courses to 866,460 learners. Of these, around 380,700 learners were with providers that were judged to be either ‘satisfactory’ or were found to be ‘inadequate’
- For the second year running, Ofsted did not judge a single GFE college to be ‘outstanding’ for teaching and learning, with ‘only 56% of providers being judged ‘good’ or ‘outstanding’ for teaching and learning’
- Apprenticeships ‘are not meeting their full potential’ and there has been ‘a relatively small rate of growth in the number of apprenticeships among under 19’s’
- Too much emphasis has been placed by colleges on ‘attracting young people to popular, often low-level, courses that were of little value to employers’
- Success rates in the teaching of functional literacy and numeracy skills, ‘fundamental to the needs of students and employers’, were too low
- Colleges focused ‘too much on expansion at the expense of improving the quality of provision’
- ‘Weak accountability, leadership and governance were common failings where there is poor provision, with self-assessment being considered inadequate in 14% of all learning and skills inspections’
- 35% of inspections ‘were brought forward because risk assessments indicated serious concerns’
- There was a ‘real danger that increased subcontracting by colleges would dilute quality in the learning and skills sector’

The Ofsted Annual Report seems to suggest that the schools sector is not a cause for concern, with Sir Michael saying that ‘schools were improving, with year-on-year rises in the proportion of those rated good or better’. He went on to add that ‘schools have seen their increased freedoms balanced by a strong accountability system and action on failure’ and that ‘the same should be true for colleges’.

Ofsted calls for ‘fundamental change’ in the way that FE is funded

The chair of Ofsted, Baroness Morgan of Huyton, (a previous aide to Tony Blair) has now waded in with her own criticisms of FE and has called for a radical overhaul of post-16 funding, saying that ‘colleges are failing to prepare students for the world of work adequately’ and that in future ‘colleges should be funded and rated according to whether their learners go on to get a job, rather than whether they simply obtain a qualification’. Her comments reflect those made earlier by Matthew Coffey, Ofsted's National Director of Learning and Skills, who has accused FE providers of concentrating on ‘the achievement of qualifications for unemployed people, rather than on getting them back into work’.

And finally….

The FE sector continues to be the subject of an enormous number of reviews and investigations and is then required to deal with the lengthy lists of recommendations that arise from them. Many of these reviews will have been originated by individuals and organisations that will have had very little personal experience of FE colleges, or of any of the 4 million, or so, students that use them every year. Whilst not objecting to reasonable levels of scrutiny, many in the college sector are getting just a bit fed up with all this external probing. Some have suggested that the sector should respond by turning the tables and beginning to commission its own reviews into whether organisations such as UKCES, the Skills Commission and LSIS are of any real or lasting use to anybody, whether they represent value for any public funding they receive and, of course, to see how they like being on the receiving end of reviews and recommendations for a change. Perhaps the sector might commission a special review of Ofsted, to examine the extent to which Ofsted inspections are an accurate and reliable method of assessing overall college effectiveness. The review could also investigate whether the current level of public expenditure on Ofsted (and its various private sector sub-contractors) is justified, and whether these resources would have more impact on quality improvement in FE if they were to be spent, for example, in reversing some of the recent cuts in student support, in providing more professional development opportunities for college staff, in improving the student learning environment, and in assisting the sector to further develop its own quality assurance systems.

Sir Michael Wilshaw turned down an invitation to speak at the recent AoC Conference. This may be more indicative of his frosty attitude towards FE colleges, than it is of his reluctance to face college leaders, but he chose instead to speak at the CBI Annual Conference, where by all accounts, he continued with his tirade against the sector. It is difficult for college leaders to know how to respond to this incessant criticism without appearing to whinge and to be unable to recognise when, and where, quality improvement in colleges is needed. College leaders are prepared to accept that not all FE provision is good and that this needs to be addressed, but they are perplexed by what appears to be unwillingness on the part of Ofsted to give sufficient recognition to the particularly severe socio-economic challenges that many FE students face and that colleges have to compensate for. Nor does Ofsted seem willing to acknowledge the considerable achievements of college staff on behalf of those people that the schools sector has so badly failed.

Some observers have suggested that Sir Michael's incessant portrayal of FE as a 'worrying sector' is actually part of a wider government agenda to privatise further education. Others have perhaps more cynically suggested that Ofsted has a vested interest in presenting FE as 'a cause for concern' because if the reverse was the case, there might not actually be any need for Ofsted. Whether there is any truth in these views or not, at the very least, it would be hardly surprising if colleges began reconsider their policies in respect of allowing staff the time off to perform the duties of part time Ofsted inspectors. Releasing college staff to help Ofsted beat up other colleges and produce reports that are potentially damaging to the whole sector, seems to me to be vaguely analogous to the Chinese government's practice of executing prisoners by firing squad and then charging the deceased prisoner's family for the cost of the bullet.

And really finally……

Looking on the bright side, the Christmas holidays are coming and hopefully you can get a break from all the stress and pressure that seems to characterise the FE sector these days. However, I would suggest that the Ofsted Annual Report should not be top of your Christmas reading list. It is just too depressing. Instead, I recommend that you read the latest novel by Booker Prize winner, Angus McCoatup called 'Looking through the knot hole in daddy's wooden leg'. The book is a gripping supernatural thriller set in Scotland over the Christmas period, and is about a dyslexic devil worshiper who mistakenly sells his soul to Santa. As for myself, I've been ambivalent about Christmas ever since my father lit a banger on the landing and told us kids that there would be no presents that year because Santa had just shot himself. Nevertheless, I would still like to wish all readers of the ***Click*** newsletter (and everyone else for that matter) a very Merry Christmas and a happy New Year.

Alan Birks – December 2012

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