

## **Sector Developments**

### **BIS consults on 'Outcome-based Success Measures in Adult Further Education'**

The Department for Business, Innovation and Skills (BIS) has published a consultation document entitled 'Outcomes-based Success Measures in Adult Further Education'. The document contains proposals that, if adopted, would fundamentally alter the way in which funding is allocated for post-19 provision. The document says, 'the government's vision for the FE sector is that colleges, and other providers, should become more responsive to the needs of learners and employers'. As evidence of this responsiveness, colleges will be required to prove that their courses are delivering:

- 'Skills that employers and businesses need and value'
- 'Skills that individuals need to gain employment, change employment, or progress in work'
- 'Skills that the nation needs and in which businesses and individuals will invest'
- 'Value for money for businesses, individuals and the state'

The government is proposing to use three outcomes-based criteria to measure responsiveness. These are:

- Learner Destinations into further learning, and into, or within, employment, (including Apprenticeships)
- Learner Progression to a higher level qualification
- The level of students' earnings following the completion of their learning

Commenting on the proposals, the new Minister for Skills and Equalities, Nick Boles said, 'For many years the measure of success in further education has been student achievement of qualifications'. He went on to say, 'Taken on its own, qualification achievement provides only a limited view of success and the real measure of value in vocational education and training should be whether learners make progress into, or within, employment or further learning'. If the proposals are implemented, colleges will need to become much better informed about the skills needs specific to their local and regional labour market. They will also need to become better at using this information to modify their course provision to meet any local or regional under or over-supply of skills. In addition, colleges will need to provide their students with better information about the jobs available in the local labour market, including how much various occupations pay, and the training and qualifications they need to help them obtain employment in these occupations.

### **Further cuts in the number of vocational qualifications eligible for public funding**

Earlier this year, the Skills Funding Agency (SFA) announced that 1,477 Qualification and Credit Framework (QCF) Level 2 to Level 4 qualifications would cease to be eligible for public funding in 2014/15. The SFA has now announced that, pending consultation, a further 174 vocational qualifications at Level 2 will also cease to be eligible for public funding. The SFA says that the government's intention is that, in the future, 'only those qualifications that support meaningful outcomes in terms of enabling entry to an apprenticeship or other work, progression through work, or progression to the next level of learning' will be funded. However, the government seems to be somewhat more relaxed about the extent to which certain GCE A Levels prepare people for 'entry to an apprenticeship or other work, progression through work, or progression to the next level of learning', leading to accusations of unfairness of treatment between those students opting to study vocational subjects, compared with those opting to study academic subjects.

### **Some of our records are missing**

The June Statistical First Release showed there were around 7,400 traineeship starts from August 2013 to April 2014. However, it appears that the SFA has omitted to ask Traineeship providers to keep a record of whether their trainee moved into a job or apprenticeship at the end of their programme, or not. An SFA spokesperson admitted that there is no learner destination data available in respect of Traineeships, but gave assurances that from the start of the 2014/15 year 'traineeship providers *will* be required to record outcomes such as progression into work, as part of their ILR returns', going on to say that, from 2015/16, 'provider funding will be dependent on trainees progressing into employment or further training'.

A spokesperson for Ofsted also said that the drop out rate for Traineeships was 'too high' but neither the SFA nor Ofsted were able to provide any data on this. Meanwhile, a recent report from the National Audit Office (NAO) revealed that, as of June, just 200 out of 459 eligible training providers who said they would deliver traineeships this year had actually recorded any starts.

### **More problems with SFA software**

Colleges and other providers were required to submit their first Individualised Learner Record (ILR) returns of 2014/15 by 4 September, but despite the millions of pounds spent on new IT systems, many providers found that it was impossible to use the new SFA hub software. The SFA said that this was due to 'technical issues'. It seems that software 'technical issues' at the start of the academic year have become a fairly regular occurrence and college information systems staff are now questioning why the R01 return is still needed at all. Based on an earlier Information Authority consultation, virtually all providers who responded said that the R01 should be 'got rid of' and replaced with an 'on profile' payment instead (which in reality appears to be actual practice). Commenting on the latest software difficulties, an SFA spokesperson appeared to agree with this, saying, 'We recognise that some providers have experienced technical issues submitting data and for these providers, we will make a profile payment as per normal practice'.

### **Government funding reforms could cause further falls in the number of 16-18 apprenticeships**

The government currently pays the full cost of training 16-18 year old apprentices, but has announced that, in England, with effect from 2016, employers will be expected to contribute around one third towards their apprentices' training costs. (This excludes the costs of English and mathematics provision, the costs of which will continue to be met in full). The government also plans to cap the maximum level of funding paid for each apprentice and introduce a new 'payment by results' funding element. The proposals have been published in a technical consultation document, the results of which are due to be announced in the autumn.

In the meantime, the government is using the employer-designed 'trail blazer' apprenticeships starting this September to trial the new proposals. However, a recent report from the NAO makes reference to the falling number of 16-18 apprenticeship starts (e.g. from 129,900 in 2011/12 to 114,500 in 2012/13) and warns that the proposals could result in further reductions in the apprenticeship participation rate for the age group, particularly if the 'risks associated with the proposals are not carefully managed'. In the report, the NAO points out that 'employers do not have to take on apprentices, and there is a risk that fewer may do so if they have to meet more of the training costs themselves or perceive the process to be a burden'. Defending the proposals, a BIS spokesperson said that it would still be possible 'for employers to earn back some or all the money they contributed in the form of a one-off payment of between £600 and £5,400 for every 16-18 year old recruited'. The spokesperson went on to say that there would also be 'a payment of between £500 and £2,700 for those apprentices, regardless of age, who complete their training' and that 'an extra incentive payment of up to £2,700 could be made available to businesses with fewer than 50 employees'. Meanwhile, a Public Accounts Committee (PAC) inquiry into the participation of 16-18 year olds in education and training in England is due to begin on 3 November, and the House of Commons Education Select Committee is scheduled to examine apprenticeships and traineeships (again) later this autumn.

### **Nick Boles opens an FE College**

The independent learning provider formerly known as 'Prospects Learning Foundation', has now been incorporated as an FE college and wishes henceforth be known as 'Prospects College of Advanced Technology' (or PROCAT for short). A spokesperson for the college says that it will provide courses for over 2,000 students and apprentices. Speaking at the opening ceremony (at which he officiated), Nick Boles said 'I am delighted that the first college visit I am making as Skills Minister is PROCAT'.

### **Ofsted publishes its Annual Report**

In its Annual Report on Further Education and Skills in England, Ofsted returns to what appears to be its favourite pastime of college bashing, and says that 'too many learners are not progressing from their prior attainment to a higher level of study to meet educational and career aspirations'. The report goes on to say that this will result in an 'inevitable fall into them becoming NEET' (not in education, employment or training) and that 'it is simply not enough to keep teenagers in education until 18 if they then fail to leave with decent qualifications and experience'. The report goes on to say that:

- Too many education providers are not ensuring their programmes meet the needs of learners
- Too much teaching of English and mathematics is not good enough
- Too few students progress to an apprenticeship, employment or higher levels of learning
- Too much careers guidance is weak, not giving teenagers a clear idea of the paths available to them.

Recommendations made in the report include the following:

- The government should ensure there is a reliable system for tracking young people as they move between different types of education and training.
- Local councils should be given powers to make sure they are given full information by schools, academies and colleges on youngsters who drop out of their studies.
- Providers and employers should work together to ensure that the education and training of young people leads to secure employment.

By way of elaboration, Ofsted Chief Inspector Sir Michael Wilshaw said 'The principle behind new rules requiring young people to stay in education and training is undoubtedly a good one'. However, he warned that 'The gap between the good intentions of government policy in relation to this age group and the reality of what is happening on the ground is worryingly wide'. Sir Michael went on to claim that 'Many employers complain that far too many young people looking for work have not been taught the skills, attitudes and behaviour they need to be successful'.

As an aside, Sir Michael has also said that many young people had 'a sloppy attitude to punctuality' and were 'far too relaxed in terms of meeting deadlines'. Apparently building up a head of steam on the matter, he went further and said that 'far too many young people were lackadaisical in the way they present themselves for work' and warned that 'If they dress inappropriately, speak inappropriately and have poor social skills, they are not going to get a job'.

### **Ofsted publishes a report on Study Programmes**

Colleges and other providers in England are now funded for the whole of a student's full time study programme (e.g. vocational qualifications plus English and mathematics plus work experience), rather than for the individual qualifications a student takes. Ofsted has now published a report entitled 'Transforming 16 to 19 Education and Training: the early implementation of 16 to 19 Study Programmes'. As the title suggests, the report contains the findings of a survey undertaken during the first six months after the introduction of the new Study Programmes. These include the following:

- Too many providers were 'not yet offering a curriculum which met the pre-requirements of Study Programmes'.
- Too many providers seemed to be 'unaware of the requirements' of Study Programmes, and the implications for organising sixth form provision. Implementation of the required change was 'too slow'.
- The introduction of Study Programmes had led to disappointingly little change to Level 3 programmes.
- Too many learners were not progressing to a higher level of study to meet their educational potential or career aspiration, particularly those on Level 1 and Level 2 programmes.
- Work experience was not being used effectively.

As a result, Ofsted says that Study Programmes will, in future, become 'central to future inspections' and warns that 'providers can expect to see their overall inspection grades fall if inspectors judge that they have not made enough progress in altering their curriculum to meet the government's requirements'. The report goes on to make a number of recommendations, which include:

- Local Authorities should 'be given extra powers in respect of data collection'. (Currently, they have a duty to record data on the status of young people, but do not have the legal power to demand the information from providers).
- Local authorities 'should work with providers to ensure that there is up-to-date mapping of 16-19 provision across the full range of study programmes'. Data collected should include retention, achievement of core aims and student destinations on programme completion. This data should be made available to all the relevant stakeholders.
- Senior leaders in schools and colleges 'should be held more closely to account by those responsible for governance for fully meeting the requirements of Study Programmes'.

### **Ofsted publishes some statistics**

Against this, Ofsted has published statistics showing that of those providers inspected in the period between September 2013 and June 2014 that had previously received a 'requires improvement' (Grade 3) judgment, 70% achieved an improvement in their overall inspection grade. This compares to the 49% improvement rate recorded over the period September 2012 to August 2013. Over the same period, the

proportion of FE providers rated 'good' or 'outstanding' rose from 72% to 81%, and the number of inspections triggered by Ofsted's risk assessment process, fell to 17% compared with 26% over the same period. Perhaps initially fazed by these improvements, Ofsted has quickly been able to revert back to its normal finger wagging stance by pointing out that of the 28 general FE colleges inspected between April and June 2014, none was rated outstanding, only 15 were judged a 'good' and one was judged as 'inadequate'. Commenting on this, a senior Ofsted spokesperson is alleged to have said 'Yah! So there!'

### **Ofsted to conduct a number of unannounced school inspections across England**

At present, schools are told they are to be inspected in the afternoon before Ofsted inspectors arrive. However, in the wake of the Trojan horse affair in Birmingham, Sir Michael Wilshaw has announced that, using his existing powers, around 40 unannounced two-day inspections will be conducted across England. One of the aims of this is to ascertain whether unannounced visits will be a feasible basis for inspections generally. Sir Michael is also calling on Ofsted's Regional Directors to carry out no-notice inspections if there are particular concerns about rapid falls in standards, worries about safeguarding, the governance of schools or a lack of balance in the curriculum. The National Union of Teachers (NUT) says it opposes the introduction of a system of routine no-notice school inspections, warning of practical difficulties, such as the head teacher being away that day or pupils being out on school trips. Observers in the FE sector suspect that no-notice inspections of colleges may not be too far behind.

### **Education Commissioner for Birmingham appointed**

Meanwhile, as part of the government's own response to the Trojan horse incident, the new Minister for Education, Nicky Morgan, has appointed Sir Michael Tomlinson as the Education Commissioner for Birmingham. He will examine such things as the City Council's effectiveness in exercising its statutory responsibilities for education standards and governance matters in LEA maintained schools. The Commissioner will report his findings directly to Ms Morgan.

### **Most students without good GCSEs in English and mathematics at age 16 fail to get them by age 18**

From this month (September), young people are required to remain in education or training until the age of 17, rising to 18 in 2016. Those without grades A\*-C in English and mathematics are required to continue to study these subjects until they achieve these 'good' grades, or until they reach the age of 18 (whichever comes soonest). In 2011 in England, 188,365 students did *not* achieve A\* to C in English, and 211,171 did *not* achieve a grade A\*-C in mathematics, at age 16. Government researchers have tracked the progress of these students and their findings reveal that just over 50% of them continued to study the subjects post-16'. However, of these, only 6.5% achieved a grade A\*-C in English, and 7% achieved a grade A\*-C in mathematics, by the time they had reached the age of 18. Reacting somewhat angrily to the research findings, Schools Minister David Laws said 'too many young people had been allowed to give up'.

### **GCSE reforms**

Ofqual have released details of the numeric grading system for the new 'tougher' GCSEs in England. The first of these will be in English and mathematics and will be introduced in September 2015, with other subjects to follow in subsequent years. The new GCSEs will be graded from 1 to 9, and presumably just to confuse matters, 9 will be the highest grade. Explaining the new grading system, Ofqual says that:

- Around the same proportion of students will achieve a Grade 4 and above, as currently achieve a Grade C and above.
- Around the same proportion of students will achieve a Grade 7 and above, as currently achieve a Grade A and above.
- The bottom of Grade 1 will be aligned with the current bottom of Grade G.
- The new Grade 5 will be positioned between the top third of the marks for a current Grade C and bottom third of the marks for a current Grade B.
- The new C level pass benchmark has not yet been decided, but is likely to be set at grade 5.
- Candidates who achieve a Grade 7 or above (expected to be around 20%) will achieve a Grade 9.
- Only 3% of the total students in any given year are expected to achieve Grade 9.

The Education Departments of the devolved governments of Wales and Northern Ireland say that they want nothing to do with the new system of grading, nor do they intend to abandon modular assessment in favour of end of course examinations. Scotland has always had its own arrangements for post-16 assessment and

accreditation. Meanwhile, Ofqual says that the new GCSE Grade 5 in England will also be used as an 'international performance comparator', but some observers argue that it is difficult to see how any meaningful comparison can be made with other GCSEs in the UK, let alone with international equivalents.

### **ETF allocates contracts worth in excess of £23 million**

The Education and Training Foundation (ETF), which is funded by BIS with funds top sliced from the general FE and Skills budget, has since its inception last year, allocated a total of £23,364,323 to 77 different organisations. These organisations include professional bodies, charities, trades unions, universities and private trainers. The three organisations allocated the largest ETF contracts (collectively worth around £9 million) are Tribal Education, the Association of Colleges (AoC) and the Association of Employment and Learning Providers (AELP). Interestingly, the AoC, the AELP and the Association of Adult Education and Training Organisations (referred to as Hoxex) also own the ETF. The largest single contract (worth £2,930,000) was awarded to Tribal for the mathematics teacher recruitment scheme.

### **Institute for Learning (IfL) staff face redundancy**

The IfL is set to close next month (October) since it does not have sufficient cash to keep going. The cash shortage was caused by the exodus of people who withdrew their membership in the face of substantial increases in the level membership fees, made necessary in turn by the withdrawal of government funding. Staff currently employed by the IfL have been told that they are likely to lose their jobs following the closure. The IfL intends to transfer its legacy, assets and membership to the ETF through a deed of gift. Because of this, it seems that technically, the ETF is not deemed to be taking over the IfL, meaning that the 15 IfL staff affected will not be able to take advantage of Transfer of Undertakings and Employment (TUPE) legislation. The ETF has declined to comment on the potential IfL job losses.

### **Some mathematics teachers do not hold high enough qualifications in the subject**

A study commissioned by the ETF based on a survey of 470 mathematics teachers in FE colleges found that 12% had no qualification higher than a GCSE themselves. A further 9% had achieved only a functional or adult basic skills Level 2 qualification. The study also found that 50% of the staff surveyed 'lacked confidence' in teaching mathematics. The study concludes that 'in some instances teachers may lack adequate qualifications with respect to the level they teach'. The study findings come in the wake of increasing concerns about the low level of mathematics attainment amongst FE students, and are of particular significance because students on post-16 courses who have not achieved at least a grade C in either English or mathematics must continue working towards these qualifications until they do.

### **Mathematics Hubs**

32 new Mathematics Hubs will become operational this month (September). The Hubs have been given the task of helping to improve the quality of mathematics education in England for pupils and students from early years to age 19. One of the priorities for the Hubs is to increase the numbers of students studying mathematics post-16, particularly at GCE A Level. A key focus for the Hubs will be the reformed GCE A Levels in Mathematics, Further Mathematics and the proposed new Core Mathematics qualifications.

### **FE colleges under 'notice of financial concern' are excluded from training schemes**

BIS is making £30 million available over the next two years to improve the quality and quantity of teaching in FE. Of this, BIS has made an initial commitment of £1.5 million to fund training for FE lecturers to teach mathematics at GCSE level and above. However the scheme has become the subject of criticism after it was announced that, despite increasing numbers of students enrolling without a mathematics GCSE at grade C or above across all colleges, those that are under 'notices of financial concern' (about 10% of all FE colleges) will not be eligible to apply for a share of the funds. Those *not* under a 'notice of financial concern' can apply for this financial support until 31 July 2015.

### **FETL Fellowships announced**

The Further Education Trust for Leadership (FETL) is the new FE leadership 'think tank' set up by Dame Ruth Silver using £5.5 million of residual funding from the now defunct Learning and Skills Improvement Service (LSIS). FETL (not to be confused with FELTAG) has launched its first major initiative in the form of 'fellowships'. The fellowships attract funding worth up to £50,000 to cover the cost to colleges and other providers of managers taking time off from their duties in order to research and report on leadership issues. Candidates chosen for fellowships will work with a FETL sponsored university chair in FE leadership at the

University of London Institute of Education. Successful applicants will have access to the university library, but regular attendance in London will not be required as research can be done from home. Applications for FETL fellowships must be submitted by 10 October to Mark Ravenhall, who was recently appointed as the FETL chief executive. Mr Ravenhall said 'Fellowships are open to anyone involved in leadership with an interest in the sector'. He went on to explain that applicants would 'be able to talk through their ideas with me, and then write a letter explaining what excited them about it, and how they plan to pursue it'. In giving guidance to applicants, Mr Ravenhall said 'We are less interested, for example, in research on the introduction of advanced learning loans than the thinking on how leaders will have to respond to an environment where learning is financed rather than funded', adding 'Are we playing by different rules now?' Dame Ruth, FETL's honorary president, said that the FETL Fellowships would 'give space to highly-pressured colleagues to clear their heads and have time to think new thoughts with the supportive resourcefulness of others'. One prospective applicant says he intends to submit a research project entitled 'A study of the impact on leadership thinking that would be derived from using the residual £5.5 million of LSIS funding to help alleviate the effect of some of the massive cuts to mainstream FE college budgets'.

### **The Skills Commission publishes an interim report**

The Skills Commission (not to be confused with the UK Commission for Employment and Skills) was initially established by LSIS (not to be confused with ISIS), and now operates with support from the Edge Foundation. The Skills Commission is an 'independent body comprising of leading figures from the education sector'. It holds monthly meetings in the House of Commons, commissions research, makes recommendations for 'skills policy reform', and is co-chaired by Dame Ruth Silver and Barry Sheerman MP. The interim findings of the Commission's latest report, entitled 'Skills and the Changing Structure of Work', has identified 'a lack of joined-up working between BIS, the DfE, the Department for Work and Pensions (DWP) and Her Majesty's Revenue and Customs (HMRC)', and names this as one of four barriers to establishing a 'successful skills policy'. This view echoes that of the National Institute of Adult Continuing Education (NIACE), which has called for a combined government Department for Education, Skills and Work. The three other barriers listed in the Skills Commission 4-page interim report are:

- 'Uncertainty around responsibility for training in an increasingly flexible labour market'.
- 'Declining social mobility owing to a reduction in the alignment of skills provision to work'.
- 'Fragmentation in the system, making it difficult for employers to engage'.

The commission's final report is due out at the end of October.

### **The NCC publishes another report**

15 months after publishing its report entitled 'An Aspirational Nation: Creating a culture change in careers provision' was published, the National Careers Council (NCC) has published another report entitled 'Taking action: Achieving a culture change in careers provision'. The latest report says that the NCC has been 'disappointed with the slow progress' made by the National Careers Service (NCS) in improving careers services for young people. It also highlights 'a lack of consistency and availability' in the provision of careers advice depending on where people live'. For example, in one region there are 134 careers advisory services, and in another there is only one. The NCC warns that as a result of this, 'too many young people do not get the advice they need about work'. The report also draws attention to the fact that although the National Careers Service (NCS) provides over a million face-to-face advice sessions for adults each year, there is no such provision for individual advice for young people. Instead young people are offered phone advice lines and online information, leading to concerns that the NCS has been structured to focus mainly on the needs of adults. Recommendations made in the report include the following:

- Setting up an 'employer-led advisory body to supervise the creation of a better careers advice system'.
- Giving all schools 'free or subsidised access to independent and impartial career development'.
- Setting up a fund 'to invest in successful models of careers advice so that they can be spread more widely in other schools and regions'.

The NCC report is the latest of a series of reports that have been critical of the declining quality of careers provision in England. As a result, serious concerns are now being expressed about the government's earlier decision to transfer responsibility for careers advice to individual schools. The chair of the House of Commons Education Select Committee said that 'careers services were showing a worrying deterioration' and Labour's shadow education secretary, Tristram Hunt said 'There is surely no other policy agenda

where the government has so miserably failed our young people'. Meanwhile, Skills Minister Nick Boles said 'We welcome the NCC's report, which forms a valuable part of the debate on the way young people and adults receive the careers guidance they need'.

### **Basic skills support 'is not getting where it is needed'**

A BIS Select Committee report says that 'an alarmingly high proportion of adults in England lack a basic grasp of reading, writing and mathematics'. The report goes on to say 'Problems with reading, writing and mathematics have a huge impact on people's daily lives, including getting and keeping a job, understanding bills, forms and documents, and guiding children through education'. The report also accuses successive governments of failing to address the problem adequately. The report argues that while the government has pledged free training and tuition for any adult who wants to study English and mathematics up to GCSE level, 'those with the most limited skills were not always aware that support is available'. The report warns that 'achieving GCSE should not necessarily be the gold standard as sometimes less linear learning schemes can be more effective for adults'. The Select Committee also voiced concern that public funding for some adult learning schemes, such as the TUC's UnionLearn, has been cut, 'despite their record of achieving results at a fraction of the cost of full-time education'. Some observers argue that a 35% cut in the FE adult skills budget will probably not have helped matters all that much either. Members of the Select Committee have now called for 'greater co-operation across government departments', a review of basic skills funding and for 'a new high profile advertising campaign to publicise the training already available'. Responding to the report Nick Boles said 'I welcome this timely and thorough investigation into adult literacy and numeracy, and will carefully consider its conclusions'.

### **Education, Health and Care (EHC) plans replace Special Educational Needs (SEN) statements**

The Children and Families Act became law this month (September) and established a new legislative framework for children and young people aged 0-25 with special educational needs and disabilities (SEND). Previously, the parents of a child with special educational needs had to ask the local education authority to complete an assessment. The most severe cases received a 'Special Needs Statement'. This was a formal document outlining the child's learning difficulties and the support to be given. The new system incorporates health and care needs alongside educational ones, with an individual worker and single budget for each family. Councils must now publish a 'local offer' outlining the support available to all children and young people with disabilities and their families. In addition, there is a new legal right that allows those with an EHC plan to opt to attend an academy, free school or further education college. Mainstream or special schools were the only previous options. FE and sixth form colleges will therefore have new statutory duties under the act. These include the following:

- They must use their best endeavours to secure the special educational provision that the young person needs. This duty applies to all young people with SEN up to age 25. Its purpose is to ensure that mainstream providers give the right support to their students with SEN.
- They will have a duty to admit students if their institution is named in an EHC plan.
- They will be under a duty to co-operate with the local authority to identify and meet the needs of young people with SEN. This is a reciprocal duty, meaning that the local authority must also cooperate with colleges to ensure young people's needs are met.
- They must 'have regard to' the new SEND Code of Practice.

The Education Funding Agency (EFA) is moving ahead with high need allocations to colleges for 2015/16. Allocations will be based on places allocated in 2014/15. The EFA also intends to roll forward this year's allocations to 2015/16. This is because the data currently available is either not robust enough or available sufficiently early to do anything different to this. However there is an opportunity for colleges to make a case for an extra high needs allocation, which needs to be submitted to the EFA by 17 October.

### **Academy controls are 'too weak'**

A report carried out by the University of London's Institute of Education on behalf the House of Commons Education Select Committee says that 'checks and balances on how Academies in England spend large amounts of public money are too weak', and as a result of this, 'questionable practices were being signed off'. The report also said that 'while regulation had improved since 2010, problems were still occurring' and that researchers had found 'a significant number of real or potential conflicts of interest that were concerning'. Examples of this included an academy head teacher who had spent £50,000 on a one-day

training course run by a friend, and the chair of a multi-academy trust who was a lawyer specialising in education, and whose firm sold legal services to the chain. The report concluded that 'the checks and balances on academy trusts in relation to conflicts of interest are still too weak'. Responding to the report, a DfE spokesperson said 'All academies are subject to a strict oversight and regulatory regime which has been further tightened since 2010'. The spokesperson went on to say, 'We have made clear to all academies the consequences of breaching those rules and will not hesitate to take action where we think that has happened'.

### **University Technical Colleges (UTCs) are 'half empty'**

The first UTCs (described by more cynical observers as 'being neither universities, colleges nor particularly technical') were established in 2012. All three main Westminster parties are very supportive of UTCs with the Chancellor of the Exchequer, George Osborne describing them as being 'a key part of the government's long-term economic plan', and Shadow Education Minister Tristram Hunt calling for 'considerable growth' in their number. However, in 2012/13, UTCs were operating at an average of 55% capacity, and by 2013/14 this had fallen to an average of just 30%. The 17 UTCs operating in 2013/14 were, between them, able to offer a total of around 9,500 places, but fewer than 3,000 of these places were filled. All UTCs were undersubscribed, with the highest recruiting UTC operating at 81% capacity, the next highest operating at 50% capacity and the lowest operating at less than 12% capacity. Despite this, a further 13 UTCs opened earlier this month (September), and there are plans for another 30 UTCs to be established by 2016. A DfE spokesperson has defended the poor levels of recruitment at UTCs saying that they were 'not expected to reach their capacity for a number of years'. In any event, the level under recruitment is unlikely to have been the cause of excessive alarm to the governors and managers of the UTCs since, in recognition of the 'set-up costs', the UTCs tend to be funded on the basis that they are operating at full capacity. With reference to the overall effectiveness of UTCs, of the five inspections carried out by Ofsted thus far, one UTC was judged to be 'inadequate', two were judged as 'requires improvement', while the fourth and fifth were graded as 'good'.

Given the huge cuts the government has imposed on colleges, suspicions have been raised that the funding for increasing the number of UTCs could have been found at the expense of the FE budget

### **Class sizes 'could be increased without damaging standards'**

A recent international study carried out by the Organisation for Economic Cooperation and Development (OECD) has produced an 'efficiency index', which compares how 30 developed countries allocated spending on education, compared to how well they performed in the recent international Programme for International Student Assessment (PISA) tests. The study focused on teaching budgets, which researchers say accounts for 80% of spending on education, and concluded that smaller class sizes or the level of teachers' pay are not necessarily linked to better results. The study goes on to say that 'While spending per student in the industrialised world increased by more than 30% over the last decade, learning outcomes in most countries have remained flat' and that this 'has raised questions for policymakers about how education spending should be prioritised'. In the light of this, and based on what happens in the highest performing countries, researchers suggest that class sizes could be increased without damaging results.

The UK, which is examined in the study as a single country rather than four devolved education systems, ranked in 11th place out of the 30 countries taking part in the study. Finland and South Korea were in the top places for getting the most value from their education budgets. Finland, rated as the most efficient, does not have particularly high pay for teachers, but it has very high results. South Korea is one of the world's highest performers in school tests, but it has relatively large class sizes. Brazil, Indonesia and Switzerland were placed at the bottom of the table. The report acknowledges that there are local cultural factors. For example, Finland might not have the highest pay for teachers, but the profession has a very high social status in that country. Switzerland has very high levels of spending on education but achieves high results, which may be seen by the Swiss as more important political objective than 'efficiency'.

### **Conservatives will increase the number of apprenticeships by 1 million in the next Parliament**

Speaking at the Conservative Party Conference in Birmingham, Prime Minister David Cameron announced plans to withdraw housing benefit from unemployed claimants aged 18-21, and to also withdraw their Job Seeker's Allowance (JSA) if they fail find work after 6 months. Mr Cameron said that leaving school, leaving home, and claiming benefits, should no longer be an option for young people. This will apparently not apply to unemployed 18-21 year olds with children. Some estimates say that this could be as high as 40% of the

cohort and has led to a suggestion that the proposed policy even provide a perverse incentive for those affected to have unwanted children. Mr Cameron says that the money saved from withdrawing benefits from unemployed 18-21 year olds will be used to fund 1 million additional apprenticeships. Some observers argue that, given the falling number of apprenticeship starts in this age range, increasing the apprenticeship take-up by an extra million could prove to be challenging.

Iain Duncan Smith, the Minister for Work and Pensions went on to announce plans for JobCentre staff to work with 15 year olds in schools, saying that the aim was to provide 15-21 year olds with a 'single package of help' to prevent them falling into long-term unemployment. Mr Smith also announced plans to require 18-21 year olds who have been out work for 6 months to undertake an apprenticeship or traineeship, or to become involved in community work (in return for which they would be paid an allowance).

### **Tristram Hunt outlines Labour policy on FE**

In a speech at the recent Labour party conference, Shadow Education Secretary Tristram Hunt described technical education as the 'Tories' greatest failure'. He went on to say that Labour would 'ensure that further education colleges focused on training for local jobs', and that they delivered proper apprenticeships lasting two years'. He also said that colleges would be expected to deliver a Technical Baccalaureate and 'other respected qualifications', provide careers advice, and 'develop technical degrees so young people can earn and learn'. Mr Hunt said that the title of 'Institute of Technical Education' would be conferred on those colleges that could 'demonstrate strong performance in specialist vocational education', had 'strong links with local employers', delivered 'high quality English and mathematics provision' and met other criteria based on advice from the UK Commission for Employment and Skills (UKCES). Mr Hunt also said that colleges would need to be 'licensed' to deliver TechBaccs and off-the job elements of apprenticeships, adding that under a Labour government *all* apprenticeships would be at Level 3 and went on to say that Labour would 'not proceed with the government's reckless decision to abolish AS-levels in their current form'. He also had some criticisms for FE colleges, saying that they 'needed to become better informed about their local labour markets and should ensure that 'all vocational teachers spend time in industry refreshing their skills'. In addition Mr Hunt referred to 'falling Ofsted grades', the 'poor quality of some providers', 'insufficient employer links', and the failure of colleges 'to get those who had not already got GCSE mathematics and English to achieve it by age 18'. When questioned, he refused to commit to reinstating the 17.5% cut in funding for 18 year olds in full time education.

### **Labour proposes new 'technical universities'.**

Shadow universities minister, Liam Byrne, has called for the establishment of 'technical universities' that would work in partnership with local industry, would support local enterprise zones and would provide local technical 'research hubs'. His proposals are set out in a pamphlet for the Social Market Foundation, in which he also called for a 'variety of ladders into higher education, moving beyond three-year academic degrees' and, whilst avoiding the controversial issue of HE tuition fees, Mr Byrne called for the introduction of an HE 'student premium' similar to that in schools, that would provide a financial incentive for universities to recruit students from disadvantaged backgrounds. Those of you who are old enough to remember them will know that there once were local HE institutions that focused on advanced technical and vocational education, designed, developed and often delivered in partnership with local employers called 'Colleges of Advanced Technology' (CATs) which later became known as 'Polytechnics'. In 1988, the polytechnics were re-designated as universities, and with the increased competition for students, many gradually lost their 'localism' and much of the technical and vocational focus that they had had when they were polytechnics.

### **Uncertainty about how the increase in HE student numbers in England will be funded**

A report by the Higher Education Policy Institute (HEPI) think tank says the lifting of the cap on HE places in England and the subsequent large increase in student numbers could result in adverse unforeseen consequences. The report says 'one critical outstanding question is how the policy is to be paid for' and goes on to predict that 'after 3 years without student number controls, there will be an extra £720 million needed for loans and grants along with additional teaching costs and the costs of additional loan write-offs'. The option of raising additional funds by selling the student loan book to the private sector has been ruled out by BIS Secretary Vince Cable, and the HEPI report says that this raises concerns that the existing higher education budget may be stretched more thinly, putting pressure on spending per student. The report also says that the expansion in student HE student numbers may not necessarily take place in traditional universities, and that much of the growth might be in private HE providers of dubious quality. In

addition, the report suggests that a significant amount of the expansion may be taken up by increased recruitment of non-UK EU students, all of which may result in a 'substantial decline in the amount of funding available for each student's education'. The report concludes that 'it is hard to square current forecasts on the future number of students with the expected cuts to public expenditure'. Responding to the report a BIS spokesperson insisted that 'These crucial reforms, which have removed the cap on aspiration, have been specifically funded in the Chancellor's last autumn statement'.

### **OECD report says that the UK is on its way to having a 'graduate workforce'**

The OECD's annual 'Education at a Glance' report says that, in the UK, the 'balance has shifted towards a graduate workforce' and reveals that 41% of working-age people hold a degree-level qualification. The increase has apparently been driven by rising numbers of young people participating in HE, particularly women. The report also shows that the UK now has the highest proportion of adults with graduate-level qualifications in the EU and is only surpassed by a handful of countries internationally. However, the report also warned that 22% of the UK working age population has a basic skills need and that there had been no reduction in this percentage since the last OECD survey. The report surprisingly goes on to say that despite the financial crisis, UK spending on education as a proportion of GDP has increased more rapidly over the last decade than in any other OECD country. This will probably have give no comfort to an English FE sector struggling to cope with huge spending cuts imposed by the UK government, and it is perhaps hardly surprising that FE colleges are beginning to question whether the hefty subscriptions and membership fees paid to those associations and organisations whose function is to represent and defend their interests, still represents good value for money.

### **BIS plans to introduce Sharia-compliant HE student loans**

The need to take out a loan to cover the cost of university tuition fees in England has led to concerns being raised that paying back student loan with interest would be incompatible with Islamic religious beliefs, since interest is regarded as 'usury', which is forbidden, in the Muslim faith. However, an increase in HE fees of up to £9,000 per year has meant that many Muslim families have been unable to afford to fund their children's university fees from their own resources and, as a result, their children may have been prevented from going to university. In response to these concerns BIS has conducted consultation with Muslim groups, the response to which has confirmed that charging of interest on student loans had resulted in many Muslims being prevented from participating in HE. In response to these concerns, BIS has worked with Islamic financial experts in developing Sharia-compliant interest free loans for Muslim students. The new loans will be based on '*Takaful*', which is a form of Sharia-compliant insurance. The concept of insurance is theoretically unacceptable in Islam, because seeking to mitigate the effects of unforeseen loss or damage is regarded as being tantamount to seeking to avoid the will of Allah. However, '*Takaful*' involves Muslims making a voluntary charitable contribution to a 'pool' of funds from which those who contribute and who subsequently suffer loss or damage can receive help. Similarly, a Muslim taking out a Sharia-compliant student loan will make a voluntary charitable donation to a 'pool' of funds equivalent to the interest element of the loan. Donations paid into the 'pool' will be made available for future loans to Muslim students. BIS says that students taking out the new loans will pay back exactly the same amount as those who use the traditional loans scheme.

### **Nicola Sturgeon says students from the rest of the UK will continue to be required to pay fees**

The deputy leader of the Scottish National Party (SNP) says her party will 'always protect free university education for Scottish students'. Free tuition in Scottish universities is also made available to students from elsewhere in the European Union other than from rest of the UK, who are required to pay fees of £9,000 per year. Students from Wales and Northern Ireland will receive a grant of around £6,000 from their devolved national governments to help mitigate the cost of this, but students from England will receive no financial support other than through a loan (perhaps because there *is no* government for England). Ms Sturgeon says that the current policy is necessary to prevent students from England and elsewhere in the UK from 'depriving Scottish students of places at universities in Scotland'. Critics argue that the policy is incompatible with EU law, however Ms Sturgeon said that, if legally challenged, the Scottish government would raise an 'objective justification' with the EU and was confident that the EU would rule in favour of allowing Scotland to continue with its current discriminatory charging policy.

## **Unemployment falls again**

The latest figures for the quarter ending July 2014 period show that unemployment in the UK now stands at 2.02 million (6.2%). This is 146,000 fewer than the previous quarter and is down 468,000 on the same period in 2013. It is the largest annual fall in unemployment since 1988 and the lowest unemployment rate since late 2008. Within the total unemployment figures for the quarter, there were 747,000 unemployed 16-24 year olds. This includes 258,000 full-time students who are looking for part-time work. The unemployment rate for young people now stands at 16.6%, down 1.9% on the previous quarter, and down 4.4% on the same period last year. However, the unemployment rate amongst young people is still higher than the pre-financial crash rate of 13.8%

## **New Skills Academy for the Games and Animation Industry**

The games, animation and creative sectors are estimated to be worth at least £71 billion a year to the UK economy and, speaking at the EGX Games show at Earls Court, Ed Vaizey, Minister for Culture and the Digital Economy, announced the creation of the 'Gen Skills Academy', which he said would provide 'cutting edge training' to enable the industry's continued growth. He described the creative sector as 'a powerhouse within the UK economy' but said employers often found it hard to recruit staff who were up-to-speed with the latest technologies. Some of the UK's leading visual effects, animation and games employers have pledged money and resources worth £3.6 million over three years towards the project, with government funding bringing the total to £6.5 million. From next year, the academy will design and deliver a range of new courses in games and animation up to degree level. The courses will be delivered through a network of further education colleges, headed by Amersham and Wycombe College.

## **College's battle for a VAT refund continues**

Brockenhurst College was awarded a refund of around £55,000 from Her Majesty's Revenue and Customs (HMRC) after a court ruled that the supplies for its on-site training restaurant were integral to educating students, and so should have been exempt from VAT. HMRC appealed against the ruling, but lost. HMRC lawyers are now taking the case to the Court of Appeal. However if the college wins the case, it means that the other colleges in England operating training restaurants (and other training enterprises such as hair salons, spas and theatres), will be eligible for VAT refunds that could total tens of millions of pounds. Of course, if the college had been an Academy or a Free School the dispute would not have arisen, since consumables purchased for sixth form provision in the schools sector is VAT exempt.

## **And finally...**

Two catering lecturers were discussing the rising price of the food they had to buy for use by their students in the college training restaurant, and the problems that this was causing them in trying to manage their budgets. One of the lecturers said that he had been to the meat market that very morning and had paid £40 for eight legs of venison. He asked the other lecturer if this was a reasonable price. 'No', said the other lecturer said 'I think it might be too dear'.

## **Alan Birks – September 2014**

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