

## **Sector Developments**

### **Ofsted to introduce single CIF for inspecting nurseries, schools and colleges in England**

Following an eight-week consultation period, Ofsted has announced that with effect from September 2015, all nurseries, schools and college inspections in England will be carried out under a single common inspection framework (CIF). Ofsted has also announced that there will be 'more frequent, but shorter inspections of good FE providers and schools'. The decision to introduce the new CIF and inspection arrangements is based on responses to Ofsted's consultation document 'Better Inspection for All' and feedback received from consultation events organised by Ofsted. Altogether, there were 4,390 individual responses to the proposals, with apparently 80% expressing support for the introduction of a single CIF and 60% expressing support for 'more frequent, but shorter inspections of good FE providers'. Ofsted will publish guidance on the new CIF and inspection arrangements this summer.

The current CIF for colleges (introduced just 2 years ago) provides inspectors with a framework for judging the 'overall effectiveness' of a college, which in turn is based on separate judgments in respect of:

- Outcomes for learners.
- Quality of teaching, learning and assessment.
- Effectiveness of leadership and management.

However, from September 2015 the new single CIF framework will cover:

- Effectiveness of leadership and management.
- Quality of teaching, learning and assessment.
- Personal development.
- Behaviour and welfare.
- Outcomes for children and learners.

Where appropriate, colleges will also be graded for the quality of their provision in the following areas:

- 16-19 study programmes.
- 19+ learning programmes.
- Apprenticeships.
- Traineeships.
- Employability.
- Provision for learners in receipt of high needs funding.
- Community learning.
- Full time and part time 14-16 provision.

With reference to the timing of inspections, Ofsted says that 'Colleges judged good at their last full inspection would no longer be subject to a full inspection within a six-year period'. They will instead 'receive a short inspection that will take place around every three years'. Ofsted also says that it has 'no plans to introduce inspections of outstanding providers within a definite time period', and that they 'will usually only be subject to a full inspection if their performance drops or there are other compelling reasons'. However, a spokesperson for Ofsted confirmed that 'we are committed to inspecting at least 5% of outstanding providers each year and we will prioritise those where there are indications that performance has dipped'.

The spokesperson went on to say that 'all colleges, including those rated outstanding, will be regularly risk assessed through a number of means, *including financial updates*'. This heralds a change to recent inspection practice whereby college finances were not considered. (Last year, one college was judged as 'outstanding' for leadership and management, even though it was known to be in serious financial difficulty and subject to an SFA notice of concern. However, in a more recent college inspection where outcomes for learners, quality of teaching, learning and assessment, and each of the subject areas inspected were all judged as 'good', the college was nevertheless graded as 'inadequate' because of its poor financial health).

Commenting on the new CIF, a spokesperson for the Department for Education (DfE) said 'A robust and effective inspection framework is a key part of our plan for education and we are pleased Ofsted is bringing in these changes to drive further improvements'. However, a spokesperson for the AoC said 'Although we strongly agree that school and academy sixth forms should be inspected in the same way as college provision for this age group, we are unconvinced that the new CIF will meet the needs of students aged 19 or over, including those whose training is being funded by their employer, apprentices, or those taking

courses to help them back into employment'. Responding to this, a spokesperson for Ofsted said 'we will move towards aligning inspection criteria between different settings as far as it is appropriate to do so'.

A further change that has been broadly welcomed by the colleges sector is the proposal to include at least one *servicing* practitioner in each Ofsted inspection team. An Ofsted spokesperson said 'Currently, just 54% of FE and Skills inspection teams contain a servicing practitioner' and added that 'the longer-term aim is to have a servicing practitioner on every inspection team'. (This, of course, assumes that colleges under financial and other pressures will be willing to release their key staff to join Ofsted inspection teams).

### **Ineffective employer engagement could result in colleges being declared 'inadequate'**

In addition to the areas listed in the new CIF above, colleges will continue to be required to continue demonstrate that they have robust procedures in place for safeguarding, health and safety, the promotion of equality and diversity, and that they have an effective 'Prevent' strategy in place to reduce the risk of students being 'radicalised'. To this ever-growing list of requirements, Ofsted Chief Inspector for England Sir Michael Wilshaw has now added 'engaging effectively with employers'. Answering questions from members of the House of Commons Education Select Committee, Sir Michael said that Ofsted inspectors were henceforth going to be 'more critical' of colleges deemed to have 'poor employer engagement'. He went on to warn that 'colleges risked being given an inadequate rating if their links with employers weren't sufficiently strong'. By way of explanation for this, Sir Michael told members that 'some of the classroom-based courses that these FE institutions are running don't go well because employers are disengaged'.

### **Increased focus on the financial health of the FE and Sixth Form College sector**

The Skills Funding Agency (SFA) and the Education Funding Agency (EFA) currently assess college finances at two points each year using a 'scoring system'. This is now likely to change because of the need to comply with new accounting standards and the increasingly prescriptive conditions now being placed by banks on colleges seeking long and/or short-term borrowings. More recently, the National Audit Office (NAO) commenced a study on the 'financial sustainability of further education', which is scheduled to be completed by July and followed up with the publication of a formal report. In addition to this, the Treasury has recently engaged consultants to carry out a study of college costs. Might it be that the government and funding bodies are trying to say something?

### **Rise in the number of colleges alleged to be in financial difficulty**

Around 50 FE colleges are now alleged to be in serious financial difficulty. A combination of reasons have been given for this, but many colleges appear to have been adversely affected to some degree by the impact of debts arising from earlier borrowings on capital projects, combined with the adverse impact of ongoing government funding cuts. By way of background history to this, the former Learning and Skills Council (LSC) encouraged colleges to submit ambitious capital build proposals. Some of these were fully funded, but colleges were also encouraged to borrow some of the money required to finance their new buildings from commercial banks. This was on the basis that the subsequent growth in student numbers arising from the new build 'wow' factor would result in increased allocations from funding bodies, which in turn could then be used to service the debt on the loans.

However, this was not to be. The reasons for this were firstly, the apparent inability of some LSC officers to count resulted in more new build projects being approved than could be met from the total capital funding available. Secondly, the banking crisis and subsequent draconian cuts to government spending (which in the case of cuts to education spending, have been borne almost entirely by the FE sector) meant that the growth funding needed to service the loan debt incurred was no longer available. To make up the shortfall, colleges were encouraged to diversify their income streams and reduce their reliance on public funding. Some colleges attempted to do this by engaging in activities such as commercial projects, international student recruitment and bidding for 'non-core' public funding, including the European Social Fund (ESF). However, many colleges found that not only did the anticipated additional income derived from engaging in these activities fail to materialise to the extent expected, the cost of engaging in these activities proved to be greater than the income received. Many colleges have subsequently discovered that not only have the operating surpluses they expected been much less than hoped for, they have seen larger operating deficits, thereby worsening their cash position and reducing their capacity to pay down their borrowings.

Commenting on this, a spokesperson for the 157 Group said 'If it were 5 colleges, the responsibility would, in all probability, lie at the door of local management. But 50 colleges experiencing serious problems at the same time suggests a systemic problem'. The SFA declined to comment on the numbers of colleges

alleged to be in difficulty, but a BIS spokesperson referred to the 'emergency loans' available to colleges through 'exceptional financial support measures', which offered 'tailored support for colleges, depending on their level of financial difficulty'. However, the spokesperson warned that colleges that were loaned funds were likely to receive a visit from the FE Commissioner who, as the price of financial support, could insist on changes in leadership and management, and/or direct that the college conduct a strategic options review with respect to its future viability, and/or place the college in 'administered status' thereby taking financial control away from college managers and governors. (Thus far, of the 15 visits to colleges reported on by the Commissioner, 11 have been initiated as a result of financial concerns expressed by the SFA).

### **Visits to Sixth Form Colleges by the Sixth Form College Commissioner is on the increase**

The Sixth Form College Commissioner, Peter Mucklow, carried out just one visit in the 2013/14 academic year. However, since the start of the 2014/15 academic year he has already carried out three college visits and has warned of more to come. Commenting on this, a spokesperson for the Sixth Form Colleges' Association (SFCA), said 'We are aware of the increase in visits and expect this trend to continue'. He went on to say that government cuts meant that it was 'inevitable that more and more colleges will experience financial problems and trigger commissioner visits'. He went on to add that 'when a college is expending all its energy on balancing the books, it is easy to take your eye off the ball with quality of learning'. The Department for Education (DfE) declined to comment on the increased number of visits being carried out.

### **MPs express support for allowing Sixth Form Colleges to reclaim VAT**

In response to the government's policy of continuing to charge sixth form colleges a 20% VAT rate on their purchase of supplies and services, while allowing school and academy sixth forms to claim a full VAT refund, the SFCA has launched a campaign to end the anomaly (which it refers to as a 'tax on learning' and has secured support for this from a number of MPs and celebrities. The SFCA argues that the average sixth form college has to redirect £335,000 of its annual funding away from the front line education of students in order to pay the tax and that this disadvantages sixth form college students compared to students in school and academy sixth forms. A spokesperson for the SFCA said that it would 'cost around £30 million per year to ensure students in sixth form colleges are treated fairly', but went on to point out that this was 'a comparatively modest sum for central government that would make an enormous difference to the education of these young people'. 76 MPs (including two former Education Secretaries for England, Alan Johnson and David Blunkett, and the Public Accounts Committee chair, Margaret Hodge) have written to the current Education Secretary for England, Nicky Morgan calling for sixth form colleges to be exempted from paying VAT on the basis that the anomaly 'threatens the success of a high performing sector'. In response, a spokesperson for the DfE said that this was 'a long-standing issue and we are looking at how we can help sixth form colleges'. The spokesperson went on to point out 'we have already ended the historic and unfair funding difference between post-16 schools and colleges by funding them per student, rather than discriminating between qualifications'. Skills Minister for England, Nick Boles is also on record as saying that he is willing to discuss the matter with the Treasury if 'sixth form colleges change their status' and if they were 'prepared to link up with schools'. The SFCA has understandably asked for further clarity on what he actually means by this.

Sadly, there appears to be very little evidence of any similar level of support for FE colleges to be able to reclaim VAT on the purchases in respect of *their* 16-18 students (and perhaps somewhat more surprisingly, no evidence of any campaign to persuade the government to even consider this as a possibility).

### **Funding rates for students aged 16-18 will remain unchanged for 2015/16**

This year, colleges have faced the challenge of dealing with further cuts in their adult skills funding, a reduction in funding for full time 18 year old students and an increase in employers' national insurance and pension contributions. Many were concerned that next year (2015/16), they would also have to deal with cuts to the funding rate for 16 and 17 year old students. However, the Education Funding Agency (EFA) has notified providers that for the 2015/16 academic year, funding for these students will remain at £4,000. The EFA has also confirmed that the funding rate for full-time 18 year-olds will remain at £3,300 and that funding rates for part-time students will also remain unchanged.

### **LGA research claims that in 2012/13, post-16 course 'drop outs' costs £814 million**

The Local Government Association (LGA) has commissioned research from the Centre for Economic and Social Inclusion (CESI) on the cost of post-16 student drop out. The research findings have now been published in a report entitled 'Achievement and Retention in Post-16 Education' in which the CESI says that

'the cost to taxpayers of post-16 courses started in England in 2012/13, but not completed, was £814 million'. (Which equates to 12% of all government spending on post-16 education and skills in England). The report goes on to claim that:

- 92,000 post-16 students dropped out of courses in schools, at a cost of £316 million
- 61,900 post-16 students withdrew from courses in FE colleges, at a cost of £302 million
- 24,200 trainees did not complete their apprenticeship programme at a cost of £196 million

And that:

- Apprentices were most likely to drop out of their programmes, with around 25% doing so
- FE students and GCE AS level students had the next highest drop-out rate, both at 10%
- GCE A level students had the lowest withdrawal rate at 5%.

Responding to the report findings, a spokesperson for the Association of Colleges (AoC) said 'the reasons why some young people don't finish their course are complex. Sometimes they get a job and therefore leave education. Sometimes they may change their course, which the retention data doesn't necessarily take account of'. He went on to point out that 'FE college student success rates, a combination of retention and achievement, stands at 86.7%' and that this was a 'remarkable achievement' given that college funding has faced significant reductions, including the abolition of the Education Maintenance Allowance in 2011'. (Only in England was the EMA abolished).

### **SFA says it will allocate in-year growth funding**

The SFA has surprised some colleges and local authority providers by telling them that they can expect in-year growth allocations before the end of this current financial year. A spokesperson for the SFA confirmed that 'in addition to increasing the funds available for apprenticeships and traineeships through the performance-management process, we are now able to make additional Adult Skills Budget (ASB) funds available in the funding year 2014 to 2015'. The spokesperson went on to say that the SFA 'will allocate this funding to those colleges that delivered 97% or more of their ASB contract value in 2013 to 2014'.

Commenting on this development, a spokesperson for the AoC pointed out that in March 2014, 'the SFA had notified colleges of cuts to the ASB of around 15% for those courses that didn't lead to apprenticeships'. He went on to say that 'the SFA decision to reduce this cut by a small amount halfway through the 2014/15 year was helpful' but was also 'late'. The SFA has so far declined to reveal the total amount of growth funding going to colleges and local authorities, but said figures would eventually be published. Controversially, the SFA has declined to comment on whether independent learning providers (ILPs) would receive any of this additional funding, leading some ILPs to conclude that 'they may not'

### **SFA says it is prepared to consider funding qualifications that are outside of the QCF**

The Qualifications and Credit Framework (QCF) has been described by Ofqual as a 'well-meaning, but ill-conceived project that has not always served learners well, or delivered the skills and competences that businesses need'. The QCF has also been criticised for its 'lack of flexibility and its inconsistency in respect of which qualifications were eligible for funding'. (For example, GCSEs, A Levels and Functional Skills qualifications were eligible for funding even though they were outside the QCF).

Following the decision by Ofqual to scrap the QCF, the SFA has announced that it will now accept submissions for funding for non-QCF qualifications. The SFA also says that 'new guidance will be given to awarding bodies on the eligibility of qualifications for funding' and that its 'business rules are now framework neutral'. Given the recent massive reduction in the number of vocational qualifications the Agency is prepared to fund, it would seem unlikely these changes will see any upsurge in the number of new qualifications on offer. Nevertheless, awarding bodies will now have the flexibility to develop qualifications specific to the needs of employers, without having to go through the bureaucracy associated in getting the qualification QCF approved.

### **Ofqual publishes a report on 'Improving Functional Skills Qualifications'**

Following last year's review of Level 2 Functional Skills in English and mathematics, Ofqual has now published its findings. In a report entitled 'Improving Functional Skills Qualifications', Ofqual acknowledged that awarding bodies had 'responded positively' to the need to 'improve quality of assessment materials' and to 'reduce risk of malpractice and maladministration'. However, in the report Ofqual goes on to say that awarding bodies 'still needed to strengthen standard-setting procedures and evaluate better how far

qualifications were meeting user needs'. Commenting on the report, a spokesperson for Ofqual said that 'these improvements are needed in order to make Functional Skills more relevant and more reliable'. Coincidentally, the Ofqual report was published on the same date that the Education and Training Foundation (ETF) launched its review of teaching and accreditation of non-GCSE mathematics and English (including Functional Skills) for those students thought likely to struggle in achieving a Grade D GCSE in those subjects.

### **Increase in apprenticeship recruitment**

Following a period of contraction for the age group, the recently published Statistical First Release (SFR) shows that the number of 16-18 apprenticeship starts increased by almost 9,000 (from 45,800 to 54,100) in the first quarter of 2014/15 (August to October) compared to the first quarter of 2013/14. The SFR data also reveals that there were 147,500 all-age apprenticeship starts in the first quarter of 2014/15 compared with 108,800 in the first quarter of 2013/14 (an increase of almost 40,000). The data is regarded as provisional because of earlier problems with entering data on the new SFA Funding Information System (FIS) during the first quarter of 2013/14.

### **Apprentices are paid 'exploitative' rates, says NUS report**

England's 16-18 year old apprentices (and 19 year olds in the first year of their apprenticeship) currently receive a minimum of £2.73 an hour (or £95 for a 35-hour week). A report commissioned by the National Union of Students (NUS) says that on this level of pay, apprentices 'cannot afford to travel to their place of work or study, or take time off sick'. The NUS report, entitled 'Forget Me Not' says that 'central government investment has grown in recent years and employers are also being helped through being exempted from National Insurance payments for each apprentice they take on'. However, the report asks the question, 'whilst employers are encouraged to employ more apprentices and the government is ploughing money in to funding them, what is the situation for the individual apprentice?'

The report goes on to say that apprenticeships are described as 'a chance to earn whilst you learn' and they supposedly offer an opportunity for young people to 'gain a skill and a qualification whilst working in a real job with a wage'. 'Yet', continues the report 'for many apprentices their low wages quickly disappear on travel, rent and food'. The report also highlights how family budgets are adversely affected when a young person takes up an apprenticeship. This is because although child benefit stops when a child reaches 16, if they remain in 'approved' education or training, their families still qualify. Unfortunately, apprenticeships do not count as 'approved' courses, so when a young person starts on an apprenticeship the child benefit ceases. The report concludes that the current apprentice minimum wage is 'exploitative' and 'not enough to cover basic living expenses'. It also points out that many apprentices are actually being paid less than the legal minimum and calls for all apprentices to be entitled to at least the national minimum wage for the age group.

The Department for Business, Innovation and Skills (BIS) has now been referred the matter to the Low Pay Commission (LPC), and the LPC has recommended that, with effect from October this year:

- Apprentices, aged 16 and 17 year should receive a rise in their national minimum wage (NMW) from £2.73 per hour to £2.80 per hour.
- Apprentices aged 18-20 should receive a rise in their NMW from £5.13 per hour to £5.30 per hour.
- Apprentices aged 21 and over should receive the 'normal' NMW, which will rise from £6.50 per hour to £6.70 per hour.

A BIS spokesperson said 'The government will now consider the LPC's recommendations'.

### **Traineeship starts also on the increase**

In addition to the increase in apprenticeship starts referred to above, the SFR also shows that there were 5,000 Traineeship starts in the first quarter of the 2014/15 academic year compared with 3,300 starts in the first 2 quarters of 2013/14 (rising to 10,400 starts by the end of the 2013/14 academic year). The Association of Employment and Learning Providers (AELP) has now urged the government 'to open traineeships up to more providers' and has called for 'a review of restrictions limiting the delivery of traineeships to mainly Grade 1 and 2 providers' saying that the government 'should now reconsider this issue and allow providers to produce the evidence that they can deliver high quality traineeships'. In response, a spokesperson for BIS said she was 'not aware of any plans to open traineeships up to Grade 3 and 4 providers'.

## **The Further Education Trust for Leadership (FETL) announces first fellowship grants**

FETL has announced its first four fellowship grants. FETL was launched last May with an initial budget of £5.5 million derived from government funding left over when Learning and Skills Improvement Service (LSIS) closed. The FETL fellowships are awarded to fund research into FE leadership issues and are worth up to £40,000 each. The grant funding will enable the new FETL fellows to be released from their jobs for between three to six months to work on their research projects. They will be supported in this by a soon to be announced FETL sponsored university chair (not the sort you sit on, obviously) who will be based at the Institute of Education (IoE) in London. Calls for the next round of applications for FETL Fellowships will be announced shortly. The level of applications is expected to be high, and research proposals are no doubt already in the process being developed. Some of these are alleged to include topics as such as research into 'the impact of an extra £5.5 million added to college student hardship funds', 'how an extra £5.5 million might help ameliorate the effect on front line services of government cuts to the adult skills budget' and 'the impact of an extra £5.5 million in helping to save the jobs of college staff faced with redundancy'.

## **Political parties launch their election manifestos for education and young people in England**

In anticipation of the forthcoming general election, the three main UK political parties have set out their policies for education and young people in England. (These UK wide parties include MPs that represent constituencies in Scotland, Wales and Northern Ireland, who all have a say on the development of education policy for England, even though those countries have their own education systems, the education policies for which are determined by their own devolved legislative assemblies).

*The Conservative Party* says that if elected:

- The education budget for 5-16 year olds in England (protected since 2010) will continue. However the budget will not be protected in 'real' terms, in that there will be no automatic adjustment for inflation, and it is uncertain if future funding will increase in the same proportion to the large increase in the school age population that will occur over the next 10 years.
- Similar funding protection *will not* be afforded for 16-18 provision in FE in England, and there will be no protection whatsoever for post 19 funding, which is widely anticipated to be replaced by loan funding.
- Young people aged 18-21 who have not been in employment, education or training (NEET) for six months will be required to carry out around 30 hours per week of unpaid community service in return for any welfare benefits they receive. Refusal to do so will result in the withdrawal of benefits. This is expected to affect around 50,000 young people.
- Apprenticeship funding will be increased by around £300 million. This will be financed by reallocating money from savings in the welfare budget' (with recipient benefits capped at maximum of £23,000 per year).
- Employers will be given more control over the apprenticeship budget.
- There would be a 'substantial expansion of the traineeship programme'.

*The Labour Party* says that if elected:

- It will protect the entire DfE budget for England and in addition to protecting education spending on 5-16 year olds in 'real' terms.
- 16-19 budgets will also be protected (although it is unclear as to the extent this will be in 'real' terms). It was initially thought that the entire FE budget, including adult skills, would be protected, however a spokesperson for Labour has now clarified that funding protection will only be applied to DfE funding and not to BIS funding.
- It will ensure that all teachers are qualified.
- It will 'address poor careers advice in schools'.
- Pre-school Sure Start centres, 'moth-balled' by the Conservatives will be opened again and the running of them would be offered to charities and private childcare providers.
- A new 'gold standard' vocational baccalaureate will be introduced.
- Young people aged 18-21 will be guaranteed six months paid work (which would be financed by a 'tax on bankers' bonuses'). Young people refusing to take up this job offer would lose their benefits.
- With reference to apprenticeships:
  - All young people with the required qualifications 'will be guaranteed an apprenticeship'.
  - There will be 80,000 more apprenticeship starts each year by the end of the next parliament'.

- Firms recruiting from outside the EU, or bidding for government contracts, will be required to hire apprentices.
- There will be a new 'apprenticeship fast-stream' within the civil service.
- Employers will be given more control over the apprenticeship budget.
- Apprenticeships below Level 3 and those that are less than two years in duration will be scrapped. (The proposal to abandon Level 2 apprenticeships has been criticised, with the TUC saying that this would be a 'grave injustice' and the AELP saying that 'Labour had got it all wrong').
- The practice of 'rebadging of in-work training schemes for existing employees' as apprenticeships will be ended. (A recent BIS survey revealed that 93% of apprentices over 25 years old already worked for their employer before starting their apprenticeship).

With reference to higher education, Labour says that it will:

- Introduce new 'technical degrees' in universities.
- Reduce university tuition fees in England to a maximum of £6,000 per year.

*The Liberal Democrat Party* says that, if elected:

- It will protect all education spending from age 0-19 (including college funding).
- Make sure that all teachers are qualified.
- 'Triple the funding' that goes to children from the poorest backgrounds in nurseries.
- Give every primary school child 'a hot, healthy lunch to help them learn'.
- Implement recommendations in their recent report *Fit for growth: investing in a stronger skills base to 2020* (e.g. all adults should be entitled to a professional and career development loan 'provided they have been accepted on to an accredited course of study').

The extent to which the UK political parties will actually put their education promises for England into practice is, as usual, subject to debate. The recent embarrassing 'cash for access' revelations involving Jack Straw MP and Sir Malcolm Rifkind MP, has reinforced the view held by many that most politicians think that 'ethics' is a county near to Middlesex. But more importantly, some observers are predicting that over the next five years, irrespective of which party forms the next government in May (whether independently or in a coalition), the FE sector could be facing further budget cuts of up to 40% over the lifetime of the next parliament. If this is true, the colleges that survive will not even remotely resemble FE as we knew it. You can almost hear the wings of private sector vultures flapping as they circle overhead.

### **Further cuts to the Adult FE and Skills Budget (ABS) in England is announced**

A letter sent by from Peter Lauener, the SFA chief executive, to FE and Skills providers BIS has warned providers to expect further cuts in the adult FE and skills funding budget in 2015/16. Although providers have not, as yet been given details of their 2015/16 allocation the letter says that the overall adult skills budget for England will, in effect, be cut by 17%. The overall impact of the cuts on colleges and other providers will vary depending on the mix of training provision delivered, but after protecting £770 million of apprenticeship funding, some providers will be facing cuts of up to 25%. (This is on top of last year's 15% reduction). Responding to this latest round of cuts, a spokesperson for the AoC) said 'if the next government continues to cut at this rate, adult FE will be effectively a thing of the past'.

### **More private providers may become incorporated FE colleges**

After reviewing the first general FE college incorporation in more than 20 years, BIS has published a report that says the regulations for establishing new FE colleges are 'out of date'. The BIS report analyses the process (which took just 10 months from start to finish), whereby the independent learning provider 'Prospects Learning Foundation' became 'Prospects College of Advanced Technology'. The report begins by setting out the requirements that the firm was required to meet in order to become an incorporated college. These included having:

- A good or outstanding Ofsted judgment.
- A robust business plan.
- A satisfactory provider financial assurance audit review.

BIS says that the purpose of the review project was 'to identify, address and learn lessons from the process' and to evaluate the legislation and regulations under which the process was being conducted. Based on the review findings the report concluded that 'current legislation and regulations were from a

different time and were not designed to support the establishment of a new, specialist technical college within the FE sector'. Commenting on the this BIS says that:

- The report had 'served to clarify the criteria for applications for future incorporations'.
- The process 'currently in place for new incorporations and entrant funding may no longer be appropriate'.
- The process would now be 'reviewed as part of a wider project assessing the longer term implications of government policy reform for the FE and skills provider market'.

Which, roughly translated, probably means that we can expect to see many more private training providers becoming incorporated FE colleges.

### **BIS accused of 'wasting money' on private higher education providers**

BIS has encouraged the expansion of HE delivered through private providers and both the number of private HE institutions, and the number of students attending them, has increased significantly in recent years. BIS has argued that the growth in the number of private HE providers has 'widened access to higher education for British students and boosted exports', however the rapid growth in the number of private HE providers and the amount of public money they now indirectly receive has prompted an investigation by the House of Commons Public Accounts Committee (PAC). The PAC investigation confirmed that the growth in the private HE sector had been 'substantial and rapid' but went on to say that this expansion had taken place without sufficient regulation' and accused BIS of ignoring 'repeated warnings about the potential waste and abuse of public money intended to support legitimate students and institutions'.

There are currently around 140 private sector providers of HE (referred to by BIS as 'alternative providers'). Private HE providers do not receive government funding directly, but they do access public funding through student loans, which are used to pay their fees. Between 2010 and 2014 the number of students taking out loans to pay for courses at private HE providers rose from 7,000 to 53,000, and the total amount of public money paid to these providers through tuition fee loans and to students attending these institutions in maintenance loans and grants, rose from around £50 million to £675 million. 75% of the total growth came from just 17 of the 140 alternative providers.

Many students at private HE providers are from overseas and come to the UK to study not only for degrees, but also for HND/Cs and other higher-level qualifications, but there is very little data available on their retention and achievement rates. Non-EU overseas students are required to fund themselves. However, students from the EU are entitled to loan and grant support on the same basis as UK students. Of the publicly funded students attending private HE providers, 40% are from other EU countries, compared with 6% in the rest of the higher education sector. The PAC investigation revealed that almost £4 million in loans and grants had been paid out to ineligible foreign students who had 'either chosen not to, or had been unable to, prove that they met eligibility criteria on residency' and that proficiency in English language required for admission to courses 'had not always been tested'. Given the very high proportion of EU students that have taken out BIS loans to study at private HE institutions, there is also a question mark about how much of this loan funding can realistically expect to be repaid if and when students return to their home countries. A spokesperson for the Independent Universities Group, which represents a group of alternative HE providers, said it was important to remember many private HE providers 'offered a first rate higher education' and that they also offered 'first rate value for money, employability and student experience'.

### **BIS tells HEFCE to work more closely with FE**

In his annual grant letter to the Higher Education Funding Council for England (HEFCE), the Secretary of State for BIS, Vince Cable has called on the HE sector in England to 'facilitate joint working between institutions'. Although the letter does not specifically say what form HEFCE's increased involvement with FE colleges will take, it does make reference to the need to develop 'new pathways into higher education through the expansion of higher level apprenticeships and National Colleges'. In what some might describe as sentence with not enough full stops, Dr. Cable says that HEFCE should also 'facilitate work with higher education institutions and FE colleges to develop innovative curricula and new modes of delivery that will meet employer needs for high levels of technical expertise, contributing to local enterprise partnerships' growth plans, and to the government's industrial strategy'. HEFCE has already announced that £11.02 million will be made available to help improve collaboration between HE, FE and schools. Of this, £714,772 (or 6.5% of the total) is to be allocated to 74 FE colleges offering higher education provision.

## **Complaints about HE courses in FE colleges to be referred to the universities ombudsman**

The 2013/14 Higher Education Review conducted by the Quality Assurance Agency for Higher Education (QAA) says that more than 25% of FE colleges offering higher education courses 'need to improve their complaints handling'. Presumably intended to encourage this improvement, the government is introducing a new Consumer Rights Bill, which is due to receive Royal Assent on or before 30 March. Once the Bill is enacted, complaints about FE colleges' higher education provision (e.g. how grade disputes are handled, recognizing extenuating circumstances or the mis-selling of courses) will be directly scrutinised by the Office for Independent Adjudication in Higher Education (OIAHE). Currently the OIAHE only deals with a complaint about FE higher education provision if it relates to issues for which the validating university is responsible.

Observers claim that the new legislation is likely to result an increase in the number of complaints about HE provision in FE, since currently students are not clear which organisation is their 'external adjudicator'. Also, if a student's complaint is upheld by the OIAHE, they will be given access to new legal remedies such as a right to a repeat their course and the right to a fee discount. A spokesperson for the OIAHE said that FE colleges offering HE courses would be able to access professional support in dealing with student complaints through an OIAHE subscription service.

## **NIACE calls for a new 'National Advancement Service'**

The National Institute for Adult Continuing Education (NIACE) has published the first of its 'Policy Solutions reports', which is entitled 'No Limits: From Getting By to Getting On'. The report says that 'Britain faces a wages crisis, underpinned by low productivity' and goes on to say that 'for the last seven years, people's wages have risen more slowly than the prices in the shops and that by 2020 people's real incomes will still be 5% lower than in 2008'. As a solution to this, NIACE has called for a 'National Advancement Service' (NAS) to be established and has said that the government should 'top-slice' £100 million from existing adult skills and careers budgets to pay for 'careers coaches' to help people out of low-paid jobs'. NIACE says that the new service 'would be managed by Local Enterprise Partnerships (LEPs)' and that support provided through the new service would 'be integrated with measures to promote the living wage and boost economic and business development'. The NAS would also 'work along with other local services, such as money advice'. NIACE argues that the new service could provide help for up to 500,000 low pay families and would reduce the number of children in poverty by 150,000. NIACE says that because the money for the new NAS 'would come from the existing adult skills budget and National Careers Service funding', it would be cost-neutral'. Apparently NIACE has not, as yet, reached any conclusion as to what proportion of its own government funding should be 'top-sliced' and diverted to pay for the proposed new service.

## **NIACE calls for increased debate on ESOL**

In 2008/09 the government spent £230 million per year on English for Speakers of Other Languages (ESOL) courses. By 2013/14 this had fallen to £130 million and further cuts are likely in the future. NIACE says that the cuts reflect 'a lack of national debate' on the matter, and referred to the 2011 national census, which showed that there were more than 850,000 people in the UK who were not proficient in English, adding that there has been *inwards* migration from abroad to the UK of over 500,000 people per year since then. (The latest official statistics shows that 628,000 people migrated *to* the UK in the year to September 2014). NIACE has now called for other organisations to join it in planning a new campaign to generate an increased understanding of why ESOL is so important, saying that 'agencies need to come together to make the social, human and economic case more coherently and compellingly'. NIACE outlined three main reasons why a new strategy is necessary, which are as follows:

- There are 'large and increasing numbers of people who struggle to participate fully in our social democracy because they do not speak English sufficiently well'.
- People with low proficiency in English are 'more likely to be unemployed or have low pay'. They will 'have few prospects for progression if they are in work and have poorer general health than the wider population'. These issues will also impact negatively on their children and other family members.
- The economy needs migrants, but without good ESOL provision many of the migrant labour force will not be able to contribute fully to the UK's future economic growth.

There is perhaps a fourth reason why ESOL provision is important. As mentioned in last month's newsletter, the government is now spending more than £100 million a year on providing translation services for migrants are insufficiently proficient in English or can't speak the language at all. This suggests that

most of the savings made from cuts in ESOL spending have been lost through the need to spend more on translation services.

### **Counter-Terrorism and Security Bill 2015**

In the wake of recent terrorist incidents, Prime Minister David Cameron established a cross-party 'Task Force on Tackling Extremism and Radicalisation'. One of the Task Force's recommendations was that *voluntary* code of conduct should be introduced in schools and colleges in order 'to prevent young people being exposed to intolerant or extremist views'. However, plans to introduce a voluntary code were eventually shelved because the DfE argued that it had already issued 'strengthened guidance to ensure all schools and colleges actively promote British values'.

The government has now introduced a Counter-Terrorism and Security Bill which, when enacted, will place a *statutory duty* on all schools, colleges and universities to 'have due regard to the need to prevent young people from being drawn into terrorism'. In order to comply with this new legal duty, colleges will need to review their arrangements for:

- Providing managers, governors and other key staff with information on possible risks of radicalisation.
- Staff training (e.g. help in identifying the boundaries of legitimate freedom of expression).
- Providing briefings for staff, including identification of risk and external referral procedures.
- Monitoring and evaluating student extra mural activities to ensure compliance with 'Prevent' strategies.

Colleges will also need to be aware that their performance in discharging their new statutory responsibilities could impact on Ofsted inspection judgments.

### **Trojan Horse schools in Birmingham are 'struggling to recruit staff'**

Ofsted Chief Inspector for England, Sir Michael Wilshaw has told Members of the Education Select Committee that the schools implicated in last year's 'Trojan Horse' scandal are facing 'big problems in relation to leadership and staffing'. Sir Michael has called on the government 'to allocate additional funding to help the schools recruit good teachers and leaders' and warned that 'without the right staff the problems could re-emerge and those people who have gone to ground who want to exploit the situation, will do so'.

Responding to questions about complaints relating to recent inspections of faith, and faith-based schools, Sir Michael told Committee members that 'Ofsted has no political agenda' and that 'inspectors apply the same standards to all England's schools'. However he went on to say that Ofsted was 'going into schools in Birmingham, Bradford, Luton, Tower Hamlets' and that some of these schools 'were being put into special measures' because they were 'not promoting British values'. He also went on to assure members that inspectors would 'apply exactly the same principles when inspecting other schools in the country'. Referring to the recent inspection of a faith school in Luton, in which inspectors found that, amongst other things, the school was 'undermining British values', and that girls 'were not given the opportunity to study science' and were limited to knitting and sewing in technology classes', Sir Michael said that Ofsted had been right to resist earlier calls for the creation of a separate inspectorate for faith and faith based schools.

Providing MPs with her own update, Nicky Morgan, the Education Secretary for England, told MPs that 'there were individual staff who remained suspended' in the 'Trojan Horse' schools and that 'the role of Sir Mike Tomlinson as Commissioner for Birmingham's schools would be extended until March 2016'. She went on say that 'tackling the threat of extremism in England's schools would be made a higher priority' and that her department increase the number of staff dealing with 'counter-extremism' issues.

### **Faith schools are 'stifling diversity' and 'causing serious divisions in society'**

Parents have been actively encouraged by the government to establish Free Schools (including those that are faith based). Once established, parents are also encouraged to become actively involved in the governance and the content of the curriculum taught within the school. However, the government seems not to have thought through what should happen if parents establish a Free School is run on the basis of strict religious principles and behaviour, and where children will be taught a curriculum where the teaching of facts is influenced by strict religious belief.

Matthew Taylor, chair of the government's Social Integration Commission, has now argued that the increase in faith based Free Schools and Academies 'is stifling diversity and stopping children from different races and backgrounds mixing'. He was particularly critical of certain faith schools, because, he said 'they have the least diversity' and therefore had 'more potential to cause serious divisions in society'.

Mr Taylor, who was a former adviser to Tony Blair (an enthusiastic proponent of faith schools), accused the government of 'carelessness over its faith schools policy'. He went on to say 'I don't think that the government has deliberately promoted segregation, but I think sometimes it has pursued policies which are anti-integration'. He is supported in his views by Trevor Phillips, (the former chair of the Equality and Human Rights Commission and former head of the Commission for Racial Equality), who has previously expressed concerns that promoting multiculturalism has often been given a higher priority than promoting integration and assimilation, and that this has sometimes resulted in 'whole communities shearing off and forming parallel societies with their own customs, rules and institutions'.

There will be a very large rise in the school age population over the next decade, accompanied by the need for extra school places. The government says that the demand for these extra places will be met by building more Free Schools and Academies. This, in turn, has led to concerns that if a significant proportion of these are faith, or faith based, it will only serve to exacerbate divisions in society.

### **And finally...**

An entrepreneurial principal (who was also addicted to foreign travel) had just returned from a trip to Bergen, Norway, where he had been extolling the virtues of his construction department in the hope of eventually recruiting Norwegian students. It had been previously agreed that he would first send some of his finest construction apprentices over to Norway to help with a prestige community project that involved renovating and adapting a house for a famous Norwegian Second World War resistance fighter, who was disabled and had lost his sight during the war.

The project had gone particularly well and there were just a few things left to do before the grand opening. Anxious for maximum media coverage (and for the air miles), the principal went over to Bergen again to attend the event. He was walking around the specially adapted house watching the apprentices making the final plumbing connections. Some apprentices were holding a porcelain bathroom basin in preparation for fixing it to the wall. Unfortunately the principal tripped over a pipe wrench and fell into the apprentices holding the basin, causing them to drop it, and they all watched in horror as the basin smashed into tiny pieces. There was no time to get a replacement before the grand opening, but showing the bold indecision for which he was so famous, the principal's eyes were drawn to an old stainless steel brick carrier lying in the corner. With the keen sense of self-preservation born out of years of running a multi-million pound college (almost into the ground, as it happens), he barked out his orders. 'Listen lads' he said, clearly not noticing that around a third of the apprentices were young women 'The old chap is as blind as a bat, and if we shine up this old metal brick carrier a bit and screw it to the wall where the basin should have been, he'll never notice'. So they did this and finished just minutes before the grand opening commenced.

Well, to cut a long story short, the old resistance fighter was absolutely delighted with renovated and specially adapted house. The press and TV were at the opening and the principal was able to bask in all the media glory he craved. However, just as he was leaving, the principal paused, turned around and (still totally disregarding the females) said to the apprentices 'Well lads, what lesson did that teach you?' The apprentices were obviously a bit bewildered by the question, so the principal, clearly irritated by their lack of response, supplied the answer, which was 'Never forget that a hod's as good as a sink to a blind Norse'.

*(The credit for this one goes to James Hampton, former principal of Yeovil College, who also provided the inspiration for the cheesy 'cheeses' story in the last edition of the newsletter. Thanks James)*

### **Alan Birks – February 2015**

*As usual, the views and opinions expressed in this newsletter are not necessarily those held by **Click CMS Ltd***

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