

SECTOR DEVELOPMENTS...

DfE PUBLISHES WAVE 3 AREA REVIEW REPORTS

The Department for Education (DfE) has now published all Wave 3 area review reports, other than for those in London. The reports were published earlier this month (January) and include those for Cumbria, the Black Country, Coventry and Warwickshire, North and Mid-Hampshire, and the Liverpool City region, taking the total published thus far to 18. The London area has been split into four sub-reviews, two of which were initially meant to be included in Wave 2. However, these were subsequently included in Wave 3 so that the reports for the two earlier reviews could be coordinated with the as yet unpublished reports for the two later reviews. Copies of the published reports can be accessed at the links below:

<https://www.gov.uk/government/publications/cumbria-further-education-area-review-report>

<https://www.gov.uk/government/publications/black-country-further-education-area-review-report>

<https://www.gov.uk/government/publications/coventry-and-warwickshire-further-education-area-review-report>

<https://www.gov.uk/government/publications/north-and-mid-hampshire-further-education-area-review-report>

<https://www.gov.uk/government/publications/liverpool-city-region-further-education-area-review-report>

Recommendations for 5 mergers involving 12 of the colleges involved in these latest reviews were made, of which one has already been abandoned. No recommendations for change were made for a further 18 colleges involved in the reviews.

DfE PUBLISHES 'A STATEMENT OF CUSTOMER SERVICE TO INSTITUTIONS'

More than half of the area reviews have now been completed, but earlier this month, the DfE decided to publish a guide entitled 'A Statement of Customer Service to Institutions'. The guide contains information on what colleges can expect to happen during an area review, and provides information on 'timetables', 'milestones', and the role of 'dedicated delivery team' assigned by the Joint Area Review Delivery Unit. It also contains details of the 'review-related services' that colleges can call on for help. Some observers have suggested that the guide might have been of more use had it been published *prior* to the commencement of the area review process, rather than towards the end of it. A copy can be accessed at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/582046/Area_Review_Customer_Service_Statement.pdf

SKILLS MINISTER CRITICISES STANDARD OF FINANCIAL COMPETENCY IN SOME FE COLLEGES

Replying to a question asked during a debate on the Technical and Further Education Bill earlier this month, Robert Halfon, the Minister of State for Apprenticeships and Skills in England said that since 2015 around £140 million has been spent in supporting colleges in difficulty. Mr Halfon went on to argue that the money 'would have been better spent on education and training priorities' and said that completion of the area reviews would see 'the end of ongoing support of this type'. Mr Halfon also claimed that a lack of competency in financial management was the real reason for the financial difficulties that some colleges faced, rather than government funding cuts. The Technical and Further Education Bill has now passed through the House of Commons and is awaiting its second reading in the House of Lords. Amongst other things, the bill sets out proposals for an insolvency regime for FE colleges. Further details can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/563497/Technical_and_Further_Education_Bill_factsheet.pdf

'BUILDING OUR INDUSTRIAL STRATEGY' GREEN PAPER PROPOSES £170 MILLION FOR INSTITUTES OF TECHNOLOGY

The UK government has published a new Green Paper entitled '*Building our Industrial Strategy*'. The objective of the strategy, says the Green Paper, is to 'improve living standards and economic growth by increasing productivity and driving growth across the whole country'. It goes on to identify '10 pillars that will drive the industrial strategy forward'. These are listed as:

- Investing in science, research and innovation
- Developing skills
- Upgrading infrastructure
- Supporting business growth and investment
- Improving procurement
- Encouraging trade and inward investment
- Delivering affordable energy and clean growth
- Cultivating world leading sectors
- Driving growth across the whole country
- Creating the right institutions to deliver the strategy.

The 'pillar' that impacts most on the FE sector is that of 'Developing skills', which specifically refers to the 'need to create a new system of technical education', including:

- 'A radically simplified set of vocational qualifications'.
- 'An easy means of finding and applying for technical education courses' (like the UCAS process).
- 'Creating prestigious new Institutes of Technology to deliver higher-level technical education'.
- 'Boosting science, technology, engineering and mathematics (STEM) skills at all levels, by further encouraging the uptake of these subjects at university, expanding the number of specialist mathematics schools across the country, and introducing new steps to ensure universal basic numeracy'.
- 'Renewing communities affected by economic changes and supporting people in industries at risk of decline through new approaches' including more effective retraining and outreach facilities.
- Testing ambitious new approaches to encouraging lifelong learning.

A statement made by the Department for Business, Energy and Industrial (BEIS) confirms that the industrial strategy will 'include plans for a radical overhaul of technical education (in England) to address its historic undervaluation, and to provide a credible alternative to the academic route for young people who choose not to go to university'. Recent initiatives to give more focus to skills development in England have included such things as the establishment of University Technical Colleges (UTCs), Careers Colleges, Studio Schools, and National Colleges, along with a massive expansion of apprenticeships (and the number of private training organisations delivering them). Apart from bearing the brunt of UK government austerity cuts affecting education in England, very little attention seems to have been paid to the FE sector. The Green Paper suggests that reason for this is that the overall performance of FE colleges has not inspired government confidence. It says 'While our higher education system has strengths, our poor performance in basic and technical skills is key to the UK's persistently lower levels of productivity compared with other advanced economies'. It goes on to say 'while there is some good provision, too many FE colleges only offer a broad, generalist curriculum at lower qualification levels' and has 'too little provision of higher level technical qualifications'. The Green Paper also makes specific reference to the problems FE colleges have experienced in delivering improved GCSE English and mathematics re-sit grades for those students who did not achieve a Grade C in these subjects at school (see below).

To help address these issues, the Green Paper includes a proposal **to provide £170 million in new capital funding to establish the Institutes of Technology**. (These were initially proposed in the government's 2015 Productivity Plan). Details of how Institutes of technology will be created are still vague, but the Green Paper says that the UK government would expect most 'to grow out of existing high-quality

provision', (which could include high performing FE colleges). However, Institutes of Technology would be 'expected to specialise in technical disciplines that are aligned to the new technical routes', 'offer provision at Levels 3,4 and 5, and 'focus on delivering qualifications of value that meet the skills needs of local employers'. There are clear links in the Green Paper to the government's Post-16 Skills Plan, which incorporates the Sainsbury Review proposals to replace the thousands of existing vocational qualifications with 15 core technical routes designed with, and specifically intended to meet, the skills need of various industry sectors. The UK government says it will set out its approach to this in the Spring Budget 2017.

A copy of a statement specific to skills development and Institutes of Technology from the Prime Minister's office, called '*Technical Education at heart of the Modern Industrial Strategy*', can be accessed at:

<https://www.gov.uk/government/news/technical-education-at-heart-of-modern-industrial-strategy-for-post-brexit-success>

And a copy of the Green Paper in its entirety can be accessed at:

https://beisgovuk.citizenspace.com/strategy/industrial-strategy/supporting_documents/buildingourindustrialstrategygreenpaper.pdf

DfE PUBLISHES ITS SCHOOL AND COLLEGE PERFORMANCE TABLES FOR 2015/16

The DfE has published its '*16-18 School and College Performance Tables: 2015 to 2016*', which this year includes new measures of performance for general FE colleges (GFEs), sixth form colleges (SFCs) and school sixth forms. These new measures cover both student attainment *and* student progress. Scores achieved generally fall somewhere between -1 and +1. A score of zero means that a provider is exactly at the national average. The number for each provider is then placed into one of five bands, which are:

- Well above average
- Above average
- Average
- Below average
- Well below average

The *attainment* score measures the average grade achieved by students in GCE A Levels, other academic qualifications (such as the International Baccalaureate), Tech Levels and general vocational qualifications. The average grade achieved in GFEs was D+ in GCE A Levels and other academic qualifications, 'Merit+' for Tech Levels and 'Dist-' for other vocational qualifications. SFCs achieved an average Grade C in GCE A Levels and other academic qualifications, and 'Dist-' in both Tech Levels and other vocational qualifications.

The *progress* score measures a student's progress from GCSEs to Level 3 qualifications, compared with other students with the same prior attainment at GCSE. Providers are given separate scores for GCE A Levels, all other academic qualifications, Tech Levels and other vocational, qualifications. On average, GFEs scored -0.16 in both GCE A Level and other academic qualifications, and -0.28 in vocational qualifications. By way of comparison, SFCs scored -0.03 in respect of both GCE A Level and other academic qualifications, and +0.15 in respect of progress in vocational qualifications.

The DfE data also includes a separate measure of the progress made by 16-18 year olds in *English and mathematics* by comparing their GCSE grades in these subjects at age 16 to their grade at the end of post-16 education. The measure focuses solely on the achievements of students that did not gain at least a GCSE Grade C in these subjects, and who were therefore required continue to study the subjects post-16 as a condition of funding. The score achieved is based on how far students without at least a Grade C in GCSE English or mathematics have advanced in those subjects by the end of their post-16 education. Students who do not take their re-sit examination are automatically given a score of -1. The DfE data shows that, on average, GFEs scored -0.28 for English, and -0.29 for mathematics. In comparison, on average, SFCs scored +0.47 for English and +0.41 for mathematics. However, 80% of students who re-sit

English and mathematics attend GFEs, and college managers have repeatedly raised concerns about the pressure the large numbers involved (more than 120,000 for English and 126,000 for mathematics) has put on the GFE sector, and the negative impact that repeated resits can have on students. The DfE data also shows that, irrespective of type of institution, students from the **most deprived parts of the country made the least progress** in GCSE English and mathematics resits.

The DfE performance tables (which are surprisingly easy to interrogate) can be found at:

<https://www.gov.uk/government/statistics/school-and-college-performance-tables-2015-to-2016>

DfE CONSULTS ON THE KEY ROLES AND RESPONSIBILITIES OF THE INSTITUTE FOR APPRENTICESHIPS (IfA)

The DfE has published a consultation document entitled '*Draft Strategic Guidance to the Institute for Apprenticeships*'. The IfA is due to become fully operational in April and the document covers proposals for the IoA's key role and responsibilities. These include:

Standards development and approval

- Ensuring as swift as possible a process for approving standards.
- Assuming responsibility for the quality assurance of standards.
- Providing support to employers who are developing standards.
- Oversight of the DfE's development of technical education routes. (The new Technical and Further Education Bill proposes that the remit of the IfA be expanded in line with the Post-16 Skills Plan).

Quality assurance

- Checking the quality and consistency of assessments offered by different assessment organisations.
- Being the external quality assurance organisation in instances where alternative standards might have been developed by, for example, employer groups or a professional body.

Certification

Although the Skills Funding Agency (SFA) has responsibility for the certification of standards, the IfA will set the parameters for the SFA to operate within.

Providing the government with advice and assistance on apprenticeship funding

- Allocating and reviewing individual apprenticeship standards to funding bands.
- Monitoring the current allocation of existing frameworks to funding bands and the effectiveness of additional support payments, such as those for younger apprentices.

Regulation and monitoring

Ensuring that 'the system as a whole is fair and consistent' and discouraging 'unacceptable behaviour'.

Other functions

These include:

- *Developing success criteria* - to help the IfA measure the progress of the apprenticeship system overall.
- *Reporting on success* - including details of completions, destinations and progression, wage uplift, and feedback from providers, apprentices, assessment organisations and employers and the extent to which apprenticeships are assisting with achieving 'wider Government priorities like social mobility'.
- *Oversight of the Register of Apprenticeship Training Providers (RATP)*. (Although the SFA will retain responsibility for administration of the RATP).
- *Working with partners* - including Ofsted, Ofqual, SFA, HEFCE and QAA and, in future, the Office for Students in a leadership role within the context of apprenticeships.

- *Working with the devolved administrations* - to ensure the needs of employers who work across borders are considered when apprenticeship standards are developed'.
- *Setting up an 'Apprenticeship Panel'* - The panel reports directly to the IfA board and will 'ensure that apprentices have an opportunity to have their say about the education and training they receive'.

A copy of the consultation document can be accessed at:

<https://www.gov.uk/government/consultations/institute-for-apprenticeships-draft-strategic-guidance>

IFA STILL HAS NO PERMANENT SENIOR STAFF

Meanwhile, with less than 3 months to go until the IfA becomes operational, it is looking increasingly likely that it will do so without either a permanent chief executive or deputy chief executive (with neither post having yet been advertised), or a full complement of board members being in place. It is also unclear whether any board members have actually been appointed, despite the posts having been advertised last June. Peter Lauener, (who is also Chief Executive of the SFA and the EFA), is the acting IfA CEO and appears likely to remain so for the foreseeable future. He has been assisted with his duties by a succession of temporary post holders who were appointed and then left after relatively brief periods in office.

ONLY 30% OF FIRMS SAY THEY EXPECT TO CREATE NEW APPRENTICESHIPS NEXT YEAR

The most recent annual '*Employment Trends*' survey conducted by the Confederation of British Industry (CBI) and Pertemps UK, carried out between August and October 2016, and involving 353 respondents employing nearly 1.2 million people, found that 41% firms across the UK planned to grow their workforce in 2017. However, the survey also revealed that only 30% of companies were planning to increase their numbers of apprentices, while 4% said they expected to recruit fewer apprentices. This was even though 64% of firms viewed skills shortages as the 'top threat to competitiveness'. The report can be found at:

<http://www.pertempsmanagedsolutions.co.uk/news/cbipertemps-network-group-employment-trends-survey.aspx>

PUBLIC BODIES REQUIRED TO RECRUIT APPRENTICES TO A LEVEL EQUIVALENT TO 2.3% OF THEIR WORKFORCE

The DfE has confirmed that public sector bodies in England will be given a target to recruit apprentices to a level equivalent to 2.3% of their total workforce. The current proportion of public sector workers in the total workforce in England is 16.2% and a DfE spokesperson said that the UK government would therefore 'expect the public sector to deliver around 16.2% of the government target of 3 million apprenticeship starts by 2020'. The requirement will affect all but around 30 local authorities (those with a payroll of less than £3 million), the police and armed forces, most fire and rescue services, and other large bodies such as London Underground. FE colleges will not be subject to the requirements because they are not technically defined by the Office for National Statistics(ONS) as being public bodies. Other bodies exempt from the requirement include the Post Office, the BBC and Channel 4. Further information, including the UK government response to issues raised during an earlier consultation, and those public bodies included in the requirement to achieve the 2.3% target can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/584246/Apprenticeship_targets_for_public_sector_bodies_government_consultation_response.pdf

PROGRESS MADE IN RECRUITING PEOPLE WITH LEARNING DIFFICULTIES AND DISABILITIES TO APPRENTICESHIPS

In 2014/15, the employment rate for people with disabilities stood at just 46%. In response to this, the government announced the creation of a new task force to help more people with learning disabilities gain access to apprenticeships. The task force is led by Paul Maynard MP and the membership includes employers, training providers and charities. Progress appears to have been made. In 2015/16, 50,640 of those starting an apprenticeship declared a disability or learning difficulty. This is 9.9% of all apprenticeship

starts in that year and is an increase of 14.8% on 2014/15. Currently, all apprentices are required to pass English functional skills tests before they can complete their course, and in a further move to help people with learning difficulties and disabilities, the DfE has confirmed that deaf apprentices who use British Sign Language (BSL) will be able to take BSL qualifications instead.

DEVOLVED GOVERNMENTS MAY DECIDE NOT USE APPRENTICESHIP LEVY TO FUND APPRENTICESHIPS

The Scottish government has announced that of its £500 million share of the UK apprenticeship levy, only £221 million will be to fund Scottish apprenticeships. The rest will be spent on a range of other workforce development and pre-employment support programmes. The Welsh government is proposing a similar approach, though a decision on this has not yet been formally made. In contrast, England's £2.5 billion share of the apprenticeship levy will be used entirely to fund apprenticeships.

NEW NURSING DEGREE APPRENTICESHIPS ANNOUNCED

In the past, nurse-training in England has been paid for by the NHS at an estimated cost of £70,000 in fees and bursaries for each nurse trained. However, earlier cuts in the number of nurse training places, combined with an increasing UK population has resulted in a significant shortage of nurses. In recent years, this shortage has been addressed by recruitment drives to attract qualified nurses from abroad. Currently, around 12% of nurses (and 26% of doctors) employed in the NHS in England were trained and qualified abroad. Criticism of an apparent over reliance on medical personnel that other countries have paid to train (and can sometimes ill-afford to lose), has added to the growing pressure on the UK government to increase the number of domestic nurse (and doctor) training places. Nurse training in England has already seen the replacement of SRN and SEN qualifications with a nursing degree, and to help fund the increase in the number of nursing degree places, the UK government is phasing out expensive NHS training bursaries and now requires trainee nurses to pay for their own degree courses by taking out tuition fee and maintenance loans (like other undergraduates). This move appears to have had a negative effect on recruitment, with many who might otherwise might have been attracted to a career in nursing having been put off by the prospect of the loan debt they will incur after they qualify.

The Secretary of State for Health in England, Jeremy Hunt, has now announced the creation of a new nursing degree apprenticeship. Aspiring nurses will start their apprenticeship at different stages, depending on their qualifications and experience. Interestingly, nurse apprentices will not be required to hold Grade C GCSE qualifications in English and mathematics. Instead, they will be required to have their numeracy and literacy skills assessed by an institution approved by the Nursing and Midwifery Council to ensure they meet a minimum Level 2 standard. The programme is likely to be contentious with those trainee nurses who are paying for their own nurse training at a university, since nurse apprentices will have their training paid for through the new apprenticeship levy. A new 'nursing associate' apprentice is also to be introduced. Nursing associate apprentices will work alongside qualified healthcare support workers and will be able to count their training towards a nursing degree. A range of other apprenticeships are also expected to be established in areas such as pharmacy and paramedical services. More information can be accessed at:

<https://www.nursingtimes.net/news/education/nurse-apprenticeships-to-begin-in-september-2017/7013196.article>

NEW POLICE DEGREE APPRENTICESHIPS

There are currently no standard recruitment requirements for police officers across the 43 forces in England and Wales. Some forces accept recruits with Level 2 qualifications, while others insist on Level 5 qualifications. At present 38% of those going into policing already have a degree or post-graduate qualification. The College of Policing has now announced that from 2020, *all* new police officers in England and Wales will be required to be educated to degree level. To achieve this aim, recruits without a degree will take a new three-year police degree apprenticeship, the funding for which will come from the apprenticeship levy. The College of Policing (which is responsible for setting standards of ethics and

training for the police service) is currently in talks with 12 universities and colleges about delivering the new policing degrees and other courses, including:

- A three-year police degree apprenticeship, paid for through the levy, with recruits spending 80% of their time 'on the frontline', and the rest studying for their degree.
- A policing degree, where a student would complete a three-year degree course (paid for by the student through tuition loans) course and then apply for a job in the police on graduation.
- A six-month postgraduate conversion course fully funded by the police for graduates in other subjects.

Other changes being proposed include the following:

- There will be opportunities for serving policemen and women to study for a master's degree, which will be specific to policing, and which will be paid for by the police. There will be a requirement for all officers applying for a post at Assistant Chief Constable or above to have this master's degree.
- The promotion structure within the police force will be changed to support officers to gain further qualifications as they progress in their careers. For example, all newly promoted sergeants will undergo a 12-month higher-level apprenticeship in leadership and management (paid for through the levy) and will only be confirmed in post when they have satisfactorily completed this course.

The planned changes are expected to be introduced in pilot form in early 2017. The National Police Chiefs' Council has supported the move, saying that the changes will 'help modernise the service'. The Police Federation of England and Wales has also welcomed the proposals, but warned of the 'immense demands that were already being placed on the service'. The new qualification rules will not impact on current officers, unless they apply for a promotion to assistant chief constable or above. However, many existing rank and file officers are less enthusiastic about the proposals, claiming that degrees were 'at the bottom of the priority list' for most police officers, and that the public were 'more concerned that officers should be competent, caring and capable than they were that officers should have degrees'. Further details can be accessed at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/544849/hosb0516-police-workforce.pdf

OFSTED WANTS RESPONSIBILITY FOR INSPECTING DEGREE LEVEL APPRENTICESHIPS

The inspection of degree level apprenticeships in England is currently the responsibility of the Quality Assurance Agency (QAA). However, an Ofsted spokesperson has confirmed that the inspectorate is holding discussions with the DfE, the QAA and the Higher Education Funding Council for England (HEFCE) on taking over responsibility for the inspection of degree apprenticeships. The spokesperson said that 'regardless of level, an apprenticeship is an apprenticeship' and that it made 'perfect sense that there should be one inspection regime for all apprenticeships, and that the inspection regime should be Ofsted'.

OFSTED PROPOSES TO BRING 'OUTSTANDING' PROVIDERS BACK INTO THE INSPECTION CYCLE

Ofsted is expected to change its current policy of exempting providers rated 'outstanding' from routine inspection after it was revealed that some had not been inspected for more than a decade. If the move goes ahead, it is likely that 'outstanding' providers will be subject to the same routine inspection routine as others (e.g. undergoing 2-day 'short' inspections). The previous government introduced the exemption policy in the Education Act 2011, with the aim of enabling Ofsted to 'focus its resources on underperforming providers', and parliament would need to repeal this law before any change can be made. 'Outstanding' providers have always been subject to Ofsted's risk assessments. However, the new Ofsted Chief Inspector for England, Amanda Spielman, says that the risk assessment procedure 'will not always cover everything that is going on within the provider' (e.g. Prevent and safeguarding).

PREVENT STRATEGY CRITICISED

The Prevent duty requires schools, colleges and local authorities to 'have due regard to the need to prevent people from being drawn into terrorism'. An evaluation of the effectiveness of colleges in implementing the strategy is a component of Ofsted inspections and helps form the judgement on 'overall effectiveness'. The Prevent programme has been the subject of considerable criticism because of the 'damaging impact a wrong referral can have on individuals, their families and the wider community'. The Muslim Council of Britain, says that the Muslim community 'rightly feels unfairly targeted by this policy', and that 'at the very minimum' an independent review should be carried out. Liberal Democrat home affairs spokesman and former Metropolitan Police commander, Lord Brian Paddick, has gone further and called for the Prevent strategy 'to be scrapped and replaced with a new community-led programme'. Against this, the government's independent reviewer of terrorism legislation, David Anderson, said that 'troubled people had been helped by the strategy' and had 'played a major role in stopping more than 150 attempted journeys to the conflicts in Iraq and Syria'. And Simon Cole, of the National Police Chiefs' Council, defended the scheme against what he called 'hysterical criticism', arguing that it was 'absolutely fundamental to Britain's counter-terrorism efforts'. More information on the Prevent strategy can be accessed at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/97976/prevent-strategy-review.pdf

PROCUREMENT PROCESS FOR ADULT EDUCATION BUDGET (AEB) CONTRACTS TO BE INTRODUCED

New EU contracting regulations have come into force which will prevent the SFA from automatically renewing AEB contracts with private trainers. Instead, the SFA is now legally required to 'procure future training provision'. The AEB in England is worth around £1.5 billion a year, and around 500 independent training providers will be bidding for around £250 million of this. The rest will go to colleges, local authorities and universities, which because they contract with the SFA through a grant funding agreement, are not required to tender. The Association of Employment and Learning Providers (AELP) has lobbied strongly for all providers (including colleges) to have to compete to deliver AEB provision, arguing that the process is 'incredibly biased against independent providers'. The change will not affect apprenticeship provision, which will be procured separately through the new Register of Apprenticeship Training Providers (RATP).

<https://www.gov.uk/government/publications/sfa-changes-to-the-adult-education-budget-for-2016-to-2017>

MPS CALL FOR THE RETURN OF 'TRADITIONAL NIGHT SCHOOLS'

Meanwhile, following an adjournment debate called by David Lammy MP, to discuss 'Adult Education and the Future of Night Schools', 61 MPs have written to Robert Halfon, the Apprenticeships and Skills Minister for England, demanding more government commitment to adult education, along with the return of 'traditional night schools' for those adults (and others), 'left behind' and 'trapped in low-income jobs'. To support their case, MPs referred to UK government figures, which show that in England:

- There are now around 1.5 million fewer adults aged 19+ participating in FE than there in 2007/8, when the figure stood at 3.75 million.
- The adult skills budget was cut by 40% between 2010/11 and 2015/16.
- The number of adult learners fell by 10.8% in just a single year between 2014/15 and 2015/16.
- The number of adults achieving a Level 4 award or above fell by 75% between 2013/14 and 2015/16.
- ESOL funding has dropped from £203 million to £90 million between 2012/13 and 2015/16.

EFA FUNDING IN 2017/18

In a letter sent to providers in December, the Education Funding Agency (EFA) has confirmed that:

- The national base funding rates of £4,000 for full time students aged 16 and 17, and £3,300 for full time students aged 18, will remain unchanged for the academic year 2017/18 (as per the spending review).

- Additional funding will be provided for 'growing traineeship numbers'.
- There will be a new national formula for distributing high needs funding to local authorities.
- 'Formula Protection Funding' will be phased out, with 2020/21 being the final year it is payable.

Other areas covered in the EFA letter include funding for mathematics and English, student support funding (including for free meals), and funding for continuing students beyond the age of 18. A copy of the EFA letter can be accessed at:

<https://www.gov.uk/government/publications/16-to-19-funding-funding-for-academic-year-2017-to-2018>

NEW NATIONAL FUNDING FORMULA INTRODUCED FOR SCHOOLS IN ENGLAND

A new national funding formula for schools in England is to be implemented from the start of the 2018/19 academic year. The formula is designed to resolve 'unfair and inconsistent' funding anomalies between schools in different local authorities, where schools with similar intakes receive different levels of per-pupil funding. However, because there is no overall increase in the schools' budget, the new formula will mean that some schools will see their funding reduced and some schools will see their funding increased. In general, schools in cities and urban areas will face cuts in funding, and those in the shires and suburban areas will see increases in funding. Transitional arrangements will be put in place to cushion the impact on those schools most severely affected. More details can be accessed at:

<http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN06702>

LEGISLATION TO END 'SECOND-CLASS PERCEPTION' OF TECHNICAL ROUTES IN SCHOOLS IS 'DEFERRED'

Last January, the then Education Secretary for England, Nicky Morgan announced proposals for legislation imposing a legal requirement on schools 'to collaborate with colleges and training providers to ensure that young people were made aware of all available options'. However, no further announcements were made on this after the ministerial reshuffle in July. The DfE has now announced that the proposed legislation has been 'deferred'. However, the DfE does intend to make it obligatory for schools and local authorities to provide information to parents on options at the age of 14 (e.g. to join a UTC or Studio School), and the DfE's 'Free Schools Group', has already written to Directors of Children's Services asking them to act on this in advance. Some have suggested that the move is primarily intended to prevent even more UTCs from closing due to poor student recruitment, and point out that the DfE has already spent more than £3 million on UTC students who never enrolled.

LARGE DIVERGENCE BETWEEN GCE A LEVEL PREDICTED GRADES AND ACTUAL GRADES ACHIEVED

An analysis of the GCE A Level results of 1,356,055 16-19 year olds over a 3-year period to 2015 (roughly 452,000 entrants per year) carried out by researchers at University College London (UCL) on behalf of the University and Colleges' Union (UCU) has found that: 75% of students had been given overly optimistic predictions by their teachers; 9% did better than their teachers predicted; and 16% achieved what their teachers had predicted. A copy of the UCL report can be accessed at:

https://www.ucu.org.uk/media/8409/Predicted-grades-accuracy-and-impact-Dec-16/pdf/Predicted_grades_report_Dec2016.pdf

NEW DATA SHOWS A FALL IN THE TOTAL NUMBER OF HE STUDENTS IN FE COLLEGES ACROSS THE UK IN 2015/16

Data released by the Higher Education Statistics Authority (HESA) earlier this month reveals that number of students enrolling on HE courses at FE colleges across the UK has dropped for the first time in five years. The data shows that 187,115 students enrolled on HE courses in FE institutions in 2015/16, down from 189,670 the previous year. The decrease is mainly attributed to a lower number of full-time enrolments, which dropped from 67,640 to 63,920. In England, there were 125,060 HE enrolments at FE institutions in

2015/16, compared with 127,895 the previous year. Again, this decrease was down to fewer full-time enrolments. Against this, FE colleges in Scotland's colleges saw a small increase number of enrolments on HE courses from 48,715 enrolments in 2014/15 to 49,890 in 2015/16, with both part-time and full-time enrolments increasing. This is thought to be partly attributable to Scotland's more liberal HE fees policy, with Shirley-Anne Somerville, Scotland's minister for Further, Higher Education and Science, saying that the HE system in Scotland 'would always be based on the principles of being free, fair and funded'. A copy of the HESA data can be accessed at:

<https://www.hesa.ac.uk/news/12-01-2017/sfr242-student-enrolments-and-qualifications>

HIGHER EDUCATION AND RESEARCH BILL FACES STRONG CROSS PARTY OPPOSITION

The Higher Education and Reform Bill 2016 (which only affects HE providers in England) currently passing through the UK parliament is in four parts. These are as follows:

- Part 1 proposes the creation of a new body to be called the 'Office for Students' (OfS). The OfS will act as the regulator and funding body for the HE sector. The Higher Education Funding Council for England (HEFCE) will be abolished and the Office for Fair Access (OFFA) will be merged into the new OfS. There will also be a new Register of Higher Education providers, and changes to criteria in respect of the granting of degree awarding powers and university status.
- Part 2 contains proposals relating to linking the level of tuition fees that HE institutions can charge to the quality of their teaching through the 'Teaching Excellence Framework' (TEF).
- Part 3 makes proposals for the creation of a new body to be called 'UK Research and Innovation' (UKRI). The existing 7 research councils and 'Innovate UK' will be integrated into UKRI.
- Part 4 contains 'related general provisions'.

Once enacted, the proposals contained in part 1 of the Bill will make it easier for new HE providers to enter the HE sector in England, and for them to be able to award degrees, and gain university status. In the case of private sector, HE providers, their entitlement to generate profits from teaching students and other HE activity will also be formalised. This has led to allegations that the Bill is an attempt to 'marketise' the HE sector in England. Opponents of the Bill (which include members of the House of Lords, the Higher Education Policy Institute and the Committee of University Vice Chancellors) argue that, if enacted, the Bill will 'lower standards and damage the international standing of UK universities'. Against this, Universities Minister for England, Jo Johnson, has argued that making it easier for new high-quality providers to start up and achieve degree-awarding powers, and subsequently to secure university status, will 'increase competition and choice, raise standards and strengthen the United Kingdom's capabilities in research and innovation'. Other supporters argue that there has been a need for a new regulatory framework ever since tuition fees became the main source of university funding'. Earlier this month, the passage of the Bill was frustrated when members of the House of Lords tabled hundreds of amendments, A furious Mr Johnson accused universities of 'acting like a cartel' and 'setting the rules of the game in their own interests'. Further details on the Bill can be accessed at:

<https://www.gov.uk/government/publications/higher-education-and-research-bill-market-entry-and-quality>

<http://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-7608#fullreport>

TEACHING EXCELLENCE FRAMEWORK (TEF)

Part 2 of the Bill deals with the new TEF, which will allow universities in England that can demonstrate high quality teaching, to increase their tuition fees. The criteria for measuring teaching quality includes such things as course dropout rates, student satisfaction rates and levels of employment on graduation, but strangely (at least to those working in FE) it will not involve any observation of teaching. Instead, universities will 'submit a narrative explaining why they believe their teaching is excellent'. It is intended that the TEF will eventually replace cyclical inspections by the QAA. More details can be accessed at:

<https://www.gov.uk/government/collections/teaching-excellence-framework>

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/557140/Teaching_Excellent_Framework_-_Technical_Con_Response.pdf

UNIVERSITY TUITION FEES IN ENGLAND TO BE INCREASED TO £9,250 PER YEAR

Because of delays in implementing the TEF, virtually all universities in England will be allowed to charge fees up to £9,250 per year with effect from this September. The increase is expected to affect around 500,000 students, and will apply to those who are part way through their courses as well as those who are starting their courses. The increase has been put into effect without any formal announcement being made by the DfE. Instead, the change was announced on a government website managed by the National Archives Office. This has attracted criticism from opposition parties, and from teacher and student unions, who have accused the UK government of trying to 'sneak out' the changes. A spokesperson for the DfE denied this, claiming that 'the intention to increase fees had been made clear in the summer'. Most universities say that they will be seeking further increases above this level in the future. Observers suggest that this is to be expected, given that the cap on recruitment has been lifted and the DfE pays students' tuition fees up front directly to universities, (a situation described as being tantamount to a license for HE providers in England to print money). For their part, HE providers argue that the real value of tuition fees has been eroded by inflation and that fees need to increase to allow universities to remain financially viable.

The implication for students in England is that, on graduation, they will face a level of debt much higher than the current average of £44,000 estimated by the Institute for Public Policy Research (IPPR). By international standards, the only real comparison for such high levels of student borrowing is the United States. The think tank, 'Intergenerational Foundation, estimates that the increase in fees means that:

- A graduate earning £41,000 would pay back £54,000 on their tuition fee loan, and after 30 years, a further £38,900 would still be outstanding (since interest accrues from when the loan is taken out).
- A higher paid graduate earning £50,000 per year would earn enough to clear all their tuition fee debts within 30 years and would have repaid about £57,000 (with interest).
- A graduate earning £35,000, would repay £37,800, with £55,000 to be written off after 30 years.

They also argue that taxpayers will end up paying for the loans system in England three times over. This is firstly, because £ millions of public funding will be diverted from other spending priorities into up-front tuition fee payments made by the DfE on behalf of students. Secondly, there will be lower consumer spending as graduates' future incomes are diverted to loan repayments. And thirdly, taxpayers will bear the burden of the rising levels of non-repayment of loans. This latter has resulted in the government considering selling off the student loan book to the private sector. Meanwhile, HE tuition for students from Scotland (and non-UK EU studying at Scottish universities) remains free. Students from Wales will pay a maximum of £3,900 per year in HE fees and students from Northern Ireland will pay a maximum of £3,925. Currently, the devolved governments have no plans to increase HE tuition fees in 2017/18.

BRISTOL UNIVERSITY IS TO TAKE MORE DISADVANTAGED STUDENTS BY OFFERING PLACES WITH REDUCED GRADES.

The University of Bristol (which says it gets 8 applications for every place) has developed a strategy to increase social mobility and attract a wider range of students, called the 'Bristol Project'. The university says that it will be offering places to applicants with two grades lower for those applicants from local schools in the lowest-achieving 40% for GCE A Level results. The university also says that for every local school, there will be five places for disadvantaged pupils, based on 'assessments of potential' rather than examination grades. The university Vice Chancellor (who was reported in the Bristol Post to have received a salary of £323,000, and to have claimed £4,400 for 'business lunches' last year) says that the Bristol Project represents a 'step change'. Others have argued that perhaps reducing tuition fees from the current £9,000 per year and restoring maintenance grants might do more to increase social mobility and to encourage more students from less well-off backgrounds to apply for a place at university.

HOME OFFICE FACES LEGAL ACTION FROM STUDENTS ALLEGED TO HAVE COMMITTED VISA APPLICATION FRAUD

Earlier this month (January), 9 people were convicted of immigration fraud offences involving student visas and were sentenced to between 3 and 8 years in prison. The convictions came in the wake of a Panorama investigation that showed mass cheating at two test centres approved to conduct the Test of English for International Communication (TOEIC), a pass in which is one of the requirements that need to be met before an overseas student can be granted a study visa. Undercover footage showed entire classrooms of registered candidates having their written and oral tests being taken by paid cheats who spoke better English. And in a multiple-choice paper, an invigilator was filmed reading out the answers to those sitting the test. The TOEIC oral test results were recorded on computer and sent to be marked in by a company in the US called ETS. ETS apparently failed to detect the same voices appearing numerous times under different names. ETS agreed to re-analyse every oral exam submitted electronically from all 96 UK test centres, and the firm subsequently provided the Home Office with a list of more than 33,000 TOEIC test results that it said were 'invalid', and around a further 22,000 it described as being 'questionable'.

Following the ETS findings, the Home Office withdrew the study visas of thousands of students and more than 4,600 people were deported, or left Britain voluntarily. However, a student from Bangladesh, who was one of those accused of having faked the TOEIC test, mounted a legal challenge to his deportation, during which it was found that the Home Office could not produce the forensic voice recognition evidence required to prove cheating, and earlier this month the student was given permission to stay in the UK to continue his studies. This has led to more students lodging an appeal against being refused a study visa. The House of Commons Home Affairs Select Committee has now commenced an investigation into the government's handling of student visa fraud, and the chair of the committee, Yvette Cooper has written to the Home Secretary Amber Rudd asking her to explain how the current backlog of similar appeals will be handled.

UK GOVERNMENT PAYS BACK AN AVERAGE OF 5 TIMES THE AMOUNT BORROWED FOR PFI FUNDED SCHEMES

The UK government now owes more than £222 billion (or around £3,400 per head of the UK population) to financial institutions that have provided funds for public sector infrastructure projects such as schools, colleges and hospitals through the Private Finance Initiative (PFI). PFIs were first developed by the Conservative Party in the 1990s, but were swiftly embraced by New Labour, which signed hundreds of PFI contracts. Basically, a PFI is a type of mortgage that the government takes out, usually over a 25 to 35 year period. Repayments on the loan are made over this period, but the main incentive for private sector firms to provide funds for public sector infrastructure projects is the ability to link the loan to lucrative contracts for the provision of services such as facilities maintenance and cleaning. An analysis of Treasury data on more than 720 PFIs has been carried out by the 'Independent on Sunday' newspaper, the findings of which were subsequently verified by the National Audit Office (NAO). The analysis shows that PFI schemes have been 'a financial disaster'. An earlier NAO report explains that 'In the short term using private finance reduces reported public spending and government debt figures. But, in the longer term, more public spending will be required to repay the debt and interest of the original investment'. As one example of this, Britain's biggest health trust, Barts Health NHS Trust in London, was recently placed in special measures because of being £93 million in debt. This is said to be mainly attributable to the financial burden of having to meet the terms of a 43-year PFI contract, requiring the trust to back more than £7 billion on contracts valued at £1.1 billion.

So far, PFIs have yielded public assets valued at a total of £56.5 billion. But the taxpayer will be required pay more than 5 times this amount under the contractual terms of the PFIs used to create them. In many cases, the public will be left with nothing to show for it, because the PFI contract agreed was effectively a lease agreement. Meanwhile, inflation means that the cost of servicing PFIs is growing. In 2015/16 alone it rose by £5 billion, and the projected costs are expected to eventually exceed £310 billion over the next 20 years. This is more than four times the austerity cuts to local authority and central government services. New PFI contracts are still being signed, leaving critics concerned that the diversion of funds from other

budgets to make PFI payments is a smokescreen for the further privatisation of public services.

<http://www.publications.parliament.uk/pa/cm201617/cmselect/cmpubacc/866/86602.htm>

AND FINALLY...

A college was undergoing an Ofsted inspection and an inspector was undertaking a visit to a local hospital where some of the college's pre-nursing students were undertaking work experience. One of the students, accompanied by his supervisor, showed the inspector around the ward where he was working and introduced her to some of the patients. The inspector was keen to find out from the patients their view of how well the student was doing, but before she could do so, one of patients stared at her with glazed eyes and much to her surprise, began shouting, 'Och, wee cowerin' tim'rous beastie...' The patient in the next bed then looked out of the window and began singing 'Oh my luve's like a red, red rose, that's newly sprung in June...'. The third patient glared at her threateningly and started to shout, 'Fair fa' your honest sonsie face, great chieftain o' the puddin' race...' at which point the inspector decided to make a swift bolt for the door. Once safely outside, the inspector asked the student's supervisor, 'Was that the psychiatric ward?' 'No,' the supervisor replied proudly, 'that was the Burns unit.'

(A rubbish joke, I know, but my excuse is that 25 January was Burns' Night)

Alan Birks – January 2017

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

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