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SECTOR DEVELOPMENTS…

EFA AND SFA MERGE ON ANNOUNCEMENT OF CHIEF EXECUTIVE'S IMPENDING RETIREMENT

Peter Lauener, who has impressed the FE sector with his almost superhuman ability to multi-task by simultaneously performing the duties of chief executive of the Skills Funding Agency (SFA), chief executive of the Education Funding Agency (EFA), and interim chief executive of the Institute for Apprenticeships (IfA), has finally announced his retirement. Alongside this, with effect from the beginning of this month (April) the DfE has merged the SFA and the EFA to create a new 'Education and Skills Funding Agency' (ESFA). The DfE says that a search is now underway to find Mr Lauener's successor at the ESFA, and to recruit a new chief executive for the IfA, but that he will carry on in his various roles until replacements are in place.

ESFA CEO WARNS THAT PRINCIPALS THAT THEY NEED TO CONTROL THEIR BUDGETS AND MAINTAIN ROBUST DATA

As a parting shot, Mr Lauener has written a letter to Principals and CEOs in which he lays the blame for financial and quality problems in colleges squarely on 'poor management', 'weak governance' and 'ineffective self-assessment'. His letter is clearly not intended to be a morale booster, Mr Lauener highlights the legal obligations of principals as 'accounting officers' for the public funds entrusted to them, and warns them of the dire consequences should they fail to meet these obligations. He reminds principals that they are 'personally responsible to Parliament for the 'regularity, propriety and value for money' of their college's spending decisions, and says that the way in which they discharge these responsibilities affects the credibility of the 'annual assurance given to Parliament about the public money invested in colleges'. He particularly focuses on the need for principals to ensure that they exercise robust financial and data management, insisting that it is 'critical for colleges to set and control their budgets accurately', and for a college's individual learner record (ILR) data to be reliable. Moving on, he says that, given statutory responsibilities of governing bodies, it is important that boards can demonstrate that the principal is effectively challenged and held to account. Because of this, Mr Lauener urges principals to discuss the issues he raises in his letter with their governors (and finance officers) 'at their next board meeting'.

In his letter, Mr Lauener makes no reference to the huge cuts to FE budgets since 2010. Reflecting on this omission, observers point out that over this period, the FE sector in England has faced real term cuts of 25%, with funding for those aged 19+ having been cut by more than 40%. The full-time FE workforce has contracted by around 30%, with any new jobs there might have been in the sector tending to be advertised on temporary, partial, or zero-hours contracts. In most FE colleges, staff have received no pay rise for the last seven years. Some believe that the current level of funding makes public sector FE unfeasible. They point out that if, for example, a college with, say, 6,000 full time equivalent (FTE) students were to receive an additional £1,000 per FTE in funding (bringing FE funding to a level comparable with schools funding, but still around £4,000 per FTE less than university funding) the college in question would receive an additional £6 million per year. They argue that if all FE colleges had received an additional £1,000 per FTE in funding for the provision they had delivered, there would be far fewer colleges in crisis. A copy of Mr Lauener's letter has not yet been posted on the ESFA website.

ESFA MAINTAINS A 'SECRET LIST OF COLLEGES THAT ARE A POTENTIAL RISK'

The ESFA has been clandestinely maintaining a list of providers they regard to be a 'potential risk'. Using an ESFA 'profile and assessment' software tool, which generates four grades, all providers have been placed in one of four 'colour' categories, along with the level of monitoring and intervention required. As at January 2017, 1,025 private training providers, colleges and councils had ESFA contracts. Of these:

- 462 were classified as 'Green' (requiring standard monitoring)
- 299 were classified as 'Amber' (requiring active monitoring).
- 191 were classified as 'Orange' (requiring a 'close monitoring')

- 73 were classified as 'Red' (requiring formal intervention).

This would suggest that more than half (55%) of providers with an ESFA contract are currently subject to 'active monitoring', 'close monitoring' or 'formal intervention'. FE sector leaders have not criticised the fact that such a list exists, but have criticised the ESFA's secrecy in maintaining it, and are calling for more transparency about the factors that place providers into a category and those that move them into, and out of those categories. They are also asking for more clarity on how the ESFA uses the categories for funding allocation decisions. The list is not available on the ESFA website (because it is a secret, obviously). However, a link to the full ESFA list, including details of which category each of the 1,025 providers has been placed, has been published by FE Week.

ETF ANNOUNCES A NEW FE & SKILLS LEADERSHIP PROGRAMME FOR PRINCIPALS AND CEOS

Presumably because the DfE believes that the problems facing colleges are largely down to weak management, rather than inadequate funding, a new leadership programme for FE principals in England has been announced. The programme will be delivered by the 'Saïd Business School' on behalf of the Education and Training Foundation (ETF). The DfE will provide £1.27 million towards programme delivery costs, with individual participants each contributing around £3,000 either personally (or more likely through their colleges). The Association of Colleges (AoC), the FE Commissioner for England and the Roffey Park Leadership Institute will also be involved in the design of the programme content. The programme is said to be designed to provide principals and CEOs with 'a deeper understanding of their roles' and to 'boost their capacity in key areas, including the ability to operate in a complex and fast-changing environment'. Programme participants will benefit from 'additional coaching and mentoring support', as well as 'peer support through ongoing action learning sets, made up of fellow principals and CEOs'. The new leadership programme will replace that previously offered by the Learning and Skills Improvement Service (LSIS) before it ceased to operate in 2013, which in turn replaced that offered by the former 'Centre of Excellence in Leadership' (CEL). The Saïd Business School, is affiliated to Oxford University, and is claimed to be 'one of the top-ranked business schools in the world'. Its involvement in the programme is described by the ETF as a 'major coup' for the FE sector. More details can be accessed at:

http://www.et-foundation.co.uk/news/announcing-fe-strategic-leadership-programme/

ETF ANNOUNCES A NEW FE AND SKILLS LEADERSHIP PROGRAMME FOR CFOS

The ETF has also announced a new programme for Chief Finance Officers (CFOs) to help them to become 'commercial leaders'. The new CFO programme is funded through an initial £500,000 contribution from the DfE and through individual participant fees, and is being run in partnership with the Institute of Chartered Accountants in England and Wales (ICAEW). More details of this programme can be accessed at:

http://www.et-foundation.co.uk/news/new-education-programme-chief-financial-officers/

CHARTERED INSTITUTION FOR FURTHER EDUCATION STRUGGLES TO GET OFF THE GROUND

The Chartered Institution for Further Education (CIFE) has received more than £420,000 in grants from the former Department for Business, Innovation and Skills (BIS) in its first two years, which has helped to pay for the appointment of a CEO (Ed Quilty) and an administrative support team. This grant funding is now coming to an end, and it is estimated that the CIFE will 'need to attract 80 to 90 members to generate enough funding for it to become self-sufficient'. However, the CIFE currently has only four FE colleges and one independent training provider in membership, although the CIFE chair, Lord Lingfield claims that 'around 100 providers have expressed an interest in joining'. Membership is currently available to providers rated by Ofsted as 'outstanding' or 'good', and that meet certain other criteria, and Lord Lingfield has said that despite the low numbers, the CIFE had 'no intention of lowering its entry requirements' to generate more fees'. (Probably because it would defeat the object of the CIFE if providers that were judged as 'requires improvement' or 'inadequate' were admitted to membership). Annual membership fees start at £5,000, plus a one-off payment to cover an initial assessment cost, both of which vary according to the size of institution. The CIFE therefore appears to still be some way off becoming 'FE's answer to the Russell Group of Universities'.

Some observers believe that FE college managers, having previously gone through the process of obtaining BSI/ISO accreditation, Investors in People (IIP), Chartermark, Centre of Vocational Excellence (CoVE), and other quality kite-marks, almost too numerous to list, all of which have come and then gone, may be suffering from 'kite mark fatigue'. Or perhaps the endless pressures of dealing with scrutiny by the ESFA, Ofsted and other agencies, combined with having to cope with inadequate budgets, persistent external audits, staff shortages, low staff morale, ceaseless curriculum initiatives and perpetual changes in accreditation methodology, means that many college managers simply just can't face the prospect of having to jump through yet another set of complex and costly administrative hoops, just for privilege of paying tens of thousands of pounds they can't afford, for yet another kite mark of dubious longevity.

INSTITUTE FOR APPRENTICESHIPS (IFA) IS LAUNCHED

The IfA became fully operational on 1 April, and was officially launched by Robert Halfon, the Minister for Apprenticeships and Skills in England at the Mansion House in London on 18 April. The IfA will set quality criteria for apprenticeships standards in England and will advise the government on funding for all apprenticeships at Level 5 and below. (The DfE has given the HEFCE and the QAA responsibility for apprenticeships at Level 6 and above in England - see section below). The Technical and Further Education Bill has now passed through parliament, and Royal Assent is expected to be given on 27 April. At this point, the IfA will assume statutory responsibility and powers for all technical education and accreditation at Levels 1-5 within the 15 new technical routes recommended in the Sainsbury Review, and enshrined in the Post-16 plan. The IfA will also be renamed the Institute for Apprenticeships and Technical Education (IfATE). The IfA has now advertised for a chief executive to replace the current interim chair, Peter Lauener. The appointment is for a fixed five-year term and carries a salary of around £140,000. In addition to the oversight of the entire apprenticeship programme at Level 5 and below in England, it is expected that the new CEO will have responsibility for an annual administrative budget of around £8 million, and line management responsibility for around 80 staff.

IFA APPOINTS CHAIRS FOR TECHNICAL ROUTES

Meanwhile, the IfA has appointed the chairs of the panels that will oversee each of the 15 Technical Routes. These are:

- ***Agriculture, Environment and Animal Care:*** Richard Self, Project Manager for Edge Careers and Agricultural Manager, Co-operatives UK
- ***Business and Administrative:*** Andrew Ground, Chief Executive and Co-founder of Tutorfair
- ***Catering and Hospitality:*** Alison Gilbert, Human Resources and Board Director, CH&Co
- ***Childcare and Education:*** Sir Nick Weller, Executive Principal, Dixons City Academy, Bradford
- ***Construction:*** Tanja Smith, Technical Director, Gradon Architecture
- ***Creative and Design***: Iain Smith OBE, film producer, Applecross Productions
- *Digital:* Mark Sherwin, Managing Director, Global Digital Customer Services Lead, Accenture
- ***Engineering and Manufacturing:*** Dr Graham Honeyman CBE, Chief Executive at Sheffield Forgemasters
- ***Hair and Beauty:*** Suki Kalirai, Director, GKC Infocus Ltd and Qi Spa (Spa WMC Ltd)
- ***Health and Science:*** Kirk Lower, National Lead for Apprenticeships, Talent for Care, Widening Participation and Volunteering, Health Education England
- ***Legal, Finance and Accounting:*** Mike Thompson, Director, Early Careers, Barclays
- ***Protective Services:*** Sir Jonathan Murphy, former Chief Constable Merseyside Police, Professor of Advanced Policing Studies, Liverpool John Moores University
- ***Sales, Marketing and Procurement****:* Godfrey Moger, station director for free radio, Bauer Media
- ***Social Care:*** Sir Roger Singleton, Chair of the Independent Safeguarding Authority and previously Chief Executive of Barnados
- ***Transport and Logistics:*** Michelle Nolan-McSweeney, Head of Training Strategy, Network Rail

Other panel members will be 'industry experts' and they are currently in the process of being recruited.

IFA APPOINTS AN APPRENTICESHIP PANEL

Controversially, the main IfA board does not include an apprentice. However, the IfA has also appointed a separate panel made up of apprentices to advise the main IfA board. The panel is made up of current or recent apprentices from a wide range of occupations, and the panel's task is to 'ensure the apprentice voice is heard within the IfA decision-making structure'. It is at present unclear whether apprentice members will be included on the Technical Route panels.

ARE THE CRITERIA FOR INCLUSION ON THE NEW ROATP ' FIT FOR PURPOSE'?

A total of 1,708 providers (made up of 1,303 main providers, 235 supporting providers and 170 employer providers) were successful in their application to be included on the new Register of Apprenticeship Training Providers (RoATP). Only those included on the register are eligible to deliver apprenticeships to levy-paying employers. Around a quarter of the organisations that applied (619 providers) failed in their application. Included amongst these were 18 FE colleges rated 'good' by Ofsted (with no 'inadequate' grades). They apparently failed to get on to the register because they did not meet the ESFA's 'broader set of criteria'. One of these colleges (Hartlepool College) has since received an 'outstanding' grade from Ofsted for its apprenticeship provision. The exclusion of colleges such as these is surprising, since at least 5 other FE colleges (and one local authority) *were* successful in being included on the register, despite having been graded either as 'inadequate' overall, or even 'inadequate' for their apprenticeship provision. In addition to this, it appears that more than a quarter (26%) of the organisations that were successful in being included on the register have no previous experience of delivering apprenticeships. One private training organisation (called 'The Leadership Team'), with no apparent track record or trading history in delivering apprenticeships has now been put up for sale at a premium on the basis that its bid to be included on the RoATP was successful. The firm now says that it can also provide 'brokerage' services to 'match employers with providers for apprenticeship delivery', and can offer 'bid-writing consultancy services' for other training providers that are applying for inclusion on the RoATP.

All of this has raised questions about whether the criteria used by the ESFA for judging a provider's eligibility to be included on the RoATP is fit for purpose. In response to a question asked about this in the House of Lords, the Parliamentary Under Secretary of State for Schools in England, Lord Nash was forced to admit that 451 of the 1708 organisations accepted for inclusion on the register had no previous experience whatsoever of delivering apprenticeships. These included universities, charities, public sector bodies, employers and other private/commercial providers. Lord Nash defended this on the basis that 'The new register opens up the current apprenticeship market to wider competition' and that the government had deliberately 'sought to encourage new providers to come forward who do not have a tradition of delivering apprenticeships, to give employers a wider choice of providers and to create a broader range of training'.

APPRENTICESHIP FUNDING ALLOCATIONS TO NON-LEVY PAYING EMPLOYERS IS 'PAUSED'

Around 98% of employers are outside the scope of the new apprenticeship levy. However, decisions on apprenticeship funding allocations to non-levy paying employers in England has been be 'paused' by the ESFA. The reason given by the ESFA for this 'pause' was that the funding available has been 'significantly oversubscribed, due to overwhelming interest from the training provider market in the apprenticeship reforms'. Providers have bid for a share of a funding pot worth up to £440 million, but actual bids have amounted to more than £1.6 billion. The ESFA also says that 'pausing the process' will allow the agency to 'review our approach', and will help 'ensure that we achieve the right balance between stability of supply and promoting competition and choice for employers'. However, many providers, particularly those applying for a contract for the first time, say that the delay has left them 'facing an uncertain future'. In the meantime, the ESFA has confirmed that provision for apprentices on existing programmes will not be affected, and that existing contracts held by all current providers will continue until the end of December 2017. But the agency has also stipulated that 'current providers with these extended contracts will only be able to undertake *new* starts on those contracts if they are included on the RoATP'. Further details about the 'pause' on allocations and its implications, including a copy of the letter the ESFA has recently sent to providers explaining the delay, can be accessed at the link below:

http://www.apprenticeeye.co.uk/2017/04/21/esfa-clarifies-non-levy-funding-pause/

APPRENTICESHIP 20% 'OFF-THE-JOB' TRAINING RULE IS CLARIFIED

The new apprenticeship funding rules include a mandatory requirement that every apprentice should spend at least 20% of their time undertaking 'off-the-job training'. In the past, the definition of 'their time' and 'off-the-job training' has not been entirely clear, however the latest ESFA current 'Apprenticeship Funding and Performance-Management Rules for Training Providers' helps provide some clarification. In the latest rules, 'off-the-job training' is defined as 'learning which is undertaken outside of the normal day-to-day working environment and leads towards the achievement of an apprenticeship'. This, says the ESFA, can include 'training that is delivered at the apprentice's normal place of work, but *must not* be delivered as part of the apprentice's normal working duties'. Also, the off-the-job training *must be directly relevant* to the apprenticeship framework or standard and might, for example, include 'the teaching of theory, practical training, learning support and time spent writing assessments/assignments, shadowing, mentoring, industry visits and attendance at competitions'. The ESFA rules also stipulate that 'off-the-job' training *does not include* English and maths up to Level 2 (which is funded separately), progress reviews or on-programme assessment, or training which takes place outside the apprentice's paid working hours. A copy of the latest ESFA apprenticeship funding and performance management rules can be accessed at:

https://www.gov.uk/government/publications/apprenticeship-funding-and-performance-management-rules-2017-to-2018'

AELP CALLS FOR A 'WIDER DEFINITION' OF 20% 'OFF-THE-JOB' APPRENTICESHIP TRAINING

Earlier this year, the AELP, which predominantly represents independent training organisations and employer providers, offered to provide the DfE with help in defining the minimum 20% off-the-job training rule for apprenticeships, however the offer was declined. Many private training providers have expressed their concerns about the definition 'off-the-job' training, and their concerns have not been allayed by the latest ESFA guidance. For example, they argue that 'off-the-job' training could be delivered in the apprentice's place of work by distance learning, and that it could even be integrated with the 'on-the-job' activities the apprentice undertakes whilst working. In support of this, the AELP has produced its own report calling for considerably more flexibility in the way the 'off-the-job training' is interpreted. The report is based on the findings of 202 responses from around 25% of the AELP membership, and reveals that:

- 59% of off-the-job training takes place either 'fully' or 'mostly' on the employers' premises.
- 37% of off-the-job training happens at the apprentice's workstation.
- Only 13% of off-the-job training takes place entirely away from the workplace.

In the report, the AELP calls for:

- Distance learning 'to be recognised and supported, and not discouraged'.
- Use of technology to enhance innovative learning 'to be embraced and encouraged, and not stifled'.
- The 20% minimum off-the-job training requirement 'to include the time spent teaching compulsory English and mathematics resits' (where it is necessary to provide this).
- The recognition of 'off-the-job' training that is 'blended' and integrated with 'on-the-job' training.
- The recognition of 'off-the-job' training that takes place in the workplace, but in a separate training room.
- The recognition of off-the-job training that takes place at the apprentice's own workstation.

However, others elsewhere in the sector have expressed their concerns that a 'more flexible' or 'looser' definition might enable unscrupulous apprenticeship providers to avoid having to provide a sufficiently robust 'off-the-job' training element, particularly where the target qualification is obtained mainly through a competence based 'tick-box' style process. A copy of the AELP survey and report can be accessed at:

https://www.aelp.org.uk/news/submissions/details/submission-40-off-the-job-training-survey-and-reco/

ELECTRONIC MEASUREMENT OF APPRENTICESHIP 'OFF-THE-JOB' TRAINING IS INTRODUCED

Providers are not only required to provide 'off-the-job training', but are also required to provide evidence that the training has taken place. To monitor that the minimum 'off-the-job' training requirement has been undertaken, providers will be required to supply apprentices with cards to be used in conjunction with a card reader that will record when apprentices clock into and out of work, and the time they spend undertaking their 'off-the-job' training. This data will be made available for scrutiny by the DfE, Ofsted and other interested parties via a 'live dashboard'. The card and card reader will cost around £8 per apprentice, which the ESFA will charge the provider, along with the cost of providing the apprenticeship certificate.

DISAPPOINTMENT AS GCSE ENGLISH AND MATHEMATICS RE-SIT 'CONDITION OF FUNDING' RULE IS RETAINED

Since August 2015 all students in England aged 16-18 with a GCSE near-pass (previously a Grade D) in English and mathematics, have been required to continue studying and to re-sit the subjects, alongside their main FE course. This requirement was made a 'condition of funding' (i.e. failure to offer these resits resulted in the all the student's FE programme being studied ceasing to be eligible for funding). Colleges have struggled to cope with the extra burden of teaching the repeat GCSEs, students have become demoralised, and their re-sit pass rates have often failed to demonstrate any improvement in grades, and in some cases the grades achieved have deteriorated, and colleges have been penalised heavily for this during Ofsted inspections. It is generally agreed that the policy has failed to produce the desired results and multiple sources at a senior level that GCSE English and mathematics have implied that re-sit courses would be replaced with revamped Level 2 Functional Skills programmes in those subjects. One of these senior sources is Apprenticeships and Skills Minister for England, Robert Halfon, who conceded that repeat GCSEs were 'not always the best option for FE students', and who said 'that is why we are reforming Functional Skills'. However, the ESFA Funding Guidance for Young People 2017/18 published earlier this month (April) shows no change to the rule, with the relevant section clearly stating that 'Full time students starting their study programme who have a Grade 3 or Grade D GCSE, or equivalent qualification in mathematics and/or English, must be enrolled on a GCSE, rather than an approved stepping stone qualification'. A copy of the ESFA 2017/18 Funding Guidance for Young People can be accessed at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/607246/16_to_19_funding_guidance_2017_to_2018_v_1.0__003_.pdf

More detail on the English and mathematics 'condition of funding' requirement can be accessed at:

https://www.gov.uk/guidance/16-to-19-funding-maths-and-english-condition-of-funding

CHANGE IN GCSE 'GOOD PASS' GRADE

But there has been one change. It was originally announced that the level that pupils must achieve in order *not to be required* to continue studying English and mathematics post 16 was a Grade 5, which was set to replace the current Grade C pass. However, a letter setting out the changes in GCSE grading in England sent by Justine Greening, Minister for Education in England, to Neil Carmichael, Chair of the House of Commons Education Select Committee dated 28 March, says that pupils who obtain a GCSE *Grade 4 or better* in GCSE English and mathematics at school *will not be required* to re-sit the subjects when they progress into FE. (The new numerical grading system goes from Grade 1 to 9, and just to add to the confusion Grade 9 is the highest grade). A copy of Ms Greening's letter can be accessed at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/603594/ESC_letter.pdf

THE PERCENTAGE OF 19 YEAR OLDS OBTAINING LEVEL 2 AND 3 QUALIFICATIONS FALLS FOR FIRST TIME IN 11 YEARS

Figures recently published by the DfE reveal that after 11 years of consecutive increases, in 2015/16 there was a fall in the percentage of 19 year olds obtaining Level 2 and Level 3 qualifications. From a low of 66.6% in 2003/04, the percentage of 19 year olds achieving a Level 2 qualification continuously increased to 87.5% in 2014/15, before falling to 86.7% in 2015/16. And at Level 3, from a low of 42.2% in 2003/04, the percentage continuously increased to 60.4% in 2014/15 before falling to 60.1% in 2015/16. The contraction in performance has been attributed to the decoupling of AS levels from GCE A levels, and the change in the way vocational qualifications are counted in school performance tables since 2013/14. Data on Level 2 and Level 3 performance can be accessed at:

https://www.gov.uk/government/statistics/level-2-and-3-attainment-by-young-people-aged-19-in-2016

TECHNICAL AND FURTHER EDUCATION BILL

The Bill has now passed through the final stages in parliament and is expected to receive Royal Assent on 27 April. One amendment that was proposed in the Lords involved a motion that the families of apprentices aged 16-18 should continue to receive child benefit. At present, families lose child benefit for children who take up apprenticeships because they are deemed to be in 'paid employment'. In contrast, the families of, say, children taking full time GCE A Levels, continue to receive benefit payments if they qualify, even if they are working part-time. The Lords amendment would have had the effect of extending child benefit entitlement, along with other benefits such as the one-off bursary of £2,000 for care leavers who go on to study at university, and financial support available generally to higher education students, to those who are undertaking apprenticeships. Proposing the amendment, Lord Hunt claimed that the amendment would mean that 'apprentices and students in further and higher education would be treated equally in the student support and benefits system'. However, in the Commons, **Robert Halfon,** the Minister for Apprenticeships and Skills in England, told MPs that the proposals would cost more than £200 million and the amendment was duly defeated by 298 votes to 182. Parliamentary Under Secretary of State for Schools in England, Lord Nash, said that with effect from this month (April), 'Undertaking an apprenticeship at minimum wage will pay more than five times the maximum child benefit rate. Therefore, an apprentice's parents should not eligible for child benefit for supporting that employed young person. He also said that it was 'not correct to equate being on an apprenticeship to being in higher education, where a student is making a substantial investment in their education and has appropriate access to student finance. He went on to say that 'Apprenticeships, by contrast, are real jobs and those undertaking them are employees who earn a wage'. Other amendments to the Bill that have been approved, and other relevant Bill clauses include the following:

- A requirement for schools to ensure that a 'range of education and training providers can access pupils aged between 13 and 18 to promote technical education qualifications or apprenticeships'. (This was an amendment introduced by Lord Baker that is primarily intended to help university technical colleges (UTCs) and studio schools to address their recruitment problems, but it will also benefit all post 16 providers of technical and vocational education, including FE colleges).
- The expansion of the remit of the Institute for Apprenticeships (IfA) to give the body responsibility for overseeing the development of a new post-16 structure for technical education, and for the IfA to be renamed the Institute for Apprenticeships and Technical Education (IfATE).
- A mandatory requirement for colleges and local authorities share data, following the devolution of adult skills funding.
- The introduction of a new insolvency regime for colleges.

NCS HAS NO 'POSITIVE IMPACT' ON GETTING YOUNG PEOPLE INTO WORK OR OFF BENEFITS

The National Careers Service (NCS), claims to offer young people aged 13 and older 'access to up-to-date, impartial information and professional guidance on careers, skills and the labour market through an online service and telephone helpline', while adults aged 19 and older can 'access one-to-one support from a qualified adviser, face-to-face in the community'. To provide these services, the NCS has received £380 million in government funding since it was launched in 2012. However, a recently published research commissioned by the DfE, and carried out by consultants London Economics, on the effectiveness of the NCS, 'could not identify a single positive impact of the NCS on employment or benefit-dependency outcomes'. The report compares the progress of NCS 'customers' with a comparable group of people who did not use its services, and finds that the employment outcomes of its customers worsen in the first month's post-support. In the sixth month after receiving NCS support, customers spent 3.5% less time in employment than peers who did not access the service. Even in the 24th month after intervention, those who received NCS support spent an average of 2% less time in employment. In what might be construed as a bit of an understatement, Shadow Skills Minister for England, Gordon Marsden, said that 'in the five years the NCS has been in existence, it has slightly lost its way'. And a DfE spokesperson said that, in the light of the research findings 'changes to the organisation will be made, including a move to an outcome-funded model focused on progression into jobs and learning, customer satisfaction and career management'. A copy of the report can be accessed at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/603929/National_Careers_Service_economic_evaluation.pdf

£140 MILLION WASTED ON NEW TYPES OF SCHOOL THAT EITHER CLOSED EARLY OR DID NOT OPEN AT ALL, SAYS NUT

The National Union of Teachers (NUT) has accused the UK government of 'wasting' around £140 million on 62 free schools, university technical colleges (UTCs) and studio schools in England, which have either closed, partially closed or never opened. The NUT General Secretary, Kevin Courtney, said that the figures made it clear that the free school, UTC and studio school programmes were 'ill-thought policies which, in many cases, resulted in an appalling waste of public money'. He went on to say that 'The true cost of these policy failures is even greater. There is a human cost in the disruption caused to the education of the thousands of pupils who attended schools which have closed', and that it was 'usually local authorities that have had to pick up the pieces by finding alternative places for the displaced children'. Meanwhile, Bolton UTC is the latest UTC to have been declared 'inadequate' by Ofsted, making it the sixth of 24 UTCs inspected to have been given an 'inadequate' rating.

The House of Commons Public Accounts Committee (PAC) has produced a report which appears to support the NUT's assertion. The report describes the UK government's strategy for building new schools in England as 'incoherent' and 'poor value for money'. The report says that government's focus on free schools sometimes resulted in them being opened in areas with no shortage of places for pupils, while existing schools were 'struggling' to make ends meet'. The PAC also noted that each pupil place in a new free school 'costs 51% more than places provided by local authorities'. This was largely due to the high cost of land, for which the DfE was found to be paying almost 20% over market valuations. The PAC report conclusions and recommendations can be accessed at:

https://www.publications.parliament.uk/pa/cm201617/cmselect/cmpubacc/961/96105.htm

DFE APPROVES ANOTHER 131 FREE SCHOOLS TO OPEN IN ENGLAND

Apparently undeterred by these concerns, the DfE has announced its approval for a further 131 free schools to be opened in England, creating around 69,000 new places. All new state schools must now be free schools, which will be run mainly by academy trusts, some of which will be multi-academy trusts (MATs) that may have selective schools within their academy chains. Most of the new free schools will be in the south east, with more than 15,000 places in 27 schools, followed by almost 10,000 extra places in London in 18 schools, and 9,000 places in 12 schools in the West Midlands. It is unlikely that these will be the last free schools to be approved, since almost a million additional places will be needed by the end of 2020 to cope with a rapidly rising school-age population. If the government achieves its aim of opening a new generation of grammar schools, then the next waves of free schools are also likely to include more selective schools.

OFSTED ANNOUNCES NEW LOGO FOR USE BY PROVIDERS RATED AS 'GOOD'

Ofsted has announced that a new logo is to be made available for providers rated 'good'. Previously only providers judged as 'outstanding' could use the logo, and Ofsted has previously threatened legal action against providers who made 'unauthorised' use of its logo to promote their 'good' rating. A spokesperson for Ofsted said, 'All providers judged as 'good' can now download and display an official *Good Provider* logo', and went on to say that 'providers who are eligible can use their unique reference number to download the relevant logo for use on their own websites, stationery and other materials'. However, the spokesperson also warned that only providers currently rated as 'good' or 'outstanding' grade for overall effectiveness (and not just for individual subject and cross college areas) could use the relevant logo, and that the logo 'could not be used by third parties' linked to the provider. Further details can be accessed at:

https://www.gov.uk/government/news/ofsted-launches-new-good-and-outstanding-logos

NEW OFSTED CHAIR IS APPOINTED FROM THE HE SECTOR

A former university vice-chancellor, Professor Julius Weinberg, has been appointed as the new Chair of Ofsted (presumably in preference to anybody from the schools' sector, or the FE sector, or just about anyone who might have had some direct experience of being on the receiving end of Ofsted). The post carries a salary of £46,800 a year for around two days' work each week. Professor Weinburg will replace the current chair, James Kempton, who assumed the role on an interim basis after the previous chair, David Hoare, resigned in the wake of controversial comments about 'inbreeding' and 'ghettos' he made about the inhabitants of the Isle of Wight. Professor Weinberg is currently the deputy chair of Ofqual and a board member of the Universities and Colleges Employers Association (UCEA).

DEGREE APPRENTICESHIPS TO BE REGULATED BY HEFCE AND THE QAA, RATHER THAN OFSTED

Degree apprenticeships are not the same as higher apprenticeships. Higher apprenticeships usually involve the apprentice targeting Level 4 or Level 5 qualifications, whereas degree apprenticeships usually involve the apprentice targeting qualifications at Levels 6 and 7. There has been an ongoing tussle between the Higher Education Funding Council for England (HEFCE) and Ofsted over which body should take responsibility for the regulation and inspection of degree apprenticeships in England. This has now been resolved, with the DfE deciding in favour of the HEFCE, which will be assuming responsibility for the *regulation* of degree apprenticeships. HEFCE will in turn, delegate responsibility for the *inspection* of degree apprenticeships to the Quality Assurance Agency (QAA). The DfE says that Ofsted will continue to inspect the quality of apprenticeship training provision from up to Level 5 and goes on to say, 'where there is an overlap, for example where the apprenticeship targets Level 4 or 5 qualifications, but where the apprenticeship standard contains a prescribed HE qualification, HEFCE and Ofsted will reach a judgement, informed by joint working'. Commenting on the DfE decision, Paul Joyce, Ofsted's Deputy Director for FE and Skills, said that it was important 'to ensure that the other part of apprenticeship provision, i.e. what happens in the workplace, is also looked at and that it's quality assured alongside the degree qualification'.

UUK DECLARES DEGREE APPRENTICESHIPS TO BE 'A SIGNIFICANT SUCCESS'.

Universities UK (UUK) says that almost 5,000 people will be starting degree apprenticeships in England in 2017/18, with least 60 higher education institutions saying that they intended to introduce degree apprenticeships from this September, with management, digital and technology solutions and engineering being amongst the main areas of provision that are being offered. The total of new starts is nearly eight times as many as when the scheme launched in 2015, taking the total of all people on degree apprenticeships in England to more than 7,600, Dame Julia Goodfellow, president of UUK claims that degree apprenticeships have been a 'significant success' and, since course fees are 'shared between government and employers, the scheme offers particular benefits to people who might not have considered a degree'. Dame Julia went on to say that degree apprenticeships were 'an excellent way to get to these harder-to-reach groups to participate in HE, whilst at the same time ensuring that what we deliver on campus meets the needs of the local area and its employers'. She also called on the UK government to 'work more closely with universities as part of its industrial strategy'. More information on degree apprenticeships can be accessed at:

https://www.ucas.com/ucas/undergraduate/getting-started/apprenticeships-uk/degree-apprenticeships

FE COLLEGES EXPRESS CONCERN AT THEIR RELIANCE ON UNIVERSITY PARTNERS FOR THEIR DEGREE VALIDATION

Of the 240 FE colleges in England that currently offer HE qualifications, only 5 have their own foundation degree-awarding powers, and only one has full degree awarding powers. Other FE colleges rely on university partners to validate their degree provision. The high level of tuition fees, which are paid 'up front' to universities by the DfE through the Student Loans Company (SLC) on behalf of students, combined with the abolition of any restrictions on the level of HE recruitment, has resulted in most universities in England finding it more lucrative to deliver their own provision, rather than to 'franchise' it out to local FE colleges. As a result, many universities have withdrawn from their partnerships with local colleges, often at short notice. For example, last year, 10 FE colleges were left in severe difficulties after Teesside University abruptly cancelled its validation agreements with them, following a 'change in strategy' in favour of direct delivery.

MORE FE COLLEGES TO SEEK THEIR OWN DEGREE AWARDING POWERS

The Mixed Economy Group (MEG) of colleges is a group of 42 English FE colleges that offer significant amounts of HE. Each college delivers HE provision to least 500 FTEs per year, and the group collectively delivers HE provision to more than 30,000 HE FTEs per year. Most of the students are mature learners following vocational, rather than academic programmes. Many students are in work and study part time. MEG recently conducted a survey, the results of which revealed that 90% of member colleges see increasing levels of competition from universities as the biggest threat to their own college-based HE provision. A further 57% said that they were also 'deeply worried' about the uncertainty arising from their continued dependency on universities to validate their degree provision. The Higher Education and Research Bill, which had its fourth reading in the House of Lords earlier this month (April), is intended to make it easier for alternative HE providers, including FE colleges (but also private sector organisations), to gain the power to award their own degrees. The MEG survey showed that because of increasing concerns about their partnership arrangements with universities, nearly a quarter of member colleges said that they planned to pursue their own full degree-awarding powers, while 43% said they intended to seek powers to award degrees at level 6. Only 14% of the colleges that took part in the survey said that they had *no* plans to seek any degree awarding powers. A copy of the MEG survey and the report of the survey findings can be accessed at:

http://www.mixedeconomygroup.co.uk/news/facing-the-future-responding-to-change-in-college-based-higher-education

STUDENTS IN ENGLAND FACE 'MASSIVE' INCREASE IN TUITION FEE AND MAINTENANCE LOANS INTEREST RATES

The interest rate charged to English university students and graduates on tuition fee and maintenance loans provided by the Student Loans Company (SLC) is based on the rate of inflation, as measured by the Retail Price Index (RPI), plus 3%. The RPI is used by the SLC in preference to the Consumer Price Index (CPI), which is usually lower than the RPI. (This is also the reason why a few years ago, the government unilaterally changed the inflation index used to determine the annual cost of living increase in teachers' and other public service workers' pensions from the RPI to the CPI). Earlier this month (April), although the CPI was 2.3%, the RPI rose to 3.1% (compared with 1.6% last year and 0.9% the previous year). This means that, with effect from this September, the interest rate charged on tuition fee loans and maintenance loans taken out by English students since 2012 (including those who have not yet graduated) will rise by around a third from 4.6% to up to 6.1%. The DfE is also trying to sell off more student loan debt to private investors leading to fears of even higher interest charges in the future. The increase in interest rates scheduled for this September comes at the same time as tuition fees charged by English universities increase from £9,000 to £9,250 per year. Even before the interest charge increase was announced, the Intergenerational Foundation think tank forecast that English university graduates were likely to make repayments amounting to £54,000 on the tuition fee and maintenance loans they took out whilst studying. The increase in interest rates will also apply to FE students taking out tuition fee and maintenance loans for higher level courses.

STUDENT LOAN DEBT IS INCREASING 'EXPONENTIALLY'

Recent government data reveals that the scale of student tuition fee and maintenance loan debt is 'rising exponentially'. This is mainly because of the massive increase in HE numbers following the abolition of the recruitment cap and the fact that fees are paid 'upfront' to universities on behalf of students by the DfE through the SLC. In 2015/16 in England, total student loan debt reached £76 billion, compared with £34 billion in 2012/13. But because of low graduate earnings, high default rates and difficulties in tracing some students on graduating (particularly those from elsewhere in the EU), it remains unclear how much of this will debt will eventually be recovered The National Union of Students (NUS) president, Malia Bouattia, said that rising levels of debt were 'casting a long financial shadow over young people's lives', but a DfE spokesperson defended the loans system saying. 'Our student funding system is sustainable and fair, with affordable loan rates based on income'. Meanwhile, in Scotland, university tuition remains free, not only for Scottish students, but for students from any EU country other than elsewhere in the UK. HE students in other UK countries also receive maintenance grants, rather than loans. England's university tuition fee levels are amongst the very highest in the world. Even in the USA, New York's governor has announced that with effect from this autumn, all tuition fees charged by public universities and colleges will be phased out for families earning less than $125,000 (around £100,000) per year.

PUSH FOR INTERNATIONAL STUDENTS TO BE REMOVED FROM MIGRATION STATISTICS

Since 2012 universities have enjoyed a 28% increase in average per-student funding due to the tripling of tuition fees and the abolition of the recruitment cap. Despite the massive expansion in the numbers of home undergraduates in recent years (along with the new university campuses springing up to house them in), UUK has expressed serious concerns that the Brexit and the possibility of future immigration restrictions, is already impacting negatively on the recruitment of international students. If this continues, says UUK, universities in England will have no alternative other than to significantly increase the tuition fees they charge home students still further to make up the shortfall.

UUK has now formed an alliance with 'Open Britain' (the re-branded campaign to keep the UK in the EU, and which is opposed to any future restrictions on immigration) and the Independent newspaper. The alliance has launched a 'Drop the Target' campaign, and has gained the support of an influential group of Westminster MPs from all parties. These include not only pro-remain backbenchers such as Anna Soubry, Neil Carmichael, Jo Johnson and Philip Hammond, but also 'Brexiteers' such as Boris Johnson and Liam Fox. With the support of these MPs, the 'Drop the Target' alliance is pressing hard for an amendment to the new Higher Education and Research Bill that will in effect exclude international students from net migration statistics. Opponents of this move argue that, whilst not being opposed to people from abroad coming to the UK to study, it is important to be able to track those coming to the UK to study and, and given the continued high numbers of overseas students who remain in the UK after their study visas have expired, when they leave. They also argue robust controls are need to be retained, in the light of the continued use of study visas to circumvent immigration rules, particularly in the private higher education sector.

HEDD CRACKDOWN ON BOGUS UNIVERSITIES, AND THE ON-LINE SALE OF FAKE DEGREES

Following a BBC Radio Kent investigation which found fake University of Kent degree certificates on sale online from China for £500, Higher Education Degree Datacheck (HEDD), the agency with responsibility for investigating degree fraud, said that it had discovered and closed a further 90 bogus institutions. HEDD also said that it had 'taken down' 40 web sites that were offering for sale authentic-looking degree certificates using the names of real British universities. For example, degrees purporting to be from the University of Manchester had been sold on the auction website eBay. HEDD also discovered that, in addition 'bogus' universities, there were private universities, using names such as 'Stafford University', which were almost identical to genuine universities, such as 'Staffordshire University', that were offering truncated distance learning courses leading to degrees but that were not recognised as valid UK degree awarding bodies. HEDD says that it will continue with its investigations and will take legal action against bogus institutions and fraudulent websites whenever they are discovered (although a spokesperson admitted that this could prove difficult when bogus institutions were found to be based in other countries).

AND FINALLY…

As part of a 'Young Enterprise' project, a wealthy entrepreneur was invited to come to his local FE college to talk to students on a BTEC National Business studies course and to answer their questions about his business, which involved making and selling garden sheds. The students met the entrepreneur at the college entrance to take him to the college conference room. They noticed that he had driven to the college in a new Lamborghini, and that he was wearing very expensive designer clothes, along with lots of gold jewellery. They naturally concluded that he was a very rich and successful businessman. When the businessman arrived in the conference room, he introduced himself to the group. He told them that his name was Fred, and that his business was called 'Fred's Sheds'. One of the students asked him how it had all started. 'Well' said Fred, 'When I was about your age, I found some wooden planks that someone had dumped in the street. I thought the wood could be useful, so I picked it up and carried it home. My next-door neighbour saw me with the wood and offered me £5 for it. He said he wanted it to mend holes in his fence. So, I sold the wood to him, and this gave me an idea. Instead of spending the money on fags and booze, I went down to the local reclamation yard and bought some more wood. I then sold this for £10, making a profit of £5. I then bought and sold more wood until I had made a total profit of more than £150. Then I had another idea. A friend of mine was good at woodwork, and I told him that I would pay him £30 if he would use some of the wood I had bought to make me a shed. He agreed, and I later sold the shed he made for £75, making even more profit, which I used to buy even more wood and to pay even more people to make more sheds, making even more profit. And so on, and so on, building up my business over time, until eventually I became the successful entrepreneur you see standing before you today'. One of the students asked him how much he was worth, to which Fred replied 'Oh, about £12 million'. Another student asked him what the turnover of his business was and how much profit he made on this. Fred said that he thought his sales of sheds amounted to around £2,000 a year, on which he made a profit of about £500. The students were quiet and looked at each other in astonishment. Then one of them said 'Hang about a bit. You don't get to be worth £12 million from a business that makes an annual profit of £500 on a turnover of just £2,000. How did you get to be so rich?'. 'Simple', said Fred, 'My granny won a £53 million rollover on the Euro Millions lottery, and when she died, she left me £15 million. I still have about £12 million of it left'

Alan Birks – April 2017

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