

## SECTOR DEVELOPMENTS...

With the new term now well underway, all of us here at **Click** would like to wish you and your colleagues every success in the coming academic year. Sadly, it will almost certainly be another turbulent and challenging period for the FE and Skills sector where, like Narnia, it is 'always winter and never Christmas'.

### **NEW CHIEF EXECUTIVE APPOINTED AT THE EDUCATION AND SKILLS FUNDING AGENCY (ESFA)**

Eileen Milner has been appointed as the new Chief Executive of the Education and Skills Funding Agency (ESFA). She will take up her new post in November, replacing Peter Lauener who is retiring at the end of the year. Ms Milner joins the ESFA from the Care Quality Commission (CQC), where she is currently the Executive Director of Customer and Corporate Services. The DfE says that appointment process for the position of Chief Executive of the Institute for Apprenticeships (IfA), a post also held on an interim basis by Mr Lauener, 'is underway' and that 'there will be an announcement made later this year'.

### **FINAL BATCH OF AREA REVIEW REPORTS PUBLISHED**

The reports and recommendations for the remaining 15 area reviews in England have now been published by the Department for Education (DfE). 133 general FE colleges (GFEs) and sixth-form colleges (SFCs) were involved and the recommendations made in the reports include 30 mergers (although two of these have already been rejected). Those that do go ahead will be added to the 33 college mergers that have been agreed since the process started. The publication of the reports marks the formal end to the two-year area review process, which was intended to deliver 'financially viable, sustainable, resilient and efficient colleges'. The review recommendations for each area of the areas can be accessed via the following links:

*Derby, Derbyshire, Nottingham and Nottinghamshire (Wave 5)*

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/634646/Derby\\_Derbyshire\\_Nottingham\\_and\\_Nottinghamshire\\_Area\\_Review\\_Report\\_FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/634646/Derby_Derbyshire_Nottingham_and_Nottinghamshire_Area_Review_Report_FINAL.pdf)

*Dorset (Wave 4)*

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/634597/Dorset\\_Area\\_Review\\_Report\\_Final.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/634597/Dorset_Area_Review_Report_Final.pdf)

*Gloucestershire, Swindon and Wiltshire (Wave 4)*

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/634590/Gloucestershire\\_Swindon\\_and\\_Wiltshire\\_Area\\_Review\\_Report\\_FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/634590/Gloucestershire_Swindon_and_Wiltshire_Area_Review_Report_FINAL.pdf)

*Greater Cambridgeshire and Greater Peterborough (Wave 5)*

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/634585/Greater\\_Cambridgeshire\\_Greater\\_Peterborough\\_Area\\_Review\\_Report\\_FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/634585/Greater_Cambridgeshire_Greater_Peterborough_Area_Review_Report_FINAL.pdf)

*Greater Essex (Wave 5)*

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/634576/Greater\\_Essex\\_Area\\_Review\\_Report\\_FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/634576/Greater_Essex_Area_Review_Report_FINAL.pdf)

*Greater Lincolnshire (Wave 4)*

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/634571/Greater\\_Lincolnshire\\_Area\\_Review\\_Report\\_FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/634571/Greater_Lincolnshire_Area_Review_Report_FINAL.pdf)

*Hertfordshire (Wave 5)*

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/635241/Hertfordshire\\_Area\\_Review\\_Report\\_FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/635241/Hertfordshire_Area_Review_Report_FINAL.pdf)

*Kent and Medway (Wave 5)*

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/635251/Kent and Medway Area Review Report FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/635251/Kent_and_Medway_Area_Review_Report_FINAL.pdf)

*Lancashire (Wave 4)*

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/634653/Lancashire Area Review Report FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/634653/Lancashire_Area_Review_Report_FINAL.pdf)

*Leicester and Leicestershire (Wave 4)*

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/634666/Leicester and Leicestershire Area Review Report FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/634666/Leicester_and_Leicestershire_Area_Review_Report_FINAL.pdf)

*Norfolk and Suffolk (Wave 5)*

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/634680/Norfolk and Suffolk Area Review Report FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/634680/Norfolk_and_Suffolk_Area_Review_Report_FINAL.pdf)

*North East England (Wave 4)*

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/634677/North East Area Review Report FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/634677/North_East_Area_Review_Report_FINAL.pdf)

*Somerset, Devon and Isles of Scilly (Wave 5)*

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/634694/Somerset Devon Cornwall and the Isles of Scilly Area Review Report FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/634694/Somerset_Devon_Cornwall_and_the_Isles_of_Scilly_Area_Review_Report_FINAL.pdf)

*South East Midlands (Wave 5)*

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/635295/South East Midlands Area Review FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/635295/South_East_Midlands_Area_Review_FINAL.pdf)

*York, North Yorkshire, East Riding and Hull (Wave 4)*

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/634682/York North Yorkshire East Riding and Hull Area Review Report FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/634682/York_North_Yorkshire_East_Riding_and_Hull_Area_Review_Report_FINAL.pdf)

## **IMPLEMENTING AREA REVIEW RECOMMENDATIONS**

The DfE has allocated a budget of around £12 million to cover the 'transition' costs of implementing area review recommendations. This funding is largely intended to enable colleges to pay for 'approved' external consultants 'to ensure providers can access the best change-management skills', and have 'the capacity to make the changes at the pace required'. An analysis of the payments made thus far show that grants have been made to 50 GFEs, 33 SFCs and one specialist designated institution. £2.24 million has been allocated to support 26 mergers that have either been completed or are still underway. A further £1.04 million was allocated to support 11 merger recommendations that have since been rejected. £1.3 million was awarded to support the conversion of 29 SFCs to academy status and a further £1.01 million, was awarded to help support a range of other outcomes including such things as the establishment of federations and shared services. Details of grants awarded so far can be accessed at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/633794/Transition Grants May 17 003 .pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/633794/Transition_Grants_May_17_003_.pdf)

## GOVERNMENT AGENCIES ACCUSED OF 'UNNECESSARY DUPLICATION' IN THE APPOINTMENT OF 'EXPERT' ADVISORS

In addition to opportunities for external consultants to assist with the implementation of area review recommendations, the DfE, Ofqual and the Institute for Apprenticeships (IfA) have also placed a flurry of advertisements for 'expert' advisors, with many of the specified roles and duties seeming to cover the same areas. Examples of potential duplication include the following:

- The DfE is seeking to employ 10 paid 'independent technical advisors'. Their role will be to 'consider the suitability of proposed apprenticeship assessment plans, and provide relevant advice to the Institute for Apprenticeships (IfA)'.
- The IfA is seeking to employ 80 paid 'consultants' to review apprenticeship standards and to provide advice on 'whether learners would reach full occupational competence by completing an apprenticeship standard' and 'whether an end-point assessment validly determines occupational competence'.
- The IfA is also searching for 150 unpaid 'industry experts' to join its 15 'prestigious employer-led groups' and to 'provide advice on the development of apprenticeship standards'. These IfA groups are separate from the 15 groups being set up by the DfE to advise on T-levels, although they cover the same 15 'technical routes'.
- Ofqual is seeking to employ an unspecified number of paid 'qualification review advisors', to 'evaluate assessments and scrutinise new T-level qualifications' and 'to make evidence-based recommendations as to whether individual qualifications meet the requirements for inclusion in performance tables'.
- Ofqual is also seeking to appoint an unspecified number of paid 'T-level Advisors', whose role will be 'to develop outline content for qualifications, beginning with core content for each technical route, work with route panels to agree content' and 'work with DfE officials and with other DfE-appointed experts to produce full criteria for these qualifications, including assessment arrangements'.

The recruitment of such large numbers of 'expert advisors' has been criticised, particularly those posts that appear to have the same remit. Critics argue that the potential for duplication is a 'waste of public money' and further evidence of a 'lack of joined up thinking' on the part of the DfE, Ofqual, the IfA and the ESFA.

## NEW TENDER PROCESS FOR NON-LEVY APPRENTICESHIP PROVISION IS LAUNCHED

The new tender process for apprenticeship allocations for the 98% of employers who *are not* within scope of the new apprenticeship levy has now been launched. This comes after the DfE first paused, and then abandoned altogether the previous process, after it became 'markedly oversubscribed'. The DfE says that the new process (worth a 'minimum value' of £440 million) has 'a number of critical differences' from the old one, including 'new tender value caps and contract award limits to ensure greater confidence that awards are set at realistic levels' and that 'allocation awards will be in line with current levels of geographical delivery in the nine English regions'. The procurement process commenced at the beginning of this month (September). Contracts and allocations for the non-levy funding will run between January 2018 and April 2019, by which point the government aims to bring all employers onto the new Digital Apprenticeship Service (DAS) system. The new procurement process will not affect training provision for existing learners.

## NON-LEVY APPRENTICESHIP PROVIDERS NEED ESFA PERMISSION TO ISSUE PRESS RELEASES

The terms and conditions for contracts for non-levy apprenticeship provision issued by the ESFA includes a clause saying that providers *must not* speak directly with the media about their delivery until ESFA officials 'sign off' the communication'. The clause says that 'the text of any press release or other communication to be published by or in the media concerning the subject matter of this contract shall require the approval of each party which shall not be unreasonably withheld or delayed'. Providers have expressed concerns that the ESFA does not have the capacity to 'sign off' what might grow to be a considerable number of press releases every day, particularly at busy times of the year such as during National Apprenticeship Week. A DfE spokesperson has denied that the clause is designed to 'block providers speaking to the media' and that the intent is 'simply to make sure that communications are agreed by both parties involved'.

## IFA ANNOUNCES OUTCOME OF TENDER TO DELIVER EQAS ON ITS BEHALF

Employer groups are required to choose from four options for the external quality assurance (EQA) of the apprenticeship standards they have developed. The four options are an employer group, a professional body, Ofqual, or the Institute for Apprenticeships (IfA). The IfA has proved to be the most popular choice and now has responsibility for the EQA of 36 standards, almost double that of the next most popular option Ofqual, which has taken on responsibility for 19 standards. This is despite the IfA having made it clear that it did not have the resource needed and would require another organisation to deliver EQA on its behalf. The tender for both the provision of EQA and the associated end-point-assessments (EPAs) on behalf of the IfA was published in May. The contract awarded will run from 1 August 2017, until 31 March 2018, and has a value of £160,000. The tender specification said that over this period 'it is expected that between 1,500 and 2,500 apprentices will undertake EPA across up to 36 standards which have nominated the Institute to provide EQA'. The document goes on to say that the responsibilities of the successful bidder will be to guarantee that 'processes and procedures are in place to manage the delivery and marking of assessment and that these are systematic and rigorous' and to ensure that 'individual AAOs are operating effectively and have robust internal quality assurance processes in place'. Earlier this month (September) the IfA announced that the tender had been won by 'Open Awards', a relatively small awarding organisation (AO) with around 30 staff and a turnover of around £1.5 million. Some observers have found the decision surprising, particularly since 'Open Awards' has not yet actually been approved by the IfA to deliver EPAs.

### EARLY DFE DATA SUGGESTS THAT THAT ONLY 15% OF NEW APPRENTICES ARE AGED 16-18

Although only covering apprenticeships in levy-funded companies that use the DfE Apprenticeship Service, data recently published by the DfE show that despite 16-18-year-olds being a government priority, of the 18,600 'fully agreed' commitments made through the Apprenticeship Service to 31 July, only 2,900 (15%) were for apprentices aged under 19. A further 6,000 commitments were for apprentices aged 19 to 24, while 9,700 (52%) were for those aged 25 or older. The DfE data can be accessed at:

<https://www.gov.uk/government/statistics/apprenticeship-service-registrations-and-commitments-to-july-2017>

### DFE LAUNCHES ANOTHER CONSULTATION ON APPRENTICESHIP FUNDING

The DfE has launched its fifth consultation on apprenticeship reforms in four years. The latest consultation asks 32 questions of employers and training providers about the impact of the apprenticeship levy. The DfE says that it wants to 'use the feedback to inform decisions on changes to rates, formulas or eligibility from April next year'. Examples of the type of questions asked in the consultation document include:

- 'Is the £1,000 additional payment for 16-18-year-olds sufficient?'
- 'What effect does the transitional measure of a 20% uplift to the funding-band rate when an apprentice is under 19 years old have on your ability and desire to work with apprentices who are under 19?'
- 'When buying or selling apprenticeship training have you ever agreed a price that is higher or lower than the funding band maximum?'
- 'If there were an apprenticeship available as both a standard and a framework, which would you choose? And what are the factors that would influence your decision?'

A copy of the consultation document can be accessed at:

<https://consult.education.gov.uk/apprenticeships/657f20aa/>

### SURVEY OF APPRENTICES' PAY AND CONDITIONS REVEALS EVIDENCE OF MALPRACTICE

A survey carried out by the National Society of Apprentices (NSoA), which is the representative body for apprentices run by the National Union of Students (NUS), suggests that many employers are using apprenticeships as 'cheap, subsidised labour without any obligation to train or develop the skills of apprentices'. The survey also suggests that around 17% of apprentices are not being paid for the period they spent in off-the-job training. The survey, which was conducted in partnership with Times' Educational Supplement, also found that around a third of apprentices work fewer hours than they are contracted to

work and receive less pay than they are contracted to receive. Responding to the survey findings, an NSoA spokesperson said that it was 'bitterly disappointing to see that apprenticeships are still seen by so many

employers as cheap labour', but a spokesperson for the DfE countered this saying that the 'latest figures' showed that 89% of apprentices were satisfied with their apprenticeship.

### IPPR CALLS FOR APPRENTICESHIP LEVY TO BE REPLACED WITH A NEW 'SKILLS AND PRODUCTIVITY' LEVY

The Institute for Public Policy Research (IPPR) has produced a report entitled '*Another lost decade? Building a skills system for the economy of the 2030s*'. The report calls for 'a radical rethink to double investment in skills' which would involve the replacement of the apprenticeship levy with a new 'skills and productivity levy'. The IPPR says this levy 'would be paid by more employers, and spent on a wider range of training designed to develop skills and boost productivity'. The levy would apply to all firms with at least 50 workers, which would pay 0.5% of payroll, with firms employing 250 staff or more paying a higher rate of 1% of payroll. The IPPR says that if the levy had been applied in 2017/18, it would have raised £5.1 billion (which is more than twice the amount raised through the apprenticeship levy) and that the funds raised would be 'redeemable not just for apprenticeship training, but for basic skills training, high-quality vocational education and training, and business support'. The report also calls for the government's target of three million new apprenticeships by 2020/21 to be abandoned, and replaced with new targets for 60% of all apprenticeships to be at Level 3, and 20% at Level 4 or above', and for the 'reinstatement of the requirement for a recognised qualification to be part of all apprenticeships'. Other recommendations include the introduction of a 'personal training credit worth up to £700 for low-skill adults who are either out of work or in low-paid jobs', and a £2,000 personal retraining allowance, 'for workers who are made redundant and lack an NVQ level three to invest in upskilling'. A copy of the IPPR report can be accessed at:

<https://www.ippr.org/files/2017-07/another-lost-decade-skills-2030-july2017.pdf>

### 'CALL FOR ENGAGEMENT' FOR ORGANISATIONS INTERESTED IN BECOMING IOTS

The DfE will be shortly be issuing a 'call to engagement' for those organisations that would like to 'register an interest in becoming an Institute of Technology (IoT)'. This will involve 'completing a short form and emailing it back to the department by the 31 October 2017'. After the entire approval process has been completed those organisations chosen will be able to call themselves 'Institutes of Technology' and will receive a share of funding the £170 million funding set aside for the initiative over the next three years. The funding is intended for to support 'high quality, industry-standard facilities and equipment' and to help pay for 'new build investment or improvements to existing assets'. Some observers have likened the IoT initiative to the earlier, but now defunct, 'Centres of Vocational Excellence (CoVE)' scheme for colleges introduced and funded by the earlier and equally defunct Learning and Skills Council (LSC), complete with plaques and kite-marks for websites and other documentation. The 'call for engagement' will *not* be made only to FE colleges. The 'IoT policy statement' says that IoTs will be delivered 'through partnerships of employers, FE and HE but could be through a range of legal structures and delivery models ranging from Joint Venture or Special Purpose Vehicles, wholly new FE or HE institutions or other entity of a type which is legally permitted to conduct HE and/or FE provision'. To be awarded the IoT kite-mark (and associated capital funding), the DfE says that organisations will need to 'have employers at the heart of their leadership and governance, and in the design and delivery of curriculum'. The timeline and process involved in becoming an IoT is thought to be similar to that described in a document published earlier this year by the D2N2 (Derby, Derbyshire, Nottingham and Nottinghamshire) Local Enterprise Council (LEP). This document can be accessed at:

<http://www.d2n2lep.org/funding-and-support/call-for-engagement-institutes-of-technology>

### AEB ALLOCATION PROCESS LEAVES SOME PROVIDERS FACING BANKRUPTCY

Last October, private providers were told by the ESFA that, due to changes to EU law, from 2017/18 they would be required to submit a competitive tender before they can receive an allocation from the £110 million Adult Education Budget (AEB). GFEs, local authorities and universities, which contract with the ESFA through a grant funding agreement, are not subject this requirement, leading to claims of unfairness of treatment by the Association of Employment and Learning Providers (AELP), which represents private providers. During the tender process, private providers were asked to answer six evaluation questions, with a maximum score of 100 for each. The minimum overall score needed to be awarded funding is 345. The

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ESFA has now notified those private providers that tendered for funding how much they will be allocated. However, many providers that achieved scores of well in excess of the minimum score say that they are left 'facing potential bankruptcy' after having their bids rejected. For example, one provider said that they 'had scored 575 out of 600 and had applied for £350,000 from the AEB, but had received no allocation whatsoever'. Responding to provider complaints, a spokesperson for the ESFA said that 'even though bids might meet the required threshold, the agency reserves the right to prioritise contract awards to key policy priority areas', particularly where there was a level of 'oversubscription for particular priorities'. The spokesperson went on to say that in cases such as this it 'applies a pro-rata calculation'. However, still no allocation will be made if this calculation 'produces a contract value worth less than the £100,000 minimum threshold'. A group of training providers now say that they intend to take collective legal action against the ESFA and DfE because they have 'suffered financial loss and damage to their business' as a result of a procurement process which they claim is 'flawed'.

### ETF ADDS NEW COURSE FOR ASPIRING PRINCIPALS TO ITS TRAINING PROGRAMMES

In March this year, the Education and Training Foundation (ETF) announced a new leadership programme for existing principals and chief executives, with the government contributing £1.27 million towards the cost of the programme. The ETF also launched a programme to help chief finance officers become 'commercial leaders', receiving around £500,000 from the government to help fund the programme. And now the ETF has published a tender for 'a provider with an excellent track record in executive leadership' to develop another new training programme called '*Preparing for the CEO role in the further education and training sector*', which is targeted at middle-managers. The tender document says that programme will initially run for four months between November 2017 and March 2018, and that those placed on the training programme 'should normally be designated second-tier managers with a minimum of two years in post'. The document goes on to say that participants must 'be ready to step up to the CEO role' and that they should be 'recommended for a place on the programme by their principal/CEO and chair of the board'. The successful tenderer will be required to deliver training to 'an initial minimum cohort of 50 delegates', with budget of around £10,000 per trainee, plus a contribution from delegates (or more likely their colleges) of £3,000. The programme is expected to take the form of 'two or three-day residential courses' with 'structured, supported learning activity between'. The closing date for organisations wishing tender is October 13, and a copy of the tender document can be accessed at:

[https://www.mytenders.co.uk/search/show/search\\_view.aspx?ID=SEP147135](https://www.mytenders.co.uk/search/show/search_view.aspx?ID=SEP147135)

### LEARNDIRECT 'TOO BIG TO FAIL'

Learndirect Ltd is a private company owned by the private equity firm Lloyds Development Capital (LDC). Learndirect was formerly owned by the Ufi Charitable Trust, which sold Learndirect and its parent company University for Industry (Ufi) Ltd to LDC in 2011. Ufi was created in 1998 to take forward the government of the day's vision of a University for Industry, and in the same way as University Technical Colleges (UTCs) today are neither universities nor technical colleges, so the University for Industry was neither a university nor was particularly used by industry. In 2000 the use of the name 'Ufi' was discontinued and was replaced by 'Learndirect'. Learndirect also administers the 'Life in the United Kingdom' test, for candidates for British citizenship, on behalf of UK Visas and Immigration, a division of the Home Office. In March this year, Learndirect was issued a 'notice of serious breach' in respect of more than 70% of its apprenticeship provision failing to meet minimum standards. This was followed by an Ofsted inspection which resulted in Learndirect being rated it as 'inadequate'. In response, Learndirect instigated a judicial review against the Ofsted judgement and won an injunction to prevent the publication of the inspection report. The court lifted the injunction on 14 August and subsequently, Learndirect was given three months' notice of the withdrawal of all government funding, thereby placing the organisation at immediate risk of going into administration. However, as at August this year, the number of enrolled trainees was reported as being 73,000, and seems at some point to have been deemed 'too big to fail' by the DfE. As a result, no early contract termination notices have been issued and the DfE says it has taken the decision not to do so in order to 'protect learners and maintain other key public services run by Learndirect Ltd, including Life in the UK tests and Initial Teacher Training skills tests'. Learndirect also withdrew from the AEB tender, but was nevertheless given a £45 million contract extension until July 2018. And despite Learndirect's apprenticeship provision being deemed to be below minimum standards, it will continue to be funded until July 2018, with new apprentices theoretically being

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funded indefinitely through a new company called 'Learndirect Apprenticeships Ltd' set up and registered by Learndirect last year. Although the Ofsted report also expressed concerns at aspects of Learndirect's finances no external audit has, as yet, taken place. However, Learndirect will be the subject of discussion at a forthcoming meeting of the House of Commons Public Accounts Committee (PAC), and this is thought likely to lead to a PAC request for an investigation to be carried out by the National Audit Office (NAO).

### **DFE TO PROVIDE FUNDING FOR T LEVEL 'AWARENESS TRAINING'**

The DfE has published an invitation to tender from organisations 'able to deliver training sessions to 'raise awareness of T Levels and the government's wider reforms to technical education'. The contract is worth £95,000 and the tender document says that 'the successful bidder must be available to deliver seven full or half-day events between 9 October and 15 December. The training sessions are targeted at FE staff, but are also intended to serve as 'information-gathering events for the public consultation on T Levels' that will be published by the DfE later this Autumn. A copy of the tender document can be accessed at:

<https://www.contractsfinder.service.gov.uk/Notice/87f63973-8877-4725-af5e-666abbd3016d>

### **2017 GCSE RESULTS IN ENGLAND ARE 'STABLE' SAYS DFE**

The DfE says that 'the results of the first of the reformed GCSEs in English language, English literature and mathematics shows that overall results for 16-year-olds in those subjects in 2017 are stable at grade 4 when comparing them with GCSE grade C outcomes last summer'. More information on 2017 GCSE results for England, including statistical data, can be found at:

<https://www.gov.uk/government/news/guide-to-gcse-results-for-england-2017>

### **ESFA SOFTWARE USED BY COLLEGES TO PROCESS GCSE RESULTS CRASHES**

The switch to the new 9-1 GCSE grading system appears to have caused confusion for parents and employers alike. For example, the Institute for Directors (IoD) says that its members view the new grades as 'gibberish'. It has now emerged that the ESFA's Funding Information System (FIS) used to validate individualised learner record (ILR) data has been unable to cope with the switch from A\*-G grades to the new 9-1 system. It appears that for some colleges' numerical outcome grades have been deemed invalid by the FIS, with college management information systems (MIS) staff being required to convert numerical grades to the equivalent alphabetic grades. A spokesperson for the ESFA admitted that there was 'an issue with the new GCSE grades being rejected by FIS', but that the agency was 'working on a resolution for this'.

### 2017 GCE A LEVEL RESULTS SHOW AN INCREASE IN TOP GRADES ACHIEVED.

The top GCE A-level grades achieved in England this year increased for the first time in six years, 26.6% of 18 year olds gained A\* and A grades compared with 26.1% last year. More information on this year's GCE A Level results, including statistical data, can be found at:

<https://data.gov.uk/dataset/gce-vce-a-as-and-equivalent-examination-results-england>

### INCREASE IN THE NUMBERS OF UNCONDITIONAL OFFERS MADE BY UNIVERSITIES.

An investigation by the Daily Telegraph has revealed that increased competition amongst universities to attract more undergraduates has resulted in them accepting an increasing number of students onto courses without actually asking for any minimum grades. Admissions figures obtained by the newspaper through Freedom of Information (Fol) requests reveal a sharp rise in the number of such offers made by universities across the UK, including nine of the leading Russell Group institutions. For example, unconditional offers made by Birmingham University more than doubled from 1,003 in 2013/14 to 2,471 in 2015/16. The Telegraph attributes the increase in the number of unconditional offers being made to the political decision to lift the cap on the numbers of undergraduates in England that can be recruited. The Telegraph also claims that a growing number of sixth-formers are being told that conditional offers would be subsequently 'upgraded' to unconditional if they mark the institution as their first-choice destination. This has led to accusations that some universities are 'attempting to accept as many applicants as possible to maximise their profits'. Asked to comment on this, a Russell Group spokesperson said, 'All offers are based on a detailed assessment of an applicant's academic record and whether admissions teams feel they will be able to meet the demands of a particular programme of study'. More information can be found at:

<http://www.telegraph.co.uk/education/2017/08/11/exclusive-university-free-sign-students-regardless-exam-results/>

### FEWER YOUNG PEOPLE SAY THEY INTEND TO GO TO UNIVERSITY.

A report recently published by the Sutton Trust has revealed that the proportion of young people who think they are likely to go to university is at its lowest level in years. The annual Sutton Trust 'Aspirations' poll questioned more than 2,600 young people aged 11-16 in England and Wales and found that around one in seven (14%) said they were unlikely to go on to higher education. This compares with 11% in last years' poll and 8% in the poll conducted 5 years ago. Of those who said they were 'unlikely to go to university':

- 70% said they 'did not like the idea', or 'did not enjoy studying'.
- 64% gave 'financial reasons', with the biggest concern being tuition fees, followed by having to repay student loans for up to 30 years, and the cost of living as a student.
- 44% said that they thought that 'they were not clever enough', or 'would not get good enough results'.
- 42% said that they 'did not think they would need a degree for the jobs they were considering'.
- 28% of respondents also cited social reasons for not wanting to go, including phrases such as 'people like me are not expected to go to university'.

A copy of the 2017 Sutton Trust report can be downloaded at:

<https://www.suttontrust.com/research-paper/aspirations-polling-2017/>

### YOUNG PEOPLE IN WEALTHIEST AREAS OF ENGLAND MORE LIKELY TO GO TO UNIVERSITY

The charity Teach First has produced a report entitled '*Beyond Access: Getting to University and Succeeding There*'. The report uses data from the Higher Education Funding Council for England (HEFCE) to compare official child poverty figures with university participation rates. The Teach First report reveals that, for example, in Shirebrook in Derbyshire, only 4.8% of young people progressed to university in 2015, compared with more than 87.2% in Gerrards Cross in Buckinghamshire. Perhaps unsurprisingly, the report shows that, on average, in the most deprived 10% of postcodes in England around 20% of young people went to university in 2015, compared with about half of those in the least deprived 10%. In the report, Teach First says young people from the poorest backgrounds are constantly held back by social mobility hurdles their wealthier peers do not face. Figures from the Office of Fair Access to Higher Education

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(OFFA) show that universities in England spent £725m in 2015-16 on measures to help more disadvantaged students get into university, but the report asks if the money could have been spent more effectively if it had been targeted at 'hard to reach' communities, and used to provide a financial incentive for experienced teachers to take jobs in schools in low-achieving areas by writing off a proportion of their student loans. A copy of the report can be accessed at

<https://www.teachfirst.org.uk/press/just-one-five-students-country's-poorest-communities-will-make-it-university>

### BRITISH STUDENTS 'DISCRIMINATED AGAINST IN FAVOUR OF NON-EU APPLICANTS WHO CAN PAY MORE'

An investigation by The Sunday Times shows that universities are increasingly recruiting overseas students, while at the same time, the number of places offered to UK teenagers is falling. In England student fees are capped at £9,250 a year, with fees in other UK countries being set much lower, or even free in the case of Scotland. However, non-EU foreign students can pay more than £35,000 a year in fees. The investigation reveals that between 2008 and 2016, the number British undergraduates at the 50 top UK universities fell by a total of more than 33,000. In contrast the number of degrees offered to non-EU HE students, who paid far higher fees, rose by more than 32,000. As examples of this, at Warwick University, the number of British students taking a first degree fell by 28% while non-EU undergraduates rose by 15%, and at Manchester University, the numbers of British undergraduates fell by 10% while numbers of non-EU undergraduates increased by 58%. The investigation also showed that thousands of overseas students are being offered fast-track admissions, for example by completing a six-month foundation course (for a fee) without needing to demonstrate that they have reached the required GCE A-level standard. In response, the DfE says that the new Higher Education and Research Act, which comes into effect from April 2018, will 'put accountability processes in place to monitor the situation'. More information can be found at:

<https://www.thetimes.co.uk/article/universities-take-foreign-students-ahead-of-british-5nppfw5ks>

### CONCERNS EXPRESSED AT UNIVERSITY VICE-CHANCELLOR'S 'EYE-WATERING' PAY

Andrew Murrison, Conservative MP for South West Wiltshire has resigned his position from the Court of Bath University (a sort of 'governing body'). He did so in protest at the pay of the university vice chancellor, Professor Dame Glynis Breakwell, who earns £451,000 a year and is the highest paid university vice-chancellor in the country. Mr Murrison said that 'Universities really need to be asking whether the eye-watering sums some are dispensing to vice-chancellors are really necessary to attract what they represent as talent'. He went on to say, 'As a pack, they are looking increasingly like a self-serving cartel at a time of mounting student debt and wage restraint elsewhere in the public and quasi-public sectors'. According to the University and College Union (UCU), the average salary of university vice chancellors exceeded £257,000 last year. Dozens of university vice chancellors are earning in excess of £300,000 per year, and some more than £400,000. (For example, Imperial College London pays its vice-chancellor, Alice Gast £430,000, the University of Birmingham pays Sir David Eastwood £426,000 and Sir Steve Smith, the University of Exeter vice-chancellor, who is also a former chairman of Universities UK, is paid £426,000. Responding to this, Universities Minister for England, Jo Johnson admitted that there was a need for 'greater public scrutiny of how universities spend the money they receive', and urged university governing councils 'to show more restraint' in respect of the pay awards they were making. In a speech to university heads at the annual conference of Universities UK (UUK), Mr Johnson said that he intends to require universities to justify vice chancellors' pay rates in excess £150,000 a year and to provide details of all staff earning above £100,000 year to the new Office for Students (OfS). Mr Johnson says his proposals, which 'will be consulted on', could see the OfS 'using its powers to impose fines if university governing councils do not give good reasons for high pay'. The OfS, which is to be headed by Nicola Dandridge, the former chief executive of Universities UK, will also issue new guidance on the role and independence of pay committees. The requirements are intended to be implemented from 2018/19 and will cover all 'approved providers' of HE, including GFEs with HE provision. It is also possible that ESFA will consider something in parallel for the other institutions they directly regulate (GFEs, SFCs and academies). University governing councils have responded to Mr Johnson's proposals by arguing that their leaders are managing large institutions, have enormous responsibilities and huge budgets, and therefore they are able to command large

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salaries. For those of you who may be interested, the link below will enable you to listen to the Vice Chancellor of Worcester University providing a justification his £320,000 a year salary.

<https://www.facebook.com/skynews/videos/1922843991063522/>

In addition to announcing plans to regulate university vice chancellors' pay, Mr Johnson also said that he intended to 'tackle degree grade inflation'. This follows growing concerns about the number of students being awarded the top degrees. Around 75% of students now secure a first or upper second honours degree, compared to 66% in 2011/12 and 45% in the mid-1990s. More information on this (and a copy of Mr Johnson's speech to UUK) is available at:

<https://www.gov.uk/government/news/universities-must-embrace-accountability>

### **DFE AND SLC CONFIRM INCREASE IN LOAN INTEREST CHARGES.**

Following earlier speculation about a possible government rethink over student loan interest charges, the DfE and the Student Loans Company (SLC) have confirmed that the interest charges on student loans in England will rise to 6.1% (based on the inflation rate, using the retail prices index in March, plus an additional 3%) from the commencement of the 2017/18 academic year will go ahead. The amount of debt owed by students this year has now passed £100 billion level, having more than doubled in the last five years. Looking on the bright side, plans to push ahead with another increase in tuition fees to in excess of £9,500 per year in 2018/19 for students in England appears to have been shelved after the government chose not to oppose a Labour motion in the House of Commons against this.

### **CALL FOR AN INQUIRY INTO THE SLC AND THE SUSPENSION OF ITS CHIEF EXECUTIVE.**

The DfE has suspended the Chief Executive of the SLC without giving a reason why. A statement from the DfE simply said that the SLC, in consultation with the DfE, 'took the decision to suspend the chief executive, pending an investigation into concerns which have been raised'. The statement went on to say, 'As the matters leading to suspension are now subject to an independent investigation, it would be inappropriate to comment further at this time'. The Labour Shadow Minister with (amongst other things) responsibility for HE in England, Gordon Marsden wrote to University Minister, Jo Johnson, asking him to clarify the details around the suspension and the nature of the associated investigation. Mr Marsden said that there was a need for 'an urgent, substantial inquiry into all aspects of the way they operate with HMRC' (which collects repayments on behalf of the DfE). Figures released under the Freedom of Information Act show that almost 90,000 students continued making payments on their student loans after they had already repaid it in full in the 2015/16 tax year, the latest period for which figures are available. A total of £51 million was overpaid during that year. The level of overpayment has been described as 'staggering' and the SLC has been criticised for not 'doing more to offer graduates a transparent and efficient service'.

### **CONTRACTION IN TOTAL NUMBERS ATTENDING UNIVERSITY.**

Recently published UCAS data for 2017/18 shows that 505,680 applicants *of all ages* have now been placed on full-time degree courses at UK universities. This is 1.4% lower than the number placed last year, and the first reduction in five years. Within this total, one third (33.3%) of all English 18-year-olds have been placed on degree courses, along with around a quarter (25.5%) of Scottish 18-year-olds (although not all HE in Scotland is included in the UCAS figures, since a 'significant amount' of HE is delivered by Scottish further education colleges). In Northern Ireland and Wales, entry rates have fallen slightly this year, and stand at 34.8% and 29.1% respectively. Around 46,600 students obtained their places through clearing, the largest number ever placed through this process. The overall fall in the numbers going to university this year, is largely attributed to an ongoing contraction in the numbers of older people going to university. In addition, there was a reduction of 2% in the numbers of students are coming to study in the UK from the EU, however this is compensated for by a slightly larger increase in the numbers of students coming to the UK to study from countries outside the EU.

### **MASSIVE UNDERSPEND IN ADVANCED LEARNER LOANS BUDGET**

New figures released as a result of a Fol request lodged by FE Week has revealed that since 2013 (when they were first introduced in England) around 58% of FE loan funding has remained unspent. Figures provided by the SLC, which processes Advanced Learner Loans on behalf of the ESFA, shows that just

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£652 million in loan-funded provision had actually been delivered since 2013, against an allocation of £1.56 billion (a shortfall of almost £1 billion). SLC data also shows that there has also been a fall of around 40% in the numbers of Level 3 and Level 4 students aged 19+ since 2013.

### HEC CALLS ON OFS TO MONITOR IMPACT OF RISING FEES ON PART-TIME HE STUDENTS IN FE

A report recently published by the Higher Education Commission (HEC) produced in partnership with the think tank 'Policy Connect' perhaps unsurprisingly says that increases in degree tuition fees charged by FE colleges are having a 'negative impact' on the numbers of part-time and mature students and on students from disadvantaged backgrounds participating in HE courses. The report, entitled '*One Size Won't Fit All: The Challenges Facing the Office for Students*', points out that although the costs of HE programmes delivered in FE colleges are 'less than in university settings', most of the FE colleges that took part in the inquiry said they were planning to increase their HE tuition fees. Stating the obvious, the report's authors say that this 'raises concern about whether higher education in FE will continue to act as an 'engine for social mobility'', and recommend that the new Office for Students (OfS) 'monitors the implications of increases in HE fees charged by FE colleges'. A copy of the report can be accessed at:

[http://www.policyconnect.org.uk/sites/site\\_pc/files/report/1005/fieldreportdownload/hec-web.pdf](http://www.policyconnect.org.uk/sites/site_pc/files/report/1005/fieldreportdownload/hec-web.pdf)

### 'FAIRER' FUNDING FORMULA NOW PROVIDES FOR AN INCREASE IN ALL SCHOOLS' BUDGETS

After years of complaints that schools in different parts of the country were receiving different levels of per pupil funding (for example, Coventry received £510 more per pupil than Plymouth, despite having equal proportions of pupils eligible for free school meals), last December, Education Secretary for England, Justine Greening announced that a new 'fairer' National Funding Formula was to be introduced. Under the proposed formula primary schools would receive £2,712 per pupil per year, and secondary schools would receive £4,312 per pupil per year. But the proposal was met with furious protests from head teachers, unions and parents across England because the schools that fared better under the previous system stood to lose considerable amounts of funding. In response to this, Ms Greening promised that an extra £1.3 billion a year would be made available over the next two years, that would be found from 'elsewhere in the education budget' (hopefully not FE), to cushion the effect of the new funding formula for those schools adversely affected by it. The £1.3 billion of extra funding means that the total school budgets will rise by £2.6 billion, from almost £40.9 billion in 2017/18 to £43.5 billion in 2019/20. Over this period, primary schools will receive a minimum of £3,500 per pupil per year, and secondary schools will receive a minimum of £4,800 per pupil per year. This means that, on average, every school will receive at least 0.5% more per pupil in 2018/19 and 1% more in 2019/20, while many schools will receive 'significantly larger increases'.

### NEW UTCS ARE OPENED AS OTHERS ARE CLOSED

Five new University Technical Colleges (UTCs) have opened their doors this month (September). Four UTCs closed in the summer, bringing the current number of UTCs to 49. The new UTCs are:

- Ron Dearing UTC in Hull, specialising in engineering and digital skills.
- SGS Berkeley Green UTC in Gloucestershire, specialising in digital technology, advanced manufacturing and cyber security.
- UTC Portsmouth, specialising in mechanical and electrical engineering and advanced manufacturing.
- Sir Simon Wilton Westminster UTC specialising in transport, construction engineering and the built environment.
- Mulberry UTC, based in Tower Hamlets, specialising in health and creative industries.

### AND FINALLY...

The owner of a travelling circus visited a local FE college to inquire about the possibility of employing a young person as an apprentice. The college's apprenticeship team interviewed the circus owner but had doubts about the type of work experience and the off-the-job training the apprentice would receive in a circus environment. They also expressed concerns about the pastoral care and support the apprentice would be given, particularly since the circus would be travelling around the country. To help allay the college's fears, the owner of the circus produced photos of a large, clean, well maintained and well-

equipped caravan, with a separate bedroom and study area, complete with internet access which, he said, the apprentice would be living in. In answer to the college's concerns about the off-the-job education and training and the apprentice would receive, the owner explained that they would seek to develop an NVQ accredited training programme in circus skills. When asked about pastoral care and key skills support, the owner explained that one of the circus clowns had been an FE tutor who had been made redundant and was qualified to teach the apprentice key skills, and to provide pastoral support. After due deliberation, the college apprenticeship team were finally satisfied that the circus was fit to take on an apprentice and asked the owner what kind of young person he was looking for. 'It doesn't really matter', he replied, 'as long as they fit in the cannon...'

*(Thanks for this one goes to John Callaghan, principal of Solihull College and University Centre)*

### **Alan Birks – September 2017**

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

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