

SECTOR DEVELOPMENTS...

DFE PUBLISHES REPORT ON QUALITY OF TEACHING, LEADERSHIP AND GOVERNANCE IN FE

Although you might think this is already be covered by Ofsted, the Department for Education (DfE) has commissioned a report on the quality of teaching, leadership and governance in FE colleges in England. The report, which was published earlier this month (February) was produced by academics from the universities of Durham and the West of England, none of whom appear to have ever worked at the sharp end FE. Some of the main findings in the report include the following:

- The quality of teaching in English and mathematics is 'weak'. The authors say that this is due to a 'shortage of specialist teachers', 'a lack of expertise in the subjects amongst vocational teachers' and a failure to 'contextualise learning in mathematics and English within vocational areas'.
- Recruiting specialist teachers (eg in English, mathematics, science, technology, engineering and mathematics) is 'difficult' because 'pay in the FE sector does not compete with schools'.
- Senior leaders in FE 'often place an insufficient focus on teaching and learning and this can lead to a lack of CPD to enable teachers to improve'. This, says the authors, is exacerbated by there being 'less inter-institutional collaboration in sharing good practice than in schools'.
- Principals and senior leaders who are recruited from within the FE sector do not necessarily have the expertise to lead a large organisation. Those recruited from elsewhere do not always understand the FE curriculum. An effective 'pipeline of training to move potential leaders into senior posts is lacking'.
- The role of chair is 'complex' and the relationship between principals and chairs can 'involve several, and often conflicting roles' (eg advisor and performance manager).
- Governors were usually 'proficient when scrutinising financial matters', but they tended to be 'less confident about challenging issues relating to the quality of teaching and learning'.

The report, entitled '*Teaching, leadership and governance in further education*', can be found at:

<https://www.gov.uk/government/publications/teaching-leadership-and-governance-in-further-education>

ESRC ALLOCATES A £1 MILLION RESEARCH GRANT TO STUDY GOVERNANCE IN FE COLLEGES

The Economic and Social Research Council (ESRC) has awarded a £1 million grant to a team of academics from Stirling, Birmingham and Cardiff Universities to conduct research into the governance of FE colleges in England. Again, none of the team seem to have had any direct experience of working in FE. Researchers will attend governing body meetings in eight FE colleges to observe the extent to which their decisions 'help to meet the needs of learners, employers and local labour markets'. The team leader said the research was 'timely' because, 'Little is known about the processes and practices of governing, and how these relate to leadership and the aims and outcomes of the organisation'. Some observers now feel that in the interests of fairness, the DfE and/or ESRC should make a grant available to enable a team of FE college staff who preferably have never worked in HE to produce a report on the quality of teaching, learning, leadership and governance in the university sector, but they probably shouldn't hold their breath.

CVER COMMISSIONED TO CARRY OUT MORE FE RESEARCH

Two years ago, the DfE gave a research grant of £3 million to the London School of Economics (LSE) Centre for Vocational Educational Research (CVER) to produce reports on 'The impact of technical and vocational education on individuals, firms and growth', 'The drivers of quality of provision in FE' and 'The factors affecting individuals' participation in vocational education'. The DfE has now given CVER a further £2 million to carry out research and produce reports on 'The role of FE in increasing social mobility', 'The impact of UTCs' and 'The apprenticeship levy'. Given the eye watering cuts to college budgets, one cynical observer likened the award of all these research grants to the story of the farmer who had entered his prize pig in a competition in an agricultural show whose mind became so fixated on weighing the pig, he forgot to feed it and it starved to death. Further information on the CVER research projects can be accessed at:

<http://cver.lse.ac.uk>

RESEARCH INTO FIRST TWO AREA REVIEWS IS PUBLISHED

The DfE has commissioned the consultancy firm CFE Research to produce an evaluation of the Birmingham and Solihull, and Tees Valley Area Reviews. These were the first area reviews to be carried out and were completed in March 2016 and May 2016 respectively. The research findings identified a number of positive aspects of the review process, but these were outnumbered by the negative aspects. The criticisms listed in the report include the following:

- There was 'insufficient time for participants to be able to fully understand the review process and to prepare for it'. (The reviews were completed in less than four months).
- The guidance given to colleges on how the reviews would be conducted was 'underdeveloped'.
- The range of providers included in the review process was too narrow (eg school sixth-forms and independent training providers were excluded).
- There was an excessive focus on institutional financial sustainability, and insufficient attention was paid to the needs of students and local businesses

One of the key objectives of the area review process was to create 'fewer, larger, more resilient and more efficient providers'. It was expected that following the reviews, around 80 mergers would take place. However, just 58 were recommended, and of these only 35 have actually taken place. (All of the three mergers proposed in the Tees Valley Area Review have fallen through). The report can be accessed at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/675922/Evaluation_of_the_area_review_process.pdf

DFE PUBLISHES GUIDANCE ON HOW TO REGISTER AS A FUNDED TRAINING PROVIDER

Although the area review process was intended to result in 'fewer, larger providers', this does not seem to have deterred the DfE from encouraging new providers to enter the FE market. To help them do so, earlier this month, the DfE published guidance on such things as 'how to become an approved training provider', 'how to bid for Education and Skills Funding Agency (ESFA) funding and secure an ESFA contract', 'how to register for the Learning Records Service (LRS) and the Employer Data Return Service (EDRS)', how to get courses included in the ESFA course directory, how data is collected, how ESFA payments are made and how a providers' performance is monitored and evaluated. The guidance can be accessed at.

<https://www.gov.uk/guidance/how-to-become-an-approved-training-provider-and-bid-for-funding>

NEW FE COMMISSIONER FOR ENGLAND PUBLISHES HIS FIRST ANNUAL REPORT

The new FE Commissioner, Richard Atkins, has published his first annual report covering the period from September 2016 to August 2017. The report includes details of the Commissioner's expanded role in supporting colleges, an overview of the health of the FE sector and an analysis of the current and future challenges the sector is facing. In his report Mr Atkins advises colleges to 'test their income assumptions'. He also says that 'financially weak colleges' should seek support from the current restructuring facility while it is still available 'ahead of the introduction of the new insolvency regime'. The report can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/677985/FEC_Annual_Report_2016-17.pdf

COMMISSIONER DEFENDS THE FE SECTOR

Speaking at a recent House of Commons Education Select Committee meeting, Mr Atkins described current levels of FE funding as 'unfair' when compared to other education sectors. He went on to say that the financial pressures colleges were facing could 'be at least partly to blame for falling standards within the sector'. He also told members of the committee that he did not agree with recent allegations that restructuring funds were being used to prop up failing colleges. Mr Atkins also attended a meeting of the House of Lords Economic Committee and again spoke of the unfairness in college funding compared to

other sectors. When questioned about the new Institutes of Technology (IoTs), Mr Atkins said that the £170 million funding being made available would not, in his view, enable IoTs 'to have a significant impact on the skills system'. He also told committee members that it was important that plans to devolve the adult education budget (AEB) to city-regions did 'not lead to a fractured system of provision across England'.

FIRST ANNUAL REPORT OF THE NEW OFSTED CHIEF INSPECTOR FOR ENGLAND IS PUBLISHED

Amanda Spielman, who replaced Sir Michael Wilshaw as Ofsted Chief Inspector for England last year, has published her first annual report, a copy of which can be found at the web link below. The sections dealing with the FE and Skills sector, including apprenticeships, commence at page 49.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/666871/Ofsted_Annual_Report_2016-17_Accessible.pdf

COLLEGES REMINDED OF THE IMPORTANCE OF COMPLYING WITH THE STATUTORY PREVENT DUTY

The importance of being able to demonstrate compliance with Prevent legislation was underlined recently, when FE provision delivered by Sunderland City Council was declared 'inadequate' by Ofsted. A key factor in Ofsted's judgement was the council's failure to implement the statutory Prevent duty. In the inspection report, Ofsted said that the council had failed in its duty to safeguard students because it had failed to 'support tutors and assessors to become more confident and skilled in discussing the nature of radicalisation' and there was no risk assessment or action plan to address this. Meanwhile, the ETF says that more than 70,000 FE staff have completed the ETF online Prevent awareness course called 'Side by Side', which is specifically designed for FE staff. More information on this programme can be found at:

<http://www.et-foundation.co.uk/news/side-side-learner-prevent-duty-online-modules/>

NEW ILR IDENTIFIER MAY ENABLE OFSTED TO INSPECT LARGE COLLEGES AT CAMPUS LEVEL

In recent years, mergers and acquisitions have resulted in the creation of a number of 'mega-colleges' operating from multiple sites, often geographically very remote from each other. Sometimes a campus was previously an incorporated college in its own right but has since been absorbed into a larger college group. This has led to questions being raised as to whether Ofsted can arrive at a single judgement on overall effectiveness about 'mega-colleges', and whether they should be inspected on a campus-by-campus basis instead. The recent introduction of a new Individual Learner Records (ILR) field that enables the identification of which campus within a college group a student is attending could pave the way for campus-based inspection. The new ILR identifier will be in use from the start of 2018/19, which means that Ofsted could access a year's worth of campus-level data in time for the introduction of the new Ofsted Common Inspection Framework (CIF) expected in September 2019. Further information can be found at:

<https://www.gov.uk/government/publications/ilr-specification-validation-rules-and-appendices-2018-to-2019>

OFSTED TO 'INCREASE ITS FOCUS ON MANAGEMENT AND QUALITY' IN SUBCONTRACTING

Ofsted has recently sent a letter to colleges which says that from this month onwards, more attention will be paid to the 'management and quality of subcontracted (or franchised) provision' during inspections. Ofsted says that this will be done through 'inspections of directly funded providers, as they are accountable for ensuring the quality of provision delivered by any subcontractors they choose to use'. The letter tells providers that their inspection reports will from now on 'contain more detail about the quality and management of subcontracted provision' and could 'refer to named subcontractors in the body of the report'. They are also warned that their 'overall effectiveness' grade could be affected by inspectors' findings. In addition, Ofsted says it will now be undertaking 'risk-based monitoring visits to providers' that will 'focus solely' on provision that is subcontracted and advises prime providers to send a copy of the letter to their subcontractors.

OFQUAL ANNOUNCES ITS INTENTION TO AUDIT 'DIRECT CLAIM' PROVIDERS

Ofqual has written to awarding organisations (AOs) informing them that it intends undertake a 'series of audits' of the control they have over providers that have 'direct claims status' (ie those that are allowed to award the AO's qualifications *without* prior AO moderation). The Ofqual letter says that there is evidence to suggest that 'the level of control exercised by AOs has reduced' and that this has 'called into question the integrity of assessments'. The letter advises AOs to 'review their arrangements with providers to ensure compliance' with Ofqual's rules and reminds them that 'irrespective of the responsibilities delegated to centres, you retain accountability for your qualifications'. A copy of the Ofqual letter can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/680516/RO59_Centre_Controls_and_Moderation_of_VTQ.pdf

DFE PUBLISHES RESPONSES TO ITS CONSULTATION ON T-LEVELS

The DfE has published the responses to its consultation on T-Levels, which ended on 8 February. Many of the responses (including that from Ofqual) expressed concern at the proposal that each T-Level should be awarded by a *single* AO. Earlier research commissioned by the DfE from the consultancy firm Frontier Economics warned of the risk of 'systems failure' in that 'if the single AO were to fail, there might be no alternative AO that can step in to maintain continuity'. Ofqual also expressed concern about the FE sector's capacity to cope with 'yet another set of significant reforms'. The first T-Levels are expected to be offered in 2020. Ofqual said that this timeline was 'taut' and the Confederation of British Industry (CBI) called for a delay in introducing the new T levels until 2023 in order to 'get it right'. The DfE report can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/681435/Ofqual_T_level_consultation_response.pdf

SOME UNIVERSITIES WILL NOT ACCEPT THE NEW T-LEVELS FOR ENTRY TO DEGREE COURSES

The DfE says that T-Levels are the 'vocational equivalent of GCE A Levels' and 'will support entry into higher education'. In anticipation of this, the Federation of Awarding Bodies (FAB) has called on the University and Colleges' Admissions Service (UCAS) to allocate points to T-Levels. However, it seems that some universities have already decided that T-Levels will *not* be acceptable for entry to their degrees. A spokesperson for Imperial College London said, 'We need to ensure that students are academically able to cope with the rigours of an Imperial degree and we *do not* believe that T-Levels provide a suitable preparation'. And a spokesperson for University College London, said 'UCL *does not* accept the new T-Levels for entry to our undergraduate programmes'. The universities of Birmingham, Bristol, Cambridge, Cardiff, Edinburgh, Liverpool, LSE, Manchester, Newcastle, Oxford, Queen's University Belfast, Southampton, Warwick and York say that they have yet to decide what their position on T-Levels will be, and the universities of Glasgow, Leeds and Sheffield have said that they will only consider applications from students with T-Levels on a 'case-by-case basis'. Thus far, only Sheffield Hallam University, the Open University and Nottingham Trent University say they *will* accept T-Levels for entry to their degree courses.

REPORT CALLS FOR MORE RECOGNITION OF VOCATIONAL QUALIFICATIONS BY UNIVERSITIES

Meanwhile, the Social Market Foundation, a charity that monitors social mobility, has produced a report entitled '*Vocation, Vocation, Vocation*', which says that there is evidence of 'institutional snobbery in favour of GCE A Levels and against vocational qualifications'. The report says that in order to promote greater social mobility, universities should give more recognition to vocational qualifications as a means of entering university, not less. This is because applicants with vocational qualifications are more likely to come from:

- Areas associated with disadvantage and that traditionally have a low proportion of their young people entering university (eg the North East, North West, Yorkshire and the Humber and the West Midlands).
- White working-class backgrounds. Across all regions proportionately fewer white working-class students go to university. Around half white working-class young people who do obtain a place on a degree course have done so on the basis of their vocational qualifications.

- Families where parents work in manual occupations. Across all regions, students with parents in manual jobs are twice as likely to enter university on the basis of their vocational qualifications than those whose parents work in higher managerial or professional jobs.

A copy of the report can be accessed at:

<http://www.smf.co.uk/wp-content/uploads/2018/01/SMF-Vocation-Vocation-Vocation.pdf>

LATEST ADDITIONS TO THE ROATP ARE ANNOUNCED

Following the third round of applications, a further 354 apprenticeship training organisations have been added to the Register of Approved Training Providers (RoATP), bringing the current total to 2,577. The majority of new entrants are small independent training providers, including 12 new providers of which have not yet filed their first set of accounts with Companies House. Other new entrants include 24 police forces and larger companies such as British Airways, Lloyds Bank, G4S, Capita, and Thomas Cook. An additional 15 universities have also been accepted (including the Universities of Cambridge and Manchester), bringing the total number of universities eligible to offer apprenticeships to above 100. There are also 112 new 'supporting providers' (including 3 NHS Trusts) taking the total to 390. Supporting providers cannot access ESFA funding directly but are allowed subcontract from one of the main providers up to a value of £500,000 per year. The updated list of training providers can be found at:

<https://roatp.apprenticeships.sfa.bis.gov.uk/download>

INCREASE IN APPRENTICESHIP TRAINING PROVIDERS PUTS OFSTED UNDER PRESSURE

Since the levy reforms were introduced last April, the number of apprenticeship training providers in scope for Ofsted inspections has more than doubled. Ofsted Chief Inspector for England, Amanda Spielman says that Ofsted is facing a resource 'challenge' to cope with the rising numbers and that she also has concerns about the number of providers 'with no, or very limited, experience', that have entered the apprenticeship training market for the first time. In England, Ofsted monitors the quality of apprenticeships at Levels 2-5 and degree apprenticeships (Levels 6 and 7) are currently monitored by the Higher Education Funding Council for England (HEFCE), although this role will be taken over by the new Office for Students (OfS).

THE NUMBER OF APPRENTICESHIP STARTS CONTINUES TO CONTRACT

Although there may have been an exponential increase in the number of apprenticeship training providers, data released by the DfE earlier this month reveals that the number of apprenticeship starts continues to decrease. There were 114,400 starts in the first quarter of 2017/18 (covering the months of August, September and October 2017). This is a contraction of 27% on the same period 2016/17, which in turn was a 59% contraction compared to the same period 2015/16. To add to the DfE's worries, provisional figures released earlier this month reveal that there were just 27,000 apprenticeship starts last November, which is 40% lower than in November 2016. DfE data on apprenticeship starts can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/675884/SFR_06_2018_quarterly_apprenticeships_and_traineeships.pdf

And the DfE provisional data on apprenticeship starts in November 2016 can be found at:

<https://www.gov.uk/government/statistics/apprenticeship-and-levy-statistics-february-2018>

NON-LEVY TENDER PROCESS IS COMPLETED

The recent tendering process for non-levy funding has now been completed. The process has been the subject of considerable criticism but a spokesperson for DfE insisted that there was 'a legal obligation to comply with the EU's Public Contracts Regulations'. £24.3 million (or around 5%) of the £485 million of the non-levy funding available was allocated to providers with no previous experience of delivering apprenticeships. Following an investigation by the TES, it also appears that contracts have been awarded to a number of providers that are currently in receipt of one or more 'notices of concern' (NOCs). These include 14 that have failed to meet ESFA minimum standards for apprenticeship provision, 2 that have

been rated as overall 'inadequate' by Ofsted, 5 that have failed to meet other ESFA minimum quality standards and 30 with NOCs in respect of their financial health and/or being in 'serious breach' of conditions of funding. Of the 182 FE colleges that bid for non-levy funds, only twelve were unsuccessful in obtaining a contract and two of these managed to get their rejection overturned on appeal. Of the remaining ten colleges, 6 had their applications rejected because they did not meet the ESFA's new minimum scoring threshold, and the other 4 were denied a contract because their projected allocation fell below the ESFA's £200,000 minimum contract value. A survey by the Association of Colleges (AoC) says that colleges received an average of 44% less than they bid for and if they are to meet the demand from non-levy paying employers, they will have to find an average of £285,000 from other sources to make up the shortfall, presumably in the hope that the ESFA will eventually provide the funds to cover any overspend.

EEF CALLS ON GOVERNMENT TO 'RE-THINK THE ENTIRE APPRENTICESHIP LEVY SYSTEM'

Speaking at the annual dinner of the Engineering Employers Federation (EEF) earlier this month, the chair, Dame Judith Hackett, said 'While the levy has laudable aims, its impact on employers has been disastrous. It is complex, companies are unable to access their funds, and many view it as another tax on business. As a result, we have seen new starts collapse, with many companies postponing or halting apprenticeships'. Dame Judith said, 'A win-win has become a lose-lose and some employers are near breaking point' and called on the government to 'rethink the entire levy system from top to bottom'.

ESFA PUBLISHES GUIDANCE FOR FIRMS ON TRANSFERRING LEVY FUNDS TO OTHER ORGANISATIONS

Employers that pay the apprenticeship levy have thus far only been able to spend the funding generated through the levy on their own apprenticeship training. However, guidance issued by the ESFA earlier this month confirms that, with effect from April this year, employers will be able to transfer up to 10% of their levy funds, either to other firms in their supply chain, or to another employers in their sector, or to an apprenticeship training provider of their choice. The guidance says that there are 'no restrictions' as to which organisations the funds can be transferred to, other than they 'have to be registered on the apprenticeship service' and that the funds are used to pay for the training and/or assessment of apprentices. The guidance warns receiving organisations that the funds they receive is classed as 'state aid', and that if in any three-year period the amount exceeds 200,000 Euros, they will be in breach of EU regulations. The ESFA guidance can be accessed at:

<https://www.gov.uk/guidance/transferring-apprenticeship-service-funds>

CITB OFFERS CASH INCENTIVE TO ENCOURAGE OTHER CONSTRUCTION FIRMS TO TAKE ON CARILLION APPRENTICES

The Construction Industry Training Board (CITB) has set aside £1.4 million to provide a £1,000 cash incentive for other 'in-scope' employers to take on former Carillion apprentices. Those firms that do so will receive an initial £500, followed by a further £500 after six months for those apprentices they retain. The payments are in addition to any other government payments the new employer may be entitled to. The CITB says that so far, more than 850 employers have come forward to offer jobs to apprentices displaced by Carillion's closure and, after some initial confusion, the ESFA has confirmed that all former Carillion apprentices will continue to be paid until new employers can be found.

NEW REPORT CALLS FOR MORE PART-TIME APPRENTICESHIPS FOR WOMEN, CARERS AND DISABLED PEOPLE

A new report published earlier this month by the Young Women's Trust, in partnership with Learning and Work Institute and Timewise Foundation, says that 'thousands of women, carers and disabled people are missing out on training because of a lack of part time apprenticeship opportunities'. The report says that although polling carried out by YouGov for the Trust shows that 54% of private sector employers and 65% of public sector employers would be willing to offer part-time apprenticeships, currently only 10% of apprentices are contracted for less than 30 hours per week. This, says the report, 'leaves training out of reach for many who are unable to work full-time, particularly women, carers, disabled people and young

people leaving the care system. Instead, these groups often find themselves in low-skilled work with little opportunity to progress or out of work altogether'. A copy of the report can be accessed at:

https://www.youngwomenstrust.org/assets/0000/8848/Part-time_and_flexible_apprenticeships_report_LWI_TW.pdf

NEW CAMPAIGN TO INCREASE THE NUMBER OF APPRENTICES FROM BAME BACKGROUNDS

Almost 1 in 5 of all young people aged 16-24 in England are black and minority ethnic (BAME). However, the ESFA's National Achievement Rate Tables show that fewer than 1 in 10 young apprentices in this age group are BAME. In response to this imbalance, the DfE has launched its '*Five Cities Project*' aimed at increasing the number of BAME apprentices. The project is part of the government's 'Social Mobility Action Plan' and the city-regions involved are Greater Manchester, London, Bristol, Greater Birmingham and Solihull, and Leicester. The five city region mayors (two of which are BAME) have all committed their support to the project, with the mayor of Greater Manchester, Andy Burnham, saying that he will personally lead efforts to achieve a 16% increase in BAME apprentices in his region. Further details can be found at:

<https://www.gov.uk/government/news/new-project-to-boost-diversity-in-apprenticeships>

TRAINING PROVIDERS TO BE 'ASKED' TO PROVIDE ILR DATA OF APPRENTICES 'OFF-THE-JOB' TRAINING

Apprenticeship training providers are to be asked to maintain records of their apprentices' training hours as evidence that the minimum 20% off-the-job requirement is being complied with. A new ILR data field is to be introduced later this year to record this, and although the ESFA has said that completing the data field will be optional, many believe that doing so will eventually become a condition of funding. The ESFA has now published guidance on this, which can be accessed at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/681613/ILRSpecification2018-2019v1.pdf

GOVERNMENT PUBLISHES ITS RESPONSE TO THE TAYLOR REPORT

'Good Work', the report of the '*Taylor Review of Modern Working Practices*', calls on ministers to 'consider making levy funds available for high-quality, off-the-job training other than apprenticeships'. The government has now published its response to the report. The Department for Business, Energy and Industrial Strategy (BEIS) has strongly supported the recommendation. There was no formal response from the DfE, although a spokesperson for the department said that the purpose of the levy had always been 'to allow employers to introduce more quality apprenticeships'. The Taylor Report can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/679767/180206_BEIS_Good_Work_Report_Accessible_A4_.pdf

And the government response to the report can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/627671/good-work-taylor-review-modern-working-practices-rg.pdf

LOOPOLE MAY ALLOW 'BROKERAGE' TO CONTINUE

In recent years, a number of organisations have set themselves up to provide apprenticeship 'brokerage services'. This involves 'brokers' matching prime providers with subcontractors who are prepared to deliver some or all of the directly contracted provision on their behalf. Brokers typically charge subcontractors commission of around 5% for their services. The charging of brokerage fees (along with subcontracting 'management and administration' fees) has become politically contentious, with MPs saying that this is 'top-slicing' that depletes the funding intended for front line delivery of provision. Last year, the ESFA prohibited its funds from being used to pay for brokerage services. However, a loophole appears to have emerged, in that brokerage fees *might* be regarded as acceptable by the ESFA if the payments are *not made directly* from ESFA funding. For example, it seems that payment of brokerage fees from any 'profits' made from the delivery of ESFA funded provision is acceptable because this can be regarded as an '*indirect*' payment.

2016/17 ADULT EDUCATION BUDGET (AEB) IN ENGLAND WAS UNDERSPENT BY £63 MILLION

In response to a question in Parliament, Anne Milton, Minister for Apprenticeships and Skills in England said that £63 million of the 2016/17 AEB had been unspent. Ms Milton explained that this represented a relatively small proportion (5%) of the £1.5 billion AEB and that the underspend had been 'reallocated within the FE sector' to 'provide the opportunity for providers to expand provision through growth bids', to fund 'over delivery in providers who exceeded their delivery aims', and to 'support other provision'. The Chief Executive of the Association of Employment and Learning Providers (AELP), Mark Dawe, claimed that Ms Milton's explanation was misleading. He implied that the total underspend was closer to 13% and that a large part of this had been 'wasted on bailing out failed institutions' (a reference to the revelation that £11 million had been allocated from the AEB to 'support 12 struggling colleges'). Mr Dawe's apparent anger at the underspend is thought likely to be a reflection of the fact that private providers were required under EU law to submit tenders for a share of only £110 million of the £1.5 billion AEB available, whereas colleges and local authorities were exempt from the requirement and were simply allocated AEB funds.

COLLEGES FAILING TO IMPLEMENT THE NEW DFE CAREERS STRATEGY COULD LOSE THEIR ESFA FUNDING

Earlier this month the DfE published guidance on the way in which the new Careers Strategy for England (which was launched last December) should be implemented. The guidance says that colleges are required to begin working towards the 8 'Gatesby Benchmarks' contained in the strategy 'immediately', and to 'meet them fully by the end of 2020'. The guidance goes on to warn that those colleges failing to do this will be at risk of losing *all* their ESFA allocation, since they will be regarded as being in breach of their conditions of funding. And from this September, every college in England will be required to publish details of the careers programme it offers on its website. The 8 'Gatesby Benchmarks' cover the following areas:

- A 'stable' careers programme
- Learning from career and labour market information
- Addressing the needs of each student
- Linking curriculum learning to careers
- Encounters with employers and employees
- Experiences of workplaces
- Encounters with further and higher education
- Personal guidance.

By way of example, the guidance says that in order to meet the 'Encounters with employers and employees' benchmark, every college will be expected to offer their students at least two 'meaningful encounters' with an employer each year. This might involve students attending 'employer-delivered employability workshops, careers events attended by employers, participating in employer led CV workshops and mock interviews and employer mentoring'. To assist with this, the DfE is making £4 million available to enable every college to appoint a nominated 'careers leader' (who is required to be in place by September this year). A new online self-evaluation tool called 'Compass', will also be made available to colleges to enable them to assess the extent to which the Gatsby Benchmark requirements are being met and how their performance compares to that of other colleges. The new guidance can be accessed at:

<https://www.gov.uk/government/publications/careers-guidance-for-colleges--2>

FEAR OF REPUTATIONAL DAMAGE MAKES COLLEGES RELUCTANT TO OFFER DIRECT 14-16 PROVISION

A number of colleges are discontinuing their direct entry 14-16 provision because the DfE's 'Progress 8' measures could potentially be damaging to their reputation. The revised 2016/17 GCSE and equivalent performance league tables were published last month (January) and, for the first time, the tables include details of the performance of FE colleges offering direct entry 14-16 provision. The tables show that these colleges are amongst the least well performing providers in respect of their 'Progress 8' scores, even though most of the colleges have been judged by Ofsted to be 'good' or better in their most recent

inspections. ‘Progress 8’ was introduced into the league tables by the DfE in 2016 and tracks a pupil’s progress in eight GCSEs from when they leave primary school up to the examination results they achieve in these subjects at age 16. Their achievement in these subjects are then compared with that of other pupils of similar ability. Schools are judged to be below the DfE floor standard if, on average, pupils score half a grade less (or -0.5) across these eight GCSEs. All but one of the 17 colleges which offered direct entry in 2016/17 were below this floor target, scoring -2.1 on average (with some colleges scoring lower than -3, which is by far the lowest score any type of educational institution in England). This has left the colleges with worries about the negative reputational impact this could have on the wider college. Unfortunately for colleges, ‘Progress 8’ does not compare like with like. For example, it does not take account of the successes colleges achieve in getting students onto apprenticeships or other training programmes, or onto more demanding post-16 courses or into employment. It is also argued that Key Stage 4 provision in a college is different to that in a school because direct intake pupils will only have spent two years at college, and, in many cases, these will be pupils who did not perform well during their time at secondary school. Offering no comfort on this, a DfE spokesperson said that while colleges should not be judged on the basis of their 2017 Progress 8 figures alone, ‘they are nevertheless an important part of the picture of a college’s overall performance’. ‘Progress 8’ data for 2016/17 can be accessed at:

<https://www.gov.uk/government/statistics/revised-gcse-and-equivalent-results-in-england-2016-to-2017>

ACADEMIES FAILING TO IMPLEMENT THE ‘BAKER CLAUSE’

The ‘Baker Clause’, an amendment to the Technical and Further Education Act 2017, came into force last month. The cause was introduced by Lord Baker whose aim was to place a new statutory duty on secondary schools to allow representatives of UTCs and Studio Schools on to their premises to speak to pupils between years 8 and 13 about options at age 14 and 16 to transfer to these schools. In what Lord Baker might possibly regard as an unintended consequence, the clause *also* places a statutory obligation on secondary schools to allow colleges and independent training providers onto their premises to talk to pupils about full time options and apprenticeships at age 16. However, it would appear that to date, many academies in England are failing to comply with the new legislation. This has prompted Lord Baker, to write to the Academies Minister for England, Lord Agnew, to demand that academies fulfil their legal obligations in respect of granting access to ask ‘what actions are being taken’ to ensure their compliance.

PAC WARNS OF ‘GROWING CRISIS’ ARISING FROM TEACHER SHORTAGES IN SCHOOLS AND COLLEGES

Recent DfE figures show that between September 2013 and September 2017, the cumulative shortfall in teacher recruitment against target was around 10,000. The House of Commons Public Accounts Committee (PAC) has warned of a ‘growing crisis in schools, at a time of rapidly rising pupil numbers’, and last month published its own report entitled ‘*Retaining and Developing the Teaching Workforce*’ which makes recommendations on how to alleviate the problem. The DfE data also shows that in the period from September 2010 to September 2017, the number of FE teachers fell by nearly 20,000 and that there were critical shortages of FE teachers in mathematics, English and many technical subjects. In response, a DfE spokesperson said that there were now 15,500 more teachers in schools than there were in 2013 and that the government had introduced ‘bursaries of up to £25,000 to attract mathematics and English graduates into teaching in the FE sector’. The government’s data on teacher recruitment (and loss) can be found at:

<https://www.gov.uk/government/collections/statistics-teacher-training>

And a copy of the PAC report can be accessed at:

<https://publications.parliament.uk/pa/cm201719/cmselect/cmpubacc/460/460.pdf>

NEW REPORT SAYS THAT PARENTS SHOULD BE RESPONSIBLE FOR THEIR CHILDREN’S COMPLIANCE WITH RPA LAW

‘Raising of the Participation Age’ (RPA) legislation places a statutory requirement on *young people* to continue in full-time education or in a job with a substantive amount of training up to the age of 18. The

RPA law is different to the law on school attendance because the duty to comply is placed on the young person and not their parents. A recent report entitled '*Mending the gap: Are the needs of 16 to 18 year-olds being met?*', commissioned by the NCFE and the Campaign for Learning, suggests that 'a blind eye' is being turned to the growing level of non-compliance with RPA legislation and recommends that the statutory obligation of parents for their children's compliance should be extended to age 18. The report does not suggest that non-compliance should be deemed to be a criminal act, but that cases of non-participation are recorded and reported to the appropriate authorities. The report also says that sanctions for non-compliance should be applied as a last resort. Examples of sanctions might include 'an appearance before magistrates, or some restriction on benefits entitlement'. The report can be found at:

<https://www.campaign-for-learning.org.uk/Handlers/Download.ashx?IDMF=ca25ca00-3aac-4bf7-b639-9e140f54a940>

DFE ASKS GOVERNING COUNCILS TO JUSTIFY 'EXCESSIVE' PAY AWARDS FOR SENIOR STAFF

It would seem that vice-chancellors are not on their own when it comes to eye-watering levels of pay. The Chief Executive of the Universities Superannuation Scheme (which manages HE lecturers' pensions) received a 17% pay rise this year taking his salary and benefits package up from £484,000 to £566,000. And the annual salary of the Chief Executive of the Harris Federation (comprised of 44 academies) is now reported to be in excess of £500,000, with a further 10 Harris senior staff being paid more than £150,000. The most recent figures (2015/16) show that there were more than 120 academy trusts in England where the Chief Executive earned more than £150,000 per year. The DfE has now written to all university, college and academy governing councils to ask for a justification for paying their senior staff an annual salary in excess of £150,000, threatening intervention if they fail to do so.

MOST UNIVERSITY VICE-CHANCELLORS ARE MEMBERS OF THEIR OWN REMUNERATION COMMITTEES

University vice-chancellors' pay has risen sharply in recent years. In 2015/16 the average vice-chancellors' pay was around £268,000 (not including perks), with 64 receiving in excess of £300,000 and 13 receiving in excess of £400,000 per year. The response to a Freedom of Information (FoI) Act request from the University and Colleges' Union (UCU) has revealed that in 74 of 158 universities, the vice-chancellor was a member of their own remuneration committee and that in a further 67, vice-chancellors, although not members of the remuneration committee, were nevertheless allowed to attend meetings. Only in 7 universities were vice-chancellors barred from attending remuneration committee meetings. Responding to the findings, the Executive Secretary of the Committee of University Chairs (CUC) said, 'We dispute the suggestion that vice-chancellors set their own pay, but the CUC is clear that vice-chancellors should not be members of their own remuneration committees'.

OFFICE FOR STUDENTS TO TAKE ACTION ON ALLEGED 'EXCESSES' IN UNIVERSITY SECTOR

The UCU FoI request also revealed that, in 2015/16, in addition to their salaries, university vice-chancellors and other senior staff also claimed more than £8 million in expenses (with the vice chancellor and senior staff of one university accounting for more than £400,000 of this). The OfS came into existence last month and will take over the duties of HEFCE and the Office for Fair Access (OFFA) and when it becomes fully operational, part of its remit will be to monitor management issues such as senior staff salaries and expenses, governance, and financial stability. It will also monitor academic matters, such as the number of hours of teaching students receive, the numbers of students recruited from disadvantaged backgrounds, the reasons for student dropping out of their courses and the reasons for the almost exponential increase in the numbers of first class degrees being awarded. One of the IfS board members is also the vice chancellor of the University of the West of England who claimed £43,000 in expenses over an 18-month period, so he should know about these things. The issue of vice-chancellors' pay and expenses was covered in a Channel 4 Dispatches Programme entitled 'Britain's University Spending Scandal' which was televised on 26 February. The programme can be seen again on the 'All 4' catch up website at:

<http://www.channel4.com/programmes/dispatches/on-demand/66548-005>

INVESTMENT VALUE OF SOME DEGREES IS QUESTIONED

Escalating university tuition fees in England may have proved lucrative for some university senior staff, but the cost to students has resulted in many of the poorest incurring loan debts of up to £57,000. In a speech made earlier this month at the Centre for Social Justice, Robert Halfon, the Chair of the House of Commons Education Select Committee told attendees that 'more than two-thirds of graduates are in jobs that do not require degree level qualifications' and that for many graduates, the returns on their investment in a degree were 'paltry'. Mr Halfon went on to argue that there was a need to 'rebalance' the system towards providing more intermediate and higher level vocational skills. In response, university leaders continue to insist that a degree remains 'an excellent investment' and that 'on average, university graduates continue to earn more than non-graduates'. You can watch Mr Halfon delivering his speech on YouTube at:

<https://www.youtube.com/watch?v=QWBPFvnICwk>

PRIME MINISTER LAUNCHES A MAJOR REVIEW OF POST-18 FUNDING

In last June's General Election, instead of being 'wiped out' as political pundits predicted, the Labour party actually gained 30 seats. Around half of all young people aged between 18 and 30 are either currently at university or have attended university and one of the main reasons for the surge in support for Labour from young people were the pledges in the party manifesto to scrap HE and FE tuition fees in England, to restore maintenance grants and to explore ways of reimbursing student loans already paid (although this last pledge was subsequently dropped). In response, the Conservatives swiftly announced that tuition fees would be 'frozen' at the current £9,250 a year and that the amount that graduates could earn before being required to repay loans would be increased from £21,000 to £25,000 a year. It was also announced that there would be a 'major review and re-examination of the current system of university funding and student financing'. Theresa May launched earlier the review this month at Derby College, an FE college, which many observers thought was 'significant'. In her speech Mrs May admitted that 'the current system of tuition fees is no longer working' and that in England, 'We now have one of the most expensive systems of university tuition in the world'. She went on to say that 'All but a handful of universities now charge the maximum possible fees for undergraduate courses' but that 'the level of fees charged do not relate to the cost or quality of the course'. She ruled out scrapping tuition fees altogether since, she said, this would be 'damaging to universities' and she thought that it was fair 'that students who benefit directly from going to university should be expected to contribute to the cost'. The review panel will be chaired by Philip Augar. His credentials for the role include his experience as a city equities broker, managing NatWest's Global Trading Division and lately as Group Managing Director at Schroders. The other panel members are:

- Bev Robinson OBE, Principal of Blackpool and The Fylde College.
- Edward Peck, Vice-Chancellor of Nottingham Trent University
- Baroness Wolf of Dulwich, author of the 2011 Wolf Review of Vocational Education
- Sir Ivor Martin Crewe, Master of University College, Oxford.
- Jacqueline de Rojas CBE, President of TechUK.

The review (which for some reason excludes FE student loans) will consider such things as whether:

- Student loans should be replaced with a graduate tax paid from the higher incomes graduates are expected to earn over their working lives?
- The interest charged on loans (currently 6.1%) is excessive?
- There should be a return to maintenance grants (rather than loans) for disadvantaged students?
- Fees should be charged according to the type of course taken, so that students would pay less for courses in which they might expect to earn less (although there are concerns that this would result in poorer students applying for these courses)?
- Tuition fees should be 'means tested'?
- There might be more flexible ways of studying for a degree and if the duration of study could be shortened?
- The sale of student-loan debt to private investors should be ended?

- Graduates should be given a right to 'buy back' their own student loans at the same discounted price at which they are currently being sold to investors?

The findings of the review are not expected until early 2019. Further information is available at:

<https://www.gov.uk/government/news/prime-minister-launches-major-review-of-post-18-education>

UNIVERSITY VICE-CHANCELLORS ALARMED AT PROSPECT OF CUTS IN TUITION FEES

A new report, sponsored by the Guardian, HSBC and Universities UK (UUK) entitled '*Running a tight ship: Can universities plot a course through rough seas?*', says that university vice-chancellors in England are becoming increasingly alarmed about the prospect of cuts in tuition fees. They argue that this will lead to universities restricting their intake of students and could push some universities into insolvency. Some even thought that cuts in fees could lead to course closures with students midway through them. Looking on the bright side, they are unlikely to have their funding cut to FE levels. The report can be accessed at:

https://uploads.quim.co.uk/2018/01/30/Guardian_HSBC_UUK_Research_full_report_V4.pdf

SCOTTISH GOVERNMENT ANNOUNCES THE CONTINUATION OF FREE TUITION FOR EU STUDENTS POST BREXIT

The Scottish government has confirmed that not only will university tuition continue to remain free for all Scottish students (even if they chose to study at a university in another UK country) but students from other EU countries who enrol at Scottish universities up to at least 2020 (which is after the UK has left the EU) will continue to receive free tuition for the entire duration of their course. The Minister for Higher Education in Scotland, Shirley-Anne Somerville says that the Scottish government wants to assure students from the EU that they are 'welcome in Scotland' and that they should regard Scotland 'a place to call home'. This magnanimous gesture will probably be of no consolation to those students in England who will leave university facing the prospect of paying annual interest of 6.1% on loan debts of up to £57,000.

RISE IN APPLICATIONS FROM EU STUDENTS FOR PLACES AT UK UNIVERSITIES

The latest UCAS figures suggest that Brexit has not deterred EU students from applying to study in the UK. The figures show that the total number of EU applicants for university places in the UK received by the January 2018 deadline has increased to 43,510, the highest level for any year other than 2015, when applications reached an all-time high of 45,220. All UK universities say that they have seen 'strong interest from applicants from the EU'. A spokesperson for Warwick University said that applications from students in other EU countries increased by 10% compared with last year. His explanation for this was that, 'Paradoxically, Brexit has focused attention on the strength of British universities'. Fears that Brexit could harm applications from non-EU countries also appear to have been allayed. UCAS data shows an increase in the number of non-EU international students applying for places at UK universities to a new record of in excess of 100,000. Applications have been particularly strong from countries such as China and India. The increase in international and EU applications has helped compensate for a contraction in applications from domestic UK students, which show an overall 3% fall. This is the second successive year that there has been decline in domestic applications, following a 4% drop last year. Detailed UCAS reports on EU, other international and domestic UK applications for university places in 2018/19 can be accessed at:

<https://www.ucas.com/corporate/data-and-analysis/ucas-undergraduate-releases/2018-cycle-applicant-figures-january-deadline>

UK INCREASES THE LEVEL OF FOREIGN AID FOR EDUCATION PROJECTS

The Minister for International Development (DfID), Penny Mordaunt, has announced that the UK will be providing £225 million in education related aid over the next 3 years, a 50% increase on previous years. This, she said, would 'help to pay for 2,400 classrooms and for the training of 170,000 teachers in some of the poorest parts of the world'. However, UK aid agencies say that the amount is still 'insufficient' and have called on the UK government to provide more support for developing countries'. In 2016/17, just 7% of the £13.7 billion UK foreign aid budget was spent on education projects, down from 10% in 2015/16.

NEW MINISTER FOR EDUCATION IN ENGLAND APPOINTS 'SPECIAL ADVISORS'

Damian Hinds, the new Minister for Education in England, has appointed two special advisers. These are Jon Yates (who has worked for the McKinsey management consultancy company, and for the last 6 months, has been working with 'More in Common', which was set up in memory of the murdered Labour MP Jo Cox) and Meg Powell Chandler (who worked as a staff officer in Downing Street during David Cameron's premiership and is a former Conservative parliamentary candidate, who unsuccessfully contested the Birmingham Northfield seat in the 2017 election). Neither appear to have had any direct experience of working in education and so are probably regarded as being ideally suited for the job.

NEW GENERAL DATA PROTECTION REGULATION

A new European Union General Data Protection Regulation becomes a part of UK law on 25 May 2018, replacing the 1998 Data Protection Act. This will have significant implications for the way in which colleges manage their data since they must be able to prove that they are compliant with the regulation. To do this they are required to conduct and record risk assessments on how personal data is collected, accessed, shared, analysed before any processing of information takes place. There will also be stricter rules on obtaining consent for processing personal data. Inaction on the part of the individual will no longer be regarded as consent. Individuals will have a statutory right to know what personal data is being collected on them, the purpose for which it will be used, how long the data will be retained, and to whom it might be transferred. If anyone requests information on their personal data, the college is required to provide this free of charge within one month. Any organisation found to have caused individual or institutional reputational damage as a result of a data breach can be fined a maximum of 20 million Euros, or 4% of their annual turnover, whichever is greater. Colleges are recommended to appoint or nominate a Data Processing Officer, who must be able to demonstrate that they carry out their duties independently of their employer. Further information can be found on the Joint Information Systems Committee (JISC) website at:

<https://www.jisc.ac.uk/guides/preparing-for-the-general-data-protection-regulation-gdpr>

AND FINALLY, ...

Students on a GCE A Level Sociology course were working on a project on the Inuit tribes of Alaska, and northern Canada. The students had been shown a film about how the Inuit hunted for seals and fish, and how needles made from fish bones were used to make seal skin clothes. Two of the students had been particularly impressed by Inuit tribesmen who were shown catching fish on lines lowered into the water through a hole cut in the ice. Because it was the middle of a very cold spell in the UK, they decided to try ice hole fishing themselves. They would then write about their experience as part of their A Level project work. After finding ice that was thick enough to support their weight, they cut a hole in it, lowered their fishing lines and settled down to wait. After a few minutes they were startled when an unworldly voice from above boomed out, '*There are no fish under the ice!*'. They looked around in alarm but couldn't see where the voice had come from. They were just beginning to think that they had imagined this when the mysterious voice was heard once again saying, '*There are no fish under the ice!*'. They started to panic and one of the students, who was very religious, looked around and then up, and nervously asked, 'Is that God speaking to us?'. 'No', boomed the mysterious voice, '*It's the ice rink manager!*'.

Alan Birks – February 2018

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