

## SECTOR DEVELOPMENTS...

### HIGHLIGHTS FROM THE ASSOCIATION OF COLLEGES (AOC) CONFERENCE 20-21 NOVEMBER

It's that most wonderful time of the year, when the movers, shakers and eminence grise of FE gather for the annual AoC conference. This year's conference was again held at the International Conference Centre in Birmingham and below is given a summary of the speeches of some of the keynote speakers:

*Anne Milton, the Minister for Apprenticeships and Skills in England*, blamed train delays for what some conference goers described as a surprisingly brief appearance. She used what limited time she had to list the various developments affecting the FE sector, many of which are covered in later sections of this newsletter. She also told college representatives to 'get their leadership and governance right before making the case for more funding to the Treasury' and said that the severe financial constraints facing many colleges 'could have been avoided with better leadership'. Ms Milton's speech can be found at:

[https://www.gov.uk/government/speeches/anne-milton-addresses-association-of-colleges-conference?utm\\_source=10c9c7cc-291d-4e70-bbf8-767f0f42697e&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/government/speeches/anne-milton-addresses-association-of-colleges-conference?utm_source=10c9c7cc-291d-4e70-bbf8-767f0f42697e&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

*Damian Hinds, the Minister for Education in England*, excused himself from attending the conference.

*Angela Raynor, the Shadow Minister for Education in England* said that a future Labour government would scrap the Conservative's controversial English and mathematics resit policy. GCSEs she said, would be replaced with alternative Level 2 qualifications, such as Functional Skills. Labour would also ensure that the membership of the boards of the Institute for Apprenticeships (IfA) and of the Office for Students (OfS) will include an FE student. However, she made no mention of Labour's manifesto pledge to abolish tuition fees and would not be drawn on whether Labour intends to bring colleges back under local authority control.

*Amanda Spielman, Ofsted Chief Inspector for England*, said that Ofsted was planning significant changes to the way it inspects FE and skills. These changes will be introduced in September 2019 with a consultation period commencing in January. Ms Spielman said that the proposed changes will involve a shift in focus away from headline achievements and towards the process by which colleges are delivering those achievements. This, she said, was because 'too many colleges were currently failing their students by putting on too many courses that bear little relation to the local labour market'. This meant they were, 'failing to address the problem of skills gaps in their area'. She said colleges should ask themselves if they were 'putting the financial imperative of headcount in the classroom ahead of the best interests of the young people taking up their courses' (a question that perhaps universities might also ask themselves) and said that if so, this was 'not acceptable' and inspectors would 'want to see that the decisions are being made in the best interests of learners, rather than in the interests of performance tables or for financial gain'. To address this, colleges are likely to need to be able to demonstrate to Ofsted that they are making more use of labour market information (LMI) to review their current curriculum against local employer demand and to identify areas of current misalignment and potential opportunities for new courses.

Ms Spielman said that the three main changes being proposed will be piloted early next year, which are:

- No separate outcomes judgement.
- The replacement of the current judgement on quality of teaching, learning and assessment with a new 'quality of education' judgement.
- Splitting the judgement on personal development, behaviour and welfare into two separate judgements: one for behaviour and attitudes, and the other for personal development.

Ms Spielman also said that Ofsted was proposing to reduce the classification of provision types from the current 6 categories down to 3 and that the 'working titles' for these currently are:

- Education programmes for young people

- Apprenticeships
- Adult learning programmes.

Within these categories, she said, Ofsted will 'continue to report on traineeships, full time 14 to 16 provision and on provision for learners with high needs and with special education needs and disabilities'. At the end of her speech, Ms Spielman was asked why Ofsted does not take financial management into account during inspections, to which she replied that this was the remit of the FE Commissioner's team. However, Ms Spielman would not say if the health of college finances might feature in judgements made about leadership and management in the proposed new college inspection framework. A copy of Ms Spielman's conference speech can be found at:

<https://www.gov.uk/government/speeches/amanda-spielman-at-the-2018-aoc-annual-conference>

Paul Joyce, Ofsted Deputy Director for FE and Skills also spoke about Ofsted's proposals for changes in the inspection framework for colleges. Mr Joyce said told conference goers that:

- The Common Inspection Framework (CIF) *could* be renamed the 'Education Inspection Framework'.
- The new framework 'will place greater emphasis on the substance of education and discourage the collection of data'. However, he then paradoxically went on to say that inspectors would 'absolutely will not be ignoring performance data and accountability measures' in arriving at judgements.
- The 'outstanding' grade and the 'overall effectiveness' judgement will be retained.
- There will be a single new judgement, 'quality of education', which will replace the current judgements on 'outcomes for learners' and 'teaching, learning and assessment'. If a provider's 'quality of education' is judged to be inadequate, it is highly likely that 'overall effectiveness' will also be judged inadequate.
- The focus of inspections will be on the curriculum, how it was developed and how it supports the aims and intended impact of the study programme, for example helping the student gain entry to relevant work opportunities or progression to higher level study. Data will be considered in evaluating 'impact'.
- Contrary to expectations, there will be *no* campus-level inspections in the new framework. Inspectors 'may well report on campuses', but will not be awarding grades to campus provision.
- There will be a reduction in the number of provision types that are graded. For example, there will no separate grade for provision for high-needs students. Instead, inspection findings for this provision will be fed into a relevant section elsewhere.
- Consultation on the new framework will begin on 19 January, which will also be the day the new inspection handbook for FE will be published. There will also be extensive piloting of the proposals.

## OFSTED RESEARCH INTO LEVEL 2 STUDY PROGRAMMES

In her conference speech, Ms Spielman also referred to Ofsted's recent research into Level 2 study programmes which, she said, was 'an under-explored area of provision'. The study, she said, focused on the extent to which colleges design and deliver their courses with a clear understanding of how it will benefit their students (e.g. in terms of local employment opportunities or progression to higher level courses) which, as mentioned above, are likely to be a key feature of the proposed new inspection framework. Ofsted's recommendations arising from the research include the following:

- The Department for Employment (DfE) should provide guidance on the information colleges should publish on their websites about student destinations, including progression to employment.
- Colleges should review their minimum requirements for entry to Level 2 and Level 3 study programmes to ensure that they are appropriate and strike the right balance between learners being given access to these courses and their capacity to complete and benefit from them.
- All colleges should make greater use of employers in designing curriculum and learner assessment, as was recommended in the Wolf report.
- College teachers should keep fully up to date with the practices and jobs available in their industry, and ensure that the curriculum reflects current industry standards and practices.

- Work experience placements should be relevant to the learners' programme of study. Teachers should make sure that learners reflect on the knowledge and skills they gained during their work placements. Employers should give feedback to the college on learners' performance during their work placement.
- The DfE should re-evaluate the impact of the policy of requiring students to continue to study English and mathematics and take a GCSE in those subjects.
- Colleges should give learners clear feedback on their progress through their study programme, to help build confidence and self-esteem, and to help develop their personal, social and employability skills.
- The curriculum for study programmes should not be restricted by an excessive focus on qualifications and outcomes should take account of a broader range of evaluation measures, including destinations.
- The DfE should help students understand the value of study programmes by publishing comprehensive data on the proportions of students who progress into work from each type of programme.
- Colleges should align the Level 2 and Level 3 study programme curricula to relevant apprenticeships where available. They should also promote these apprenticeships to learners.

A copy of the Ofsted Level 2 study programme research report can be accessed at:

<https://www.gov.uk/government/publications/level-2-study-programmes>

### OFSTED CHIEF INSPECTOR CALLS FOR FE FUNDING TO BE INCREASED

Ms Spielman has written a letter to the Public Accounts Committee (PAC) calling for more funding for the English FE sector. In her letter she says, 'while spending per pupil in primary and secondary schools has increased significantly in real terms since the early 1990s, the same is not true for FE and skills spending'. She goes on to say that as a result of cuts 'many colleges have reduced the teaching time allocated to some programmes of study, reduced the number of teaching and/or support staff employed, reduced the number of courses offered and reduced the amount of enrichment or extracurricular activity provided' and that the government should use next year's Spending Review to increase the base rate for 16-18 funding' (although she makes no specific mention of adult funding). A copy of Ms Spielman's letter can be found at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/752721/HMCI\\_PAC\\_letter\\_311018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/752721/HMCI_PAC_letter_311018.pdf)

### THREE QUARTERS OF GFE COLLEGES INSPECTED IN 2017/18 ARE RATED 'GOOD' OR 'OUTSTANDING'

Despite the cuts, an analysis of all general FE (GFE) colleges inspected and reported on in 2017/18 shows that 76% were judged by Ofsted to be 'good' or 'outstanding', up from 69% in 2016/17, with none judged as 'inadequate'. In her speech to the AoC Conference, Ms Spielman commended GFEs for the improvement. The proportion of sixth form colleges (SFCs) inspected and rated 'good' or 'outstanding' remains steady at 81% with none graded 'inadequate'. With reference to private training providers, 63% were 'good' or 'outstanding' with 11% graded as 'inadequate'. Of the community learning and skills providers inspected in 2017/18, 77% were found to be 'good' or 'outstanding', while 5% were found to be 'inadequate'. Full details of Ofsted FE and skills inspection outcomes in 2017/18 can be found at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/758420/Further\\_education\\_and\\_skills\\_inspections\\_and\\_outcomes\\_as\\_at\\_31\\_August\\_2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/758420/Further_education_and_skills_inspections_and_outcomes_as_at_31_August_2018.pdf)

### OFSTED FINDS ALMOST A QUARTER OF NEW APPRENTICESHIP PROVIDERS ARE MAKING 'INSUFFICIENT PROGRESS'

In March this year Ofsted commenced its programme of early-monitoring visits to new apprenticeship providers. At the end of a monitoring visit, providers are rated on whether they are making 'insufficient progress', 'reasonable progress' or 'significant progress'. An analysis of the published reports of monitoring visits carried out in 90 new apprenticeship providers shows that 22 were judged to be making 'insufficient progress'. Any new apprenticeship provider with an 'insufficient progress' rating is *not* allowed to recruit any new apprentices, either directly or through subcontracting arrangement (unless there are 'extenuating circumstances') until the provider has undergone a full Ofsted inspection and has been awarded at least a

'requires improvement' grade for its apprenticeship provision. Further information is available at:

[https://www.gov.uk/guidance/16-to-19-education-accountability?utm\\_source=cc533047-c2af-4294-842a-b4b27b0400ae&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/guidance/16-to-19-education-accountability?utm_source=cc533047-c2af-4294-842a-b4b27b0400ae&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

### CONTRACTION IN THE NUMBER OF OFSTED FULL INSPECTIONS CARRIED OUT IN 2017/18

Ofsted data shows that a total of 203 FE providers underwent full inspections in 2017/18. This is a contraction of 32% compared with 2016/17, when 298 providers underwent full inspections. Within this total, the number of independent training providers (including employer providers) which received full Ofsted inspections fell from 126 in 2016/17 to 70 in 2017/18, a contraction of 44%, and the number of full inspections of providers that were graded on their apprenticeship provision fell from 189 to 109, a contraction of 42%. One of the reasons given by Ofsted for the drop in the number of full inspections in 2017/18 was that 'more short inspections were carried out'. However, although short inspections did rise by almost a third, from 94 to 122 in 2017/18, the total number of inspections, when taking full and short together, fell from 392 in 2016/17 to 325, an overall contraction of 17%.

### NEW STAFF QUESTIONNAIRE TO HELP OFSTED FORM 'ROUNDED JUDGEMENTS' OF COLLEGES AND OTHER PROVIDERS

Ofsted has introduced a new questionnaire asking FE staff for feedback about their employer. In the questionnaire, staff are asked such things as whether they are 'proud' to be working at the college (or other provider), and whether they think their college is well led and managed. Providers are required to inform their staff about the online questionnaire prior to the inspection and the Ofsted FE and Skills Inspection Handbook has been updated to reflect the introduction of the new questionnaire. A spokesman for Ofsted said that staff responses, along with employer and learner 'voice' responses will be 'an additional source of evidence about the effectiveness of a college or a skills provider'. The questionnaire will be used in short and full inspections, but not in monitoring visits. A copy of the questionnaire can be found at:

<https://www.gov.uk/government/publications/further-education-and-skills-inspections-staff-questionnaire/staff-questionnaire-further-education-and-skills>

### DFE PUBLISHES ITS FIRST GFE AND FE SPECIALIST COLLEGE STAFF SURVEY

Perhaps not wishing to be upstaged by Ofsted, the DfE has undertaken its own FE staff survey. The survey is the first of its kind to be commissioned by the DfE and was carried out by the Responsive College Unit (RCU). All GFE and FE specialist colleges in England were in-scope of the survey, the findings of which were based on returns from principals, teachers and leaders, and a request to college human resource departments to provide staff data. Teachers were defined as anyone who said their main role was that of a teacher, lecturer or tutor, or whose role involved regular teaching. Leaders were defined by anyone who said their main role was a part of the senior leadership team, a middle or junior manager, or who were a staff-governor. Individual responses to the survey were received from 140 college principals and 9,603 teachers and other leaders. Their responses covered their views on such things as pay, aspects of working in colleges and issues relating staff recruitment and retention. The survey's findings include the following:

- At the time of the survey, there were 66,970 teachers and leaders, of which 88% were teachers and the remaining 12% were leaders.
- The age and gender profiles for both teachers and leaders showed that the workforce was skewed towards women and those aged 45-59. Teachers tended to be younger than leaders with 16% of teachers aged 35 or younger compared with only 9% of leaders.
- 67% of leaders earned more than £35,000 compared with 11% of teachers. 57% of principals earned between £100,000 and £149,000. 35% of teachers were paid less than £20,000, while a further 31% earned between £20,000 and £29,999. This means that two-thirds of FE teachers earn *less than* £30,000. Against this, 70% of classroom teachers in state-funded schools earn *more than* £30,000.
- 48% of FE teachers said a heavy workload was the main challenge they faced. 62% of college leaders said lack of funding or resources was their main challenge, while a further 22% said that constant policy changes by government 'was a frustration'.

- 90% of teachers said that working with learners was the best part of their job. 40% said that learner progression was the best part, while 30% said learners gaining qualifications and skills as the best part.
- 42% said they were likely to leave the FE sector in the next 12 months.
- The highest number of reported staff vacancies was in construction. However, 22% of construction teachers in FE said they were 'very likely' to leave the sector in the next year.

A copy of the DfE staff survey findings can be found at:

<https://www.gov.uk/government/publications/college-staff-survey-2018>

### DFE PUBLISHES 2017/18 UK EDUCATION AND TRAINING STATISTICS REPORT

The DfE has published its annual report on education and training. The report provides comprehensive data for the 2017/18 academic year across the whole of the UK, including:

- Pupil and teacher numbers in schools
- FE and HE student and staff numbers
- Education expenditure by sector
- Qualifications gained.

A copy of the report can be accessed at

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/757675/UKETS\\_2018\\_Text.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/757675/UKETS_2018_Text.pdf)

### FE COMMISSIONER PUBLISHES HIS 2017/18 REPORT

The FE Commissioner for England, Richard Atkins, has published his 2017/18 Annual Report. In the report he says that 8 colleges entered formal intervention in 2017/18 (which is 60% less than in 2016/17), but that none of the referrals were the result of them being judged as 'inadequate' by Ofsted. 5 of these colleges were placed in intervention for financial reasons, while a further 3 entered intervention following a diagnostic assessment carried out by the FE commissioner. 13 colleges left intervention during the year, leaving a total of 27 still in intervention. However, Mr Atkins warned that 'colleges face another year of real challenge, particularly given the impending introduction of the insolvency regime and the end of both exceptional financial support and the restructuring fund'. His report also provides details of the Structure and Prospects Appraisals (SPAs) carried during the year, along with the college mergers agreed and completed, details of National Leaders of FE (NLFs) recruited and other quality improvement measures. Meanwhile, the DfE has announced the names of the first six national leaders of governance (NLGs). These are all serving governors or clerks from colleges that have been rated 'outstanding' or 'good' by Ofsted. NGLs will work closely with the FE Commissioner's team to provide governance support for colleges that have been identified by Ofsted or the FE Commissioner as being in need of such support. A copy of the Commissioner's report can be accessed at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/757427/Annual\\_report\\_of\\_the\\_Further\\_Education\\_Commissioner.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/757427/Annual_report_of_the_Further_Education_Commissioner.pdf)

### NEW BIDDING ROUND FOR STRATEGIC COLLEGE IMPROVEMENT FUND (SCIF) IS LAUNCHED

The SCIF is intended to provide struggling colleges with extra cash to help them improve their overall effectiveness and the quality of their provision. To be eligible for SCIF funding, colleges must have been rated as 'requires improvement' or 'inadequate' for their overall effectiveness, outcomes for learners, and/or leadership and management, either in their most recent Ofsted inspection report or as a result of a diagnostic assessment carried out by the FE commissioner. A recently merged college will also be eligible to apply for funding if at least one of the pre-merger institutions meets this criteria. Colleges applying for SCIF funding must be able to demonstrate that they have the capacity and capability to deliver the required improvements. They are also required to work with a stronger college partner to help them with this. In June 2018 eligible colleges were invited to apply for SCIF funds as part of a pilot scheme. As a result, 14 colleges shared around £2 million of the £15 million of SCIF funding available. In June, the DfE launched

the first official SCIF bidding round and although allocations for this round have not yet been finalised, this month (November) the DfE launched a second official SCIF bidding round. The DfE has also said that a third round of SCIF applications will be launched in late 2019 although it is unclear how much funding will remain available by then. Further information for colleges within to apply for SCIF funds can be found at:

[https://www.gov.uk/guidance/guidance-for-applicants-to-the-strategic-college-improvement-fund?utm\\_source=ba62e128-f1fc-4ad3-80b9-f9aab194e1ce&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/guidance/guidance-for-applicants-to-the-strategic-college-improvement-fund?utm_source=ba62e128-f1fc-4ad3-80b9-f9aab194e1ce&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

### EDUCATION SELECT COMMITTEE INQUIRY INTO SCHOOLS AND COLLEGE FUNDING

The House of Commons Education Select Committee has launched an inquiry into schools and college funding to help with determining DfE priorities for the next Spending Review in 2019. The last meeting of the Committee was on 6 November when representatives of school and college managers and education trade union leaders were asked for their views on school and college finances. Some observers see the Spending Review as the FE sector's last chance at obtaining desperately needed additional funding, without which its future financial viability becomes questionable. More information is available at:

<https://www.parliament.uk/business/committees/committees-a-z/commons-select/education-committee/inquiries/parliament-2017/school-and-college-funding-inquiry-17-19/>

### DFE TO SPEND £10 MILLION ON RECRUITING 200 'EXTERNAL EXPERTS'

The DfE has published a tender document inviting individuals with 'expertise and experience at a senior level in the education sector' to apply to join a register of experts who will provide advice to civil servants on policy areas such as University Technical Colleges (UTCs), counter-terrorism, safeguarding, vocational education and sixth forms. The tender document says that in the first instance a maximum of 200 experts will be recruited, although this number could be increased at a later date. Successful applicants will be invited to bid for project work opportunities made available by the DfE. The document makes no specific reference to FE, although a DfE spokesperson said that the sector would be covered under a subsection covering FE and sixth forms. Critics say that the DfE is simply employing experts 'to put a spin on the problems that they, themselves, have caused' and that the £10 million is 'a waste of taxpayers' money'. They point out that the DfE has already spent almost £100 million on purchasing 'advice' on free-schools and UTCs in just three years. More information and a copy of the tender document can be found at:

<https://www.contractsfinder.service.gov.uk/Notice/b0cc95bf-4f05-4628-af1c-7a2843004b98?p=@UFQxUIRRPT0=NjJNT08>

### NEW PROGRAMME TO HELP TEACHERS PREPARE FOR THE INTRODUCTION OF T-LEVELS

A new £8 million training programme has been launched to help prepare FE teachers for the roll-out of T-Levels. The programme has been developed jointly by the Education and Training Foundation (ETF) and the Gatsby Foundation and is intended to help teachers 'understand the new T-Levels' and to 'provide them with the opportunity to bring their subject and industry knowledge up to the standard required by local businesses'. The programme has five strands, which are as follows:

- An information package to help staff understand the structure and requirements of T-Levels.
- A training needs analysis to identify the continuing professional development requirements of staff that will be involved in delivering T-Levels.
- A teacher development programme which will focus on pedagogy and developing teachers' capacity to embed mathematics, English and digital skills in their teaching.
- Knowledge hubs that will help to embed learning from the teacher development programme through teacher development networks.
- Professional development programmes for middle managers to assist them to lead and manage the required educational change and to help ensure the readiness of their staff and organisations.

More information is available at:

<https://www.et-foundation.co.uk/news/teachers-benefit-8-million-initiative-boost-skills-ahead-t-levels-roll/>

## DFE LAUNCHES CONSULTATION ON T-LEVEL FUNDING BANDS

The DfE has launched a consultation seeking views on funding for the delivery of T-Levels from 2020. The DfE is proposing four new funding bands of £4,170, £4,835, £5,335 and £5,835 per student, *per year*. The DfE is also proposing that each industry placement within a T-Level will attract an additional £550 per student, payable half in the first year and half in the second. In addition the DfE proposes that the funding for 18-year-olds be the same as for students age 16 and 17. This is because, says the DfE, '18-year-olds will need the same amount of funded time to achieve threshold competence as other students'. On top of this, an additional £750 will be provided to support T-Level students who have not yet met the minimum English and maths requirement. All of which means that T-Levels will attract considerably more funding than other study programmes for the age group. The consultation closes on February 19. More information and a copy of the consultation document can be found at:

<https://consult.education.gov.uk/fe-funding/t-level-funding-methodology/>

## ESFA SETS TOUGHER CRITERIA FOR INCLUSION ON THE REGISTER OF APPRENTICESHIP TRAINING PROVIDERS (ROATP)

The Education and Skills Funding Agency (ESFA) has announced that the RoATP, which is currently closed, will reopen on 12 December and will then stay open indefinitely. There are new 'tougher' requirements for organisations wishing to be listed on the RoATP, the main features of which are:

- In the 12 months following this, all apprenticeship training providers currently listed on RoATP (including colleges) will need to re-apply to be listed.
- Providers will be divided into groups based on 'risk', with 'high-risk' providers being required to reapply first. Just to be eligible to reapply, providers must have traded for at least 12 months, must be able to provide a genuine registered business address (rather than, say, the address of a domestic property) and must be able to provide at least one full set of audited accounts.
- If providers fail to engage in any apprenticeship delivery activity within 12 months of joining or re-joining the RoATP they will automatically be removed from it. (Recent figures suggest that currently as many as a third of providers currently listed have not actually delivered any apprenticeships).
- All subcontractors (now referred to as 'supporting providers'), including those delivering less than the current threshold of £100,000 a year as a subcontractor will be required to apply and be listed on the register by August 2019.
- Supporting providers can only receive funding of up to a maximum of £500,000 per year, and this is limited to £100,000 in their first year if they have no recent history of apprenticeship delivery.
- Main providers and employer providers *must* also directly deliver apprenticeship training. Employers and providers that only want to operate as a subcontractor will need to apply to become a supporting provider.

Eileen Milner, the Chief Executive of the ESFA said, 'Our new RoATP application process ensures that only those that can stand up to our tough quality assurance entry requirements can access government funds to deliver apprenticeship training. We are also being tougher on subcontractors entering the market, to ensure a focus on quality training and mitigate risk to government funds'. Further information is available at:

<https://www.gov.uk/guidance/register-of-apprenticeship-training-providers>

## ESFA PROPOSES RESTRICTING THE AMOUNT OF FUNDING AN APPRENTICESHIP PROVIDER CAN EARN

In order to help regulate the potential size and rate of expansion of providers the ESFA is controversially planning to introduce 'recommended funding limits' which will, in effect, restrict the amount of apprenticeship funding a provider can earn. Apprenticeship providers have described plans as 'absurd', particularly since £billions of apprenticeship funding remains unspent. However, following the collapse of numerous high-profile apprenticeship providers, Meg Hillier, the Chair of the PAC, has welcomed the proposals and said that they were a sign that the ESFA was learning lessons from previous failures

## AOC PUBLISHES BEST PRACTICE GUIDANCE ON SUBCONTRACTING

The AoC has published guidance for member colleges that hold ESFA contracts and that subcontract part of that contract to other providers to deliver on their behalf. The AoC guidance proposes that a method for evaluating the level of risk a college is potentially exposed to in working with a subcontractor should be developed. This risk evaluation should incorporate such things as the duration, value and geographical spread of the contract and the previous track record of the subcontractor. The risk score arrived at through this methodology would help determine the amount the subcontractor is charged in management fees by the prime provider, with higher risk subcontractors facing higher charges and vice versa. The AoC claims that the guidance was written with input from the ESFA and Ofsted, however the ESFA would not confirm that it endorsed the AoC's recommendations, and Ofsted said that it was not within its remit to advise on the financial contracts agreed providers and subcontractors. The AoC guidance is available at:

[https://www.aoc.co.uk/sites/default/files/AoC%20360%20Subcontracting%20Guide%202018\\_0.pdf?platform=hootsuite](https://www.aoc.co.uk/sites/default/files/AoC%20360%20Subcontracting%20Guide%202018_0.pdf?platform=hootsuite)

Previous to this, the Association of Employment and Learning Providers (AELP) Collab (the former 157 Group) and HOLEX (a consortium of adult education providers) developed their own best practice guide to sub-contracting, which the AoC declined to sign up to. In their guide the group say that management fees should *not* exceed 20% of the contract value, and that providers should *not* work with any subcontractor deemed to be high risk. this. A copy of the AELP, Collab and HOLEX best practice guide can be found at:

[https://www.aelp.org.uk/media/1978/best-practice-guidance-for-a-relationship-between-a-lead-provider-and-a-subcontractor-march2018\\_1.pdf](https://www.aelp.org.uk/media/1978/best-practice-guidance-for-a-relationship-between-a-lead-provider-and-a-subcontractor-march2018_1.pdf)

## OVERALL APPRENTICESHIP NUMBERS CONTINUE TO FALL...

The government had hoped that the introduction of apprenticeship levy would encourage more employers to take on apprentices. However, it seems that the opposite has happened since total starts have fallen dramatically since the launch of the levy. The latest figures (released in October) revealed that apprenticeship starts for July were down by 43% on the same month in 2016. As further evidence of the contraction, at the end of this September the total balance on employers' apprenticeship accounts was £2.7 billion. However, only £370 million (or 13.7%) of this had been drawn down by employers to pay for apprenticeships. To encourage more use of levy funds, since May this year, levy-paying employers have been able to transfer up to 10% of their funds to smaller employers in their supply chains. However, in the three months from May to July this year, less than 1% of levy funds in employer accounts had actually been transferred. Despite this, in his recent budget statement, Philip Hammond announced that the amount that could be transferred would be increased from 10% to 25% with effect from April 2019. The justification given for this was that a transfer of only 10% was likely to be 'too small to make it worthwhile'.

## ...BUT THE NUMBER OF MANAGEMENT APPRENTICESHIPS CONTINUES TO INCREASE EXPONENTIALLY

Despite the overall fall in apprenticeship starts, the number of people starting management apprenticeships has doubled in the last two years and they now make up around a fifth of all apprenticeship starts. This has raised concerns about whether employers are labelling their existing management and leadership-training courses as 'apprenticeships' in order to access public funding to pay for them. Critics say that if an increasing amount of funding is being directed at people who are already employed and hold advanced qualifications, less is available for young people trying to obtain qualifications and get into meaningful work for the first time. Further information on apprenticeship starts and the use of the levy is available at:

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

## UNCERTAINTY AS TO WHEN THE LOWER APPRENTICE CONTRIBUTION RATES FOR SMES WILL COME INTO FORCE

In his recent budget statement, Philip Hammond announced that the contribution required to be paid by small and medium size enterprises (SMEs) towards the cost of employing apprentices would be halved from 10% to 5%. It was assumed that this change would come into effect from next April, however it now seems that the start date will be decided by the ESFA. This is thought to be a response to concerns that having a fixed date for the change would encourage employers to delay starts.

## INCREASE IN THE NATIONAL MINIMUM WAGE

National minimum wage rates will increase from April 2019 as follows:

- For those aged 16 and 17 in employment, the minimum wage goes up from £4.20 per hour to £4.35.
- For those aged 18-20, the increase is from £5.90 per hour to £6.15.
- For those aged 21-24 the minimum wage goes up from £7.38 per hour to £7.70.
- For those age 25 and over the minimum wage increases from £7.83 to £8.21.

The increase for apprentices is as follows:

- For apprentices under the age of 19 (or aged 19 or over in the first year of their apprenticeship), the national minimum wage will rise from £3.70 to £3.90 per hour.
- Apprentices who are aged 19 or over *and* have completed the first year of their apprenticeship are entitled to the standard national minimum wage for their age group.

Further details can be found at:

<https://www.gov.uk/national-minimum-wage-rates>

## RESEARCHERS IDENTIFY STRUCTURAL WEAKNESSES IN FE IN ENGLAND

Researchers from the Ontario Institute for Studies in Education (a part of the University of Toronto) explored the FE system in England and presented their findings earlier this month at a conference in Taiwan organised by Education International, which describes itself as 'a global federation of education unions'. The study included a literature review, secondary analysis of published statistics, analysis of statistics collected by the University and College Union (UCU), interviews and a number of visits to colleges and other FE providers in England. The researchers identified six structural weaknesses. These are:

- **Lack of definition:** In contrast with many other Organisation for Economic Co-operation and Development (OECD) countries, the English FE system is 'not defined clearly and neither does it align directly with international classifications of vocational education, such as the International Standard Classification'.
- **Built on shifting sands:** FE in England has 'multiple and changing funding sources and funders, and is subject to frequent government reviews and significant policy changes'.
- **Funding pressures:** Cuts in the level of FE funding have 'greatly weakened colleges and left them under-resourced. Staff have not received a pay-rise for an unconscionably long time, and continuing budget pressures have led to staff cuts and to exploitative work practices'. (The Welsh government has just announced a pay-rise for FE staff identical to that which the DfE has awarded teachers in England).
- **Deskilling the FE teaching profession:** Increasing numbers of colleges are replacing full time teaching staff with casual teachers and assessors paid by the hour, often on zero-hours contracts.
- **Weakened community role:** FE has 'social as well as employment roles', but their community role is being undermined by mergers and campus closures and is often not supported by governing bodies, the composition of which tends to represent employers' interests rather than that of local communities.
- **Private for-profit awarding bodies:** FE qualifications in England are awarded by a multiplicity of private for-profit bodies. The qualification structure is complex and competition for custom is 'so unusual internationally as to be anomalous' and often leads to 'watered-down qualifications' in terms of rigour.

To access the report you need to be registered with Education International, further information on which can be found at:

<https://www.ei-ie.org>

### CEC CLAIMS THAT THE QUALITY OF ADVICE IN SCHOOLS AND COLLEGES IS IMPROVING

Earlier this month the Careers and Enterprise Company (CEC) published its *2018 State of the Nation Report*, which surveyed around 3,000 schools and 350 colleges in England. In the report, the CEC says that schools and colleges are now achieving an average of 2.13 of the 8 Gatsby benchmarks compared to 1.87 last year and that the proportion of schools and colleges *not* achieving any of the Gatsby benchmarks has fallen from 21% cent to 18%. Of concern for colleges, is that only 45% of schools with a sixth form met the 7<sup>th</sup> Gatsby benchmark and gave pupils a 'meaningful encounter with further-education colleges'. This is despite schools now being legally required under the 2017 Technical and Further Education Act to allow colleges and other training providers access to pupils in years 8 to 13 in order to provide them with information about FE, apprenticeships and other alternatives, such as UTCs. The report is available at:

<https://www.careersandenterprise.co.uk/research/state-nation-2018-careers-and-enterprise-provision-englands-schools>

A copy of the Gatsby benchmarks for good careers guidance can be found at:

<http://www.gatsby.org.uk/education/focus-areas/good-career-guidance>

And also this month, the CEC published an FE specific report entitled '*Careers Provision in Colleges: What works?*', a copy of which is available at the link below:

[https://www.careersandenterprise.co.uk/sites/default/files/uploaded/1140\\_what\\_works\\_for\\_colleges\\_digital2.pdf](https://www.careersandenterprise.co.uk/sites/default/files/uploaded/1140_what_works_for_colleges_digital2.pdf)

The CEC has received around £40 million of public funding since it was established in 2015 and will receive a further £35 million by 2020. However, it does not seem to be able to win friends and influence people in government circles. At the CEC's first meeting with the House of Commons Education Select Committee in May, it was called a 'boated quango' and was heavily censured by MPs for spending almost £1 million on research, rather than on frontline careers advice. And at its second meeting with the Committee earlier this month, it was again criticised, this time for spending more than £200,000 on two conferences. To add to the fun, the House of Commons Youth Select Committee has called for independent review of the CEC's effectiveness in providing careers advice and for Ofsted to inspect careers education provision funded by the CEC to check on quality.

### MORE DISAGREEMENT ABOUT UTC DATA

Last month, it was claimed that the outcomes and achievements of UTC pupils claimed by the Baker Dearing Trust had been exaggerated when compared to the DfE's official statistics and this month, the Trust has been accused of misrepresenting the level of UTC enrolment. The Trust claimed that year-10 recruitment at UTCs had 'grown 40% over the past two-years', but DfE data suggests that year-10 pupil numbers only increased because more UTCs have opened and that the *average* intake of year 10 per UTC has actually fallen from 85 to 82. To add to UTC woes, 30 of the 49 UTCs still open over estimated their pupil numbers in 2017 and are now facing a collective ESFA 'clawback' of more £6.5 million.

### AUGER REVIEW UPDATE

The Review of Post-18 Education and Funding, initiated by the Prime Minister earlier this year, is thought to be largely in response to the potential for damage to the future electoral prospects of the Conservative Party arising from the Labour Party's manifesto pledge to scrap post-18 tuition fees in England. The review is chaired by Philip Auger and is now increasingly referred to as the Auger Review. Alleged leaks suggest that one of the review's recommendations is that tuition fees in England's universities should be cut to £6,500 in subjects such as arts and humanities. This would be countered by much higher fees of up to £13,500 in subjects such as medicine or science because holding a degree in subjects like these will lead to higher earnings. However, university vice-chancellors have already given dire warnings about how

this will wreck their finances. They argue that such a system would also be socially regressive, and perversely say that if they can no longer charge all students some of the highest fees in the world, they will be unable to afford to help disadvantaged applicants. Countering this, is the argument that some courses are more costly to deliver than others and that tuition fees charged should reflect this. Some observers have pointed out that although most universities in England charge the maximum tuition fees of £9,250 per year, many charge less for their taught postgraduate courses. (For example, John Moores University in Liverpool charges £5,100 for a one-year taught MA in English Literature and Newcastle University charges £7,400 for a one-year taught MA in History).

### **‘VALUE FOR MONEY IN HIGHER EDUCATION’ REPORT PUBLISHED**

A report published by the House of Commons Education Select Committee on the extent to which students get value for money for their HE course fees concludes that ‘too many graduates in England are being left with big debts for too little payback’ and calls on universities to develop ‘a sharper focus on graduate outcomes’ and ‘the teaching of skills’. The report says that:

- Universities should be more transparent about graduate prospects in terms of both employment destinations and earnings, particularly since Office for National Statistics (ONS) data for 2017 shows that 49% of recent graduates were working in non-graduate roles.
- Higher education must play a more significant role in meeting the country’s skills needs. The most recent Employer Skills Survey (2017), which reveals that two thirds of hard-to-fill vacancies are caused, at least in part, by a lack of skills, qualifications and experience among applicants.
- All HE institutions should offer degree apprenticeships, which are ‘crucial’ to boosting productivity.
- The fall in both part time and mature learners entering higher education is ‘deeply concerning’. Universities must offer more flexible learning, including credit transfer, work placements, pauses in study and move away from the ‘rigid traditional three-year undergraduate approach’. (See the proposal for two-year degrees below).
- The tripling of tuition fees in England in 2012 and the replacement of maintenance grants with loans has led to students from the poorest backgrounds accruing debts over a three-year degree of around £57,000. The Government should reinstate a means tested system of loans and maintenance grants.
- ‘Unjustifiably’ excessive levels of pay for Vice-Chancellors does not represent value for money for either students or for the taxpayer and the Office for Students (OfS) should take a firmer stance on senior management remuneration and not be afraid to intervene, especially when Vice-Chancellors earn more than eight times the average salary of other university staff.
- The OfS should clamp down on the recent steep increase in unconditional offers made to students, warning that the practice threatens to undermine the credibility of the whole higher education system.

One of those providing oral evidence to the Committee was Tom Bewick, Chief Executive of the Federation of Awarding Bodies, who argued that it was time to re-evaluate the presumed economic benefits of mass higher education. He went on to tell members that the 50% HE participation target should be replaced with new targets to boost participation in technical education, including more investment in FE colleges, and many more young people pursuing degree-level education via a high-quality apprenticeship route. And Frances Bishop, who dropped out of her degree course, but who now owns Pud Store, a highly successful designer children’s wear boutique said ‘I don’t think higher education is for everyone. Personally, I learnt more as a barmaid than I did at university’. A full list of recommendations and conclusions can be found on page 37 of the report, a copy of which can be accessed at:

<https://publications.parliament.uk/pa/cm201719/cmselect/cmeduc/343/343.pdf>

### **TWO-YEAR DEGREE COURSES COULD BE AVAILABLE IN ENGLAND FROM NEXT SEPTEMBER**

Universities Minister for England Sam Gyimah has confirmed earlier government plans to offer students in England the option of taking accelerated two-year degree courses. The new courses will involve around 45 weeks of study in each year. Universities (and any FE colleges offering the courses) are expected to charge students around £11,000 per year, but this would save the students around £5,500 in fees, along

with a year's savings in living costs and accommodation, compared with a traditional three-year course. Raising annual fees above £9,250 per year will require parliamentary approval. However, this is thought to be a formality for two main reasons. Firstly, the level of tuition fee loans the government will be required to fund will be less for a 2-year course than a 3-year course. Secondly, the government sees two-year degrees as one way of reversing the steep decline in the numbers of mature students, particularly those with family commitments. Early parliamentary approval means that the new degrees could be available as early as September next year. However, several university vice-chancellors and representatives of the Universities and Colleges Union (UCU) have already expressed their concerns about the international credibility of two-year degrees and the logistical difficulties they will face in introducing them.

### **STUDENT LOAN SYSTEM MAY BE DISTORTING PUBLIC SECTOR FINANCIAL REPORTING**

Q. How can an organisation lend £118 billion and it not appear anywhere in their accounts?

A. When you're the UK government and it's the student loans system in England.

Under current arrangements, money lent by the UK government to students in England to cover their tuition fees and living costs will not add to the public sector deficit until unpaid loan debts begin to be written off after 30 years. However, as the scale of student borrowing grows exponentially, student loans have become an increasingly awkward omission from the public finances. This has resulted in highly critical cross-party reports from MPs and peers which say that the practice is preventing proper scrutiny and oversight of the public finances. Outstanding student loan debt currently stands at £118 billion and on current trends could eventually exceed £1 trillion and the ONS has now been asked to adjudicate on how the ever-widening gap between lending and loan repayments should be recorded in the public finances. If the ONS decrees that the debt should be included, it will not only have far reaching implications for the current reported size of the public sector deficit, but will undoubtedly also require the government to re-think the affordability of providing the loans needed to finance ever-increasing tuition fees for ever-increasing student numbers. The implications are such that the publication of the findings of the Auger review panel, which should have reported this month, has been delayed until the after the ONS has reached its decision.

### **STUDENT DEBT SELL-OFF DISCOUNTS REPRESENT POOR VALUE FOR PUBLIC MONEY**

Meanwhile, the government's sale of student loans has been fiercely criticised in a report produced this month by the Public Accounts Committee (PAC). In 2017/18, loans with a face value of £3.5 billion, were sold to private investors for £1.7 billion, which represents a return of only 48p in the £1. The government argues that the sale of student loan debt reduces the overall level of public debt. But the PAC has criticised the sale, and says that reducing public sector debt by selling off loans at a substantial discount did not represent good value for public money. The PAC also said that 'uncertainty over future loan repayments meant that the government could not accurately value the student loans it held'. The report can be found at:

<https://publications.parliament.uk/pa/cm201719/cmselect/cmpublicacc/1527/1527.pdf>

### **£890 MILLION IN STUDENT LOAN DEBTS SOLD TO A PRIVATE DEBT COLLECTION COMPANY**

As an example of this, earlier this month the government sold off student loans worth £890 million for just £160 million to a firm called Erudio. One of the firm's subsidiaries is Arrow Global, a specialist debt recovery firm which is 'providing the expertise to manage the collection of outstanding student loan debts'. Debt purchase firms own the debts they purchase, and can only make money if they can collect on them. Many of these firms are renowned for their aggressive debt recovery practices. More information is at:

<https://www.independent.co.uk/student/news/government-sells-900-million-in-student-loans-to-debt-collection-company-8961790.html>

### **PARLIAMENTARY JOINT COMMITTEE ON HUMAN RIGHTS REPORT ON FREEDOM OF SPEECH IN UNIVERSITIES**

The Parliamentary Joint Committee on Human Rights, comprised of a mixture of MPs and Peers, has produced a report which concludes that freedom of speech in universities is under threat from 'intolerant attitudes'. Universities must, by law, allow 'open and uncensored debate', but Universities Minister for

England Sam Gyimah has warned of a 'creeping culture of censorship' and has said that it is 'wrong to mollycoddle students from views they might find offensive'. The Joint Committee's report can be found at:

[https://publications.parliament.uk/pa/jt201719/jtselect/jtrights/589/58903.htm#\\_idTextAnchor001](https://publications.parliament.uk/pa/jt201719/jtselect/jtrights/589/58903.htm#_idTextAnchor001)

Meanwhile, academics who worry about addressing sensitive topics for fear of a backlash from students who have taken offence, or their employers, are to have a safer route to do so. Early next year, a new journal called the 'Journal of Controversial Ideas' will allow researchers to their publish articles under a false name. One of the organisers of the journal, Jeff McMahan (his real name), who is a Professor of Philosophy at Oxford University, said that the journal would protect academics whose ideas might otherwise get them in trouble with students or with their own universities. Professor McMahan talked about the new journal in a BBC Radio 4 documentary entitled 'University Unchallenged', which can be found at:

<https://www.bbc.co.uk/programmes/m00013p7>

A prominent academic, popular with his more radical colleagues for championing the rights of the vertically challenged and his success in forcing the university management to establish an Equal Heights Committee, was asked to comment on whether 'intolerant attitudes' really were threatening free speech in universities. In response he said, 'I have considered the question from multiple perspectives and whilst I would not wish to give offence to anyone who thinks differently from me and have taken care to avoid negative stereotyping, I reject accusations of unnecessary political correctness and disingenuous virtue signaling. Unfortunately, I have forgotten what I intended to say'. (I think I may have made this last bit up).

### RESEARCH SAYS STUDENTS SHOULD NOT HAVE TO ATTEND LECTURES BEFORE 11.00 AM

Researchers from The Open University and the University of Nevada say that early mornings interfere with young adults' body clocks and that for students to be able to perform at their best, lectures should start no earlier than 11.00 am. Researchers say that having to get up early might also cause student mental health problems. (I didn't make this up). A copy of the research article can be found at:

<https://www.frontiersin.org/articles/10.3389/fnhum.2017.00188/full>

### AND FINALLY...

Roofing students at a local FE college were working on a two-story structure designed to enable them to practice the skills they had learned in re-roofing a house. Halfway through the training session one of the students shouted down to his teacher that he felt unwell. 'What's the matter with you?', inquired the concerned teacher, to which the student replied that he was feeling very nauseous and giddy. The student asked if he could go home until he was feeling better. 'Do you have vertigo?', asked the teacher 'No', replied the student, 'I only live around the corner'.

The student managed to climb part of the way down from the roof, but despite the safety training he had receive in respect of working on roofs and scaffolding, he was so dizzy that, much to alarm of his teacher and fellow students, he fell the rest of the way. Fortunately, his fall was cushioned by several boxes of Omega 3 tablets that someone had inexplicably left lying on the workshop floor and as a result, the student only suffered super fish oil injuries.

### Alan Birks – November 2018

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