

Sector Developments

‘Accountability Reviews’ to be introduced

Earlier this academic year, as part of the push to ‘reduce bureaucracy and simplify procedures’, the Skills Funding Agency (SFA) told colleges that they would no longer be required to complete and submit an annual Financial Management and Control Evaluation (FMCE) return. However, the sighs of relief heard coming from behind the office doors of college finance directors ceased abruptly when the SFA announced that, ‘in order to gain assurance that providers have effective systems in place to manage and monitor the funds given to them’, it still intended to monitor colleges’ financial management and control arrangements. These new monitoring arrangements will see the SFA conducting ‘Accountability Reviews’ (which, of course, should not be confused with Provider Performance Reviews, Framework for Excellence scores, internal and external college audits, or anything that the new FE Commissioner might get up to). Accountability Reviews will be conducted by the SFA’s Provider Finance Assurance (PFA). The SFA says that, in addition to monitoring colleges’ financial management and controls arrangements, Accountability Reviews will also be used to assess ‘the effectiveness with which college governors exercise their strategic oversight’ of senior managers and, as such, will become a ‘key element’ of the SFA’s ‘intervention strategy’. Last month (April), the SFA published a guidance document ‘to help colleges to appreciate why Accountability Reviews have been introduced’ and to ‘help them prepare for an Accountability Review, if selected for one’. A summary of the contents of the guidance document is given below.

The SFA will prepare a schedule of those colleges to be subjected to an Accountability Review. This will be based on a ‘risk assessment’ conducted by a new SFA ‘Provider Enquiry Group’ (although the SFA reserves the right to undertake an Accountability Review of any college at any time). The risk assessment based approach is intended to be analogous to the methodology used by Ofsted in preparing its college inspection schedules. The key risks and other factors that will be considered by the Provider Enquiry Group in deciding which colleges should be subject to an Accountability Review includes whether a college has:

- An existing ‘Notice to Improve’ relating to financial health and/or financial control.
- Significant financial health and/or other financial health related problems, for example:
 - Has an out turn that is significantly worse than was expected
 - Is unable to generate cash through its operations
 - Has no cash and is heavily reliant on advances of funds or bank borrowing to finance its day to day operations.
- Failed an Ofsted inspection, or has returned much worse than expected inspection results compared to previous inspections and/or the provider’s own self assessment report (SAR).
- Been given a ‘qualified’ audit opinion by its external auditors
- Significantly under-performed against learner number targets and funding allocations
- Suffered a significant drop in income as a result of, for example, the loss or removal of large contracts.
- Undergone key senior personnel changes, or has been the subject of concerns expressed to the SFA by past or current senior college personnel.
- High levels of sub-contracting.
- Been the subject of concerns or complaints in respect of the way in which subcontracting is being managed and administered.
- Been the subject of ‘whistle blowing’, and allegations and investigations in respect of misuse of funding.

Colleges will be notified that they have been selected for an Accountability Review around 3 weeks before the scheduled review start date. The SFA says that it will not require colleges to complete any pre-visit or self-assessment documentation prior to the Accountability Review taking place. However, the PFA team assigned to undertake an Accountability Review of a college may request a planning meeting with college managers and/or governors prior to the actual visit in order to discuss evidence requirements in more

detail. The SFA says that because its resources 'will be prioritised on undertaking Accountability Reviews of those colleges on its own schedule, it is unlikely that in future the SFA PFA team will be in a position to routinely participate in, or contribute to, Ofsted's inspections of colleges.

An Accountability Review will be focused on 3 main areas. These are:

- Management (including the arrangements made by governors to exercise 'strategic oversight')
- Financial Management
- Internal Financial Control Arrangements

At the end of an Accountability Review, the PFA team will give a simple 'Yes/No' (or 'unqualified/qualified') opinion on the effectiveness of a provider's financial control. The SFA says that this type of opinion is consistent with the opinions provided by PFA team on other reviews it carries out, and with that provided external auditors. A 'No' (qualified) opinion means that the provider does *not* have effective accountability arrangements in place and that fundamental weaknesses have been identified. Such an opinion will result in the issue of a 'Notice of Concern- Financial Control'. This has been abbreviated by the SFA to 'NoC-FC'. The NoC-FC (which admittedly does sound a bit like the name of a football team from the West Coast of Ireland) will set out the specific conditions which have to be met by the college and remedial actions that need to be carried out within a set time period. If these conditions are not met, or the required action is not taken, the college risks the withdrawal of SFA funding. Those weaknesses *not* considered to be 'fundamental', are classified as either 'significant' or 'merits attention'. The college is also required to take action to remedy these weaknesses on the basis that they may eventually become 'fundamental', if appropriate action is not taken.

Given the apparent sophistication of the new monitoring arrangements, questions have been raised in respect of how Accountability Reviews will 'reduce bureaucracy and simplify procedures'. In response, the SFA says that bureaucracy *will* be reduced and the new system *will* be simpler because:

- The risk assessment based methodology will reduce the total number of reviews conducted compared with those currently undertaken.
- Those colleges that are selected for an Accountability Review will not be required to undertake either a self assessment of its own arrangements or prepare any significant pre-visit documentation prior to the Accountability Review taking place (unless, of course, the PFA team asks for it).
- Providers not selected for an Accountability Review (which the SFA claims will be the vast majority of providers) will not be required to submit any kind of annual return to the Agency at all.

More on 'Rigour and Responsiveness in Skills'

In response to some of the queries and comments received from readers of last month's **Click** newsletter, firstly, 'Rigour and Responsiveness' may indeed also be the name of a manual for couples wishing to improve the physical aspects of their relationship, but it is most unlikely that there will be any connection between this and government's recent skills strategy of the same name. Secondly, the title given to the enforcer that ministers are proposing to send into those colleges deemed to be in need of a dose of 'intervention' is definitely the 'FE *Commissioner*', and not the 'FE *Commissar*'

Meanwhile, Matthew Hancock, the minister for Further Education, Skills and Lifelong Learning commenting on 'Rigour and Responsiveness' (the strategy, not the manual, obviously) has confirmed that:

- The new intervention process will be fully operational with effect from the start of the next academic year (2013/14), by which time the new FE Commissioner will have been appointed and taken up post.
- Risks will be assessed by means of a structured review that will take place on at least a quarterly basis 'and more frequently when it is felt to be needed'.
- Risk assessments will be conducted by officials from the Department for Business, Innovation and Skills (BIS), the Department for Education (DfE), the SFA, the Education Funding Agency (EFA) and Ofsted and will, in future, also involve the new FE Commissioner
- In addition to risk assessments in respect of the quality of a college's provision, assessments will also be made of risks in respect of the robustness of the college's financial controls, including the oversight

of governors of these controls. This will be done as part of the regular monitoring of each college's financial position, and will help identify any significant non-compliance with regulatory requirements or any significant concerns expressed by the college's auditors.

- The FE Commissioner will act as the single point of contact in cases where intervention is deemed necessary. They will offer expert advice, opinion and recommendations to the ministers and officials of the relevant government departments on how to address the underperformance in question so that 'appropriate decisions can be taken in respect of the intervention action that is needed'.

Lord Lingfield to chair the group that oversees the award of 'Chartered' status

By way of background to this section, you will no doubt remember the wave of criticisms and concerns levelled at the Institute for Learning (IfL) that eventually culminated in a boycott of the IfL by the University and Colleges, Union (UCU). This, in turn, led the former minister for Further Education, Skills and Lifelong Learning, John Hayes, to commission the Conservative Peer, Lord Lingfield, to chair an 'expert panel' with a remit to undertake 'a review of the current arrangements to regulate and facilitate the professionalism of the Further Education and Skills workforce' and to 'make recommendations for how these should be changed or improved'.

In the process of undertaking the review, the panel visited colleges and other FE providers across the whole of England and, since it was considered important to examine best practice in other countries, panel members also undertook a gruelling programme of visits to countries as far away as Australia, Brazil, Canada and the USA. After due consideration and analysis of the key issues, the panel published its findings in the 'Report of the Independent Review of Professionalism in Further Education'. The report contained a number of recommendations which included the following.

- High performing colleges should be recognised through the award of 'Chartered' status.
- There should be 'a single body to set professional standards and codes of behaviour, as well as develop qualifications'.
- Teachers of English and mathematics and teachers working with students with learning difficulties or disabilities (LDD) should be required to hold 'specialist qualifications'.
- Other than for this, in general, the level and nature of professional qualifications required to be held by staff should largely be determined locally by the college, as the employer. This was because colleges were considered to be better able to evaluate their own needs and those of their key stakeholders.

In response to the panel's recommendations:

- The proposal to establish a 'single body to set professional standards and codes of behaviour' was accepted by the government and is currently being taken forward in the form of the new FE Guild.
- Specialist qualifications for teachers of English and mathematics, and for teachers of LDD students are being addressed via the new FE initial teacher training qualifications being introduced this September
- The proposal in respect of the award of 'Chartered' status for high performing colleges was accepted by the government and will be launched this November.
- The Deregulation Bill, introduced in the recent Queen's Speech, includes amongst many other things proposals to abolish the statutory requirement for FE teachers to hold compulsorily prescribed qualifications

Matthew Hancock, has now appointed Lord Lingfield to chair the group that will oversee the award of 'Chartered' status to those colleges that satisfy the required criteria.

Changes to Further Education Initial Teaching Qualifications

Earlier this year, BIS commissioned the soon to be defunct Learning and Skills Improvement Service (LSIS) to conduct a review of further education teacher and training qualifications in England. Having carried out the review, LSIS has now published a number of recommendations for a complete overhaul of FE teacher qualifications in a report entitled 'Further Education and Skills in England: New Qualifications for Teachers and Trainers'. The new qualifications include three generic initial teacher training qualifications as follows:

- A Level 3 Award in Education and Training
- A Level 4 Certificate in Education and Training
- A Level 5 Diploma in Education and Training.

As recommended in the Lingfield Review (see above) specialist qualifications will also be available at Level 5 for those teaching English (Literacy), ESOL, mathematics and learners with disabilities

However, the Queen's Speech earlier this month (May) includes a proposal for the introduction of a new 'Deregulation Bill', which, when enacted will repeal a wide range of legislation deemed to be no longer relevant. Ironically, this is likely to include the repeal of the general statutory requirement for FE lecturers to have, or be working towards, an FE teaching qualification. This will now be a matter for the college (as the employer) to determine. Undaunted by this, LSIS, aided and abetted by the Association of Centres for Excellence in Teacher Training (ACETT), have jointly produced a supplementary document entitled, 'Guidance for providers of initial FE Teacher Education on the changes to Further Education Teacher Training Qualifications, to be introduced with effect from September 2013'. Awarding organisations and universities will use this LSIS/ACETT guidance to develop the new qualifications, although individuals who hold existing teaching qualifications, or who are currently partway through their study, will not need to undertake the new qualifications or to change courses. The content of the guide includes the following:

- The new qualifications will place greater emphasis on the teaching practice component of the course. This reflects the emphasis on the quality of teaching given in the new Ofsted Common Inspection Framework (CIF) and the Ofsted Initial Teacher Education (ITE) Inspection Handbook. Apart from the Level 3 Award in Education and Training, all qualifications have a mandatory requirement for trainee teachers to have their teaching practice observed and assessed throughout their course. Awarding organisations are expected to provide guidance to enable ITE providers to make an appropriate judgement about whether a trainee teacher has met the required standard of practice in an observation.
- Clearer guidance has also been given on the appropriate qualifications and experience expected of those staff that will be delivering and assessing the new ITE qualifications. For example, it will not generally be acceptable for a teacher delivering and/or assessing ITE qualifications to have only a Level 3 teaching qualification themselves. Teachers delivering Level 5 qualifications must have an appropriate teaching qualification at, or equivalent to, Level 5 themselves.
- If teaching on the specialist qualifications programmes in English, mathematics or special needs, teachers must also have practical experience in, and hold a specialist qualification at that level themselves.
- The new teaching qualifications can be offered both by awarding organisations and by higher education institutions.
 - Awarding organisations will use the Qualifications and Credit Framework (QCF) qualification titles, QCF units, and must observe QCF rules of combination. They will also have their awards regulated by Ofqual.
 - Higher education institutions are not required to use QCF titles, units and associated guidance. However, they are required to develop qualifications that are at least the same size and level as QCF qualifications, covering the same content and satisfying the same teaching practice requirements. They will have their qualifications validated by their own institutions, rather than by Ofqual, but they must comply with the Framework for Higher Education Qualifications (FHEQ).
- The Professional Standards for Teachers, Tutors and Trainers in the Lifelong Learning Sector (PSTTTLLS) developed by Lifelong Learning UK (LLUK) in 2006 were apparently outside the scope of the LSIS review and are unaltered. However, at present it remains unclear how the standards will be linked to the new ITE qualifications.
- The proposal for awarding bodies to develop a Level 7 Continuing Professional Development qualification will not be implemented since this was not supported by the sector during the consultation period and because provision at this level is already offered by higher education institutions.

Top secret conclave held in Windsor Castle

Meanwhile, 29 'key individuals' from the FE sector were invited by the FE Guild steering group to attend a 26 hour 'retreat' at Windsor Castle. Attendees were invited to 'think about what the FE Guild's priorities should be', and how 'strategic and operational relationships' should be developed, particularly with employers. Attendees were also asked to consider what was meant by 'collective leadership'. The event was held over the two days from May 13 to May 14 and delegates stayed in the prestigious St George's House, which is located within Windsor Castle grounds. A spokesperson said that the outcomes of the meeting would help 'shape the FE Guild over the next decade' and in response to questions about whether the expense of hiring St George's House was really necessary, the spokesperson went on to say that the cost represented 'fair value for delegates who we are asking to commit to 26 hours of their time to engage in complex, in-depth and detailed confidential thinking on behalf of the sector'. Matthew Hancock is said to have been amongst those who attended the event, although a spokesperson for BIS could not confirm this, since the meeting was 'not in the minister's diary'. Apparently, there is no way of knowing whether Mr Hancock (or anyone else for that matter) was there or not, since the names of the 'key people from FE' who attended the event appears to have been a closely guarded secret. One college principal, when asked if he was amongst those who were there, is alleged to have said 'I could tell you, but then I'd have to kill you'.

Chief Executive of the FE Guild appointed

Meanwhile, it has been announced that Sir Geoff Hall, the former principal of New College Nottingham and Chair of the Information Authority, will become chief executive officer of the new FE Guild. Previously in his career, Sir Geoff has been Chief Education Officer of the London Borough of Bexley and has been a member of the senior management teams of both the Further Education Funding Council (FEFC) and the Learning and Skills Council (LSC)

Independent Chair for the SFA Advisory Board to be appointed

The SFA Advisory Board is made up of representatives from the FE sector, employers and other stakeholder groups, including Association of Colleges (AoC) and the National Union of Students (NUS). Previously, SFA Advisory Board meetings were chaired by a board member (including the SFA chief executive) on an ad hoc basis. However, the SFA has now decided to advertise for a new Independent Chair for the Advisory Board. The term of office for the new chair will be 3 years and the SFA is expecting the successful candidate to be appointed within the next 3 months. The chair will be expected to attend around 5 board meetings a year, plus a further 5 days per year 'for other tasks and functions relating to the post'. The person specification says that the SFA is 'particularly looking for someone who has ideas for reducing bureaucracy' and for introducing 'better and more simplified ways of implementing programmes'. The chair will also 'be expected to provide feedback to BIS ministers on the performance of the SFA chief executive'. Meanwhile, the Queen's Speech earlier this month (May) contained proposals to formally abolish the post of Chief Executive of the SFA and to convert the SFA itself to 'Executive Agency' status (although many observers are unclear as to what this actually means)

Association of Employment and Learning Providers (AELP) appoint new Chief Executive

Stewart Segal (no relation to the film star, Steven) has been appointed as the new chief executive of the AELP. Mr Segal takes over in August when the current chief executive, Graham Hoyle retires. Mr Segal has already worked with the AELP for a number of years in a consultancy capacity and his previous posts include that of chief executive of a national training provider 'Spring Skills' and of the Hertfordshire Training and Enterprise Council (TEC).

Traineeships

The Queen's Speech also included a mention of the new Traineeships in England and referred to publication of the 'Traineeship Framework Document'. Key elements of this document include the following:

- Colleges will only be able to offer Traineeships if they have Ofsted inspection grades of 'good' or better.
- The programme is initially only for young people under the age of 19 or with Learning Difficulty Assessments (LDA's) up to the age of 25.

- Employers are not expected to pay young people on traineeships. Instead financial support should either come via 16-18 bursary funds, or for those aged 18 and 19, from benefits.
- Traineeships are expected to last up to six months.
- Traineeships are expected to facilitate progression into work, an apprenticeship or further education

SFA breaches its own Minimum Contract Level rule.

In 2011/12, the SFA introduced a minimum contract level policy which meant that Agency would no longer allocate contracts with a value of less than £500,000. The policy was blamed for driving some small private providers out of business, forcing others to merge with larger providers or to enter into sub contracting arrangements with colleges and other providers in order to survive. Because they were unable to increase their contracts to the minimum £500,000, around 200 providers lost their SFA allocations when the policy was introduced. However it has now seems that around 50 providers have been given allocations of less than £500,000 and that the SFA has paid out more than £7 million on contracts below its minimum level. The smallest of these contracts was for around £11,300 and the largest was for around £415,000.

As a consequence of this apparent anomaly, the AELP is now understandably questioning whether the SFA's minimum contract level policy has now been abandoned. In response, a spokesperson for the SFA said the policy was still in place and went on to defend it, arguing that the policy had 'allowed efficiencies to be realised', had delivered 'economies of scale' and had 'provided more opportunities for developing shared services between training organisations'. However the SFA spokesperson qualified this by explaining that 'contract procurement was primarily driven by the ability of providers to meet the needs of their communities'. The spokesperson also explained that 'because apprenticeships remained a government priority, apprenticeships were also a priority for the agency' and that in order to meet commitments in 2012/13, the Agency had 'invited new organisations on the Register of Training Organisations (RTO) to submit plans to deliver new high quality apprenticeships'. Some of these 'new organisations' had been allocated contracts of less than £500,000. The spokesperson went on to say that 'all new provision was openly and competitively tendered for', and that 'contracts were awarded to the organisations that could demonstrate the highest quality and support from employers'. This prompted the AELP to argue it would be clearer for all concerned if the SFA were to simply adopt a stance whereby 'any good quality provider who wants a direct contract should be given one'.

Doubts expressed about the future implementation of the Heseltine Report proposals

It appears that the proposals in the Heseltine Plan ('No Stone Unturned') to allocate a 'single pot' of funds to Local Enterprise Partnerships (LEP's) from the budgets currently held by central government departments (including the BIS adult skills budget), may be foundering. BIS Secretary Vince Cable has now revealed that he is 'opposed to giving significant sums of money to non-elected LEP's' and has questioned their capacity 'to handle it wisely'. He has said that he prefers dealing with local councils direct via 'City Deals'. There have also been accusations of 'delaying tactics' by civil servants, all of which suggests that the earliest that funds could be transferred from central government departments to LEP's is likely to be 2015/16. Of course, by this time a general election will have been held, the outcome of which is far from certain. When asked whether ministers had been told 'to identify funds that could be transferred to LEP's, a senior civil servant is alleged to have said, 'Yes, but identifying money and handing it over are two quite different things'. If this is actually true, it is likely to be bad news for the LEP's. However it might be good news for those colleges that could otherwise be faced with relying on the patronage of the LEP's for 'grace and favour' funding allocations to fill what might otherwise be gaping holes in their budgets.

Marking of functional skills examination papers to be outsource abroad

HSBC describes itself as the 'World's Local Bank' (although after having to pay huge fines to settle a money laundering probe, was described by the Independent Newspaper as being the 'Drug World's Local Bank). Using its 'local knowledge' HSBC discovered that instead of paying £9 per hour to call centre workers in the UK, you could pay less than £9 per week to a call centre worker in an 'emerging' economy. Because of this local knowledge, HSBC became one of the pioneers of 'international outsourcing'.

Following in HSBC's footsteps, City & Guilds (CGLI), one of the FE sector's leading awarding bodies, is intending to electronically send thousands of functional skills examination papers to India to be marked. Critics of the move have accused CGLI of doing this simply in order to take advantage of the 'cheap labour' in that country, and that in doing so, the awarding body has 'risked compromising its standards'. A spokesperson for CGLI has denied this and has said that the decision to outsource the marking to India was prompted by 'a lack of markers in the UK'. The spokesperson went on to say that this was not a 'money-saving exercise', but was more about securing the 'quick turnaround that functional skills demanded'. The spokesperson added that CGLI had 'invested a substantial amount in India and hoped for cost-savings that it could pass on to its customers'. Commenting on the development, a spokesperson for Ofqual said the move to India 'hadn't breached any rules' and went on to say that, in any event, the focus of Ofqual was on 'the quality of the marking, not the location where it takes place'. However, given that other awarding bodies could be considering following CGLI's lead, the spokesperson said that Ofqual would be 'monitoring the situation'.

EFA to provide transitional funding support for colleges with 'high numbers' of LDD students

The Education Funding Agency (EFA) has confirmed that transitional funding support will be made available in 2013/14 for those FE and Sixth Form Colleges which have 'large' specialist provision for LDD students. However, the EFA has also warned that providing transitional funding protection for all colleges with LDD students 'was impossible'.

Public Accounts Committee (PAC) report says that academies are 'wasteful' and 'inefficient'

A recently published PAC report says that 'millions of pounds are being wasted on England's rapidly growing academies programme because of overly complex and inefficient funding systems'. The PAC report goes on to say that the academies programme is 'peppered with overspends and errors' and is 'subject to little oversight'. As a result the PAC has urged the DfE to 'tighten its financial grip on these privately run but state-funded schools'. The chair of the PAC, Margaret Hodge MP, said that 'inefficient funding systems and poor cost control had driven up the cost of the programme' adding that 'of the £8.3 billion spent on academies from April 2010 to March 2012, some £1 billion was an additional cost which had to be met by diverting money from other departmental budgets'. Ms Hodge went on to say that 'some of this money had previously been earmarked to support schools struggling with difficult challenges and circumstances'.

Other points raised in the PAC report included the following:

- Central government oversight and control was 'too distant to oversee individual academies effectively'.
- It was 'likely that this oversight and control will become even more remote as the academies programme expands further in the future'. (E.g. the number of DfE staff overseeing academies' financial controls and assurance had doubled since May 2010, while the number of academies to be monitored had increased tenfold).
- Much of the extra costs incurred by expansion of the academies programme have been met by 'raiding' other education budgets'. This includes £95 million from a fund previously earmarked for improving underperforming schools. Also, because so many of the schools converting to academies were already high performing, less well performing schools that might have benefited from extra funding to help them improve had lost out, since these extra funds had been allocated to academies.
- Academies already receive a higher level of funding than local authority controlled schools and the present system makes it hard for the DfE to prove that academies are not receiving even more money than they are entitled to. (E.g. it was drawn to committee members' attention that budgets had been mistakenly allocated to some academies twice, and that there had been a number of 'serious cases of governance failure and financial impropriety in academies' that had apparently gone undetected by the DfE's own monitoring systems).
- There was too little public information about academy finances at individual school level and members expressed concern that only now, more than two years into the academies expansion programme, had the DfE started to consider 'value for money issues'. Because of this, the Committee called on the DfE

to publish data on expenditure at individual academy level, including per pupil funding, and to subject academies to the same level of public scrutiny as that experienced by local authority controlled schools.

In response to these criticisms, a DfE spokesperson said the PAC report had ignored the programme's 'huge success' and had 'failed to acknowledge the significant progress that the DfE had made in improving its systems'. The spokesperson went on to say that 'We make no apology for the fact that so many schools have opted to convert, and no apology for spending money on a programme that is proven to drive up standards and make long-term school improvements'. The spokesperson added that 'the DfE has made significant savings in the last two and a half years' and that 'the costs of converting academies fallen by more than half and that further savings were expected in the future'. Meanwhile, in 2011/12, more than 50% of academies recruited fewer sixth form students than they were funded for.

More on school sixth forms

In last month's newsletter it was reported that the chief executive of the AoC, Martin Doel, had written to the Secretary of State for Education, Michael Gove to request that schools and academies should not be allowed to establish new sixth forms unless they had been judged as 'good' or better by Ofsted. The request reflects the DfE's requirement that FE colleges would not be allowed to recruit students aged 14-16 unless they have been judged by Ofsted as being 'good' or better. As yet there has been no formal response to Mr Doel's request. However, the Ofsted Chief Inspector for England, Sir Michael Wilshaw, has confirmed that a school or academy with a sixth form will not be judged by Ofsted as 'good' or better for overall effectiveness unless the quality of provision in the sixth form is judged as being 'good' or better.

FE colleges help get more people into work

An earlier evaluation of the first phase of the government's Work Programme found that, on average, only 3.5% of participants had found sustainable employment at the end of the programme. The evaluation also said that entry into long term jobs through the Work Programme was 'lower than that which would have been expected if there had been no intervention at all'. An Ofsted report entitled 'Skills for Employment', which was published last year, also criticised colleges for their 'uneven performance' in getting unemployed people into work, with the worst performers helping around only 1% of their students into work. Although the best performers achieved in excess of 45%, Ofsted said the average performance of colleges, at around 20%, was far too low.

However, research recently carried out by the AoC shows a much improved position, with around a quarter of all FE colleges in England reporting that 30%, or more, of their unemployed students had obtained long term jobs at the end of their courses. The highest performing colleges were helping unemployed students into sustainable jobs at a rate that was nearly 10 times higher than that of the Work Programme. The research also revealed that 'colleges had transformed their working relationship with Jobcentre Plus' (with 44% of colleges now describing their relationship with JobCentre Plus as 'excellent'). This had resulted in colleges receiving a much higher number of referrals from Jobcentre Plus.

End of '16 hour rule' expected to boost college enrolment

Colleges are predicting that the coalition government's benefits reform proposals, that will see 'universal credits' gradually introduced between October this year and 2017, will mean they have more opportunity to work with unemployed students. This is because the change will mean an end to the '16 hour rule', which currently prevents people from claiming Jobseeker's Allowance if they are on a full-time course, on the grounds that being on the course prevented them from looking for work. More than a third of colleges say that they anticipate that their enrolments will increase as a result of the abolition of the rule.

Results of Ofqual consultation on ESOL qualifications

Ofqual has published the results of its consultation in respect of English for Speakers of Other Languages (ESOL) qualifications. Based upon responses and discussions with the soon to be defunct UK Border Agency (UKBA), the Home Office and BIS, Ofqual has decided:

- *Not* to introduce a new qualification called 'ESOL for Life in the UK'
- To introduce additional 'General Conditions of Recognition for ESOL International Qualifications'
- To retain the additional regulations currently in place for 'ESOL Skills for Life'
- To withdraw the additional regulations currently in place for 'ESOL for Work'.

Ofqual will shortly be updating the criteria for 'ESOL Qualifications and General Conditions of Recognition' to reflect these changes and will publish them on its website.

Home Office to introduce 'Credibility Interviews' for non EU college applicants

From this June, foreign applicants from non EU countries wishing to take a course in FE colleges or universities in the UK will have to take part in a 'credibility interview'. These will be conducted by Home Office officials who will interview applicants either face to face or via video link. The process is designed to test applicants' English skills, but also to determine whether they really are genuine students or simply seeking a study visa in order to side step immigration controls. It has been anticipated that more than 100,000 interviews will take place every year. The move is seen as being part of the government strategy to cut net migration and stop would be immigrants using the education system as a 'back door' to gain entry into the country. New procedures are also being introduced to address the problem of international students breaching their visa requirements and remaining in the country after their study visas have expired.

The AoC claims that 'credibility interviews' will be a further significant disincentive for many potential overseas students applying for courses in the UK, but a spokesperson for the Home Office has defended the new process saying that its introduction 'was not intended to trip up applicants', but was about establishing 'the credibility of the applicant and making sure they were coming to the UK for the right reasons'. The spokesperson went on to warn colleges that it was likely that 'many more' of their prospective students would be interviewed from June, and that 'institutions should also anticipate more unannounced Home Office audits'.

Changes to requirements for those applying to settle in the UK

The Home Office has published a statement of intent outlining planned changes to requirements for those applying to settle in the UK, or to become naturalised as British citizens. The changes will affect people applying for either settlement or naturalisation from 28 October 2013. From that date, there will be two parts to the 'Knowledge of Language and Life' test requirement, both of which must be met by all applicants, unless the individual is exempt. Applicants will now have to pass the 'Life in the UK' test *and* hold a B1 (Intermediate) level English language speaking and listening qualification.

And finally.....

Two students were taking 'Peter Jones' enterprise studies as a part of their business studies course at a local FE college. Their tutor had asked all of those in the class to come up with a plan for starting up a small business, but unfortunately, the two students in question were devoid of any ideas. However, whilst walking down the town high street, and noticing all the shops that had closed down or were closing down, they saw a shop with a sign in the window that said 'Final Reductions, Jackets £4, Trousers £2, Shirts 50p'

'Look at that', said one of the students, 'At those prices we could buy all of that shop's stock and sell it on the market at a big profit'. 'Yes', said the other student, 'We might even be able to get an extra discount if we offer to buy the whole lot in one go for cash'. So the students went in to the shop and asked to speak to the manager. 'I'm the manager', said the person behind the counter. Trying to act businesslike, the students said, 'We've come about the sign in your window. The one that says 'Final Reductions, Jackets £4, Trousers £2, Shirts 50p' and we'd like to make you an offer'.

'And what might that be?' asked the manager, to which the students replied, 'Give us a further 10% off your asking price and we'll buy all of your stock right now for cash'. The manager scratched his head, looked at the students for a bit, and then said, 'You two are from the local FE college, aren't you?' The students were taken aback by this and said, 'Yes' said the students, 'How did you know that?'. The manager replied, 'Well firstly, you look like students. Secondly, you sound like students. And thirdly, this is a dry cleaners'.

Alan Birks – May 2013

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