

## Sector Developments

### The unkindest cuts

As was widely expected, funding allocations from the Skills Funding Agency (SFA) and the Education Funding Agency (EFA) to colleges in England for 2014/15 will show significant cash reductions. This reflects the cut in the Adult Skills Budget (ASB) of 11% in 2014/15, rising to 19% in 2015/16 that was announced in the recent Skills Funding Statement. The recently published SFA Funding Rules show that adult funding *rates* for 2014/15 will remain unchanged, but that the effect of the cut will fall mainly on the volume of adult provision that colleges will be able to afford to offer. A letter from Skills Minister, Matthew Hancock has also confirmed that, with effect from 2014/15, funding for 18 year olds on full time courses will be cut by 17.5%, a measure that the government's own advisors admit will hit general further education colleges (GFEs) the hardest. Perhaps because of this, Mr. Hancock has since written to colleges to say that for next year only the government 'will cap any losses resulting from this change to the funding for 18 year olds at 2% of the institution's programme funding from the EFA'.

The effect of the cuts on individual colleges will vary, but Barbara Spicer, the interim SFA chief executive, has warned colleges that because the government has prioritised spending on apprenticeships and traineeships, they could expect to see their residual ASB funding for 2014/15 fall by around 15%. This means that an average-sized college in England will see a cash reduction in their 2014/15 funding allocation of between £400,000 and £800,000. Pressure on college budgets is unlikely to be eased by the future transfer of apprenticeship funding to employers. And just for good measure, following the recommendations in the Wolf Report that every 16 and 17 year old without a grade C in English and mathematics (or equivalent) should continue to study these subjects until they do, the government now says that from this September, if students without these grades take a full time course at college and do not study these subjects, then colleges will not receive any funding at all for the students concerned. This is presumably intended to punish colleges for failing to address the earlier inadequacies of secondary schools.

Over the period of the Comprehensive Spending Review that began after the last election in 2010, the schools budget in England has been protected, with 11-16 year olds now being funded at a rate that is 22% higher than that for 16-18 year olds. In addition, the Minister for Education, Michael Gove has recently announced a £350 million increase in schools funding for 2015/16. Also over this period, although the HE budget was initially cut back, income for HE provision in England has actually grown by more than 23%. This is largely as a result of the tripling of tuition fees paid to universities on behalf of students by the Department for Business, Innovation and Skills (BIS), in the increasingly problematical belief that students will eventually pay most of this back. However, with this most recent round of cuts in the FE budget, it means that over the period 2010/11 to 2015/16, the total cut in funding for the FE sector in England will have reached 30%. Many feel that it is ironic that, at a time when so much attention is being given to the importance of skills development and employability, it is the FE sector, rather than schools or higher education that is being made to bear the brunt of cuts in education spending.

Some say that politicians simply see the FE sector as a soft target for cuts, the consequences of which generate very little in the way of protest or electoral 'blowback', but the extreme nature of this latest round of cuts (around £460 million) has prompted fears that over a third of all colleges in England will be left in a very precarious financial position. The apparent inability (or reluctance) of the funding agencies to bail out colleges in financial difficulties has fuelled speculation that the government might actually see this as an opportunity to invite private sector bodies to take over struggling colleges. More cynical observers have gone so far as to suggest that this might even be a deliberate strategy designed to increase the pace and extent of privatisation of FE. And for those optimists who think that an incoming Labour government would ride to the rescue and reverse the cuts in FE spending, Shadow Education Minister Tristram Hunt, responding to a question asked at a meeting of the Labour Finance and Industry Group (LFIG) in Birmingham earlier this month (March) indicated that this was unlikely to happen and went on to say that a future Labour government's main priority for FE would be to force laggardly colleges 'to become more responsive to the needs of employers'.

Sector representatives have expressed their concern at the scale of the latest cuts. The angry reaction from the AOC was that 'the cuts were not as dire as predicted', and in an outburst worthy of the late Bob Crowe, a spokesperson for NIACE, said that the cuts 'could have been worse'.

### **Contributions to the Teachers' Pension Scheme (TPS) are set to rise**

The government has dealt another hammer blow to college finances by announcing plans to increase employer contributions to the TPS from the current 14.1% to 16.4% with effect from September 2015. A spokesperson for the AoC warned that the increase would have the effect of reducing individual FE college budgets by an average of £250,000 per year and sixth form college budgets by £90,000 per year. The spokesperson went on to say that because the overall cost of employing a teacher will rise by 5% there will be added pressure on the level of teachers' pay and that teaching jobs would be placed at risk. Employees' contribution to the TPS will also rise by 1.2%.

### **BIS review of the UK Commission for Employment and Skills (UKCES)**

BIS has recently undertaken a review of the performance of UKCES. The review involved consulting with stakeholders and other interested parties about, amongst other things, UKCES's overall impact and level of success. Interestingly, it also invited comments as to whether there might be 'any other bodies which could do the work the commission currently does'. BIS has defined the commission's role as including:

- Providing labour market intelligence.
- Generating greater employer investment in skills.
- Driving economic growth and increasing employment.
- Helping to develop an internationally competitive skills base.

You might perhaps be forgiven for thinking that there might be a bit of an overlap with the role of the Local Enterprise Partnerships (LEPs) here. Anyway, UKCES currently has 29 commissioners drawn mainly from a range of employers across several occupational sectors. The Commission also has representatives from the FE and skills sector, including the SFA interim chief executive and a college principal. UKCES is chaired by Sir Charlie Mayfield, chairman of the John Lewis Partnership, and employs around 100 full time staff based in London and in South Yorkshire. BIS allocated UKCES a budget of £66.1 million in 2011/12 and this was increased to £70.1 million in 2012/13. The commission's budget for 2013/14 has been reduced to £66.4 million, but looking on the bright side, this is still the equivalent of the annual funding allocation to 3 medium sized FE colleges. And at least UKCES has not yet suffered the same fate as the Sector Skills Councils (SSC's) who, from this April, will have their public funding withdrawn altogether. The consultation period has now ended but no date has yet been set by BIS for publication of the review findings.

### **Skills Minister accused of misleading Parliament on vocational qualification reform**

A recent BIS press release says that in 2014/15, 'nearly £200 million of Adult Skills funding will be re-directed towards the highest quality and most relevant qualifications'. Matthew Hancock has told Parliament that public expenditure on more than 5000 vocational qualifications is being cut. He went on to say 'we must focus support on those qualifications that employers value', and that 'as a result of the government's vocational qualification reforms qualifications in subjects such as self-tanning, balloon artistry and instructing pole fitness would no longer attract government funds'. However many of the qualifications that Mr Hancock said would have their public funding cut, including those mentioned above, never received any public funding support in the first place, and students taking these courses have always paid full cost course fees and examination fees. This has resulted in Shadow Skills Minister Liam Byrne accusing Mr. Hancock of 'leading Parliament up the garden path'.

### **Functional Skills qualifications rejected in favour of GCSEs**

The government appears to be rejecting Functional Skills qualifications in favour of GCSEs. From August 2014, Early Years Educator (EYE) training courses will require students to have GCSE English and mathematics, at grade C or above on entry, to be eligible for SFA funding. Functional skills will no longer be accepted as equivalents to GCSEs. The DfE claims that insisting on Grade C GCSEs will 'raise the overall quality of literacy and numeracy skills of those entering the workforce'.

Observers have expressed concern that these changes might be the first of many in which Functional Skills would no longer be regarded as equivalent to GCSEs in respect of the meeting the entry requirements to Level 3 and above qualifications. In further evidence of this, it appears likely that from September 2017, Functional Skills will also be dropped in favour of mathematics and English GCSEs as the accompanying

qualification for apprenticeships. In a written response to a parliamentary question, Mr Hancock attempted to clarify the government's position, saying that students 'who were not ready to re-take GCSEs could take one of the interim qualifications' and that these could include Functional Skills and free standing mathematics. However, he went on to say that these should be regarded as a 'stepping stone' to students eventually obtaining GCSEs.

### **Chancellor announces extension to the Apprenticeship Grants for Employers (AGE) scheme**

The Chancellor of the Exchequer, George Osborne, has announced that the Apprenticeship Grants for Employers (AGE) scheme will be extended until 2016. In his recent budget speech, Mr Osborne said that a further £85 million would be made available in both 2014/15 and 2015/16 to fund the scheme. The AGE scheme provides those employers with fewer than 1000 employees, who have yet not taken on any apprentices or have not enrolled a new recruit or existing employee onto an apprenticeship programme in the previous 12 months with £1500 for each qualifying apprentice aged between 16 and 24 they take on. The Chancellor also announced that a further £20 million would be made available for graduate and postgraduate apprenticeships.

### **Direct apprenticeship funding will put employers 'in the driving seat'**

Education Secretary Michael Gove has said that, from now on, 'employers would be in the driving seat' and that it would 'be businesses that would design the quality standards which mark out an apprentice in any field as properly qualified'. He went on to say that the transfer of £1.4 billion of apprenticeship funding to employers would also mean that providers, including colleges, will no longer be able 'to force employers to take whatever training they happen to want to offer'. Nobody in the FE sector seems to be quite sure what Mr Gove actually means by this, but there has been speculation that perhaps he might think that there may have been too many examples of unscrupulous colleges forcing employers to send their motor vehicle apprentices on, say, hotel and catering or dressmaking courses.

Mr Gove also said that the government was getting rid of the requirements imposed by 'self-serving lobby groups, bureaucrats and trade unions that have nothing to do with preparing young people for the modern workplace'. He added that the government had already 'sorted out the nonsense of arcane, confusing and unnecessary regulatory burdens' that prevented firms providing work experience. Giving examples of this, Mr Gove said that the Health and Safety Executive (HSE) had been required to remove 'unnecessary health and safety rules', and employers had been assured that so long as they 'behave reasonably' they would be deemed to 'have discharged all of their duties under health and safety legislation'. He went on to say that the Home Office had also removed the need for vetting and barring checks on employers offering work experience to young people aged under 18, that insurance companies had, at the government's request, confirmed that young people on work experience would be covered by employers' liability insurance, and that the Department for Education (DfE) had changed its funding rules to incentivise those schools and colleges that would presumably have been otherwise reluctant to do so, to embed high quality work experience into students' study programmes.

### **BIS surveys employers on apprenticeship funding reform**

BIS has commissioned research involving 39 employers drawn from the engineering, construction, retailing, hospitality, and financial services sectors to help assess the level of employer understanding of the proposed apprenticeship funding reforms. The BIS research has revealed that:

- Employers are generally unclear about how much cash they would get for apprenticeship training.
- Most employers were unable to even suggest an amount for the provision of training or whether, when presented with a funding amount, to judge whether this represented a 'fair price' or not.
- Where employers 'were able to suggest a price, it tended to be much lower than the current level of funding provided by government'.
- Employers were generally 'satisfied with the amount of influence they had over the content, structure, and assessment of the training' provided for their apprentices through external training providers, and were 'not actively looking to increase the amount of influence they had over these features'.
- Relatively few employers were 'dissatisfied with the way training was delivered, or the structure of the training', but there were concerns that sometimes, training providers:
  - Were more reactive than proactive in meeting employers' needs

- Had premises that were located too far away from the employers' premises
- Placed too much emphasis on signing-up of apprentices, rather than on the delivery of the training
- Did not always provide the flexibility that employers required.
- Employers were split on whether or not they wanted apprenticeship funding routed directly through them. Some welcomed the idea, however this 'was not in order to influence the content, delivery and assessment of apprenticeships'. It was mainly to 'ensure that the quality of service provided to the employer met the standard they wanted'.
- Other employers were not keen on the idea of direct funding because of concerns about the:
  - Amount of administration that would be involved
  - Complexity of the system being introduced
  - Risk of reputational damage 'should something inadvertently go wrong in managing public money'.
- The point at which the level of employer contribution to the cost was likely to 'substantially reduce the level of their engagement in apprenticeships' lay between 20% and 50%. Subsequent discussion with employers suggested that it 'would nearer 20% than 50%'.

### **Prime Minister announces new apprenticeship 'Trailblazers'**

Trailblazers are groups of employers from the same sector that have been tasked with 'designing and developing the new standards for the reformed apprenticeships' and to generally 'lead the transformation of the apprenticeship system'. The Prime Minister has recently announced that 29 new 'trailblazers' would join those that commenced their work last October. The new Trailblazers involve more than 340 employers, including British Airways, John Lewis and BMW. The government has also published the first eleven standards for apprenticeships covering the aerospace, mechatronics, digital, automotive, electro-technical, financial services, energy, utilities, food and drink, and life and industrial sciences sectors.

### **Apprentices 'have either acquired the required skills, or they haven't'**

Matthew Hancock has rejected proposals that successful apprentices be graded as 'pass', 'merit' or 'distinction' for the skills component of their apprenticeship. His decision was apparently influenced by the views of members of 'Trailblazer' groups who argue that 'you're either capable of doing a thing or not'. However, whilst rejecting the existing three-grade system for the skills component, it appears that Mr Hancock has agreed to retain it for the knowledge components of apprenticeships. The grading of skill levels was recommended by BAE group managing director Nigel Whitehead in his Review of Adult Vocational Qualifications in England, on the basis that grading would 'increase the qualifications' value to employers and individuals'. Grading was also promoted in the Richard Review where it was argued that 'excellence should be celebrated' and that grading 'would help to enable this'. However Mr Hancock has chosen to ignore this advice.

### **Parliamentary bill introduced to resurrect the Young Apprenticeship Programme**

The Young Apprenticeship Programme was a 2-year scheme offering 14-16 year olds in England a work-based alternative to the normal school curriculum. The programme involved the study of English, mathematics and optional vocational subjects, combined with 2 days each week spent in a workplace. The scheme was initially introduced in 2004 by the previous Labour government and in its first year, with around 1,000 pupils participating, the cost was £3.95 million. Young Apprenticeships were phased out by the Coalition government in 2010 on basis that the scheme was costing £3,000 more per pupil than those following a 'normal' school curriculum.

However, the Conservative MP Dominic Raab has now introduced a new Young Apprenticeship Bill. The Bill will get its second reading in Parliament in May and, if passed, would resurrect the scheme. Mr Raab claims that the costs associated with the original scheme might have been because it 'never achieved the same economies of scale as post-16 apprenticeships'. And whilst acknowledging that there were now other vocational options on offer for 14 year olds, such as direct recruitment to vocational courses in FE colleges and a more vocationally based curriculum in University Technical Colleges (UTCs), Mr Raab nevertheless argues that 'we still lack a work-based alternative for 14-16 year olds'. Although both the AoC and the AELP apparently support Mr Raab's proposals, if the bill reaches the statute book, and if the government does not provide any additional money to fund the scheme, there will be no prizes for guessing which other

budget the cash will most likely be taken from.

### **Increase in the national minimum wage (NMW) announced**

BIS has announced that, with effect from 1 October, the NMW (including that for apprentices) will be increased by an average of 2%. The increases by age group are as follows:

- For those aged 21 and above, the NMW will be increased by 19p to £6.50 per hour
- For those aged 18 to 20 the NMW will be increased by 10p to £5.13 per hour
- For 16 and 17 year olds the NMW will be increased by 7p to £3.79 per hour

### **Raising the Participation Age (RPA) is followed by an increase in 16 and 17 year old NEETs**

Somewhat perversely, raising the participation age (RPA) seems to have been accompanied by an increase in the number of 16 and 17 year olds classified as not being in employment, education or training (NEET). The latest data from the Office for National Statistics (ONS) shows that between October and December 2013, 38,000 16 and 17 year olds were designated as NEET, compared to 31,000 in the previous three months. Partly as a result of this, Deputy Prime Minister Nick Clegg has announced a number of measures specifically designed to help 16 and 17 year olds who are NEET. These include:

- Giving 16 and 17 year olds access to advice from JobCentre Plus. Currently the services of JobCentre Plus are only available to those aged 18 and above.
- 'Ramping up' the requirement on schools to provide effective careers advice, with Ofsted being required to 'look more closely' at the quality of careers advice offered by schools during inspections.
- Requiring young jobseekers without Level 2 mathematics and English to continue to study these subjects as soon as they sign on for Job Seekers Allowance (JSA), with the allowance being withdrawn if they refuse, or otherwise fail, to continue with their study of these subjects.
- Providing increased opportunities for young job seekers to gain work experience.

### **18 year olds could be allowed to take part in Traineeships and still claim JSA**

Job seekers aged 19 and over were previously subject to a Department of Work and Pensions (DWP) rule that limited the amount of training they could undertake and still claim JSA to 16 hours per week. This was seen to be an inhibiting factor in encouraging job seekers to take up traineeships. Therefore, earlier this month (March) this limit was almost doubled to 30 hours. However, 18 year olds still remain subject to their own age group's DWP rule of a maximum of 12 hours per week before losing entitlement to JSA. This has been widely regarded as being both unfair and illogical, and it is thought that officials from the Department for Work and Pensions (DWP) and BIS are now in discussions about giving 18 year old job seekers the same entitlement to training without losing their JSA entitlement as those aged 19+.

The relaxation of the rules on the maximum weekly hours of training still leaves the DWP's other restriction on study, known as the '8 week' rule, in place. The '8 week' rule limits the amount of time JSA claimants can spend in any work placement to a maximum of 8 weeks (although this can be extended to 12 weeks if a job offer is likely). However, with Traineeships lasting up to 6 months, it remains unclear whether job seekers who would otherwise be exempt from the 16 hour and 12 hour rules could continue to claim JSA beyond 8 weeks.

### **The overall effectiveness of careers advice provided in schools still 'requires improvement'**

BIS Secretary, Vince Cable, has claimed that government efforts to boost the effectiveness of careers guidance in schools were being frustrated by teachers' lack of knowledge about vocational education or the world of work outside of a school setting. Mr Cable says that 'the underlying problem is, of course, that most teachers, particularly in the secondary sector, are graduates' and went on to say that 'although they might know how universities work, and know what you have to do to get an A level', they knew 'absolutely nothing about the world of work', or 'how to direct people onto apprenticeships or traineeships'.

Mr Cable's comments echoed concerns in a report published last June by the National Careers Council (NCC) entitled 'An Aspirational Nation: Achieving a culture change in careers provision', in which the NCC made seven recommendations for improvements to the National Careers Service (NCS). The NCC has now published a report on the progress (or lack of it) the NCS has made in implementing these

recommendations. The main points in the report are as follows:

- The NCS would benefit from having 'an employer-led advisory board, small in size but big in ideas for added value, reach and impact'.
- More should be done to 'support schools that are unsure what to do to and need some help in this period of transition'.
- The offer of impartial face-to-face careers guidance recommended in the original report 'would not be available until October 2014, and that, in the meantime, 'arrangements remained vague'.
- Not enough had been done to ensure that impartial careers guidance formed a part of new traineeships and the 16 to 19 study programmes.
- Not enough had been done 'to provide teachers with the training they needed' and to 'encourage the sharing of good practice'.
- The NCS was now working more closely with the Career Development Institute (CDI) to provide an online list of qualified career experts.
- Revised guidance issued to schools includes practical examples of how the use of 'intermediaries' in providing careers advice was helping to bring employers and educators closer together.
- Initiatives such as 'Inspiring the Future' are helping young people learn more about the world of work.

### **Think Tank report is critical of Ofsted**

The think tank 'Policy Exchange' has now published its report entitled 'Watching the Watchmen' (which no doubt includes 'Watchwomen') on the performance of Ofsted. The report findings include the following:

- Too many inspectors were employed part-time and were often found 'to lack the experience needed to make fair judgments'.
- Inspectors should be better trained and should be required to pass an accreditation exam before they are allowed to carry out inspections.
- Ofsted should 'abolish or radically reduce the number of inspectors it uses from private firms'.
- Changes of Ofsted inspection guidance were 'too frequent and were often made just to reflect the political priority of the day'.
- There was 'a lack of clarity about the role of performance data and the extent to which it pre-determines inspection outcomes'.
- There was 'a need for an independent complaints process, the absence of which damages the credibility of Ofsted's judgments'.

A spokesperson for Ofsted said it would study closely the recommendations made in the report and went on to say that many of the Policy Exchange's recommendations 'chime with our own'.

### **Ofsted Chief Inspector proposes a new inspection system in England**

Sir Michael Wilshaw, the Head of Ofsted in England, is proposing major changes to the way in which school and college inspections in England were carried out. Sir Michael said that he was proposing full inspections would be reserved for 'struggling schools and colleges', or those on the verge of being rated 'outstanding'. Currently only outstanding schools and colleges are exempt from such routine inspections which usually happen for all other schools every five years. Under Sir Michael's proposals, schools and colleges that were judged outstanding or good would in future be visited more often, probably once each year, but only by one inspector on a one-day visit. Around 60% are currently rated as good or better, and Sir Michael said that he believed that there was 'little point sending in teams of inspectors every five years merely to confirm that status' and that 'carrying out shorter visits to better schools will allow more time to be devoted to under-performing ones'.

Sir Michael has also turned his attention to the outsourcing of inspections. Most inspections of schools and colleges in England are contracted out to one of three private firms (Serco, Tribal and CfBT) who charge people to train as inspectors and then hire them to carry out inspections on a self-employed basis. There are currently around 3000 Ofsted 'additional' inspectors employed through these firms, with Ofsted employing around 350 full time inspectors (HMIs). Sir Michael explained that he wants to 'review outsourced inspections', because the job was 'just too important to be left to third party arrangements'. Sir Michael also said that he was planning to substantially increase the number of school inspectors employed directly by Ofsted, and that he wanted to recruit a number of heads and deputy heads (and presumably

senior college leaders) as HMIs, who might perform the role on secondment from their schools. Ofsted will shortly be consulting on the details of Sir Michael's proposals, which will require DfE approval before implementation.

### **Ofsted wants to publish direct comparisons of school and college post-16 performance**

Following on from earlier proposals to include separate judgments for sixth forms in school inspection reports, Ofsted is now consulting on further proposals that would allow the direct comparison of performance of post-16 provision in schools (including local authority schools, Academies, UTCs, Free Schools, Studio Schools etc.) with that in GFEs and sixth form colleges in England. The consultation period ends on 13 May.

### **Ofsted should give heads more time to bring about improvements**

The Association of School and College Leaders (ASCL) has said that Ofsted should recognise that it takes time to bring about improvements, and that those who take on failing schools and colleges should be given more time to turn them around. The ASCL argues that this would 'lessen the threat of career suicide' that often discourages good leaders from taking up posts in tough schools and colleges.

### **Chartered Status is still alive, but not yet fully developed**

As key implementation dates have come and gone, speculation has mounted that that even before it was launched, Chartered Status may have gone to join the Training Quality Standard and other 'initiatives' on the ever-growing scrap heap of schemes foisted on the FE sector by a succession of overly ambitious ministers and civil servants. However, BIS has recently reaffirmed its commitment to introducing Chartered Status and has announced that Lord Lingfield will shortly be putting together a panel to consider bids from those colleges that want to put themselves forward to receive the award. However, there was an admission that the application and assessment methodology was 'still in the process of being developed'.

### **FELTAG recommends that all FE courses should have a minimum of 10% online content by 2015/16**

The Further Education Technology Action Group, FELTAG (not to be confused with the Education Technology Action Group (ETAG), or the Joint Information Systems Committee (JISC)) has called for 'a new culture of experimentation and support for FE professionals to work with technology experts to develop new teaching'. The group has published a draft report that says that by 2015/16, 'all FE courses should have a minimum of 10% of the course content delivered online', and that 'by 2017/18 this should increase to 50%'. The draft report goes further and recommends that the 10% requirement 'should be made mandatory', unless a 'good case could be made for a course being exempt'. The report also calls for Ofsted to inspect the extent to which colleges 'have technology embedded in their teaching and learning strategy'. The report was not so clear about how the 10% requirement would affect students from disadvantaged backgrounds who might not always have access to the necessary computer equipment and broadband technology.

### **More needs to be done for young people leaving care**

Around 10000 young people in England aged between 16 and 18 leave care each year. However, the level of support they receive in making the transition to independent living varies enormously. Figures released by the DfE suggest that more than 1100 care leavers aged 16 or over are now living in independent accommodation without any post-care support. The figures also suggest a third of care leavers aged 19 or over are NEET, and only 6% of care leavers aged 19 or over go on to higher education. Edward Timpson, the Parliamentary Under Secretary for Children and Families, who was himself fostered, has now called on local authorities to provide 'the same level of care and support that their friends and classmates get from their parents' and has outlined the measures councils should take to help young people leaving care'. These include ensuring that they are given access to the services they need, such as access to housing and health care, help with careers advice and help with gaining entrance to FE and HE courses.

### **Labour will extend its 'Jobs Guarantee Scheme' for young unemployed people**

Although initially planned for one year only, the Labour Party now says that, if elected, it would extend its 'jobs guarantee scheme for the whole of the lifetime of the next parliament'. The main features of the

scheme are as follows:

- 18-24 year olds who have been out of work for a year will be offered a taxpayer-funded job for six months with those refusing to take up the jobs offered losing their benefits.
- The initiative will also be applicable to adults age 25 or over who have been claiming Jobseeker's Allowance for two years or more.
- The jobs on offer would be for at least 25 hours per week a week and would be paid at the applicable minimum wage for the age group.
- Around 80% of the jobs created would be in the private sector.
- Employers taking on young people under the scheme would be required to guarantee that they would provide them with compulsory training.

The scheme would be funded in the first year by a one-off tax on bank bonuses, which Labour says would raise between £1.5 billion and £2 billion. Over the next 4 years the scheme would be paid for by restricting pensions tax relief for people earning more than £150,000 per year to the same rate as that of basic-rate taxpayers. This is expected to raise about £900 million per year.

### **Labour's Skills Taskforce publishes its third report**

In its third report, entitled 'Qualifications Matter: Improving the Curriculum and Assessment for All', the Labour Party Skills Taskforce has called for:

- School funding in England to be conditional on students progressing into FE, employment or training and that any funding withheld from schools as a result of this to go towards improving the quality of their careers guidance services.
- Young people in England to continue to study mathematics and English until 18.
- Job seekers to be provided with training to bring their mathematics, English and IT skills to Level 2.
- A new 'National Baccalaureate' to be developed for school leavers in England, that would include Level 3 'core learning', mathematics, English, vocational skills, character-building, workplace learning, a personal development programme and an extended project.
- Information, advice and guidance 'to be radically improved' in order to 'help young people negotiate an ever more complex labour market'.
- Closer working with local employers 'to ensure that that young people have the best chance of succeeding in the job market'.
- Consideration to be given to establishing 'a Cabinet level appointment for skills and qualifications' in England, 'that would give the sector a higher profile'.

### **Unpaid student loans could cancel out the money raised by raising university tuition fees.**

The position on the payment of university fees varies considerably across the different countries of the UK.

- In England, university students can be charged up to £9000 per year in tuition fees, irrespective of where in the UK they choose to study, and are required to take out loans to cover this
- In Wales and Northern Ireland, university students can be charged up to £9000 per year in tuition fees, irrespective of where in the UK they choose to study. However the students from these countries will pay a maximum of £3,685 per year towards their tuition fees, (which can be covered by a loan) with the remainder of the fees charged being paid via a grant received from the Welsh Assembly or Northern Ireland Assembly
- In Scotland, there are no tuition fees for Scottish students attending Scottish Universities. If Scottish students choose to attend a university elsewhere in the UK, the Scottish Government pays the tuition fees charged on behalf of the student.

In England, BIS pays university tuition fees 'up-front' on behalf of students, who are then expected to take out loans that they will begin to pay back when they are earning £21,000 per year or more. BIS officials had previously factored into their calculations an estimate that 28% of loans would never be paid back in full, but the government's own new estimates now show that repayment levels are projected to be so low that the government is close to getting back less money than it would have by keeping the old system. Responding to a parliamentary question, universities minister David Willetts said the government 'had been reviewing it's modeling on student loans' and now estimated 'that about 45% would have to be written off'.

This implies that 45% of university graduates will either avoid paying, or will not earn enough to repay their loans, a figure which is very close to the 48.6% threshold at which experts at the economics consultancy firm, London Economics, calculate that more money will be lost by the government than is gained from having tripled university fees. Shadow universities minister, Liam Byrne, said the 'figures show that the government has tripled fees, put students in thousands of pounds of debt but the system now costs practically the same as the old system because so few students can afford to ever pay their debts back'.

### **Scottish Universities would continue to charge students from the rest of the UK after independence**

University students who live in Scotland, and those from other EU countries who choose to study at Scottish universities, currently receive free tuition, while those from England, Wales and Northern Ireland wanting to study at universities in Scotland are charged fees of up to £9,000 a year. This is possible because under European law it is legal to discriminate between students from different parts of one state, but not between students from different EU states. The pro-union 'Better Together' campaign is therefore arguing that the current arrangements would become illegal under EU law if Scotland becomes independent and that students from the rest of the UK would also have to be offered free university tuition. With the latest polls showing that the gap between the 'Yes' vote and 'No' vote steadily narrowing, this has led to concerns that an influx of students from the rest of the UK after independence could squeeze up to 90,000 Scottish students out of the Scottish university system.

However, on the basis of legal advice received, the Scottish government has said it will maintain the current arrangements following a 'Yes' vote because it can legally continue to charge fees to students from the rest of the UK (although it would continue to provide free tuition to students from other EU states). Lawyers advising the Scottish government say that it would be legally possible to continue to discriminate against students from the rest of the UK if the Scottish government were able to prove to the European Commission that it was necessary to avoid the university system in Scotland 'becoming distressed'. The Scottish Deputy First Minister Nicola Sturgeon has used this argument to say that the 'particular circumstances of the geography of Scotland and the rest of the UK' would lead to an influx of large numbers of 'fee refugees'. To avoid the Scottish university system becoming 'distressed' it would be necessary for an independent Scotland to continue to charge fees to students from the rest of the UK otherwise, said Ms Sturgeon, there was 'a risk of crowding our own students out'. Observers believe that if an independent Scottish government were to adopt this argument, it would almost certainly face a legal challenge under European law, although the legal process would be expected to take several years.

In 2012/13, the application of the anachronistic Barnett Formula resulted in UK government spending per head of population in Scotland being £1,623 higher than UK government spending per head in England.

### **And finally...**

A college in the South West of England had been successful in obtaining a European Commission grant to develop links with similar colleges elsewhere in the European Union. The principal of the college had in the past regularly gone on holiday to the Basque region of Northern Spain and so, because it might ultimately lead to an opportunity for a further holiday, he decided to use the grant to invite students and staff from colleges based in and around Bilbao and San Sebastian to an inter-cultural event to be held at his college. Invitations were sent out and the success of the response from the Spanish colleges was such that over 200 students and teachers had said that they would come. Unfortunately, the college was embroiled in an industrial dispute with the University and Colleges' Union (UCU) and, as part of their dispute with management, members had voted to boycott the event. Some of the union's more militant members were even reported to be threatening to disrupt the event.

The big welcoming party was to be held in the college's theatre, but despite warnings from the college health and safety manager, the principal ordered that all the exits would be locked except for just one. This, he thought, would enable the college senior management to monitor exactly who was coming into the theatre and thereby prevent any disruption to the event planned by union militants. On the morning of welcome ceremony, the theatre was full to the brim, with over 200 hundred students and staff and many of the delegation having to stand at the back and around the edges of the theatre. The principal was just beginning his welcome speech when suddenly all the college fire alarms went off. The loud sirens caused panic amongst the Spanish visitors and everyone in the theatre scrambled to get out of the building through

the only unlocked door. Sadly, many of the Spanish visitors were injured in the ensuing crush. The event had to be cancelled and those visitors that had not been hospitalised went back home to Northern Spain.

Well, to cut an otherwise long story short, the Health and Safety Executive investigated the incident, the college was fined tens of thousands of pounds, the principal was deemed to have failed to discharge his statutory duty of care and he was suspended pending a governors' enquiry. At the ensuing hearing, the chair of the Governing Body told the principal that he had made dreadful error of judgment, and asked if he had any comment to make. The principal furrowed his brow and reflected on the question. After a while, he raised his head, smiled, and answered 'Yes. You should never put all your Basques in one exit'.

*(This one is an adaptation of a tale from James Hampton, the former principal of Yeovil College. Thanks James.)*

## **Alan Birks – March 2014**

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