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Sector Developments

BIS 2015/16 Grant Letter to the SFA

Vince Cable, the Secretary of State for Business, Innovation and Skills (BIS) and Nick Boles, Minister for Skills and Equalities in England, have sent their joint grant letter to Peter Lauener, the Chief Executive of both the Skills Funding Agency (SFA) and the Education Funding Agency (EFA). The letter contains details of the public funding allocated for FE and Skills in England in 2015/16 and lists the government's priorities for its expenditure. The news is not good. The grant letter begins by saying that the funding for adult FE and skills in England in 2015/16 will be £3.91 billion, with £2.77 billion of this routed through the SFA and a further £500 million (including that from the European Social Fund) being routed through Local Enterprise Partnerships (LEPs), and that within this, funding for apprenticeships, and for English and mathematics provision will be protected. However, this means that the remainder of the adult skills budget (ASB) will be cut by a massive 24%.

SFA funding allocations to colleges

The SFA has now circulated details to most colleges and other providers informing them of what their 2015/16 funding allocations will be. The cuts to the ASB means that an FE college with the average total annual income for the sector colleges of £27 million will face a reduction in overall funding of around 5%. To this will be added a further 3% reduction as a result of the increase in pension-related costs. This will have the effect of creating a hole in a typical college's budget of around £2 million. However, for inner city colleges, many of which traditionally have a higher proportion of adult FE, the reduction will be much more severe, with cuts of well in excess of £4 million expected, representing an overall reduction in funding of at least 15%. The FE sector in England is now in its tenth year of spending cuts, and this downward trend is expected to continue over the next five years. Those colleges that can adapt to the cuts will probably survive, but all colleges will inevitably be faced with the prospect of closing more courses, and making more staff redundant. On top of this, investment in much needed new equipment and FE college infrastructure is likely to all but disappear, since any new government investment is more likely to be used in developing additional 'national colleges' and in encouraging 'new entrants' to enter the FE market.

At the same time, both main political parties have guaranteed a level of protection for schools' revenue spending over the lifetime of the next parliament. The prime minister has announced that if the Conservatives win the election, in order to meet the burgeoning need for extra school places, capital funding for a further 500 Free Schools, will be made available. As is increasingly the case with existing Free Schools, Academies, Studio Schools, University Technical Colleges and even local authority maintained schools, all of these new schools are likely to have their own sixth forms. University budgets will also be protected and, with the lifting of the cap on recruitment, HE spending is likely to increase. University vice-chancellors were initially horrified by the Leader of the Opposition's comments that, if elected, university tuition fees in England will be reduced to £6,000 per year. But in a swift response to their concerns, he pledged that universities would not lose out because the grant element of their income would be increased from revenue generated elsewhere.

So once again, it seems that it is only the FE sector that is being required to bear the brunt of cuts in education spending. Given the level of skill shortages being reported in many sectors of the economy, many people are left wondering why this should be.

'No one loves us- we don't care' (Millwall Football Club)

One possible explanation lies in the fact that, of the MPs elected in 2010, around a third went to private schools. 25% of MPs were educated at Oxford or Cambridge (as were 59% of cabinet members and 57% of permanent secretaries). Ninety (one in seven) have never had a job outside of politics. Many more (including the three main party leaders) have served only brief stints employed as lobbyists, researchers or

public relations advisers to other politicians, and just 25 were former manual workers. It is therefore reasonable to assume that the vast majority of MPs are unlikely to have any real understanding of what an FE college is and does, and that even fewer would consider sending their own children to one. Given this, it perhaps hardly surprising that politicians see FE as being a soft target for spending cuts.

As further evidence of the threat to FE, Labour's architect of academies, Lord Adonis has in the past said that he 'couldn't see the point of general FE colleges' and has strongly argued that all 16-18 full time education should be in schools. Vince Cable's ministerial advisors have apparently gone even further and suggested that significant budget savings could be made by abolishing the FE sector altogether. They assured Dr. Cable that if he did this 'very few would notice' and those who did 'wouldn't care all that much'. A combination of increased competition from the ever growing number of schools with sixth forms (most of which have shown themselves to be incapable of providing their pupils with anything even remotely resembling impartial advice on post 16 options), continuous cuts to the ASB, and the absence of any form of loan funding support for 19-23 year olds, suggests that the bureaucrats may eventually get their way.

Sadly, there appears to have been very little in the way of anger, outrage or protest against the cuts. Instead, the FE sector is as usual just doing its best to deal with them, almost seeming content to go quietly into that dark night. There are, of course, various associations and groups whose primary role is ostensibly to promote, defend and protect the interests of the FE sector. Their services are usually provided in return for quite hefty subscription payments from their members, often running into tens of thousands of pounds. Putting aside any consideration of the extent to which this expenditure represents good value for money for cash-strapped colleges, the fact remains that at a time when schools funding has been protected and universities are awash with cash from student tuition fees paid up front by BIS, the FE sector is once again faced with crippling spending cuts. As the overall financial health of the sector continues to deteriorate, and more colleges express concerns about their ability to survive, the casual observer could perhaps be forgiven for questioning whether these associations and groups have quite been up to the task

BIS priorities for FE and Skills provision in England in 2015/16

No doubt intended as a palliative to the cuts to core budgets, ministers and civil servants have drawn the attention of colleges to 'new opportunities' to replace some of their funding shortfall with alternative sources of income. Examples given include the increased government spending on apprenticeships, bidding to deliver transient schemes funded through the Regional Growth Fund (RGF), 'City Deals', the European Social Fund (ESF), and through accessing the funds allocated to the LEPs. Colleges are also encouraged to grow their loan-funded provision, with BIS pointing out that in 2015/16, funding for 24+ Advanced Learning Loans has been increased by 25% to £498 million. BIS also argues that if colleges would only buck their ideas up a bit, they could generate additional income by persuading employers to commission more full-cost provision. Many of these 'new opportunities' are spelled out in an appendix to the BIS grant letter, in which colleges are exhorted to:

- Grow and improve their apprenticeship programmes, placing a particular focus on '16-24 year olds, higher apprenticeships, apprenticeships in the priority sectors of science, technology, engineering and mathematics (STEM), and apprenticeships for small businesses'
- Work more closely with employer-led apprenticeship 'Trailblazers', which are expected to 'lead the way in implementing the government's apprenticeship reforms'
- Expand traineeships and 'grow the programme at pace whilst maintaining a strong focus on quality'
- Become 'more responsive to the priorities of local economies'
- Deliver provision 'that is influenced by the needs of the local labour market and growth opportunities'
- Where appropriate, 'engage with the City Deals and Growth Deals processes', and with the recent devolution agreements such as that with Manchester and Sheffield City Regions, (which 'will be given the powers needed to shape the FE landscape they need for the future and re-commission provision in line with their needs')
- Strengthen their relationships with LEPs 'as a basis for securing a provider offer that is more responsive to the local economy'
- Further develop 'effective higher technical and professional education'
- Cooperate with the development of further new National Colleges, which 'will be expected to set industry standards for training within their particular sector.'
- Assist with 'running pilot schemes in a number of local areas to test innovative approaches to support low-skilled workless adults, including those with the most complex needs'

- Offer 'support programmes to those young people without at least a GCSE Grade C in mathematics and English and help them attain this standard whilst at college'. The grant letter says 'we expect learners who have not already reached GCSE standard to be studying these alongside their other subjects', (which presumably means that the government expects colleges to achieve that which schools apparently couldn't during the previous six years of the student's secondary education).

Other elements in the BIS grant letter

The grant letter also makes reference to:

- Outcome based success measures, which BIS says will form 'part of a new framework of minimum standards' that will 'inform decisions by the SFA and others on performance management, intervention and inspection'.
- Reforms being made 'to improve the quality and standard of vocational qualifications to ensure that they are valued by employers and individuals'.
- The government's intention to 'encourage and support new entrants into the FE market', such as the new Prospects College of Advanced Technology, (the funds for which will no doubt be helped by the huge cuts to the budgets of existing FE college).

The grant letter goes on to say that there is a need for more robust controls on subcontracting and 'there continues to be levels of short term tactical subcontracting that are causing concern'. Because of this the SFA should:

- Remind college governing bodies and college accounting officers 'of their responsibility and accountability to secure high quality subcontracting which improves the offer to learners and to manage their subcontractors accordingly'.
- Require colleges 'to publish their reasons for subcontracting as part of their fees and charges policies' and to ensure that subcontracting 'is consistent with their mission'.
- Use its powers 'to terminate the relationship between the college and the subcontractor and/or remove the ability of the college to enter into subcontracting arrangements' where there is evidence of 'poor quality subcontracting or poor management of subcontracting' by colleges'.
- Publish a list of all colleges where it has intervened in this way, including a list of the subcontractors where the SFA 'has required a termination of the relationship' with the college.

With reference to college finances, the grant letter says that:

- The SFA will take steps to ensure that it has 'the appropriate financial tools and assessment indicators to identify college level financial risks as soon as they arise'.
- The SFA will set 'a threshold for the level of borrowing against turnover, review how such a threshold should be monitored and state the implications for colleges arising from being above the threshold'.
- BIS may provide 'exceptional financial support' to colleges, however this will be provided 'strictly by exception' and will trigger intervention action, including that by the FE Commissioner'.
- Where exceptional financial support is required more than 12 months, 'this will be provided in the form of a loan, entered into between BIS and the college, on the understanding that it will support college action plans which deliver robust, resilient, sustainable business models with good financial controls'.

To be fair, the SFA does seem to recognise that the scale of the latest spending cuts will result in many colleges facing severe 'financial difficulties'. In his letter to colleges, Mr Lauener says 'As in previous years, my teams in the SFA and the EFA will be reviewing the combined impact of final allocations and will be reviewing the financial forecasts returned by colleges in July 2015. We will also contact those of you most affected by the reductions in the adult skills budget to discuss the implications of this for your organisation'.

National Audit Office (NAO) reviews 'college sustainability'

Meanwhile, the NAO is carrying out an investigation into the financial sustainability of colleges in England. Representatives of the sector have welcomed the investigation, no doubt in the hope that the findings will present a powerful case to the government and persuade ministers to desist with continuing to cut FE budgets. Commenting on the NAO investigation, a spokesperson for the Association of Colleges (AoC) said 'Colleges face a number of financial challenges at the moment and it will be useful to have an independent view on the manageability of the task ahead of them'. A spokesperson for the University and Colleges' Union (UCU) also welcomed the investigation and said 'in the wake of news that adult FE budgets are to be

slashed by up to 24% in 2015/16, it is clear that funding cuts pose the biggest risk of all to the sector'.

However, the wrong end of the stick may have been grasped, because it now appears that the investigation will focus on whether BIS and the SFA have sufficiently robust procedures in place to enable them to:

- Effectively 'monitor the financial health of the FE sector'
- Identify 'emerging risks'
- Establish the extent to which there is 'a clear framework for deciding whether and when to intervene if a college is deemed to be in financial difficulty'
- Take 'timely and effective action to manage financial health issues which arise'.

All of which seems vaguely analogous to the NAO conducting an inquiry to ascertain whether those employed to cull baby seals by bashing their brains out are using clubs that are up to the task. The NAO is expected to publish its findings in the summer, after which, the report will be formally considered by the House of Commons Public Accounts Committee (PAC).

The impact of reforms on FE College Governance in England

In his reports, the FE commissioner, says that all of the colleges requiring intervention because of serious financial difficulties had not been 'properly held to account by their governing bodies'. This was because members generally 'lacked the financial expertise to oversee complex multi-million pound organisations'.

Despite this, a report recently commissioned by BIS, entitled 'An Assessment of the Impact of Government Reforms on Further Education Colleges', says that 'changes in further education policy and funding have had a profound effect on college governance over the last four years'. The report goes on to say that most governing bodies 'have responded positively to the changes introduced since 2010' and that government policies 'designed to drive up standards, coupled with cuts in public funding, have drawn strong colleges towards a culture of institutional responsibility'. The report also says that:

- 'Reductions in traditional sources of funding have meant that governors have had to make difficult decisions about priorities'.
- 'Strategy is now reviewed at regular points throughout the year and governors are making changes with better information'.
- 'Governors have robustly debated their college's mission and purpose, and have redefined their college's priorities based on the needs of their community and local employers'.
- 'There is now a clear recognition amongst governors that they are expected to challenge the performance of managers, both to drive improvements in educational standards and to encourage more innovative thinking'.
- 'Governing bodies are now regularly reviewing their membership to make sure that they have the right mix of skills and experience. Clerks have reported the appointment of many governors new to their role and to the FE sector'

However, the report does concede that next year's cuts 'will intensify the challenges faced by college governors' and that 'the effect of spending reductions so far has been profound'.

Further Education Trust for Leadership (FETL) announces first research grants to organisations

Meanwhile, FETL (not to be confused with FELTAG, FENC or the ETF) has announced details of the first five organisations to receive FETL research grants. The grants, worth up to £100,000 each, will be used 'to fund research into sector leadership issues' and follow on from the 'research fellowships' worth up to £40,000 awarded to individuals earlier this year'. The names of the organisations awarded FETL funding were announced at the FETL inaugural lecture held at the King's Place Arts and Conference Centre in London. The lecture was delivered by Dr James Krantz, of the New York-based consultants 'Worklab', to an audience packed with members of the FE glitterati, including the SFA and EFA Chief Executive, the Ofsted National Director for FE and Skills, and AoC Chief Executive. The profound, but perhaps slightly bewildering title of Dr Krantz's lecture was '*Leaders or leadership - the century of the system*'. Dr. Krantz apparently wowed the audience with his epigrammatic views on leadership, hidden amongst which was a stern warning that 'colleges should, at all costs, avoid hiring charismatic individuals for top management posts'. This, he said, was because such appointments 'could cause a collective escape from responsibility by staff lower down in the management chain who needed to contribute more to the overall success of their organisation'. Commenting on the lecture, a member of the FETL board said that it had effectively

addressed the need for 'thinking which considers connectedness, both inside and outside our organisations and the complex system of interdependencies that make up our world', and went on to say that at FETL board meetings, members regularly considered concepts similar to this, such as the implications for FE of 'living in a VUCA world - a world of Volatility, Uncertainty, Complexity and Ambiguity'.

The five organisations that were awarded FETL research grants were:

- The Association of Employment and Learning Providers (AELP), for research into 'the impact of new leaders on the leadership of thinking in FE'.
- Coleg Gwent, for research into 'the impact of austerity measures on provision and, in particular, the role of governors in fostering a culture of enterprise and innovation'
- The East Midlands Further Education Council (EMFEC), for research into 'new models of leadership through innovative governance'
- The University of Hull, for research into 'behaviours and approaches adopted by ethical leaders in FE'
- Working Well (a private sector company specialising in facilitating organisational development), into 'psychoanalysis and systems thinking, and their applicability to FE'

FETL Honourary President, Dame Ruth Silver (who has recently been appointed by the Scottish Government to chair the Scottish 'Widening Access Commission') said, 'The five projects selected reflect both the complexity and curiosity of the sector but, more importantly, they focus on areas of wider contemporary concern'.

New Centre for Vocational Education Research

Skills Minister for England, Nick Boles has announced the establishment of new Centre for Vocational Education Research (CVER) to be based at the London School of Economics (LSE) Centre for Economic Performance. BIS will initially fund the new centre through a 3-year contract with the LSE worth £3 million with an option to extend the project for a further two years with more funding. The brief of CVER is to 'advance understanding of the requirements for vocational education, identify the challenges in provision and develop and strengthen the knowledge base to enable a more agile, relevant and needs-based vocational education sector to become a driving force for economic growth and social mobility'. In its research, the CVER will attempt to address 'how vocational education affects prosperity, productivity, profitability and economic growth, how to improve the amount of high quality provision and how the costs and benefits of vocational education influence individuals' participation decisions'. Officiating at the launch, Mr. Boles said 'I'm delighted to be opening the CVER, bringing together experts to build on our work driving up standards in skills and training and creating new ideas for skills provision' He went on to say that the work of CVER would be 'rooted in analysis and rigorous research, that will help the UK create a world-class workforce of the future'.

FETL and CVER will not duplicate VET

Assurances have been given that CVER will *not* duplicate the work of the new national Vocational Education and Training (VET) Centre currently being developed by the Education and Training Foundation (ETF). A spokesperson for BIS said that CVER and VET would have 'distinct roles', although it was 'critically important that they talk to each other'. Presumably FETL will also join in this conversation. Also, the research that will be carried out by the CVER will no doubt complement, rather than duplicate, the research funded by FETL, both of which will complement, rather than duplicate the work of VET. However, in the minds of many of those working at the sharp end of FE who are struggling to deal with year on year cuts, all of this research is perhaps more likely to conjure up vague images of 'fiddles' and 'Rome burning'.

University Vice-Chancellors' remuneration

At the same time as FE colleges in England are facing massive budget cuts, universities in England have seen their budgets grow almost exponentially through a combination of higher tuition fees paid up front by BIS and the lifting of the restrictions on HE student number recruitment. Having become used to enjoying much higher levels of funding, vice-chancellors of English universities were apparently appalled by opposition plans to cut maximum tuition fees to £6,000. Although the leader of the opposition has repeated his promise to make up the shortfall from elsewhere in the public finances, it would seem that vice-chancellors continue to remain nervous about the proposal.

Unfortunately, the case they make to preserve existing levels of university funding has probably not been helped by a recent survey carried out by the UCU. Using Freedom of Information legislation, the union has

discovered that in 2013/14 virtually all university vice-chancellors were awarded substantial pay increases (in some cases even higher than the 11% awarded to MPs) and that the average remuneration for vice-chancellors in that year was around £260,000. The highest paid was the vice-chancellor of Nottingham Trent University whose remuneration package was worth £623,000, with a further nine vice-chancellors receiving between £392,000 and £453,000. The UCU findings also drew attention to the level of vice-chancellors' expenses, with £2,000 per month, or more, being a not untypical sum claimed. One vice-chancellor incurred almost £60,000 in air travel and another vice-chancellor incurred £27,271 in hotel bills.

The Chief Executive of Universities UK has since defended the level of vice-chancellors' pay saying, 'the salaries of university leaders in the UK are in line with those in competitor countries and are comparable to salaries paid in similarly sized public and private sector organisations'.

Not so grim up north

Meanwhile north of the border, instead of having to wrestle with cuts, the Scottish Labour Party has been busy thinking up new ways to spend money on young people, presumably in the attempt to persuade those who might otherwise vote for the Scottish National Party (SNP), to vote Labour instead. Proposals recently announced by Jim Murphy, the new leader of Scottish Labour include, amongst other things:

- The creation of a 'Future Fund' to provide all 18 and 19 year-olds in Scotland 'who go directly from school or college into the jobs market' a grant of £1,600 'to help forge their careers'. Mr. Murphy says that young people will be able to spend the cash on 'anything that would help progress their career, such as buying tools, helping with business start-up costs, or even paying for driving lessons'.
- Education Maintenance Allowances for less well off 16-18 students will be retained, as will free university tuition, but Mr. Murphy says that, if elected to power, Scottish Labour will go further and provide an additional bursary of £1,000 to help the 'poorest students'.
- A new scholarship fund will be created to enable students from sub-Saharan Africa to come and study in Scotland. Mr. Murphy says that the fund will be named in honour of Nelson Mandela.

When questioned, Mr. Murphy explained that the cash to fund these proposals will come from an extra £200 million that will come to Scotland from what he calls 'Barnett consequential' (by which he presumably means from the English taxpayer) and from reductions in tax relief on pension contributions for those earning over £150,000, and a 'mansion tax' mainly affecting properties on London and the south-east, which would be introduced by a Labour government in office in Westminster.

Local Enterprise Partnerships and the Skills Funding Agency relationships

LEPs in England are now heavily involved in determining how SFA (and ESF) funds are spent. As the political push towards increased local devolution and the creation of more 'combined authorities' continues to gather pace, the SFA has published a document outlining the agency's ideas and proposals for ways in which the LEPs might become even more involved in how the SFA budget is spent. In the document, the SFA says that the agency will offer the LEPs all of its data on providers, including details of the level and pattern of skills delivery within each LEP area. Because the SFA appears to think that colleges are not yet sufficiently engaged with LEPs, the document also says that the agency will insist that every college should be required to provide evidence of their involvement with LEPs as a condition of funding.

By way of reciprocation, the chair of LEP Network Management Board has implied that the SFA should be abolished, saying that 'it would not be for LEPs to comment directly on the viability of the SFA' but that there was nevertheless 'a need for an open and legitimate debate about how we might properly devolve accountability, responsibility, capability and resources across a number of areas'. This view has been supported by a recent report produced by the think tank 'Localis', amusingly called 'Next LEPs (*get it?*): Unlocking Growth across our Localities', in which the authors call for SFA to be abolished 'within the next year' and for BIS funding currently allocated to the SFA to go directly to the LEPs. The report goes further, and argues that by 2020, all EFA post-14 skills funding should also be devolved to the LEPs, including that spent by the EFA on University Technical Colleges (UTCs) the number of which 'should be trebled'. Commenting on the report's recommendations, the LEP Network chair perhaps unsurprisingly said 'Devolving all post 14 skills funding to LEPs might well prove to be the right way forward'. A BIS spokesperson denied that the department was planning to abolish the SFA, but went on to say, 'We welcome contributions to the debate about how we secure the right balance between support for national and local priorities' and how 'employers could take more control of skills funding'.

Apprenticeships are a really good option - for other people's children

In March 2014, the think tank 'Demos' set up the 'Commission on Apprenticeships' (which now sits alongside all the other commissions, review boards and committees of inquiry on apprenticeships). The brief of the Demos Commission was 'to explore how to increase the power and potential of apprenticeships in the UK'. Over the last 12 months, the Commission has conducted research that draws on evidence from interviews of 1,000 parents of 15 and 16 year olds. The research reveals that:

- 92% of parents think apprenticeships are a good option for young people
- 77% think it would be a good thing if the number of young people taking apprenticeships were higher.
- However only 32% think that an apprenticeship would be the best option for their own child and 52% feel that university would be a better option.
- Just 19% of parents were provided with information about apprenticeships by their child's school. This compares with 45% of parents who were provided with information about universities.
- 86% agree that apprenticeships are a good route 'for young people who struggle at school', but only 57% say that apprenticeships are a suitable option for high-achievers.

The research report also makes a number of recommendations, which include:

- The introduction of a 'mutual guarantee', where employers would 'contribute to the cost of off-the-job training on condition that apprentices completed their course or paid the money back'.
- The need for a high-quality public sector based careers service
- The opportunity to be given to all 14-16 students to take a vocational subject alongside academic study
- Improved monitoring of school-leavers to find out how their choices have affected their careers.

Asked to comment on the research findings, Skills Minister for England, Nick Boles, perhaps missing the point slightly, said 'Apprenticeships play a key role in the success of our long term economic plan and, with more than 2 million apprenticeships started since 2010, I am proud to say our reforms are delivering.'

Select Committee report on Apprenticeships and Traineeships

The House of Commons Education Select Committee has published its own latest report on apprenticeships and traineeships for 16-19 year-olds. The report says that:

- Government spending on apprenticeships currently stands at £1.6 billion per year.
- Apprenticeships have increased overall since 2010, but among 16-19 year olds the number has decreased. (119,760 young people started apprenticeships in 2013/14 compared with 129,890 in 2010).
- The majority of 16-19 apprentices have been on Level 2 programmes
- The removal of short and programme-led apprenticeships for young people 'has led to around 40,000 such schemes being weeded out'. This was mainly as a result of apprenticeships being required to be of more than 12 months duration.
- Excessive emphasis on apprenticeships 'as a means to combat youth unemployment is reinforcing the myth that apprenticeships are a second class option and damages the apprenticeship brand'.
- The government is seeking 'to increase the number of apprenticeships by extending the range of sectors making them available'.
- It was important 'to ensure that growth does not sacrifice quality, as apprenticeships should always require substantial training and always deliver a substantial uplift in earning power for the apprentice.
- Level two apprenticeships 'that comply with these principles should be retained'.
- There should be 'a swift resolution to ongoing funding reforms'. Further delays could 'undermine efforts both to drive up quality and engage more employers'. Small and medium size enterprises (SMEs) 'should be given a choice between administering funding themselves or contracting out to providers'.
- There is a need for 'an urgent review of incentives for schools to provide good careers advice' in respect of apprenticeships
- There is also a need to recognise that 'the mantra of trusting schools does not work when the interests of schools and young people are not aligned'.
- There should be a review of the government's Trailblazers programme, which is 'at risk of being dominated by larger companies at the expense of SMEs'.

The committee also examined the benefits of apprenticeships for business and refers to research that says 84% of employers surveyed were satisfied with apprenticeships, and 60% were highly satisfied.

Richard Review proposals to be replaced with an apprenticeship 'digital' voucher scheme

Apprenticeship funding is currently transferred from the SFA to providers. In return, providers deliver off the job training and deal with administrative issues on behalf of employers that take on apprentices. After numerous reviews and consultations on the future of apprenticeship funding, the government finally expressed its support for the recommendations made in the Richard Review, chaired by Doug Richard, the wealthy former investor on BBC's 'Dragon's Den'. Mr. Richard's proposals involved transferring funding directly to employers that took on apprentices through National Insurance offset and/or a tax credit system. The Richard proposals were generally supported by larger employers with a history of carrying out their own training, but resulted in a vociferously negative response from providers and from many smaller firms who did not want to take on the administrative burden of direct employer funding.

Following the March budget, Skills Minister, Nick Boles surprised observers by announcing plans for a new 'digital' apprenticeship voucher system to be introduced in England in the autumn of 2017. The voucher proposal effectively means that the Richard proposals have been shelved, and that for at least the next two years, government funding will continue to pass directly from the SFA to providers.

Exact details of how the new 'digital' voucher system will work remain unclear, but it is thought that it involves allocating vouchers to employers, who can then use them to 'buy' apprenticeship off the job training from the provider of their choice (which in some cases could be themselves). It also remains unclear how the vouchers will impact on direct employer funding pilots, and on other government proposals involving employer incentive payments and mandatory cash contributions. It is expected that in order to access vouchers, employers will need to register their details, including their type of business, the details of the apprentice and the apprenticeship standard being signed up to, on a system currently being developed by the SFA. Employers will then use the voucher to purchase training at a rate that will be 'discounted' depending on the type of apprenticeship offered and age of the apprentice they take on (for example, the discount rate could be 100% for 16-18 year olds, but lower for older apprentices). Once the appropriate discount rate is calculated, the employer would pass on the voucher to the provider who is delivering the training for their apprentice. The provider would then reclaim the value of the voucher from the SFA.

Mr. Boles says the new voucher system will mean that 'employers will have much greater influence on the value for money and relevance of the training their apprentices receive'. However, despite claims that the vouchers will 'give employers direct purchasing power', the fact remains that the actual government cash to pay for apprentice training will continue to go straight to providers, as at present.

Call for expressions of interest in new funds for HE apprenticeship growth

The SFA has called for expressions of interest in bidding for £10 million of new funding to deliver higher apprenticeships. The new funding is intended to complement the existing £13 million higher apprenticeship allocations made in autumn 2014, and is separate to further applications for HE apprenticeship growth when the next window for this opens on 1 April. All Higher Education Institutions (HEIs) have been invited to submit an expression of interest, either as 'prime providers', or in partnership with FE institutions acting as subcontractors. At present, it seems that FE colleges with existing direct contracts with the Higher Education Funding Council for England (HEFCE) will find it difficult to persuade the SFA to regard them as being 'prime providers'. As a result, colleges are being advised to seek an appropriate university partner before submitting an expression of interest.

Research reveals high levels of satisfaction with traineeships

Traineeships were launched in August 2013 with the aim of providing young people with high quality work experience and training to help them into an apprenticeship or employment. Recent government research based on interviews with 1,590 trainees who started programmes between August 2013 and July 2015, plus interviews with 200 traineeship providers and 218 participating employers over the same period, has revealed that following:

- More than half of young people taking part in traineeships have gone on to apprenticeships or employment, with another 17% progressing into further full time learning.
- There were high levels of satisfaction amongst employers and training providers, with 84% of employers and 98% of providers saying that they thought that traineeships were 'an effective way of increasing young people's chances of finding paid jobs and apprenticeships'.
- 82% of trainees said that the traineeship at least matched their expectations, with 54% saying it

exceeded their expectations.

- 80% of trainees said that the support they received during their work preparation training had helped to improve their job search skills.

The government now wants to see an expansion of the traineeship programme with Job Centre Plus (JCP) staff being set a target of 10,000 referrals for this academic year. Evidence of growth in traineeships is given in the recent Statistical First Release (SFR), which reveals that in the first quarter of 2014/15 there were around 5,000 apprenticeship starts compared to around 3,300 starts in the first *two* quarters of 2013/14. Commenting on this, Skills Minister for England, Nick Boles, says that he now wants to see 'a doubling in the number of traineeships this academic year to around 20,000'.

More on Ofsted

A report recently commissioned by the AoC calls for 'radical reforms' to the way FE provision in England is inspected and argues strongly that FE inspection should 'be separated from school inspections'. The report recommends the introduction of 'self-regulation for adult provision' and for the replacement of formal inspection by 'a peer review process linked with expanded arrangements for local accountability'. The report goes on to argue that 'the Ofsted process for students up to age 19 should be slimmed down' and that 'quality assurance arrangements for higher education delivered in FE should recognise its distinctive nature'. The report points out that in other countries, external inspection of post-compulsory education is rare. Arguing the case for change, the report says that 'the FE sector is now sufficiently mature to move to self-regulation in line with higher education institutions' and that 'colleges have over 20 years' experience of self-assessment'. The report concludes that 'where individuals and employers are increasingly expected to pay for FE, a college's focus should be on their paying customers rather than a government agency'.

The AoC might have saved its money, because it would seem that Ofsted has taken no notice at all, either of the report, or of its recommendations. Instead, Ofsted has announced that training for inspectors on the new single Common Inspection Framework (CIF) for both schools and colleges in England from this autumn, will go ahead as scheduled, commencing in June. In addition, Ofsted is beginning to release information about how the new CIF will be implemented during inspections. This includes the following:

- Lessons will not be graded. (Ofsted is currently conducting pilots on how this will work)
- There will be an assessment of the strategic and operational relationship the college has with local LEPs
- Colleges and their students will need to show an awareness of local job vacancies
- There will be no grade awarded for provision that is small compared to total college provision
- Colleges graded as 'good' will be monitored via a two-day, largely 'desk-based', visit.
- If a college has dropped from its previous 'good' grade, it will move to a full inspection with 2 days notice
- The new Personal Development grade will include an overall assessment of students':
 - Attendance and punctuality
 - Readiness to learn
 - Mutual respect
 - Understanding of the risks of sexual exploitation
 - Understanding of risks of radicalisation
 - The college's effectiveness in implementing the 'Prevent' strategy

Concerns expressed at the speed of changes to GCSE and GCE A Level examinations

Schools and colleges in England are facing the biggest shake-up of the GCSE and GCE A Level exams system for the last three decades. Changes include the phasing in of new, tougher GCSEs and GCE A Levels with new content and with examinations set at the end of the course, rather than through continuous assessment. One of the biggest changes to be introduced this autumn will be at AS Level. These are currently taught in the first year of sixth form. However from this autumn, in the majority of subjects, the qualification will no longer count towards the final GCE A Level. GCSE English and mathematics will become more challenging. Topics such as calculus, differentiation and kinematics taught to 17 year olds will now be introduced to 15 year olds. Other subject changes will be phased in over the next few years.

The speed at which these changes are being introduced has met with criticism. The General Secretary of the National Association of Head Teachers (NAHT) said 'We face an extended period of volatility caused by the sheer scale and speed of changes to the examination system - changes to both the scoring of the exams themselves, and to the way these scores are used to judge the performance of schools'. In addition,

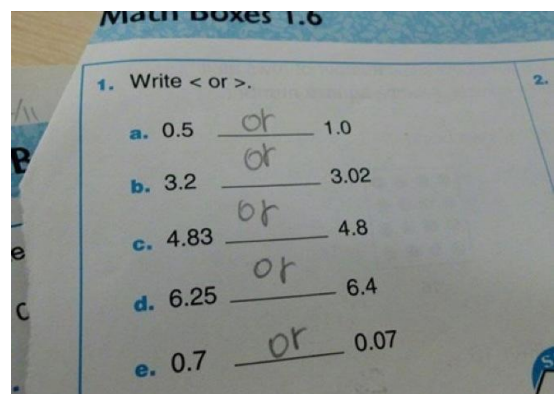
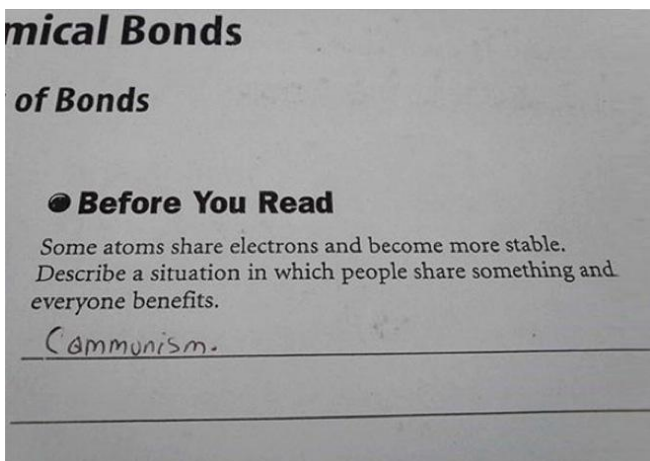
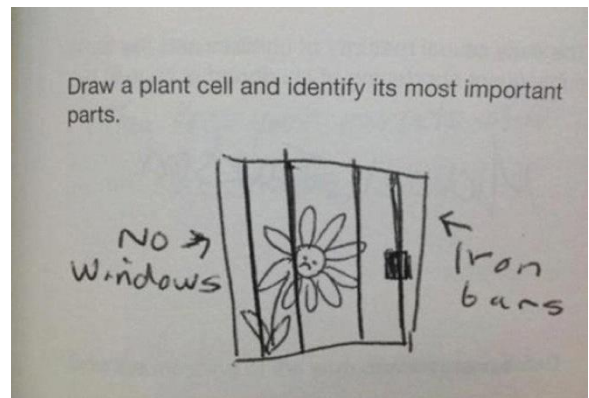
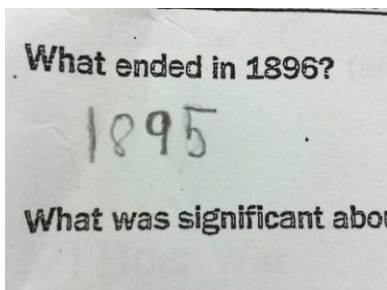
Ofqual has warned that 'the system cannot tolerate any further reform under a future government until these changes have been completed and allowed to settle'. Responding to these concerns, a DfE spokesperson said 'our reforms are ensuring pupils take qualifications that are on a par with the best in the world' and went on to say 'we recognise that the reforms have led to changes in the system, but we are replacing a system that rewarded schools to push pupils to scrape a C and moving instead to a new system that encourages high-achievers and recognises schools for the progress made by all pupils'.

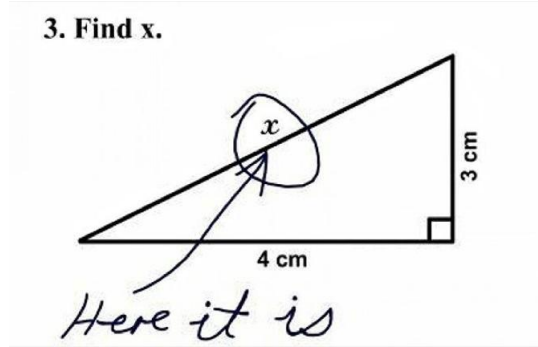
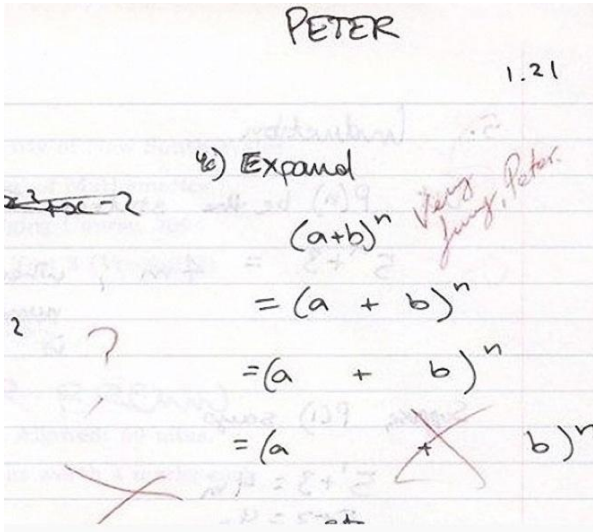
UKVI introduces tougher rules for international student English Language testing

As a result of what has been described as 'systemic' abuse found in a number of English language testing centres, the UK Visa and Immigration Agency (UKVI) is introducing more stringent rules. The new rules require student visa applicants for UK FE courses to pass the International English Language Testing System (IELTS) certificate or Trinity English exams (taken in the UK). English language testing must be conducted in a 'secure environment'. UKVI says that it will approve a maximum 100 testing centres worldwide and just 10 in the UK (plus what the UKVI calls 'pop up centres' during busy periods). The new rules do not apply to universities but are expected to impact on FE college international student recruitment. The UKVI has also published further guidance on the application of its Tier 4 policy where FE institutions work across multiple sites and deliver HE programmes with partners. This is in response to concerns relating to alleged visa abuse issues at certain HE campuses located in London.

And finally...

News that a group of students had strained their eyes whilst using a colander to view the recent solar eclipse has called into question the level of success of government reforms in driving up educational standards. Further examples that have apparently given ministers cause for concern are given below:





Where was the American Declaration of Independence signed?

At the bottom.

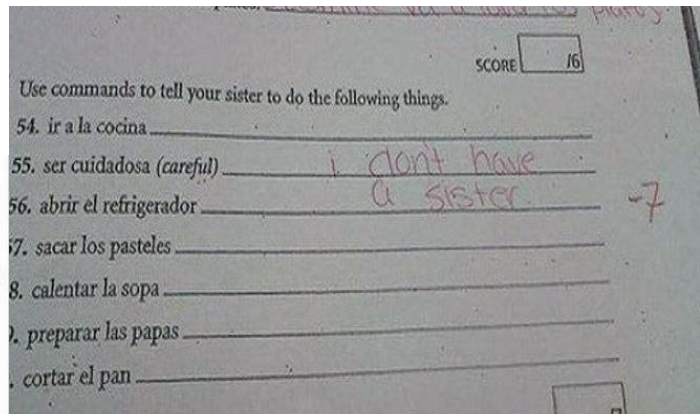
What is the highest frequency noise that a human can register?

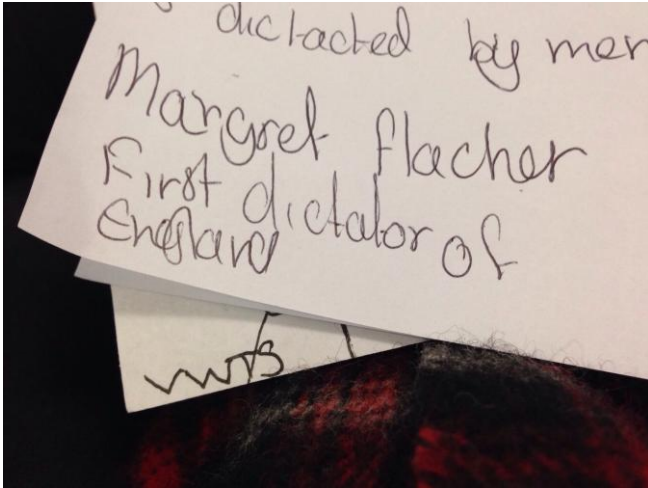
Mariah Carey.



Explain the phrase 'free press'.

When your mum irons trousers for you.





Alan Birks – March 2015

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