

## **Sector Developments**

### **Opposition Day debate on post-16 funding**

On 18 November, the Labour Party forced an opposition day debate on post-16 funding. The motion was initially focused on 16-19 funding, but the ensuing debate spilled over into post-16 funding generally. The wording of the motion was:

*'This House believes you cannot build a 21st Century economy on falling investment in education; notes that the 16-19 education budget fell by 14% in real terms over the last Parliament, and that many colleges are reporting severe financial difficulties, including no longer offering courses in subjects key for our country's competitiveness. It further notes that over 100 chairs of FE colleges have warned that further cuts in funding will tip their colleges over the precipice, and risk the nation's productivity; believes that, given that the participation age has now risen to 18 years old, it makes no sense for the post-16 education budget to be treated with less importance than the 5-16 schools budget. It further believes there should be a joined-up approach to education across departments, and calls on this Government to protect the education budget in real terms, from the early years through to 19 years old'.*

The motion was defeated 292 votes to 203, but if you can find the time, the Hansard record of the debate is worth a read. This is for two reasons. Firstly, the debate reveals the key differences between the two main political parties with regards to FE in England. Secondly, it brings into relief the issue of English Votes on English Laws (EVEL). The Hansard record shows that MPs representing Scottish constituencies in the Westminster Parliament took an active part in the debate, despite the fact that it concerned FE funding only in England. (FE funding in Scotland is solely a matter for the Scottish Government).

The relevant pages in Hansard can be accessed via the link below. The record of the debate begins about half way down the first page, so you will need to scroll down to where it starts. When you get to the end of the first page, click on 'next section' in the bottom left hand corner and this will take you to the next page.

<http://www.publications.parliament.uk/pa/cm201516/cmhansrd/cm151118/debtext/151118-0003.htm>

### **More on the Autumn Statement and Spending Review**

One week later, on the 25 November, the Chancellor of the Exchequer, George Osborne presented his Autumn Statement and Spending Review to parliament. The outcome of the review for the FE sector in England was not as dire as was widely expected. Whether this was because of the opposition debate referred to above, or the letter sent to the Prime Minister by the chairs of governors of more than 130 colleges, the government seems to have softened its stance towards FE (which many thought was simply to get rid of it). Mr Osborne's explanation for the better than expected post-16 settlement, was that the level of cuts needed had been ameliorated by a 'windfall' of £27 billion that had come about as a result of higher than expected tax yields and lower than expected interest rates on government borrowing.

Although general FE colleges (GFes) and Sixth Form Colleges (SFCs) fared better than expected, government departments with responsibility for post-16 provision were not so lucky. The Department for Education (DfE) is required to make cuts of 20% over the next four years, and the Department for Business, Innovation and Skills (BIS) is required to make cuts of 17%. The savings are thought likely to come through departmental 'restructuring and rationalisation' (ie staff redundancies), the details of which are as yet unclear. With BIS, some of the savings are expected to come from 'supporting budgets' (such as the abolition of the UK Commission for Employment and Skills).

Following on from the recent **Click** newsletter supplement, below is given a reminder of the main outcomes of the spending review for education and training, along with clarification that has emerged since.

#### ***Schools funding for 5-16 year olds will be protected in line with inflation for four years***

Despite this inflation proof protection, the DfE budget will still be subject to pressure over and above the 20% cuts to administrative budgets mentioned above. The total schools revenue budget will rise by an expected 6.5% in cash terms over the next four years, however this funding is based on the size of the current school age population and does not take account the additional costs that will arise from providing the estimated one million extra school places that will be needed by the end of the decade. Nor does it take into account the estimated £23 billion needed to build 500 new free schools and UTCs. In addition to this, a national funding formula for all schools will be introduced in 2017/18. The amount of funding schools

currently receive varies significantly. Some schools receive as much as £6,300 per pupil, while the worst funded schools receive £4,200 per pupil. (It will probably not have escaped your notice that even the lowest of these figures is higher than the £4,000 received by GFEs and SFCs for students aged 16 and 17). An equalised funding rate will inevitably result in 'winners' and 'losers', and if the DfE has to step in to protect the 'losers' from financial instability, this will also incur additional costs.

*Sixth form colleges will be allowed to convert academy status*

SFCs in England will be allowed to become 16-19 academies, leading to fears that most will want to convert and that the FE sector will be left fragmented. The government has accepted that if SFCs do convert there will be an additional cost to the Exchequer, in that they will be able claim VAT refunds. (Sadly, the Chancellor has remained silent on the question of GFEs being able to claim VAT refunds in respect of their sixth form age students). The DfE is expected to announce details of the legal process SFCs will need to follow to convert to academy status, although some may choose the simpler route of joining existing academy chains. It is also thought possible that area reviews could be extended to allow for greater scrutiny of those sixth form colleges that have expressed interest in becoming academies.

*Base rate funding for students aged 16-19 years will be maintained for four years at 2014/15 levels*

In 2014/15, the EFA spent around £3.9 billion on core funding for full-time students aged 16 and 17, and a further £400 million on full-time students aged 18. This funding will be protected in cash terms for the next four years. However there is no protection from inflation, or from other cost increases (e.g. increases in employer national insurance and/or pension contributions). Also, 'non-participation' budgets (eg funds allocated for bursaries or free meals for disadvantaged 16-18 year olds) could still be subject to cuts.

*Core adult skills participation funding will be protected for four years at 2014/15 levels*

In 2014/15, the SFA spent around £2.7 billion on 19+ FE provision, of which around £800,000 was spent on apprenticeships and is protected separately. Of the remaining £1.9 billion, around £400,000 is classed as 'non-participation expenditure'. This is outside the amount protected, leaving a balance of around £1.5 billion that *is* within scope of the protection. Fixing the ASB in cash terms takes no account of inflation. In addition, the new combined authorities will control an increasing proportion of the ASB as the government agrees more regional devolution deals. It is uncertain how much of this will find its way to FE colleges

*An apprenticeship levy will be introduced*

An apprenticeship levy will be introduced in 2017/18. The levy is expected to raise £2.7 billion in 2017/18, rising to £3.1 billion by 2020/21, and this appears to have been another factor in easing the pressure on post-16 DfE and BIS budgets. The levy will be based on 0.5% of company payrolls above a £3 million threshold. Firms across the whole of the UK will be in scope of the levy, and funds raised through the levy will be distributed across the whole of the UK. The levy will cover more organisations than was initially expected, but data from Her Majesty's Revenue and Customs (HMRC) suggests that only 2% of all UK companies will be required to pay it. Against this, it is estimated that this 2% employ around two thirds of the UK workforce.

Employers will be able to reclaim the funding they pay through levy via a new Digital Apprenticeship Voucher system that can be used to defray the costs they incur in employing and training apprentices. Those employers who are not required pay the levy will still be able to access the digital voucher scheme to pay for their apprenticeship training. In addition, a new employer-led 'Institute of Apprenticeships' will be set up to oversee the new system, including managing new and existing apprenticeship standards, handling quality assurance and advising on how much funding should be allocated to each standard.

Many local authorities and other public bodies (such as universities and colleges) have payrolls in excess of £3 million and collectively employ around 5 million people. They initially asked to be excluded from the arrangement, but they will be required to pay levy and David Cameron has set a target that, if achieved, would see apprentices making up 2.3% of all staff in large public sector bodies.

*Access to FE loans will be extended*

In 2016, access to FE loans will be extended to cover Level 3 and 4 courses taken by students aged 19-23, and to cover courses at Level 5 and 6 taken by anyone over the age of 19. BIS estimates that around 40,000 people will take up the new FE loans. This will place additional pressure on BIS budgets, although

as with HE loans, the expenditure will be treated differently in government accounts, since it is assumed that loan debt will eventually be repaid to the Exchequer and is therefore a government 'asset'.

*Access to HE loans will be extended*

The existing HE loans system will be extended to cover post-graduate courses for students up to the age of 60. Maintenance loans will also be made available to part-time HE students (including all courses at Level 5 and 6, and not just degrees). As is the case with the extension of FE loans, initial BIS loan outlays are expected to increase. Further pressure on BIS budgets will arise as a result of the government's decision to replace maintenance grants with maintenance loans, because a larger amount has been set aside for maintenance loans than that allocated for maintenance grants.

Against this, the Treasury has confirmed the earnings threshold at which student loan repayments begin will *not* now be raised in line with average earnings (as was promised in 2010). Instead it will be frozen at £21,000 for 5 years. Not only this, the freeze will be backdated to include loans to students who started courses from 2012 and will have graduated this year, thereby unilaterally changing the initial terms and conditions of their loan. The Institute for Fiscal Studies (IFS) estimates the effect of this will mean an average graduate will pay back around £3,000 extra, and that those earning close to median income for graduates will pay back an extra £6,000. Students from disadvantaged backgrounds who would have previously been eligible for maintenance grants will be even worse off, since they now have to take out maintenance loans. The IFS estimates that students who take out their full loan entitlement (both tuition and maintenance) on a three-year HE course, will now graduate with debts in excess of £50,000.

**The last area review in 'Wave 1' and details of area reviews in 'Waves 2, 3, 4 and 5' are announced**

West Yorkshire will be to be the seventh and last region within the current 'Wave 1' area reviews. (The previous six were Greater Manchester, Birmingham, Sheffield City Region, Tees Valley, Sussex Coast, and the Solent). Details of the remaining 'Waves' and areas covered have now been announced. These are:

- **Wave 2:** Covering Worcestershire and the Marches, Thames Valley, the West of England, Cheshire and Warrington, Stoke on Trent and Staffordshire, and Surrey.
- **Wave 3:** Covering Cumbria, Lancashire, Liverpool City Region, the North East, and the Black Country.
- **Wave 4:** Covering Leicestershire, Hampshire, Dorset, the South East Midlands, York, North Yorkshire and the Humber, Greater Lincolnshire, Lancashire (Coastal), Gloucestershire, Swindon and Wiltshire.
- **Wave 5:** Covering Greater Cambridgeshire and Greater Peterborough, Derby and Derbyshire, Nottingham and Nottinghamshire, Essex, Devon, Cornwall and the Isles of Scilly, Somerset, Norfolk and Suffolk, Coventry and Warwickshire, Hertfordshire, and Kent.

Details of the Greater London area review are yet to be announced, although it is understood that Boris Johnson, in his capacity as Mayor of London will be leading it. Mr Johnson will be able to draw personal experience of Eton and Oxford in helping to shape the future structure of FE provision in the capital.

BIS has been able to identify the funds required to enable the appointment of more FE advisers to assist the FE Commissioner in carrying out the reviews. This will allow dedicated teams of FE advisors, led by a Deputy FE Commissioner, to be assigned to each area. In parallel with this, the Sixth Form College Commissioner has also appointed new advisors, along with a lead sixth form college adviser for each area.

Further details of Wave 1 and 2 regions, including the areas covered, the GFEs and SFCs within them, the dates when the reviews are expected to start, the chair of the local steering group and the team leader for each review, can be accessed via the web link below:

<https://www.gov.uk/government/publications/reviewing-post-16-education-and-training-institutions-list-of-area-reviews/reviewing-post-16-education-and-training-institutions-details-of-the-area-reviews>

Details of Wave 3, 4 and 5 regions, including the areas covered and the GFEs and SFCs within them and the indicative start dates can be accessed via the web link below. The names of chairs of local steering groups and area review team leaders will be announced in due course.

<https://www.gov.uk/government/publications/reviewing-post-16-education-and-training-institutions-list-of-area-reviews/reviewing-post-16-education-and-training-institutions-indicative-information-for-wave-3-to-5-area-reviews>

## **New Devolution Deals are announced**

In addition to the eight devolution deals already agreed, two more devolution deals have now been agreed. The new deals cover the existing Liverpool City Region Combined Authority and the planned new West Midlands Combined Authority. Assuming various pre-conditions have been met (eg the appointment of an elected mayor), both deals will also give the same powers to the new combined authorities as in those already agreed. These powers include taking the lead role in the area reviews in the region and (by 2018/19) being given full control of European funding and whatever remains of the ASB for their region. For those who are interested, details of the new devolution deals can be accessed at:

[http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2015-11-17/HCWS308?dm\\_i=26BG,3U7H7,HXH45S,DU3U9,1](http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2015-11-17/HCWS308?dm_i=26BG,3U7H7,HXH45S,DU3U9,1)

## **The FE Commissioner writes a letter**

The FE Commissioner for England, Dr David Collins, has written to chairs and principals on the subject of area reviews. In the letter he implies that college corporations will have the 'final say' on whether (or not) to implement the recommendations arising from the review of their area. However, he also says that the financial challenges facing the sector 'will require a collective response' and implies that this will inevitably influence how limited public funds will be allocated to providers. (This is perhaps a good illustration of the 'golden rule', that *'Those who have the gold make the rules'*). In his letter, Dr Collins acknowledges that by the end of this financial year the FE college sector as a whole will be in deficit, but he goes on to suggest that inefficiencies, such as 'too many small class sizes' and 'too much being spent on competitive marketing between colleges', have contributed to this. However, Dr Collins' letter remains silent on the issue of the thousands of small classes in school sixth forms and on the government's stance on increasing competition in the FE sector by encouraging 'new providers' to enter the market.

Dr Collins says that area reviews are 'an opportunity for colleges to take stock', to 'refocus on the needs of the economy', and to become the 'local and regional hubs of professional, technical and vocational education'. He advises colleges to 'work more closely with the LEPs and local authorities that will increasingly steer the skills system at the local level as devolution deals come into play'. He also advises colleges to 'move into higher level skills' and to become 'more specialised in what they offer'. Without suggesting that the motivation behind area reviews is financial, Dr Collins says that, given the pressures on funding, 'a new collaborative approach' is needed to enable public money to 'be used more effectively'. He goes on to suggest ways that colleges might achieve this, including:

- The creation of larger colleges through merger or federation.
- Greater curriculum specialization, particularly at higher levels.
- A greater sharing of expertise, particularly in leadership and management, (which he suggests is the single most significant factor in determining the success or failure of a college).
- Sharing back office services between institutions in order to reduce costs.
- More viable class sizes.
- A reduced and more efficient college estate.
- Elimination of poor quality provision.
- Improved marketing for the college sector as a whole.
- The development of a new image and 'brand' for the FE sector.
- The promotion of the value of FE to firms, the local community and the wider economy.

A copy of the FE Commissioner's letter to chairs and principals can be accessed via the link below:

[https://www.gov.uk/government/publications/area-reviews-and-reshaping-the-college-sector-fe-commissioner-letter?dm\\_i=26BG,3TGE0,HXH45S,DRAEC,1](https://www.gov.uk/government/publications/area-reviews-and-reshaping-the-college-sector-fe-commissioner-letter?dm_i=26BG,3TGE0,HXH45S,DRAEC,1)

## **Area reviews could mean that universities may be interested in 'acquiring' FE colleges (again)**

It is widely expected that area reviews will result in the restructuring of local FE provision. This has led to concerns that some universities (eg Southampton Solent University) could once again be interested the 'acquisition' of FE colleges, and in opening their own schools to deliver Level 3 provision. Universities have been able to build up significant cash reserves (£12.3 billion in 2013/14), and whereas total funding for FE colleges has been cut by 16% since 2010, the SFA allocated universities more than £14 million in 2015/16, an increase of almost a third from 2013/14. Given the deteriorating financial health of the FE sector, some



believe that government ministers may be prepared to consider this, since universities are likely to be in a stronger position to invest in FE infrastructure, and to be able to withstand any future FE grant reductions by diverting funds from other sources (eg HE tuition fees).

### **Area reviews will not restrict the creation of new school sixth forms, UTCs and Free schools**

In response to a question asked in parliament, Skills Minister for England, Nick Boles confirmed that there would be no ban on the creation of new school sixth forms, free schools and university technical colleges (UTCs) in the regions where area reviews are taking place. Mr Boles said that this was because the primary aim of area reviews was 'to achieve a transition towards fewer, larger, more resilient and efficient FE providers', and 'more effective collaboration across institution types'. Mr Boles went on to say that 'all applications to open a free school, academy, school sixth form or UTC will be assessed on a case by case basis against the published criteria, and taking account of local needs and circumstances'.

### **Nick Boles makes a speech**

Speaking at the recent Association of Colleges' (AoC) annual conference, Mr Boles told delegates that the Conservatives had been elected with a 'clear mandate to enforce further public sector spending cuts'. This prompted one delegate to point out that 63% of those who voted in the May election did not vote for the Conservatives, and that based on a 66% turnout, Mr Boles' party had been elected to office with less than 25% of the total votes that could have been cast).

Turning to area reviews, Mr Boles repeated that these were 'a response to the need to create fewer, but more robust and sustainable colleges', prompting another delegate to ask if this meant that there was also a need to create 'fewer, but more robust and sustainable funding bodies'.

With reference to apprenticeships, Mr Boles castigated GFEs for what he described as their 'low level of involvement' with apprenticeships. He said that on average, FE colleges in England spent only around 27% of their 2015/16 ASB allocation on delivering apprenticeships, whereas other providers spent 60%. He said that on this basis, GFEs 'would only receive around £500 million of the £1.5 billion that the government would be spending on apprenticeships'. He went on to ask why GFEs were prepared to let private trainers 'nick their lunch?' This resulted in the chief executive of the Association of Employment and Learning Providers (AELP) accusing Mr Boles of being biased towards GFEs. Mr Boles also told conference delegates that, by 2020, the Skills Funding Agency (SFA) and the Education Funding Agency (EFA) would no longer award apprenticeship contracts to providers. Instead, employers would receive vouchers, paid for through the new apprenticeship levy, and that it would be employers who would decide what training to buy with the voucher, and which organisations to buy it from. He said that colleges should see this as an opportunity 'to exploit the relationships they had developed with local employers, Chambers of Commerce and LEPS'. However, he warned colleges that they needed 'to be more flexible, more entrepreneurial, and quicker off the mark'.

### **The SFA warns colleges that sub-contacting will cease to exist**

Also speaking at the AoC Annual Conference, the SFA Director of Funding and Programmes, Keith Smith, said that sub-contracting will 'disappear' when the apprenticeship levy is fully implemented. Mr Smith warned delegates from colleges that, although they might currently be making money from sub-contracting, they would not be able to rely on this money after 2017, because 'sub-contractors will be able to become prime contractors in their own right'. He went on to say that this will be a 'huge challenge for some colleges' and advised them to 'do more apprenticeships' and to 'rethink their apprenticeship delivery models'.

### **Apprenticeship levy proposals encounter some 'resistance'**

The BIS Select Committee and the Education Select Committee have jointly commissioned research from the National Institute of Economic and Social Research (NIESR), which compares education and training in the UK, with that in the United States and the rest of Europe. The research report says that:

- 'Employer commitment to apprentice training in the UK continues to be limited by comparison with Germany and some other continental European nations'.
- 'Many British firms do not specialise in high skill, high value added product areas, or organise their workplaces in skill-intensive ways'.
- As a result of this, 'there is only limited demand for Level 3 apprentice skills'.
- 'Many trainees are aiming only for Level 2 qualifications, rather than the Level 3 or higher qualifications'.

which are typically associated with apprenticeship training in continental Europe’.

- ‘Some training under the apprenticeship heading for older workers in their existing jobs seems to amount to little more than short-duration skills updating or the accreditation of existing skills’.

The report concludes that, as a result, there may be ‘resistance’ to the levy from some employers. Support for this view was in evidence at the recent Confederation of British Industry (CBI) Conference. In his speech to delegates, David Cameron called on businesses to give their support to the new apprenticeship levy. However, the chief executive of Tesco, Dave Lewis claimed that a levy set at this level ‘would cost his firm in excess of £41 million’ and would ‘wipe out’ Tesco’s entire annual training budget.

### **The government plans new FE ‘vocational routes’**

Universities have always been allowed to design their own courses and award their own qualifications, but successive governments have never quite trusted the FE sector to do this. They seem instead to have preferred to spend large amounts outsourcing the design of FE curriculum and qualifications to a proliferation of competing private sector awarding bodies. For decades, the FE sector has argued that the vocational qualification system this has resulted from this is much too complex (eg people wanting to train as plumbers currently have 33 separate qualifications to choose from). It now seems that the present government has reached the same conclusion and David Cameron has gone so far as to call for a post-16 education and training system for England in which students are either on an apprenticeship or at university. His ministers and advisors seem to think that this might be a step too far and, as an alternative, the DfE has proposed the creation of a new FE system that contains ‘up to 20 specific new professional and technical routes’. All of these routes, says the DfE, will lead ‘to employment or degree-level study’ and ‘will be as easy to understand as academic routes’. The DfE says that ‘young people taking one of these routes will be able to specialise in their chosen field, gain a work placement while in college, and then move into an apprenticeship when they are ready’ (which the DfE seems to think should be at age 17, after a maximum of one year’s full time vocational study at college).

In preparation for this, the DfE is planning to end two-year study programmes for most 16-18 year old students on vocational courses (but not for those studying for GCE A Levels). The move is intended to encourage these students to progress ‘as quickly as possible into apprenticeships from the age of 17’. The DfE says that some ‘academic and applied study programmes’ will continue to be available for 16-18 year olds studying for a Technical Baccalaureate. The DfE argues that the latest data shows that ‘only 6.9% of 17 year olds are taking up apprenticeships’, and that ‘only 33% of apprenticeships are delivered by colleges’. The DfE believes that the proposal will ‘encourage colleges to become much more involved with apprenticeship training’, and because there will be more apprentices at age 17, not only will this help the government to achieve its target of 3 million new apprenticeship starts, it will also mean that more FE provision will be delivered in the workplace, thereby reducing the amount of costly college estate needed.

Meanwhile, an independent panel has been set up to help develop up the new vocational routes, which will be designed with input from employers. Former Science and Innovation Minister, Lord Sainsbury will chair the panel, and he will be joined on the panel by Professor Alison Wolf (the author of the 2011 Review of Vocational Education that resulted in the introduction of 16-18 study programmes).

### **Social mobility Commissioner says that FE should ‘learn lessons’ from HE**

Giving evidence to the House of Lords Social Mobility Committee, the chair of the Social Mobility and Child Poverty Commission, Alan Milburn, said that FE was in need of ‘simplification’. He went on to say that the FE sector was an ‘absolute jungle for learners’ that seemed to be ‘almost designed to induce the wrong choices’. Mr Milburn said that the FE sector should ‘take lessons from the HE system’, which he said had ‘total clarity’. FE colleges should ‘translate those lessons’ into how people could be better guided through vocational routes. One lesson that FE could perhaps learn from HE would be how to get the government to stop interfering and, as is the case in HE, trust the FE sector to develop its own national curriculum and qualifications framework (adapted as necessary to meet local employer needs). Another good lesson for FE would be to learn how universities managed to secure up-front funding of £9,000 per student per year.

### **BIS report says that FE is effective in getting unemployed people back into work**

Research recently published by BIS that was based on an analysis of the experiences of new job seekers’ allowance (JSA) claimants between April 2005 and April 2009, and between August 2010 and July 2012, says that FE has had a ‘substantial impact in getting unemployed people back into work’. The research

report says that although 'individuals facing the highest barriers to employment are more likely to be observed in FE learning, this group also sees the biggest difference in outcomes relative to those who did not engage in FE'. For example, JSA claimants aged 18-24 who had 'no prior employment experience', and who engaged in some form of FE learning were 'between 4% and 7% more likely to find work than those with no FE learning'. The report also says that the 'value of learning at Level 2 and below for unemployed learners has been underestimated'. The report argues that 'an expansion of FE learning for the unemployed (including at Level 2 and below) would be beneficial', and that this 'should be taken into consideration in any future decisions about changes in funding'.

A copy of the BIS report can be accessed at:

<https://www.gov.uk/government/publications/further-education-impact-of-skills-and-training-on-the-unemployed>

### **FE cuts 'have a disproportionately negative effect on productivity and social mobility'**

Research commissioned by the Fischer Family Trust and carried out by the University of Westminster's Centre for Employment Research, suggests that cuts to FE funding have had 'a disproportionately negative effect on the most disadvantaged students and have damaged their prospects of finding employment or progressing to university'. The research report argues that FE cuts have also had a negative effect on national productivity. The research, which was based on government data for the last 10 years, shows that 13% of disadvantaged students (defined as those who were eligible for free school meals) achieved a Level 3 qualification as a result of attending a course at an FE college, compared with 8% who did so at school, and says that 'for this group, FE is the most important route to achievement'.

The report also argues that cuts to Level 2 FE provision 'risks blocking the pipeline of potential apprentices' and that cuts to FE funding generally may have had 'the largest negative impact on productivity than cuts in any other area of spending'. A copy of the report, entitled '*Further Education: Social Mobility, Skills and Second Chances*' can be accessed via the web link below:

[http://www.westminster.ac.uk/data/assets/pdf\\_file/0010/394066/further-education-report-10-nov.pdf](http://www.westminster.ac.uk/data/assets/pdf_file/0010/394066/further-education-report-10-nov.pdf)

### **Numbers of non-EU students recruited to courses at FE colleges continue to contract**

Home Office figures reveal that applications for FE college courses from overseas have halved in just three years. The number of students from outside the European Union applying for Tier 4 visas to study at FE colleges in the UK has dropped from more than 35,000 in 2011/12 to 17,000 in 2014/15. These numbers are likely to be reduced still further in the wake of the recent decision to abolish a rule that allowed non-EU students in FE colleges taking courses of six months or more, to work for up to 10 hours per week. A Home Office spokesperson was unapologetic and said 'we have struck off over 900 bogus colleges and are making sure people are coming here for the right reasons and not simply to obtain and then overstay their visas'. The spokesperson went on to say the government would continue to 'tackle abuse' and that the contraction in FE applications from abroad was actually 'further evidence that the strategy is working'.

### **Providers invited to apply for FE chartered status**

The newly 'Chartered' Institution for Further Education (CIFE), has published its regulations and guidance for membership. Applications for 'Chartered Status' will be accepted from colleges and private trainers in receipt of funding from the SFA and that have achieved an overall rating of 'good' or 'outstanding' at their most recent Ofsted inspection. Applicants must also show that they 'can meet the CIFE's quality standards' including those for 'teaching and learning, governance, finance and engagement with the local community and employers'. If their application for membership is successful, for a one-off payment of £3,000 and an annual subscription of £5,000, they will be able to add Chartered Status to the list of other quality kite marks at the bottom of their letterheads.

### **AoC CEO to become first FETL Professor**

AoC chief executive, Martin Doel, has announced that he will be stepping down from his post in September 2016, in order to take up the inaugural Further Education Trust for Leadership (FETL) funded Professorship for Further Education and Skills, based at the UCL Institute of Education. He will initially take up his new role on a part-time basis in April, before taking up the post full-time in September. Numerous tributes have been paid to Mr Doel in respect of his leadership of the AoC, and Dame Ruth Silver, FETL president and

leading member of the FE '*eminence grise*', said 'I am delighted that Martin Doel is taking on this vitally important role. FETL's mission is not to develop the practice of "doing" leadership, it is to develop a specific dimension of leadership, and that dimension is thinking. Thinking about other ways of doing, but also thinking about other ways of being, in order to shape the future to which we are loyal'.

### **Pupils aged 14-16 studying full-time at FE colleges may be exempt from taking EBaccs**

The DfE is consulting on a proposal to make it compulsory for pupils in England aged 14-16 to take the English Baccalaureate (EBacc) from autumn 2017. However, the consultation document implies that because '14-16 pupils at FE colleges have chosen to specialise in a technical or professional area from key stage four, they will be studying a smaller academic curriculum that will be unsuitable for the EBacc'.

### **Lord Baker defends UTCs (and lays into FE colleges)**

As you probably know, UTCs are neither universities nor technical colleges. They are 14-19 schools that offer a limited range of vocational subjects within a general school curriculum. Many UTCs have struggled to recruit pupils and, overall, Ofsted inspection grades have tended to be less than impressive. Nevertheless, David Cameron has said that he wants to see 'at least one UTC in every city'.

Lord Baker, whose brainchild UTCs are, has rejected claims that 'they simply replicate the work of general FE colleges', and in his recent speech (obtusely entitled 'The Intelligent Hand') delivered at the annual Sir John Cass's Foundation Lecture, Lord Baker said 'the greatest problem facing our educational system is that it is not being geared up to providing what industry, business and commerce require'. He was unequivocal in laying a large part of the blame for this on FE colleges, saying that 'If FE colleges were as successful as people believed, we wouldn't have the skills gap we have today'. He also accused some FE colleges of 'never having related their output to what the needs of the economy or local industry are'.

### **Ofsted 2014/15 Annual Report is published**

Earlier this month (December), Ofsted published its 2014/15 Annual Report. The report covers the period between 1 September 2014 and 31 August 2015, in which there were 177 inspections of FE and Skills providers. The headline data from these inspections includes the following:

#### *General FE colleges (GFEs)*

- 48 general GFEs were inspected, which resulted in 2 'outstanding', 15 'good', 26 'requires improvement', and 5 'inadequate' ratings. This compares to 2013/14, when 81 GFEs were inspected resulting in 5 'outstanding', 45 'good', 27 'requires improvement', and 4 'inadequate' ratings.
- 64% of the GFEs inspected were rated as 'inadequate' or 'requiring improvement', up from 38% in 2013/14. Over the same period, the proportion GFEs judged 'inadequate' doubled from 5% to 10%.
- 44% of the leadership and management in GFEs was judged to be 'good' or 'outstanding', compared to 63% in 2013/14. In the report, Ofsted singled out college management for special attention, saying 'Her Majesty's Inspectors have reported concerns about the performance of leaders in the sector across most regions'. Against this, Ofsted gave very little recognition to the challenges that managers had faced, such as dealing massive budget cuts, handling staff redundancies and responding to seemingly endless government initiatives, including apprenticeship trailblazers and 16-19 qualifications reform.

#### *Sixth Form Colleges (SFCs)*

There were 15 inspections of SFCs resulting in no 'outstanding', 7 'good', 5 'requires improvement', and 3 'inadequate' ratings. This compares to 2013/14, when there were 31 inspections of SFCs, resulting in 2 'outstanding', 19 'good', 9 'requires improvement', and 1 'inadequate' rating.

#### *Independent Learning Providers (ILPs)*

There were 114 inspections of ILPs, resulting in 4 'outstanding', 53 'good', 45 'requires improvement', and 12 'inadequate' ratings. This compares to 2013/14, when there were 140 inspections of ILPs, resulting in 4 'outstanding', 83 'good', 42 'requires improvement', and 11 'inadequate' ratings.

#### *General issues*

- In 2014/15 around a half of all colleges were operating in deficit. This (said Ofsted) was in part because the sector lost almost 267,000 learners in a single year.
- The number of learners who were required to study English and mathematics in order to have



their study funded rose dramatically, and because many colleges did not have an adequate strategy to respond, the quality of teaching declined.

- The quality of apprenticeships remains a particular concern, with almost half the provision judged to be less than good. Of the 190 apprenticeship programmes inspected in 2014/15, 72 were judged to 'require improvement' and 21 were 'inadequate' affecting around 73,000 apprentices.
- In 2014/15, 43 per cent of places went to apprentices over the age of 25. Only 5% of young people go into an apprenticeship at age 16, and this (says Ofsted) 'is little short of a disaster'.

Commenting on the Ofsted report findings, Chief Inspector for England, Sir Michael Wilshaw said that standards in FE and Skills had in general deteriorated compared to the previous year, but that this was particularly the case with GFEs. Responding to this criticism, a spokesperson for the AoC drew attention to the smaller number of college inspections in 2014/15 and said that the report did not compare 'like with like'. A copy of the 2014/15 Ofsted Annual Report can be accessed at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/432859/Ofsted\\_annual\\_report\\_accounts\\_2014-15.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/432859/Ofsted_annual_report_accounts_2014-15.pdf)

### **LGA says that 'good' council run schools should be allowed to take over failing academies**

In an interesting twist in the academies saga, the Local Government Association (LGA) has argued that council run schools in England judged as 'good' or 'outstanding' by Ofsted should be allowed to take over failing academies. The LGA says that Ofsted currently rates around 80% of council-run schools as being 'good' or 'outstanding', and that DfE statistics show that in 2013/14, council run schools had returned better 'value added' data than academies. An LGA spokesperson said that instead of poorly performing academy chains taking on failing schools, the Education and Adoption Bill should be amended to allow council-run schools and local authorities to run failing academies. Perhaps unsurprisingly, the National Union of Teachers (NUT) has urged the government to accept the LGA proposal, arguing that 'instead of undermining the valuable work and experience of local authorities in education, the government should be building the capacity of local authorities to support failing academies'.

Responding to the LGA proposal, a DfE spokesperson pointed out that there were legal problems with the idea. For example, a local authority school wanting to sponsor an academy would first need to set up a trust, since it would be the trust, rather than the school, that would be the sponsor. However, all academies already are sponsored by a trust, and the takeover of one trust by another would legally very complex. All of this would seem to suggest that the government is not too keen on the idea, particularly since David Cameron is on record as saying that by the end of this parliament, he wants *all* schools in England to be academies (or free schools, or UTCs, or studio schools) so that they can be 'free of local authority controls'.

### **Ofsted expresses concerns about independent faith schools**

Ofsted Regional Directors have expressed concerns about the 'number of children hidden away from view' in illegal unregistered schools across the country. As a result, Ofsted inspectors have visited 28 of these 'schools' where 'cause for concern' was known to exist. During the visits it was discovered that 15 of these 'schools', with more than 800 pupils between them, were 'unregistered' and therefore 'illegal'. Although the institutions concerned have not yet been formally named, it is believed that many are in the Birmingham and London areas, and that the curriculum taught in them focused excessively on religious studies.

In a letter to Education Secretary of State, Nicky Morgan, Ofsted chief inspector Sir Michael Wilshaw, said that the operators of these institutions had 'used the freedoms afforded to genuine home educators as a cover for their activities'. He went on to say that the 'schools' in question were operating outside the supervision of the DfE, local authorities or Ofsted inspections' and that 'as a matter of urgency' they should 'either be registered or closed down'. Sir Michael said that inspectors visiting the schools had expressed 'serious concerns' about the safety of children being taught in these institutions' and referred to one such school in Birmingham as a 'deeply troubling case'. Sir Michael said that inspectors had been initially prevented from entering the school, and that it was only after Ofsted's legal powers had been invoked that inspectors, accompanied by West Midlands police officers, were able to gain entry. Once inside, inspectors had found that pupils were being taught in 'squalid conditions'. There was 'clear evidence of segregation, with separate classrooms for boys and girls', appropriate vetting checks on staff had not been carried out, and pupils were 'being taught a narrow curriculum that was failing to prepare them for life in modern Britain'. Sir Michael said that while local authority officers often acknowledged the problem, 'they had too

often used bureaucracy, legislation or lack of resources as an excuse for inaction'. He said he was 'particularly concerned' about the lack of an appropriate response from Birmingham City Council'.

Sir Michael also said that nearly four fifths of the 'registered' independent faith schools inspected by the now defunct Bridge Schools Inspectorate (BSI) had since been judged by Ofsted as 'failing' and went on to say that the re-inspection of all independent faith schools should be conducted 'as a matter of urgency'. The BSI was approved by the DfE to inspect schools belonging to either the Christian Schools' Trust (CST) network or the Association of Muslim Schools (AMS), but was disbanded in September after its inspectors were found to be insufficiently independent from the schools they inspected, and that some were alleged to hold 'creationist, misogynist, homophobic, and anti-apostate views'.

Since September, responsibility for the inspection of independent faith schools has passed to Ofsted. In September and October, Ofsted re-inspected seven Christian and fifteen Muslim faith schools that had previously been inspected by the BSI. Nine of the schools were judged by inspectors to be 'inadequate'. A further eight were judged as 'requiring improvement'. Four were judged to be 'good' and one was judged 'outstanding'. At one of the schools judged 'inadequate', inspectors found that pupils were 'not protected from reading inappropriate literature' and that 'inappropriate books containing extremist, sexist and partisan views in the school library that were freely available to pupils', one of which asserted that women were 'less reliable than men as witnesses'. At another school, inspectors found that the only female governor 'sat out of sight of the male governors in an adjacent room to the main meeting'. As a result, she could only contribute to the meeting through a doorway'. The other governors told inspectors this was their 'usual arrangement'. Inspectors also found that 'older pupils spoken to did not know the term 'government' or understand the role of such a body. Very few could name any political parties'.

Responding to Sir Michael's letter, Ms Morgan agreed that 'more needed to be done' and said that the government would taking 'robust steps to tackle unregistered schools and improve safeguarding'. She went on to say that the government would also be consulting on 'further powers to regulate settings which teach children intensively' and to 'intervene and impose sanctions where there are safety or welfare concerns'.

### **NAHT warns that schools face a 'drastic shortage of teachers'**

Figures from the Office of National Statistics (ONS) suggest the school age population in England will grow by almost 1 million by the end of the current decade. This has prompted the National Association of Head Teachers (NAHT) to warn that the number of new recruits to the profession is not keeping up with demand. The NAHT says that there are often no applications made for advertised teaching vacancies, and that in too many schools, 'classes are being taught by teachers without the relevant qualifications'. The NAHT also warned that 'significant numbers' of qualified teachers are leaving the profession, or are seriously thinking about doing so. The NAHT also says that number of applications for teacher-training places is falling and has called on the government 'to invest heavily in the recruitment of new teachers'. In response to these concerns, a spokesperson for the DfE said 'we are offering a range of bursaries and scholarships for 2016/17, worth up to £30,000 tax-free, in the core academic subjects'.

One observer suggested that perhaps the large number of FE teachers made redundant as a result of spending cuts be retrained to help address teacher shortages in schools, but in the meantime, some local authorities are looking to recruit qualified teachers and even trainee teachers from abroad. For example, graduates from Greece, Portugal and Italy are being offered the £30,000 bursaries mentioned above to join the Suffolk and Norfolk Initial Teacher Training (SNITT) scheme. A spokesperson for the National Union of Teachers (NUT) accused the local authority of 'plundering talent from Southern Europe', but Norfolk County Council's Children's Services Committee defended the move, saying that there was a need to be 'proactive' to attract the best teachers into key shortage subjects. Hopefully, the trainees will be fluent in English, because it could prove difficult for those who need help to improve their spoken and written English to find an FE college that can still afford to offer English for Speakers of Other Languages (ESOL) courses.

### **Ofsted says that poor white families 'feel abandoned' by the school system**

Speaking at the recent Sutton Trust and Education Endowment Foundation 'summit' in London, Sir Michael Wilshaw said that 'poor, white communities needed to be served by better schools and school leaders'. Sir Michael argued that the gap between rich and poor could not be narrowed without improvements in the results of disadvantaged white pupils. He said 'two-thirds of all pupils on free school meals come from white working-class, low-income backgrounds' and that these communities 'feel forgotten, abandoned and let

down'. Sir Michael went on to say that 'raising standards for poorer pupils depended on good teachers and heads', but that there were 'not enough of these in white working class areas'. Education Secretary Nicky Morgan also spoke at the summit and agreed that there was a need to tackle the 'quiet discrimination' against pupils from poor white families.

### **IFS research says that poor white pupils are the least likely to go to university**

The Institute of Fiscal Studies (IFS) has used census data to analyse progression data for pupils *in England* going on to HE study *across the UK*. The research report, entitled '*Socio-economic, ethnic and gender differences in HE participation*' focuses on the pupils who took their GCSEs in 2007/08, and who could have gone to university at age 18 in 2010/11, or at age 19 in 2011/12 (thereby predating the large increase in tuition fees that occurred in 2012). With reference to ethnicity and social class, the report says that, in England, 'the proportion of young people from ethnic minorities going to university is very high on average'. Further analysis reveals that, for example, black African and black Caribbean young people both have higher rates of HE participation than their white English counterparts. As well as ethnicity, the research looks at the differences in HE participation in terms of socio-economic background. Here, the report reveals that, for example, the poorest Chinese and Indian pupils are more likely to go to university than the richest white pupils, and that poor white pupils are the least likely of all groups to attend university. This has resulted in calls for the government to fund measures to help increase the participation of poor white pupils in HE. The HE participation rates by ethnicity within the poorest family income group and within the average family income group, over the period covered by the research data is shown below:

| <i>Ethnic Group</i> | <i>Poorest</i> | <i>Average</i> |
|---------------------|----------------|----------------|
| White English       | 12.8           | 32.6           |
| Black African       | 53.1           | 56.6           |
| Black Caribbean     | 29.9           | 37.4           |
| Indian              | 53.3           | 67.4           |
| Pakistani           | 36.4           | 44.7           |
| Bangladeshi         | 45.3           | 48.8           |
| Chinese             | 65.5           | 75.7           |

### **BIS publishes Green Paper on reforms to the HE system in England**

BIS has published its long awaited Green Paper that consults on the government's proposals in respect of:

- The merger of the Higher Education Funding Council for England (HEFCE) and the Office for Fair Access (OFFA) to create a new 'Office for Students'.
- Removing barriers to entry to the HE market for new providers.
- Removing unnecessary barriers to new providers obtaining degree-awarding powers.
- The creation of a new teaching excellence framework linking good teaching to permission to raise tuition fees above the current £9,000 limit.
- New targets to recruit more disadvantaged students and more transparency in the applications process.
- New targets to increase the number of ethnic minority students by a further 20% by 2020.
- Degree awards that include points scores as well as degree classification.

The Green Paper can be accessed at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/474227/BIS-15-623-fulfilling-our-potential-teaching-excellence-social-mobility-and-student-choice.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/474227/BIS-15-623-fulfilling-our-potential-teaching-excellence-social-mobility-and-student-choice.pdf)

Meanwhile, recent research carried out by the British Chambers of Commerce (BCC) based on a survey of more than 3,500 business leaders, reveals that 41% think that universities are 'not very effective' or 'not effective at all' in preparing young people for work. (Mind you, they also think that 40% of FE colleges and 69% of schools are 'not very effective' or 'not effective at all' in preparing young people for work).

### **Part-time HE numbers continue to contract**

Research by the Higher Education Policy Institute (HEPI) reveals that although applications for full-time HE places are higher than ever, part-time HE numbers are contracting dramatically. This is especially the case in England, where there were 47% fewer part-time degree students in 2013/14 than there were in 2010/11.

In addition, the sub-degree market (eg HNCs and similar) has experienced a contraction 55%, while Foundation Degree numbers have fallen by 18%. HEPI says that the contraction in part-time HE participation rates in England is directly linked to the tripling of fees since 2012. Contraction in part-time HE participation in the Celtic nations is less pronounced, although part-time HE participation in Wales has contracted by 24%, in Scotland the figure is 7% and in Northern Ireland the contraction is 5%.

The research also reveals that those who remain in part-time HE feel increasingly 'sidelined' by the institutions at which they are studying. In England, only 15% of part-time HE students reported that they were getting any form of support from their employers for their studies. Almost all said that they would prefer to be studying full-time, but could not afford to study without working and that part-time study was the only option open to them. In addition, the research found that part-time HE students were not able to engage with the 'plethora of information, advice and guidance aimed at 18 year olds', and as a consequence they were often 'ignorant of qualification pathways, course workload or even sources of financial support'. Part-time HE students also tended to be debt-averse and therefore reluctant to take up student loans. Meanwhile, recent SFA data has revealed that the number of adults studying part time in English FE colleges has dropped by a third from 3.9 million in 2010/11 to 2.6 million in 2014/15.

*(Thanks to Neil Bromley, former principal of North East Worcester College, for his help with this section of the newsletter)*

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

If, during the run up to Christmas, you feel the need to take a 'power nap' at work (perhaps because you partied a little too hard the night before?), here are a few tips on how to do so without anyone noticing:

- Randomly place a selection of papers and/or files on the floor to the left of your desk. Get some sleep by resting your head on your right arm and letting your left arm dangle over the papers on the floor. If anyone comes into your office, you can pretend the papers fell off your desk and that you are reaching down to pick them up. (If you don't wake up, tell colleagues you were having a dizzy spell).
- Cover your desk with files, papers and other important looking clutter and leave a coat draped over the back of your chair with an empty briefcase alongside it. Then go home for a kip. Your colleagues will see your coat, briefcase and desk clutter, and will assume that you have temporarily left the office. If the clutter, the coat and the briefcase are still there at the end of the day, your colleagues will assume you are working late. If they see them there the following morning, they will assume you got in early.
- Prevent colleagues from pestering you while you sleep by leaving a message on your answerphone service saying that your message inbox is full. (Stuffing your cheeks with broken biscuits is a good way of disguising your voice when leaving the message). Then switch your phone off. If colleagues try to contact you they will be redirected to the message service. This will tell them that they can't leave a message because your inbox is full. With a bit of luck they may even interpret this as meaning that you are so much in demand, you haven't yet been able to find the time to answer all your messages.
- If you have a meeting that you can't get out of attending, buy some really dark sunglasses and a neck brace and put them on before the meeting. Also place a piece of sticking plaster across your nose. Tell the others attending the meeting that you have been in a car accident. You can then go to sleep during the meeting because your head will be supported by the brace and no one will be able to see that your eyes are closed. It is also likely that they will take your silence during the meeting to mean that you are in shock and they will tend not ask for your opinion on any of the items being discussed. Should you begin snoring, the plaster across your nose should help convince your colleagues that your nose was damaged in the crash and that you are experiencing difficulty in breathing.



These are extracts taken from my long awaited book on alternative FE management techniques, entitled 'See a pin and pick it up, and all the day, you'll have a pin'. In the meantime, on behalf of all of us at **Click**, we hope that you and yours have a very merry Christmas and a happy and prosperous new year.

**Click Newsletter classified ads:**

*Snowman for sale £5- needs some attention*



## **Alan Birks – December 2015**

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