

## Sector Developments

### Another hard year ahead for colleges

The 2016/17 academic year will see colleges in England having to cope with yet further UK government imposed policy changes. These changes are likely to be very challenging and will require an even faster rate of response from colleges than ever before. The changes will only affect England, since in other UK countries, FE is the responsibility of the devolved governments. Amongst the challenges faced will be:

- **Area Reviews:** The UK government department restructuring that took place over the summer has delayed the publication of a number of area review reports. The review process will begin again this month (September) with the aim of creating 'fewer, larger and more financially robust' colleges.
- **The Apprenticeship Levy:** The introduction of the apprenticeship levy will also see UK government funding being transferred from providers to employers. The arrangements are also expected to encourage more private sector providers to enter the FE market. Firms will begin to pay the levy on 6 April next year, with the new apprenticeship funding system coming into effect on 1 May.
- **Devolution to English Regions:** Regional commissioning bodies will begin to exercise greater influence on how adult skills funding is spent. There is uncertainty regarding the implications for FE colleges of the move from a grant-allocated funding system to a commissioning system, and colleges are likely to face more intense competition for funding from other providers, including firms with their own training arm and new private training providers entering the adult skills market.
- **The Sainsbury Review:** The Sainsbury Review of Technical Education, and the resulting Post-16 Skills Plan that was published by the UK government in July, propose the creation of 15 technical educational pathways and a radical overhaul of the vocational accreditation system associated with them.
- **Increased HE fees and the lifting of the HE recruitment cap:** Both of these are likely to lead to aggressive competition between universities for student numbers, and the encouragement of new providers (including private providers) to enter the HE market. This will provide an opportunity for some colleges as they also seek to enter the HE market, but will be a threat to others, as they find it increasingly difficult to retain the HE provision they franchise from universities.
- **Changes to GCSEs:** Colleges continue to face the huge challenge of successfully delivering English and mathematics programmes to those 16-18 year olds attending FE colleges who failed to get C grades in those subjects at school. Added to these challenges will be the relatively low level of funding that colleges receive for the work, and the need to cope with new, and more demanding assessment and grading systems. It is expected that the new GCSEs will result in more students failing to get a 'good' pass in English and mathematics, and colleges will have to cope with even larger re-sit cohorts.
- **The impact of the vote to leave the EU:** The UK's annual gross contribution to the EU budget currently stands at around £18.7 billion. After a rebate of around £4.3 billion and EU grants received of around £6 billion, the UK's net contribution falls to around £8.4 billion. FE is likely to be affected by Brexit in a number of ways. These include the following:
  - Colleges are currently able to make bids for European funding. The latest figures (2013/14) show that colleges received £57 million from the European Social Fund (ESF) and £18 million in other direct European grants, which is much less in both absolute and relative terms than the £1 billion a year in EU funding received by UK universities.
  - The FE projects that EU grants support are normally co-financed by the Skills Funding Agency (SFA), since the EU grant funding received is usually 50% or less of the total project cost. Nevertheless, the money is important to colleges in more economically disadvantaged parts of the country.
  - EU nationals living and working in the UK are able to enrol on further education courses or take apprenticeships on the same basis as UK citizens. Post Brexit, students from elsewhere in the EU might be reclassified as international students.

After Brexit, the government will need to be effectively lobbied to make sure that FE colleges get back a share of the £18.7 billion the UK currently contributes to the EU budget an amount equivalent (or hopefully in excess of) the EU grants they currently receive.

- **Sixth-form college conversion to academy status:** Sixth form colleges (SFCs) wanting to convert to academies must first have the support of an area review recommendation. They then have to go through up to eight stages of conversion, five of which are required just to transfer responsibility for

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oversight to an academy trust. Nevertheless, there appears to be no shortage of SFCs wishing to convert, and it is expected that the first conversions will be completed in early 2017.

- **The re-introduction of Grammar Schools:** Virtually all secondary schools now have their own sixth forms. The new prime minister, Theresa May, is now proposing that more selective grammar schools be re-introduced. This will add to the proliferation of existing grammar schools, academies, free schools, university technical colleges, studio schools, careers colleges etc, thereby exposing colleges to yet another type of competitor in the market for full time 16-18 students.
- **Changes in UK government departments dealing with FE:** FE is now the sole responsibility of the Department for Education (DfE). For the last few years, responsibility for FE has been divided between the DfE and the former Department for Business, Innovation and Skills (BIS, since replaced by the Department for Business, Energy and Industrial Strategy). The sector also received its funding streams from the two departments (16-18 DfE and 19+ BIS). The transition to a single department is expected to present both problems and opportunities. Key personnel have changed with Robert Halfon replacing Nick Boles in respect of ministerial responsibility in England for FE and skills.
- **The Autumn Statement:** Any changes the UK government makes to its spending plans this November are likely to have at least some consequences for the FE sector in England.

### More mergers take place in the wake of area reviews

On 1 August the number of individual FE colleges in England contracted still further. On that date, the record was set for the largest number of mergers taking place in a single day. The mergers were a direct result of area review recommendations and include:

- City and Islington College and Westminster Kingsway College, which will be known as WKCIC Group.
- Tower Hamlets College and Hackney Community College.
- Bromley College of Further and Higher Education, Greenwich Community College and Bexley College, which will be known as South-East London Colleges Group.
- South and City College Birmingham and Bournville College. (The two colleges will operate as one with effect from 1 August, but the actual legal change will occur on 1 January 2017).
- Warwickshire College Group and South Worcestershire College, which will be known as the Warwickshire College Group.
- North Warwickshire & Hinckley College and South Leicestershire College, which will be known as North Warwickshire and South Leicestershire College.
- Furness College and Barrow Sixth-Form College, which will be known as Furness College.
- New College Nottingham and Central College Nottingham. (Consultation is currently taking place on the use of the new name 'Nottingham College').
- Shrewsbury College of Arts and Technology and Shrewsbury Sixth-Form College.

Colleges that merged earlier in 2016 include:

- Rotherham College of Arts and Technology and North Nottinghamshire College.
- Prior Pursglove College and Stockton Sixth-Form College.
- Bridgwater College and Somerset College .

The Association of Colleges (AoC) estimates that a further 11 mergers will take place during the 2016-17 academic year. Amongst these will be two new colleges that will be created in the North-West through mergers involving six colleges and one university. One of these is the proposed Cheshire College, initially comprised of West Cheshire College and South Cheshire College, but later to be joined by Mid Cheshire College in August 2017, and Warrington Collegiate in January 2018. The other is a new university and college group, which will be comprised of Bolton College, Bury College and Bolton University.

### College corporations cautioned on senior staff appointments and severance arrangements

The draft version of the document *Implementation Guidance for post-16 Area Reviews*, restates that the area reviews are intended to result in 'fewer, larger institutions', and that this will mean that some principals 'will be taking on greater responsibilities', and some principals 'leaving their role under a severance agreement with a financial package'. College governing bodies have been warned that they should be careful 'not to pay their leaders excessive salaries' or 'spend too much money on severance packages' for those senior staff who leave after the area reviews. The guidance goes on to say that 'Governors should be

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aware that high-value packages, whether for new or departing staff, are likely to attract public interest' particularly where the values of a severance agreement 'exceeds contractual requirements or is being paid to a principal with a record of poor performance'. The guidance also says that 'the principal of a newly merged college should not automatically have been the leader of one of its predecessor colleges', and that 'while the principal of one of the existing institutions may be a strong candidate, particularly where there is a clear takeover of a smaller college by a larger, more strongly performing institution, they should not be automatically appointed'. The guidance goes on to say 'Experience from the sector shows that there can be clear advantages to an open competition in which external candidates are also considered'. A copy of the *Implementation Guidance for post-16 Area Reviews* can be accessed at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/520838/BIS-16-118-reviewing-post-16-education-and-training-institutions-updated-guidance-on-area-reviews.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/520838/BIS-16-118-reviewing-post-16-education-and-training-institutions-updated-guidance-on-area-reviews.pdf)

### **FE Commissioner's proposal to secure financial sustainability 'ignores the reality of funding cuts'**

In the report of a recent meeting of the National Area Review Advisory Group, the FE Commissioner for England, Sir David Collins, is on record as saying that in order to secure 'financial sustainability' in the wake of the area reviews, remaining colleges should aim to build up operating surpluses of between 3% and 5% of their income each year. This is the equivalent of a collective surplus for the sector of between £200 million and £500 million a year. However, the most recently published college accounts (2014/15) suggests that fewer than a quarter of existing colleges could meet this target, and that more than 40% colleges were running an operating deficit. Further doubt on the achievability of this target comes in the form of the House of Commons Public Accounts Committee (PAC) warning earlier this year that the sector's financial health is 'deteriorating'. Commenting on Sir David's recommendations in respect of operating surpluses, a spokesperson for the Association of Colleges (AoC) perhaps under-stated the obvious by saying that achieving the target would be a 'struggle for most colleges'.

### **FE colleges perform better than was thought at helping students into 'sustained destinations'**

A change in the way that the DfE collects data on student destinations has resulted in FE colleges being able to show 'dramatically improved performance' in helping students to progress to 'sustained education, employment, and training' in the year after the students complete their Level 3 qualifications. The data used by the DfE was previously based on information provided by educational institutions and local authorities themselves, but an updated report recently published by the DfE, which covers the period from 2010/11 to 2013/14, now includes extra data provided by HM Revenue and Customs (HMRC) and the Department for Work and Pensions (DWP) that takes into account such things as tax and benefits records. The inclusion of this extra data has produced much improved results for colleges (and actually shows them performing much better than schools). The updated DfE report now shows that:

- For 2013/14, the proportion of students in sixth-form and other FE colleges progressing to 'sustained destinations' is revised upwards from 68% to 87%.
- FE colleges show 'the largest increase' in the proportion of students progressing directly to 'sustained employment', with the figure revised up from 20% to 28%, for each of the academic years covered in the report.
- The proportion of FE college students thought to have made no tangible progress to 'sustained destinations' was at 12% over the period from 2010/11 to 2012/13, before falling to 11% in 2013/14. However, this was down from 14% in that year compared with results using the old data.

A copy of the updated DfE report and the revised data, including a complex, but nevertheless interesting, comparison of school and college performance can be accessed at:

<https://www.gov.uk/government/statistics/destinations-of-key-stage-4-and-key-stage-5-pupils-2010-to-2011>

### **More inquiries into apprenticeships**

Following on from seemingly countless other earlier reviews and inquiries, it appears that apprenticeships will again be high on the agenda for yet more inquiries and reviews in the coming year. Apprenticeships are included in the Public Accounts Committee's (PAC) schedule of work this year. This is not the PAC's first investigation into the apprenticeship programme. In January last year the PAC published a report of an inquiry into the participation of those aged 16-18 in education and training, which included apprenticeships, and in May 2012, the PAC published a report of an inquiry into adult apprenticeships. The National Audit

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Office (NAO) is also revisiting the topic, and is looking at the effectiveness of the management of the apprenticeship programme by the former Department for Business, Innovation and Skills, and the extent to which BIS facilitated the delivery of 'high quality apprenticeships that met the needs of employers and the economy'. The Parliamentary Sub-Committee on Education, Skills and the Economy is also carrying out an inquiry into apprenticeships. The inquiry was launched in February to explore areas such as 'how to achieve the government's target of three million apprentices by 2020', and 'how the apprenticeship levy will be implemented'. For those excited by such things, there will no doubt be several more apprenticeship reviews and inquiries to look forward to in the future. There might even be advanced apprenticeships for those wanting to make a career out of reviewing and inquiring into apprenticeships

### **NAO calls for more robust strategies to prevent apprenticeship fraud**

After finding out that the DfE has no contingency plan if there are problems in implementing levy and funding reforms, the NAO has warned that robust counter-fraud measures urgently need to be set up. The NAO say that this is necessary in order to prevent a repeat of debacles such as the Individual Learning Accounts fiasco, in which it was discovered that at least £67 million in public funding was fraudulently claimed for work that was never carried out. The DfE has defended itself against the NAO's accusations, with a spokesperson insisting that the department is 'working closely with colleagues from across government to implement counter-fraud measures for the new funding system'. But an NAO report published earlier this month (September) still raises concerns about the risk of 'market abuse', and continues to warn the DfE that it has not done enough to identify 'behavioural risks' and ensure that 'lessons are learned from previous initiatives which did not turn out as planned'.

### **Doubts about the future of the prime minister's apprenticeship advisor post**

The future of the post of 'Apprenticeship Advisor to the Prime Minister' remains unclear, after a spokesperson for Nadhim Zahawi MP confirmed that he is no longer in that role. Mr Zahawi was appointed by former PM David Cameron last November to help support the Conservative manifesto pledge to deliver 3 million apprenticeship starts by 2020, and to co-chair the Apprenticeship Delivery Board (a post that also remains vacant). A spokesperson for Number 10 has refused to comment on who Mr Zahawi's replacement will be, or even if new prime minister Theresa May will be requiring her own advisor on apprenticeships.

### **Concerns about changes in the level of apprenticeship funding**

Last month (August) the SFA published new funding rates for apprenticeships scheduled to be introduced from 1 May next year. An analysis of the rates has prompted concerns that there will be significant reductions in apprenticeship funding. This is apparently as a result of the removal of certain 'upper limits' on funding payments and the removal of additional payments based on geographical location. The cuts are said to fall disproportionately on deprived areas and on disadvantaged young people, with the proposed rates for apprentices aged 16-18 seeing cuts of around 30%, rising to over 50% for young apprentices living in the most deprived areas of central London. Against this, it is claimed that the funding for many apprentices aged 24 and over has been increased, and disproportionately benefits those living in affluent areas outside the South East and/or working for large employers. However, in response to questions from members of the House of Commons Education Select Committee, the new Education Secretary for England, Justine Greening, said that the SFA document was part of a 'consultation exercise' and that the government 'would look really carefully' at the responses received. Nevertheless, members of the three main government advisory boards on apprenticeships (the Apprenticeship Delivery Board, the Apprenticeship Stakeholder Board and the Apprenticeship Provider Reference Group), were apparently not informed about the new rates, despite the groups being set-up specifically to act as consultative bodies. Also, when questioned in the House of Commons by Richard Burden MP about the plans for cuts in apprenticeship funding during prime minister's question time, the new prime minister, Theresa May, said 'I simply don't recognise the situation he's set out in relation to apprenticeship funding'.

### **Number of apprenticeship places taken up by young people continues to drop**

A new report from the Institute for Public Policy Research (IPPR) entitled *England's Apprenticeships* says that the apprenticeship system is not doing enough to alleviate youth unemployment, and that young people are losing out to older workers. The report goes on to say that while there was a 30% increase in the total number of apprenticeships between 2010/11 and 2014/15, the number of 17 and 18 year-old apprentices actually contracted by around 8,000 over that period, and adds that even those young people

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who do manage to secure an apprenticeship often do not get appropriate training. The report also claims that many young apprentices 'already have qualifications at the level of their apprenticeship, meaning they are not progressing'. The report's recommendations include calls for more robust apprenticeship standards, the extension of the apprenticeship levy to small employers, increased scrutiny to ensure that employers are not simply re-classifying existing employees as apprentices, and ensuring that nationally recognised qualifications are an integral part of all apprenticeships. It also urges the government to extend the deadline to deliver 3 million apprenticeships 'to make sure that the focus remains on quality, rather than quantity'.

A copy of the IPPR report can be accessed at:

[http://www.ippr.org/files/publications/pdf/Englands\\_apprenticeships\\_Aug%202016.pdf?noredirect=1](http://www.ippr.org/files/publications/pdf/Englands_apprenticeships_Aug%202016.pdf?noredirect=1)

### **Calls for the UK government to scrap its GCSE English and mathematics re-sit policy for England**

In 2014 the UK government made it a condition of funding that all 16-19 year olds in England who did not already have at least a grade C in GCSE English and mathematics should be required to continue studying these subjects. In 2015 this policy was changed to require all of those who had achieved a grade D in English and mathematics to retake a GCSE course, rather than a course leading to an equivalent 'stepping stone' qualification. In June, it was revealed that as a result of the UK government's policy, the number of GCSE entries in these subjects in English colleges had increased by 40%.

However, figures released by the Joint Council for Qualifications (JQC) relating to this year's GCSE results show that, in England, while the number of students aged 17+ taking GCSE English and mathematics has risen significantly, the proportion of young people achieving at least a grade C in those subjects has deteriorated. Just 34,486 (26.9%) of the 128,201 students aged 17+ who took GCSE English this year got at least a grade C, and of the 173,628 students aged 17 or above taking GCSE mathematics, only 51,220 (29.5%) achieved a grade C or above. By way of comparison, last year 97,163 students (35.1%) aged 17+ achieved a grade C or above in English, and 130,979 students (35.8%) aged 17+ got at least a C in mathematics. The JQC data confirms that the rise in overall numbers taking the exams in England was 'largely attributed to the government policy of requiring all 16-19 year-old students to continue study the subjects until they achieve at least a grade C' (or reach the age of 18), and that the deterioration in the proportion of 17+ learners achieving a grade C in the subjects was 'a reflection of this increase in numbers'.

Colleges have repeatedly stated their willingness to try to deliver the government's policy, despite the poor levels of funding and the very significant challenges it creates. (For example, many colleges have found it necessary to hire external venues, or to cancel classes in order to find sufficient space for the increased cohort of learners to sit the GCSEs examinations. Nevertheless, the figures have prompted sector leaders to call on the UK government to scrap its GCSE re-sit policy in England. Mark Dawe, chief executive of the Association of Employment and Learning Providers (AELP) said that although mathematics and English 'are the most vital skills for economic and social mobility, these results show that repeating the same exercise doesn't work' and that 'a more learner and employer focused approach with functional skills should now be embedded post 16'. And Martin Doel, the outgoing chief executive of the AoC, said that the government 'must consider creating a qualification that is more fit-for-purpose in developing skills in English and mathematics'. The Ofsted chief inspector for England, Sir Michael Wilshaw, is apparently unconvinced by their arguments, and continues to criticise the standards of English and mathematics provision in colleges. In March he even suggested to members of the House of Commons Education Select Committee that the quality of FE college provision was so poor, it would be preferable that all 16-19 year-olds should be educated in schools. Schools Minister for England Nick Gibb responded to the figures by saying that there had been '4,000 more successful retakes' of GCSE mathematics this year, 'delivering better prospects for every one of those young people'.

### **Biggest ever year-on-year decline in GCSE results**

The results of more than five million GCSE entries in England, Wales and Northern Ireland this year reveal that the overall proportion of entries achieving A\* to C has declined from 69% to 66.9%, while the top A\* grades have slipped from 6.6% to 6.5%. Professor Alan Smithers, of the University of Buckingham's Centre for Education and Employment Research, claims that the 2.1% decline is 'the biggest drop in A\*-C grades since GCSEs were introduced in the late 1980s'. The figures also reveal that the gender gap has widened further, with 71.3% of entries by girls getting a C grade or above, compared with 62.4% of boys. In addition, the number of pupils taking GCSEs a year early has contracted by around 25% compared with last year.

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The overall deterioration in GCSE grades has largely been attributed to weaker performance in England, because results in Northern Ireland improved and results remained stable in Wales. The figures show that:

- In England, the proportion of A\* to C grades fell from 68.8% last year to 66.6%. Top A\* grades were down from 6.6% to 6.4%.
- In Northern Ireland the proportion of A\* to C grades increased slightly to 79.1% and top A\* grades rose to 9.3%.
- In Wales, the level of A\* to C passes remained at 66.6%, with A\* grades rising slightly to 6.1%.

The deterioration in overall grades in England has been blamed largely on the UK government's policy (mentioned above) requiring all 17 year-olds in England who achieved a GCSE grade D in mathematics and/or English to continue to study the subjects and re-take the examinations. However, when these older pupils re-taking examinations are excluded from the figures, the data shows that there has also been a fall in the results of 16 year-olds in England, with the proportion getting A\* to C declining by 1.3%.

### **New skills minister 'will consider' new modular GCSEs in English and mathematics for adults**

In her review of prison education, one of the recommendations made by the report's author, Dame Sally Coates, was that new modular GCSEs in English and mathematics should be designed and made available for prisoners *and* older learners. In the report, entitled '*Unlocking Potential: a review of education in prison*', Dame Sally argues that awarding bodies 'should work together to develop a core basic skills curriculum', and that 'this should include new adult modular GCSEs in English and mathematics, because the GCSE brand is more familiar to employers'. Her recommendation has been supported by FE sector leaders and the National Extension College (NEC) has warned that there is 'strong evidence' to suggest that adult learners, who often have no previous experience of examinations will feel overwhelmed by 'linear' GCSEs. However, despite the government having accepted all of the review's recommendations in full, Schools Minister for England, Nick Gibb subsequently informed Dame Sally that he would not approve any new forms of GCSE qualifications because he was 'concerned that introducing an adult GCSE would lead to two tiers, with one not as prestigious as the other'. In addition, an Ofqual spokesman said 'our rules, which we have no current plans to change, require all new GCSEs to be linear, with examinations taken in the summer at the end of the course'. However, the new Minister for FE and skills in England, Robert Halfon has said that he is 'completely open-minded about the idea of an adult GCSE', but that he would first 'need to look at it and take advice'.

### **Record numbers of university places offered**

The proportion of A\* and A grades awarded in 2016 was 25.8%, down by 0.1% on last year. The pass rate of 98.1% remained the same. Girls continue to outperform boys, with 79.7% of girls getting grades A\* to C, compared with 75% for boys. Despite the slight deterioration in the top grades, the University and Colleges Admissions Service (UCAS) has reported that around 424,000 university places were offered on 'results day', up by 3% on results' day last year, with many places are still being made available through clearing, including in leading universities. The removal of the HE recruitment cap, and what some observers have described as the continuing 'lucrative increase' in tuition fees in England, is thought to be resulting in universities increasing the number of undergraduate places and engaging in 'aggressive competition' to attract more students.

### **Ofsted developments**

- The Chair of Ofsted, David Hoare, has resigned. Mr Hoare, a former city banker and trustee of AET, the largest academy group in the UK, and one of the first senior appointments made by former Education Secretary Nicky Morgan, was criticised for telling teachers at conference in Leeds, that the social problems of the Isle of Wight were often 'a topic of interest with his dinner party guests' and that although those who live there 'think of it as holiday land, it is 'a ghetto' where there is 'inbreeding'.
- The final Ofsted update for the 2015/16 inspection year was published earlier this month (September). The update contains information about changes that have been made to the Further Education and Skills Inspection Handbook, that will take effect from this month. A copy of the update is available at:

<https://www.gov.uk/government/publications/further-education-and-skills-inspection-handbook-from-september-2015>

Although for some reason the link above refers to 2015, the update actually relates to changes that come into effect from September 2016. The main Ofsted update also includes guidance intended to help providers that have been judged as 'requires improvement' to get to 'good' or 'better'. This guidance can be accessed at:

<https://www.gov.uk/government/publications/support-and-challenge-for-further-education-and-skills-providers>

- A legal battle has commenced over the publication of a controversial Ofsted report on a school with an Islamic religious ethos (which cannot be named for legal reasons) that was judged by inspectors as 'inadequate'. Amongst other things, the report criticises the school's policy of segregating of boys from girls, is critical of the radical content of some of the books and other materials in the school library, and says that the school's leaders have 'failed to keep pupils safe from extreme views that undermine fundamental British values'. However, the school's governing body is disputing inspectors' findings and has initiated a judicial review in a bid to have the report quashed. A senior High Court judge has now upheld an earlier ruling that the report must not be published until the legal challenge takes place, since allowing it would be likely 'to generate a media storm and tensions and fears for parents and the local community'. The judge said he also accepted that 'publication of the report has the capacity to affect social and community cohesion' and could be seen as 'an unwarranted attack on aspects of the school's Islamic religious ethos'.

### **157 Group to redefine its mission and objectives**

The 157 Group was created in 2006 and its name is derived from paragraph 157 of the report of Sir Andrew Foster's Review of Further Education, which called for 'a greater involvement of principals in national representation, and in particular those from larger, successful colleges'. The 157 Group is now planning to rename itself, and has announced 'new ambitions' for the group, such as 'diversifying revenues' and responding to the 'devolved skills agenda'. The 157 Group has already seen a significant shift in direction under its new chief executive Ian Pretty, who is said to be of the view that there is 'little to be gained from spending an awful lot of time on trying to affect government policy decisions'. The membership of the group has increased after a period when numbers were restricted. The group has also moved away from claiming to represent only 'high quality colleges', since it now includes colleges with an 'inadequate' Ofsted rating.

### **Call for more government oversight of academy finances**

At present academies are answerable only to the DfE and the Education Funding Agency (EFA) but the Local Government Association (LGA) argues that there is evidence to show that these bodies are 'incapable of maintaining adequate control of around 5,000 academies and free schools that exist at presents, and will be even less so by the time the number rises to 20,000 in 2022'. LGA education chairman Richard Watts said 'We are told that academies and free schools are subject to more financial scrutiny than council-maintained schools, yet we keep hearing that millions of pounds of taxpayers' money, which has been earmarked to make sure our children get a good education, is disappearing into the back pockets of those in charge'. The LGA cites an investigation into the Birmingham based Perry Beeches Academy Trust, prompted by an internal whistleblower, which found financial mismanagement that included a £1.3 million payment to suppliers linked to school governors, unsupported by contracts or competitive tendering, and that the head teacher was paid an extra £160,000 over two years, on top of his £120,000 pa salary, via an education company also linked to one of the governors. Mr Watts said that there were 'very serious questions to be asked about both the leadership at Perry Beeches and about ministers' oversight of academies'. The LGA also highlighted the case of the founder and two members of staff at Kings Science Academy in Bradford who were found guilty of transferring £150,000 of DfE grants into their own bank accounts as well as raising questions over the 40 largest academy trusts paying executive salaries totaling more than £1 million each.

Responding to the LGA's concerns, a DfE spokesman said 'All academies operate under a strict system of oversight and accountability, which is more robust than in council-run schools. This ensures that any issues are identified quickly. Unlike other schools their accounts are scrutinised by an independent auditor and we have considerably more financial information about academies than we ever had for council-run schools'. More details of the LGA's concerns and the case studies referred to can be accessed at:

[http://www.local.gov.uk/web/guest/children-and-young-people/-/journal\\_content/56/10180/7936318/NEWS](http://www.local.gov.uk/web/guest/children-and-young-people/-/journal_content/56/10180/7936318/NEWS)

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And a copy the EFA report of the inquiry into the Perry Beeches Academy Trust can be accessed at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/510510/Investigation\\_report\\_Perry\\_Beeches\\_The\\_Academy\\_Trust.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/510510/Investigation_report_Perry_Beeches_The_Academy_Trust.pdf)

### **Plans to re-introduce grammar schools in England**

Grammar schools currently make up around 5% of secondary schools in England, and a third of secondary schools in Northern Ireland. There are no grammar schools in Scotland and Wales. However, the new UK prime minister, Theresa May, is believed to be planning to allow a new wave of grammar schools to be established in England, as part of her 'agenda to increase social mobility'. Mrs May's argument, shared by many Conservative back benchers, is that gaining a place at the best schools is often determined by parents' ability to afford the house prices in the local catchment area. Mrs May goes on to argue that if selection were to be on the basis of academic performance, rather than parental income, it would help to overcome barriers that prevent gifted and talented pupils from less well-off backgrounds from attending the best schools. Graham Brady MP, the chair of the influential 1922 committee of Conservative backbenchers, has supported Mrs May's argument, saying that the re-introduction of grammar schools would 'restore the ladder that took so many of us from modest backgrounds to the best universities and beyond'.

However, there is also strong opposition to grammar schools within the Conservative party. Ryan Shorthouse MP, of the Conservative think-tank 'Bright Blue', has argued that grammar schools are 'not engines of social mobility' because 'only 3% of entrants to grammar schools are eligible for free school meals, compared to an average of 18% in all schools'. Ofsted chief inspector for England, Sir Michael Wilshaw has also weighed into the debate and has said that bringing back grammar schools would be a 'disaster', that they would have a negative impact on nearby schools, and that the 'idea that poor children would benefit was utter tosh and nonsense'. To help counter this, schools' ministers are expected to propose that new grammar schools should 'only be set up where there is parental demand' and that 'priority would be given to less affluent areas'. Ministers are also likely to include proposals that grammar school entry examinations should be 'less susceptible to coaching' and that there could be 'different entry requirements for poorer pupils'. In addition, new grammar schools would be expected to have 'close ties with local primary schools' and to be able to 'demonstrate they were socially inclusive and benefitted the local community'.

Mrs May herself attended a grammar school and recently allowed the opening of a new 'annexe' for an existing one in her Maidenhead constituency (which is permitted within the law). Mrs May's new Education Secretary for England, Justine Greening (who attended a state comprehensive school) has said that she is 'open-minded' about allowing new grammar schools because the education system had 'changed dramatically from the binary choice between grammars and secondary modern schools of decades past'. Detailed announcements on the matter are expected to be made at the Conservative Party conference, which will be held in Birmingham in October.

### **Office for Fair Access (OFFA) allows universities in England to raise tuition fees to £9,250.**

Almost all universities in England have been approved to charge a maximum of £9,250 per year in tuition fees with effect from 2017/18 (subject to being able to demonstrate that the quality of teaching is 'satisfactory'). The increased fee levels will affect not only those students starting their undergraduate studies in 2017/18, but also continuing students. The UK government is proposing that the level of tuition fees charged by universities in England could be raised still further, if 'high quality' teaching can be demonstrated. To help alleviate the impact of this, universities say that they will collectively be allocating £834 million to schemes intended to help widen access to higher education, and that this is an increase of 10% on the figure for 2016/17. This will include £171 million on 'events to encourage applications' and £408 million on bursaries and fee waivers. The removal of the current maximum limit of £9,000 will first require the approval of the UK parliament, which Labour and Liberal Democrat MPs say they will oppose.

### **Increase in the number of FE colleges charging the highest HE fees**

Meanwhile, the number of further education colleges charging the highest possible HE tuition fees of £9,000 per year has doubled since last year, with many planning to raise their fees even higher next year. Figures obtained from OFFA show that in 2015/16, a total of nine FE colleges charged the maximum fee for at least some of their courses. However, that number is set to increase to 19 in the 2016/17 academic year.



As mentioned above, the cap is likely to be raised to £9,250 in 2017/18, and 13 FE colleges say that they are planning to charge fees at this level and another 13 are intending to charge £9,000. The data also shows that the average HE fee charged by FE colleges is set to rise from £6,941 last year, to £7,188 this year, and £7,486 next year. This represents an increase of almost 8% in two years. Among the reasons given by FE colleges for raising their HE fees were the higher costs of running some HE courses. Some FE colleges also said wanted to be able to afford to offer their HE students the 'full university experience'.

### **New report says that the graduate 'earnings premium' will not cover most student loan debts**

The 'Intergenerational Foundation' (IF) has produced a report in which it says that the UK government should stop using the 'carrot of higher graduate earnings' to justify raising student fees and for freezing loan repayment thresholds. In the report, the IF (which is a lobby group) goes on to say that politicians who continue do so 'should be charged with gross mis-selling, since having to pay back student debts will wipe out any graduate premium for most professions'. The report says that 'while for somebody who gets an Oxbridge first, a premium figure of £400,000 in lifetime earnings may still hold true, it is much lower for non-Oxbridge graduates'. The report goes on to say that 'the ever increasing number of graduates is further undermining the value of a degree', with 'many graduates now being employed in low-to-median paid posts that do not require degrees'. The report adds that 'research shows that the current £100,000 graduate earnings premium so often touted by politicians equates to an annual bonus of just £2,222 over 45 years of work and is wiped out once National Insurance and income tax are taken into account', and goes on to say that 'the premium is simply not enough even to cover the interest accruing on the average loan'. The report's authors point out that 'a graduate who borrowed the maximum for tuition fees and maintenance would, with interest, will owe around £53,000 after three years', and claim that 'the current system is fueling a self-perpetuating debt-generating machine which short-changes young people'. They go on to say that, 'if unpaid for the full 30 years before being written off, and if bank rates follow the pattern of the previous 30 years, this loan debt would reach £282,420'. They conclude that 'paying off these huge, unquantifiable and relatively unregulated debts will wipe out any graduate premium in all but the highest-paid professions', and that if the government were to decide to sell off their student debts to the private sector 'graduates could find themselves effectively indentured to an as-yet-unknown private banking entity'.

A copy of the Intergenerational Foundation report can be accessed at:

<http://www.if.org.uk/archives/8403/the-graduate-premium-manna-myth-or-plain-mis-selling>

(The report's analysis and findings only apply to England. Scotland does not charge fees for Scottish undergraduates studying in Scotland. Fees in Wales can be up to £9,000 but the Welsh government pays £5,100 of this for Welsh students. Northern Irish students studying in Northern Ireland pay £3,925 a year).

### **Students from other EU member states owe £1.3 billion in UK student loans,**

New data published by the Higher Education Policy Institute (HEPI) reveals that students from other EU member states now owe £1.3 billion in UK student loans. This compares to £958 million last year. Because of rapidly increasing levels of default on these loans, HEPI has called on the UK government to implement more robust measures, such as those seen in New Zealand, to recover the loan funds from defaulters. HEPI controversially argues that, as is the case in New Zealand, these measures should include defaulters being 'arrested like tax dodgers or benefit fraudsters if they return to Britain after leaving without paying their loans'. HEPI is also calling for these more robust sanctions 'to be written into the new Higher Education and Research Bill'. More information on the HEPI proposals can be accessed at:

<http://www.hepi.ac.uk/2016/07/28/student-loan-defaulters-treated-like-tax-evaders-benefit-fraudsters-new-hepi-study-higher-education-new-zealand-lessons-uk/>

### **Action taken to close 'fake' universities**

Degree fraud has become a serious concern in recent years, with recent investigations showing there are still around 190 'bogus universities' offering fake degree certificates in the UK. For example, last year, a website in China was found to be selling fake degree certificates from reputable UK universities for £500 each. Because of the growing problem, Prospects Higher Education Degree Datacheck (HEDD) has been commissioned by the UK government to initiate measures to reduce the number of unaccredited institutions offering worthless degrees, and to enable the government to bring prosecutions against them. As a result, more than 30 'fake' universities have recently been closed down. However, because around 80% of

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offenders falling into this category are based outside the country they cannot be prosecuted. A spokesperson for HEDD said, 'With the onset of the internet and distance learning degree fraud is a borderless crime and we must collaborate with other agencies around the world to deal with it'. Meanwhile, degree verification by HEDD has increased by 16% over the past year, and since 2011, HEDD has carried out more than 116,000 individual checks, resulting in the identification of 220 bogus institutions.

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

I hope that all **Click** Newsletter readers managed to get a restful break over the summer, and are returning to college, batteries recharged and ready for the fray. I, myself, went on an otherwise refreshing holiday to Skegness, which, in the event was spoiled because I had the misfortune to be exposed to a very distressing incident of domestic abuse. As I walked along the beach, I witnessed a man and a woman arguing and shouting at each other in front of a group of very young children. The man then hit the woman, and although she managed to hit him back, she clearly remained at risk from the man's violent behaviour. Fortunately, there was a policeman nearby, who intervened in an attempt to stop the violence. However, the man then turned on the policeman and attacked him. The policeman was forced to use his baton in self defence, but during the struggle, the man grappled the baton from the policeman and began to viciously hit him with it. He then attacked on the woman again and began hitting her with the baton. Then a crocodile turned up and stole all the sausages...

### **Alan Birks – September 2016**

*As usual, the views and opinions expressed in this newsletter are not necessarily those held by **Click CMS Ltd***

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