

SECTOR DEVELOPMENTS...

TECHNICAL AND FURTHER EDUCATION BILL 2016

The UK government has published its new Technical and Further Education Bill. The Bill applies to all general FE colleges (GFEs) and sixth form colleges (SFCs) in England and, amongst other things, sets out proposals for a new Special Administration Regime (SAR) covering the arrangements to be made in the event of the insolvency of a GFE or SFC. This, it is argued, will help 'ensure that learners will be protected', and will for the first time 'give creditors certainty about how their claims will be dealt with in the event of a college becoming insolvent' (although the Bill makes it clear that 'the interests of learners' will always take precedence over 'the interests of creditors'). When the Department for Education (DfE) first outlined its proposals earlier this year, it was stated that once post-16 area review recommendations had been implemented, there would be 'no further exceptional financial support' for failing colleges, in effect implying that they would be allowed to become bankrupt. However, the DfE appears to have reconsidered its position on this, and has now said that exceptional financial support *will* be made available if needed. A spokesperson for the DfE confirmed this, saying 'the Secretary of State wants any special administration to be successful and she will have wide powers to provide exceptional support funding, if necessary, to achieve this'. But there was a warning that 'while the special administration regime will provide a safety net for colleges and their learners', its use will be 'exceptional'. More cynical observers suspect that the real reason for the 'u- turn' may be because the DfE has now realised that banks may be tempted to foreclose on loans where colleges are in breach of their loan covenants, *before* the new insolvency regime is established, leaving the DfE to deal with the problem.

Meanwhile, the Association of Employment and Learning Providers (AELP) has responded to the DfE's change of position with undisguised disdain. Mark Dawe, the AELP Chief Executive said 'observers might be forgiven for thinking that no matter how incompetently an institution is managed, the government will always bail it out'. He also called on the government 'to provide a level playing field' between public and private providers', and for the government to revert to its previous position in respect of allowing private providers to 'take over ownership of failing colleges'. His comment relates to a section of the earlier draft of the 'Post-16 Area Review Due Diligence Framework', entitled 'Acquisition of an FE college by a Private Sector Organisation', which suggested that private sector training providers interested in acquiring a failing FE college could be allowed to do so. This, said the draft, was because 'private sector firms would have a better chance of turning a failing college' around since 'they may have different benchmarks and parameters as to what is acceptable in terms of both curriculum and financial performance of the college involved' (presumably meaning such things as lower pay and less favourable conditions of service for their staff). This, in turn, led to concerns about 'FE college fire sales' and 'public asset stripping by private sector companies'. However, the latest version of the Due Diligence Framework suggests that this will not be allowed to happen. In this version, the earlier reference to 'Acquisition of an FE college by a Private Sector Organisation' has been replaced with a new section entitled 'Partnership with a Training Provider', which simply says that 'a college may wish to look to form a strategic partnership with a training provider to better meet the needs of the local area'.

A copy of the Technical and Further Education Bill 2016 can be accessed at:

<http://www.publications.parliament.uk/pa/bills/cbill/2016-2017/0082/17082.pdf>

A useful government factsheet summarising the contents of the Bill can be accessed at

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/563497/Technical_and_Further_Education_Bill_factsheet.pdf

A copy of the latest Post-16 Area Review Due Diligence Framework can be accessed at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/561726/Due_Diligence_Framework_with_links.pdf

ROLE AND RESPONSIBILITIES OF THE IFA TO BE ENHANCED

The Bill also includes a proposal for the new Institute for Apprenticeships (IfA) to assume responsibility for the oversight of the whole of the post-16 technical education structure (excluding funding) in England, including the monitoring and regulation of the 15 professional and technical routes proposed in the Sainsbury Review report, and subsequently encapsulated in the UK government's Post 16 Skills Plan and White paper. To reflect this increased responsibility, it is also proposed that the IfA should be renamed the 'Institute for Apprenticeships and Technical Education' (IfATE).

MORE ON POST-16 AREA REVIEWS

The DfE has published a number of area review updates. The documents were initially expected to have been published in July, but were thought to be delayed by the changes to government departments and ministerial responsibilities in the wake of the EU referendum in June. The latest documents cover: implementation guidance for area review recommendations; the due diligence framework (see section above); guidance for local authorities (LAs); Local Enterprise Partnerships (LEPs) and combined authorities; updated guidance and application forms for colleges wishing to access the restructuring facility; updated guidance and application forms for SFCs wishing to convert to academy status; and further details of the areas and colleges involved in waves 4 and 5 of the area reviews.

The updated area review implementation guidance, and application forms and revised guidance for accessing the restructuring facility can be accessed at:

[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/561732/Revised Restructuring Facility Guidance with links.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/561732/Revised_Restructuring_Facility_Guidance_with_links.pdf)

Updated guidance for LAs, LEPS and combined authorities can be accessed at:

[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/561725/Guidance for Local Enterprise Partnerships Combined Authorities and Local Authorities - with links.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/561725/Guidance_for_Local_Enterprise_Partnerships_Combined_Authorities_and_Local_Authorities_-_with_links.pdf)

Updated guidance an application forms for SFCs wishing to convert to academy status can be accessed at:

[https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/561308/Becoming a 16 to 19 academy-advice for sixth-form colleges.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/561308/Becoming_a_16_to_19_academy-advice_for_sixth-form_colleges.pdf)

Full details of the areas and colleges involved in waves 4 and 5 of the area reviews can be accessed at:

<https://www.gov.uk/government/publications/reviewing-post-16-education-and-training-institutions-list-of-area-reviews/reviewing-post-16-education-and-training-institutions-area-reviews-waves-1-to-5>

THE FE COMMISSIONER SAYS THAT AREA REVIEWS 'WILL SAVE £200 MILLION' A YEAR

Speaking during at a recent House of Commons Education Select Committee's evidence session dealing with Post-16 Area Reviews, the FE Commissioner for England, Sir David Collins told members that process could produce 'benefits of £200 million plus per year', in return for an 'upfront cost of between £2 million and £3 million'. These figure were based on the colleges sector as a whole meeting 'an operating surplus of between 3% and 5% of turnover', which would then enable colleges 'to invest between £200 million and £360 million more per year in high-quality technical education provision'. Sir David went on to tell members that because schools sixth forms had been excluded from the current area review process. 'A general post-16 review of sixth forms would be very interesting', because there was evidence that 'pressure had been exerted on schools to maintain and develop their sixth forms almost at any cost', and that this had led to 'inefficiencies and serious weaknesses in quality' in some areas. However, he explained that the inclusion of schools sixth form in the current area review process 'couldn't have been done'. This, he said, was because there were 'far too many institutions, far too many individuals, and far too many independent bodies involved', and that this 'would have made their inclusion in the current review process impossible'.

THE FE COMMISSIONER SUGGESTS THAT FINANCIAL PRESSURES ON COLLEGES MAY BE EASING...

Speaking at a Westminster Education Forum seminar on 'The impact of area reviews and the forthcoming implementation of the UK government's Post-16 Skills Plan', Sir David Collins told attendees that the number of colleges in financial difficulty had 'reduced by almost half' since the area reviews had started, with the number of colleges experiencing financial difficulties contracting from 76 to 40. He nevertheless warned that there was still 'a lot of waste in some colleges', and that amongst those colleges he had visited that were in serious financial difficulties, 'not one had decent class sizes of 16-20, or had reduced their staff costs down to 63% of income, or had not overweighed itself with layer upon layer of management and administrative staff'.

...AND THE EFA DIRECTOR FOR YOUNG PEOPLE AGREES WITH HIM (SORT OF)

Speaking at the Association of Colleges annual conference in Birmingham, Peter Mucklow, the EFA's Director for Young People, said that initial data suggests that 48% of colleges will have made an operating loss for 2015/16, compared with 38% in 2014/15. Mr Mucklow described the projected increase as 'quite a big rise', but said that 'the final figure could end up being lower'. He also said the latest data showed the proportion of colleges in 'outstanding' or 'good' financial health was reducing over time. However he went on to say that colleges 'were seeing an overall increase in earnings in relation to adult education and training', and that this was 'something we haven't been able to say in many years'.

...BUT THE SHADOW SKILLS MINISTER FOR ENGLAND IS LESS OPTIMISTIC

Speaking at the recent AoC conference, Shadow Skills Minister for England, Gordon Marsden painted a gloomier picture. He told attendees that 'The decline of the financial health of colleges has been quicker than many expected', and that many colleges were now 'under severe pressure'. He went on to say that 'there so much potential in adult skills and lifelong learning', but that the government was not 'doing enough to help'. He argued that despite the 'dire situation facing colleges, area reviews and mergers were higher up on the government agenda', and that these priorities had now been joined by an 'insolvency regime' for colleges.

...AS IS THE FETL PROFESSOR FOR FE LEADERSHIP

The former Association of Colleges (AoC) Chief Executive Martin Doel, and now the Further Education Trust for Leadership (FETL) sponsored professor for FE Leadership at University College London (UCL), spoke at the Westminster Education Forum seminar mentioned above. Mr Doel told seminar attendees that the 'dire financial situation the FE sector found itself in' was 'the product of consistent, repeated cuts to funding'. He went on to say 'Had this occurred in the school system, we would have had anarchy, with head teachers going up and down the country, proclaiming about the difficulties they were facing. And had the same level of cuts happened in universities, we would have seen the end of civilisation as we know it'.

LEADING CONSERVATIVE POLITICIANS EXPRESS SUPPORT FOR FE

High profile Conservative politicians seem to be queuing up to express their support for FE. Examples include the following:

- The Conservative chair of the Education Select Committee, Neil Carmichael MP, has rejected the UK government's proposals to introduce more grammar schools in England, and has called for more investment in the FE sector instead. He went on to say 'There is much more to be done in respect of improving funding and expanding technical and vocational routes into the world of work, such as university technical colleges (UTCs) and the much-neglected FE Sector, all of which need more financial support'.
- And, in a speech given at the fifth anniversary of the 'Education Endowment Foundation' (a charity established in 2011 to improve the educational attainment of the poorest pupils in English schools, inspired by President Barack Obama's 'Race to the Top' programme in the US), the new Minister for

Education in England, Justine Greening said that the UK government had ‘for a long time, focused mainly on improving academic, rather than vocational-based education’, and that it was ‘now time to bring that same focus to technical education’. She went on to say ‘I don’t think we can afford to have any young person not delivering on their potential, which they otherwise might have done if we had taken more care of FE’.

- Ms Greening also spoke at the recent AoC conference in Birmingham and told attendees that ‘Now is the time to focus on skills and finally put technical education on a par with academic education’, but warned that this was ‘going to take a lot of hard work’. She went on to say ‘I hope in time we can create a consensus on how we can deliver’ and called on ‘the technical education sector to work collectively’. She said that this would mean ‘FE colleges working alongside new national colleges, helping us to drive up higher level qualifications for Levels 4 and 5’, with national colleges acting as ‘hubs with connections stretching out to FE colleges’. She also called for University Technical Colleges (UTCs) to be fully integrated into the English technical education system, but admitted that they were in a ‘nascent stage’.
- In his speech to attendees at the AoC conference, Robert Halfon, the new Minister for Skills and Apprenticeships, said that ‘every town should be proud of their FE college’ (assuming they still have one) and that he was ‘fed up’ with people talking down the sector. Instead, he said, ‘we should be celebrating our FE Sector, celebrating our principals, governors, teachers and the fact that FE colleges can help so many of those on low incomes get the qualifications they need’. He went on to say ‘I believe that colleges are not only beacons of education, but also civic institutions at the heart of our communities’, and that he wanted ‘colleges to be at the front of queue’ when employers were looking for training providers’

The Autumn Budget Statement will be presented to parliament on 23 November, and it will be interesting to see the extent to which this apparent new enthusiasm for FE will translate into additional cash for the sector.

THE UK HAS A ‘HORRIFYING’ SKILLS GAP

In the wake of the changes to UK government departmental structures, the House of Commons Education Select Committee has now assumed responsibility for scrutinising all of further and higher education, and skills and apprenticeships in England. The Department for Business, Innovation and Skills (BIS) Select Committee has been replaced by a new Business, Energy and Industrial Strategy Select Committee. However, the joint DfE and (former) BIS sub-committee on Education, Skills and the Economy has survived. Robert Halfon, the new Minister for Apprenticeships and Skills in England has spoken to the sub-committee for the first time, told members that the ‘skills deficit in the UK is horrifying’. He went on to say that the UK was ‘ranked 22nd out of the 28 EU countries for the proportion of employees in vocational training, and 18th for the number of hours of training employees undertook each year. He also told members that ‘Australia, Austria, Germany and Switzerland had three times as many apprentices as the United Kingdom, and that only 10% of people in the UK hold higher-level technical qualifications’. This, he said, was the reason for reforming technical education.

IoTTS REMAIN ‘AN IMPORTANT PART’ OF THE UK GOVERNMENT’S SKILLS STRATEGY

Mr Halfon also told members that Institutes of Technology (IoTts) remained ‘an important part of the UK government’s skills strategy’ for England. The former Chancellor of the Exchequer, George Osborne, first announced IoTts last year as part of a strategy to boost the UK’s productivity. Mr Osborne said that, alongside National Colleges, they were the ‘key to delivering the higher-level skills that local employers want and need’. However, apart from the recent launch of the UK’s first Digital Skills College, called ‘Ada College’, which is part of the University of London, and should not be confused with the former ‘Barry College’, or ‘Veronica College’ (I think I might have made this last one up), no further details have been forthcoming about how IoTts will be established (although, as part of their remit, area review steering groups have been asked to consider whether existing colleges in their area might be suitable candidates to become IoTts).

LORD SAINSBURY SAYS MORE FUNDING IS NEEDED TO DELIVER TECHNICAL EDUCATION REFORMS

Speaking at the AoC Annual Conference, Lord Sainsbury (who chaired the Independent Panel on Technical Education) called on the government to take a more realistic view of the costs of delivering high quality technical education. This was necessary, he said, if technical education in England 'was to have any chance of competing with our continental rivals'. He also said that it was imperative that the government provides the funds needed to meet the cost of implementing the recommendations made in the Panel's report, particularly the cost of replacing around 22,000 existing post-16 vocational qualifications with the proposed 15 new 'high-quality routes'. He said that this was vital 'if they were to have more chance of succeeding than other botched government reforms in the past'. He also said that 'some 16 year olds would not be ready for the technical qualifications or GCE A Levels, so they will require a transition year, which will also needs paying for'.

A copy of the Independent Panel on Technical Education report (Sainsbury Review) can be accessed at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/536046/Report_of_the_Independent_Panel_on_Technical_Education.pdf

And a copy of the UK government's Post 16 Plan (which encapsulates the Sainsbury Review recommendations for the reform of technical education in England) can be accessed at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/536043/Post-16_Skills_Plan.pdf

'ENGLISH TECHNICAL EDUCATION IS IN TATTERS' SAYS PROFESSOR ALISON WOLF

In Professor Alison Wolf's latest report, entitled '*Remaking Tertiary Education*', commissioned by the Education Policy Institute (EPI), and presented by Professor Wolf at the EPI's first annual lecture held in London on 14 November, she claims that that 'English technical education is in tatters'. She goes on to say that, in England, 'technical post-secondary awards now account for less than 2% of substantial qualifications being taken, and well under 1% of all qualifications funded'. This, she said, 'contrasts with most other developed economies, where these qualifications prove effective in developing advanced technical and applied skills'. She blames the decline of higher level technical qualification on successive governments which, over the last 30 years, had 'promoted large volumes of low-level vocational qualifications in the non-university sector'. Professor Wolf said that in 2014/15, only 4,900 learners achieved Level 4 or above awards, representing a 36% drop on the previous year, and pointed out that in 2014/15, there were 80 times as many university first degrees awarded. She said that where Level 4 and 5 qualifications were being delivered, they were 'not in subjects that met the needs of the UK economy or labour market', adding that 'most were business qualifications, with very few in engineering or other STEM fields where there is a serious skills shortage'. To redress this, she called on the government to create new 'high status' qualifications at Levels 4 and 5, that would be directly delivered by FE colleges, without any university involvement. She said that 'without these new higher level technical qualifications people will continue going to university for higher level study because they won't feel that Level 4 and 5 qualifications as they currently exist have any real recognition'.

She also described the current system for funding university degrees as being not only 'increasingly expensive and highly inefficient', but as also 'failing to serve the needs of our economy or of our students'. She said that the 'push for ever more university graduates' has resulted in an 'unsustainable higher education funding system'. She went on to warn that the ratio of student loans to net government debt is currently at 4% and is forecast to rapidly rise to a much higher level. She says that already, around 70% of full time students currently taking out loans are likely to never be able to repay them in full, and that 'the level of unpaid student debt will continue to rise steeply, as more and more people take full 3 year degrees, and then never earn enough to repay their loans because their salaries will be in the bottom half of the earnings distribution. A copy of Professor Wolf's report can be accessed at:

<http://epi.org.uk/wp-content/uploads/2016/11/remaking-tertiary-education-web.pdf>

STUDENTS FROM OTHER EU COUNTRIES WILL CONTINUE TO BE ELIGIBLE FOR FREE HE TUITION IN SCOTLAND.

Meanwhile, the Minister for Education in Scotland, John Swinney MSP, has confirmed that free university tuition for students from elsewhere in the EU (other than the rest of the UK, that is) will be extended to those starting courses in 2017/18, and will remain free for the entirety of their course. Mr Swinney also demanded that the 'Tory-Brexit government in Westminster guarantees their right to stay and work in Scotland after they graduate'. HE tuition fee policy is a matter for the devolved governments of Scotland, Wales and Northern Ireland, but it is perhaps worth noting that the application of Barnett Formula means that UK government public expenditure spending per head of population is around £1,700 higher in Scotland than it is in England, where HE tuition fees are £9,000 per year and rising, and current average student loan debts on graduation are around £44,000

'THINGS ARE GETTING WORSE FOR AN ENTIRE GENERATION OF YOUNG PEOPLE' SAYS SOCIAL MOBILITY COMMISSION

The Social Mobility Commission, chaired by Alan Milburn MP, has published its fourth annual report, which is entitled 'The State of the Nation: 2016'. The report's findings conclude that Britain has a 'deep social mobility problem which is getting worse for an entire generation of young people', with young people from low income families now becoming more likely to become low income earners themselves. The report says that the problem stems from 'fundamental barriers, including an unfair education system', and goes on to say that 'young people from low income homes with similar GCSEs to their better-off classmates are one third more likely to drop out of education at 16', and are '30% less likely to study GCE A Levels that could get them into a top university'. To help alleviate this, the report curiously calls on the government to 'extend school sixth form provision'. It also recommends that schools should 'be given a role in assisting FE colleges to deliver the government's Post-16 Skills Plan'. Other recommendations in the report call for 'low quality apprenticeships to be scrapped', for the numbers of 16-18 year olds not in education, employment or training (NEET) to 'be zero by 2022', and for 'a single UCAS-style portal should be developed over the next four years, so that young people can make better choices about their post-school futures'. A copy of the report can be accessed at:

<https://www.gov.uk/government/publications/state-of-the-nation-2016?platform=hootsuite>

APPRENTICESHIP FUNDING

Following a 3-month consultation period, the DfE has released a number of documents dealing with the level of funding for apprenticeships that will take effect from 1 May 2017. The main details include the following:

- For those employers that are not in scope of paying the apprenticeship levy, there will be a 90% contribution from the UK government towards the cost of training apprentices, and a 100% contribution to the cost of training apprentices who are aged 16-18, and those aged 19-24 who are care leavers, or who have an education and health care (EHC) plan.
- There will be a 'higher level of funding' for apprenticeship frameworks in science, technology, engineering and mathematics (STEM).
- For all employers, an extra 20% will be added to the upper funding band limit for 16-18 year olds. This in addition to the £1,000 provider and £1,000 employer incentive payments to take on apprentices aged 16-18. The extra funding will also be made available for apprentices aged 19-24 who are care leavers, or who have an EHC plan. The additional funding is being provided in response to concerns expressed during the consultation process, that the rate chosen for existing frameworks was based on the much lower level of funding for adults. The extra funding will be provided from Skills Funding Agency (SFA) budgets and will not be deducted from employer's levy accounts. However, the SFA warns that the arrangement is intended to be a 'one-year transitional measure designed to support stability whilst

providers adjust to the reforms’.

- £60 million of additional support will be provided for apprentices living in ‘areas of disadvantage’ (as measured by the ‘Index of Multiple Deprivation’). When the SFA first published its funding proposals, the current disadvantage uplift was excluded. However, concerns were expressed that, not only that this would cut funding for the most disadvantaged, the proposal to abandon the disadvantage uplift was not included in the initial funding consultation. In response to these concerns, the SFA says that it ‘will make available at least the same disadvantage payments as under the current system’. This means that providers will receive an additional £600 for an apprentice who lives in the top 10% of deprived areas, an additional £300 for any apprentice who lives in the 11-20% range, and an additional £200 for those in the 21-27% per cent range. These payments will come from SFA budgets and ‘will not be deducted from employers’ digital accounts’. Disadvantage payments will remain in place for one year while a ‘review of the disadvantage uplift’ is conducted. The review will consider ‘the best ways of ensuring apprenticeships provide equal opportunity to all, regardless of circumstances’, will ‘look at the role of employers, as well as training providers’, and examine the ‘differences in approach that may be needed in different parts of the country’.
- The expiry period for funds that employers hold in their digital accounts is to be extended from 18 months to 24 months. During the consultation period, employers and employer representative groups called for a longer expiry period in order to help them prepare for the new system and to adapt their training programmes. The proposals also include a commitment that, by 2018, employers will be able ‘to transfer digital funds to other employers in their supply chains or sectors, or to apprenticeship training agencies’.
- A new employer group will be established that will include the Confederation of British Industry (CBI), the Federation of Small Businesses, British Chambers of Commerce (BCC), the Charity Finance Group and Engineering Employers’ Federation (EEF), to ‘help develop system so that it works for employers’.

Copies of the key apprenticeship funding documents can be accessed at the websites below

<https://www.gov.uk/government/publications/apprenticeship-funding-from-may-2017>

<https://www.gov.uk/government/publications/apprenticeship-funding-and-performance-management-rules-2017-to-2018>

APPRENTICESHIP SUBCONTRACTING RULES ARE EASED

The initial guide to the new Register of Apprenticeship Training Providers (RoATP) published in August said that the SFA was seeking ‘a reduction in the level of subcontracting, in order to foster a more direct relationship between employers and training providers’. The earlier version of the guide included a requirement that a main provider would need to deliver at least half the training for each apprentice themselves. However, the AELP argued strongly for the continuation of the existing arrangements, and the latest version of the guide now says ‘we appreciate that maintaining the ability to subcontract will, at least for a transitional period, be important for employers and providers’, and goes on to say that ‘at the employer’s request, and subject to their agreement, main providers will be able to bring in subcontractors in to deliver the whole, or parts of, frameworks or standards’, adding that ‘we will *not* require the main provider to deliver a significant majority of each framework or standard they contract with an employer to deliver’. The revised guidance also says that providers with contract values below £100,000 should *not* have to apply to be included on the new register in order to be able deliver apprenticeships. The new register has been open for applications from 25 October, and the new guide says that ‘the first selection of assured providers will be drawn from those who complete their applications by 5.00pm on 25 November 2016’. A copy of the latest SFA guide to the new RoATP can be accessed at:

<https://www.gov.uk/government/publications/register-of-apprenticeship-training-providers-policy-information>

REGISTER OF APPRENTICESHIP ASSESSMENT ORGANISATIONS

In addition to the new RoATP, the SFA has also established a new 'Register of Apprenticeship Assessment Organisations' (RAAO). However, it seems that apprenticeship assessment organisations applying to be entered on the new register are being turned away 'in droves' because, according to the new interim Chief Executive of the IfA, Peter Lauener, they 'failed to meet the correct standards'. Mr Lauener, who is also Chief Executive of both the SFA and the Education Funding Agency (EFA), confirmed that thus far, only 21 out of the 161 organisations that applied to be entered on the register had reached these 'required standards'. As a result, it appears that as the end of last month (October), there were no approved awarding and assessment organisations for 42% (1,790 out of 4,240) of starts on new apprenticeship standards. A DfE spokesperson admitted that it was 'proving difficult to recruit a sufficient number of high quality assessment organisations', and went on to say that the DfE was 'working with the SFA to raise awareness of the register and encourage more assessment organisations to sign up'. More information on the new register can be accessed at:

<https://www.gov.uk/government/collections/register-of-apprentice-assessment-organisations>

COST OF DIGITAL APPRENTICESHIP SERVICE (DAS) UNDER SCRUTINY

The stated aim of the DAS is 'to help employers to take control of delivering apprenticeships'. The DAS will list the new apprenticeships standards that are available, and employers will be able to set up a 'digital account' through the DAS that will enable them to 'access funding for apprenticeship training, choose the type of apprenticeships they want to run, and the number of apprentices they take on, and to choose an appropriate training provider'. The DAS will also incorporate information previously provided through the SFA's 'FE Choices' website (formerly known as the 'Framework for Excellence' website) that was closed down at the end of October after three years in operation, amid allegations that each site visit had cost an average of £375. A spokesperson for the DfE said that the cost of DAS, including build and operating costs, would be 'less than 0.5% of the value of the levy', and that the cost 'would be met separately by government, and not from funds raised from the levy'. The spokesperson went on to say that the funding being made available was intended to cover 'both the costs incurred by the SFA and charges for services provided by external suppliers, such as web development and design, and user research'. With the levy estimated to generate around £2.5 billion each year, this would suggest that the expected cost of operating the DAS will be in the region of £12.5 million. More information on the DAS can be accessed at:

<https://www.gov.uk/government/news/employers-and-training-providers-to-road-test-the-new-digital-apprenticeship-service>

IPPR PROPOSES THAT LEVEL 2 APPRENTICESHIPS SHOULD BE 'FE COLLEGE ONLY'

In 2015/16, 130,400 young people aged 16-18 started apprenticeships, of which 86,700 (66%) were on Level 2 frameworks. However, the Institute for Public Policy Research (IPPR) has produced a report entitled '*Earning and Learning- Making the Apprenticeship System work for 16-18 year olds*', which proposes that all existing Level 2 apprenticeships for 16-18 year olds should be 'phased out, and replaced with a new apprenticeship programme to be offered only by FE colleges, or not for profit providers'. In justifying their proposals, the report's authors say that 'young people who leave full-time education with a Level 2 qualification have an employment rate that is almost 20% lower than those who leave full-time education with a Level 3 qualification'. They also claim that wage levels for those with Level 2 qualifications are lower, that currently only 39% of those with Level 2 qualifications progress to Level 3 courses, and that youth unemployment is being made worse by having 'too many 16-18 year olds studying Level 2 courses that do not help them progress through vocational education or into work'. They recommend that all existing Level 2 apprenticeships should:

- Be replaced by 'distinct pre-apprenticeship programme, with one for each of the 15 new technical pathways'.
- 'Only be offered by FE colleges, or training providers which are run on a not-for-profit basis'.

- Include more 'off the job' training, and more general education (including English and mathematics).
- Lead to a 'nationally recognised, transferable qualification' at the end of the programme.
- Be 'designed to help young people move onto a full Level 3 apprenticeship programme at age 18 or 19'.

The authors also suggest that because many employers appear to be reluctant to hire young apprentices, they should receive a financial incentive to do so. Representatives of the FE college sector have generally welcomed the IPPR proposals. However, as might be expected, the AELP chief executive Mark Dawe, has argued vociferously that 'we should be debating what is in the best interests of young people based on evidence, rather than institutionally-biased proposals'. A copy of the IPPR report can be accessed at:

http://www.ippr.org/files/publications/pdf/earning-and-learning_Nov2016.pdf?noredirect=1

UP TO A THIRD OF APPRENTICESHIP PROGRAMMES 'MAY NOT BE FIT FOR PURPOSE', SAYS NEW REPORT

The think tank 'Policy Exchange' has produced a report entitled '*The skills we need, and why we don't have them- How apprenticeships should be reformed to make the UK compete on the global stage*'. The report says that 'as many as a third' of the new approved apprenticeship standards 'do not represent value for money', and goes on to claim that, 'as a conservative estimate, around £500 million will be spent each year supporting young people and adults to undertake apprenticeships, which are not actually apprenticeships'. In arriving at this figure, the authors compared all apprenticeship frameworks and standards released by July this year with the International Labour Organisation (ILO) definition of an apprenticeship. They also compared apprenticeship standards in the same occupational grouping, and benchmarked them against apprenticeship standards in other countries. The report says that 'in the authors estimation, around 30-40% of approved apprenticeship standards do not meet ILO definitions' and that 'most include content that is insufficiently stretching to meet the demands of the profession and the level of qualification within it'. The research also says that many apprenticeship programmes 'do not involve substantial and sustained training' and are 'just rebadged CPD courses'. The report's authors say that it is 'hard to place much blame on employers and employer groups who have worked hard and in good faith within the Trailblazer process to design a programme to meet their sector's skills needs'. Instead, they say that the fault lies with the government, which has 'failed to clearly define what the reforms were supposed to achieve and what was meant by an apprenticeship', and had 'moved away from internationally recognised definitions'. A copy of the Policy Exchange report can be accessed at:

<https://policyexchange.org.uk/wp-content/uploads/2016/11/Apprenticeships.pdf>

PRISONERS TO BE ALLOWED TO TAKE APPRENTICESHIPS

At the moment, prison education is delivered through the Offender Learning and Skills Service (OLASS). OLASS contracts are currently held by three FE colleges and one independent learning provider. Offenders have not been allowed to take up an apprenticeship while in prison. However, a new 'prisoner apprenticeship pathway' is to be introduced as one of a number of proposals to reform prison education included in the Prison Safety and Reform White Paper entitled 'Prison Safety and Reform', published by the Ministry of Justice and National Offender Management Service earlier this month (November). The new pathway will mean that the education and training an offender undertakes whilst in prison can count towards an apprenticeship after a prisoner's release. The White Paper says that the introduction of the prisoner apprenticeship pathway means that prisoners 'will have access to the same high quality training and education that an apprentice could expect in the community', and goes on to say that 'prisoners will not need to repeat training that they have successfully completed in custody when they are released'. The White Paper also includes proposals to hand over responsibility for education and training provision for offenders to prison governors, which will give them the freedom to commission their own providers, once their existing contracts have come to an end. The first prisoners are expected to begin the new pathway in 2017. A copy of the White Paper can be accessed at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/565014/cm-9350-prison-

[safety-and-reform- web .pdf](#)

GFE OFSTED INSPECTION GRADES DETERIORATE IN 2015/16

The proportion of GFEs graded 'inadequate' by Ofsted increased in 2015/16, with just one GFE graded as 'outstanding'. Of the 65 colleges inspected, 43% were graded as 'requires improvement' and 19% were rated 'inadequate'. This compares with the previous year, when just 10% of GFEs inspected were judged as 'inadequate'. Of the GFEs inspected in 2015/16, most saw their Ofsted rating fall, with fewer than one in five receiving an improved Ofsted grade. Against this, the overall performance of SFCs inspected improved in 2015/16 compared with 2014/15. No SFCs were graded 'inadequate', and 9 of the 16 SFCs inspected were rated 'good' or 'outstanding'. And of the 92 independent training providers inspected by Ofsted in 2015/16, 66% were rated 'good' or 'outstanding'. Commenting on the data, an Ofsted spokesperson said 'While it is good to see that there have been some improvements for sixth-form colleges and independent learning providers, this cannot be said of general further education colleges'. This would seem to reflect the earlier comments made Ofsted Chief Inspector for England, Sir Michael Wilshaw, when he caused outrage in the FE sector by saying that 'all 16-19 learning should be done in a school-based environment, not in an FE institution'.

A spokesperson for the AoC pointed out that currently, 78% of all colleges have been judged by Ofsted as 'good' or 'outstanding', and argued that the single main reason for the deterioration in GFE Ofsted grades was the increased focus currently being given by Ofsted inspectors to the performance of GFEs in enabling students aged 16-18 who failed to gain a grade C in English and mathematics whilst at school, to achieve this grade or better, whilst at college. This was despite the fact that these examinations are often re-taken after only around 26 weeks of study. The spokesperson called on Ofsted to undertake 'appropriate benchmarking' and to 'take account of value added measurements in order to ensure that those colleges that perform relatively well with resit candidates, are given the credit for doing so'. The AoC spokesperson also argued that the context within which colleges operated was rarely taken into account during inspections, and that 'this begs the question of whether the current Ofsted Common Inspection Framework (CIF) is fit for purpose, particularly if it fails to recognise the distinctive role of colleges and the challenges they face'.

ALTERNATIVE ENGLISH AND MATHEMATICS QUALIFICATIONS SOUGHT FOR STUDENTS WITHOUT A C GRADE

The combined number of GCSE entries in English and mathematics amongst students aged 16-18 rose by around a third in 2015/16 compared with the previous year. However, the A*-C pass rate in English dropped to 26.9% compared with 35.1% the previous year, and in mathematics it fell to 29.5% compared with 35.8% the previous year. The UK government is now being called upon to abandon its policy of compulsory GCSE English and mathematics resits for all young people in England aged 16-18 who did not achieve C grades in GCSE whilst at school. The AoC, the AELP, Landex (a consortium of land based education and training providers), the University and College Union (UCU), the Association of Teachers and Lecturers (ATL), Hoxex (a consortium of adult education providers), and the Association of School and College Leaders (ASCL), have now joined forces to call for the policy to be changed, and for equivalent qualifications in English and mathematics, more appropriate to the needs of these students, to be allowed as an alternative. Even the Ofsted Deputy Director for FE and skills, Paul Joyce, has admitted that there are 'serious questions to be answered about the GCSE resits policy', and has said that it was 'fair to ask whether GCSE is the right qualification for everybody'. Despite this, a DfE spokesperson seemed unconvinced by the need for any change in the current policy, saying that 'School-leavers who achieve their GCSEs significantly increase their chances of securing a good job, an apprenticeship or progressing to further learning' and claiming that 'thousands more students are successfully resitting their maths and English GCSEs each year'.

But speaking at the AoC annual conference in Birmingham, Education Secretary for England, Justine Greening said that she wanted to see further education providers 'become centres of excellence' to help

young people 'to get the English and maths qualifications they need'. When asked by an attendee about the rising numbers of GCSE English and mathematics resits in colleges, she said 'We need to think quite carefully about how we strike the right balance between a system that stretches people, so we're not giving up on someone being able to reach their potential because it's hard for them to do that, but how to get them from A to B quickly so they're not spending time running upwards against a brick wall that they're not going to get over'. And, also speaking at the AoC conference, Minister for Skills and Apprenticeships, Robert Halfon, told attendees that he accepted that GCSEs were 'not always the best option for FE students'. Mr Halfon said, 'It is clear that we need a credible, high-quality option for students for whom GCSEs are not appropriate or achievable', and went on to say this was why 'we are reforming Functional Skills to make sure that they are genuinely relevant to employers, and consequently have credibility and prestige in the jobs market'.

AOC RESEARCH SHOWS THAT GCSE RESIT RESULTS ARE WORSE IN AREAS OF HIGH SOCIAL DEPRIVATION

Recent analysis of 2015/16 GCSE results by the AoC reveals that post-16 students from the most deprived parts of the country make the least progress in GCSE resits in English and mathematics. The research shows that, on average, students who had previously achieved a grade D in these subjects, saw their grades drop after resits, and that the decrease was 'most pronounced among students from the poorest parts of the country'. In mathematics, resit results for students from the 10% most deprived parts of England (as measured by the Index of Multiple Deprivation) dropped on average by 0.8 of a grade, four times as much as in the least deprived areas. The pattern was similar in English. In the most deprived areas, students' scores dropped by an average of 0.9, compared with 0.5 in the least deprived areas. The analysis also reveals that in mathematics, students' grades tended to deteriorate more as time went on. Students aged 16 who had previously achieved a D, scores dropped by an average of 0.4 of a grade, but at age 18, the drop was 0.9 of a grade.

CONDITION OF FUNDING RULE WILL NOT BE FULLY APPLIED TO COLLEGE 2017/18 EFA ALLOCATIONS

College EFA 16-18 funding allocations are determined by student numbers enrolled in previous years, as modified by the 'condition of funding rule'. This rule states that any 16-18 student who does not have a grade C in English and mathematics and fails to enrol in these subjects whilst at college, will be removed in full from the data that helps determine a college's next but one year's funding allocation. The rule has its origin in Professor Alison Wolf's 2011 Review of Vocational Education, in which she recommended that all students aged 16-18 that did not have a at least GCSE grade C in both English and mathematics should continue to study the subjects to age 18 or they had achieved a GCSE grade C *or equivalent*. The recommendation became part of the 16-18 study programme requirement in 2013/14, and was made a condition of funding in 2014/15. The condition was changed a year later to require all of those with a grade D in those subjects to do to a GCSE course, rather than an equivalent 'stepping stone' course.

But in September last year, the DfE controversially announced that it would not fully apply the rule in respect of 2016/17 EFA allocations (which were based on college 16-18 enrolments in 2014/15). It said that instead, the penalty would be halved, and would only apply to colleges where more than 5% of relevant students (by value) did not comply with the funding condition. Following on from this, Peter Mucklow, the EFA Director for Young People, announced to attendees at the AoC Conference, that the 5% threshold would continue apply to college EFA funding allocations for 2017/18 (which will be based on college enrolments in 2015/16). Mr Mucklow said that the decision (which was apparently taken by ministers) was made in recognition of the 'huge effort' made by colleges and other providers in providing English and mathematics programmes for those without a GCSE grade C in those subjects, but warned that the arrangement was for one year only.

LATEST SFCA 'FUNDING IMPACT SURVEY' IS PUBLISHED

There are more than 160,000 young people aged 16-18 currently enrolled in SFCs, and the SFC sector collectively accounts for around 20% of the GCE A Levels taken in England. Each year the Sixth Form Colleges' Association (SFCA) conducts a 'Funding Impact Survey', the latest of which reveals that:

- 90% of SFCs are 'concerned' or 'extremely concerned' about the financial health of their college.
- 64% of SFCs did not believe the amount of funding they will receive next year (2017/18) will be sufficient to support educationally or economically disadvantaged students.
- 66% have dropped courses this year (2016/17) as a result of funding cuts and the increase in the cost of delivering the curriculum.
- 39% have dropped courses in modern foreign languages such as German, French and Italian.
- 15% have cut STEM (Science, Technology, Engineering and Mathematics) courses.
- 69% of SFCs are actively exploring 'academisation'.

The report also says that per-student funding for sixth-form students in England is now '20% lower than that for pupils in schools aged 11-16, and 47% lower than the average university tuition fee of £8,636'. As might be expected, the report concludes that 'More investment from the government is essential if sixth-form colleges, school and academy sixth forms are to continue providing young people with the high-quality education they need to progress to higher education and employment'. Responding to the report, a DfE spokesperson said 'We have protected the base rate of funding for all post-16 students until 2020. We've also ended the unfair discrimination between colleges and school sixth forms and we now ensure funding is based on student numbers, rather than discriminating between qualifications. A copy of the SFCA report can be accessed at:

<http://www.sixthformcolleges.org/sites/default/files/191016%20SFCA%20Funding%20Impact%20Survey%20FINAL.pdf>

ANOTHER UNIVERSITY TECHNICAL COLLEGE (UTC) IS TO CLOSE

Wigan UTC is to close after the Bright Futures Educational Trust (BFET) announced that it was 'relinquishing its sponsorship'. The reason given for this was that low levels of pupil enrolment had meant that the trust could 'no longer afford to keep it going'. Wigan UTC has been open for three years, but it currently has just 65 pupils enrolled, despite having a capacity for 500. It will be the sixth UTC to close of the 48 opened since the programme was launched in 2010. Meanwhile, Bolton UTC, some ten miles from Wigan, is currently engaged in a consultation exercise to allow pupils to enter from age 11 instead of age 14, (thereby effectively becoming a secondary school). Despite the continuing closures, the new Minister for Further Education, Skills and Apprenticeships in England, Robert Halfon told attendees at the Edge Foundation Annual lecture, 'I actually love UTCs'. He said that he thought that 'UTCs were incredible' and that he 'strongly disagreed' with the comments made in a recent article in the Times, entitled 'Technical colleges flop as they fail to recruit pupils'. He went on to argue that the UTC programme would 'take time', but he was convinced that it would eventually 'show clear benefits to students in the long term'.

INCREASE IN THE NUMBER OF FREE SCHOOLS THAT ARE PLANNED BUT NEVER OPEN

Figures recently released by the DfE show that thus far, nearly £2 million has been spent on free schools that have subsequently failed to open. Current rules state that, should a free school fail to open, 'set up' funding cannot be reclaimed as long as it has been spent in line with DfE funding rules. The latest DfE data shows that 5 of the 60 free schools planned to open in 2015 failed to open. Commenting on this, Shadow Education Minister for England, Angela Rayner said 'These new figures show that free schools have become a costly obsession of the government'. Against this, a spokesperson for the New Schools Network, which supports the opening of even more free schools, insisted that free schools 'remain the most cost effective way of meeting the demand for new school places'.

UK GOVERNMENT PLAN TO FORCE ALL SCHOOLS IN ENGLAND TO BECOME ACADEMIES IS ABANDONED.

The government Bill to legally force all schools in England to become academies by 2022 has been amended to simply say that all schools will be 'encouraged' to convert to academy status. Education Secretary for England, Justine Greening said that although the government's ambition 'remains that all schools should benefit from the freedom and autonomy that academy status brings', the focus would now be on 'building capacity in the system and encouraging schools to convert voluntarily'. It is believed that Ms Greening's statement now clears the way for other draft proposals to be brought forward, including Prime Minister Theresa May's plans for more grammar schools in England.

HAS THE OUT-GOING FE COMMISSIONER BECOME 'DEMOB' HAPPY?

It seems that the out-going FE Commissioner, Sir David Collins was recently asked what should be done to improve the standard of mathematics in schools. He is said to have responded by saying 'Fine them! Transfer the money to FE! That would make a good headline. I am retiring and I don't care anymore'. And when asked what was the single most important barrier he faced in doing his job over the past two years, he is reported to have replied 'The personalities of odd principals and odd chairs of governors', and added 'If I had been given a budget for a very small mafia contract, the area review process would have been both smoother and quicker'.

CHANGE OF NAME FOR THE 157 GROUP

The 157 Group was established in 2006 in response to the review conducted by Sir Andrew Foster on the future role of FE colleges. In paragraph 157 of the report (from which the group took its name) Sir Andrew called on principals of large colleges to play a greater role in policymaking. The 157 Group has now been rebranded as the 'Collab Group' with a new mission focusing on 'joint commercial activity in key sectors'. The group's new chief executive Ian Pretty says the consortium will also be 'at the vanguard of developing the UK government's Institutes of Technology strategy'. Mr Pretty went on to say that the membership of the group had grown from 26 to 32 over the nine months and it was 'not yet at its upper limit'. The newest member is West Scotland College, joining North East Scotland College as one of two 'Collab' members north of the border.

AOC INDIA CLOSURES

AoC India, a partnership of 33 FE colleges established with the aim of providing UK-standard vocational education and training programmes to India, is to close four years after it was established. Each member college initially invested £20,000 for a two-year membership, but only eight members chose to continue with the project after this period. These have now agreed to terminate the partnership. Members said that in setting up the partnership, they were responding to 'government policy' that encouraged them to promote UK FE overseas, but that this policy now appeared to have changed. Commenting on this, a DfE spokesperson said 'It is up to individual colleges as to how they manage their partnerships, both in the UK and overseas'.

GAZELLE GROUP PARTNER COMPANY CLOSURES

The company that the Gazelle Colleges Group employed to run a competition to help teach young people entrepreneurial skills has been dissolved. 'Pants to Poverty Ltd' described itself as an 'ethical fashion company' selling underwear made of 'Fair Trade' cotton, and from 2012 to 2015, ran a contest on behalf of the group (initially called the 'Pantpreneur Challenge') to encourage college students to work on business projects that involved designing, marketing and selling custom-made underwear. The project claimed to have supported 5,000 farmers in India, and students that won the competition were to be given the opportunity to visit India and work with the farmers and factory workers who made the underwear they had sold. The closure of the company was blamed by the founder on the 'crushing government cuts in the FE sector'.

AND FINALLY...

A group of FE college students on a Military Preparation Course were out on a week-long residential field trip. In addition to physical fitness activities, such as running around a field carrying heavy logs, they were being taught survival skills, such as how to pitch a tent and how to start a fire by rubbing two boy scouts together. They were also being taught the importance of being able to improvise and to 'live off the land'. Two of the students were out on an orienteering exercise, when they noticed two men behaving in a peculiar manner. As they got closer, they observed that one of the men was holding the other by the ankles over a bridge across a fast-flowing river. The man who was being held had his hands in the river. Suddenly, he shouted 'Pull me up quick!' His companion did so, and the students were startled to see that he had a fresh salmon thrashing about in his grip. The students were very impressed by this, and being mindful of the need to develop their own survival skills, they agreed that they would have a go at this themselves. So, at the very next bridge they came to, one student held the other by the ankles and lowered him down over the parapet. Time passed by, and the student holding the other by the ankles asked, 'Anything yet'. 'No!', shouted the student being held. More time passed by and, with his muscles aching the student holding the other one asked once again 'Anything yet?', to which question the student being held once again shouted 'No!' Even more time had passed by when suddenly, the student being held yelled 'Quick! Quick! Pull me up!' 'Have you caught a fish?', the other student asked. 'No!' yelled the student being held, 'There's a train coming!'

Alan Birks – November 2016

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