

SECTOR DEVELOPMENTS...

AREA REVIEWS

Recommendations from the Area Review process (which ended in March) included the following:

- 56 general FE (GFE) colleges should merge with one or more other GFEs
- 8 SFCs should merge with a GFE college
- 49 sixth-form colleges (SFCs) should convert to an academy (and join an academy chain)

However, not all area review recommendations have been acted upon, or even welcomed. Of the 39 recommendations for mergers made in the first three waves of the area reviews, 14 have fallen through. Also, the new combined authorities that now have responsibility (and the budgets) for skills in their areas are questioning the rationale of some area review recommendations. Commenting on the area review recommendations for Greater Manchester, Jim McMahon, MP for Oldham West and Royton, said, 'There is no point in devolution if the combined authorities simply dance to the tune of disconnected civil servants'. Meanwhile, more than £6 million in transition grants and almost £3 million in restructuring funds has been allocated to GFEs and SFCs to date, to help fund the implementation of area review recommendations.

FE SECTOR FINANCIAL HEALTH CONTINUES TO DECLINE

The annual reports of the Skills Funding Agency (SFA) and the Education Funding Agency (EFA) for the period from 1 April 2016 to 31 March 2017 were published earlier this month (July). They will be the last reports of the two agencies, since on 1 April this year they merged to form the Education and Skills Funding Agency (ESFA). The reports show that the financial health of the FE sector as a whole continues to decline, resulting in greater levels of intervention. The reports reveal that:

- The number of providers currently under a notice of concern (NOC) from the SFA has risen. There were 89 providers with a current NOC (up from 59 in 2015/16). This is largely due to the increase in the number of private providers being issued with a NOC. The number of FE colleges, local authority-maintained institutions, or specialist designated institutions being issued with NOCs has remained relatively stable.
- The amount of time that colleges and SFCs are spending in formal intervention has increased to 95 weeks (up from 82 weeks in 2015/16).
- More colleges have needed exceptional financial support (EFS). A total of £4.15 million in EFS was issued in 2016/17. The total balance of EFS loans outstanding is now £47.13 million.
- £2.85 million in restructuring funds were allocated to support GFEs and SFCs required to make organisational changes (including staff redundancies) following the area reviews.
- The SFA spent a total of £3.22 billion in 2016/17 (down from £3.44 billion in 2015/16). The agency says this 'in line with the reduction of funding from the Department for Education (DfE)', and that it also 'reflects the transfer of responsibility for funding capital projects at FE colleges from the SFA to local enterprise partnerships (LEPs)'. The SFA underspent its 2016/17 budget by £156.8 million (4.6%).

A copy of the 2016/17 SFA report and accounts can be accessed at:

<https://www.gov.uk/government/publications/skills-funding-agency-annual-report-and-accounts-2016-to-2017>

And a copy of the 2016/17 EFA report and accounts can be accessed at:

<https://www.gov.uk/government/publications/education-funding-agency-annual-report-and-accounts-2016-to-2017>

DfE UNDERSPENDS ITS 16-19 BUDGET FOR TWO YEARS RUNNING

The DfE underspent its 16-19 budget by £135 million in 2014/15 and £132 million in 2015/16. Skills and Apprenticeships Minister for England, Anne Milton said that these underspends 'did not affect funding per student'. She was unable to say if there would be a similar underspend in 2016/17 because, she said, 'final expenditure figures are not yet available'. Critics have argued that these underspends are difficult to defend in light of the numbers courses being cut, class sizes being increased, support services being reduced and college staff being made redundant because of a lack of funding.

ROBERT HALFON APPOINTED CHAIR OF EDUCATION SELECT COMMITTEE

The former Apprenticeships and Skills Minister for England, Robert Halfon, has been elected as the new chair of the Education Select Committee. Mr Halfon was surprisingly dropped from his ministerial job in June after just a year in the role.

JUSTINE GREENING ANNOUNCES A NEW 'NATIONAL LEADERS OF FURTHER EDUCATION' PROGRAMME

Justine Greening has announced the establishment of a new 'National Leaders of Further Education programme' to help to 'lift up areas of the FE sector that are further behind than others'. Ms Greening said that the programme will 'recognise and identify the best principals and senior leaders across the FE sector', and 'ensure that they are empowered to spread their expert knowledge and experience across the sector'.

ARMED FORCES PERSONNEL TO BE RETRAINED AS FE TEACHERS

The Education and Training Foundation (ETF) has announced that the University of Portsmouth and the University of Brighton have been chosen to retrain former armed forces personnel as FE teachers under the 'Further Forces' programme. The 'Further Forces' programme is intended to help those leaving military service who do not have degrees, but possess relevant technical skills, to train to become teachers in science, technology, engineering and mathematics (STEM) in FE colleges. The ETF is contributing £550,000 towards the scheme, with the Gatsby Charitable Foundation providing an additional £300,000. The first cohort of 110 former armed forces personnel will join the scheme this September.

THE FIRST T-LEVELS TO BE DELAYED UNTIL SEPTEMBER 2020

The first two T-Level pathfinder qualifications were scheduled to be approved by February 2019, with teaching to commence in September 2019. The remaining routes were to be phased in between 2020 to 2022. Most awarding organisations (AOs) claimed that this timeframe was undeliverable. In response to their concerns, the new Minister for Apprenticeships and Skills in England, Anne Milton, has announced that introduction of the first T-Level qualifications will be put back by 12 months, but said that the remaining T-Level routes will be introduced, as planned, in September 2022. The timetable for introducing T-Levels has been further affected by the fact that no-one has yet been appointed to join the advisory development panels tasked with the development of the new qualifications. Furthermore, a recent report produced by 'Frontier Economics' for the DfE says that the recommendation that there should be just one AO per qualification 'may not be viable', and that limiting access to a single AO creates a 'risk of system failure', because if a single AO fails, there may be no alternative AO that can step in to replace it.

DfE ALLOCATES FIRST INSTALMENT OF INVESTMENT IN T-LEVEL PROGRAMMES

The DfE has announced the first £65 million instalment of the £500 million annual investment in T-Levels announced in the March budget. £50 million of this is to be used to help create the 'high quality' work placements of between one and three months (140 and 460 hours), which are a key component of the T-Level design specification. The DfE says that the funding is intended to 'incentivise businesses in England to offer high-quality work placements'. The remaining £15 million will be used to support the development of T-Level curriculum content.

EMPLOYERS MAY BE SUFFERING FROM 'WORK EXPERIENCE FATIGUE'

The DfE has commissioned research focusing on 'existing good practice in providing substantial work placements from the Learning and Work Institute (LWI) and from 'The Challenge' (a 'social cohesion' charity). The initial findings of research conducted by the LWI, in partnership with Fair Train (a workforce development body) were published earlier this month (July). The report warns that employers may already be experiencing 'work experience fatigue' as a result of the number of requests they receive from learning providers, and that 'a more coordinated approach will be needed to ensure this issue is not exacerbated'. The report goes on to say that it is likely that 'further investment (in addition to the £50 million above) will be needed to incentivise employers to boost the number, range and quality of work placements offered'. The report also recommends the development of a 'national set of standards and guidance for implementation, moderation and assessment of work placements'. A copy of the LWI research findings can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/625526/Work_placements_-_a_call_for_evidence.pdf

DfE ACCUSED OF 'UNNECESSARY DUPLICATION' OF T-LEVEL OCCUPATIONAL PANELS

The DfE intends to appoint 'up to 150 industry experts' (who will be unpaid) to join the 15 occupational panels of the Institute for Apprenticeships (IoA). The DfE also intends to appoint 'up to 100 experts' (who will be paid) to join the 15 occupational panels set up to help develop the new T-Levels. However, both panels cover the same 15 new occupational routes. This apparent 'lack of joined up decision making' has led to the DfE being accused of 'unnecessary duplication'.

INSTITUTES OF TECHNOLOGY (IOTS)

The government first announced plans for IOTs in July 2015, and then again in the Post-16 Skills Plan published in July 2016. A £170 million capital fund to support the development of IOTs was announced in January 2017. After this, very little new information was forthcoming until the publication of the Conservative general election manifesto. The manifesto abruptly dismissed any earlier assumptions that IOTs would 'grow out of existing high-quality FE providers'. Instead, said the manifesto, IOTs would be 'backed by leading employers and linked to leading universities'. And rather than specialising in 'higher-level technical qualifications', IOTs would provide 'courses at degree level and above in technical disciplines', along with 'higher-level apprenticeships and bespoke courses for employers'. The DfE now says that 'around 10 to 15' IOTs will be established by the end of the current Parliament. The application process for those interested in setting up an IOT will consist of two stages. First, consortia of employers and education providers will be asked to come up with 'a strategic case justifying the market need' along with 'robust evidence and a plan for delivery'. Then DfE will then ask shortlisted consortia to produce 'a full business case'. However, the DfE has declined to provide firm dates for this. For those with long enough memories, it will be interesting to observe how the IOTs will differ from the 'cutting edge' New Technology Institutes (NTIs) set up in 2004 with Learning and Skills Council (LSC) funding, and which then disappeared (along with the LSC) a few years later.

BAKER DEARING TRUST CALLS FOR PREFERENTIAL TREATMENT FOR UNIVERSITY TECHNICAL COLLEGES (UTCs)

Earlier this year, the DfE provided funding to local authorities to enable them to send letter to parents informing them of options for their children to join UTCs at age 14. The DfE also agreed to provide additional funding for UTCs worth a total of £31 million to help UTCs attract more students. The DfE says that this 'transitional funding' is in recognition of 'the particular pupil recruitment challenges faced by UTCs in their early years'. The funding, worth £200,000 to each UTC in each of the current and next two academic years, is intended to 'ensure that each UTC has enough resource to carry out the vital marketing and pupil recruitment activity, as well as implementing a fully integrated broad and balanced technical and academic curriculum'. Further details can be found in the '*Guide to new University Technical College revenue funding 2017 to 2018*', [which can be accessed at:](#)

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/607904/UTC_revenue_funding_2017.pdf

Following a recent report by the National Foundation for Educational Research (NFER) entitled *'Behind the Headlines'*, which recommended that the government should provide more financial support for the programme, the Baker Dearing Trust (BDT), has now called on the DfE to allocate more funding per pupil to UTCs than to mainstream schools. Peter Wiley, BDT's Director of Education, argues that the additional financial support should be in the form of a 'technical premium' in the schools funding formula in recognition of the fact that 'UTC vocational courses are more expensive to deliver' and that UTCs 'require specialist equipment' (arguments that would no doubt be recognised in the FE sector). In addition, the BDT wants schools to assess which pupils might benefit most from attending a UTC, rather than 'just sending them unsuitable learners'. The BDT claims that there have been 'many instances of youngsters joining UTCs just to avoid being permanently excluded from their school'. The BDT is also calling on the government to implement the other main recommendations of the NFER report, which were that an 'alternative curriculum should be developed for UTCs and that 'more sympathetic' key performance indicators (KPIs) should be used to measure UTC success and value-added rates. A copy of the NFER report can be accessed at:

<https://www.nfer.ac.uk/publications/IMSA01>

HOUSE OF LORDS INQUIRY INTO VOCATIONAL EDUCATION AND TRAINING

There is to be another House of Lords inquiry into vocational education and training. Lord Forsyth, the chair of the House of Lords Economic Affairs Committee, is leading the inquiry, which will cover such things as the apprenticeship levy, the government's target of three million new apprenticeships by 2020, the Post-16 Skills plan for England, T-levels and, perhaps more interestingly, whether those young people who do not go on to university can access 'a system of further education and vocational training that is funded fairly'. The deadline for anyone wishing to make a submission to the inquiry is 14 September.

CUT IN OFSTED'S BUDGET DESPITE INCREASED WORKLOAD

Ofsted's budget currently stands at £141,685,000, but this is expected to fall to £127,100,000 (10%) over the period up to 2019/20. The cut in funding comes at a time when the new Chief Inspector for England, Amanda Spielman, has warned that Ofsted faces a 'real challenge' in dealing with the rapid increase in the number of apprenticeship training providers. The Register of Apprenticeship Training Providers (RoATP) now has around 1,900 providers, all of which are in scope to be inspected by Ofsted. This is more than double the number of apprenticeship providers than there were before the introduction of the register.

OFSTED HAS YET TO INSPECT ANY SUBCONTRACTORS

There are currently around 1,200 subcontractors accessing around £700 million of ESFA funding. More than 160 subcontractors currently have contracts worth more than £1 million with main ESFA contractors, and some have contracts that are worth in excess of £10 million. There are serious concerns that subcontracting is 'prone to mismanagement and abuse' (evidenced by several high-profile scandals). In response to this, last year Ofsted amended its Inspection Handbook to include a section saying that Ofsted reserved the right 'to inspect and grade any subcontractor in their own right'. However, although subcontractors are regularly visited by Ofsted, and general comments on the quality of the subcontracted provision are included in the main contractor's inspection report, as yet, no full inspection of any subcontractor has taken place.

LOW USAGE OF OFSTED PROVIDER RATING TOOLS

It has emerged that the two tools Ofsted has developed to enable students and employers to rate the quality of providers during inspections have received responses from an average of just 2% of potential users. The two tools are 'Learner View' which was launched in 2012 at a cost of £65,000, and 'Employer View', launched in 2014 at a cost of £26,000. Looking on the bright side, both of these have outlived Ofsted's 'Data Dashboard', which was designed to help governors, employers and prospective students assess the performance of providers against local benchmarks, and which closed after just 2 years.

EMPLOYERS THAT PAY APPRENTICES LESS THAN MINIMUM WAGE COULD FACE IMPRISONMENT

The minimum wage for apprentices aged 24 or under is £3.50 per hour. However, a recent DfE survey has revealed that in 2015/16, 18% of apprentices were paid wages below this legal minimum (up from 15% in 2014). The government already has a policy of 'naming and shaming' employers who are found to be paying less than the minimum wage, and those found to be doing so not only have to pay back arrears of wages to the worker at current minimum wage rates, but also face financial penalties of up to 200% of arrears (capped at £20,000 per worker). But as part of a new crackdown on abuses of workers' rights, Sir David Metcalf, the government's new Director of Labour-market Enforcement at the Department for Business, Energy, and Industrial Strategy (BEIS) has warned that employers paying less than the legal minimum wage could now face prison sentences of up to two years. Further details can be accessed at:

<http://www.government-world.com/press-release-director-of-labour-market-enforcement-warns-rogue-bosses-of-plans-to-use-powers-to-jail-worst-offenders/>

IAC SURVEY FINDS THAT HALF OF APPRENTICES FIND OUT ABOUT THEIR COURSE THROUGH THEIR OWN RESEARCH

A survey of 1,200 apprentices in the manufacturing and engineering sector carried out by the Industry Apprentice Council (IAC) shows that just 8% apprentices found out about their apprenticeship programme through a careers adviser, while 9% said they had found out through a teacher. Around 50% said they had found out about their course 'by using their own initiative', including online research (48%). 39% said that the careers information, advice and guidance they received at school was 'poor or very poor'. A copy of the IAC report can be accessed at:

<http://eal.org.uk/centre-support/learner-support/99-iac-2017-annual-survey-results-report/file>

BUSINESSES PLAN TO CONVERT EXISTING TRAINING INTO APPRENTICESHIPS

The recently published 2017 CBI/Pearson Education and Skills Survey of 344 businesses reveals that 63% of the businesses plan to reconfigure their existing training into apprenticeships. In addition to this:

- 27% said they expected to cut back on non-apprenticeship training activity to meet levy costs.
- 50% said they planned to create new **apprenticeship programmes**
- 46% said they expect to increase apprenticeship places on existing programmes.
- 30% said that the inflexibility of the funding rules hampered their ability to take on more apprentices.
- 35% said that there was too little guidance and support for employers on how to make work experience places worthwhile for young people
- 50% said that there was a lack of awareness among young people of the education routes they need to take to enter particular careers
- 49% said that careers advice was poorly aligned to business sectors, leading to skill shortages
- 35% said that they were unaware of the new GCSE grading system in England
- 81% said that they had at least some links with schools (66%) and/or colleges (63%)
- 75% said that they hope to increase the number of high-skilled roles over the coming years, but 61% said they thought that there will be a lack of sufficiently skilled people to fill them.

A copy of the CBI/Pearson 2017 Education and Skills Survey report can be found at:

<http://www.cbi.org.uk/index.cfm/?api/render/file/?method=inline&fileID=DB1A9FE5-5459-4AA2-8B44798DD5B15E77>

AELP CALLS FOR THE AMOUNT OF OFF-THE-JOB TRAINING FOR APPRENTICESHIPS TO BE DECIDED BY EMPLOYERS

Under current ESFA rules, all apprentices must spend at least 20% of their time in off-the-job training. However, the Association of Employment and Learning Providers (AELP) has written to the DfE saying that

employers should be allowed to set their own rules for how much time apprentices spend in off-the-job training. The AELP says that this stance is 'backed by leading employers such as Pret a Manger and Rentokil'. The AELP also argues that the current 20% rule 'limits employers' participation, engagement and appetite to fully embrace apprenticeships' and 'puts the achievement of the government's target of 3 million apprenticeship starts by 2020 at risk'. The DfE has responded by saying that there is no possibility that the 20% off-the-job training rule will be abandoned, because it was 'a core principle', which 'makes an apprenticeship distinct from other work-based learning'. Further details can be accessed at:

<https://www.aelp.org.uk/news/general/details/evidence-of-employer-opposition-to-blanket-20-off/>

THE TAYLOR REVIEW OF MODERN WORKING PRACTICES

Matthew Taylor, Chief Executive of the Royal Society for the Encouragement of Arts, Manufactures and Commerce (RSA), was asked by the government to 'develop proposals to improve the lives of this country's citizens through employment'. In his recently published report, Mr Taylor raises concerns about the large numbers of 'atypical workers', particularly those in smaller businesses, who are 'missing out on state-supported training, due to the heavy policy focus on the apprenticeship levy'. He argues that 'in-work learning is about more than apprenticeships' and warns that 'current funding rules mean that someone who has worked for much of their working life, but who now needs to retrain, is unlikely to get much help or support'. The report recommends that the government should:

- Ask the Institute for Apprenticeships (IoA) to 'work with sectors using high levels of lower-paying and atypical work to ensure that they are making best use of the current apprenticeship framework'.
- Consider making the funding generated by the apprenticeship levy available for high-quality, off-the-job training other than apprenticeships, including 'modular' and other 'flexible' courses
- Explore a new approach to individual learning accounts (ILAs), 'perhaps with an initial focus on those with a long working record, but who need to retrain. (Mr Taylor says that 'the new **£40 million lifelong learning fund** is a good starting point for this').
- Bring together employers and the education sector to 'develop a consistent strategic approach to employability and lifelong learning. This should cover formal vocational training, 'on the job' learning, lifelong learning and informal learning outside work'.

A copy of 'Good Work: The Taylor Review of Modern Working Practices' can be accessed at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/627671/good-work-taylor-review-modern-working-practices-rq.pdf

SMITH REVIEW OF POST-16 MATHEMATICS

The report of the review of post-16 mathematics provision in England carried out by the DfE's advisor for mathematics, Professor Sir Adrian Smith, Vice-Chancellor of the University of London, has now been published. The review says that:

- In most advanced countries, all young people continue to study mathematics beyond the age of 16, but England 'remains unusual' because this is not the case. Amongst teenagers in England with good GCSE grades, almost three-quarters 'choose not to study mathematics beyond this level'.
- England was the only country in a recent Organisation for Economic Co-operation and Development (OECD) sample of developed economies where young adults performed no better than older adults in numeracy proficiency
- Lack of proficiency in mathematics often resulted in university applicants being reluctant to undertake any course where mathematics or statistics may be required as a component of their degree studies

Sir Adrian recommends that the DfE should:

- Reconsider the 16-19 funding model for schools and colleges to increase the financial incentive to offer AS and GCE A Level mathematics and further mathematics, and core mathematics qualifications.

- Review its 16-18 resit policy and give 'fresh consideration to the development of more appropriate curricula and qualifications for these students'
- Seek to 'ensure that schools and colleges are able to offer all students access to a core maths qualification' and 'consider how the core maths brand 'could be strengthened with the aim of improving awareness and take-up of the qualification'.
- Facilitate partnership between the Institute for Apprenticeships and the Royal Society Advisory Committee on Mathematics Education to ensure appropriate expert advice is available to the panels of professionals developing the 15 new technical education routes and T-Level qualifications.
- Fund 'online professional development resources and materials aimed at increasing the numbers of teachers of mathematics and quantitative skills within new technical education routes'.
- Expand support to develop excellence in GCSE mathematics teaching across the FE sector. This should 'be informed by evidence of effective pedagogy for students who have not succeeded in the subject within secondary education and emerging evidence about the needs of the workforce'.
- Fund 'interventions in areas with low level 3 mathematics participation to provide the best training and support for schools and colleges to build capacity in mathematics at GCSE and Level 3'.

In response the review recommendations, the DfE has provided £16 million (from within 'existing budgets') over two years in order to fund projects designed to:

- Inspire more young people aged 16+ to continue studying mathematics
- Encourage more young people aged 16+ to take Level 3 qualifications in mathematics
- Improve post-16 mathematics teaching through better professional development, support and resources
- Ensure more schools and colleges offer core mathematics

The cash will be paid in two £8 million instalments from April 2018. A copy of the review can be found at:

<https://www.gov.uk/government/publications/smith-review-of-post-16-maths-report-and-government-response>

And more information about the core mathematics qualification can be accessed at:

<http://www.core-maths.org/about-core-maths/>

REFORMED GCSES IN ENGLISH AND MATHEMATICS LIKELY TO INCREASE THE NUMBER OF FE STUDENT RE-SITS

Changes to GCSE grades and school league tables in England are expected to lead to tens of thousands more students taking GCSE English and mathematics resits next year. This summer saw both the first cohort of students sit the reformed GCSEs (graded from 9-1) examinations and the final cohort take resits under the 'legacy version' of GCSE qualifications (graded A*-G). In April, the ESFA confirmed that the condition of funding rule for 2017/18 would continue to make resits compulsory for students who obtained a grade 3 or D in either of the subjects. There were around 230,000 FE students who took re-sits in the two subjects in 2015/16. However, figures recently released by Ofqual suggest that colleges are set to face a significantly larger resit cohort in future years. The main reason for this is that the change in the grading system is expected to result in more 16-year-olds being awarded a Grade 3 than previously received a Grade D. According to Ofqual predictions, the proportion is expected to increase from 19% Grade Ds in English in 2016 to 23% Grade 3s in English in 2017. The equivalent figures for mathematics are 15% Grade Ds in 2015 to 17% Grade 3s in 2017.

FE sector leaders say that the condition of funding rule is, 'crippling an already beleaguered sector and is demotivating a significant proportion of young people who require technical mathematics and English skills'. They have called Education Secretary for England, Justine Greening, to relax the rule in order to enable the FE sector to choose the most appropriate mathematics and English qualification for students who have below the expected standard at school'. Instead of this, Ms Greening has confirmed that students who obtain a GCSE Grade 4 in English and mathematics will *not* to be required to continue studying English and mathematics post 16'. Grade 4 is now defined as a 'standard pass' and Grade 5 is now described as a

'strong pass'. The Grade 5 will replace the description of the current Grade C as a 'good' pass (and will also be one of the key benchmarks used to measure the performance of schools in the league tables). And universities which require a pass at mathematics and English GCSE as a requirement have varied in which level of 'pass' they are accepting. Meanwhile, nearly £400,000 has been spent in a bid to avoid public confusion over a new system for the way GCSEs are graded in England. For insomniacs, a copy of the 16-19 funding guidance 2017/18 (which includes details the 2017/18 condition of funding requirement) can be accessed at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/607246/16_to_19_funding_guidance_2017_to_2018_v_1.0_003.pdf

HIGHER EDUCATION IN ENGLAND

HE tuition fees have now become politically controversial, and were one of the battlegrounds during the recent general election. The Labour Party pledged to abolish HE (and FE) tuition fees in England, and even Conservative politicians are now questioning the wisdom of setting HE fee levels so high. Some of the reasons for this controversy include the following:

England has the highest university tuition fees in the world

Tuition fees of £9,250 a year (from this September) for an undergraduate degree makes England a significant outlier by international standards. It's even an outlier in the UK, where Scotland has no fees for Scottish students, and fees in Wales and Northern Ireland are around a third of those in England. Much of the rest of Europe has much lower fees, or no tuition fees at all, and Germany, which used to charge fees, has now scrapped them. The only country with a comparable level of fees is the United States, but even this is not a straightforward comparison because any 'average' fee level in the US covers a hugely diverse market. Top private colleges can charge more than £30,000 per year, but state colleges charge fees that are much lower than are charged in England.

Students are graduating with loan debts of around £50,000

Under the new system, students take out a loan for their tuition fees and maintenance whilst studying from the Student Loans Company (SLC). The SLC pays the fees to the university 'up-front' on behalf of the student and the student begins to repay the loan when their annual salary reaches £21,000 through direct deductions made by their employer. The SLC receives funding to pay students' university fees from the government, but because this is classed as 'loan funding', it is not recorded as public expenditure in the same way as, for example, annual expenditure on schools and colleges.

Students in England now leave university with higher debts than almost anywhere else in the developed world. The interest rate on loans is currently 6.1% which, when typical maintenance loans are added in, will push up average student debt on graduation to more than £50,000. These figures could go even higher. Interest rates are linked to inflation and if that begins to rise, then so will the amount charged for repayments. Interest charges on loans begin to accumulate as soon as students begin their course. This means that they will have run up around £5,800 in interest charges before they have even left university. Maintenance grants in England have now been replaced with maintenance loans. Because the poorest students tend to make most use of maintenance loans, they are now likely to leave university with loan debts in excess of £57,000. Graduates can also be penalised for 'non-compliance' with SLC rules. For example, one graduate had the interest on her £42,000 loan raised as a penalty for going to Australia for 12 weeks to undertake voluntary work without telling the SLC. She is just one of around 33,000 graduates that have been subjected to the SLC's controversial 'non-compliance penalties'. Graduates are required to pay off their loan debts, whether they complete their course or not.

But the majority of these loan debts will never be repaid

The Institute for Fiscal Studies (IFS) has conducted research which shows that the overall amount of student debt has doubled in four years. However, the research also says that around eight in ten graduates will never pay back their student loan in full before the 30-year limit when the loans are written off. This will

leave the government with a bill for £5.9 billion per year in unpaid student loans. It also says that of the graduates that do repay, most will still be paying off their loans when they are in their 50s. There are other complications. For example, non-UK EU students can access loans on the same basis as UK students, but the SLC is experiencing problems in recovering outstanding loans from students who have returned home, and have not left a forwarding address. Also, no facility exists in other EU countries to recover the loan through employer deductions. For these reasons, the government is attempting to minimise the financial risk (to itself) of default by selling off its student debt loan books to private investors, sometimes at a substantial discount. In doing so, they are potentially exposing graduates to unilateral changes in their loan terms and condition that may imposed on them in the future by the new holder of the debt.

Politicians are divided in their views about the new loans system

Damian Green, the First Secretary of State and Minister for the Cabinet Office, has said that 'Britain needs a national debate about university tuition fees'. And the former Education Minister who played a major part in the introduction of university tuition fees in England in the first place, Lord Andrew Adonis, now says that such high levels of fees and interest charges in England are 'indefensible' and has called for them to be abolished. The Labour Party also included the abolition of both FE and HE tuition fees in its recent general election manifesto. Labour initially said that it also wanted to abolish all student debt incurred since 2012, but has since backtracked on this, with Shadow Chancellor, John McDonald saying that it is an 'ambition rather than a promise'. The Conservative government says that any 'U-turn' on tuition fees in England on its part is 'unlikely', and Universities Minister for England, Jo Johnson, said the cost of scrapping fees, clearing existing student-loan debts and repaying students who had already paid off their loans would require a 2.5p increase in the basic rate of income tax.

HE student numbers in England have increased

Despite the high levels of tuition fees now being charged, HE student numbers in England have increased relentlessly since they were first introduced (although applications for university places in September 2017 have contracted by 5%). Twice as many people are now gaining a degree as were getting five O-levels in the early 1980s, when only about one in six young people could expect to go to university, but now around half do so. One exception to this year-on-year growth has been the collapse in the number of part-time students taking degree courses (an overall decline of 58% since 2010/11).

But the growth in numbers of poorer students at university has been proportionately less

While the total number from all social backgrounds applying for a university place has increased, there are significant variations within this total. Young people from poorer backgrounds still have proportionately lower HE participation rates than young people from wealthier backgrounds and are much less likely to go to university than their better-off classmates. Poor white young men, in places such as north-east England, are the least likely to get university places. In addition, the proportion of young people from poorer families who drop out after their first year at university is greater than that of young from wealthier backgrounds, and currently stands at almost one in ten, the highest level for five years.

Students are less convinced that their courses represent value for money

Students are now less convinced that they're getting value for money, with the quality of teaching being a key factor in their perceptions of value. Five years ago, 53% of students across the UK thought university was 'good' or 'very good' value. but this has now slumped to 35%. Students have also expressed discontent with such things as the escalating levels of pay for university vice chancellors, with many of these now receiving annual remuneration packages in excess of £300,000 (and some receiving in excess of £400,000). To address these concerns, Universities Minister for England, Jo Johnson says that the newly established Office for Students (OfS) should consider introducing contracts for students, to give them 'some form of redress' for poor quality provision, which could include 'legal remedies'. Unsurprisingly, university vice chancellors are opposed to the introduction of such contracts.

Universities accused of 'grade inflation' and 'dumbing' down to attract more students

In 2012, the government abolished the cap on the numbers of HE student that could be recruited (in England). At the same time, much higher tuition fees were introduced. The combination of unlimited recruitment, combined with higher fees appears to have led to universities in England engaging in fierce competition with each other to grow their student numbers (and to grow their fee income). One manifestation of this competition seems to have been a general upwards shift in the classification of degrees awarded. As possible evidence of this behaviour, the proportion of first class honours degrees awarded has increased significantly since 2011/12 (the year when the recruitment cap was removed and fees raised to £9,000), with many universities now awarding first-class honours degrees to more than a third of their students. For example, the University of Surrey awarded a first-class honours degree to 41% of its students last year, more than doubling the proportion compared to five years ago, and first-class honours degrees awarded at the University of East Anglia almost trebled to 37%. An analysis of data for 2015/16 from the Higher Education Statistics Agency (HESA), indicates it is now more common to graduate with a first-class honours degree (24%) than a lower second class honours degree (21%). The most common degree was an upper second, which was awarded to 51% of graduates. Critics have described this upward drift in the class of degree awarded as an 'appalling example of chronic grade inflation'.

British universities slip down the world rankings table

The recently published QS World University Rankings for 2018, show that although British universities occupied four of the top eight places in the World, the majority of British universities have slipped down the table, with 57 of the 76 UK institutions receiving lower ratings than last year. According to QS researchers, the UK's relative performance has deteriorated because of 'weaker research performance, with fewer research citations received from fellow academics, and lower scores on academic reputation at home and abroad'. Responding to the rankings data, a spokesperson for the Higher Education Policy Institute (HEPI) said 'The competitiveness of UK universities has been affected by austerity'. Some vice-chancellors have blamed the Brexit vote for the lower rankings of their universities. But Ben Sowter, QS's Head of research said that data collected over a five-year period (the start of which coincides with the lifting of the recruitment cap and higher fees) showed that the deterioration 'was part of a trend', and that 'the first year of post-Brexit internationalisation scores suggests that there has, thus far, been a minimal impact on international student and faculty rates at UK institutions'. The full table can be accessed at:

<https://www.theguardian.com/higher-education-network/2017/jun/07/top-200-universities-in-the-world-2018-the-table>

SCHOOLS IN ENGLAND TO BE GIVEN AN EXTRA £1.3 BILLION OVER NEXT TWO YEARS

In response to public concerns about the impact of the new school funding formula designed to equalise levels of school funding per pupil across England, and the level of school funding overall, Justine Greening has announced that an 'extra' £1.3 billion will be made available for schools in England over the next 2 years. The DfE says that £416 million of this will come from savings in 2018/19 schools budget and a further £884 million from the 2019/20 budget. There will also be a £280 million cut in the Free Schools budget and a £315 million cut in the 'Healthy Pupils' project. A new minimum per pupil funding limit will be set in secondary schools at £4,800. As a result, the overall schools budget will rise by £2.6 billion between 2017/18 and 2019/20 and every school in England will receive an increase of at least 0.5% in cash terms, with some receiving much more. Local authorities that were expecting to have to manage education funding cuts will no longer face this challenge (for example, Birmingham LEA was expecting cuts to its annual budget of around £20 million). Commenting on Ms Greening's announcement, school leaders say that this is 'a step in the right direction' but warn that any increase in allocations would need to keep up with 'rapidly rising pupil numbers and increased inflationary costs'.

GROWTH IN THE NUMBER OF UNQUALIFIED TEACHERS IN SCHOOLS IN ENGLAND

Recent DfE figures show that in 2016, there were more than 24,000 teachers without formal teaching qualifications working in schools in England. This is an increase of more than 60% in four years. It also

means that, based on an average class size of 25.5, around 600,000 pupils are being taught by teachers who are unqualified. However, around a fifth of unqualified staff were working towards obtaining Qualified Teacher Status (QTS). The growth in the number of unqualified teachers reflects two developments. The first is the wider teacher shortage, with targets for teacher recruitment consistently not being met. (Last year the shortfall was 18% against target). The second is the growth in academies and free schools, which employ a higher proportion of unqualified staff. (In secondary academies 9.6% of teachers are unqualified and in secondary free schools 11.3% of teachers are unqualified), compared with 5.3% in local authority schools. A copy of the latest school workforce data in England (November 2016) is available at:

<https://www.gov.uk/government/statistics/school-workforce-in-england-november-2016>

PUPIL NUMBERS IN ENGLISH SECONDARY SCHOOLS TO RISE BY A FIFTH OVER NEXT DECADE

Figures published by the DfE in its latest '*National pupil projections – future trends in pupil numbers (July 2017) statistical first release*' show that there are expected to be an additional 534,000 more secondary school age children in England by 2026, making a total of around 3.3 million in that year. This represents an increase of almost 20% compared with current numbers. This will be the 16th consecutive year of rising pupil numbers in both primary and secondary schools. The DfE report says that this growth is part of a continuing trend of 'increased births from 2001 onwards'. Between 2009 and 2016, the school system in England was expanded to cater for an additional 470,000 pupils, and on current projections a further 800,000 school places will need to be provided over the next decade. A copy of the DfE report and accompanying data can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/627021/SFR31_2017_Projections_Methodology.pdf

MORE TEACHERS FROM BME BACKGROUNDS NEEDED TO REFLECT SCHOOL POPULATION

The latest '*School workforce in England: November 2016*' data shows that in 2016, of 510,000 teachers in England, 68,000 (13.4%) were from a Black or Minority Ethnic (BME) background. However, the number of BME pupils in all state-funded schools as a proportion of the total number of pupils has now reached 27.3%. This means that the number of BME teachers would need to more than double to accurately reflect the ethnic make-up of the school pupil population in England. Responding to the data, a spokesperson for the DfE argued that the department was trying to increase the proportion of BME teachers in England, and that numbers 'had risen from 11.6% in 2012, to 13.4% in 2016', adding that a 'Leadership, Equality and Diversity Fund' has also been provided to increase the representation of BME teachers in senior leadership roles. The challenge of increasing the numbers of BME teachers to a level more in proportion to the BME school population may prove difficult to overcome. This is for two reasons. First, there is an overall shortage of teachers in England. Last year, the target number for graduates starting training as a secondary teacher was missed by 18%. Secondly, statistics recently published by the Office for National Statistics (ONS) show that in 2016, 28.2% of all children born in England and Wales were born to mothers not born in the UK, the highest level on record. This suggests that, at least in the short to medium term, the growth in BME pupils is likely to outstrip the growth in BME teachers. Details of live births and other ONS population data in England and Wales in 2016 can be accessed at:

<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/livebirths/bulletins/birthsummarytablesenglandandwales/2016>

NEW INTEGRATION STRATEGY TO BE INTRODUCED

The Casey Review, published in December last year found that the government had 'failed for more than a decade to ensure social integration in the UK has kept up with the unprecedented pace and scale of immigration'. To address this, the Conservative government intends to 'introduce a new integration strategy that will seek to help people in more isolated communities to engage with the wider world', and to 'work with schools and colleges that have intakes from one 'predominant racial, cultural or religious background' to get to know people with different ways of life'. How this new integration strategy is reconciled with the government's intention to increase the number of faith schools remains to be seen.

UNITED NATIONS (UN) REPORT IS CRITICAL OF THE GOVERNMENT'S PREVENT STRATEGY

Schools and colleges are assessed by Ofsted on their effectiveness in implementing Prevent as part of the overall safeguarding judgement during inspections. However, Prevent has been criticised by some MPs, the National Union of Teachers (NUT) and the Muslim Council of Britain (MCB). Some argue that Prevent is counterproductive and that it can make Islamic students, for example, feel isolated and possibly more open to radicalisation. Another worry is that the general sense of distrust across communities has caused Prevent to become 'tainted' and 'toxic'. And now, a recent UN Human Rights Council report has criticised Prevent, saying that it is 'inherently flawed' and 'inconsistent with the principle of the rule of law'. This, says the report, is because it impinges on 'the right to freedom of peaceful assembly' and the 'right of association'. The author of the report, Kenyan human rights specialist, Maina Kiai, said Prevent gives decision makers 'excessive discretion, which renders the application of the policy unpredictable and potentially arbitrary'. This, he said, risked 'dividing, stigmatizing and alienating segments of the population'. The report also criticises the implementation of counter-terrorism policies, saying that, for example, the Investigatory Powers Act, which has increased government powers to intercept private communications, 'contains procedures without adequate oversight, coupled with overly broad definitions, which might result in unduly interfering with the right to privacy, the right to freedom of opinion and expression and the right to freedom of association'. The report also criticises the planned Counter Extremism and Safeguarding Bill which, if and when enacted, will allow 'clamp downs' on non-violent extremist groups, and could leave people 'fearful of exercising their democratic rights'.

AND FINALLY...

Painting and decorating students at an FE college were undertaking an NVQ Level 2 assessment that involved wallpapering a cubicle that simulated a room in a house with internal and external corners, doors, windows and a staircase. They were required to measure the space, work out the number of rolls of wallpaper and amount of paste they would need and then hang the wallpaper. The assessment would cover both their numeracy skills in measuring and estimating, and their competence in hanging wallpaper. Although there were a number of wallpapering training cubicles, there were only three cubicles with the necessary features required for this particular assessment and so the students had to take it in turns to use them. A student who was about to undertake the assessment had problems with numeracy and found the measuring and estimating difficult, so he asked a friend in the group who had already taken the assessment how many rolls of wallpaper he had used. His friend replied that he had used eight rolls. So, on the day he was to be assessed, the student took eight rolls of wallpaper with him into the assessment cubicle. When he had almost finished hanging the wallpaper, he realised that he would be at least two rolls short. After the assessment was over, he found his friend and said 'I thought you said you had used eight rolls of wallpaper. I took eight rolls in with me, but I was two rolls short!'. His friend replied 'Yes, now I come to think of it, I was two rolls short as well'.

As usual, there will be no newsletter in August (I can almost hear the sighs of relief from here). Normal service will be resumed in September. But in the meantime, all of us at Click would like to wish those of you who are actually able to get one, a restful and refreshing summer break.

Alan Birks – July 2017

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