

SECTOR DEVELOPMENTS...

VOLATILITY IN APPRENTICESHIP STARTS FOLLOWING THE INTRODUCTION OF EMPLOYER LEVY

Department of Employment (DfE) figures released for the first three months following the introduction of the new apprenticeship levy in April show that total starts for all ages fell by a massive 61% (69,400) compared to the same period in 2016. An analysis of the DfE data reveals that:

- Intermediate Level Apprenticeships starts for all ages contracted by a total of 64%
- Advanced Level Apprenticeship starts for all ages contracted by 58%
- Higher Apprenticeship starts for all ages contracted by 52%
- Total apprenticeship starts at all levels for those aged under 19 contracted by 41%
- Total apprenticeship starts at all levels for those aged 19-24 contracted by 58%
- Total apprenticeship starts at all levels for those aged 25 and over contracted by 70%

A DfE spokesperson said that it was 'too early to draw conclusions' and Education Secretary for England, Justine Greening claimed that the contraction was 'what we were expecting', because 'we knew that employers might take time to decide how they wanted to use the levy. The DfE data can be found at:

<https://www.gov.uk/government/collections/further-education-and-skills-statistical-first-release-sfr>

LARGE INCREASE IN HIGHER AND DEGREE LEVEL APPRENTICESHIP STARTS

However, in the period *since* August, recent 'experimental' DfE data suggests that there has been a very large increase in apprenticeship starts at higher and degree-level. The DfE data is based on 'commitments' registered with the new Apprenticeship Service (the online system that levy-paying employers use to manage their funds and register 'commitments' to take on apprentices). The data shows that Level 4 and above starts increased from 704 in August to 3,880 in September (an increase of 424%). If the DfE data is accurate, this means that apprenticeships at Level 4 and above as a proportion of the total apprenticeships increased from 1 in 10 in August to almost 1 in 5 in September. Some observers have suggested that this constitutes evidence that levy funding is more likely to be used to provide higher level courses for older and existing employees, than to provide lower-level courses for young people looking for their first full-time job. The DfE data can be accessed at:

<https://www.gov.uk/government/statistics/apprenticeship-service-registrations-and-commitments-to-september-2017>

ESFA PLANS TO INTRODUCE NEW 'TRUSTED PROVIDER' STATUS

Amid concerns that some employers are being deterred from taking on apprentices because they are reluctant to deal with the administrative requirements, the ESFA says that it is 'working on a plan' to allow employers to hand over much of their apprenticeship levy account administration to their training providers, (including FE colleges). A new 'trusted provider status' is likely to be introduced next year, and although the ESFA insists that employers will still 'maintain ownership' of apprenticeships, where an employer has a 'good relationship' with a provider, the ESFA says it will agree to an employer authorising a provider to 'undertake the levy accounting and administration' on their behalf.

'OVER RELIANCE ON EMPLOYERS MAKES APPRENTICESHIPS A FRAGILE FORM OF TRAINING' NEW REPORT SAYS

The government's policy to place the control and funding of apprenticeships firmly in the hands of employers is questioned in a recent report entitled '*People and policy: A comparative study of apprenticeship across eight national contexts*'. The report was produced jointly by Oxford University Department for Education and, for reasons not immediately apparent, the Qatari government, and contains a comparison of apprenticeships in Australia, Denmark, Egypt, England, Finland, Germany, India and South Africa. The report concludes that although employers 'play an important role in supporting young

people to make the transition from school to working life', an over reliance on employers to help meet funding and delivery costs 'makes apprenticeships a fragile form of training', and that apprenticeships that 'do not' rely on direct employer financial support are a more secure option'. The report also says that, in England, 'apprenticeships are perceived as a form of magic dust, that can be sprinkled on almost any vocational education and training problem', and is particularly critical of employers being allowed to 'relabel other forms of training activity as apprenticeships'. A copy of the report can be found at:

<http://www.wise-qatar.org/2017-wise-research-people-policy-apprenticeship>

REGISTER OF APPROVED TRAINING PROVIDERS (ROATP) TO BE REVIEWED

The DfE has announced a review of the new RoATP. The review is largely in response to the ongoing concerns expressed by Ofsted and Ofqual about the effectiveness of the RoATP as a means of vetting the quality of training providers. Numerous small and inexperienced companies have been approved to deliver apprenticeships, many of which were 'new and without a financial track record', and some of which 'had no prior experience of delivering apprenticeship training at all' (including one new company registered to a semi-detached house in Birmingham). At the same time, a number of established and effective providers of apprenticeship training (including many FE colleges) had their applications for inclusion on the RoATP inexplicably rejected. To add to concerns, although the ESFA requires inexperienced providers to receive a full audit prior to commencing the delivery of apprenticeship training, it appears that not all such providers have been audited. Also, providers with little or no experience of delivering apprenticeships that have been accepted on to the RoATP are required to undertake mandatory training, and although some have undertaken the training, apparently there are still large numbers of inexperienced providers that have not.

CHIEF INSPECTOR SAYS THAT OFSTED NEEDS MORE FUNDS TO MONITOR 'COWBOY' APPRENTICESHIP PROVIDERS

Speaking at a recent meeting of the House of Commons Education Select Committee, Amanda Spielman, the Ofsted Chief Inspector for England, warned committee members that there had been an 'explosion in training providers triggered by the introduction of the apprenticeship levy' and that the inspectorate will need additional resources if it is to expose the 'cowboys, sharks and bottom feeders' attracted by the availability of the funding, and to ensure that there is not another 'Train to Gain' type debacle.

EDUCATION COMMITTEE CHAIR RAISES CONCERNS ABOUT INSPECTION OF SUBCONTRACTING

During the meeting, the chair of the Select Committee, Robert Halfon, raised the issue subcontracting. As at January this year, there were 1,200 subcontractors accessing £693 million in government funding. Of these, 161 had a contract worth over £1 million. Given the sums involved, Mr Halfon said he had serious concerns about the fact that Ofsted does not routinely inspect the quality of training delivered by subcontractors. In response, Ms Spielman explained to committee members that Ofsted only had sufficient resource to monitor subcontractors 'on a sample basis through lead contractors'.

AELP CALLS FOR 'MORE FLEXIBILITY' IN APPRENTICESHIP OFF-THE-JOB TRAINING

Undeterred by Ms Spielman's comments on 'cowboys, sharks and bottom-feeders', the Association of Employment and Learning Providers (AELP) has called for a 'more flexible approach' to the delivery of apprenticeships and in particular, to the rule that 'off-the-job training must be 20% of the apprentice's contracted employment hours'. The spokesperson said that 'many employers can't afford an apprentice who is non-productive for one day every week' and 'neither can they afford the cost of staff backfill to cover their absence'. The spokesperson questioned whether this much off-the-job training was necessary, and argued that there were 'many other effective ways of delivering the skills and knowledge required'.

<https://www.gov.uk/government/publications/long-term-apprenticeship-model-evaluation>

NO AWARDING ORGANISATION FOR APPRENTICESHIPS END POINT ASSESSMENTS

Recently published DfE data reveals that almost 800 apprentices who started on various apprenticeship programmes in 2016/17 are still without an Awarding Organisation (AO) to conduct their final End-Point

Assessments (EPAs). When these are added to the apprentices who began their programmes in 2014/15 and 2015/16, the total number of apprentices without an AO to conduct their EPAs rises to around 1,500. It is at present, unclear how this problem will be solved.

STILL NO PERMANENT CHIEF EXECUTIVE FOR THE INSTITUTE FOR APPRENTICESHIPS (IFA)

Although the closing date for applications for the post of Chief Executive of the IfA was the end of May, the DfE says that the 'recruitment process is continuing'. The failure to find a suitable applicant is despite the fact that the IfA has 'bucked the trend' of front line posts in the FE sector being advertised on zero-hours contracts and at the lowest possible rate of pay, and instead has advertised the post on a five-year fixed-term contract with a salary of £142,500 per year. In the meantime, Peter Lauener, who will shortly be retiring from his post as Chief Executive of the ESFA, will continue as interim chief executive.

ASSUMPTIONS USED IN DFE MODEL FOR APPRENTICESHIP STARTS AND COSTS ARE 'FLAWED'

Earlier this year, the DfE commissioned research from a firm called Cambridge Econometrics to evaluate the effectiveness of the forecasting model used to predict both apprenticeship starts and the government spending commitments likely to be required to deliver them. Assumptions used in the model include:

- Only 80% of committed demand for apprentices from levy-paying employers will be met
- The annual growth in apprenticeship starts by levy-paying employers will be 20%
- The annual growth in apprenticeship starts by employers paying the 10% co-investment rate will 10%.

The report says that these assumptions are 'seriously flawed' because (amongst other things) 'extrapolating past trends, even using sophisticated econometric techniques, provides no reliable guide to how employers will behave in the future'. Recommendations made in the report include the need for 'greater recognition of the impact of the economic cycle on apprenticeships starts and completion rates', and of the extent to which apprenticeships are 'existing employees or new recruits'. A copy of the report can be accessed at:

ETF REPORT REVEALS BIG FALL IN THE NUMBERS UNDERTAKING FE INITIAL TEACHER EDUCATION COURSES

Earlier this year, a report by the Education and Training Foundation (ETF) revealed that the numbers on initial teacher education (ITE) courses for FE were falling dramatically (e.g. in the period between 2013/14 and 2014/15 alone, numbers fell by 22%). The report also referred to the increasing number of teachers leaving the sector, with an estimated one third reduction since 2010. Given that the ETF currently relies on government funding, the report managed to sidestep any risk of causing political embarrassment by tactfully omitting to mention the very low rates of pay, the casualization of employment and the erosion of job security, the deterioration in conditions of service, the increased stress, the initiative fatigue, the exponential increases in the complexity of the job, and the low levels of post-16 funding per student (21% below 11-15 per pupil funding in schools and less than half of per student funding in universities), as possible reasons why teaching in FE might now be somewhat less of an attractive proposition than it once was. A copy of the ETF report can be found at:

<http://www.et-foundation.co.uk/wp-content/uploads/2016/07/Data-analysis-of-ITE-in-FE-Year-2-report-FINAL-PC.pdf>

NEW FE TEACHER-TRAINING APPRENTICESHIPS LAUNCHED

With a degree of optimism that can only be described as admirable, the ETF has announced a new FE Learning and Skills Level 5 Teaching Apprenticeship which, they say, could help reverse or at least slow down the number of teachers leaving the sector. The new apprenticeship is for serving FE staff who are not qualified teachers, but who aspire to hold a teaching qualification. The standard is currently awaiting approval from the IfA, along with two other new FE Teaching Apprenticeships (FE Lead Teacher and FE Assessor Coach). Colleges will be able to reclaim up to £20 million of the funds that they pay into the new apprenticeship levy each year to help fund the apprenticeships. More information can be found at:

<http://www.teachinfe.com/fe-teaching-careers-apprenticeships>

EXPANSION IN THE NUMBER OF DEGREE APPRENTICESHIPS ANNOUNCED

The Education Secretary for England, Justine Greening has announced the launch of 27 new degree apprenticeships at Levels 6 and 7. Ms Greening says that the new apprenticeships will commence in September 2018 and 'will involve 63 universities and colleges, and will support up to 4,500 new apprenticeships'. Degree apprenticeship programmes have previously received funding through the Degree Apprenticeship Development Fund that was first announced in 2016 and is administered by the Higher Education Funding Council for England (HEFCE). The first phase of allocations from the fund provided £4.5 million for 18 projects, involving 35 HE institutions and 20 FE colleges, to support up to 5,200 new degree apprenticeship places from this September. The new degree apprenticeships announced by Ms Greening are part of the second phase of allocations and will receive £4.9 million from the fund. Health Secretary for England, Jeremy Hunt has also announced plans to create 5,500 new nursing apprenticeship places. Mr Hunt said that the apprentices will be known as 'nursing associates' and will they will 'qualify as fully registered nurses at the end of their four-year apprenticeship, without having to do a traditional full-time university course'. Further details and a list of the new degree apprenticeships can be found at:

<https://www.tes.com/news/further-education/breaking-news/details-new-degree-apprenticeships-revealed>

THIRD NEW NATIONAL COLLEGE OPENS

Last month (October) the new National College for High Speed Rail (NCHSR) was officially opened. The college, which has taken on its first cohort of apprentices, is the third of five new national colleges to fully open. The NCHSR, has campuses in Birmingham and Doncaster, and has received £40 million in government capital funding to construct new buildings and fund equipment, A further £12 million has been provided jointly by the Sheffield City Region Combined Authority and the Greater Birmingham and Solihull Local Enterprise Partnership (LEP). The other two new national colleges that are now fully open are:

- The National College for Digital Skills based in London, which opened in November last year, with £18.2 million provided by the London LEP FE capital fund, and a further £13.4 million from the DfE.
- The National College for the Creative and Cultural Industries, based in Purfleet, Essex, which opened last October with an initial £5.5 million of DfE capital.

In case you were wondering where the year-on-year revenue funding for the new colleges will come from, it will be provided through the ESFA, and from the same DfE budgets that colleges are funded from, raising concerns that more funding for them will mean less funding for existing colleges. Plans are also well developed for the creation of two other new National Colleges. These are:

- The 'National College for Nuclear' (a name which some say sounds vaguely incomplete) that will have campuses in Somerset and Cumbria, and is due to fully open next February.
- The National College for Onshore Oil and Gas.

More details on National Colleges can be found at:

<https://www.gov.uk/government/news/government-confirms-80-million-for-national-colleges-to-deliver-the-workforce-of-tomorrow>

REVIEW OF HIGHER LEVEL TECHNICAL EDUCATION AND QUALIFICATIONS IS ANNOUNCED

The DfE has announced a review into higher-level technical education and qualifications at Levels 4 and 5, which the government says are 'crucial in closing the skills gap'. The review will include scrutiny of 'progression from T-Levels into work', as well as how 'higher-level technical qualifications can benefit people already in the workplace who want to upskill or retrain'. Further information can be accessed at:

<https://www.gov.uk/government/news/level-4-5-technical-education-to-be-reviewed>

DFE PUBLISHES T-LEVEL ACTION PLAN

The DfE has published its T-Level Action Plan, which sets out how the new qualifications will be developed and delivered. There are 15 routes, each of which is intended to 'bring together related occupations in a particular sector'. Within each route there will be between three and five 'pathways', which the DfE describes as 'a number of specialisms, clustered together in a straightforward way so that young people can see a clear path to the occupation of their choice'. The Action Plan provides details of the first three T-levels that will be taught from 2020. However, only one 'pathway' from each of the three 'routes' will be ready in time for the 2020 start, these being the 'Education Pathway in the Childcare and Education Route', the 'Software Applications Design Pathway in the Digital Route', and the 'Building Services and Engineering Pathway in the Construction Route'. There are a further six 'priority' routes scheduled to be available for delivery in 2021, but it will be 2024 before all the other T-Level routes and pathways will be ready to be delivered. The timetable for their introduction is as follows:

2020 – three pathways from three routes delivered by a small number of providers (as mentioned above)

- Childcare and Education (Education Pathway)
- Digital (Software Applications Design Pathway)
- Construction (Building, Services, Engineering pathway)

2021 – all pathways from the first six 'priority routes' delivered by selected providers

- Legal, Finance, Accounting
- Childcare and Education
- Digital
- Construction
- Engineering and Manufacturing
- Health and Science

2022 – all pathways from all routes available to be delivered by all eligible providers

- Hair and Beauty
- Agriculture, Environment and Animal Care
- Business and Administration
- Catering and Hospitality
- Creative Design

2024 – most eligible providers fully engaged and offering T- levels.

Staff working at the front line of the FE sector are hoping that the new T-Level initiative fares better than other previous initiatives designed to rationalise the vocational qualification system in England (such as Diplomas and GNVQs), which involved so much effort and hard work for so little in the way of lasting outcomes. A copy of the T-Level Action Plan can be accessed at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/650969/T_level_Action_Plan.pdf

DFE CONFIRMS JUST ONE AWARDING ORGANISATION (AO) FOR EACH T-LEVEL QUALIFICATION

The DfE has confirmed its plans to have just one AO per T-Level route qualification. Some observers have found surprising, particularly since the DfE's own research strongly advised against this. The main cause for concern is that if there is only one AO, and if that AO should at some point find itself in financial, operational or other difficulties, its capacity to act effectively as an AO may be compromised, and if there is no alternative AO available there is a real risk of 'system failure'. Nevertheless, the procurement process for each T-Level qualification AO has now commenced. Bids from AOs are required by mid 2018, with the outcomes of the process being announced in late 2018. AOs awarded contracts will develop T-Level qualifications during the remainder of 2018 and into 2019. However, before they can be offered, they will need to be approved by the IfA, whose remit will be extended to cover all technical education delivery from April 2018. In the spring Budget, Philip Hammond, the Chancellor of the Exchequer, announced that the development of the new T-Level qualifications will be supported by funding worth £60 million in 2018/19, rising to £445 million in 2021/22, and eventually to 'over £500 million' a year thereafter.

DFE ANNOUNCES THE CHAIRS AND CO-CHAIRS OF THE FIRST SIX T-LEVEL 'PRIORITY' PANELS

T-Level panels have the responsibility for developing the 'outline content and broader curriculum' for each T-Level route and pathway, and the 15 people who will chair and co-chair the first six 'priority' route T-Level panels were announced by the DfE late last month (October). These as follows:

Childcare and education: Edward Sallis, Education Consultant, and member of Education and Training Foundation's Expert Panel on Professional Standards

Construction: Dayle Bayliss (Dayle Bayliss Associates), David Matthews (Institute of Domestic Heating and Environmental Engineering), Julian Weightman (Boardercraft Group)

Digital: Julie Oxley (Digital Care Consultancy), John Meech (Fujitsu), Anna Withrington (IBM)

Engineering and manufacturing: Mike Westlake (Autodesk), Peter Winebloom, Engineering Employers' Federation (EEF)

Health and science: Probash Chowdhury (GlaxoSmithKline), Jane Hadfield (Health Education England) Hilary Jeffreys (consultant)

Legal, finance and accounting: Weiyen Hung (Bank of England), Maura Sullivan (Banking, UK International Wealth Management), Cassie Williams (consultant)

It has not yet been made clear who else will join the panels, or how big the panels will be.

DFE PUBLISHES GUIDANCE ON THE 'WORK PLACEMENT CAPACITY AND DELIVERY FUND' TO SUPPORT T-LEVELS

The DfE has announced that a £50 million 'Work Placement Capacity and Delivery Fund' (CDF) will be made available from next April to help providers and employers 'facilitate the build-up of capacity and capability to deliver substantive, high quality work placements for the new T-Levels'. CDF funding is also being made available deliver placements in the 2018/19 academic year in advance of the introduction of T-Levels. The DfE has also published new guidance to assist providers and employers that wish to apply for CDF funding. The guidance says that:

- CDF funding is 'additional to the mainstream funding allocation' and that work placements must be delivered on top of the usual planned hours.
- A work placement should, on average, be 50 working days in length (within a range of 45 to 60 days) covering a minimum of 315 hours. The placement will also need to be 'occupationally specific' and be 'focussed on developing practical and technical skills'.
- Work placements should take place with an external employer on a site external to the student's learning environment. The site should be adequately supervised, and monitored by regular site visits.
- Within the first year of funding, CDF will *not* be linked exclusively to T-levels, and can be used for 'the development of a substantive work placement for students on eligible vocational programmes'. (Some

observers argue that the rules on 'eligibility' are inconsistent. For example, the guidance says that 'general vocational qualifications are included but applied general qualifications are not').

- Qualifying learners should be full-time and aged 16, 17 or 18 at the beginning of their course, and must be enrolled on Level 2 and 3 courses, 'with a vocational core aim which will be included in the T-Level routes planned for introduction from 2020/21 academic year'.

In order to receive funding, institutions will need to submit a completed 'implementation plan template' to the ESFA by 24 November, outlining what 'the short and medium-term actions will be to ensure delivery of placements in the 2018/19 academic year', and 'how this will help support delivery in future once T-Levels have been introduced'. CDF payments will start from next August. A copy of the guidance can be found at:

<https://www.gov.uk/guidance/work-placements-capacity-and-delivery-fund-from-april-2018-to-july-2019>

LABOUR LEADERSHIP PLEDGES TO 'INCREASE FE FUNDING' AND 'MAKE A SUCCESS OF T-LEVELS'

Speaking at the Labour Party conference last month (October) Shadow Education Secretary for England, Angela Rayner, said that, if elected, Labour 'will invest a billion pounds into the FE service to deliver T-levels that are a true gold standard'. Ms Rayner also said that Labour will establish a new 'National Education Service' for England that will deliver 'a raft of reforms', including increases in school funding, the abolition of FE, HE and adult education fees and the return of the Education Maintenance Allowance (EMA) for full time students aged 16-18 in England' (EMAs were never abandoned in the rest of the UK). And in his closing speech to the Labour Party conference, Jeremy Corbyn confirmed that Labour will 'tackle the threat to jobs from automation by offering free tuition for all FE and HE courses' and 'will build an education and training system from the cradle to the grave that empowers people, not one that shackles them with debt'. More information on Labour's plans for education and skills in England can be found at:

<https://labour.org.uk/manifesto/education/>

DfE 16-19 EDUCATION BUDGET UNDERSPENT BY £106 MILLION IN 2016/17

The DfE 16-19 education budget was underspent by £106 million last year. This follows on from underspends of £135 million in 2014/15 and £132 million in 2015/16. Budgets for 16-19 education provision in England are set on the basis of a funding formula that uses an estimates of student numbers based on actual 16-19 student numbers the previous year. A spokesperson for the DfE said that the 'underspends were caused by numbers being lower than estimated, but did not affect the level of funding per student'. Representatives of school and college associations are now asking for the 2016/17 underspend to be returned to the sector ahead of the upcoming autumn budget, arguing that 16-19 provision is already 'chronically unfunded compared with other countries and other phases of education'.

REPORT ON FE REFORMS RAISES CONCERNS ABOUT LOANS

The DfE report '*Evaluation of the FE Reform Programme 2015*' referred to earlier in this newsletter also included the findings of research into the impact of FE learner loans in the period since they were introduced in England in 2013/14. At the time, the loans were intended just for learners aged 24 and older studying courses at Levels 3 and 4. Loans for apprentices aged 24 and over were also introduced in 2013/14, but these were quickly scrapped after adult apprentice numbers plummeted. (Just 404 people took out an apprenticeship loan in the seven months following their introduction). Unlike apprenticeship loans, FE learner loans have not only been retained but, in 2016/17, were extended to include students aged 19-23, and for courses at Levels 5 and 6. Perhaps unsurprisingly, the research found that the 'poor take-up of the loans by particular groups of learners, including those from disadvantaged communities' has become a 'real concern', and that after the loans were introduced, there was 'an overall decline in adult participation' and 'a corresponding decline in the volume of provision at Level 3 and above'. The research went on to say that the 'changes in learner numbers were considerable', with the number of adults on FE programmes in England falling from 273,400 in 2012/13, to 169,400 in 2015/16). Within this total there was also a 40% reduction in the numbers of learners at Levels 3 and 4. More information on the impact of FE learner loans is contained in section 5 and 6 of the report, a copy of which can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/652495/Evaluation_of_the_FE_Reform_Programme_2015.pdf

LARGE DECREASE IN THE NUMBER OF APPLICATIONS FOR FE LEARNER LOANS

The latest DfE data on FE Learner Loans applications for all age-groups claims that the total number of loan applications received 'increased marginally from 80,650 in 2015/16, to 93,660 for 2016/17'. However, the data includes 21,240 applications from 19-23-year-olds, who, from August 2016, have been required to apply for FE loans to fund their studies. Applications from all other age groups in 2016/17 were down significantly compared to the previous year, as follows:

- There were 27,260 applications from those aged 24-30 (down 12% from 31,060 in 2015/16)
- There were 26,110 applications from those aged 31-40 (down 8% from 28,470 in 2015/16)
- There were 14,040 applications from those aged 41-50 (down 10% from 15,650 in 2015/16)
- There were 4,990 applications from those aged 50+ (down 8% from 5,450 in 2015/16)

APPLICATIONS FOR FE LEARNER LOANS SIGNIFICANTLY BELOW LOAN ALLOCATIONS

Since 2013/14, the Student Loans Company (SLC) has provided £1.56 billion in loan allocations to providers. However, just £652 million was taken up in loans. This equates to an underspend against loan allocations of 58%. More details on 2016/17 FE Learner Loan applications can be found at:

<https://www.gov.uk/government/statistics/advanced-learner-loans-applications-2016-to-2017-final>

HOUSE OF COMMONS TREASURY SELECT COMMITTEE TO HOLD INQUIRY ON STUDENT LOANS

Meanwhile, the Treasury Select Committee has announced its intention to launch an inquiry into the student loans system in England. The remit covers a range of issues including a review of how effectively the government is managing the student loan book. The inquiry focuses on HE, rather than FE, although it is thought likely that the remit will be extended to cover FE in due course.

EARNINGS THRESHOLD FOR STUDENT LOAN REPAYMENTS IS RAISED AND HE TUITION FEES ARE 'FROZEN'

The Prime Minister, Theresa May, has announced that HE tuition fees in England will be 'frozen' at £9,250 per year for 2018/19, bringing to a halt, or at least slowing down, what some observers have described as an 'HE gravy train'. She also announced that the earnings threshold before starting to pay back student loans will increase from £21,000 to £25,000. This is thought to be worth up to an additional £360 a year for college and university leavers earning less than £25,000 a year. The announcement was initially made in relation to loans for HE courses, but the DfE has since confirmed that the new threshold will also apply to FE Learner Loans. Mrs May also suggested that interest rates on student loans (which increased to 6.1% this autumn) would be 're-examined', that 'the whole student finance system would be reviewed' and that a move to a graduate tax would 'not be ruled out'. The decision to cap fees and increase in the threshold for loan repayments is seen as part of a wider effort by the Conservatives to appeal to younger voters.

FE COLLEGES IN ENGLAND PENALISED FOR FAILING TO COMPLY WITH 16-19 GCSE CONDITION OF FUNDING RULE

The GCSE condition of funding rule means that the ESFA deducts funding from colleges for students who failed to achieve at least a grade C (now 4) in GCSE English and mathematics whilst at school, but are *not* subsequently enrolled by the college to continue studying the subjects alongside their FE course. Initially the condition stated that the funding for any student who was not enrolled in these subjects would be removed from the college's funding allocation in the next-but-one academic year, but the condition was relaxed from 2016/17, with the penalty being halved, and only applied to providers at which more than 5% of students did not meet the standard. The DfE has now decided to extend this arrangement indefinitely. Despite this, an analysis of the latest ESFA 16-19 funding allocation data for 2017/18 reveals that non-compliance with the GCSE condition of funding rule has resulted in:

- 19 general FE colleges (GFEs) losing a total of £1,211,930 from their funding allocations. (No sixth-form colleges were penalised for non-compliance)
- 45 independent learning providers (ILPs) losing a total of £673,456
- 39 local authority providers losing a total of £377,498.

These figures are an improvement on last year (when £2,842,016 was deducted from 26 GFEs alone). The condition of funding rule has proved to be controversial for a number of reasons, including allegations that FE providers are being unfairly penalised for the failures of the schools' sector. There has also been criticism of in the way that compliance with the rule is calculated which, it is claimed, effectively makes it impossible for an FE provider to achieve 100% compliance. The latest DfE guidance on the condition of funding rule can be accessed at:

<https://www.gov.uk/guidance/16-to-19-funding-maths-and-english-condition-of-funding>

DISADVANTAGED STUDENTS DO LESS WELL IN FE COLLEGE 16-19 GCSE ENGLISH AND MATHS RE-SITS

Meanwhile, an analysis of DfE data by the Times Educational Supplement (TES) has shown that young people entitled to free school meals (FSM) have a significantly lower chance of achieving a grade C or grade 4 in their GCSE mathematics and English between the ages of 16 and 19, than among the general population. This has led to critics describing the GCSE resit policy as one that 'disproportionately affects people from disadvantaged backgrounds' and is therefore 'seriously detrimental to social mobility'. Further details can be found at:

<https://www.tes.com/news/further-education/breaking-news/most-disadvantaged-students-fall-behind-peers-resit-success>

COMPULSORY GCSE ENGLISH AND MATHS IN APPRENTICESHIPS HAS 'WEAKENED DEMAND' FROM EMPLOYERS

The DfE report entitled '*Evaluation of the FE Reform Programme 2015*' referred to in the section on FE Learner Loans earlier in this newsletter also found that the compulsory requirement for inclusion of the GCSE mathematics and English within apprenticeship programmes had significantly 'weakened demand for apprenticeships from some employers', who apparently do not see 'time spent on the academic element as a necessary component in development of the skills they need'. The report also says that employers think that 'developing English and mathematics through a functional skills approach' is preferable to requiring 'formal GCSE examinations'. Further details can be found in section 11 and 12 of the report, a copy of which for ease of access can once again be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/652495/Evaluation_of_the_FE_Reform_Programme_2015.pdf

NEW 'NATIONAL LEADERS OF FE' INITIATIVE (NLFE) IS LAUNCHED

Leaders of FE colleges rated at least 'good' for 'overall effectiveness' at their most recent Ofsted inspection are being invited by the ESFA to apply to join the new NLFE programme. If accepted, this will involve them in providing support to colleges rated by Ofsted as 'requires improvement' or 'inadequate'. The NLFE is part of a package of support for struggling colleges, which also includes a new £15 million Strategic College Improvement Fund (see below). The ESFA says that the NLFE aims to 'engage and mobilise outstanding leaders within the further education sector to work with their peers in supporting improvement, so as to secure the best possible outcomes for learners'. As an inducement to apply, the ESFA says designation as an NLFE 'will be prestigious' and that participation in the NLFE programme 'will offer colleges the opportunity to develop the skills of principals and other senior staff'. NLFEs will be tasked with working with the leadership team of the supported college to identify where they need to improve, providing strategic mentoring, and support the leadership team to deliver the improvement programme. Each NLFE will be expected to commit at least 10 days to the role, and their college will be provided with a £10,000 bursary by the DfE to cover any costs associated with their participation in the programme. For more details see:

<https://www.gov.uk/government/news/new-programme-launched-to-improve-colleges>

NEW 'STRATEGIC COLLEGE IMPROVEMENT FUND (SCIF) IS LAUNCHED

The second element of the new support package is the SCIF. Colleges rated overall as 'requires improvement' or 'inadequate' can apply for grants of between £50,000 and £250,000 from the SCIF, with successful applicants being expected to make a financial contribution towards the total cost. SCIF funding is also being made available to colleges whose apprenticeship provision was graded 3 or 4. The SCIF is intended to complement the new NLFE (see section above), and the ESFA says that working with a partner college rated as 'good' or 'outstanding' will enable the applicant college to 'refine its understanding of the challenges it faces, develop a rigorous and costed improvement programme' and 'use the experience and know-how of the partner college to implement the improvement programme'. Whilst the SCIF guidance does not insist that the partner college must be part of NLFE programme, colleges that are being supported through the NLFE are automatically eligible apply for SCIF funding. The SCIF grant cannot be used for any capital expenditure valued over £2,500, staff restructuring or public relations activities, but the college's own contribution can be used for these things if the applicant can demonstrate the relevance of the expenditure (e.g. addressing reputational damage). Applications for funding from the SCIF pilot are required to be submitted by 20 November, with successful applicants being notified before Christmas. Colleges can continue to submit applications until 5 January 2018 for the SCIF second round of allocations. Applications for SCIF funding will be assessed by officials from DfE and the ESFA. Improvement work is expected to begin in early 2018. The DfE guidance for applicants for SCIF funding can be found at:

<https://www.gov.uk/guidance/guidance-for-applicants-to-the-pilot-of-the-strategic-college-improvement-fund--3>

NEW FLEXIBLE LEARNING FUND IS LAUNCHED

The DfE is making £10 million available for a new 'Flexible Learning Fund' to help providers develop 'new ways of supporting adults to retrain or progress further in their education'. The fund is part of the £40 million package for 'piloting new approaches to lifelong learning' that was announced in this year's spring budget. Grants of up to £1 million will be made available for projects that 'design, or enhance a method of delivering learning that is not currently widely available for in-work adults or labour-market returners'. To be eligible for grant funding, projects must focus on 'the delivery of basic skills, or on intermediate or higher level technical learning'. Examples of projects include such things as the 'delivery of a flexible or convenient timetable outside normal working hours or outside the classroom', 'making online and blended learning work for adults', and 'delivery methods that allow for caring responsibilities' and 'help with returning to the labour market'. The deadline for applications to the fund is 32 January 2018 and contracts will be awarded in the spring. Further details can be found at:

<https://www.gov.uk/government/publications/further-education-flexible-learning-fund>

PRIVATE PROVIDERS TO RECEIVE EXTRA ADULT EDUCATION BUDGET (AEB) FUNDING

Changes to EU law this year has meant that private providers have been required to tender for AEB funding (although this requirement was not applied to public sector providers such as colleges and local authorities). One of the consequences of this was that after 2017/18 public sector AEB allocations were made, only £110 million was left for private providers to bid for. This has apparently left many providers facing severe financial difficulties and some facing bankruptcy. However, following an announcement that all providers (public and private) underspent their AEB allocations in 2016/17 by more than £200 million (e.g. one FE college underspent its £3.2 million allocation by more than £660,000), the DfE has announced that extra funding will be made available from last year's underspend. This means that in 2017/18 that private providers will collectively receive a total of at least 75% of their AEB allocation in 2016/17.

NUMBERS OF STUDENTS TAKING HE QUALIFICATIONS BELOW FIRST-DEGREE LEVEL IN FE COLLEGES HAS FALLEN

HE courses below bachelor degree level, such as HNDs, HNCs and Foundation Degrees, have more commonly been offered by FE colleges. However, a report commissioned by the QAA and carried out by Sheffield University says that 'over the last 50 years, sub-bachelor provision has been overtaken and eclipsed by the growth of bachelor and postgraduate education'. The report says that 'In the early 1960s, students on non-degree courses accounted for more than half of the HE population', but that 'by the late 1980s, the sub-bachelor share had reduced to one-third'. The report goes on to say 'although sub-bachelor shared in the rapid expansion in the years that followed, its growth was slower than at the bachelor and postgraduate levels' and that 'today, less than 1 in 7 students are enrolled on courses at these levels'. A copy of the report entitled '*Sub-bachelor Higher Education in the United Kingdom*', can be accessed at:

<http://www.qaa.ac.uk/en/Publications/Documents/Sub-bachelor-Higher-Education-in-the-United-Kingdom.pdf>

QAA FINDS 'WIDESPREAD EVIDENCE' OF SALE OF ESSAYS AND DISSERTATIONS TO UNIVERSITY STUDENTS

The credibility of the university sector has already been impacted on by allegations of degree award 'inflation' (e.g. around 25% of all degrees awarded in 2015/16 were firsts), and the availability of high quality counterfeit degree certificates and diplomas (including medical degrees) for sale over the internet. The reputation of the sector has now been further dented by the findings of a recent investigation by the QAA, which found 'widespread evidence of hundreds of companies producing work for students to pass off as their own', with prices paid ranging from 'as little as £15 for an essay to almost £7,000 for a PhD dissertation'. In response to the QAA findings, Universities Minister for England, Jo Johnson, said that the agency will be asked to produce new guidelines to prevent 'unacceptable and pernicious cheating', and a National Union of Students (NUS) spokesperson said that 'many students were working long hours to help pay their tuition fee and reduce their loan debt'. As a result, their studies were suffering, and because of this, they have been increasingly tempted to turn to these 'essay mills' for help. The QAA report, entitled '*Plagiarism in Higher Education*', is almost an amusing read, and can be accessed at:

<http://www.qaa.ac.uk/en/Publications/Documents/Plagiarism-in-Higher-Education-2016.pdf>

TWO NEW 'MOOCS' LAUNCHED TO PROVIDE CAREERS ADVICE FOR SCHOOL AND COLLEGE LEAVERS

The University and Colleges' Admissions Service (UCAS) has launched two free 'Massive Open Online Courses' (MOOCs) to help improve the quality of careers advice provided in schools and colleges. The courses will be delivered through the MOOC provider 'FutureLearn' and are intended for use by teachers, careers advisers and students. The MOOCs will focus on what options are available to school leavers, ranging from university study and work to apprenticeships, and how to research them. The first course, for teachers and careers advisers, started on 23 October. The second course, for students, starts on 6 November. More information on FutureLearn and MOOCs can be accessed at:

<https://www.futurelearn.com>

NEW REPORT FROM THE INDEPENDENT ADVISORY GROUP ON SKILLS IS PUBLISHED

The Education Policy Institute (EPI), in partnership with Pearson, has published the second report of the Independent Advisory Group on Skills (IAGS), entitled '*Educating for our Economic Future*'. The IAGS consists of 'prominent business and education leaders', and is chaired by Professor Sir Roy Anderson (who is an expert in infectious disease epidemiology at Imperial College London, and is therefore likely to have a deep insight into the difficulties faced by the FE sector). Other members include Martin Doel (formerly of the RAF, and then the AoC, and now FETL Professor of Leadership in FE and Skills at the Institute of Education), Neil Carberry (Head of 'People Policy' at the CBI) and Rod Bristow (President of Pearson). The report assesses 'England's progress in equipping young people with the right skills for the future'. The

authors argue that although ‘many pieces of the jigsaw are coming together under the government’s current plans, even a successfully-implemented Post-16 Skills Plan may still fall short of a coherent vision for education’, and go on to warn that ‘the government’s ongoing technical education reforms’:

- Must ‘fit into the wider education agenda if they are to be a success’.
- Must ‘not close off options of further study and long-term career development by discriminating between academic and technical pathways’.
- Should scrap its ‘crude apprenticeship target of 3 million new apprenticeship starts by 2020, and focus instead on quality and the benefits that apprenticeships can bring for learners and employers’.
- **Make better progress in ‘equipping young people for the future with core literacy and numeracy, and ensure the development of digital and financial knowledge** in young people is also fit for the future’.
- Establish mechanisms ‘to **ensure long-term school and college curriculum decisions reflect independent advice** and meet the full range of society’s interests in education’.

A copy of ‘*Educating for our Economic Future*’ can be accessed at:

<https://epi.org.uk/wp-content/uploads/2017/10/Educating-for-our-Economic-Future-Advisory-Group.pdf>

And a copy of the group’s first report ‘*Making Education Work*’ published in 2014, can be accessed at:

<https://www.pearson.com/content/dam/one-dot-com/one-dot-com/uk/documents/about/news-and-policy/making-education-work-online.pdf>

AND FINALLY....

In the past, FE managers developed considerable expertise in keeping a straight face during LSC and SFA meetings, when incomprehensible words and phrases such as ‘contestability’, ‘estimates of firstness’, and ‘sector compact’ were used. They also learned how to conceal their unease when LSC and SFA officers began to replace commonly understood words such as ‘student’, ‘course’ and ‘college’, with conceptually more obtuse but more politically correct words such as ‘learner’, ‘client’, and ‘provider’. FE managers are now having to learn to bull their way through meetings with a whole new range of quangos, such as the ESFA, Area Review panels, the IfA and Combined Authorities, and to ingest a fresh vocabulary of bewildering words and phrases. What follows is a case study of one such meeting.

Assistant Principal for Student Services, Julie Walker, was asked by her principal to attend a LEP planning meeting. ‘My boss said that it was crucial that I attended’, said Julie, ‘but I now think that I was told to go because he just couldn’t face going himself’. Describing the meeting, she said that there were discussions on such things as ‘synergistic client development’, ‘leveraging core competencies’ and ‘sector focussed learning entitlements’. She went on to say, ‘I eventually realised that I had no idea what was going on, but by then I was too embarrassed to ask’. The meeting lasted for almost two hours and afterwards Julie had an opportunity to talk to others who had attended. She was relieved to learn that nobody else had a clue what the meeting was about either, and some said they had no idea why they were there. One of the attendees did admit to ‘chipping in with some jargon’, but said that this was to give the impression he knew what LEP officers were talking about. Another admitted to using the phrase ‘cascading functional information’ without having the faintest idea what this meant. ‘We all had a good laugh about that’, said Julie, ‘until we realised that we were meant to be taking it seriously’. Julie went on to say that at least the meeting had allowed her to have a ‘couple of hours away from the office and a plate of biscuits to get stuck into’. She described how the meeting ‘perked up a bit’ when LEP Head of Values inadvertently mentioned ‘biscuits’ in a discussion about ‘how to facilitate trends in high-end social media’. ‘We all said that Hob Nobs would be nice’, said Julie, ‘but the LEP Internal Outreach Coordinator said that they were too expensive and we would have to make do with Lidl’s rich tea’.

Do you find your attention wandering in meetings? Have you actually fallen asleep in one? Then this might help. Print off copies of the grid below for your next meeting. Words and phrases are 'ticked off' as they are heard, and the first person to 'tick off' five wins the game. As a variation, colleagues could be given a number of meaningless words or phrases (e.g. 'overarching core strategy' or 'a new paradigm for creative synergy') which they have to use during the meeting. To refresh the game, use the link below to generate a whole new range of meaningless words and phrases.

<http://sweary.com/business-buzzword-generator/>

AT THE END OF THE DAY	REVISIT	BALL PARK	THE COAL FACE	CORE DRIVERS
TAKE THAT OFF-LINE	GAME PLAN	SYNERGY	PROACTIVE, NOT REACTIVE	TOTAL QUALITY
SWINGS AND ROUNDABOUTS	STRATEGIC FIT	BANDWIDTH	WIN-WIN SITUATION	SLIPPERY SLIDE
STRATEGIC GOALS	HARDBALL	THINK OUTSIDE THE BOX	TICK THE BOXES	TRANSPARENT
GAP ANALYSIS	OUT OF THE LOOP	FAST TRACK	PURCHASER - PROVIDER	MINDSET
BEST PRACTICE	GO THE EXTRA MILE	RESULTS DRIVEN	KNOCK-ON EFFECT	STRATEGIC PLAN
THE BOTTOM LINE	BENCHMARK	EMPOWER EMPLOYEES	PUT THIS ONE TO BED	TAKE THAT ON BOARD
CORE BUSINESS	THE BIG PICTURE	NO BLAME	CLIENT FOCUSED	TAKE HOME MESSAGE
LESSONS LEARNT	VALUE ADDED	STRETCH THE ENVELOPE	MOVERS AND SHAKERS	WHERE TO FROM HERE
KNOWLEDGE BASE	MOVE THE GOAL POSTS	SKILL SET	QUALITY DRIVEN	TOUCH BASE
FINAL CUT	OUTCOME DRIVEN	TRIPLE BOTTOM LINE	GOAL ORIENTED	KEY STAKEHOLDERS
VISIBILITY	SUSTAINABLE DEVELOPMENT	SOCIAL CAPITAL	EMPOWERING TECHNOLOGY	SWOT ANALYSIS
PARADIGM	CHAMPION CHANGE	DO THE HARD YARDS	RISK AVERSE	CONTINUOUS IMPROVEMENT

Alan Birks – November 2017

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