

SECTOR DEVELOPMENTS...

*At the end of the last **Click** newsletter we mentioned that it was likely to be the last for the 2017/18 academic year (if only to give you all a rest). However, we did say that we would provide an update if there were developments over the summer period that you might find of interest and/or useful. Because there is now no such thing as a 'summer shut down' in FE, there have continued to be several publications, announcements and developments of significance to the sector. Some of these are listed below.*

ESFA PUBLISHES ITS ANNUAL REPORT AND ACCOUNTS FOR THE 2017/18 FINANCIAL YEAR

The Education and Skills Funding Agency (ESFA) has published its annual report and accounts for the period from April 2017 until March 2018. Key points in the report include the following:

- The agency made a **loss of £67 million mainly, it says, because of 'Exceptional Financial Support' (EFS) loans made to colleges in difficulty and the writing off of earlier loans** that will not be recovered.
- Three University Technical Colleges (UTCs) had a combined total of £3.14 million written off on their closure and **the ESFA gave away failed UTC and studio school sites worth a further £15.5 million as 'gifts' to other organisations.**
- **Despite this, the ESFA underspent its total 2017/18 budget by £314 million.** The underspend included £99 million unspent from the Restructuring Fund and £67 million unspent on apprenticeships and the Adult Education Budget (AEB).
- **£56.6 million was allocated to 415 providers to 'build capacity' for T-Level work placements.**
- **110 colleges were in early intervention at some point during 2017/18.** As at April 2018, three out of 63 sixth-form colleges (SFCs) and 39 out of 167 further education colleges (GFEs) were still in formal intervention.
- 31 college mergers were completed, taking the total number of mergers since the start of the area review programme to 41. This constitutes around two-thirds of all mergers agreed through the area review process. The ESFA report describes this as being the 'most concentrated period of structural change since 1993'.
- 18 SFCs converted to academy status during the year.
- As of 31 March 2018, there was a total of 2,588 organisations on the Register of Apprenticeship Training Providers (RoATP). 998 providers were added during 2017/18, and 92 were removed. The report says the increased numbers of providers has placed a strain on Ofsted's inspection resources.

A copy of the ESFA annual report and accounts can be found at:

https://www.gov.uk/government/publications/education-and-skills-funding-agency-annual-report-and-accounts-2017-to-2018?utm_source=7ee0763c-bd16-47ce-ae77-133c9be73a8a&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

TIME RUNNING OUT FOR COLLEGES TO APPLY FOR RESTRUCTURING FUNDS

On the basis of current allocations it is now expected that between £200 million and £300 million of the £700 million Restructuring Fund will remain unspent. This is thought to be partly as a result of colleges being reluctant to apply for funds because this could make them a target for closer scrutiny from the FE commissioner and Ofsted and ultimately, expose them to the risk of formal intervention. Colleges in need of funds are now being warned that they should apply without delay because with the introduction of the new college insolvency regime means that they will have 'nowhere to go'. Of course, if the £700 million had been added to colleges' core budgets in the first place it is thought likely that there would have been fewer colleges in need of financial assistance. Guidance and application forms are available at:

<https://www.gov.uk/government/publications/post-16-education-and-training-institutions-apply-for-financial-support-for-area-reviews>

ESFA PUBLISHES UPDATED EARLY INTERVENTION AND PREVENTION STRATEGY

The ESFA has published an updated version of its early intervention strategy for SFCs and GFEs. Amongst other things, the updated strategy covers college financial plans, performance indicators and other data that suggests that there is a risk of failure. This includes situations where colleges are in financial difficulty and face a significant risk of not being able to meet their obligations. Further information is available at:

<https://www.gov.uk/government/publications/college-funding-early-intervention-and-prevention/early-intervention-strategy?a>

ESFA PUBLISHES 2018/19 16-19 FUNDING RATES AND FORMULAE

The ESFA has published the funding rates and formulae that will be used in determining 16-19 funding allocations for the 2018/19 academic year. In addition to a new section on funding allocations for merged institutions, there is also information on how the new Work Placement Capacity and Delivery fund is intended to operate. A copy of the PowerPoint slides used by ESFA officials to explain the new arrangements is also provided. All relevant documents can be accessed at:

<https://www.gov.uk/government/publications/funding-rates-and-formula>

DFE PUBLISHES INFORMATION ON WHAT WILL BE INCLUDED IN 2017/18 16-18 PERFORMANCE TABLES

The Department for Education (DfE) in England has published a 'statement of intent' on what data will be published for schools and colleges in the 2017/18 16-18 performance tables. This includes information on data that will appear for the first time as a result of recent changes to the way school and college performance is measured. A copy of the 'statement of intent' can be found at:

<https://www.gov.uk/government/publications/school-and-college-performance-tables-statements-of-intent>

ESFA DELAYS PUBLICATION OF GUIDANCE ON SUBCONTRACTING MANAGEMENT FEE CHARGES UNTIL NEXT YEAR

MPs have expressed concerns that public funds intended for training have been diluted by main providers charging their subcontractors exorbitant management fees and in April the ESFA commenced a review which was expected to result in new guidance coming into effect this month (August). However, the ESFA now says that further investigation is needed. In a recent update, the ESFA confirms that the priority 'will be to develop an approach which increases the amount of funding that reaches front line delivery, and increases transparency'. However, the agency went on to say that any changes forthcoming from the review will not come into force until sometime in 2019. The news will come as a disappointment to those subcontractors that would like to see the ESFA introduce a hard cap on the percentage that main providers can charge them in management fees. Further details can be found at:

<https://www.gov.uk/government/publications/esfa-update-8-august-2018/esfa-update-further-education-8-august-2018>

ESFA PUBLISHES GUIDANCE ON THE USE OF SUBCONTRACTORS IN DELIVERING APPRENTICESHIPS

However, the ESFA has produced new guidance and rules for main contractors on how they use subcontractors to deliver apprenticeships on their behalf. A copy of the guidance can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/732716/Apprenticeship_subcon_guidance.pdf

The ESFA has also updated its previous guidance for main contractors on the use of subcontractors to deliver further education and training generally. This can be found at:

<https://www.gov.uk/guidance/subcontracting-using-funding-to-offer-education-and-training>

ESFA HANDS OVER FORMAL RESPONSIBILITY FOR APPRENTICESHIP QUALITY TO OFSTED

The ESFA has published an updated document entitled '*Removal from register of apprenticeship training providers and eligibility to receive public funding to deliver apprenticeship training*', which in effect sees the agency hand over formal responsibility for apprenticeship quality to Ofsted. The document says that any provider deemed by Ofsted to be 'inadequate' for apprenticeship provision at inspection or making 'insufficient progress' in at least one of the key inspection themes during an Ofsted monitoring review will not be allowed to take on any *new* apprentices. They can continue to work with their existing apprentices, but must tell employers about the inspection or monitoring visit outcome. Further details are available at:

<https://www.gov.uk/government/publications/removal-from-register-of-apprenticeship-training-providers/removal-from-register-of-apprenticeship-training-providers-and-eligibility-to-receive-public-funding-to-deliver-apprenticeship-training>

ESFA PUBLISHES UPDATED 2018/2019 APPRENTICESHIP FUNDING RULES

The ESFA has published its apprenticeship funding and performance management rules that will be applied to all apprenticeship starts from 1 August 2018. A copy of the document can be found at:

<https://www.gov.uk/government/publications/apprenticeship-funding-rules-2018-to-2019>

ESFA PUBLISHES UPDATED APPRENTICESHIP FUNDING BANDS

The ESFA has published the funding band arrangements that will apply to existing apprenticeship frameworks and apprenticeship standards with effect from 1 August. Further details can be found at

<https://www.gov.uk/government/publications/apprenticeship-funding-bands>

ESFA PUBLISHES MINIMUM STANDARDS FOR ALL AGE APPRENTICESHIPS AND ADULT EDUCATION AND TRAINING

The ESFA has published the minimum standard thresholds for the 2017/18 academic and financial year for all age apprenticeships and adult education and training. Further details can be found at

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/733652/Minimum_Standards_2017_to_2018v1_.pdf

YEAR-ON-YEAR APPRENTICESHIP STARTS CONTINUES TO FALL

ESFA data published in July shows that there were 24,100 starts in April 2018. This down by two-thirds from the provisional figure for April 2017, which stood at more than 70,000. The figures show a continuation of the decline in the number of year-on-year apprenticeship starts. Data published in August showed that the number of starts had fallen to 22,300. Almost 50% of apprenticeship starts thus far in 2017/18 are on frameworks with 'management' in the title, leading to concerns that employers are rebranding their existing training as 'apprenticeships' to access levy funding primarily intended for young people. Further information is available at:

<https://www.gov.uk/government/statistics/apprenticeship-and-levy-statistics-august-2018>

AROUND 30% OF NEW APPRENTICESHIP TRAINING PROVIDERS ARE 'DORMANT'

Research carried out by the Association of Employment and Learning Providers (AELP) has revealed that around a third of the providers on the RoATP have yet to take on any apprentices. A spokesperson for the AELP said that the figures show that the large number of providers on the RoATP gives a 'false picture' of apprenticeship capacity and capability. Worryingly, one of the reasons given for organisations on the RoATP lying dormant is that many are 'shell companies' that will be subsequently offered for sale by 'unscrupulous middlemen' to other training providers that want to deliver apprenticeship training but have been unable to get their organisations included on the register.

OFQUAL TO AUDIT CAPACITY AND CAPABILITY OF EPA ASSESSORS

Ofqual has announced that following concerns expressed about assessor capacity and capability, it intends to audit apprenticeship end-point assessment (EPA) organisations to find out how they are mitigating risks in respect of the assessors they employ. A copy of the guidance on this can be accessed at:

<https://www.gov.uk/government/publications/epa-qualification-level-guidance>

MORE CONCERN EXPRESSED AT THE 'RUSH' TO ROLL-OUT T-LEVELS

In May, the Institute for Apprenticeships (IfA) gave the sector just 5 working days to respond to a consultation on the draft content for the first three T-Levels (although it was subsequently forced to extend the feedback period twice). And in early July, the Minister for Education in England, Damian Hinds refused to accept his own permanent secretary's request to delay the initial rollout of T-Levels until 2021. Then, on 10 July, Ofqual launched a 71-page, 52-question consultation on rules for regulating T-Levels and gave a deadline for responses of 6 August, which was about half the time Ofqual normally allows for responses to consultations. Meg Hillier, the Chair of the Public Accounts Committee (PAC), called the timescale 'ridiculous'. Sector leaders and awarding bodies have also been alarmed at Ofqual's proposal to only allow assessments to be taken in the summer, thereby forcing students who need to re-sit their exams to wait a whole year to do so. In addition, concerns have been expressed in respect of the complexity of the proposed triple grading system for T-Levels. Although students will be given either an overall 'pass' or 'fail' grade for their T-Level, the core component of the T-Level will be graded A* to E, and the occupational specialism will be graded either 'Pass', 'Merit' or 'Distinction'. A copy of the consultation document can be found at:

https://www.gov.uk/government/consultations/ofquals-approach-to-regulating-technical-qualifications?utm_source=92b0f67b-7ba3-448d-946b-f7cd19a3bdb4&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

Interestingly, the Minister for Skills and Apprenticeships in England, Ann Milton, admitted to MPs that she wouldn't want her children to study for one of the new T-Level qualifications in their first year of operation.

FAB COMMENCES, THEN DROPS, LEGAL CHALLENGE AGAINST T-LEVEL TENDERING PROCESS

The DfE has now published its draft invitation to tender for awarding organisations (AOs) interested in accrediting T-Levels. In the document the DfE confirms the decision to give the contract for each T-Level to a single AO. The restrictive nature of the conditions in the tender, along with issues relating to the ownership of 'intellectual property' and 'commercial branding', prompted the Federation of Awarding Bodies (FAB) to issue the DfE and the IfA with a 'pre-action protocol letter', (which is the first stage in the launch of a judicial review). The basis of the FAB case was that that the proposals were 'irrational' (timescales are impossible to comply with), 'unreasonable' ('lack of proper engagement on the single provider model') and 'unfair' (have a 'disproportionate commercial impact on the awarding sector'). Damian Hinds, the Minister for Education in England said that FAB's action was 'deeply disappointing' and reiterated his intention to 'press ahead with T-Levels as planned'. The DfE then said that it had 'listened to feedback from AOs', and offered to 'reset' its relationship with FAB. For example, the DfE will now allow AOs to co-brand T-Level materials, subject to 'ensuring that the T-level brand remains a distinct brand', and will allow the 'intellectual property' in the technical qualification element to be allowed to be used by AOs abroad'. As a result of these concessions FAB has decided to drop its legal action.

DFE CONFIRMS PERFORMANCE REPORTING PROPOSALS OF INDIVIDUAL SITES IN VERY LARGE COLLEGES

The DfE has announced that earlier proposals to 'strengthen performance reporting for colleges that are part of a group or have multiple sites' will now go ahead. From 2018/19, very large colleges will be required to provide data on the performance of institutions or sites within the college. There will also be new campus-level identifier in the 2018/19 individualised learner record (ILR) but although the first separate individual site data will be available in 2019/20 it will not be included in performance tables until 2020/21. This development will potentially pave the way for campus-level Ofsted inspections. Ofsted says that this

'will be considered as part of Ofsted's current review of the inspection framework' but has warned that extra resources would be needed to cover the 'additional costs incurred in campus-level' inspections'.

OFSTED TO FUND 20 'FE RELATED' RESEARCH PROJECTS

Ofsted has allocated £2.4 million to spend on 20 'FE related studies' over the next two years. The funding is intended to address concerns that Ofsted makes judgements that, although evidence based, are often not supported by subsequent research findings. However, many of the 'FE related research' projects listed by Ofsted seem not to be particularly FE related. For example, amongst the list of projects funded include research into 'The functions of Multi Academy Trusts', 'Can children from low income backgrounds access outstanding early years provision, and what is the impact if they can't?', and 'Why are interventions designed to secure improvement consistently ineffective in some schools?'.

GOVERNMENT RESPONSE TO 'TREATING STUDENTS FAIRLY: THE ECONOMICS OF POST SCHOOL EDUCATION'

The government has published its response to the House of Lords Economic Affairs Committee report published in June and entitled '*Treating students fairly: the economics of post school education*'. Amongst the recommendations in the report were for funds to be transferred from HE to FE, the appointment of a new FE regulator, the abolition of the Institute for apprenticeships (IfA) and the scrapping of the government's target of 3 million apprenticeship starts by 2020. A copy of the report can be found at:

<https://publications.parliament.uk/pa/ld201719/ldselect/ldeconaf/139/139.pdf>

And a copy of the government response can be found at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/733100/The Economics of Post-School Education-web-accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/733100/The_Economics_of_Post-School_Education-web-accessible.pdf)

THE CAREERS AND ENTERPRISE COMPANY (CEC) TO PUBLISH ITS BOARD MEETING MINUTES

The CEC was launched in 2015 to 'lead efforts to connect more young people with the world of work'. The CEC has received £40.8 million of public funding since then, and although funding for the next two years has not yet been agreed, it is understood it will be substantially more than the £18.8 million received by the CEC in 2017/18. This reflects what the DfE says is 'the expanded role that the company now has implementing the government's new careers strategy' (see below). Recently, the House of Commons Education Select Committee raised 'grave concerns' over the sums spent by the CEC with private research organisations and the lack of evidence on the impact it has made so far. The Committee chair, Robert Halfon, has called the CEC a 'bloated quango' and has expressed concerns that, despite the level of public funds it received, the CEC did not publish its board meeting minutes and therefore did not expose itself to proper public scrutiny. The CEC has now announced that, 'From July 2018, we will be publishing minutes of our board meetings'. However, the publication of previous board minutes is 'still being considered'.

CEC TO PROVIDE COLLEGES WITH FUNDING TO DEVELOP 'CAREERS HUBS'

Meanwhile, as part of the government's new careers strategy, the DfE has announced that £5 million is to be made available over two years to be distributed through the CEC to support the development of 'careers hubs' (not to be confused with 'careers colleges'). Careers hubs will be based in colleges, which will work with local schools and universities, training providers, employers and career professionals to 'pool their expertise on improving careers education' and to 'provide young people with the right advice to help them make decisions about their future'. The CEC has announced the names of the first 60 colleges that will be given £1,000 to establish a careers hub, plus up to £3,500 to train a 'careers leader', which Damian Hinds says will 'transform careers education across England'. How viable it will be for these colleges to implement the required changes, with this relatively small level funding remains to be seen. Of course, the careers hubs will no doubt continue be supported by the large numbers of college and school staff who are already working tirelessly to develop links with employers and to provide high quality work experience placements for their students with no help at all from the CEC. A copy of the new careers strategy (entitled '*Making the most of everyone's skills and talents*') can be found at:

<https://www.gov.uk/government/publications/careers-strategy-making-the-most-of-everyones-skills-and-talents>

DFE AND COMBINED AUTHORITIES AGREE A MEMORANDUM OF UNDERSTANDING ON AEB DEVOLUTION

With effect from September 2019, the 6 combined authorities (Cambridgeshire and Peterborough, Greater Manchester, Liverpool City Region, Tees Valley, West Midlands and the West of England) will assume devolved responsibility for the adult education budget (AEB), currently controlled by the ESFA. The DfE and the combined authorities have now agreed arrangements to work together for the transition period and these are set out in a memorandum of understanding which was published on the DfE website earlier this month (August). A copy of the memorandum can be accessed at:

<https://www.gov.uk/government/publications/devolution-of-adult-education-functions-the-transition-year-memorandum-of-understanding>

LONDON MAYOR PROPOSES COMMISSIONING FOR DEVOLVED AEB BASED ON 'PAYMENT BY RESULTS'

The Mayor of London, Sadiq Khan has revealed plans to change the current adult education funding model to 'payment by results' (i.e. linked to qualification and employment outcomes) when the city takes over devolved responsibility for its share of the AEB in September 2019. The proposals have recently been published in a consultation document entitled '*Skills for Londoners Framework*' and are thought to be being keenly observed by the Mayors of other City Regions. The consultation document can be found at:

https://www.london.gov.uk/sites/default/files/appendix_1_-_draft_framework.pdf

GCE A-LEVEL RESULTS 2018

This year sees the first full set of GCE A-Level results based on new syllabuses that have been phased in across schools and colleges in England since September 2015. Under the new system, students sit all A-level examinations at the end of two years of study, instead of taking modular exams throughout the course, as they had done in previous years. AS-Level results no longer count towards A-Level grades and the number of AS-Level entries has reduced dramatically. There were fears that the new A-Level examinations would be harder for students and that overall grades achieved could fall. However the latest results show that 26.4% of entries were awarded A or A* grades (the highest since 2012), although A* grades awarded dropped by 0.3%. Overall, 97.6% of A-level entries were awarded A* to E grades. 2018 is the second year running that boys have outperformed girls at the top grades. There has also been a rise in the number of students taking STEM (science, technology, engineering and maths) subjects. University and Colleges Admissions Service (UCAS) data published on results day showed that almost 30% of the entire 18-year-old population had already been accepted onto university degree courses.

EXPONENTIAL INCREASE IN NUMBER OF UNCONDITIONAL OFFERS MADE BY UNIVERSITIES

New figures published by UCAS reveals a huge rise in unconditional offers made by universities in England, Northern Ireland, and Wales over the five years since higher tuition fees were introduced and the cap on numbers that could be admitted to university was lifted. (Scotland was not included in the analysis). Unconditional offers do not specify any academic requirements for a student to take up a place on a degree course and the number of these offers made to 18-year-old students has risen from 2,985 in 2013, to 67,915 in 2018. The UCAS data shows that this year nearly a quarter (24%) of all 18-year old university applicants have received at least one unconditional offer of a university place. University Minister for England, Sam Gyimah said that the figures pointed to a 'bums on seats' mentality aimed at maximising university income from fees and went on to say that he would be monitoring the situation closely. Meanwhile, some universities are reported as offering prospective students cash incentives of up to £1,500 a year (rather than a reduction in tuition fees) if they accept places on certain degree courses.

RUSSELL GROUP CALLS FOR THE RESTORATION OF MAINTENANCE GRANTS

The Russell Group of universities has called for maintenance grants to be restored to help improve diversity in higher education and to attract more young people 'nervous about debt'. However, an analysis of their latest accounts by the Guardian newspaper has revealed that the 70 colleges that make up Oxbridge Universities own net assets totalling £20.8 billion. This has led some to suggest that some elite universities could already do much more to help support disadvantaged students, if they really wanted to.

<https://www.theguardian.com/education/2018/may/28/oxford-and-cambridge-university-colleges-hold-21bn-in-riches>

ESFA PUBLISHES ADVANCED LEARNER LOANS FUNDING AND PERFORMANCE MANAGEMENT RULES FOR 2018/19

Further details are available at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/733621/ALL_funding_rules.pdf

HUGE INCREASE IN THE NUMBER OF ACCESS COURSE LOANS WRITTEN OFF

Following the introduction of learner loans in England, the government introduced an Access Course Loan Write-off Scheme. Under the scheme, once students have successfully completed their access course *and* their subsequent degree, the loan they took out to meet their access course fees is written off. The scheme compares very favourably to 'year zero' courses offered by universities, whereby the students that take them incur an extra year's worth of student loans at £9,250 per year, but there is no loan write-off. Last year, the access loan write-off was £1.7m, but this year it has increased to £20.3 million.

LARGE CAPITAL SUMS SPENT ON UTCs AND STUDIO SCHOOLS THAT HAVE NOW CLOSED

The DfE has updated its 'Register of Capital Spending on Free Schools', which also includes the acquisition and construction costs for University Technical Colleges (UTCs) and Studio Schools. The data shows that since 2010, DfE' capital expenditure on UTCs and Studio Schools was more than £407 million. Of this sum, £93 million was spent on UTCs and Studio Schools that have since closed. See:

https://www.gov.uk/government/publications/revenue-spending-on-university-technical-colleges?utm_source=29ab3abd-d644-41dd-9ee6-46a97fa745a2&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate

DFE TO 'INTERVENE' IN SCHOOLS THAT FAIL TO ALLOW OTHER PROVIDERS PUPIL ACCESS

The Technical and Further Education Act 2017 (the 'Baker Clause') included a requirement for schools to allow other post-14 providers (including UTCs, Studio Schools, GFEs, SFCs and independent training providers) on to their premises to talk to pupils about alternatives available to them post-14 and post-16, other than staying on at the school. They are also required to publish a 'provider access statement' on their websites. However, it appears that significant numbers of schools are failing to comply with these requirements. As a result, with effect from this September, the DfE is now threatening 'direct intervention' against those schools that are failing to meet their statutory duties to allow access.

SECONDARY PUPIL NUMBERS IN ENGLAND CONTINUE TO RISE

The DfE has forecast that there will be almost a half a million more pupils in England's state secondary schools by 2027, increasing the total numbers in secondary education to more than 3.3 million. The DfE says that the increase has been caused by a significant increase in birth rates in the 2000s, but school leaders say that there will not be enough school places or teachers to cope without substantial additional resources being made available. This growth will also eventually impact on 16-18 provision in schools and colleges. The same resource implications will apply and will no doubt probably continue to be ignored. A copy of the DfE data can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/723851/2018Release_Projections_Text.pdf

SCHOOL TEACHERS IN ENGLAND TO RECEIVE A PAY INCREASE OF UP TO 3.5%

The government has 'largely accepted' the recommendations of the School Teachers' Pay Review Body and has agreed to remove the 1% cap on pay increases in schools in England. As a result, the DfE has announced school teachers will receive a pay rise of up to 3.5% (depending on seniority) with effect from this September. The increase will cost £508 million over two years, but the extra money will not come from the Treasury. The DfE has assumed schools have budgeted for a 1% pay rise this year and says that it will fund the remaining 2.5%. The median pay for teachers in FE colleges in England is currently £30,000, which is already around £7,000 less than their counterparts in schools. As a result, colleges are struggling to retain and recruit teachers, particularly in science, technology, engineering and mathematics (STEM). FE unions have submitted a pay claim of 5% for the 2018/19 academic year, and have asked for a guaranteed minimum increase of £1,500 for the lowest paid staff. The Association of Colleges (AoC) said that colleges were keen to offer a 'significant rise' for staff, but this was 'inconceivable' without additional funding being made available. Given that most of the pay increase for school teachers is being met from within the DfE's budget, it is thought that this makes a pay rise for FE college staff less, rather than more, likely.

MORE FE CUTS ON THE WAY?

According to the Times Newspaper, the Chancellor of the Exchequer, Philip Hammond has asked government departments (including the DfE) to find areas for spending reductions ahead of next year's spending review and that some departments could be facing further cuts of as much as 5%. The DfE school budget is protected but there is no such undertaking to protect FE funding. This has led to fears that FE staff are more likely to be facing the prospect of further redundancies rather than the prospect of a pay increase. The Times article can be found at:

<https://www.thetimes.co.uk/edition/news/philip-hammond-orders-whitehall-to-plan-for-morecuts-hts0ml92p>

EUROPEAN SOCIAL FUND (ESF) CASH WILL BE PROTECTED UNTIL END OF 2020

Meanwhile, amid fears of a 'no deal' Brexit, Mr Hammond says that the funding that organisations secure through ESF programmes will be guaranteed until December 2020. Current ESF funding is worth around £2.3 billion across the whole of England, but the UK is a significant net contributor to the EU central budget, any shortfall is expected to be met from the savings in EU budget contributions along with the UK co-funding required by projects that are currently funded through EU grants.

UNEMPLOYMENT AT A RECORD LOW

Office for National Statistics (ONS) data published earlier this month (August) has revealed that the unemployment rate has fallen to a record low of 4%. The majority of employment growth has been in both full-time and permanent roles and there was also a large fall in zero-hour contracts in April to June 2018, making up only 2.4% of people in employment, which is a fall of 104,000 on the year. For April to June 2018, the unemployment rate for those aged from 16 to 24 years was 11.3%, which is the lowest youth unemployment rate since comparable records for unemployment by age group began in March to May 1992. This compares favourably with the EU average youth unemployment rate of 15.1% (with, for example, Greece at 43.2%, Spain at 33.8%, Italy at 31.9%, Portugal at 20.8% and France at 20.4%). Further details can be found at:

<https://www.gov.uk/government/statistics/uk-labour-market-statistics-aug-2018>

AND FINALLY...

Below is the text of bewildering message sent by the clerk to the House of Commons to the clerk to the House of Lords to be read out to members. The message relates to the Commons response to the numerous amendments to the EU Withdrawal Bill that had been proposed by the Lords:

'My Lords, the Commons agree to certain amendments made by the Lords in lieu of amendments made by the Lords to the European Union (Withdrawal) Bill to which they disagreed. They agree to the amendments made by the Lords to their amendment made in lieu of an amendment made by the Lords, to which they disagree, and they agree to the amendments made by the Lords to their amendments made in lieu of the amendments made by the Lords to which they disagreed, with amendments, to which they desire the agreement of the Lords.'

Although probably incomprehensible to most and no doubt also a good laugh for those reading it, parliamentary officials apparently insist that the statement is grammatically correct.

Alan Birks – August 2018

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