

## Sector Developments

### Another apprenticeship review announced

You could be forgiven for thinking that there have been quite a lot of reviews of apprenticeships recently. The agencies conducting these reviews have included the National Audit Office (NAO), the Public Accounts Committee (PAC) the Skills Funding Agency (SFA), the National Apprenticeship Service (NAS), the Department for Business Innovation and Skills (BIS) Select Committee and, on occasion, the Serious Fraud Office (SFO) and the police. The reviews have variously covered Young Apprenticeships, 16-18 Apprenticeships, Advanced Apprenticeships, Higher Apprenticeships, Adult Apprenticeships and Apprenticeships 'of a short duration'.

Reviewing apprenticeships has clearly proved to be a popular pastime for many in government and, presumably on the basis that you can never have enough of a good thing, BIS has recently announced yet another. For this latest review BIS has commissioned Doug Richard, who is 'an entrepreneur' and the founder of the 'School for Start-ups', to conduct a review into the 'Future of Apprenticeships'. The review will consider:

- Which types of learners can benefit most from apprenticeships?
- Which types of employers can benefit most from apprenticeships?
- Which elements of apprenticeships can, and should, be simplified?
- Are the qualifications taken as part of an apprenticeship programme sufficiently rigorous?
- Are the qualifications taken as part of an apprenticeship programme sufficiently recognised and valued by employers?
- How can it be ensured that all apprenticeships provide significant new learning opportunities and the acquisition of new skills, rather than the accreditation of existing ones?
- Are there any opportunities to 'improve the impact' of apprenticeships?
- Are there any opportunities to obtain extra value for money from the public investment in apprenticeships?

Although not initiated by his own department, Michael Gove, the Secretary of State for Education, has expressed his support both for this latest review and for Mr Richard personally, and has said, 'Doug Richard is a proper entrepreneur, not a corporate bureaucrat. That's why he's the right man to get apprenticeships right'. Commenting on his own appointment, Mr Richard, a former 'Dragon's Den' investor said, 'I've been asked really to take a forward look at the role of apprenticeships in society' and went on to add, 'As you can imagine it's all changing terribly quickly, so I think the value that I bring is just my point of view'. (Just in case you thought you were detecting a slight hint of gibberish creeping in here, I thought I'd best mention that the above quotes are given verbatim).

Mr Richard's report is expected later this autumn, and another review of apprenticeships can no doubt be expected shortly after that.

### New round of higher apprenticeships announced

Vince Cable, the Minister for Business, Innovation and Skills (BIS) has announced the creation of 4,239 new higher apprenticeships. These new apprenticeships are as a result of successful second round bids made to the £25 million higher apprenticeship fund. Sectors covered in this latest round include aviation, low carbon engineering, legal services and space engineering and successful bidders have been allocated almost £6.5 million to develop higher apprenticeships in these areas.

City and Islington College was awarded the largest allocation to an FE college and has received £1.39 million to develop Level 4 apprenticeships in engineering and environmental technologies. PricewaterhouseCoopers (PWC) was awarded the highest allocation to a private sector body and has received £960,000 to develop the first level 6 and level 7 higher apprenticeships in accounting and professional services.

### **New Skills Funding Agency Chief Executive**

Kim Thorneywork, the current Executive Director of Delivery at the SFA, has been appointed by BIS minister, Vince Cable, to replace Geoff Russell as Chief Executive of Skills Funding. In announcing the appointment Mr Cable said that 'an internal promotion will make for a smoother transition'. Legislation is scheduled to be introduced to change the legal basis for the SFA chief executive post and bring it within the remit of BIS. However, it is unlikely that this legislation will be introduced in the current parliamentary session.

### **More University Technical Colleges (UTCs) announced**

The Department for Education (DfE) has announced approval for the creation of 15 new University Technical Colleges (UTCs), taking the total number to 32. Three of the new UTCs have FE colleges as their main sponsors and all but two of the rest will have FE colleges as partners.

As an aside to this, earlier this year the AoC made a formal complaint to the Information Commissioner in respect of the DfE's refusal to publish a list of those who have applied to open a 16-19 Free School or establish UTC. The Commissioner has now ruled on this and found in the AoC's favour. As a result the DfE is now required to publish the information requested.

Meanwhile, sixth form numbers in schools and academies actually fell by 2,000 in 2010/11 when a growth of 9,000 was predicted. This suggests that the DfE spent around £50 million on unfilled places in that year. Despite this, the DfE will be funding 13,000 new post 16 school places in 2012/13.

### **Additional Capital Funding for FE Colleges**

The SFA has made an additional £100m available for capital projects in FE colleges. Colleges have been invited to apply for capital grants from this fund, however, the maximum amount of funding in respect of each individual bid is capped at £3 million.

### **College teachers support professional standards**

A survey conducted by the Institute for Learning (IfL) has revealed that 80% of the 5,300 college teachers who responded thought that removing the requirement for them to have formal teaching qualifications will 'de-professionalise' the sector. 75% of respondents said having a register of teachers and trainers was necessary in order to protect learners, and 76% said college teachers should be required to have a Level 2 qualification in mathematics and English. The IfL research was carried out in response to the recommendation made in Lord Lingfield's recent report, that teaching qualifications should no longer be mandatory. Toni Fazaeli, the chief executive of the IfL said, 'Ofsted's strong focus on teaching and learning means that every teacher or trainer being excellent is more important than ever', and added that, 'This is not the time to be stepping back from initial teacher education'.

### **Protest against the introduction of FE loans**

As you will no doubt be aware, FE loans are being introduced next year for all learners aged 24 and above wishing to study at a course level 3 or higher. To clear up any confusion I may have caused in the last **Click** newsletter, it has been confirmed by BIS that the new loans are to be called '24+ Advanced Learning Loans'. BIS rejected my suggestion of 'FEDosh4U', which I personally thought was a lot snappier.

More seriously, college staff and students have protested against the introduction of FE loans and have written to the Minister for Further Education, Skills and Lifelong Learning, John Hayes seeking 'urgent clarification' on whether the introduction of the loans scheme will be likely to result in a lower take up of places at FE colleges. They have also lobbied MPs in their local constituencies on the matter. The increased level of protest comes in the wake of the publication of the delayed final Equality Impact Assessment (EIA) and Regulatory Impact Assessment (RIA) reports, which predicts that the number of adult learners studying at level 3 and 4 will drop from around 359,000 to around 247,000 once FE loans are introduced. The EIA report also predicts that nearly two-thirds of this expected reduction will be accounted for by women. In addition, the report says that it is expected that those over the age of 40 of both genders will be the least likely to take out an FE loan. Ministers are being asked if this likely reduction in participation in further education and training as a result of the introduction of FE loans is a wise thing in a period of high unemployment, and at a time when people are increasingly being expected to work for longer.

Meanwhile, adult learners who take their courses with private sector training providers next year may find themselves having to pay an additional 20% in value added tax (VAT) on top of their course fees. A spokesperson for Her Majesty's Revenue and Customs (HMRC) has confirmed that 'A provider of further education that is not an eligible body must charge VAT on its supplies of FE services'. However, because FE colleges are technically registered charities, they are deemed to be 'eligible bodies' and will therefore not be required to add VAT to the course fees they charge.

### **£22 million spent on the Framework for Excellence (F4E) and FE Choices websites**

In response to a written question from Lynne Featherstone MP, John Hayes, the minister for Further Education, Skills and Lifelong Learning, has said that more than £20 million was spent on the development and operation of the F4E website between the beginning of 2007 and the end of 2011. He also said that in the last year of operation there were 15,222 visits to the site. In defending the level of public expenditure on the F4E website, Mr Hayes said that 'the bulk of the spending on the Framework for Excellence was on defining the indicators, establishing methods of collection and developing and testing the website'.

The Framework for Excellence has now been discontinued and the F4E website was replaced in January 2012 by the 'FE Choices' website. A response to a freedom of information request made to the Skills Funding Agency (SFA) has revealed that, since the launch of the 'FE Choices' website in January, the site had been visited 6,230 times, and that the new website has to date cost £2.3 million (which is the equivalent of around £370 for each visit to the site).

### **BIS Pathfinder Project funding for 'new business models'**

Colleges have been encouraged to consider developing 'new business models' for some time now and the Education Act 2011 has given colleges increased opportunities and freedoms to do so. New business models being explored thus far range from the formation of mutual societies through to the flotation of public limited companies. (For some reason, my idea of colleges becoming churches, principals becoming archbishops and finance officers raising funds by asking for donations on various gospel TV channels does not seem to have attracted much support).

BIS is now proposing to provide funding to support a small number of 'Pathfinder Projects', designed 'to help colleges who are considering a major change in their delivery model'. The criteria for identifying colleges that might be eligible for this support in 2012/13 includes the following:

- The college has undertaken a 'College Structure and Prospects Appraisal', reflecting the criteria contained in 'New Challenges, New Chances'.
- The college, after discussions with the SFA, is proposing a model that would benefit from financial support through a Pathfinder Project.
- The college is prepared to share their experiences in developing a 'new business model' with the rest of the FE sector.

### **CBI 'disappointed' with school and college leavers' standards of numeracy and literacy**

A survey of 542 employers recently carried out jointly by the Confederation of British Industry (CBI) and Pearson Education and Skills, has revealed that many employers think that young people are leaving school and college without the literacy and numeracy skills needed for them to operate effectively in the workplace. The research shows that 35% of employers are unhappy with the literacy skills of school and college leavers and that 33% are dissatisfied with their numeracy skills. The survey also revealed that 42% of the employers taking part in the survey had found it necessary to provide leavers with remedial numeracy and literacy support. The CBI claims that the survey results are 'broadly unchanged' from the last time the survey was conducted in 2003.

A spokesperson for the CBI allegedly said, 'There are three main types of college leaver. There are those who can count and those who can't'.

### **UKCES Employer Skills Survey 2011 published**

The UK Commission for Education and Skills (UKCES) has published its 2011 Employer Skills Survey. The survey covers, amongst other things, training and staff development, vacancies that remained unfilled because of skills shortages, gaps in employees' skills, recruitment of school and college leavers, and a range of other measures to provide a picture of skills needs and training investment in UK businesses.

Key findings include the following:

- 24% of employers had recruited at least one person straight from school or college in the three years prior to the survey.
- Contrary to the findings of the joint CBI/Pearson study above, most employers found that school and college leavers they had recruited were 'well prepared for work'.
- Generally, the older the young person recruited and the higher qualification level on leaving school or college, the better they were able to adjust to full time work.
- Where school and college leavers were considered to be poorly prepared for work, this was mainly attributed to 'a lack of experience of the world of work' or, more generally, 'lack of maturity', rather than to 'personality, poor attitude, or a lack of motivation'.
- At the time of the survey, 12% of employers said that they had one or more vacancies unfilled, with 4% saying that they had at least one vacancy that they considered to be 'hard to fill'.
- The majority of employers said that most of their employees had the skills they require. However, around 5% of all employees were deemed to have a skills gap, with 13% of all participating employers reporting that they had at least one employee with a skills gap.
- 59% of employers had provided off or on-the-job training for some of their staff in the previous 12 months prior to the survey.
- Employer expenditure on training in this period was £49 billion, equivalent to £1,775 per employee and £3,275 per person trained. However, half of this total expenditure is accounted for by the cost of paying staff while they are being trained and 8% is accounted for by fees to external delivery and accreditation providers.

### **BIS concerned by the reduction in HE franchised provision in FE**

A spokesperson for BIS has said that the government is 'concerned by reports that some universities might be proposing to end their partnerships with colleges' and added that this might 'have a destabilising effect on providers'. The spokesperson went on to say that, 'where universities and colleges do wish to reconsider their business models and their relationships with partner institutions, the government expects this to be handled 'fairly and responsibly, giving the partner adequate notice'.

Because of these concerns, the government will 'continue to monitor the impact of tariff and core and margin policies, and their effect on supply and demand and will take this into account when considering any further liberalisation of student number controls'.

### **Ofsted publishes statistics on learning and skills inspections and outcomes**

Ofsted has published statistics on learning and skills inspections conducted between 1 January 2012 and 31 March 2012. Main findings include the following:

- Ofsted undertook 77 full inspections of learning and skills providers.
- The inspections conducted included 20 FE colleges, 29 independent learning providers, 17 adult and community learning (ACL) providers, 9 dance and drama colleges and 2 higher education institutions (HEI's) providing FE programmes
- Of the 20 FE colleges inspected, 1 was judged outstanding for overall effectiveness, 4 were judged good, 10 were judged satisfactory and 5 were judged inadequate.
- Of the 29 independent learning providers inspected, 3 were judged outstanding for overall effectiveness, 12 were judged good, 12 were judged satisfactory and 2 were judged inadequate.
- 7 of the 29 independent learning providers above were employer providers. Of these, 1 was judged outstanding for overall effectiveness, 3 were judged good and 3 were judged satisfactory;
- Of the 17 adult and community learning providers inspected, 10 were judged good for overall effectiveness, 6 were judged satisfactory and 1 was judged inadequate.
- Of the 2 inspections of HEI's providing further education, 1 was judged outstanding for overall effectiveness and 1 was judged as good.

### **Ofsted publishes new Common Inspection Framework (CIF)**

Ofsted has now published its new handbook containing the Common Inspection Framework (CIF) for Ofsted inspections to be conducted from September 2012 onwards. The handbook contains the details on the way in which inspections will be conducted and inspection judgements will be made. As mentioned in the previous **Click** newsletter, this includes the following:

- The timing of inspections will be based on Ofsted's risk-assessment of the provider, rather than on a fixed inspection cycle.
- The grade descriptor for outstanding overall effectiveness will explicitly state that the judgement on the quality of teaching, learning and assessment must also be outstanding.
- A new judgement of 'requires improvement' will replace the current 'satisfactory' judgement.
- Ofsted will re-inspect providers judged as 'requires improvement' within 12 to 18 months. This means that providers who were graded satisfactory at their last inspection and up to 31 August 2012 will be re-inspected, in most cases, by 31 August 2014.
- Ofsted will limit the number of times a provider can be judged as 'requires improvement' for overall effectiveness to 2 consecutive inspections before the provider is considered to be 'inadequate' for overall effectiveness.
- The notice period for inspections will be reduced to 2 working days
- Ofsted will request an anonymous summary of performance management information for all of a provider's teachers, trainers and assessors. This will be used to assess how well the provider manages its staff in respect of promoting continuous improvement of the service it

offers to learners. The performance management information provided by the college will not be used to decide which lessons or training sessions will be observed during the inspection.

The new Ofsted inspection handbook is now available to download from the Ofsted website.

## **Back to the future**

Although this would seem to have been done without consulting his colleagues in the coalition government, Michael Gove has announced his intention to carry out a review of GCSE's, which he says have become 'too easy', with a view to identifying more rigorous alternatives. Mr Gove appears to personally favour a tougher examination for the academically more able, which might, for example, be called the GCE Ordinary Level, and another not quite so demanding examination for the less academically gifted, which might, for example, be called the Certificate in Secondary Education (CSE). These new examinations would be administered by a single examination board.

In response to criticisms that he is re-introducing a 'two-tier' exams system, Mr Gove seems to have modified his initial stance and has now said that it would be possible for 'slower' pupils to take the lower examination at age 16 and go on to take the O Level at age 17 or 18 'as they progress'. Nevertheless, Mr Gove has vowed to carry on with a 'wholesale review of GCSE's and has also said that he would find it acceptable if the proposed new lower level accreditation for the less academically able were to include 'technical and vocational options'. If nothing else, this last bit should provide our international industrial and technological competitors with a good laugh.

Meanwhile, Ofqual have launched their consultation on the various proposals for reforms to GCE A Levels, including Mr Gove's proposals to give universities greater involvement in A Level course design and assessment in order to promote 'greater rigour' and to prevent 'grade inflation'. It is also proposed that the opportunities for A Level re-sits should be restricted.

## **Access to the professions fails to provide social mobility**

Alan Milburn, a former Labour Cabinet Minister, has been appointed by the coalition government to investigate the level of social mobility facilitated by access to professional jobs. The report of his findings, entitled 'Fair Access to Professional Careers: a progress report', perhaps unsurprisingly confirms that young people entering careers in the professions come largely from middle class backgrounds. The data also shows that the more 'exclusive' the profession, the higher up the social scale is likely to be the background of new entrants.

In the report summary, Mr Milburn argues that, 'across the professions as a whole, the glass ceiling has been scratched but not broken', that the professions 'still lag behind the social curve' and that they have done 'too little to catch up'. In support of these assertions, reference is made to the disproportionate numbers of new entrants to careers in politics, law, medicine and journalism who had attended public schools.

Findings included in the report show that:

- 15 of the current 17 Supreme Court Judges and Heads of Division were all educated at private schools before going on to study at Oxford or Cambridge
- 54% of the country's top journalists were privately educated, with 34% graduating from Oxford or Cambridge.
- Privately educated MPs currently comprise 35% of total MP's, with just 13 private schools providing 10% of all MPs.
- 62% of all current members of the House of Lords were privately educated, with just 12 private schools providing 43% of all members of the House of Lords

- Employers in the professions (and the top FTSE companies) overwhelmingly recruit their new entrants from graduates of just 19 of the UK's 115 universities.

The report goes on to suggest that the professions are doing very little to encourage new entrants from working class backgrounds. One employer asked to comment on this said 'the reason employers favour the products of private schools and Russell Group universities is because they recruit good students and teach them better'.

Although no formal recommendation is made on this, the report does raise the question as to whether able students from disadvantaged backgrounds 'would stand more of a chance of studying at a good university and entering the professions if more selective grammar schools were to be re-introduced.

### **No free lunches for FE college students**

Looking on the bright side, a 16-18 year-old student from a disadvantaged background, who is studying either in a school sixth form, in a free school, in a studio school, in a University Technical College (UTC) or in an academy, will be provided with a free school meal, (for which they should no doubt be grateful). However, around a further 100,000 16-18 year-old students from disadvantaged backgrounds miss out on this free lunch entitlement just because they have chosen to continue their post 16 studies at an FE college rather than in a school.

A 'No Free Lunch?' campaign has been launched by the Association of Colleges (AoC) in an attempt to redress this unfairness. The only response from the government to the campaign thus far, has been from schools minister, Nick Gibb (no relation to the Bee Gees, by the way), who has simply said, 'We recognise the anomaly, but it is not a new anomaly.'

### **And finally.....'We are all in this together'**

MP's are currently voting on legislation that will have the effect of worsening public sector employee pensions (including teachers' and college support workers' pensions). Measures being introduced include increasing the contributions public sector employees are required to make towards their pensions, raising the retirement age at which they can access their pensions and replacing final-salary pension schemes with others based on career average earnings. This will, of course, mean that most public sector workers will have to work longer than they expected before they retire and will pick up a smaller pension than they expected when they do. And just for good measure, the indexation used to calculate annual pension increases of public sector employees has already been arbitrarily changed from the higher Retail Price Index (RPI) to the lower Consumer Price Index (CPI).

However, it would appear that MP's are a little vague about the extent to which their own pension scheme requires reforming. Although MP's themselves are not classified as public sector employees, the Senior Salaries Review Board (SSRB) has recommended that MP's pensions should also move from the current final salary scheme to one based on career average earnings. The SSRB has also recommended that MP's contributions to their pensions should be increased, the rate at which their pensions are built up should be correspondingly decreased, and that the age at which MP's can access their pensions should be raised. However, despite platitudes expressing broad agreement with the general principle of reforming their pensions, they have been curiously slow in implementing any of the SSRB recommendations. This means that, depending on the level of contributions made, an MP's pension continues to provide recipients with a final salary, index linked pension of up to one fortieth of their final salary for every year's service undertaken. And just for good measure, the state contribution to MP's' pensions has just recently been increased from 20% to 29% to fill the current 'hole' in their pension fund.

Francis Maude, the cabinet office member tasked with leading on 'modernisation' issues in the public sector, has said that industrial action taken by public sector unions (including college unions) against the impending pension reforms is 'futile'. Mr Maude, who is 59 years of age and was first elected as an MP 15 years ago, could expect to receive an annual pension of around £43,000 should he decide to retire as an MP. This is around 9 times the average pension currently paid to public sector workers. Mr Maude's parliamentary pension will be paid in addition to any other pension entitlement he may have accumulated in his previous career as a banker with Morgan Stanley (which is reported as being 'significant'). Many MP's can also expect lucrative emoluments from the non-executive directorships they are offered in retirement. For example, between 1992 and 2011, Mr Maude was a non-executive director of 27 companies. He is also famous for having claimed £35,000 in expenses over a 2 year period in respect of interest payments on a London flat, when he owned a house less than one minute's walk away.

## **Alan Birks - July 2012**

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