

## Sector Developments

### Ofsted publishes 'Skills for Employment'

Ofsted has published its report 'Skills for Employment', in which colleges and other FE providers are, as usual, subjected to criticism by the inspectorate. This time, the sector comes in for some stick for not focussing sufficiently on job outcomes for students. This latest Ofsted report follows in the wake of the government's launch of a set of new initiatives designed to encourage further education providers to work more closely with local Jobcentres to help get unemployed people back into work and to prioritise courses which provide the job skills people need to get a job.

In the report, Ofsted argues that FE providers are offering too many courses leading to qualifications that do not develop job specific skills. Ofsted also claims that even where job specific skills are included in FE courses, the content is often not sufficiently challenging to increase students' chances of maintaining sustained employment. In support of their criticisms, Ofsted says that of 10,270 jobseekers who have taken courses at one or more of the 45 different further education providers included in their study (including colleges and private training organisations), only 19% were successful in obtaining a job at the end of their course.

The report goes on to say that only a third of these further education providers had effective systems for identifying the initial level of students' employability skills, accurately assessing and recording their prior knowledge and attainment, and helping them to overcome the barriers to employment. The report also claims that many students with low levels of literacy, numeracy and language skills were placed on mainstream courses with the aim of achieving a qualification, rather than with the aim of securing a job.

The report concludes that, 'matching students with a course that will lead to employment is not a high enough priority for FE providers'. As a result, Ofsted is recommending that it should be a mandatory requirement for colleges and other FE providers to comprehensively record the destinations of leavers and, in particular, the extent to which students enter employment after leaving their course.

In responding to the Ofsted report, Martin Doel, the Chief Executive of the Association of Colleges (AoC), said that, 'Colleges in England provide work-related education and training for more than 220,000 unemployed people a year, working closely with local employers and Jobcentre Plus to ensure they are providing them with the skills essential to find work'. He added that it was worth noting that colleges 'only account for 17 of the 45 providers visited by Ofsted for the purposes of compiling their report'.

### The Social Market Foundation (SMF) says FE funding 'should be linked to the future earnings'

Following on in the same vein as Ofsted, the SMF, (which I had previously thought was some sort of powdered milk for babies, but which is apparently yet another policy 'think tank') has called for the level of government funding that FE providers receive to be directly linked to the level of future earnings students achieve on completing their courses.

In recently published paper entitled 'Britain's Got Talent', SMF argues that 'a new model is needed that rewards FE providers for offering courses that lead to better paid and higher quality jobs'. The paper also restates arguments made elsewhere, to the effect that 'current government policies have resulted in employers receiving excessive levels of public funding for training for their employees that they would have provided anyway'. The paper concludes by saying that too much public funding is being spent on training courses that 'have been largely ineffective in giving people the skills they need to secure lasting jobs and to raise the productivity of the workforce' (and presumably that not enough is being spent on SMF). You could see how this paper could be really useful, particularly in an out-door toilet.

## **Government to pay firms, charities and colleges to help young people into work, training or full-time education**

Nick Clegg, the Deputy Prime Minister, has announced that the government is to pay private companies and colleges to help 16 and 17 year-olds obtain a job, into a training place or onto a course in full-time education. Amongst the organisations involved, 24 FE colleges have successfully bid to be included in the new scheme.

The initiative is part of the Youth Contract, launched by Mr Clegg earlier this year. Those organisations participating in the scheme will be paid up to £2,200 for every young person who is currently not in education, employment or training (NEET) that they help. However, the full amount of this funding will only be paid if the young person is still in full-time education, training, or work six months later. Over the next three years it is hoped help at least 55,000 young people who are designated as NEET will be helped by the initiative.

## **Pre-apprenticeship 'traineeships' announced**

At the same time as the initiative above was launched, Mr Clegg also introduced another new package of support for young people leaving school with minimal work experience or qualifications, called 'traineeships'. The purpose of a traineeship is to help a young person get the training and work experience needed to prepare them for entry to apprenticeship.

Commenting on the launch of the scheme, a spokesperson for the Department for Business, Innovation and Skills (BIS) said that 'traineeships would be used to tackle unacceptably high levels of youth unemployment', and added that successful participation in a traineeship would be an 'extra rung on the ladder to get you on your way to an apprenticeship or job'.

As an old cynic, I suppose it would be easy to suggest that perhaps these new measures are just the latest in a very long list of schemes designed to help young people in to work, but which, in the end, have not made all that much difference. However, with the level of youth unemployment currently standing at in excess of 1 million, it is difficult to be critical of anything that might just help bring this appalling total down.

## **New measures introduced to support the introduction of FE loans**

As you will no doubt already know, an FE loan scheme is being introduced to help those aged 24 and over, taking courses at level 3 and above, meet the substantial increase in course fees that they will be required to pay in the future. These loans are now called '24+ Advanced Learning Loans' and, following the great FE tradition in such things, this name has recently abbreviated to the acronym '24+ ALL'. (No doubt much to the relief of all at BIS, you will note that the acronym does not include the letter 'F', and particularly, not before the 'ALL').

A substantial level of concern has been expressed about the potential negative effects of the introduction of FE loans, with these concerns having been largely substantiated by BIS's own impact assessment of the scheme. In response, John Hayes, the Minister of State for Further Education, Skills and Lifelong Learning, has announced the introduction of a package of support measures designed to help students who would otherwise be deterred from taking advantage of the scheme.

The new loan support measures will include the following:

- Individuals taking Access to Higher Education courses, will on completion of their higher education programme, have the amount outstanding on the loan for their HE Access course written off by the Student Loans Company, (thereby helping to ensure that Access to HE students do not have to incur the cost of two loans in order to achieve a degree).
- A £50 million bursary fund will be made available over the next two years (in the first instance). Colleges and training organisations will distribute funds from the bursary in order to provide financial support and other forms of help for 'vulnerable students, such as those with learning difficulties or disabilities, parents who need help with child care, and ex-military personnel'.

- Additional information, advice and guidance will be provided by the National Careers Service (NCS) including a targeted 'face to face' session for older adults who, on the basis of the impact assessment published by BIS, are deemed less likely to respond positively to the idea of taking out a loan.

I think that the following is an interesting anecdote on student loans. A friend of mine has recently enrolled on an HND in Fine Arts at her local FE College. She has applied for, and has been granted, a student loan to help pay for the course fees. Unlike many students, she is not worried about paying back her student loan. This is because she is 74 years old and does not anticipate earning over £21,000 per year any time soon.

### **The great grade change mystery**

In a recent briefing, the AoC has drawn the attention of member colleges to 'changes that seem to have been made to the definitions of high grades in learner responsive performance reports managed by the Information Authority'. The AoC briefing goes on to say that the impact has been 'significant'. The grades for some colleges have 'dropped dramatically' and, in some cases, colleges have seen their 'high grade' profiles halved. The AoC believes that the changes may be partially explained by such things as 'high grades' for GCSEs now being defined as A\* to B rather than A\* to C, and that National Diploma Level 3 qualifications (including the Sub Diploma and Extended Diploma) now require at least one distinction and at least two merit grades (rather than the current 3 merit grades) to count as a 'high grade'.

Nevertheless, colleges remain largely 'baffled' by these apparently unexplained changes to college data tables, and confused as to why their previous high grades have dropped so dramatically. Colleges are also concerned as to whether the changes will affect their grades in future Ofsted inspections and their position in published performance tables.

The AoC has therefore asked the Information Authority to undertake an urgent investigation into the matter. In the meantime, a spokesperson for the AoC has said that they had been assured that the new definition of 'high grades' would not as yet be used either by Ofsted in determining inspection grades, nor in published performance tables, since the definition 'had not yet been agreed'.

### **The curious case of delayed revisions**

The Data Service (not to be confused with the Information Authority) has announced that the publication of the revised versions of the 2010/11 Education and Training National Success Rate Tables (NSRT) will be delayed, probably until the end of August. Although no formal link has been admitted, this is generally thought to have been because of the 'widespread errors' that were apparently found in the earlier version of NSRT, which in turn, resulted in the Data Service having to withdraw the data from its web site.

A spokesperson for the Skills Funding Agency (SFA) initially said that they expected the amended version of the NSRT to be published by the middle of June. The Data Service then announced that the revised and updated version of the NSRT would not be published until mid-July and then later extended this date to the end of August.

The main problem facing colleges as a result of all this is that NSRT's are used to compare their own success rate data with that of other providers in the sector. The delay in publication will therefore inevitably hold up the self-assessment process, delay the preparation of college self-assessment reports (SAR's) and cause added problems for colleges as they enter the busy main enrolment period.

### **FE more popular than staying on at school**

New data published by the Department for Education (DfE) has revealed that in 2009/10 more 16 year-olds chose to stay on in the further education sector than chose to stay on in the schools sector. The DfE data shows that of those who reached the age of 16 in that year:

- 37% progressed onto some form of FE provision (including that provided by GFE colleges and by private training organisations).

- 12% progressed to a sixth form college.
- 4% joined an apprenticeship scheme.
- 36% opted to continue their studies in a school or academy sixth form.
- 6% were either in a job, on a 'gap' year or were not in employment, education or training (NEET).

The DfE has warned that 'there may be some errors in the data'. One that you may already have spotted is that the total does not add up to 100%.

### **Unfair funding places sixth form colleges at a disadvantage**

The Sixth Form Colleges Forum (SFCF) has warned that many sixth form colleges are being 'placed in financial jeopardy' by unfair funding. The SFCF argues that in spite of the government's push to 'create a market' for 16-18 education, the fact that sixth form colleges receive £280 less per student than in school or academy sixth-forms makes it difficult for them to compete on a 'level playing field' basis. The SFCF goes on to argue that the funding gap is even wider than the different funding rates. This is because:

- Schools and academies can move funds between different age groups (11-16 and 16-18) and therefore can, if they so wish, spend even more on sixth form students (e.g. maintaining small group sizes in the sixth form at the expense of pupils lower down in the school).
- Unlike schools and academies, SFC's are required to pay 20% VAT on goods and services (potentially costing SFC's hundreds of thousands of pounds each year).
- SFC's have to meet the full cost of insurance for students (which can run into tens of thousands of pounds).
- Students from disadvantaged backgrounds who opt to stay on in a sixth form of a school or academy are eligible to receive a free school meal. This is not the case in SFC's

And of course, the same arguments apply to unfairness in funding for 16-18 year-olds in GFE colleges.

In response to all this, a spokesperson from the Department for Education said, 'By 2015, we will end the disparity in funding for 16 to 18-year-olds so that all school and colleges are funded at the same rate'.

### **Unfair comparisons of performance**

Carrying on with the theme of unfairness, the use of the same measures to compare the performance of GFE and SF colleges with the performance of schools and academies with sixth forms is, as yet, still not forthcoming. The use of the same performance measures was promised in the 2010 Education White Paper, however the very earliest the necessary changes could be introduced is January 2013. Colleagues in colleges are therefore advised not to hold their breath.

### **New 'Community Learning Trusts' launched**

The government is proposing to establish a number of 'Community Learning Trusts'. The new trusts will involve the establishment of partnerships between local FE colleges, adult education services, businesses and voluntary organisations. The idea behind the establishment of the new Community Learning Trusts is apparently to increase the number of adults participating in education and giving local communities more power over which courses will be made available in their area.

A pilot scheme is being launched this August that will see the establishment of the first 15 Community Learning Trusts. How exactly these new trusts will be organised and operate is, at present, a matter for conjecture. Presumably the civil servants who are tasked with coming up with a steady flow of mad schemes to inflict on the FE sector would know, but even if they do, they are keeping it a secret.

### **New professional body for FE likely to be established**

There are strong rumours that the government is on the verge of setting up a new professional body for the FE sector. This new professional body will be called the 'Further Education Guild' and is said to be

intended to be 'integral to the establishment of a new professional landscape for FE' (whatever this means). The rumours emanate from a leaked BIS document entitled 'Developing an FE Guild' that was presented earlier this month (July) by John Hayes to a meeting of the Further Education and Skills Ministerial Advisory Panel (which is comprised of representatives from the various FE stakeholder groups).

According to the document, the new Further Education Guild will apparently be given responsibility for:

- 'Being a focal point for ministerial efforts to promote professionalism in the sector'.
- 'Overseeing the establishment of professional standards and codes of behaviour for members.
- 'Supporting individual, subject specific, and corporate continuing professional development (CPD) and developing appropriate qualifications for people working in the FE sector'.
- 'Promoting employer recognition of the FE sector'.
- 'Being a custodian of excellence'.
- 'Developing a new Chartered Community College status for institutions'.

The Guild would offer:

- 'Institutional and individual membership, both of which would be on a voluntary basis'.
- 'Training courses provided by the Guild that would be linked to the acquisition of higher level qualifications'.
- 'Incentives to join, in that corporate membership of the Guild would be a key criterion for an institution qualifying for Chartered Community College status'. (See next section of the newsletter below).

The leaked document is being interpreted as John Hayes' personal attempt to respond to criticisms of the deregulation proposals contained in Lord Lingfield's interim report on professionalism in the sector, which recommended the scrapping of compulsory registration with the Institute for Learning (IfL) and an end to the requirement for lecturers to be qualified teachers. (As an aside to this the date of the publication of Lord Lingfield's final report, which was initially scheduled for the end of July, has now been put back until early autumn).

Although the leaked paper raises the questions, it does not attempt to address:

- Whether the Guild would, or should, have any role determining lecturers' pay and conditions.
- Whether the Guild would, or should, have any role to play in handling unprofessional conduct complaints made by individuals and institutions.
- How the Guild would effectively work alongside other existing FE organisations involved with promoting professional development, such as the Learning and Skills Improvement Service (LSIS) and the IfL.

### **'Chartered Community College' kite mark to be launched**

Also in the 'leaked' BIS document are said to be proposals for FE colleges to apply a new award of 'Chartered Community College' status. (Non-college training providers would be given the opportunity to acquire an award of equivalent status). The introduction of the new kite mark is intended to 'enhance the reputation of the sector, promote quality and improve the training of the workforce'.

It will not be mandatory for colleges to apply for the award however the paper goes on to say that 'there may need to be incentives to encourage take-up'. 'Experts from the FE sector' would sit on panels to assess applications from those colleges that do apply. Colleges seeking to gain the new kite mark will apparently be assessed against a range of criteria which include the following:

- The qualification levels of the workforce
- Commitment to staff development
- Quality of provision
- Student, employer and other stakeholder feedback
- The level of community engagement and involvement
- Levels of transparency and openness

The introduction of the new kite mark it is also considered important in 'helping the border agency to be able to recognise legitimate colleges and training providers' and to assist immigration officials to 'crackdown on bogus colleges'.

An official announcement on the both the establishment of the proposed Further Education Guild and the launch of the 'Chartered Community College' kite mark is widely expected to be made at the AoC annual conference in November.

### **Bursaries of up to £1,500 for FE trainee teachers**

Details of a new bursary scheme for FE trainee teachers have been announced by LSIS. Bursaries of £1,500 will be made available to those commencing initial teacher training (ITT) courses to teach basic maths and English in 2012/13, with those undertaking ITT in other subjects being eligible for lower level bursaries of £1,000. Trainees undertaking the second year of their ITT in 2012/13 will not be eligible for a bursary through LSIS, but will be eligible to apply for a grant of £400 from BIS that will be administered through the IfL.

The new bursary scheme will be made available through a grant from BIS and will be administered by LSIS. The only proviso placed on the award of the bursary is that the ITT courses being followed must be accredited by a higher education institution. The scheme has a budget of £11.5 million and is intended to support up to 11,000 trainee FE teachers next year.

Although the news has been generally welcomed by the sector, disappointment has been expressed that level of bursary for trainee FE teachers is considerably lower than that which is made available to trainee school teachers. There are also calls for bursary support to be made available for FE trainee teachers undertaking other awarding body routes to teaching qualifications.

### **AoC recommends improved pay offer**

The Association of Colleges has recommended that its member colleges make an improved pay offer for their staff. The AoC's original recommendation was for a 0.5 per cent increase. This was on the proviso that automatic incremental pay progression be ended, however after further negotiations with college unions, this demand has now been withdrawn.

The AoC's final recommended offer is for an increase of £200 for staff earning less than £15,000 a year, or an increase of 0.7 per cent for staff earning more than this. It also provides for a minimum hourly rate of £7.30. The AoC's recommendations are also subject to each individual college's ability to fund the pay increase. College unions are now consulting their members on these latest proposals.

### **Contraction in 2012/13 higher education applications**

The Universities and Colleges Admissions Service (UCAS) has recently published data that shows that the level of higher education applications in 2012/13 are down by 7% compared to the same time in 2011/12. Against this, HE applications in 2012/13 are higher than they were in 2009/10. Also, UCAS claims that students from disadvantaged families do not appear to have been deterred by the significantly higher level of fees in England. However, applications to FE colleges offering HE programmes made through UCAS are down by 9% in 2012/13. A more accurate picture will emerge after the clearing process has been completed. Clearing will commence immediately after GCE A Level results day on 17 August.

### **Post 16 participation rates fall**

Recent DfE figures for 2010/11 have revealed that the participation rate of 16-year-olds in full-time education has fallen for the first time in a decade. This development may, or may not, be coincidental with this year being the first since education maintenance allowances (EMA's) were abolished. The actual numbers staying on in education fell by 1.8%. Against this, the number of 16 year-olds who were NEET rose by just 0.1%.

## **Cuts to college courses and staffing**

Figures obtained by Unison from 190 colleges under the Freedom of Information Act reveal that in 2010/11 academic and financial year, 61% of colleges cut the number of courses they offered and that staffing levels were reduced by 5,737 posts.

## **Education Select Committee recommends changes to GCSE and GCE A Level examinations**

After a year-long investigation focussing on GCSE's and GCE A Levels, the Education Select Committee has proposed fundamental changes to how these qualifications are administered (in England that is).

In its report, the Select Committee recommends that examination boards should lose the right to set their own syllabuses for each subject. Instead, each board would be required to bid for a government contract to design a single syllabus for all boards. This syllabus would be accredited by Ofqual, and would be the basis upon which all other exam boards would set questions. The proposed change is intended to prevent the various board potentially competing with each other to offer 'easier' versions of a particular examination, which would then become a more attractive proposition to those schools and colleges anxious to raise their results and improve their position in national league tables, (and incidentally, would also give that particular board a larger share of the lucrative examinations market). This practice was referred to by MP's on the Committee as 'The race to the bottom'.

The new proposals would result in the establishment of what would, in effect, become national syllabuses for each subject (although there would be the possibility of some choice within this, (e.g. the flexibility to offer a range of different periods in history or different texts in English literature)).

The Select Committee also recommended that National Subject Committees should be established to oversee the syllabuses for those GCSE and A-level subjects with large numbers of examination entries. These National Subject Committees would be comprised of 'representatives of learned societies, subject associations, higher education institutions and employers, who would scrutinise question papers and influence the design and content of syllabuses'.

The Committee's recommendations appear to be considerably less radical than those that were proposed earlier by the Secretary of State for Education, Michael Gove, which more or less, involved the scrapping of GCSE's and the re-introduction of GCE O Levels and CSE's. However, Mr Gove's proposals are not off the political agenda yet. This is because the Select Committee is only allowed to make recommendations to the Secretary of State, who can then choose whether or not to take the Committee's recommendations into account in formulating policy.

## **Changes to 16-19 funding methodology**

As part of the new 16-19 Education Funding Agency (EFA) funding methodology being introduced in 2013/14 academic and financial year, schools and colleges will no longer receive a financial payment for student achievement. Instead, they will be funded according to how well they retain students. Also, full-time students will be funded at a flat rate rather than being funded on the basis of individual qualifications which make up their learning aims. These changes come in the wake of recommendations made in the Wolf Review, in which it was argued that payments against achievement tended to encourage schools and colleges to place students on undemanding courses.

The change in funding methodology is being implemented in spite of the fact that most respondents to the earlier consultation on the matter supported the continuation of payments against success rates which, it was argued, had resulted in large increases student achievements over the last 10 years.

Meanwhile the EFA has confirmed that FE colleges will be able to apply for funding to deliver full-time courses for 14-16 year-olds with effect from September 2013. Further details on the processes and procedures for colleges to access this funding this will be circulated later in the year.

## And finally....

Many SFA main contract holders (including colleges) subcontract out the delivery of some of their provision to other training organisations. This initially used to be called 'franchising' and later became known as 'off-site collaborative provision (OCP).

The SFA has now 'expressed concern' that main contractors are retaining too much money for themselves. Last year, main contractors received contracts from the SFA worth £759 million which were then subcontracted out. However, main contractors passed on only £581 million to sub-contractors. Sub-contractors are arguing that the amount retained by main contractors is too much, however the main contractors argue that the funds they retain are needed to cover the expense of quality assurance and audit, and the cost of managing and administering the contract with the sub-contractor.

Nevertheless, the SFA has said that it expects that the 'public funding provided should primarily be used for the benefit of the learner and spent on their learning programme or provision' (and by implication should therefore not be used to generate 'profits' for main contractors). Therefore, from next year onwards, providers who engage in subcontracting will be required by the SFA to provide a report from their external auditors, giving assurance that the funding retained is no more than is required to cover the actual costs directly incurred in managing the subcontracted provision.

If this 'top-slicing' really is a problem, perhaps one possible solution might be for the SFA to cut out the main contractor 'middle men' and allocate the organisations that are currently subcontractors their own direct contracts. Mind you, this would also mean that the SFA would probably have to 'top-slice' a percentage of the total funds available to be allocated in order to cover the extra costs of quality assurance, audit, management and administration, which sort of defeats the object.

Now I come to think about it, I suppose if the SFA really is serious about the need to control 'top slicing' and to ensure that, 'public funding provided should primarily be used for the benefit of the learner and spent on their learning programme or provision', one way of achieving this might be for colleges to receive their funds directly from the government (BIS and/or DfE) and for the SFA to abolish itself.

This would, of course, require a much simpler funding methodology, which in turn would require a much needed rationalisation and simplification of the plethora of FE qualifications. But isn't this what everyone, including the government, has been asking for?

Colleges could then go back to producing their own strategic plans, which would be developed in partnership with key local and regional stakeholders. The plans would contain details of the range and volume of education and training provision needed in the area served by the college. The plans would also show the level of resource needed to deliver the plan, and the proportion of this resource which would need to be met from government funding. If a college's strategic plan was wholly aligned with government priorities, the government could reasonably be expected 'buy' it. If not, the government might 'buy' some of the plan, or none of it.

Any costs saved through cutting out 'middle men' funding bodies (such as the SFA) would release extra funding for the 'front line'. This could be used by colleges for say, employing more teachers, providing extra learning support and improving the learning environment. And for those of you who might be wondering who would keep an eye on wayward colleges, if not the SFA, remember that Ofsted will still be regularly monitoring colleges to ensure their quality, and that auditors will still be charging colleges a fortune to ensure their probity.

*There will be no newsletter in August. Normal service will be resumed in September and I would like to take this opportunity to wish all of our readers (who are able to take a break) a happy and restful holiday.*

Alan Birks

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