

## **Sector Developments**

### **Ofsted Chief Inspector proposes a new 'excellent' grade**

Sir Michael Wilshaw, the Ofsted Chief Inspector apparently thinks that a lot of school governors are 'inadequate' and that they should be given the boot and replaced by new governors who are paid for their services. There would be no extra money provided for this. The money needed to pay the fees of these new governors would come out of existing school budgets (although parents could no doubt help meet the extra cost by holding more school fetes, jumble sales and raffles, and putting a bit more effort into collecting Sainsbury's school vouchers). Sir Michael seems to think that paying some (but apparently not all) school governors would attract the 'right sort' of people onto school boards and that this would be analogous to inserting a firework in the nether regions of those head teachers he believes to be 'slackers'. Presumably because the new paid governors will be 'tougher' and want to be seen to be earning their money, Sir Michael thinks that they will either force underperforming head teachers to bring about the required improvements in their schools, or alternatively will sack them.

Having argued that school governance could be improved by having paid governors, Sir Michael has now (via a train of thought that many might find a bit difficult to follow), turned his attention to governance in FE colleges and has arrived at the conclusion it might be improved if a new grade of 'excellent' for leadership and management (and governance, obviously) were to be introduced. Apparently, the new 'excellent' grade would top, but not replace, the existing 'outstanding' grade. Somewhat curiously, Sir Michael seems to be suggesting that only those colleges located in 'more difficult areas' should be eligible to be awarded the new grade. The reasons for this are, at present, a bit unclear, but Sir Michael will have thought this through, probably.

Like most of the new initiatives happening in, or more usually *at*, the FE sector these days, the introduction of a new 'excellent' grade will no doubt make perfect sense to somebody, somewhere in Whitehall. However, there have been some observers who have been unsporting enough to imply that Sir Michael's suggestions might perhaps be a little bewildering. They ask, for example, what is it that causes an area to become classified as being 'difficult'? What exactly is the difference between 'excellent' and 'outstanding' and why is being 'excellent' better than being 'outstanding'? Why does Sir Michael think that although the leadership and management (and governance) of colleges in 'difficult' areas could be judged as 'excellent', in more affluent areas, it could never be any better than 'outstanding'? In response to all this, a spokesperson for the Association of School and College Leaders (ASCL) said that although there was 'nothing wrong with recognising excellence, it was questionable whether the inspection system was the most appropriate way of doing this', going on to say that 'ad hoc changes to the inspection system could be confusing and destabilising'. Against this, a spokesperson for the Association of Colleges (AoC) said that 'excellent leadership in those colleges that faced difficult circumstances should be recognised' and added that 'if the only way this can be achieved is through an additional grade, then so be it'.

### **Ofsted criticises colleges for their inadequate response to 'New Challenges and New Chances'**

Continuing with what many believe to be its favourite pastime of 'college bashing', Ofsted's latest criticisms of the FE sector can be found in a recently published report on how well colleges are responding to the government's 'New Challenges, New Chances' policy document. It will probably come as no surprise to learn that Ofsted thinks that, on the whole, colleges are not responding all that well and, in particular, are not doing enough to help local employers to meet their skills needs. To inform their report, inspectors visited 17 colleges and found that only 3 of them were offering 'a curriculum tailored to meeting local, regional and national skills gaps'. Inspectors then went on to criticise colleges for not having 'sufficient labour market intelligence to help them to plan their provision', which Ofsted says is 'even more worrying'.

In the report, Ofsted says that although 'many colleges were able to clearly identify common priorities within their local region, such as poverty and deprivation, rising unemployment and a mismatch of skills'; there was 'insufficient evidence to demonstrate how successful they were in supporting progression to further training or employment'. To be fair, inspectors also criticised Local Enterprise Partnerships (LEPs) for not

being 'fully effective in working with the colleges to ensure high-quality, coherent local planning for further education and skills in their respective areas'. (See the section on Lord Heseltine's 'single pot' proposals below). The report went on to say that college governors should be doing more 'to hold their institutions to account for the quality of provision and outcomes for learners' and that they should be doing more to ensure that they regularly carry a 'comprehensive monitoring and evaluation of their college's response to changing local economic and social priorities'.

### **Ofsted plays its part**

Ofsted has recently announced its intention to recruit 5 apprentices and, if all goes according to plan, the successful applicants will commence their apprenticeships this April. They will be working in Ofsted's 'National Business Unit' based in Manchester (although it seems that not many people appear to have known that Ofsted had a 'National Business Unit', nor what 'business' it is that the 'unit' actually does). As part of their apprenticeship, the new recruits will receive training in 'customer relations'. A spokesperson said that the decision about which provider would be selected to provide training for the new apprentices on behalf of Ofsted, has not yet been made. However, many in the sector seem to think that the list of providers who would actually be prepared to take this on might perhaps not be all that long.

### **First general FE College to achieve 'outstanding' under the new Ofsted inspection regime**

Just to make the point that the news from Ofsted about the sector is not always bad, the first general FE College to be judged as 'outstanding' grade under Ofsted's new, and tougher, common inspection framework (CIF), is Walsall College, in the Black Country. The college is also the first to be judged by Ofsted as being 'outstanding' for teaching and learning. (Failure to achieve this particular grade will prevent any college from achieving the 'outstanding' grade for 'overall effectiveness'). This is the second success for the Black Country borough, since earlier this year, Walsall Adult and Community College, an adult education college which is part of Walsall Local Authority, was also judged by Ofsted to be 'outstanding'.

### **Government rejects select committee recommendations on overseas students and net migration**

Last September, the Department for Business, Innovation and Skills (BIS) Select Committee published a report entitled 'Overseas Students and Net Migration'. The report recommended that overseas students should *not* be counted in the overall figures for net migration. The government has now produced its response to the report, and has rejected the committee's recommendations. Because of the comments made by Prime Minister, David Cameron, during his recent visit to India, the select committee has urged the government to reconsider its response; however it has been reaffirmed that overseas students from outside the European Union will continue to be included within the net migration statistics. The most likely explanation for this is that the government has publicly set itself targets to reduce levels of net migration and any reduction in the numbers of overseas students entering the country will help count towards meeting these targets. The government's rejection of the select committee's recommendations coincides with the release of data by the Office of National Statistics (ONS) that shows that the overall number of student visas issued by the UK Border Agency (UKBA) fell by 20% in 2011/12 compared with 2010/11. Within this total, the number of study visas issued for those wishing to attend FE colleges fell by a staggering 62%, although study visas issued to those wishing to study at HE institutions rose by 3%.

Commenting on the data, a spokesperson for the AoC said that UKBA appeared to have 'a default setting that there was something suspicious about the FE sector'. A spokesperson for UKBA responded by saying that when applicants were refused study visas, it was done 'on the basis of the criteria set by the government'. The spokesperson went on to say that the fall in the number of study visas was, in part, explained by 'the government's robust clampdown on private FE colleges offering bogus qualifications', where it was clear that the primary purpose of the visa application was not to study on a legitimate FE course, but to provide a means of entry to the UK for those who would otherwise have been denied it.

## **Plans for raising the participation age (RPA) to 17 this September are placed in jeopardy**

Government education spending plans have been thrown into disarray as a result of data recently published by the National Audit Office (NAO). The data shows that, by September 2014, there will be a shortfall of in excess of 250,000 primary school places in schools in England. The large increase in demand for places is explained by the fact that the birth rate is 'rising more quickly than at any time since the 1950's'. To add to its woes, the government was expecting a significant contraction in the numbers of 16 and 17 year olds, however, 2011 Census data shows that not only has there been no contraction, but that the numbers of 16 and 17 year olds in England are larger by at least 40,000 than was expected, and are projected to continue to rise. As a result, there are fears that around 120,000 young people in this age group (almost 10% of the total) will be unable to access a place in full time education or training this September unless the necessary extra funding is made available to provide for these places. Failure to do so will have a negative impact on the achievement of government's objective to raise the participation age to 17 by September 2013. To make matters worse, the abolition of education maintenance allowances (EMAs) in England, and the difficulties encountered in expanding apprenticeships for students aged 16 and 17, have both adversely affected existing participation rates of 16 and 17 year olds, giving rise to concerns that the numbers not in employment, education or training (NEET) will significantly rise this September.

Commenting on these developments, a spokesperson for the DfE said that 'the revised census data means there is even further to go to reach full participation and this makes it all the more important that the right support is in place to help young people'. She went on to say that it was still the government's intention to 'fund a place in education or training for every young person aged 16 or 17 who wants one'. She then went on to add that 'the introduction of new traineeships should help increase participation in apprenticeships' and that the government was providing £180 million of financial support to help young people stay in full time education through the new '16-19 Bursary Fund'. (What she did not say though, is that this sum is only about a third of the money that was previously distributed to students through EMAs).

## **FE and Sixth Form Colleges must pay for free lunches for disadvantaged 16-18 students**

Disadvantaged 16-18 year old students in school and academy sixth forms have always had access to free lunches, but this was never the case for disadvantaged 16-18 year old students in FE and sixth form colleges. This led to accusations of inconsistency on the part of the government, and that FE and sixth form college students were being treated unfairly. This, in turn, prompted the AoC to launch its 'No Free Lunch?' campaign. In the past, ministers have argued that although they 'recognised the anomaly', they claimed that 'it would cost between £35 million and £70 million to correct' and that the government simply 'could not afford' to extend free school meals to disadvantaged students in sixth form and FE colleges. Nevertheless, more recently, there seemed to be grounds for hope that ministers had changed their minds and that they were now 'actively looking for ways' to provide parity of treatment for all full time disadvantaged 16-18 students, irrespective of the type of institution they attended

However, education officials now appear to have given ministers a 'get out' route. Ministers now say that disadvantaged students in FE and sixth form colleges are *already* treated the same as disadvantaged students in schools and academies. They argue that the reason for this is that the DfE does not provide schools and academies with any *extra* funding for free meals, other than through a 'deprivation factor' included in their funding formula. Ministers go on to point out that that, whereas schools and academies are required to provide a 'statement of entitlement to a free meal', there is no similar requirement for FE and sixth form colleges to do so. Ministers are therefore now saying that colleges should also produce a 'statement of entitlement' for their students (whilst being swift to point out that 'there will be no additional funding attached to it'). The AoC has hit back at this, arguing that DfE arrangements in respect of 'earmarked' funding for free meals in schools and academies can be interpreted in different ways and that, in any event, schools and academies are better placed to provide free meals for because they currently receive a much higher level of funding per student compared to sixth form and FE colleges.

## DfE plans vocational qualifications 'shake up'

In yet another attempt to rationalise the existing complex plethora of vocational qualifications, the DfE is proposing changes that will mean that around 90% of them will be excluded from national league tables. To be included in the league tables, vocational qualifications must now have 'external assessments' and 'units that test students' ability to display their accumulated learning'. Many existing qualifications such as BTEC and CGLI are likely to be retained within the tables under the new arrangements. For example, of the 117 qualifications currently approved for inclusion within the 2015 league tables, 60 are BTEC awards, 11 are CGLI awards, 11 are OCR awards and 10 are NCFE awards. However, in the future, the DfE intends to divide vocational qualifications into 2 new categories. These will be:

- 'Applied General Vocational Qualifications'. (The DfE has said that, at present, the majority of vocational learning would fit into the 'Applied General Vocational Qualification' category), and;
- 'Occupational Qualifications', which are defined as those qualifications that prepare students for entry into a specific job.

There will be some observers who will probably be under the misguided impression that proposed new classification of vocational qualifications sounds a bit like the earlier split between the now defunct General National Qualifications (GNVQ's) which were targeted at full time students, and the still existent National Vocational Qualifications (NVQ's) which are targeted, in the main, at students who are in full time work or on apprenticeships. No doubt there is a distinction and this will eventually be made clear. (These observers are likely to be the same people who are still wondering what on earth happened to the 'new Diplomas').

As part of the new vocational qualification reclassification process:

- Applied General Vocational Qualifications need to be redesigned to include at least 150 guided learning hours (GLH), a system of grading that is 'more wide ranging than just pass or fail', external assessment (and a ban on repeat submissions of coursework), and the provision of 'synoptic assessment' (which apparently is 'a test of accumulated knowledge, combining skills and knowledge from different units').
- Occupational Qualifications will be required to consist of at least 150 GLH and to incorporate 'synoptic assessment' as above. However, Occupational Qualifications will also need to be 'endorsed by employers'. Employers will also be expected to become involved in the assessment of Occupational Qualifications 'to ensure that they continue to meet the changing demands of the workplace'.
- Both types of qualification will need to demonstrate that they offer progression to higher education.
- Both types of vocational qualification will have to prove their relevance by having more than 100 students enrolled nationally, in at least 5 centres, in their first year of operation.
- All assessors must be able to demonstrate that they have recent and relevant industrial experience

## AoC calls for new post 16 league tables to be withdrawn

As reported in the last **Click** newsletter, new post 16 league tables have been introduced. Unfortunately the way in which the tables are compiled places FE colleges at a serious disadvantage. One of the most significant factors determining a college's position in the new tables is the proportion of students achieving GCE A Levels with AAB grades in 'facilitating subjects'. These are the subjects that students apparently need to gain a place at one of the 'Russell Group' universities. This is unfair on those FE colleges that can demonstrate high levels of academic achievement, but which offer a wider choice of courses for their students (such as economics or computer science, which are not 'facilitating subjects'). Colleges are also disadvantaged if their students take a mix of GCE A Levels and vocational subjects and therefore may not be able to achieve the required 3 GCE A Levels. Perhaps more bizarrely, if students take AS Levels in a school sixth form and then, for whatever reason, drop out and enrol in an FE college, the college is, in effect, held responsible for the student dropping out of the AS Level course at school.

The AoC has now written on behalf of FE colleges to the UK Statistics Authority to call for a review of the new tables. (You should not confuse the UK Statistics Authority with the Office for National Statistics, the Information Authority or the Data Service, although it would perhaps be understandable if you did). In the



letter, the AoC argues that the new league tables are 'so misleading they should be withdrawn until a review has been carried out' The AoC is also demanding that, prior to such a review, either the DfE should provide 'a full, objective commentary' for students, their parents or carers, employers and other key stakeholders, to explain how the tables should be interpreted, or that alternatively, the tables 'should no longer be described as official statistics'. In addition, the AoC is suggesting that in describing the data in the new league tables as 'official statistics' there has been a breach by the UK Statistics Authority of its own code of practice on a number of grounds. These include failure to publish methodologies and the reasoning applied to them, failure to provide an appropriate commentary and analysis, failure to ensure that the statistics are easy to use and failure to consult users about changes to statistical methodology. A spokesperson for the UK Statistics Authority confirmed said that the authority would 'investigate and respond to the criticisms' contained in the AoC letter.

### The government publishes its response to the Richard Review

The government has now published its response to the independent review of apprenticeships carried out by Californian 'entrepreneur' and founder of the 'School for Start Ups', Doug Richard. The government's response is contained in a document entitled 'The Future of Apprenticeships in England: Next Steps from the Richard Review'. Commenting on the government's response Vince Cable, the BIS Secretary of State said that the changes that will be put in place as a result of the review 'will put employers in the driving seat so they can develop the workforce they need to grow their businesses'. The changes Dr Cable is referring to include the following:

- 'Employers putting recognised and meaningful industry standards at the heart of every apprenticeship'.
- 'Every apprenticeship should be targeted at obtaining a skilled job, involving substantial new learning that will provide the foundations for a career and a springboard for progression'.
- 'Apprenticeships should be focused on the outcome: clearly setting out what apprentices should know and be able to do at the end of their apprenticeship'.
- 'Apprenticeships will move to a final holistic test which has the full confidence of employers'.
- 'All apprentices will work towards a level 2 qualification either through GCSE's or functional skills in English and mathematics, from August 2014, if they have not already achieved this'.
- 'Employers will be able to commission whatever training they chose from a list of approved suppliers but will only receive the full payment if apprentices complete an external assessment at the end of their training'.
- 'Training and accreditation of existing workers who are already fully competent in their jobs should be delivered separately'
- 'On the job training for employees who are already experienced and competent will no longer be classed as being an apprenticeship'. (This is because critics have argued that 'many apprenticeships amount to little more than training for existing employees that would have been carried out anyway').

Although the government has signalled its intention to accept most of Mr Richard's recommendations, there are others that have not been accepted. These include the following:

- The recommendation that apprenticeships should be funded through a National Insurance or tax credit system, which Mr Richard says should be 'at the heart of apprenticeship reform', has not been accepted by the government. This is probably because this particular proposal failed as neither employers nor providers seemed to give it much support.
- The recommendation that apprentices should be required to achieve level 2 qualifications in English and mathematics will *not* be made a compulsory component of apprenticeships. Instead, apprentices will only be expected to '*work towards*' achieving either GCSEs or level 2 functional skills qualifications in English and mathematics. This is apparently because ministers believe that obtaining level 2 qualifications in English and mathematics 'is a stretching goal and may take time to achieve, given the large numbers of individuals entering apprenticeships without this level of attainment'.

## **Increases in university tuition fees in England may cost the Treasury more than they save**

In an attempt to pass more of the cost of university tuition in England on to students, the government has enabled universities to charge tuition fees of up to £9,000 per year. (University tuition remains free for students from Scotland and is charged at very significantly reduced rates for students from Wales and Northern Ireland). The arrangements in England involve the government paying the student's tuition fees to the university up front on behalf of the student. This is, in effect, a loan to the student which they start to repay when they have completed their studies and begin to earn a salary of £21,000 per year or over.

However, an apparently respectable 'think tank' specialising in higher education issues, with the intriguing name 'Million+', has recently published a report entitled, 'Are the changes to higher education funding in England cost-effective?'. The findings in the report are based on the results of a complex statistical modelling exercise designed to ascertain 'the direct costs and benefits of the new funding regime for higher education in England'. The report arrives at the staggering conclusion that 'the combined costs of increasing higher education fees in England is estimated to be almost *six and a half times* as great as the potential Treasury expenditure savings.' There are lots of technical calculations and other complicated stuff contained in the report, but for those of you interested in such things, it is probably worthwhile 'Googling' the 'Million+' website and downloading a copy of the report, or at least the executive summary of it.

## **Increased tuition fees causes fall in part time students on HE courses in England**

The Higher Education Funding Council for England (HEFCE) has recently conducted research into the impact of higher tuition fees on the numbers of part time students taking higher education courses in England. The research shows that overall participation in higher education by part time students fell by 40% between 2009/10 and 2011/12, with the reduction being directly attributable to the recent significant increase in annual tuition fees. Commenting on the figures, a spokesperson for HEFCE admitted that there had been 'a dramatic decline in the numbers of entrants to part-time courses', saying that 'the collapse in numbers is an issue that requires immediate attention'. The HEFCE has announced plans to establish an 'observatory; to monitor trends in part time HE applications. However the reduction in part time numbers remains of continuing concern since students from disadvantaged backgrounds are more than twice as likely to study part time as the most advantaged students. The situation is likely to deteriorate further in the future since research has shown that mature students are less likely to take on student loans. There is also evidence to suggest that the downward trend will continue as HE institutions in England contract the number of part time courses they offer and substitute easier to administer full time provision.

With reference to higher education provision delivered in FE colleges in England, the HEFCE research reveals that the number of part time students on degree level courses has fallen by 20% between 2009/10 and 2011/12. However, the report says that the fall in numbers may be 'much higher' than this because it does not include reductions in HE places that are franchised from universities, rather than directly funded. The figures also show that in 2011/12, around 25% (or 2,700) of the additional low cost HE places allocated to FE colleges in England under the 'core and margin' process, went unused. Colleges with the smallest allocations of places were also those least likely fill them, which would seem to call into question HEFCE's decision to offer direct HE funding to sixth form colleges.

## **FE sector expresses concern as the government adopt Lord Heseltine's 'single pot' proposals**

In Lord Heseltine's 'No Stone Unturned' report, he argues that 'a major rebalancing of responsibilities for economic development between central and local government, and between government and the private sector' is necessary. As reported in the last **Click** newsletter, Lord Heseltine's proposals essentially involve taking public money for the development of local infrastructure, economic regeneration and business support, (including funding for adult skills) out of the control of central government departments and their agencies, (including the SFA), and placing it in a 'single pot'. Local consortia led by LEPs and comprised of representatives of local authorities and local businesses (including local Chambers of Commerce) are then invited to bid for funds from the 'single pot' to help grow local economies. The general idea is that local

businesses and local authorities will have a better knowledge of what is needed in their own local areas than do central government departments and will therefore be able to apply these funds more effectively.

BIS had already signalled its support for Lord Heseltine's proposals and now, in his recent budget speech, the Chancellor of the Exchequer, George Osborne has announced that a 'Single Local Growth Fund' (the 'single pot') will be established this April. However, this has led to concerns being expressed by FE colleges and by private trainers that, because skills funding transferred to the 'single pot' will not be ring fenced, there would be no guarantee that it would continue to be spent on skills development. This is because the LEP would be entitled (and might be encouraged) to spend funds on other things, such as infrastructure projects, if the LEP thought that this had a greater priority for growing the local economy.

However, not all of the Heseltine proposals will be implemented. For example, it had originally been proposed that the Employer Ownership of Skills (EOP) programme, which will direct £340 million to employers, would move from the control of the UK Commission for Employment and Skills (UKCES) to the LEPs. This will not now take place, suggesting that the government sees direct employer funding as being separate from local funding. Against this, the LEPs are likely to be given control of around £173 million of European Social Fund (ESF) money to enable them to put in place measures designed to help small and medium sized businesses.

Meanwhile, the introduction of the 'single pot' means that the SFA faces an uncertain future. This will probably be determined in the spending review this summer, when the Treasury announces exactly how much of the adult skills budget is to be transferred from the SFA to the LEPs.

### **Colleges (and Ofsted) express concern at the need to involve LEPs in business planning**

Colleges are also worried about the extent to which their plans for 16-18 provision will need to be 'signed off' by their LEP. A DfE spokesperson confirmed that 'schools and colleges remain autonomous and are free to decide how to meet the needs of their students', but then went on to say that 'all FE learning providers should consult on and agree their provision with their LEP to ensure the courses they offer to 16-18 year olds reflect local labour requirements'. With specific reference to FE, the spokesperson said that the government encouraged colleges 'to have a strong focus on work and meeting skills shortages', adding that LEPs are expected to have 'an influence over skills policy and to set local skills strategies against which colleges can respond'. In further support of this, he went on to add that the award of 'Chartered Status' for FE colleges would be dependent on them taking account of LEP priorities'. In response to this:

- An AoC spokesperson said 'colleges are keen to correspond with and be influenced by LEPs in how the skills funding that colleges currently receive is deployed to best effect. But this does not mean that we need to re-create the bureaucracy of the old Training and Enterprise Councils (TECs) or similar'. However he went on to admit that it was inevitable that colleges would 'have even less certainty over their budgets than before, particularly if funding increasingly becomes a matter of tendering for contracts from the LEPs'
- The deputy chief executive of the Sixth Form Colleges' Association has questioned the wisdom of giving LEPs 'sign-off' on its members' largely academic 16-18 provision, saying that, 'given that around three quarters of what we deliver is either AS or A Level, it would be bizarre to insist that we must agree our provision with LEPs. He went on to point out that, 'it is interesting that there is no corresponding requirement for schools or academies to agree their provision with LEPs in this way, even though many have a sixth form and are in direct competition with our members'.
- Ofsted has cast doubt on the ability of LEPs to take responsibility for large amounts of the adult skills budget. In a recent report Ofsted said that fewer than half the areas in which they had conducted inspections had LEPs that 'were well established and could clearly demonstrate that they had had a beneficial impact on the local economy' adding that 'the majority of LEPs were not sufficiently well informed about learning and skills provision in their area, or the role of local colleges in reducing unemployment and supporting economic growth'.

**SFA clamps down on ‘second level subcontracting’**

As you will no doubt be aware, subcontracting involves providers (many of which are FE colleges) contracting directly with the SFA to deliver education and training provision, and then subcontracting a proportion of the delivery of this provision to other providers. The recent rapid growth in subcontracting is probably explained by the fact that, since 2011/12, the SFA has restricted access to direct funding to those providers that can deliver contracts to the value of at least £500,000. One of the effects of this restriction has been to force smaller providers to seek to enter into subcontracting arrangements with larger providers. More than 1,000 providers now receive SFA funding indirectly through subcontracting arrangements with main SFA contractors and, in 2011/12, a list of all subcontractors with contracts worth £100,000 or more, revealed that at least £430 million of SFA funded provision was being delivered by this means.

However, it now appears that some of these subcontractors are themselves sub-subcontracting out their own subcontracted provision to other providers (referred to as ‘second level’ providers). This has prompted the SFA to warn main contractors that ‘second level’ subcontracting will only be allowed with the express consent by the chief executive of the SFA, and then only in exceptional circumstances’. In 2012/13, so far this approval has been granted in just 4 cases. However it seems that the numbers of subcontractors that have sub-subcontracted provision to ‘second level’ providers is significantly greater than this. As a result, a number of main contractors have been on the receiving end of reprimands from the SFA for allowing this to take place without first gaining the SFAs permission.

**Education Funding Agency (EFA) announces national 16-19 funding rate**

The EFA has sent a letter to all schools and colleges in England, informing them that in 2013/14, the national basic rate of funding for 16-19 year olds will be £4,000 per full time student. The new rate is based on full time students taking a programme of 600 hours, within which schools and colleges will expected to deliver cohesive ‘study programmes’ tailored to meeting the individual needs of students. The ‘study programme’ will be required to include English and mathematics for those who have not already achieved grade C at GCSE.

In addition, the letter gives details of the new funding arrangements for ‘high needs’ students aged 16-18 and for students aged 19-24 with a ‘Learning Difficulty Assessment’. The EFA will allocate providers the first £6,000 of additional support costs in respect of each of an agreed number of students. Any additional places, or any additional support funding needed subsequent to this, would be met by the student’s local authority through agreed ‘top-up’ arrangements. The letter also makes reference to the fact that the age of compulsory participation for young people will rise to the end of the academic year in which they turn 17, that ‘Traineeships’ and ‘Supported Internships’ can be include as part of 16-19 study programmes, and that by September 2015, new ‘rigorous linear A levels and a decoupled, standalone AS qualification’ will be introduced, and that from September 2013, eligible FE and Sixth Form colleges will be allowed to enrol full time 14-16 year olds from schools and will be directly funded by the agency.

**SFA announces details of ‘transitional protection’ in 2013/14**

The SFA has announced its proposals to dampen the impact on providers of the new funding methodology scheduled to be introduced in the 2013/14 academic and financial year. The dampening mechanism is called ‘transitional protection’ and will limit any excessive reductions in a provider’s funding (for the same volume of activity) that is directly attributable to the introduction of the new funding methodology. As a result the maximum reduction in funding will be limited to 3% in 2013/14 and 6% in 2014/15. The reason for ‘transitional protection’ is that some qualifications will see a reduction of up to 20% in the value of their funding and without this protection the budgets of many colleges would be seriously depleted. However, the new protection measure will also limit any *increases* in funding that may arise from the new funding methodology. (One qualification would otherwise apparently have seen an increase of around 270% in the value of its funding).



### The FE Guild may not be called 'The FE Guild'

The proposed new FE Guild will probably have a different name by the time it is launched in August. This is after a recent consultation exercise revealed that more than 60% of the 200 respondents 'did not like' the original name. Some of the respondents said that they thought the word 'Guild' was a bit 'medieval' and was not appropriate for an organisation that purported to develop FE professionalism in the 21<sup>st</sup> Century. Others thought that the words 'Skills', 'Institute' or 'Alliance' should appear somewhere in the new name.

In the same way that it appears to have become fashionable to remove the word 'college' from a college's name, one person has suggested that the new name for the FE Guild should simply be 'Geoff'. Apparently, this would be in homage to Geoff Russell, the Canadian former partner in KPMG's London Financial Services practice who, after being appointed an executive partner in KPMG's global banking service, went on to be appointed chief executive of the SFA (probably on the basis of the detailed understanding of the English further education system that his prior experience with KPMG had given him). Mr Russell retired last year and was replaced by Ms. Kim Thorneywork as SFA chief executive.

### And finally.....

An essential skills lecturer was attempting to engage his adult students in activities designed to develop their numeracy skills by applying them in real life situations. In an attempt to hold their interest, the lecturer tried getting his students to engage in such things as playing darts or cribbage so that they could practice subtraction and addition. The lecturer also took the risky step of using horse racing to get his students to practice multiplication. This involved the students analysing the previous 'form' of horses and what the odds of them winning in forthcoming races would be. He also got them to work out what the returns would be if they were to hypothetically place bets on their chosen horses, either 'on the nose' (i.e. a straight win) or 'each way' (i.e. the horse came in the first 3) and the amount of money they would win for their initial 'stake'. The students were also asked to work out what their winnings would be if they had a successful 'roll up' (i.e. where the winnings from a previous race were used as the 'stake' for a bet on the next race). The lecturer then gave the students an imaginary £100 each and got them to place equally imaginary bets on an actual racing event. The lecturer even arranged for the students to watch the event on TV and at the end of it, asked the students to work out their winnings (if any). Of course, some of the students were already familiar with horse racing, and one of them was discussing his previous experiences with the lecturer. The conversation went something like this:

'A funny thing happened to me on the way to the betting shop the other day', said the student. 'My address is 5 Fife Street, and the bus I catch to the betting shop is the number 55. The service is hourly and is scheduled to arrive at my local stop at 5 minutes to the hour. The betting shop is in the town 5 miles away from where I live, and the bus passes through 5 major road junctions and 5 sets of traffic lights. I caught the bus, but after 5 minutes, it broke down and we had to wait 55 minutes for another one (I know this because I timed it). When I actually got to the betting shop, I placed bets on the first 4 races but lost more than I won. But then I noticed that the fifth and final race was due to take place at 5 minutes past 5. I was intending to place a bet on the favourite, which was a horse called 'Frenchman's Lunch', but then I noticed that there was a horse running in the race called 'Bunch of Fives' and I was surprised to learn that the latest odds were 5 to 1. I looked in my wallet to see how much money I had left. When I counted out my money I was startled to find that I had exactly £55.55. Well, the coincidence was just too great. So I kept the 55p in my pocket to pay for my bus fare home and put £55 on 'Bunch of Fives' on the nose for a straight win.

'And did it win?' asked the lecturer. 'No.' replied the student, 'It came in fifth'.

### Alan Birks – March 2013

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