



# Pearson

## Pocket Watch (2016/6) ‘What now for education?’



### Introduction

So one week on from the Referendum result what are things looking like, particularly for those interested in education?

The most prominent metaphors perhaps tell the story. They’ve either been nautical: “unchartered waters without a compass” according to the Institute for Fiscal Studies sailing a bit close to paddle and creek, or divorce based: “you can’t say I want a divorce but will live with you for a while until I make my mind up,” as the Belgian Prime Minister put it. Ministers have been keen to offer re-assuring words, as both the FE and HE Ministers have done this week, but a sense of uncertainty if not unease persists.

This then is how things are starting to look for education, based on some excellent analysis from leading commentators and a hefty dose of personal conjecture.

### Big picture developments

First, the big picture, where there have been some important shaping developments this week, three in particular with implications for education.

First the Chancellor’s contentious £30bn austerity Budget, announced before the Referendum and which would have sliced 2% off education let alone health budgets, is now off ...for the moment at least. In a statement at the start of the week, the Chancellor announced that we should wait until the OBR (Office for Budget Responsibility) had carried out an assessment of the economy first. This would take place this autumn and presumably feed into a new government’s Autumn Statement although the Chancellor’s threat of tax rises and spending cuts hasn’t gone away. All of which leaves huge uncertainties over future budgeting for schools, colleges and universities.

Second, how to manage the exit negotiations. The starting gun has yet to be fired but a cross-government Unit is being set up to steer, though not determine, the negotiations. The big worry here is the demands that extensive negotiations could place on government and its agencies; there’ve been some suggestions for instance that 70 EU related Bills may need reviewing. For education this means not just continued uncertainty but lengthy distractions by government depts when major reforms are in process.

Third, and a point made forcibly by Alison Wolf, the impact on employers and in particular on skills training, investment, the apprenticeship levy and so on. The government has hosted a couple of roundtables with business groups this week as bodies like the CBI and Institute of Directors express concerns about the need for clear planning. The future skills agenda looks like being an important one for education as it seeks to respond to changed circumstances with employers likely to rack up the pressure for more trained and high-skill workers as fears persist about the future recruitment of the workforce.

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## The emerging timeframe

Hard to be specific at this stage but looking a bit like this:

- 30 June. Nominations close for leadership of the Conservative Party
- 1 July – 21 July. Final weeks of business before the summer recess, limited policy announcements
- 22 July – 5 Sept. Summer recess, leadership campaigning, exam results season
- 6 Sept – mid Oct. Conference season, new PM installed, new policy directions identified
- Mid Oct- Dec. Policy agenda driven by exit negotiations and possible election debates, new economic and legislative programme emerging

## What might it all mean for Schools, FE and HE?

A lot of uncertainty here but best guesses suggest the following:

For schools:

- Events still unfolding but some change at Ministerial level likely in the autumn
- Education for All Bill probably delayed, much of the White Paper on hold
- Academy programme to continue but more measured and less of a political crusade
- Implementation of curriculum reform programme to continue, key stage assessment under scrutiny
- Progress 8 and accountability regime to continue
- Fair funding consultation possibly on hold until Autumn Settlement
- Continuing concerns about teacher recruitment and retention, pressure to grant work visas
- Tempting fate but potentially a less frenetic policy period for a while

For FE:

- A difficult period with business confidence low, structural reforms continuing, funding and planning uncertain and pressure on student numbers
- Sainsbury Review and Skills Plan to be published before the summer recess
- Apprenticeship levy to go ahead but some delays on accounting and financing details
- Maintenance loans likely to go ahead
- Area reforms to continue but increasingly having to take on new scenarios
- Potential increase in city devolution deals starting with London
- Big concerns about what happens once ESF and ERDF (EU project funding) dries up from 2020

For HE:

- HE Bill, some pressure to hold fire, limited time but Minister keen to progress
- Funding for EU students to continue for 2016 entrants, not clear beyond that or for Erasmus+
- Concerns about future student numbers especially if economy unstable and visas apply, some universities keen to offer fixed fees for longer period of time
- University groups likely to take a lead in strengthening research ties, global links and UKHE brand, and to remain part of Bologna and of the European HE Area
- For HE as for FE, future growth may be linked to promise of so-called immigration points-based system

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