

## Policy Eye: (Post-Election 2015)



### Highlights of week ending Friday 24 July 2015

(Welcome to Policy Eye, a nearly weekly service from Policy Watch offering a regular round up of UK education headlines and stories from over the previous 7 days and currently keeping a special 'eye' on developments following the 2015 election.)

#### The week summed up

This week provided further clear evidence that the government is determined to stick with its economic plan as further cuts were announced for the FE and HE sectors and the Chancellor outlined his plans for the 2015 Spending Review. 'Fixing the roof while the sun is shining' is the mantra but for many this week the mood has been more cloudy than sunny.

FE first, where the Funding Agency's announcement of immediate cuts to ESOL and adults skills non-apprenticeship budgets coincided with a withering report from the National Audit Office on the financial health of the sector as a whole. The cuts come as a response to the Chancellor's recent call for a further £450m from this year's dept budget and are part of a sequence. Whether the sector is facing its own Groundhog Day moment as some headlines suggested or not, the issue is that the sector has had to endure a sustained period of cuts, that its been left to operate in a market that's become increasingly unstructured (*"Many colleges are competing for fewer students against an increasing diversity of provision"*) and that financial forecasting on all sides has failed to recognise the extent of the problem. The government has responded by announcing a major structural review of the post-16 sector that will kick off in earnest this autumn and run through to next spring. The direction of travel has already been indicated in previous policy statements but is writ large in its latest pronouncement: *"we will need to move towards fewer, often larger, more resilient and efficient providers."* It's being left pretty much to local stakeholders to sort out although the government will issue guidelines and will be represented but a key issue will be how far school post-16 providers are involved as well.

As for HE, which a contributor in the Times Higher this week described as being *"in a perpetual financial crisis,"* the Funding Agency has equally had to announce further cuts this week to meet the £150m in savings required for the 2015/16 financial year. Its meant that teaching grants as well some specific funds such as those used to support increases in student numbers will be hit. Again some of this is immediate although the full scale may not become apparent until institutional adjustments are confirmed in October.

All of which means that many people will be keeping a wary eye on how this year's Spending Review which was formally launched by the Chancellor this week and under which future spending details will be announced in late November, shapes up. The approach being adopted is similar to that in 2010 with depts being asked to model best and worst case scenarios in an effort to find the £20bn of savings that the Chancellor is looking for. School age pupils remain protected, the others will be hoping for the best case scenario, that's cuts of 25% rather than 40%. Some sunshine.

#### Top headlines this week

- 'Pupils' mental health tops head teachers' concerns.' (**Monday**)
- 'Meltdown warning in FE College finances.' (**Tuesday**)
- 'Spending Review to include measures to cut schools back office spending.' (**Wednesday**)
- 'Baby boom to put pressure on English secondary schools.' (**Thursday**)
- 'UK study raises concerns over 'coasting' academies.' (**Friday**)

## People/organisations in the news this week

- The Prime Minister who **announced** a five-part strategy to tackle extremism which included new duties on local authorities, schools and families and an interim report on community cohesion expected early next year
- The Chancellor who called on depts to model two scenarios of cuts, one based on 25% and the other based on 40%, as he set out his plans for the **2015 Spending Review**
- The BIS Dept who outlined the new conditions for alternative providers of higher education as it responded to earlier consultation on **Alternative Providers of HE**
- The BIS Dept who have launched a 12 week **consultation** on freezing the student loan repayment threshold
- The BIS Dept who announced an overhaul of the post-16 college sector through a series of locally driven **area-based reviews** due to run over the next nine months
- The FE/Skills Minister who posted his regular **end-of-term letter** to the sector confirming developments in a number of key areas and highlighting the importance of the sector's role in meeting a number of the skill needs under the Productivity Plan
- David Meller and Richard Harrington MP, Joint Chairs of the **Apprenticeship Delivery Board**, tasked with advising on how best to expand the apprenticeship programme
- The **Science and Technology Committee, BIS Committee** and **Education Committee** who have announced that their first major inquiries in this new Parliament will be into science funding, the Productivity Plan and the role of Regional School Commissioners respectively
- The government who issued its **response** to the previous Education Committee report into apprenticeships and traineeships indicating that it had accepted all their recommendations bar three (on careers plans, work exp for 14-16 yr olds and 14-16 Young Apprenticeships)
- HEFCE who announced reductions to the teaching grant and to funds set aside to support any increases in student numbers as they outlined **savings required for 2015/16**
- HEFCE who published a series of commissioned **reports** looking into ways of ensuring students from different backgrounds achieve success in HE
- The Institute of Fiscal Studies who examined the recent **Budget announcements** on HE student financing and concluded that both lower and middle income families and students would be hit hardest by the respective changes
- GSK, Rolls Royce and Pfizer, the top three companies collaborating on research projects with UK universities according to the recent **review** of HE-Business research collaboration (Microsoft was the only technology company in the top ten)
- Martin McQuillan, Pro-Vice Chancellor of Research at Kingston University whose **blog** for this week's WonkHE briefing looked at HE developments in the light of current policy changes
- The National Audit Office whose report on the **financial sustainability of the FE sector** raised concerns about the number of colleges facing financial difficulties both now and in the future as funding continues to tighten
- The Skills Funding Agency who **announced** further cuts to ESOL and non-apprenticeship funding allocations with immediate effect as the BIS Dept sought to meet further savings from current budgets
- The Skills Funding Agency who reported on how it had delivered against its five strategic objectives in its latest **annual report and accounts**

- The local LEP and FE providers in Cornwall who will pool resources and approaches to employment and skills provision from 2017 under the region's **Devolution Deal**
- The Education and Training Foundation who have been asked to lead further developments to help strengthen the position of **functional skills**
- City and Islington College and Westminster Kingsway College who announced that they were looking at the case for **working much more closely together**
- Ofsted who defended its role as it added its response to the previous Education Committee's **Trojan Horse Inquiry**
- The Sutton Trust who examined the issue of **academy chains** on the attainment gap and whose commissioned report called for other high-performing providers to be involved in school improvement
- The DfE who issued **guidance** to schools and local authorities on the use of cloud software and data protection
- The Schools Minister who announced that the Dept was taking further steps to secure some **community languages** at GCSE and A level
- Schools Week who provided a **summary overview** of Ofsted inspections over the last term and noted that a higher proportion of secondary schools had received a good or outstanding than over the previous two terms
- 'Photograph' by Ed Sheeran, 'Shake it off' by Taylor Swift and 'Happy' by Pharrell Williams, the top three tear jerker/rabble rouser songs being played in final assemblies for Year 6 this summer

### Tweet(s) of the week

- *"The only role where we've not developed an apprenticeship is mine."* @NickBoles
- *"The gap year is back, but with purpose - not so much "Gap Yah" as fill-in-the-CV-gaps year."* @JISC
- *"What will we call colleges that specialise in remedial English and maths? Post-secondary moderns."* @OldDitch
- *"The only reason to keep national exams at 16 is because we still don't trust our schools or our teachers."* @TheTimes
- *"It's not been a summer of contentment in the education world."* @russellhobby

### Acronym(s) of the Week

- DLHE. The Destination of Leavers from HE, an annual national survey produced by the HE Statistics Agency, which will be refreshed and reviewed to meet changing demands

### Quote(s) of the week

- *"The decline in the financial health of the sector has been quicker than indicated by colleges' plans and current forecasts suggest that the number of colleges under strain is set to rise rapidly."* The National Audit Office takes the financial pulse of the FE sector
- *"We will need to move towards fewer, often larger, more resilient and efficient providers."* BIS suggests what it's looking for from its new area-based reviews of college provision

- *"I believe that Functional Skills should continue to be the main alternative English and maths qualifications to GCSEs."* The FE Minister commissions further work on FS
- *"We would of course survive and I'm sure thrive if we carried on independently but we can be better together."* Sir Frank McLoughlin, Chief Exec of City and Islington College as his College eyes up closer collaboration with nearby Westminster Kingsway College
- *"Usually reform needs a cheque or a plan and at the moment we have neither. Hence the drive for productivity."* @alanmilburn. @IPPR
- *"Bland, robotic and misleading."* A teacher's view on [school reports](#)

### Number(s) of the week

- £20bn. The level of savings the Chancellor is looking to find through the latest Spending Review
- £53,000. How much debt poorer students could end up with when they graduate following the replacement of maintenance grants by loans according to the IFS
- 3.9%. The latest cut to non-apprenticeship adult skills budgets in FE
- 70. The number of colleges who could be in financial difficulties by the end of the 2015/16 financial year according to the National Audit Office
- 20%. The expected rise in secondary school pupil numbers over the next decade according to the DfE's latest pupil projections
- £600 a day. The amount of money some schools have been paying consultants for Mocksteds (pre Ofsted inspection run-throughs,) a practice Ofsted remains keen to outlaw

### What to look out for next week

- MPs on summer recess