

“Productivity is the challenge of our time”

This is the opening gambit of *Fixing the Foundations: creating a more prosperous nation*, which also declares “the UK has a long-term productivity problem”. As you would expect, the education and skills system features heavily in the report, which was co-signed by Chancellor George Osborne and Business Secretary Sajid Javid. Divided into two sections, ‘long-term investment’ and ‘a dynamic economy’, the report outlines 15 key activities that will be the government’s focus.

Fixing the Foundations or the productivity plan, in 82 pages, clearly addresses issues that the Treasury and the Department for Business, Innovation and Skills (BIS) feel are critical, but the report goes beyond this remit, extending into areas covered by the Department for Work and Pensions (DWP) as well. The areas for activity include:

Long-term investment

3: A highly skilled workforce, with employers in the driving seat

4: World-leading universities, open to all who can benefit.

Dynamic Economy

10: A higher pay, lower welfare society

11: More people with a chance to work and progress.

Clearly items 3 and 4 have a strong focus on the education and skills system, while there are implications for the education and skills system in other areas as well. Under *A highly skilled workforce, with employers in the driving seat*, comes policies like the coasting schools definition for accountability, continuing reform of GCSEs and A Levels, the apprenticeship levy and a review of the FE sector. Under *World-leading universities, open to all who can benefit* are policies relating to the removal of the Higher Education student number cap, further changes for tuition fees and a promise to “open the higher

education market” to stimulate competition and deliver better value for money for tuition fees.

There are wider implications for the education and skills system too. Under *High quality science and innovation* there are implications for the pipeline of knowledge and skills into the future workforce of these sectors. In *A higher pay, lower welfare society* and *More people with a chance to work and progress*, there are implications about the jobs of the future, for which higher level technical skills will be needed and services to support the swift return to work for those that find themselves unemployed will undoubtedly need skills interventions, despite the severe restrictions being put on these services through cuts to the adult skills budget.

...and hot on its heels, Select Committee announces inquiry

Following on from the publication, the BIS Select Committee announced its first *inquiry* of the parliament would be on the government’s productivity plan.

Questions to be addressed include:

- Do you agree with the Government’s assessment of the reasons for the UK’s productivity slowdown? Has the Government acknowledged all of the main causes of the UK’s poor productivity growth?
- Why has the UK’s long-term investment been so low up to now? How can we ensure that the measures relating to long-term investment in the new Plan will contribute to productivity growth?
- What are the main weaknesses of our economy, in terms of dynamism, which are suppressing our productivity? Do the measures introduced in the plan address those weaknesses and are they appropriate?
- Will the plan have the desired results?

Restructure of post-16 education and training sector announced

“The post-16 education sector is critical to our strategy of raising productivity and economic growth”, so declares the opening paragraph of *Reviewing Post-16 Education and Training Institutions*. In the flurry of activity between the publication of the Productivity Plan and the start of the parliamentary summer holiday this potentially wide-ranging and significant review was announced.

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The document sets out the need for the review and the timetable that is to be followed. Described as in addition to expansion of the Apprenticeship programme, the two 'critical' planks of reform for this sector are to be:

- Clear, high quality professional and technical routes to employment, alongside robust academic routes, which allow individuals to progress to high level skills valued by employers; and
- Better responsiveness to local employer needs and economic priorities, for instance through local commissioning of adult provision, which will help give the sector the agility to meet changing skills requirements in the years ahead, building on the agreements with Greater Manchester, London and Sheffield.

To address the deficit, a temporary decline of 16-19 cohort numbers and the need to address that productivity problem, the paper announces a series of area-based reviews of 16-19 provision, with a stated aim of "fewer, often larger, more resilient and efficient providers". The focus of the area reviews are set to be FE and Sixth Form Colleges, although post-16 academic and work-based provision should be "taken into account". All area reviews are expected to be completed by March 2017.

Financial health of the FE sector under scrutiny

Also released this month was the National Audit Office's report on [Overseeing Financial Sustainability in the Further Education Sector](#), which identified a concerning picture for colleges. The report found that 29 of 244 colleges had an 'inadequate' rating for financial health by the end of 2013/14, 110 colleges were operating in deficit in the same year and 41% had a worse financial health classification than forecast two years earlier.

The report makes six recommendations:

- BIS, working with the DfE, should consider whether the existing college-by-college approach to intervention will address the more fundamental structural problems faced by the FE sector.
- Where major decisions are taken relating to individual colleges, BIS, working with the Department for Education, should clarify roles and

responsibilities for informing decisions about local provision.

- BIS should reconsider the extent to which the current approach to oversight of public investment in the sector, and the responsibilities of the various parties involved, helps to resolve problems quickly to the long-term benefit of students and taxpayers.
- BIS and the SFA, working with relevant sector bodies, should consider how they might better support the development of the management skills needed in this more challenging environment.
- The SFA should build on the action it is taking to provide benchmark information to college governing bodies and their management teams.
- BIS, working with the DfE, should ensure that there is capacity to deal with the expected increase in the number of colleges requiring support.

SFA announce moratorium on qualification approvals

In response to the Government's Productivity Plan, the Skills Funding Agency (SFA) has announced [changes to the qualification approval process](#). In an announcement three weeks before the closure of the application window for the October funding catalogue update, the SFA has suspended the qualification approval rules it put in place in February. These steps are being taken to make immediate and interim steps to move towards a more simplified system in terms of the qualifications funded.

With two exceptions, no new qualifications will be added

to the funding catalogue, until SFA publishes new guidance following their annual review. The exceptions are:

- qualifications that are approved automatically, which includes new Tech Levels
- vocational qualifications at Levels 3 and 4, which will only be approved for 24+ Advanced Learning Loans.

Further announcements are expected in the autumn, likely to coincide with the outcomes of the spending review.

English and maths Functional Skills to continue to be GCSE alternative

A reform programme to update English and maths Functional Skills Qualifications could soon be underway. The Minister for Skills and Equalities, Nick Boles MP, has asked the Education and Training Foundation (ETF) to submit a proposal, building on their previous report, [Making Maths and English Work for All](#). This report recommended that Functional Skills Qualifications, with some work, can provide rigorous and relevant content and signal mastery of practical maths and English skills to employers.

In a [letter to colleges](#), Nick Boles stated that "Functional Skills should continue to be the main alternative English and Maths qualifications to GCSEs. However, to be well-respected and credible, it is critical they suit employers' needs and are properly taught and assessed".

Consultation will take place with education and training professionals and their representatives, employers and other key stakeholders such as Exam Boards, alongside BIS, DfE and Ofqual.

Raising productivity through higher level skills

“Higher technical education matters” is the conclusion of a report from the Higher Education Policy Institute (HEPI). The report - [Raising productivity by improving higher technical education: Tackling the Level 4 and Level 5 conundrum](#) - considers the joint importance of higher technical education both to learners who want qualifications that will be valued by the labour market, and for UK PLC. It also concludes that the current system, being complex and opaque, presents a barrier to access which has a knock-on effect to productivity.

The author of the report, Scott Kelly, who was an advisor to John Hayes when he was Skills Minister, proposes three overarching reforms to ensure employers have access to the skills they need:

1. There should be a well-defined set of institutions where the core mission is to deliver technical and professional qualifications.
2. Work-oriented qualifications at higher levels should be validated and funded by the same processes.
3. Public policy should acknowledge and address the barriers to employer engagement such as piecemeal initiatives to fund and accredit work-related education.

The report states that formal industry representation should be intrinsic to a new system for accreditation and funding, leading to strong and stable business engagement.

Apprenticeship reform continues at breakneck speed

The Government's commitment to apprenticeships continues apace with the approval of 26 new 'Trailblazers', the establishment of a new Apprenticeship Delivery Board, and proposed legislation to protect the apprenticeship brand from misuse.

The new Trailblazer groups will design standards for 39 new apprenticeships programmes and cover industries as varied as film and TV, ceramics, veterinary nursing, and motorcycle manufacturing. With the 26 new Trailblazers, there are now over 140 Trailblazer groups that so far have collectively delivered or are in the process of delivering over 350 standards. The standards produced by Trailblazers will become the blueprint for apprenticeships in those occupations.

The new Apprenticeship Delivery Board has been created with the purpose of advising ambitious plans to deliver a target of 3 million new apprenticeship starts in this parliament. The Board will be chaired jointly by Richard Harrington, MP for Watford, and David Meller, chair of the National Apprenticeship Ambassadors Network. Mr Harrington, who was confirmed as the Prime Minister's advisor on apprenticeships in June, said the creation of the new Board was further proof of the Government's

commitment to its apprenticeship programme. In a further development, BIS has launched a [consultation](#) proposing to prohibit training providers from using the term 'apprenticeship' or 'apprentice' in relation to any course or training in England unless it is a statutory apprenticeship. The measure does not affect employers that offer their own contracts of apprenticeship or other non-statutory internal apprenticeship training. Failure to comply with the proposed legislation would result in a fine following prosecution in a magistrates' court. The plan is to introduce the legislation as part of the Enterprise Bill scheduled for Autumn 2015.

To add to the bustle of activity surrounding apprenticeships, the Government has also published its formal response to the Education Committee's special report on Apprenticeships and Traineeships for 14-16 year olds. The Government accepts 19 of the 23 recommendations of the committee, largely by making the case that these recommendations are already 'in hand'. However, recommendations to reinstate Young Apprenticeships, to require schools to work towards quality standards on providing careers advice, and to reinstate work experience in the 14-16 curriculum were all rejected.

Bye Bye QCF

Following responses to its consultation, Ofqual has confirmed the arrangements for withdrawing the QCF. The QCF rules will be withdrawn and the unit bank closed on 30 September 2015. On 1 October 2015 a new framework for all Ofqual-regulated qualifications will be introduced - the Regulated Qualifications Framework.

“When we reviewed the QCF last year, we found that the rules placed too much focus on structure, and not enough on validity, and that they were not flexible enough to meet the variety of needs covered by vocational qualifications” [says Ofqual](#), finding much support for proposals to

remove the QCF rules.

Ofqual claims that it's unlikely that centres will see much difference in most qualifications as a result of these changes, at least in the short term, but that changes to how the size and level of demand of qualifications are described will be introduced.

More information on the technical aspects of the changes and on the publication of new rules for exam boards will follow next month.

Funding landscape looks “bleak” for Sixth Form Colleges

The Sixth Form Colleges Association (SFCA) says the quality of education to its students will suffer as a result of yet more funding cuts and some colleges will be forced to close. Proposed funding cuts for 2016/17 will see the average sixth form college over £150,000 worse off. This has resulted in a direct impact on students with colleges cutting programmes of study. The report of the SFCA funding impact survey 2015 shows that:

- 39% of sixth form colleges have dropped courses in modern foreign languages. The biggest casualties have been A Levels in German, Spanish and French.
- 24% have dropped STEM courses.
- 76% have removed or reduced enrichment activities. The biggest reductions have been in sport, followed by music and drama, and languages.
- 81% have been forced to increase class sizes.

As 16-19 specialists, Sixth Form Colleges cannot cross subsidise from more generous pre-16 funding streams (as many schools and academies do) and therefore suffer disproportionately from reductions to 16-19 funding.

The SFCA is calling on the Government to:

- maintain 16-19 funding at 2014/15 levels while an urgent review of funding across all stages of education is undertaken. This should inform the introduction of a national funding formula (up to and including the age of 18) based on the actual cost of delivering the curriculum.
- introduce a VAT refund scheme for Sixth Form Colleges to mirror the arrangements in place in schools and academies.

Reprieve for community language qualifications

Schools Minister, Nick Gibb, has [announced](#) that the Government wishes to secure the future of GCSEs and A Levels in community languages, such as Panjabi and Turkish.

As part of reforms to GCSEs and A Levels, there are a number of community languages which may not be continued, but the Government intends to work with the exam boards and Ofqual to make sure as wide a range of language subjects as possible continues to be taught in

the classroom.

The Government has agreed with Ofqual that, to avoid any gap in provision in certain languages, the Government will, where necessary, extend the timetable for exam boards to continue with existing qualifications until September 2018.

Further announcements about the proposed approach will be made later in the year.

Examining – a professional route for teachers; what would it take?

This was the question posed by OCR to an invited group of key policy makers with an interest in assessment at a recent event to discuss the increasing challenge of recruiting examiners.

The event forms part of wider research that OCR is currently undertaking into the issue of examiner recruitment; a move towards end-of-course externally assessed examinations for the majority of qualifications means exam boards now need larger numbers of markers during a fixed period. Exam boards rely almost entirely on teachers to fulfil the examiner/assessor role. “We have an examining system which is the envy of the world” Mark Dawe, OCR’s Chief Executive, commented, “but it needs to be manageable as well as reliable and valid. Everyone has to work together to ensure that teachers continue to examine.”

OCR is working with [LKMco](#), the education and youth development ‘think and action tank’ to explore the following questions:

- What knowledge is there amongst teachers about who is currently an examiner and how do teachers perceive the role?
- What level of assessment expertise is currently considered necessary to fulfil the role effectively?
- What reservations and barriers are there to undertaking the examiner role?
- What would it take to raise the status of being an assessor amongst the wider education community?
- Are there any potential new groups who could be targeted for the role of examiners?

Contact policy@ocr.org.uk for further information.

New association to encourage character education in schools

A new [Association for Character Education](#) (ACE) is set to launch in September 2015. With an executive team in place, the Association will initially work to establish a kite mark for [Schools of Character](#) and will hold annual conferences, among other activities. The Executive Team consists of representatives from the Jubilee Centre for Character and Virtues, academies, and primary, secondary and university schools. Membership of the Association will be free for the first year.

Transition from school to work fundamental to social mobility

The Social Mobility Committee of the House of Lords is conducting an [inquiry](#) into the transition from school to work for 14-24 year olds. The inquiry, which will be reporting in March 2016, will look at the school-to-work route with a particular focus on all those young people who do not undertake A Levels or higher education, but do go on to some sort of training, education or employment.

Key issues for investigation include:

1. What are the most significant factors that affect the social mobility and employment outcomes of young people in the transition from school into the work place?
2. There is a group of young people aged 14-24 who do not follow the A Level and higher education route, and are not classified as NEET. What is known about the young people in this group - who are they, why

are they in this position and what are their career trajectories?

3. Does the current transition system support young people who do not follow the A Level and higher education route to perform better in terms of employment outcomes? If not, why not? What challenges do these young people face in their ability to transition successfully into the workplace?
4. How can the transition from school to work be improved for all young people, particularly for those who do not go on to study A Levels and higher education? How can employers be encouraged to employ more young people from this group?
5. Who should be responsible for improving the system to support the transition into work for school leavers?

Contact policy@ocr.org.uk for further information on OCR's response to the inquiry.

Judge education on whether school leavers are earning or learning

Student performance should not just be judged on short-term measures such as exam league tables and Ofsted inspections, say the Local Government Association (LGA). The LGA, which represents over 400 councils across England and Wales, believes it is where a student finds employment or further learning after they leave school or college that is equally important in judging just how well the education system has supported them.

Research commissioned by the LGA, [Beyond the school gate: using post-16 destination measures to improve outcomes for young people](#), summarises the findings of a five-month project with councils using innovative approaches to tracking young people and helping schools

and colleges improve the outcomes for their students. It concludes that government must improve the quality and reliability of data, prioritise the use of data in assessing the performance of schools and colleges and enable councils to build accountability arrangements that ensure all schools, colleges, jobcentres and others work together to improve the long-term outcomes of all school leavers.

The LGA is now calling on government to work with councils to focus schools and colleges on improving what happens to students in the long term so that those that may lack direction or fall out of learning early on in a post-16 course are given the support needed to take a different path.

Regional Schools Commissioner role to be closely examined

The new Education Select Committee has announced an inquiry into the role of Regional Schools Commissioners (RSCs). The inquiry will focus on:

- What the role of Regional Schools Commissioners currently is, how this might change as the academies landscape evolves, and what the role of RSCs should be
- Whether there are sufficient RSCs and Headteacher Boards to fulfil their expanding role, and whether they have adequate resources

- What evidence exists on the early operation of RSCs in terms of their impact, and how this impact should be measured
- What relationship RSCs should have with Ofsted, local authorities, the DfE, individual schools and local communities
- How RSCs should be held to account in their role.

The Regional Schools Commissioners were appointed in 2014 to work with school leaders to promote and monitor academies and free schools.

Secondary pupil numbers set to rise

[Statistics](#) released by the Department for Education, show an increase in secondary school pupil numbers from next year. The secondary school population has been falling since 2005 as a result of low birth rates in the 1990s, and was 2.7 million in 2015. However, the number of pupils in state-funded secondary schools starts to rise in 2016.

The secondary school population is projected to continue rising reaching 3.2 million by 2024 (an increase of 20% on the 2015 population) - 20,000 higher than previously projected.

The Last Word

Paul Steer, Head of Policy and Public Affairs, comments on some of the issues featured in this issue.

Anyone looking for a blueprint of the Treasury's priorities over the next 5 years could do worse than settling down with a mug of cocoa and a copy of [Fixing the foundations: creating a more prosperous nation](#). Using productivity as its central theme, this 15 point plan covers a lot of territory from airports to broadband from European trade agreements to resurgent cities.

After reading the report you come away with the impression of a government that believes a lot of things need fixing and *quickly*. The tone is a bit tetchy at times, like a bad school report, and littered with unfavourable comparisons including the much-repeated claim that it now takes a worker in the UK five days to produce what his or her counterparts in Germany can deliver in four.

Not surprisingly, given that this is a plan to improve productivity, a key chapter is about skills and human capital. Although the DfE continues to proclaim it has ushered in a new era of high quality vocational qualifications based on the recommendations of the Wolf Report on Vocational Education, the prognosis from the treasury is not good, citing a "failure to grow a serious system of respected employer-led professional and technical qualifications".

The report states time and again that we simply don't have the higher level technical qualifications we need to deliver a highly skilled workforce and the plan is to "radically simplify and streamline further education qualifications". According to the report, we need new, clear routes to the higher technical levels and these are to be designed by 'catapult centres' and 'elite professional institutes'. Perhaps this will also present an opportunity to review the current monopoly that Pearson has on HNCs and HNDs – a point not raised in the otherwise excellent Pearson-sponsored Higher Education Policy Institute paper, *Raising productivity by improving higher technical education: Tackling the Level 4 and Level 5 conundrum*, which takes a nuanced look at the very issue of higher level technical qualifications.

But it isn't just qualifications that are up for a radical rethink – *Fixing the Foundations* gives us some insight into the thinking behind the coming [review of post 16 training and education institutions](#). Getting the technical skills we need means upping the availability and quality of specialist training and it follows that new types of institution are needed for this: namely National Colleges (specialising in high level, sector-specific technical training), and prestigious Institutes of Technology. We learn that "many colleges will be invited to specialise

according to local economic priorities, to provide better targeted basic skills alongside professional and technical education" and some other colleges, no doubt, will be invited to close.

Funding arrangements are going to have to change as well, with plans for "a new system for accreditations and funding" which will be aligned to local and regional needs and guided by "formal industry representation". Outside of Apprenticeships (which get plenty of coverage in the report) and Basic Skills (which get a few mentions, and are linked to proposed Youth Obligation), higher level technical qualifications, and pathways that lead to them, are portrayed as the number one priority for the further education sector. Pulling all this together could be a recipe for one of the biggest upheavals in FE for decades but great care must be taken not to displace the existing core provision for 16-18 year olds, especially at Levels 2 and 3, unless there is certainty of appropriate alternatives.

There is much else in the report that relates to education and training in one way or another, including familiar territory about coasting schools, the argument for an independent College of Teaching and the Government's desire that schools should offer "a broad and rigorous academic curriculum, building knowledge, skills, character and resilience." There are clear plans to further expand HE, fuelled by loans rather than grants, so that access is available for "anyone with the right qualifications". A great deal of the report is quite rightly spent on the importance of science and technology to economic growth, right down to the importance of increasing the number of girls who take A Levels in science subjects. What is surprising is that there are no references to creativity, the arts, culture or sport – things which make a massive contribution to our economy, but it may be that the Chancellor thinks that these areas will take care of themselves and there is nothing that needs fixing.

Finally, *Fixing the Foundations* promises to publish a National Infrastructure Plan (NIP) for Skills "this summer". This must be the same NIP for Skills that was originally promised back in April. And it would appear from a statement on the government website that the date for publication has now slipped into September. Given the scale of ambition of the Treasury's plans and its finite resources, it is hardly surprising if the odd plan doesn't get written to schedule – but it does beg the question as to whether one of those highly productive Germans would have written it by now.