

A brief update about policy & other developments for third sector training providers

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TSNLA in the news

Outcomes of changes to formula funding

Tim Ward, CEO of TSNLA, has published an article in FE News asking local authorities not to leave third sector community learning providers out in the cold. ESFA recently announced the offer of additional non-formula community learning funding for 2018/2019 to 30 local authorities to maintain existing levels of funding in their area. What is not made clear by the ESFA is that some of this replaces non-formula funding lost by independent third sector community learning providers as an outcome of the 2017 AEB procurement process.

While TSNLA welcomes the decision to make this funding available, we are disappointed that ESFA did not reinstate the allocations directly to third sector providers affected by this original loss of funding. Third sector providers used this funding to good effect to support outreach, engagement and progression activities. While providers can use AEB for community learning activity, non-formula funding allowed flexible, responsive and innovative activity aimed at the most disadvantaged and excluded in our communities.

Read this! The full article can be read at <https://tinyurl.com/y8z6b2kz>

TSNLA at the AELP conference

On 25/26 June, TSNLA CEO Tim Ward delivered a workshop at the AELP annual conference. His reflections on the event are below, including the slides that he used which provide some fascinating statistics and insights into third sector learning and its challenges, along with a discussion on the benefits of the TSNLA partnering with AELP.

“I was given the chance to attend the AELP conference on 25/26 June. It was a chance to hear some interesting speakers and get up to speed with developments in learning and skills. There was a lot of emphasis on apprenticeships and concerns about the continued decline in numbers. Speakers from larger employers spoke positively about the impact of the levy but emphasised the time it took to put new systems and infrastructures in place.

There were nice words from the Minister Ann Milton and from Eileen Milner who leads the Education and Skills Funding Agency. However, they had little more to say than was already known. Those who had been expecting concessions on employer fees for non-levy apprenticeships were disappointed. Eileen Milner focussed mainly on beefing up compliance and strengthening action against instances of misuse of funds. Sir Gerry Berragan from the Institute of Apprenticeships gave a forthright defence of the Institute of Apprenticeships which did not go down well, with delegates frustrated by what they see as delays in introducing new standards and arbitrary decisions about funding levels.

The AELP’s Mark Dawe reflected the views of many of us in summing up the morning by saying that there seemed an air of unreality and little understanding of what was going on at grassroots level. For me, the best presentation came from Paul Joyce of Ofsted who demonstrated a good understanding of what was happening on the ground. He particularly highlighted Ofsted’s concerns that they had found around a quarter of new apprenticeship providers needed significant improvement.

I attended a workshop about a new Governance Code for independent learning providers developed by AELP. It was pleasing to see that care had been taken to ensure it was applicable for not-for-profit and charitable providers. Finally, I had a positive meeting with third sector AELP members who welcomed our new partnership with AE.”

Tim Ward, CEO of TSNLA

Download this! The slides that Tim used at the conference to talk about third sector learning can be downloaded at <http://www.tsnla.org.uk/news/tsnla-presentation-aelp-conference>

Adult Education Budget

More on the low wage flexibility rules

The ESFA has updated their guidance setting out the rules around AEB funding, including the new trial enabling AEB providers to fully fund employed low-waged learners who cannot contribute towards the cost of co-funding fees. The one-year trial will run initially in 2018/19. Inevitably the guidance is a bit technical, but for those interested, here it is:

If an employed individual meets the criteria set out in paragraphs 151.1 and 151.2, regardless of the hours they work, or their hourly rate, the individual would be eligible.

Learners in receipt of low wage

151. You may fully fund learners, who are employed and cannot contribute towards the cost of co-funding fees. You must be satisfied the learner meets both of the following:

151.1 is eligible for co-funding, and

151.2 earn less than £15,736.50 annual gross salary, based on the Social Mobility Commission's low pay threshold of £8.07 (hourly rate in 2016) and on the assumption of a 37.5hr contract with paid statutory holiday entitlement

We will amend paragraph 152 in the 2018/19 Adult Education Budget funding rules – version 2 (which will include the performance management section), due to be published before the end of July. Subject to any further feedback we receive, the revised paragraph will be:

152. You must have seen evidence of the learner's gross annual wages in these circumstances. This could be a wage slip within 3 months of the learner's learning start date, or a current employment contract which states gross monthly / annual wages. Please note this is not an exhaustive list, but must support your decision to award full funding to an individual who would normally be eligible for co-funding. (TBC)

Read this! The full document is at <https://tinyurl.com/y8g45fy2>

Read this! More information is at <https://tinyurl.com/y9c6vbf>

Funding post-18 provision

A report from a House of Lords committee entitled *Treating Students Fairly: The Economics of Post-School Education*, looking at the costing and provision post-18 has been published. It concentrates on HE, but also covers FE, albeit at Level 3 and above. The report is quite damning and covers concerns about tuition fees, maintenance loans, apprenticeships, alternative routes and market reforms.

Recommendations include some solutions that have been suggested before, such as a UCAS style application system for all post-18 provision, but the report also comes up with a few new ideas including benchmarking loan interest rates to the government borrowing rate and scrapping both the Institute for Apprenticeships and the apprenticeships target.

The report suggests a simplified regulatory system across further and higher education, with the new further education regulator having responsibility for the quality and outcomes of level two and three apprenticeships, while the Office for Students looks after those at Level 4 and above.

The report also criticised the dramatic decline of part-time study and adult learning, saying, "This neglect of part-time and mature students is short-sighted: flexible learning is important for mature students looking to learn new skills to adapt to changes in the labour market and working practices." The Lords call for increases in FE funding and an improvement in how the FE market is treated, with chair Lord Forsyth saying, "The structure and distribution of funding in the post-school education sector is unfair and inefficient. Further education is the poor relation to higher education." The report calls for the government to "explore restoring some teaching funding for further education colleges so they can cover costs and stimulate demand for courses at levels 4 and 5".

The DfE have promised a response "in due course", pointing out a range of investments and changes that they are in the process of making, and insisting, "we are undertaking a major review of post-18 education and funding, to make sure students are getting value for money and genuine choice between technical, vocational and academic routes."

Read this! The full report can be read at <https://tinyurl.com/yboh6sk9>

T-Levels

T Level qualifications controversy

The government has held two 'market engagement' events to launch its search for Awarding Organisations (AO) to develop T-level qualifications, but the process has already run into trouble. The government was already under fire for suggesting that it wants only one AO per pathway, and with the first three pathways - digital (production, design and development), childcare and education, and construction (design, surveying and planning) - due to be launched in 2020, the time frames are very tight.

However, following the events, the Federation of Awarding Bodies may be about to take legal action over the tender process, which has been causing alarm among AOs. The commercial terms of the agreements may result in ownership of the content developed being limited, and Federation chief executive Tom Bewick has warned of a "wholesale nationalisation of the technical qualifications industry in this country" with the government failing to recognise the "integrity of the business models, the brand and in some cases the heritage of these organisations."

The terms of the agreement give the IfA ownership of the intellectual property in any materials, and ban AOs from reusing any of the content without "prior written approval" or from using any of their own branding.

Confusion over which providers will deliver T-Levels

As outlined in last month's *Policy in your Pocket* bulletin, 52 providers have been selected to pilot the new T-Level qualification in 2020, representing a quarter of those who applied. However, many unsuccessful providers have been left confused as to why they were turned down, as the reasons they were given (such as only possessing a Grade 2 from Ofsted) do not correspond to published criteria.

Many large colleges such as London's New City College have been "very active" in T-Level development, and yet were not selected to run a pilot. Only 3 of the 21 providers involved in the work placement pilot will go forward to run the courses in 2020.

The DfE has said it needed to apply additional checks to bring down the number of providers, including prioritising those with Grade 1, ensuring a range of different types of provider are covered, and including providers from the DfE's opportunity areas. 32 of the final list are 'outstanding', 14 are 'good', and a further six don't have a current Ofsted rating.

Apprenticeships update

Apprenticeship funds transfers

Large employers have been told by Apprenticeships and Skills Minister Anne Milton that from July they will be able to transfer up to 10% of their apprenticeship levy funds to more than one other business, giving them more flexibility in how they use their funds. The move is hoped to increase the number of apprenticeships being created and replaces previous advice that the 10% could only be transferred to one other business.

The levy is currently paid by around 2% of employers but the funds raised covered over 40% of the apprenticeships started in the last year. Minister Ann Milton said, "We want to keep improving apprenticeships for everyone and I am delighted that we are now extending the flexibility of the apprenticeship levy."

AELP calls for better balance in apprenticeship levels

The AELP (Association of Employment and Learning Providers) has called on the government use the spending review to respond urgently to addressing lower level skills gaps in the economy, particularly with the approach of Brexit. They say that Level 2 skills provision is vital to the economy, workforce productivity and social mobility, but that apprenticeship reforms are leading to a sharp drop in starts at lower levels.

With over 40% of 16 year olds not achieving a full Level 2, the AELP are calling for:

- No employer contribution for non-levy payers or for those that exceed their levy for 16-24 year olds at L2 and L3
- A guaranteed annual budget for non-levy paying SMEs who offer more L2 and L3 apprenticeships
- Changes to current reductions in L2 apprenticeship framework funding rates
- Improved funding for Functional Skills

Level 2 starts in apprenticeships have halved since the levy was introduced, and the AELP challenges recent criticism of them as 'proper apprenticeships'. AELP CEO Mark Dawe said, "It's impossible for a young person to embark on skills training or technical education at Level 3 without having access to a Level 2 programme first. Recognition of achievement at Level 2 is vital for motivation and progression. Our submission exposes how key sectors, which are reliant on migrant labour, will need apprenticeships and other training provision at Level 2 to avoid massive skills shortages after Brexit."

Read this! The AELP submission can be read at <https://tinyurl.com/ya5eyuh6>

Insufficient non-levy funding for training providers

An AELP survey has reported that training providers are finding non-levy funding insufficient to meet SME employer demand. As training providers provide services to over 380,000 employers across the country, the AELP claims that this has had an adverse impact and may help to explain why recent government statistics show a fall of over 50% in apprenticeships starts compared to last year. The AELP claims that despite SMEs accounting for around £1bn of the total apprenticeship budget in previous years, they are currently only allocated up to £650m - and this is for 15 months provision.

The survey also found that an overwhelming percentage of providers thought that employers were still struggling to understand and engage with the new apprenticeship system, that there were problems with the quantity of new apprenticeship standards, and that end-point assessment remained a concern. 60% of providers are still delivering much of their training under the old apprenticeship frameworks.

AELP CEO Mark Dawe also said that the survey showed how training providers were having to switch provision due to funding changes, saying, "53% are seeing their delivery switch over more to the large levy-paying employers. 42% of providers say that the reforms are prompting them to run more higher-level apprenticeship programmes in response to employer demand.... we have to get the balance of provision right from level 2 to levels 6 and 7. It's vital for a post-Brexit economy and social mobility that lower level provision isn't abandoned and this means getting the way it's funded right".

He called for "an immediate suspension of employer contributions for 16 to 24 year apprentices at levels 2 and 3 by non-levy payers or those employers that exceed their levy."

Read this! The full survey results can be seen at <https://tinyurl.com/y9hjcjrc>

Apprenticeships still have a perception problem

According to independent research by ABM UK, 36% of parents and 68% of children aged 11-16 still don't know what an apprenticeship is. Where there was awareness, 43% thought that apprenticeships were poorly paid, 37% saw them as a last resort for those who fail their exams, and 17% felt that they did not lead to successful careers. The report also showed that parents are the main influencers over young people's decisions on careers, with teachers and schools only contributing 41%. The research questioned 2000 parents and 2000 children.

ABM UK Director Adam Baker said, "This research highlights the need for a more unified approach and a better way of communicating, especially with parents, whose influence alongside teachers is critical".

Ann Milton talks about Level 2-7 progression

Apprenticeships and Skills Minister, Anne Milton talked to FE News about the importance of progression routes from level 2 to level 7 in work-based learning, and the role of SMEs. She emphasised how creating a smooth path was "the stuff of my dreams to be honest", contributing to social mobility and the opportunity for young people to get a new start.

She also confirmed that the government would be looking more closely at the role of SMEs in apprenticeships, saying, "Right in my sights now are small employers because, actually when you meet a small employer who's employed an apprentice they are evangelical about it. They absolutely love it."

Watch this! See the podcast at <https://tinyurl.com/ycmrl7dd>

Mayors call for combined action on apprenticeship levy

The eight Mayors in England have come together to request control of the Apprenticeship Levy funding which levy payers do not spend, along with additional government funding to improve quality. This has come out of joint mayoral meetings, where discussions on managing skills and training within the devolution agenda took centre stage.

The mayors have asked for a meeting with apprenticeships and skills minister Anne Milton "to discuss how we can work together to drive apprenticeships and technical education in our regions".

Birthday Honours

There were a number of people from the FE and skills sector who this month received honours for the Queen's birthday.

Ofsted's chief operating officer Matthew Coffey has been made a Companion of the Order of the Bath. There were also OBEs for Gill Alton, chief executive of the Grimsby Institute; Richard Bridgman, 70 year old founder and owner of mechanical engineering firm Warren Services Ltd; John Boyle, governor and lately chair at Blackpool Sixth-Form College; and Angela Williams, principal of Grade one Huddersfield New College.

MBEs were awarded to Beverly Aitken, the former chair of governors at East Kent College; Rehana Mohammed, learning manager at the Workers' Educational Association; Helen Osborne, principal of the Friends Centre in Brighton; Paul Dodds and Sue Simpson, both training managers for WorldSkills UK; Sandra Clelland, estates security manager at Hugh Baird College; and Alan Moss, a senior lecturer at the RAF Central Training School.

Finally, Peter Templeman, a curriculum technician in carpentry and joinery at Oaklands College was awarded a British Empire Medal.

Read this! More information about the winners is at <https://tinyurl.com/y8qnxk6w>

Other news in brief

New owners for Learndirect

Learndirect has been taken over by Dimensions Training Solution (DTS), but it is still not clear how many jobs this will save. After July, it will only receive funding for its Apprenticeships wing, Learndirect Apprenticeships Limited (LDA).

Learndirect has had a catastrophic year since receiving a Grade 4 Ofsted, and the subsequent controversy over its special treatment which saw it permitted to continue training when other Grade 4 providers were terminated. Subsequent investigations from the National Audit Office and Public Accounts Committee led it to the point of collapse and waves of redundancies. DTS says it hopes that the deal will protect the Learndirect brand, along with around 1000 jobs and the training courses of thousands more people.

Apprenticeships and technical education reforms join up

The Dfe has announced that from September 2018, staff from apprenticeships and the professional and technical education reform teams within DfE will move into the ESFA. The new team will cover all apprenticeship and technical education reform policies as well as funding delivery. Eileen Milner, ESFA Chief Executive, said, "This move brings together work on policy development and delivery under one umbrella to better align and co-ordinate delivery for our customers. Taking on full responsibility for development and delivery of two of government's top priority programmes is a huge vote of confidence in the ESFA and an exciting challenge for all of us."

Unaffordability of adult education

Research from the Oxford Open Learning Trust has found that cost remains the biggest barrier for adults wanting to continue learning, with 35% saying they can't afford it. The second biggest barrier is time (19%), although a similar number also mentioned lack of energy and feeling themselves to be too old. This is despite almost 70% of respondents saying they "could be motivated" to do a qualification.

In terms of incentives, general interest was the most popular reason to study (42%) while 30% said increased pay would be a motivator. Greg Smith from Oxford Open Learning Trust, said, "The fact that so many would like to study further but don't feel they can points to a lot of misconceptions that people have about adult education".

Skills for the economy

A new report called *People Power: Does the UK economy have the skilled people it needs for the future?* from City and Guilds and Emsi looks at current and projected skills gaps in the UK. It shows optimism among employers about future growth, but concern about where the skilled workers for that growth will come from.

Nine out of ten employers already struggle to recruit skilled staff, and 47% said that finding skilled workers would be the biggest internal factor preventing productivity and growth. Brexit was cited as the largest

external damaging factor (46%), with over a quarter of employers saying they will also need to upskill their existing workforce.

Almost half of the businesses taking part in the survey surveyed want educational institutions to do a better job of matching their skills provision to the needs of business, with a similar number wanting more collaboration between employers, government and learning providers.

Read this! The report and executive summary infographic can be read at <https://tinyurl.com/yar5tvfu>

Festival of Learning winners

The Festival of Learning celebration of lifelong learning in England took place throughout June, celebrating the outstanding achievements of individuals, employers and learning provision. 35 winners and highly commended nominees received awards at the Festival of Learning National Awards Ceremony in central London on 12th June.

Read this! The winning nominations can be seen at <https://tinyurl.com/ybqfblhe>

Focus on Funding, Resources & Events

ETF training events

Please find below a current list of training events and webinars provided by ETF.

There are a few places left for [Teaching at Level 2 \(English\) - Tavistock - 11th July](#)

The following are all webinars:

[Functional skills webinars \(4th, 10th, 16th, and 20th of July\)](#)

[Digital approaches for Maths and English \(3rd July\)](#)

[Assessment and tracking in Maths and English \(6th and 23rd July\)](#)

[Using multimedia in Maths and English \(12th July\)](#)

[Using digital tools to enhance collaborative activities in maths \(6th July\)](#)

[Maths and English resilience \(3rd July\)](#)

There will also be separate Maths and English webinars around “differentiation strategies, along with practical ideas” in the autumn. If you have any ideas for other webinar subjects you would like to see, please send them in to Tim Ward, CEO of TSNLA, at ceo@tsnla.org.uk.

Leading Change staff development programme

Leading Change is a staff development programme for people working on advocacy, campaigning or influencing in a charity, voluntary group, trade union, local authority or any organisation. It covers every aspect of a successful campaign or influencing strategy over 12-18 months and leads to a recognised

qualification from the Institute of Leadership and Management (ILM). Training is with experienced campaigners from the third sector.

Leading Change is free to organisations who pay the apprenticeship levy (over 100 staff) and under £900 for anyone else. Sessions are currently planned for London but can be run anywhere there are more than 14 participants.

Find out more! More information and flyer can be found at <https://tinyurl.com/yaywuv38> . Alternatively, check out the website at <http://bit.ly/2EIZk16> or ring Titus Alexander on 07720394740

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