

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

What's in this month's update?

1. Brexitp1
2. Area Reviewsp2
3. Devolution and localismp3
4. Digital Skillsp4
5. Apprenticeshipsp4
6. Traineeshipsp7
7. FE and Training Sector Workforce Data ..p7
8. ESOLp8
9. Focus on Funding and Resourcesp8
10. Other newsp8

Brexit

With the vote to leave, all bets are off across a whole raft of policy in the UK. There is a strange mixture of paralysis and major change taking place, and uncertainty around both the political and economic future. The UK remains in limbo as Article 50 is yet to be invoked, David Cameron is planning to stay on until October, and other political leaders are now under threat or positioning themselves for the coming changes.

There will now be questions about the extent to which learning and skills remain a priority, with so much else to think about politically. Some areas of skills policy may disappear from the short term menu, displaced by higher profile actions that the government will need to take. As BIS and SFA budgets are unprotected, they are open to being raided to backfill a loss of EU funding in other areas, especially if the UK starts to suffer economically. It's very early for any conclusions to be drawn about the impact on education, skills and the third sector, but these are key areas of concern:

Funding overall:

- Chancellor George Osborne published a draft budget before the vote which indicated education funding could be drastically cut by £1.15bn
- Martin Doel, Chief Executive of the AoC, said: *"The government must make it clear as soon as possible how it will continue to fund education and training for the good of everyone,"* especially as organisations are currently planning their 2016-17 budget and provision at the moment.
- The Big Lottery Fund said of the jointly ESF-funded *Building Better Opportunities* fund, we "remain committed to the Building Better Opportunities programme until delivery is complete in 2020."
- Local Enterprise Partnerships – 39 LEPs distribute European Structural and Investment Funds (ESIF) funds which forms a large part of their remit. This future is uncertain.

ESF funding and students from other EU countries:

- Questions are continuing about what will happen to ESF contracts, with the current round running from 2014 to 2020 worth about €3bn across England. Current rounds of programmes like Erasmus+ may continue as they will conclude before Brexit takes effect.
- David Hughes, Chief Executive at the Learning and Work Institute said *“It is too early to properly understand what this might mean for the FE sector although there are clearly some obvious questions about transition from funding through the European Social Fund and Erasmus as well as critical issues about EU students and their status in the future”*.
- Kirsty McHugh, Chief Executive of the Employment Related Services Association (ERSA) said *“Our understanding is that the DWP element of the Work and Health Programme procurement is not affected by the decision. However, what is now uncertain is the extent to which additional ESF monies can be committed to the contracts at combined authority level. Many organisations are bidding for ESF contracts at the moment. [It could] mean that ESF monies are likely to be safe until 2018 as a result [of the Article 50 negotiations]. However, there will need to be confirmation of this from HM Treasury before new ESF contracts can be let.”*
- Currently all EU students are treated as UK nationals if they have lived here for 3 years. This may change, and with it their access to FE and apprenticeship funding.
- About 15% of the UK academic workforce is also from other EU countries

Apprenticeship levy:

- Pre-Brexit, Skills Minister Nick Boles warned that a leave vote could kill-off the plans completely
- Gordon Marsden Shadow FE & Skills Minister warned that the leave vote may deter employers from hiring Apprentices.

We’ll keep in touch! – TSNLA will be working with Trustee and Network of Europe Senior European Officer John Hacking to keep an eye on developments on the impact of Brexit and European Funding. The Network of Europe website is on <http://www.networkforeurope.eu/about-us>

Area Reviews

These local reviews of post-16 provision (ending March 2017) focus on FE Colleges and Sixth Form Colleges (some include Local Authorities but not schools or HE) with post-16 budgets of over £5m. They are taking place against a backdrop of budget cuts in FE and 16-19 provision, demographic declines and an attempt to align provision to skills and productivity, particularly at the higher end of skills.

The reviews look at skills needs, estates, back office functions and shared services. They are essentially institutional reviews about cost cutting, collaboration and reducing duplication, rather than about local need. Guidance (September 2015) confirmed an expectation of *“fewer, larger, more resilient and efficient colleges”*. Reviews will deliver recommendations only – nothing is binding on individual organisations.

Each local steering group decides which providers are in scope for the review, but all local providers and stakeholders (including providers and employers) should be consulted by the joint delivery unit supporting each of the reviews. Each review should also consider the impact on equality (especially on students protected under the Equality Act 2010), and on students, employers, colleges and other local providers.

How it runs: Each local review is independently chaired, and the steering group includes chairs of governors, the FE and Sixth Form Commissioners, local authorities, LEPs etc. The joint delivery unit (from BIS, DfE, SFA and EFA) will undertake additional work, but there are no extra resources for this. Steering Groups decide how often they meet, but five meetings are suggested by the government. No minutes of these meetings will be published. There will simply be a report at the end of the review.

The special case of London: In London, there is a parallel Steering Group considering adult education, but this is not the case in other areas. There are 4 London Area Reviews plus the Adult Learning one, but only one Steering Group. There are two elements to this: (i) a London-wide review of ACL to establish the long term strategic direction of post 19 adult and community learning provision in the capital, and (ii) a curriculum-focussed stakeholder engagement role for ACL services in the main Area Review.

Emerging issues with Area Reviews

- The Steering Groups are huge which makes debate and decision making challenging. It is also a major drain on the time of these individuals (especially Chairs of Governors who are voluntary)
- In a process led by structural and funding considerations rather than by local need, this creates tensions and requires a large degree of trust between organisations who will obviously also have to consider the impact on their own organisations
- The process is quite rushed – the early reviews took double the time allotted to them. With the quantity of information to be considered, there may be a tendency to look for some big wins (e.g. mergers) over systematic policy implementation.

Get Involved! Even if you can't be part of a Steering Group, find out who is on it, and therefore who you should be meeting with to ensure that your views and voice are heard. Information on local area timetables, involved, which LEPS and other organisations are part of the group and who the chair of the steering group is at <https://www.gov.uk/government/publications/reviewing-post-16-education-and-training-institutions-list-of-area-reviews/reviewing-post-16-education-and-training-institutions-details-of-the-area-reviews>

Devolution and localism

Devolution and localism will have a big practical impact with the devolution of the Adult Education Budget (previously Adult Skills Budget and Community Learning). Devolution will vary in each area, and each deal is likely to have a different approach with regards to skills. Full implementation of AEB devolution is expected to start in 2018/19. Devolution won't cover young people, learning loans, the levy or apprenticeship funding.

Issues with devolution and localism

Positive:

- Localism could be an opportunity, if education becomes more joined up, skills training is better matched to jobs and economic growth is approached more inclusively

More cautious:

- Area Reviews could overtake decision making, with its focus on big colleges and structural issues
- Area Reviews (with the exception of London) do not mention community learning, or acknowledge that some learners need more holistic and individual approaches
- Funding could be redistributed within a region by LEPS who are sometimes difficult to access,
- There are risks related to out of area delivery and subcontracting
- Third sector providers are rarely recognised, in particular where they do not narrowly address straight-forward training for employment
- The role of local commissioners is still unclear. These people will have a key role in funding and sub-contracting arrangements.
- The Brexit result may affect sub-contracting, as it is EU procurement law that requires non-grant funded training providers to compete for SFA contracts.
- Voluntary and community sector organisations are going to have to communicate clearly to local commissioners what they can contribute in a way that reflects not only their own priorities but also an understanding of wider learning and skills needs and how they fit in.

Read this! Paul Stanistreet has produced a blog and think piece on this on behalf of the TSNLA. This can be accessed at <http://www.tsnla.org.uk/>

Digital Skills

The House of Commons Science & Technology Committee report on Digital Skills (13th June) says that urgent action is needed to deal with the UK's digital divide and digital skills crisis. Those with Digital Skills have *"the ability to use computers and digital devices to access the internet, the ability to code or create software and the ability to critically evaluate media, and to navigate knowingly through the negative and positive elements of online activity and make informed choices about the content and services they use"*.

The Reports highlights a number of headline facts:

Adult skills

- 12.6 million adults (34%) lack basic digital skills, and 5.8 million adults have never used the internet
- Of these, 49% are disabled, 63% are over 75 and 60% have no formal education qualifications
- A higher percentage of men have digital skills (80%) than women (74%)
- Older people, the disabled and those with poor literacy are most at risk of being digitally excluded

Employment and jobs

- The UK needs another 745,000 workers with digital skills by 2017
- 90% of jobs require some digital skills, and almost 50% of employers report digital skills gap
- Skills gap costs the economy around £63bn a year in lost income
- 72% of employers state they are unwilling to interview candidates who do not have basic IT skills
- 4.5 million of the 12.6 million people in the UK who do not have basic digital skills are in work

The report authors want digital skills as a core component in all apprenticeships. They also believe in digital skills as a social enabler, opening up opportunities in education, health care services, connecting people to their communities and helping adults find work. The report questions why the Government has yet to publish its Digital Strategy and introduce moves to address *"stubborn digital exclusion and systemic problems with digital education and training"*. It also calls for businesses to invest in more and better training at all levels of education.

Download this! <https://www.parliament.uk/business/committees/committees-a-z/commons-select/science-and-technology-committee/inquiries/parliament-2015/digital-skills-inquiry-15-16/>

Apprenticeships

Currently, the existing Apprenticeship Framework qualifications are being phased out, to be gone by 2020. Replacing them are new **Apprenticeship Standards**, developed by employer groups, known as Trailblazers.

1. Employer attitudes to Apprenticeships

A Chartered Institute of Personnel and Development (CIPD) report says that around two-thirds of employers are broadly opposed to the levy, citing cost and bureaucracy as their main concerns. There are also concerns about quality and a lack of change in employer attitudes to skills investment. Non-profit organisations are more likely to support the apprenticeship levy (43%) than public sector (35%) or private sector organisations (34%). There is little difference in the level of support for the levy between the views of SMEs and larger employers, although almost 30% of employers do not expect to use levy funding to develop or enhance apprenticeship programmes. 40% don't know where they stand on it.

Download This! The full report is at <https://www.cipd.co.uk/publicpolicy/policy-reports/employer-views-apprenticeship-levy.aspx>

2. The Apprenticeship Levy and how it affects SMES and third sector

The levy will come into effect from April 2017, paid by large employers with a pay bill of over £3m per year (including large charities). The idea is that these employers will then have 18 months to use the levy money they pay to employ Apprentices themselves. Further updates are planned from BIS in June, October and December 2016. There are still questions on how SMEs and charities will access any funds.

Non-levy payers will access Apprenticeships on a co-investment basis. This means the both the employer and the government will pay towards the costs – this rate is yet to be set.

A new Digital Apprenticeship Service (an online portal to support employers to choose an apprenticeship training course, find a candidate and choose a training/assessing provider), will be established from January 2017. All registered providers will need to be on this to “sell” their training. By 2020, all employers will be able to use the digital apprenticeship service to pay for training and assessment for apprenticeships.

The levy may cause difficulties for charities, especially around volunteering, as it incentivises charities to employ apprentices in place of volunteers (See FE Week <http://bit.ly/28Ti2Ad>). The levy may also force large charities to spend money on Apprenticeships, when Charity legislation requires them to spend it on beneficiaries (see FE Week <http://bit.ly/28QdhEV>).

Read this! AELP Briefing Papers on the levy at <http://www.aelp.org.uk/news/submissions/details/aelp-briefing-paper-no35-apprenticeship-levy-quest/>

3. Provider Reference Group

The Skills Funding Agency has established a Provider Reference Group to advise the Agency on options to deliver the changes and the support required to help prepare the sector to respond to the levy and digital apprenticeship service for employers. The Group is advisory only and has no decision making powers.

The TSNLA is representing the third sector in this key group. The group also represents traditional training providers (including the third sector) and employers who are or will become training providers themselves. The Group will meet monthly between May 2016 and April 2017.

The AELP (Association of Employment and Learning Providers) encourages involvement, emphasising the importance of providers *“working in partnership as they already do with hundreds of thousands of employers all over the country and possessing the expertise and infrastructure to engage many more”*. It highlights how providers engage, enthuse and support Apprentices, and how important it is that their voice is heard in *“decisions regarding the shape, quality and viability of Apprenticeship programmes going forward”*. They are also lobbying for simplicity on funding that acknowledges that 98% of employers will not be paying the levy.

Read this! AELP thoughts are at <http://www.aelp.org.uk/news/submissions/details/the-future-of-apprenticeships-in-england/>

Get Involved! Send your comments, thoughts or suggestions as a provider to the TSNLA so that they can be relayed to the Provider Reference Group. This is happening now – so don't delay!

4. Voluntary Sector Trailblazer (Voluntary Sector Apprenticeships)

Fair Train is the Group Training Association (GTA) for the voluntary sector. A Group Training Association is a not for profit organisation that encourages employers from their sector to offer apprenticeships by helping them to access and manage training for apprentices.

Currently there are no Apprenticeships available which target the key skills gaps of the third sector– namely fundraising, campaigning and volunteer management. This means that large charities that will pay the levy have no tailored Apprenticeship available to purchase. Fair Train is driving forward the development of new apprenticeship standards for the Voluntary and Community Sector (VCS). An initial meeting has already taken place with key VCS employers of varying size to take the first step in developing the new standards.

New Apprenticeship standards are being developed using a ‘trailblazer’ method where employers devise the assessment criteria that meet sector employment needs. Fair Train is liaising with the BIS and the trailblazer group to coordinate a series of meetings for the rest of the year to identify the key knowledge, skills and behaviours required for roles within the VCS, and form the structure of the new apprenticeship standards.

Read this! For more information on the Standards in development, see <https://www.gov.uk/government/publications/apprenticeship-standards-in-development>

Get involved! If you are a VCS employer, make your voice heard at enquiries@fairtrain.org

5. Apprenticeships and Local Contracting

For third sector providers, the key questions remain about how BIS and the new devolved bodies (who will probably take over skills funding pots) will contract with the supply chain and manage re-contracting. This will be based on what they decide their skills priorities are.

One main issue is that on-going indecision affects many organisations’ ability to plan and manage provision post-April 2017 (even more now post-Brexit). There is a lack of confidence in the government’s ability to manage the technical aspects of the E-Voucher system, and for many, the solution is to recruit as many Apprentices as possible under the existing scheme, and then wait and see. Interest and engagement by SMEs is also currently low, and many SMEs are looking to other types of training as they continue to feel that even the new standards are complex and not suitable for business.

What is TSNLA doing?

The TSNLA is part of the Provider Reference Group advising the SFA, who currently fund Apprenticeships. They are also involved in developing the Voluntary Sector Trailblazer Apprenticeship.

Get Involved! What can you do?

- LEPs will have a key role in many devolved planning bodies, and it is important therefore to ensure that the local needs they identify reflect your own provision. Try to join any groups they have, follow them on Twitter, sign up to e-updates, and join in any skills debates where you can.
- Ensure that you are connected to local business networks to help local businesses understand about the levy and how to access your provision. According to Apprenticeships 4 England, 29% of employers are looking to offset the extra costs by adapting training programmes for existing staff so they can be accredited as Apprenticeships. This may be an opportunity for third sector providers.
- Feed through your comments, thoughts and suggestions about the role of providers to the TSNLA so that these can be relayed to the Provider Reference Group. This is happening now, so get involved!
- When employing Assessors, consider that their role will have to undergo a subtle change. In addition to their assessing role, they will need to be more proactive in engaging with and “selling” training to employers. Closer working with employers will be key under the new model, and it would be good to reflect this in your choice of (and training of) your Assessors.
- Keep in touch with this ***Policy in Your Pocket*** bulletin, and also sign up for updates from the SFA and FE News. These organisations have frequent updates on progress, and also reflect the debate around Apprenticeships.
- Sign up for SFA updates at <http://bit.ly/28Rcl6R>
Sign up for FE News weekly updates at <http://bit.ly/291pJ6u>

There is also a useful blog you can sign up to from Charity Finance Group about how the levy will work for large charities at <http://blog.cfg.org.uk/index.php/apprenticeships-levy-update-guidance-for-charity-employers/>

- Join the Apprenticeships4England Linked In group. This is free to join (as an individual – you can't join as an organisation) and will keep you up to date with the debate. You can also post articles or questions, respond to others and highlight your own concerns and experiences.

Traineeships

Traineeships should be renamed 'pre-apprenticeship' or 'access to apprenticeship' scheme according to the 70% of FE stakeholders to promote the progression route and stops them being seen as an end point in themselves. Currently only 9% of 19-24 year olds and 31% of under-19s progress to Apprenticeships.

In the FE Week survey, only 9% of respondents felt the government had done enough to promote the programme to learners, parents and carers. There was also concern that the funding is overly complex, although there was little support for devolving 19-23 year old funding to the Adult Education Budget.

Download this! Read the full article at <http://feweeek.co.uk/2016/06/17/rebrand-traineeships-and-sort-out-their-funding-stakeholders-say/>

FE and Training Sector Workforce Data

The Education and Training Foundation has published its annual series of reports on the English FE and training sector workforce in 2014-15. Although the response rate for third sector providers was low (meaning that the figures below are partial), they do mirror the overall decline in FE workforce.

Headlines from the report about Third Sector providers:

- 73% of Third Sector providers and 80% of Local Authorities reported static or declining staff numbers
- A third of third sector providers reported declining staff numbers. The most frequent reason was end of contract (44%), and 23% were made redundant. Two-fifths reported no change in staffing levels.
- 60% of providers are small (under £1m budgets) – half with SFA contracts and the rest delivering through sub-contracted or partnership arrangements. Other forms of funding included SFA Community Learning budget (previously called Adult Safeguarding Budget), European Social Fund (ESF) and EFA.
- Half of all staff do teaching and training. Of these, 96% are part-time (75% on sessional contracts and 16% on fractional contracts), while 9% have zero hours contracts. Overall, 85% of all staff are part time.
- By gender, two-thirds of employees are female, across all institution sizes
- By age, 15% of employees are under 34; 28% are 35-44; 34% are 45-54; and 23% are over 55
- 23% of employees are non-white and 7% have a disability (figures from only 30% of respondents)
- Teaching staff are well qualified with 70% having Level 6 or above (first degree level) qualifications. 70% also have (or are working towards) teaching qualifications. Only 1% of staff are at Level 2 or below.
- The numbers of assessors varies wildly, with interestingly larger providers having fewer and lower-qualified assessors (only 4% of teachers were assessors and only 7% of these qualified). Among smaller providers though, 59% of teachers are also assessors, with 95% holding assessor qualifications.
- The most difficult areas of teacher recruitment are maths/numeracy and English/literacy – almost 60% of providers reported some difficulty with this. 32% have trouble recruiting for ESOL.

Download This! Reports on the Third Sector Report, FE Colleges, Local Authorities, Private Training Providers and an overall summary report are at <http://www.et-foundation.co.uk/news/etf-publishes-2014-2015-workforce-data/>

ESOL

NATECLA have formulated a draft ESOL strategy for England with a projected launch in September 2016. It believes an ESOL strategy is vital in the face of constant changes to policy. The TSNLA is represented in this development by Cassie Roberts, CEO of ODILS, and consultations on the strategy are open until **15 July 2016**.

Read this! A draft of the draft strategy is at <http://www.natecla.org.uk/content/631/ESOL-Strategy-for-England>. This page also has a classroom-friendly PowerPoint documents to incorporate the consultation into lessons with ESOL learners.

Get Involved! Complete the online survey, and encourage your networks and other people you know who have a stake in ESOL to do so as well. The survey can be found at <https://www.surveymonkey.co.uk/r/6QBBVN2>

Focus on Funding and Resources

- **Google launch their Digital Garage Online Academy** to provide training and support to individuals and businesses with digital skills. This is part of their initiative to train up to 200,000 businesses in digital skills by the end of 2016. Their programme provides free face-to-face training and tutorials in digital skills such as website creation, web analytics and social media to small businesses, students and the voluntary sector.
Find out more! at <https://digitalgarage.withgoogle.com/>
- **Funding available for training from Dept of Energy and Climate Change** through the 2016/17 Big Energy Saving Network. Funding consists of £5k to train Champions until March 2017 and supports eligible third sector organisations and community groups to deliver training, help and advice to vulnerable consumers through specially trained Network Champions. These will co-ordinate the training of further Volunteers and frontline workers who will deliver proactive advice to consumers on energy issues via an assisted action approach.
Apply for funding! Bidding closes on **Sunday 10 July 2016**. Info at <https://www.gov.uk/government/publications/big-energy-saving-network-grant-offer-fund>
- **Funding Central** supports English charities, voluntary organisations and social enterprises find funding. It provides access to information on thousands of grants, contracts and loan finance opportunities from local, national and EU funding sources all in one place.
Find out more! at <http://www.fundingcentral.org.uk/page.aspx?SP=About>

Other news in brief

New Policy Institute Launched

Sheffield Hallam University has launched the Sheffield Institute of Policy Studies (SIPS), a new research institute to help inform and shape policy at local and national level. SIPS will showcase University policy research including housing, the impact of welfare reform, labour markets, regeneration, the voluntary and community sector, social justice and human rights, criminal justice, migration, public health, and education. They are running a series of seminars including *Conceptualising and applying resilience in a social policy context* (8 Feb 2017) and *Engaging marginalised populations within inclusive communities* (April 2017).

Find out more! at <https://www.shu.ac.uk/sips>

FE Week Festival of Skills Events

The Festival of Skills will run 7th and 8th July at Capel Manor College, London, focussing on CPD for the further education and training sector. ETF, the Lead Strategic Partner, will be offering taster sessions including maths and English for reluctant learners, work readiness, Future Apprenticeships, digital, screen-casting, Prevent, leadership and SEND. There will also be two premium events in partnership with BIS - an Area Review Summit and an Apprenticeship Funding and Reform Summit.

Tickets are £25 for one day or £40 for two.

Find out more! on <http://festivalofskills.co.uk/>