

# Policy Watch Update

## How's it looking? A Guide to the education landscape for 2010

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## Introduction

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2010 is already shaping up to be a landmark year.

Quite apart from what might follow from the forthcoming general election, significant developments are being proposed for the way in which government operates, the management of the economy, the delivery of public services and, inevitably, for the most of the education system.

This Paper offers a guide to the changing education landscape at the start of what may be a pivotal year. It does so under the following headings:

1. The economy
2. Unemployment
3. Legislation
4. Children
5. Schools
6. Young people
7. FE and adult skills
8. HE
9. Regulation
10. Election numbers

### 1. The economy

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The economy has been in recession now for six successive quarters, '*the longest slump in history*,' but there are signs of recovery, albeit fragile at this stage.

In his December 09 Pre Budget report the Chancellor forecast growth of 1.25% for 2010 and 3.5% for 2011. The forecast from the CBI is slightly less optimistic at 1.2% and 2.5% respectively while the Treasury Select Committee remains sceptical about 2011/12 forecasts.

One of the major worries at present is the size of the fiscal debt, currently running at £178bn; this is due to drop slightly to £176bn this year and to £140bn in 2011 but still remains huge. Under the *Fiscal Responsibility Bill*, the government has pledged to halve the debt to £82bn by 2014. For this to happen, considerable savings and efficiencies will need to be made across the whole spectrum of government. Both major Parties continue to argue over whether this should be done sooner which is the Conservative position or later when the economy is stronger which is the Labour position.

Last year's full three year Spending Review was put off until after the election so there is still some uncertainty about precise spending figures going forward. The Conservatives have, however, said that they will issue an emergency budget within weeks if elected followed by a full scale review of dept spending.

Key speeches on the economy include the Chancellor's December 09 Pre Budget Statement and the Shadow Chancellor's speech to the Conservative Conference in October 09 which spelt out a range of tough measures including a 30% reduction in the costs of government activity over the lifetime of the next Parliament, a two year public sector pay freeze, an increase in the pensionable age and the removal of some benefits.

Pointers from the Pre Budget Report for 2010 include:

- A small £31bn increase in public spending but concentrated on frontline services in schools, hospitals and the police

- A further round of dept savings amounting to 3% per dept for 2010/11 with more to follow
- A big push on efficiencies under the guise of smarter government. In the words of the Chancellor this would mean "*abolishing quangos, cutting consultancy and marketing costs, improving procurement and streamlining back office functions.*" In the words of the Conservatives this would mean '*doing more for less*' and potentially "*abandoning, modifying or postponing any government programme of low social or economic value*"
- Major reform of the public sector built around cost efficiencies, greater transparency and greater use of technology in areas like school reports, crime maps and booking doctor's appointments
- A reduction in the size of government. This would include further reform of the civil service, some rethinking of current dept structures and a slimming down of central government services. The government's December 09 '*Smarter Government*' Paper sets out the context for this

There has to be at least three months between a Pre Budget Report and a full Budget and the question has been raised as to whether the government would go for a spring election to avoid having to issue another cost-savings Budget in March. This was dismissed, consciously or not, by the Prime Minister in his January interview on the Andrew Marr show.

## 2. Unemployment

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Quarterly figures from the end of 2009 suggest that while devastating for many, the overall impact of the recession on the UK labour market has not been as bad as many had predicted.

Current statistics include:

- 2.4m people registered unemployed in the UK as of December 2009, a slight increase on the previous quarter but with the number of people actually claiming benefit down by 6,300, the first fall in over a year
- 952,000 16-24 year olds out of work, the highest figure for young people since records began in 1992

The CBI view is that unemployment will peak this autumn at around 2.8m. This seems to accord with most predictions on the labour market but the more hopeful sign is that the lag between recovery in the economy and a rise in employment which is traditionally lengthy will be shorter this time.

The interesting statistic is the rise in part-time working. The number of people working part-time rose 34,000 in the last quarter suggesting that part-time Britain is becoming a new phenomenon.

Current worries are twofold:

- Fears of a double dip recession, the W model
- Concerns about the continuing upward trend in youth unemployment

Last year, the government set aside £5bn for various schemes and initiatives to help people back to work.

Current action was highlighted in the December 2009 Pre Budget Report which promised additional funding for 16-18 participation through its Young People's Guarantees and the Employment White Paper which set "*a new ambition*" of getting 1m more people back into work as the economy grows along with a revamped welfare system.

### 3. Legislation

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The most important piece of legislation recently has been the 2009 Apprenticeships, Children, Skills and Learning Act as this legislated for widespread changes in the education and skills landscape most of which happen in 2010.

Currently there are a number of other education related Bills at various stages in Parliament and which may yet reach the statute book. These include:

- ***The Children, Schools and Families Bill***. This legislates for policies set out in the June 2009 Schools White Paper including:
  - A new framework of guarantees for pupils and parents in areas such as one-to-one tuition
  - The introduction of a School Report Card system potentially from 2011
  - The implementation of the Rose reforms for primary education
  - The introduction of compulsory PSHE at Key Stages 3 and 4
  - A new licence to practice for teachers
  - New intervention powers for the Secretary of State and local authorities

This Bill receives its Second Reading in early January

- ***The Child Poverty Bill***. This is intended to enshrine in legislation the government's commitment to end child poverty by 2020. Its provisions include:
  - Establishing a Child Poverty Commission
  - Setting up national and local accountabilities including 3 year strategies and annual reports to Parliament
  - Specific duties on local authorities

The question here will be how far a different government will honour the same commitment

- ***Equality Bill***. This Bill was introduced in the previous session of Parliament and has thus made some progress already. It brings together and updates a large number of existing pieces of legislation or instruments thereof. Its main provisions include:
  - Introducing gender pay reports whereby public bodies with more than 150 employees will be required, by 2012, to report on gender pay matters
  - Placing an equality duty on public bodies to promote equality, address discrimination and enable equality in the workplace
  - Banning age discrimination in such 'external' areas as the buying and receiving of goods

The Bill has been criticised by the Opposition on the grounds that it will introduce more bureaucracy and further regulations

- *The Digital Economy Bill*. This Bill legislates for measures set out in last summer's Digital Britain White Paper. Its main provisions include:
  - Securing extra investment for broadband extension
  - Giving Ofcom new duties to report on the UK communications infrastructure every two years
  - Introducing new powers to tackle infringement of copyright
  - Making age ratings compulsory on children's boxed video games

The government has committed £120m over the next three years to develop the skills and benefits of digital evolution and the recent HE and Skills White Papers have both put the needs of the digital economy high up their list of priorities. The Bill received its Second Reading in the Lords in early December but some aspects, such as the levy on phone bills to provide for the next generation broadband system, have been opposed.

#### 4. Children

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The government remains committed to '*making this the best place in the world for children and young people to grow up*' and Ed Balls has organised much of his dept around this mission. A number of activities support this including: the setting up of Sure Start Centres, the increase in early years provision, the number of family intervention projects and the growth of extended school services.

The key Paper in the area of children is the *10 Year Children's Plan* which was launched in December 2007. Each December the DCSF issue a progress report on developments with a list of actions for the coming year. These are some of the developments listed for 2010:

- Ensuring provision is available from 2011 for parents who chose for their 4 year old to start schooling
- A new £900m 'World Class Primaries' programme
- The first annual Report in April from the Chief Adviser on the Safety of Children
- The introduction in the primary curriculum from 2011 of provision for online safety
- The drafting for 2011 of new joint strategies by Children's Trust Boards
- The provision of one-to-one entitlements in core subjects for 7-16 year olds
- The setting up in 2010 of a Social Work Reform Board

Most political Parties are putting children and family high up their list of election priorities and the government and opposition is each producing Family Green Papers early in 2010.

#### 5. Schools

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Although schools have escaped some of the worst of the funding cuts identified for other parts of the education system, it's obvious that they cannot expect the same sort of investment going forward as they've had in the past. Indeed, Ed Balls has already started a debate on this within the sector in his dept's '*Securing our Future*' Paper released in November 09. This called for:

- More efficiencies to be secured through the creation of partnerships, federations and shared services
- Greater value for money on the basis of collective purchasing and better use of technology
- Stronger financial management through the use of School Business Managers

- Greater use of existing sources of help and advice such as School Improvement Partners (SIPs)

'Using our resources well' is a strapline that will run throughout the year for schools starting with a national conference in January 2010 and a series of regional conferences into the summer.

Elsewhere key documents for schools in 2010 and beyond include the DCSF's 'Roadmap for delivering the 21<sup>st</sup> c Schools System,' published in December 09, the current Schools Bill going through Parliament and for the Opposition, Michael Gove's priority plan for schools outlined in his speech on 6 November.

Three features stand out for schools going forward.

- I. **The adoption of a new primary curriculum and associated assessment regime.** As the demographics point to a new primary 'bulge' within the next five years, all major Parties are taking primary education very seriously.

Following consultation on the implementation of the Rose proposals and some concern about the slowing down of progress towards English and maths targets evident from last year's Key Stage 2 results, Ed Balls has launched a new primary school improvement strategy. Local authorities have been asked to come up with action plans by the end of March 2010. A core part of the government's strategy will be an extensive package of specialist support in English and maths including the Every Child a Reader/Writer programme, more one-to-one support and professional development, in effect a Key Stage 1 Guarantee. In addition, the government intends to conduct a consultation this spring on the introduction of a Progress Check at Year 7 and in the summer on revised primary programmes of study. Another interesting early consultation will be on the use of 'approved suppliers of improvement support' following the dismantling of the National Strategy system last year

- II. **School performance.** Most Parties are making school performance and accountability a high priority in their election campaigns. Labour has been running with its National Challenge programme for 18 months now in an effort to raise performance but is increasingly keen to develop a system of entitlements or Parent and Pupil Guarantees. Consultation begins on these Guarantees early in 2010 with the intention of introducing them in 2011. Other measures outlined in the government's 'Timetable for Action' for schools include: a new model of accountability built around the School Report Card and due to be introduced in 2011; revised Home-School Agreements placing greater responsibility on parents supporting good behaviour; new powers for the Secretary of State to direct a local authority to issue a Warning Notice where there are concerns about a school; the creation of a 'licence to practice' for teachers and due to be consulted on shortly; an extended role for the School Improvement Partner (SIP;) and further consultation on school funding.

The Conservatives are putting their faith in a 'post bureaucratic' schools model, one in which schools and parents are released from centralised bureaucracy and granted greater freedom and powers to determine what is best for their children. Specifically this would mean five things. First, raising the prestige and professionalism of teachers through stricter entry criteria, an extended Teach First programme and institutional freedom over pay and conditions. Second, a more ordered learning environment with heads and classroom teachers granted greater powers to oversee behaviour. Third, 'radical' reform of the curriculum with a greater emphasis on a knowledge based curriculum, an overhaul of the league table system and greater freedom for schools to select qualifications of choice. Fourth, the creation of a new generation of independent state schools including primary and secondary Academies and with 'outsiders' able to bid to set up their own managed school. Fifth, a reform of school

funding to cut out waste and bureaucracy and grant greater control over funds to schools.

- III. 14-19 provision.* The government remains committed to reform of the 14-19 system through the development of a curriculum framework built around prescribed routes and a delivery system built around a partnership model where a range of services is brought together under a locally determined planning system. The 14-19 curriculum framework is at a progressive state of development and just completing its first major review under JACQA. A further full review of how far the framework meets the needs of young people is due in 2012. The delivery system is also at an advanced state of development but subject to further activity as a new commissioning framework for 16-19 year olds, a new planning and funding agency for young people and new responsibilities for local authorities come into force.

The most high profile component of the 14-19 reform programme remains the Diplomas. The government has set aside £198.3m for this programme for 2010/11 and while the Conservatives have yet to declare how they would take the Diploma programme forward, it is thought that they would want to shift some of the funding towards young apprenticeships, technical schools and a more open entitlement.

## 6. Young People (16-24 year olds)

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The big worry here with unemployment hovering uncomfortably close to one million is the long-term impact of the recession on young people. The government claims that prospects for young people are better now than they were in the recession of the 1990s but the current number of young people out of work at 952,000 is still the highest since records began. One advantage the government does have is a projected demographic drop in the numbers of 16-18 year olds.

The government still insists that *"helping young people is our top priority"* and has evidence to prove this. Over the last year, it funded over 300,000 opportunities and introduced a range of measures to help young people including:

- A £1bn Future Jobs Fund
- The funding under the September guarantee
- Funding for additional places in FE and HE
- An expansion of apprenticeship places
- A Young Person's Guarantee of a place in training, work or work placement for anyone still on benefit after 12 months
- Access to Local Employment Partnership (LEP) vacancies
- The Backing Young Britain Campaign to encourage more employers and others to offer internships and placements for young people

The government's current aspiration is for all 16 and 17 year olds to be in some form of education or training, for this to be progressively extended to 17 and 18 year olds under the raising of the participation age and for youth unemployment to be falling *"by the second half of 2010."*

Three documents are helpful for an understanding of policy around young people.

- I. *Pre Budget report 09.* This promised:

- A 0.9% increase in spending on participation for 16-18 year olds for the next two years
- An extra £202m to support an additional 50,000 places under the September Guarantee

- The Guarantee of a place in employment or training for 18-24 year olds after six rather than 12 months of unemployment
- II. The '*Investing in Potential*' 16-24 year old strategy. Published alongside the recent Employment White Paper, this brings together the current commitments to support young people. As well as the promises in the Pre Budget report, it includes:
- 100,000 extra funded places in training, work experience or job opportunities on top of the 300,000 already promised
  - Subsidies of up to £2,500 for employers to take on apprentices
  - A Graduate Guarantee so that all new graduates still unemployed after six months can have access to training and support
  - Access to a dedicated personal adviser on day one of claiming JSA
  - Closer integration of services between Jobcentre Plus and Connexions
- III. *Raising the Participation Age Delivery Plan*. This is the first of a series of delivery plans to be issued as part of the build up towards the introduction of the raised participation age from 2013.

Currently 11 areas are trialling systems and processes needed as more young people stay on in some form and further areas will join this year. The government is developing a planning toolkit and intending to host a series of national conferences in the spring. It is also developing an 'expert' practitioner group and intends to issue further guidance to local authorities early next year.

For the present, this Plan sets out a list of actions particularly for local authorities in areas such workforce development, qualification provision, data analysis and trend mapping, guidance and support, transport policy and stakeholder engagement.

## 7. FE and adult skills

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Although the government claims to have increased funding for post-16 provision by over 50% over the last decade, the recession has brought a new set of conditions for the FE sector. On the hand expected to provide the training needed for rapid recovery, FE equally has to deliver results within a constrained set of budgetary conditions. According to a KPMG survey, Principals are working on the premise of cuts of anything between 5% and 15% for this year.

A core issue for the FE sector therefore is how best to maximise funds and with the government keen to see training as an investment rather than a cost, it seems likely that a new income-generating fee policy may well emerge from the current fees review.

A number of commentators have called for significant simplification of the skills funding system ; the CBI for instance has argued for three simple, direct funding streams. Four determinants to look out for in 2010 are:

- The outcomes of the Banks review and the potential development of a more comprehensive fee policy as a result
- Whether the Conservatives will have the opportunity to carry through their proposed FEFC funding model
- The extent to which the skills system is stripped down in favour of a more direct funding model incentivised by payment by results
- The impact of changes arising out of the dismantling of the LSC

As ever FE remains at the nexus of a mass of policy activity much of which can be pieced together from such documents as the latest HE and Skills Strategies, the Employment White

Paper, the 16-25 year old strategy, the Conservative's 'Get Britain Working' Paper and the government's 'Smarter Government' Report.

Collectively these point to an FE sector:

- Playing a key role in developing Labour's advanced technician class by leading on Level 3 and 4 skills training
- Delivering much of the 'off workstation' training needed for the enormous growth in apprenticeship provision envisaged by both political Parties
- Providing for an increasing share of HE provision
- Providing for places for the majority of 16-18 year olds expected to stay on in some form of learning or training under the various Guarantees and subsequent raised participation age
- Providing much of the basic skill training in the form of numeracy training for adults and life-skill provision for NEETs
- Continuing to be a major supplier of 14-19 services and increasingly taking on learners aged 14+
- Working closely with local employers to ensure a steady supply of skilled labour within regional economies
- Operating within a new performance framework that has institutional performance data and specific course labelling brought together within an institutional scorecard
- Working within a new planning landscape that would progressively see colleges develop their own publicly accountable strategic plans

The prize for success in these areas will be increased autonomy and access to funded opportunities.

## 8. Higher Education

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While the government remains committed to increasing participation in HE, financial considerations put this commitment, let alone the whole traditional model of undergraduate provision under threat.

Currently Britain has an HE participation rate for young people of around 45%; this contrasts with that of 56% for many other industrialised countries and 70% in Scandinavia.

The government, which has invested heavily in HE for ten years, has had to signal recently a series of cuts in HE budgets both now and up to at least 2013. £135m has been slashed off the core HE budget for 2010/11 on top of the £180m already identified in Budget 09. With research funding protected, teaching and capital spending will bear the brunt. In addition, the government has indicated that it will penalise institutions that over recruit and that it will not source an additional growth in numbers as it did last year.

Three recent Papers set out the context for HE going forward.

1. *Lord Mandelson's 2010/11 Grant Letter*. Issued just before Christmas 2009, this:

- Confirmed the additional £135m cut "to meet additional pressures." It will be split between £84m from the capital budget and £51m from the teaching grant
- Set stringent penalties for over recruitment, £3,700 per full-time student and a longer term threat of pulling the HE budget back into the dept if necessary
- Anticipated additional income from other sources such as employer co-funding
- Called for further work on developing different models of delivery including two year provision and more vocational provision. A report has been called for on this by the summer

## II. *The independent review of student finance.*

This eventually got under way at the end of 2009 under the chairmanship of Lord Browne but will not report before the general election. It is thought that the Lib-Dems in particular and the Conservatives to a lesser extent may make tuition fees an election issue.

The review will be in two stages. Stage one which will run throughout spring 2010 will look at how successfully or not the current scheme is operating. Stage two, which will probably begin in May 2010 and be heard in public, will look at what changes might be needed as a result.

III. *'Higher Ambitions,'* the government's future blueprint for HE and published in November 2009 following two years intensive debate and discussion. Key proposals include:

- Clearer course labelling, including setting out in advance what students can expect in terms of the nature and quality of course and how they are prepared for employment. Due to be trialled from 2011/12
- The setting up of a taskforce on online learning with a remit to position UKHE as a global leader; interim report due spring 2010, final report Oct 2010
- A greater focus on developing the high-level skills of the future especially in the key sectors identified in the government's industry strategy. A report on the issues and options due spring 2010 with a full action plan by autumn 2010
- Continuing work on widening access with a report due from Sir Martin Harris this spring on promoting access in selecting universities

## 9. Regulation

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Most political parties have a significant interest in the area of standards in education which means Ofqual as the new, independent regulator, will have a key role.

Ofqual has been operating in interim form since April 2008, had its powers enshrined in legislation under the 2009 Apprenticeships, Skills, Children and Learning Act (ASCL) and is due to be established as a separate statutory body from April 2010. Its core objectives were set out in the Act as follows, to:

- Secure the standards of regulated qualifications
- Promote standards of regulated assessments
- Promote public confidence in qualification and assessment arrangements
- Promote awareness and understanding of regulated qualifications
- Secure efficiency and value for money for qualifications

In the final weeks of 2009, Ofqual issued three major Papers which will help determine the way in which it will regulate qualifications and assessment for 2010 and beyond.

One was the Chief regulator's Second Annual report, in effect a temperature check on the qualification and assessment system at the end of 2009; the second was a detailed consultation on how Ofqual should exercise its powers and duties following the ASCL Act; the third was a smaller, more technical Paper proposing the transitional arrangements under which Ofqual will operate from 1 April 2010 while its statutory powers are being implemented. Headline messages from each are below.

I. *Chief Regulator's Second Annual Report.* Headline details:

- The 2009 Key Stage 2 national tests including the adoption of new procedures such as the checking the accuracy of markers successfully completed

- Work continuing on improving the criteria and specs for GCSE Sciences and due to be published in time for Sept 2011 start
- Recognition of the importance of Diplomas but also that "*in the longer term there may need to be some simplification of the qualification structure.*" Examples of such simplification offered included: simpler requirements around ASL; separate components to be valued in their own right; opportunities for simpler transfer between levels within a line of learning; better value for money in terms of admin costs
- More work needed to ensure assessment schemes for Functional Skills are '*appropriate*'
- A need to ensure that unitised qualifications can generate equally rigorous standards
- The need to need to consider the potential of new technology in assessment procedures, "*it's essential to deal with the challenge rather than hide from it*"
- Recognition that "*constant change destabilises the system and discourages investment by Awarding Bodies*"

## *II. Consultation on the regulation of qualifications, exams and assessments.*

This consultation asks a series of questions about how Ofqual's powers and duties should be best exercised. Key issues for consideration include: the approach to recognising and monitoring awarding organisations; the monitoring and accreditation of regulated qualifications and their assessment; the identification of concerns; and how best to promote confidence and secure efficiencies in the qualification and assessment system.

Ofqual will operate to its own business plan, have its own business and performance objectives and, like Ofsted, will report annually to Parliament and be subject to Select Committee scrutiny.

It differs from its predecessor body, QCA, in the following regards:

- It is independent of Ministers
- It has a more extensive remit to ensure efficiency and value for money
- It has explicit statutory objectives to promote public confidence, awareness and understanding of the range and benefit of qualifications
- It will adopt a more strategic approach to regulation, focusing more on the awarding organisation than the particular qualification
- It will be able to regulate organisations that also teach and train learners
- It will be able to require information, '*relevant to its duty to review,*' from the Secretary of State or relevant organisations

## *III. Proposed transitional arrangements from 1 April 2010.*

This is more technical document aimed at awarding organisations and essentially to ensure business continues as normal as Ofqual takes up its new powers and duties. Following the completion of consultation in January 2010, Ofqual will issue a formal statement in March.

## 10. Election Numbers

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This is how the key numbers stack up for the forthcoming general election.

- 6 May. Most people see this as the likely date for the election although there has been some interest in March. Either way it has to happen before 3 June 2010
- 10 points. This is the lead that the Conservatives had over Labour in the final poll of 2009. While the Conservatives remain ahead, their lead has narrowed in recent

months and is still some way off the consistent 12%-14% lead that Tony Blair enjoyed before the 1997 election

- 128. This is the number of extra seats that the Conservatives would need to add to their present tally of 193 to secure a majority
- 32. This the number of seats that would see Labour lose its overall majority
- 6+%. This is the voting swing needed by the Conservatives to gain even a slight a majority; Mrs Thatcher won the 1979 election on a 5.3% swing
- 94. This is the number of MPS from smaller Parties or standing as independents, a number that has been steadily growing and one which could have a decisive impact on the result
- 650. This is the number of seats being contested in the forthcoming general election
- 100+. This is the number of MPs likely to stand down at the election making it potentially the greatest influx of new MPs since the 1945 general election
- 1st. This will be the first general election in which the leaders of the three major Parties will have taken part in televised debates
- 18. 18 year olds voting for the first time at the 2010 election will be the first to have been educated entirely under New Labour's education system
- 3. This is the number of hung Parliaments over the last hundred years, the last time being 1974. Odds are shortening on 2010 producing a similar result

## Conclusion

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