## HELP US SHAPE THE SYSTEM IN 2019

Page 14

## T-LEVELS FALL FAR SHORT OF ORIGINAL VISION

Page 16

## COLLEGES GETTING RECOGNITION THEY DESERVE

Page 17

FE WEEK

FEWEEK.CO.UK
@FEWEEK

FRIDAY, DECEMBER 14, 2018
EDITION 265


# How two businessmen left a trail of insolvency and debt in the apprenticeship market

Exclusive

BILLY CAMDEN BILLY@FEWEEK.CO.UK

Four page investigation inside p10-13

## MEET THE TEAM FEWeek.co.uk


**Nick Linford**
EDITOR
@NICKLINFORD
NICK@LSECT.COM

**Shane Mann**
MANAGING DIRECTOR
@SHANERMANN
SHANE@LSECT.COM

*Please inform the FE Week editor of any errors or issues of concern regarding this publication.*

**Cath Murray**
COMMISSIONING EDITOR
@CATHMURRAY_
CATH@FEWEEK.CO.UK

**Billy Camden**
CHIEF REPORTER
@BILLYCAMDEN
BILLY@FEWEEK.CO.UK

**Jude Burke**
SENIOR REPORTER
@JUDEBURKE77
JUDE@FEWEEK.CO.UK

**Pippa Allen-Kinross**
SENIOR REPORTER
@PIPPA_AK
PIPPA@FEWEEK.CO.UK

**Simon Kay**
DESIGNER
SIMON@FEWEEK.CO.UK


**The team**

| | |
|---|---|
| **Head designer:** | Nicky Phillips |
| **Designer:** | Simon Kay |
| **Sub Editor:** | Karen Shook |
| **Photographer:** | Ellis O'Brien |
| **Financials:** | Helen Neilly |
| **Sales Team Leader:** | Bridget Stockdale |
| **Administration:** | Georgina Heath |
| **PA to managing director:** | Victoria Boyle |



## EDITION 265




### SUBSCRIBE

Stay in the know with an *FE Week* subscription, from as little as £1 per week. *FE Week* is the essential read for the FE & skills sector.

Visit feweek.co.uk/subscribe or email subscriptions@feweek.co.uk

### ADVERTISE WITH US

If you are interested in placing a product or job advert in a future edition please click on the 'advertise' link at the top of the page on feweek.co.uk or contact:

E: advertising@feweek.co.uk
T: 020 81234 778

**Disclaimer**




Learning & Skills Events, Consultancy and Training Ltd

161-165 Greenwich High Road
London SE10 8JA
T: 020 8123 4778
E: news@feweek.co.uk

*FE WEEK* IS PROUD TO BE A MEMBER OF
besa BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

# Sixth-form funding rates to remain unchanged in 2019/20

JUDE BURKE
JUDE@FEWEEK.CO.UK

Funding rates for 16 to 19-year-olds will remain unchanged next year, the government has confirmed – prompting disappointment from the Sixth Form Colleges' Association, which has been fighting for extra cash.

A letter from Peter Mucklow, FE director at the Education and Skills Funding Agency, published on Wednesday, said that "the national base rates of £4,000 per full-time student aged 16 to 17 and £3,300 for 18-year-olds are being maintained for academic year 2019 to 2020, as are the part-time funding rates".

The announcement is not unexpected, given the government had already signalled that it won't shake up 16 to 19 funding until next year's spending review.

"Although base funding rates have not been increased, government will continue in 2019 to 2020 to make new investment in 16 to 19 education to improve choices for students, quality and skills training," Mr Mucklow said.

James Kewin, the SFCA's deputy director, said confirmation that the funding will stay the same "for the seventh year in a row" was "disappointing but not surprising".

"Since 2013, costs have rocketed, the government has demanded more of schools and colleges and the needs of students have become increasingly complex," he said – leading to courses being cut, a reduction in student support services and the disappearance of extracurricular activities.

"Attempting to defend the indefensible by pointing to small pots of cash attached to technical education or maths is something that colleges and schools find deeply frustrating," he said.

Funding for 16 and 17-year-olds has been frozen at £4,000 per student since 2013, while per-student funding for 18-year-olds was cut to £3,300 in 2014.

The Raise the Rate campaign, launched in October and led by the SFCA, called on the government to eventually increase funding for all 16 to 19-year-olds to £4,760 in the next spending review.

It originally asked the chancellor to increase sixth-form funding by an initial £200 per student in this year's budget, but he did not stump up the cash.

A report from the Institute of Fiscal Studies in September found government funding for 16 to 18-year-olds has been cut "much more sharply" than funding for pupils in pre-school, primary, secondary or higher education.

In October Ofsted chief inspector Amanda Spielman added her voice to those calling for more 16 to 19 funding in the forthcoming spending review.

In a letter to the Public Accounts Committee, dated October 30, she said the impact of "real-term cuts" to funding were being borne out in the education watchdog's inspection evidence.

Her letter followed a week of action, led by the Association of Colleges, to demand fairer funding for colleges.

The first Colleges Week, held from October 15 to 19, saw thousands of learners, staff and leaders march on parliament in what AoC boss David Hughes called "the most amazing show by colleges ever".

Earlier this year skills minister Anne Milton told parliament she was "very aware of the funding pressures" that 16 to 19 providers are under, and the "excellent job" they do with "quite constrained finances".

## Exam bodies told to 'strengthen controls'

Ofqual is urging awarding organisations to "strengthen their controls" on certain types of applied general qualifications, after it uncovered evidence of grade inflation on old-style BTECs.

Its research into the "legacy" level three BTECs, which do not include any external assessment, found the proportion of people gaining the highest grades on some of these courses almost tripled in 10 years – from 21 to 61 per cent.

These increases weren't matched by either the learners' prior attainment nor their subsequent degree or employment outcomes.

The exams regulator now wants stronger controls on internal assessment in any qualification where "there are potential risks to standards".

## ESFA return to named contract managers

The Education and Skills Funding Agency is going to "strengthen" its oversight of the biggest private providers by reintroducing named contract managers.

Peter Mucklow, the agency's FE director, revealed the plan in a letter about funding for the next academic year, published on Wednesday.

"We are strengthening our oversight of independent training providers (ITPs) by introducing named contract managers for the largest providers," he said.

"Our contract managers will work closely with ITPs to ensure that public funds are safeguarded, increasing our scrutiny in order to protect learners participating in apprenticeships and other ESFA funded programmes.

"We will communicate the detail of the changes in January 2019."

## Blazing a Trail theme chosen for NAW 2019

"Blaze a Trail" will be the theme for National Apprenticeship Week 2019.

Announcing it on Thursday, skills minister Anne Milton said: "Blazing a trail is what being an apprentice is all about.

"Because that's what's happening up and down the country – apprentices and employers blazing a trail.

"I want everyone to recognise the change that apprenticeships can bring - for employers blazing a trail to new markets, apprentices to new career opportunities and for colleges and training providers raising the skills levels for everyone."

The 12th annual National Apprenticeship Week will run from March 4 to 9, 2019.

# No need for apprenticeship contingency plan, claims Interserve

BILLY CAMDEN
BILLY@FEWEEK.CO.UK

**Exclusive**

An outsourcing giant that saw its share price plummet amid attempts to secure a second rescue deal this week has said it doesn't need a contingency plan to protect its thousands of apprentices in case of collapse.

Interserve, an international support services and construction group which runs a large UK training provider that trains "around 14,000 apprentices each year", is desperately trying to avoid a Carillion-style collapse after falling into severe financial trouble.

The company, which has around 75,000 staff worldwide, saw its shares crash by 75 per cent to just 6p on Monday. The shares were worth 100p a year ago.

It follows a report in the Financial Times last Friday which revealed it is in rescue refinancing talks that could mean substantial losses for shareholders.

The deal, which is expected to be finalised early next year, would see Interserve's creditors, who have lent the company more than £600 million, take control of the company.

According to reports, debts at the group have grown since its first rescue deal, which was agreed with banks in March.

Despite its deteriorating financial position, a spokesperson for Interserve told *FE Week* that it is currently in a strong enough state not to need a contingency plan which would protect their apprentices in case the firm collapsed.

The Cabinet Office would not respond to questions about the need for a contingency plan for apprentices, but said: "We monitor the financial health of all of our strategic suppliers, including Interserve, and have regular discussions with the company's management.
The company successfully raised new debt facilities earlier this year, and we fully support them in their long-term recovery plan.

"We do not believe that any of our strategic suppliers are in a comparable position to Carillion."

The crisis surrounding Interserve has sparked fears that it could be heading for the same fate as its former rival Carillion, which collapsed in January.

Over 1,100 apprentice bricklayers, carpenters and builders were left jobless in the wake of the collapse, but the government stepped in and continued to pay their wages until they found new work with the help of the Construction Industry Training Board.

But this deal ended in August and saw nearly 350 former Carillion apprentices have their wage support cut off as they were finally made redundant.

The collapse of Interserve would, however, have a much bigger impact in the apprenticeships market.

Its training provider, Interserve Learning and Employment, claims on its website to train around 14,000 apprentices each year.

It is rated 'good' by Ofsted and had £20.8 million ESFA allocations in 2017/18. Its current skills contracts total £10.6 million – but this doesn't factor in


its levy contracts.

Interserve's annual report, published in April 2018, said its learning and skills business had a "busy year following the introduction of the UK apprenticeship levy and we further invested in this area to maximise the significant opportunities presented by this reform".

The outsourcing firm has won contracts to deliver apprenticeships with employers including DHL, Countrywide, BT Group, Stagecoach Group, Grafton and Unilever.

Interserve Learning and Employment has more than 900 employees alone, according to its website, and boasts that it is one of the ESFA's "leading providers".

The company also provides vocational training in three FE colleges in Saudi Arabia under the UK's Colleges of Excellence programme and claims it supports over 65,000 people a year into work or training.

Commenting on the company's second rescue plan, Debbie White, chief executive of Interserve, said: "Our lenders are supportive of the deleveraging plan which will underpin the long-term future of Interserve."

Interserve topped the list of the government's strategic suppliers in 2017, according to data provider Tussell, winning £938 million of work across a range of areas including health, education and defence.

But in September last year, the FTSE 250 contractor admitted that its annual profits were likely to halve after a £195 million loss from a number of energy-from-waste contracts.

News

# Redesigned 'tougher' apprenticeship training p

JUDE BURKE
JUDE@FEWEEK.CO.UK

The "tougher" register of apprenticeship training providers finally reopened on Thursday, more than a year after the last window closed.

It's now open indefinitely – meaning that providers can apply on a rolling basis, rather than having to wait for an application window.

It comes almost 15 months after the Education and Skills Funding Agency revealed it would be reviewing the register after the third window closed in October last year.

Changes include greater scrutiny of providers, who will have to have traded for at least a year and provide a full set of accounts.

They must also have the "ability to train apprentices in the first 12 months of joining the register" and "a management structure that has experience of developing and delivering training" according to the ESFA's guidance, published on Thursday.

Providers that do not directly deliver any apprenticeship training within a 12-month period will now face being kicked off RoATP – with any delivery as a subcontractor not counting towards this requirement.

Other changes include a requirement for all subcontractors – not just those delivering more than £100,000 of provision a year – to be on the register.

Keith Smith, the ESFA's director of apprenticeships, revealed in October that all providers currently on the register will be asked to reapply.

He told the AELP autumn conference in October that the agency would segment providers into groups, with those deemed "high risk" being invited first.

"We want to focus the reapplication process on those providers that are potentially not delivering, and on those that we think will struggle to pass our new requirements," he told delegates.

While there is no deadline for providers to apply to the register, the ESFA guidance said it would start to assess applications received during the previous month on the first working day of each month.

Applications can take around 12 weeks to be assessed, and providers that are unsuccessful on their first attempt can apply a second time within a 12-month period.

The ESFA is also going to consult on the possibility of introducing a cap on how much apprenticeship funding a provider can earn in the new year.

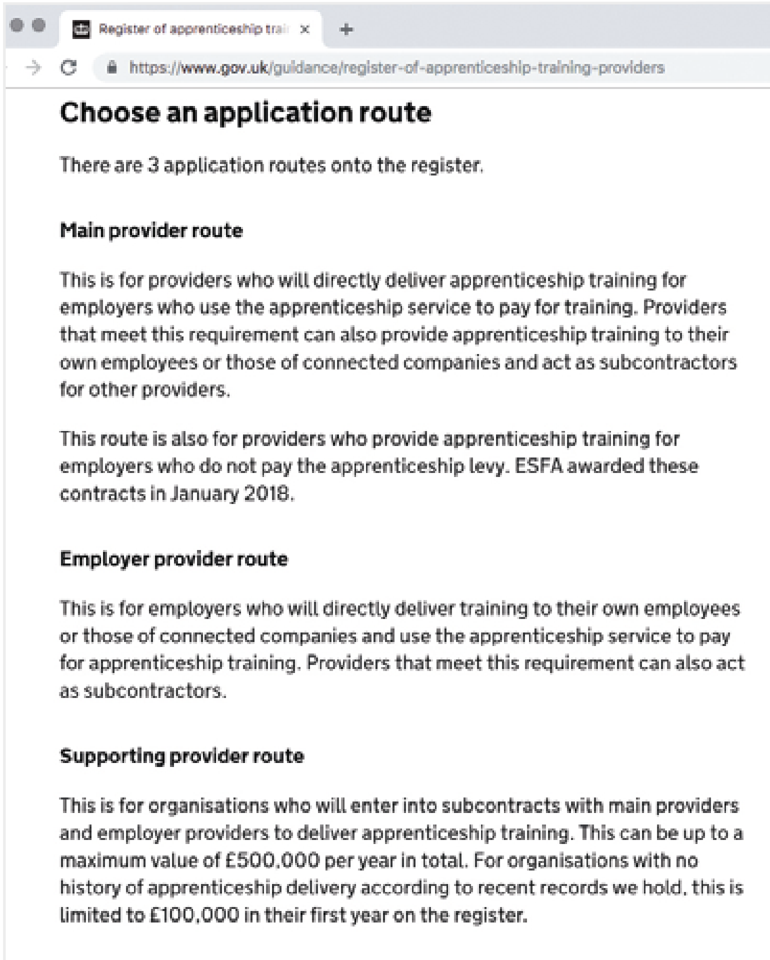
There are currently 2,571 providers on the register, of which 1,930 are main providers, meaning they can access apprenticeship funding directly.

A further 261 are employer providers and 380 are supporting providers, meaning they can only deliver provision worth up £500,000 a year as a subcontractor.

*FE Week* has reported extensively on providers with no apprenticeship delivery experience being added to the register – despite having access to millions in apprenticeship funding.

In October we discovered a loophole in the register, after a broker advertised how companies can buy their way on to it for £50,000.

The register was originally intended to open on a quarterly basis, and its lengthy closure has frustrated many providers not currently on it that want to deliver apprenticeships.


Register of apprenticeship trai
https://www.gov.uk/guidance/register-of-apprenticeship-training-providers

Choose an application route

There are 3 application routes onto the register.

Main provider route

This is for providers who will directly deliver apprenticeship training for employers who use the apprenticeship service to pay for training. Providers that meet this requirement can also provide apprenticeship training to their own employees or those of connected companies and act as subcontractors for other providers.

This route is also for providers who provide apprenticeship training for employers who do not pay the apprenticeship levy. ESFA awarded these contracts in January 2018.

Employer provider route

This is for employers who will directly deliver training to their own employees or those of connected companies and use the apprenticeship service to pay for apprenticeship training. Providers that meet this requirement can also act as subcontractors.

Supporting provider route

This is for organisations who will enter into subcontracts with main providers and employer providers to deliver apprenticeship training. This can be up to a maximum value of £500,000 per year in total. For organisations with no history of apprenticeship delivery according to recent records we hold, this is limited to £100,000 in their first year on the register.

Source: https://www.gov.uk/guidance/register-of-apprenticeship-training-providers

# AoC fears college apprenticeship market share will fall further

JUDE BURKE
JUDE@FEWEEK.CO.UK

**Exclusive**

The Association of Colleges has warned that colleges' share of the apprenticeship market will continue to shrink, after *FE Week* analysis revealed they have been hit hardest by the move to levy funding.

New statistics from the Department for Education, which included the number of starts per provider for the first time, show that colleges' share of the market dropped from 31 to 26 per cent from 2016/17 to 2017/18, while their starts plummeted 35 per cent.

Teresa Frith, senior policy manager at the AoC, said that colleges had been particularly badly hit by changes in the apprenticeships market – and warned that the situation was likely to get worse.

"Apprenticeship reforms have shifted funding towards large employers and higher level standards while restricting the money paid for younger apprentices and small companies," she said.

"This change in the market has made it harder for colleges."

Referring to *FE Week*'s exclusive revelation last week that the apprenticeships budget is forecast to be overspent by £500 million this year, she warned that "as the budget becomes more over-committed in 2019, there will be more and more colleges turning small employers and young apprentices down because they can't afford to offer training for free".

Ms Frith said it was "right to highlight shifts in the supply side of the apprenticeship market" but urged the DfE to publish information on which employers are spending their levy funds.

"Without this data, we'll only have a partial picture of what is going on."

The new data showed that colleges were responsible for 99,220 starts last year, down by 35 per cent – or 52,740 – on the previous year's total of 151,960.

That's an 11 percentage-point bigger fall than the sector-wide drop of 24 per cent, revealed in last week's final year figures.

Some of this fall in starts will have been the result of changes to rules around subcontracting which hit colleges that had previously subcontracted much of their provision.

West Nottinghamshire College, which previously subcontracted the overwhelming majority of its provision, had just 1,440 starts last year – down by a massive 79 per cent on the previous year's total of 6,830.

The college blamed the rule changes, which meant it could no longer subcontract entire apprenticeship programmes, for having to make £2.7 million savings and cut 100 jobs earlier this year – before it spiralled into a financial crisis that led former principal Dame Asha Khemka to resign.

And Eastleigh College, which previously told *FE Week* it subcontracted around 80 per cent of its provision, saw its start numbers drop by 75 per cent – from 6,720 in 2016/17 to 1,630 in 2017/18.

While colleges' share of the market declined last year, "other public funded" providers – which includes universities and employers – saw their share go up from eight per cent to 12 per cent as starts jumped 17 per cent. They were responsible for 45,540 starts last year – an increase of 17 per cent on the previous year's figure of 38,910.

Much of this growth was at providers new to the apprenticeship market, including universities delivering degree-level apprenticeships for the first time.

Independent providers' share of the market remained at 61 per cent over the two years, while starts fell by 24 per cent – the same as the sector average.

They delivered 228,090 starts in 2017/18, down from 300,170 the year before.

That's a drop of 24 per cent, the same proportion by which starts fell across the board last year, according to final full year figures published last week.

A freedom of information request last year by the Association of Employment and Learning Providers revealed that 74 per cent of all apprenticeship starts in 2015/16 were with independent providers, while colleges were responsible for just 21 per cent.

Last month the skills minister Anne Milton told the Association of Colleges conference that she wanted collaboration between colleges and private providers in delivering apprenticeships.

Her words were a change to what was written in her speech, which urged colleges to be "real competition" for private providers.

| Academic year | 2016/17 | | 2017/18 | | | |
|---|---|---|---|---|---|---|
| Provider type | Starts | Proportion | Starts | Proportion | Shift | |
| General FE and Tertiary College | 151,960 | 31% | 99,220 | 26% | -52,740 | -35% |
| Other Public Funded (incl. HEI, SFC & schools) | 38,910 | 8% | 45,450 | 12% | 6,540 | 17% |
| Private Sector Public Funded | 300,170 | 61% | 228,090 | 61% | -72,080 | -24% |
| Specialist College | 3,850 | 1% | 3,000 | 1% | -850 | -22% |
| **Total** | **494,890** | | **375,760** | | **-119,130** | **-24%** |

Analysis by FE Week. Source: https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships

News

# provider register reopens after a lengthy wait

## ESFA explains why they want more providers despite over 500 starting no apprentices last year

JUDE BURKE
JUDE@FEWEEK.CO.UK

Exclusive

The government's top apprenticeships civil servant has defended the decision to allow more providers on to the provider register – after *FE Week* analysis revealed a third already on there aren't delivering.

When asked by this newspaper why the Education and Skills Funding Agency didn't focus on removing the inactive providers before making the register bigger, Keith Smith said it was "trying to ensure the system is working for businesses" – for which it needed a "high-quality responsive provider system that can respond to their needs and their demands".

"Where in the system there are potential parts of the country or parts of different sectors where employers feel there isn't a provider we want to ensure we do right by employers," he told *FE Week*.

Under the new, tougher rules for the reopened register of apprenticeship training providers, all providers will be asked to reapply, with the agency focusing first on those deemed "high risk" – including those that have had no starts.

Furthermore, any providers without any delivery within a 12-month period will now face being removed from the register.

Mr Smith said the agency would "make sure that those providers who are not delivering go through the new process as providers delivering will go through the new process".

But rather than kick those inactive providers off immediately, "we're trying to do that in a sensible way so that we don't provide unnecessary disruption into the system", he said.

The apprenticeships provider register reopened on Thursday after being closed to new applications for more than a year.

*FE Week* reported on Wednesday that a third of those on the existing register in 2017 had had no starts by the end of July this year.

This was based on our analysis of new figures published by the Department for Education, which for the first time showed the number of starts per provider.

There were 1,787 providers on the register in 2017, of which 580 – or 32 per cent – did not have any starts by the end of 2017/18.

Of those, 506 were main providers, representing 32 per cent of the 1,587 on the register last year.

The proportion of employer providers not delivering was higher, at 37 per cent – or 74 out of 200.

"One thing that we've been mindful about is that we have got employers in the system both levy-paying and non-levy paying that are coming into the apprenticeships system for the first time," Mr Smith said – indicating that some of the inactive providers may start to deliver in the future, in response to demand from these new employers.

Where new providers begin delivery "we have a really good system to scrutinise" them, he said.

"We have a really good-quality oversight regime for new-provider monitoring in the shape of the new monitoring visits by Ofsted."

Mr Smith acknowledged that many existing providers "aren't delivering and many of them probably have no intention to deliver, but if they do start delivering then our assurance process and regime will pick those up".

| Provider type | On RoATP in 2017 | No starts in 2017/18 | |
|---|---|---|---|
| Main provider | 1,587 | 506 | 32% |
| Employer provider | 200 | 74 | 37% |
| **Total** | **1,787** | **580** | **32%** |

News

# Bailout cash will still be available under the new insolvency regime

JUDE BURKE
JUDE@FEWEEK.CO.UK

Colleges will still be able to access some bailout funding once the insolvency regime comes into effect next year – even though the government has previously said the tap will be switched off.

This was revealed in a letter from Peter Mucklow, FE director at the Education and Skills Funding Agency, published on Wednesday, which detailed post-16 funding arrangements for next year.

It said the agency's "new approach to intervention, including the arrangements for the insolvency regime, will become operational in April 2019, once the restructuring facility has finally closed and long-term (over 12 months) exceptional financial support is no longer available".

However, it did not mention either short- or medium-term EFS – indicating they will still be available.

A Department for Education spokesperson said it was "still looking into the details of the exceptional financial support. More information will be available in due course."

Mr Mucklow's letter said the incoming insolvency regime was a "significant" change for colleges, and would require "ever more effective monitoring and management of financial resources by colleges and those of us that have a responsibility for the best use of public funds".

"We would strongly encourage you to audit your internal financial monitoring and management arrangements to satisfy yourselves that you can and will meet this challenge," he wrote.

He urged colleges to address any financial issues "as early as possible", as "the risk of deferring or taking an overly optimistic view of resolution now carries a significant risk".

As part of a request from ministers to be "more proactive in anticipating financial concerns", colleges "that are evidently deteriorating or at risk financially" should expect challenges from the agency.

The insolvency regime, which will allow colleges to go bust for the first time, was due to have been introduced this year but will now come into force on January 31, the DfE confirmed last month.

It has previously made it clear that once the insolvency regime comes into effect, the exceptional financial support tap will be switched off.

Cash from the restructuring facility, which was intended to support colleges to implement post-area review changes but has increasingly been used to prop up failing colleges, must also be spent by the end of March next year.

A spokesperson told *FE Week* in June that new arrangements would be put into place which would be "centred round the new insolvency regime".

Richard Atkins

In an interview last month, the FE commissioner Richard Atkins said there was likely to be "some money to support colleges that have become insolvent to get back on their feet in some way", but it was likely to be a "much smaller amount of money" than is available at the moment.

"I don't think it will be given in the form of handouts to existing governors and management to carry on as you were," he told *FE Week*.

Instead, he expected it would be focused on "ensuring that the provision in this area continues" where a college has "either become or is about to become insolvent".

The costs of EFS are understood to have increased significantly in recent years.

*FE Week* reported in January that 12 cash-strapped colleges received bailouts totalling more than £11 million in December last year, after the DfE accidentally published the figures.

These included Bradford College, which received two payments each worth £1.5 million in the space of a month, and Stoke on Trent College, which received £500,000 while it awaited the outcome of a £21.9 million application to the restructuring facility.

EFS is cash for colleges that are "encountering financial, or cashflow, difficulties that put the continuation of provision at risk", and is available as short-, medium- or long-term support.

Both short-term and medium-term reprofiling EFS would be paid back within 12 months, and may result in the college being issued a financial notice to improve.

Longer-term EFS is for cases where "it is clear that full repayment could not be made within 12 months", and will automatically result in an 'inadequate' financial health rating for the college and intervention from the FE commissioner.

# Provider to challenge 'inadequate' grade after Ofsted found copy-and-paste assignments

PIPPA ALLEN-KINROSS
PIPPA@FEWEEK.CO.UK

Exclusive

A private provider rated 'inadequate' across the board by Ofsted has launched an appeal against the grade and accused inspectors of "failing to understand" their provision.

Beyond 2030, a talent-development training firm, received the worst possible grade from Ofsted in its first inspection, with inspectors warning that learners "often copy information from the internet and submit it as their own work" and raising concerns about ineffective safeguarding.

However, the provider, which had 214 learners when it was inspected at the end of October and mainly offers adult courses in health and social care and business, has disputed Ofsted's findings and said it is launching an appeal against the report's findings.

Toni Eastwood, the provider's founder and chief executive who was awarded an OBE in 2007 for her work towards equal opportunities, has said Ofsted undertook a "flawed investigation process" and she is confident the provider's grade will be raised after the appeal.

The report, published on Wednesday, said too many learners "do not know what to do if they feel unsafe" and warned of "poor" assessment, slow progress and "weak" careers information.

Inspectors found that leaders' evaluation of the quality of the provision "does not identify major weaknesses", and tutors do not realise or challenge learners who submit copied and pasted work.

"Too often, particularly on access to higher education courses in nursing and midwifery, they fail to identify when learners submit work that is not their own but has been copied from internet sites, and do not challenge learners to produce work that is their own," it said.

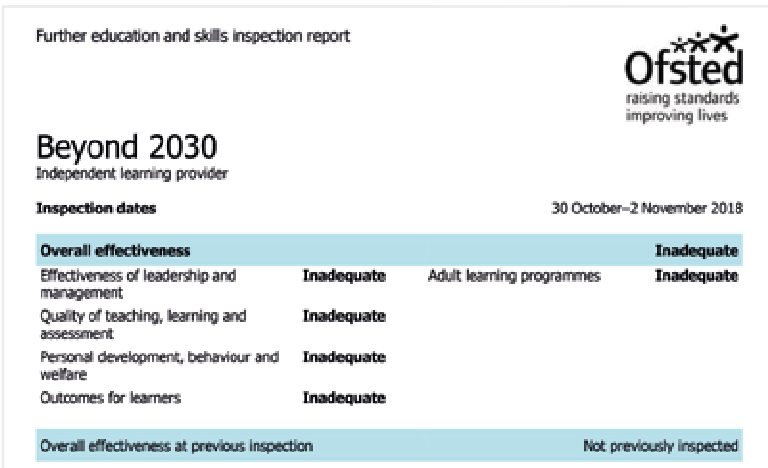
Ms Eastwood, said: "We have launched an appeal against the grading given to Beyond 2030 and provided Ofsted with clear, robust evidence to support our position. We are confident this will give Ofsted the necessary information to review and upgrade our performance.

"The inspectors failed to understand the nature of our learning and training provision, which adopts modern methods and theories about how people learn and therefore cannot be correctly judged simply against parameters used to assess a traditional education setting."

She added Beyond 2030 is "confident" that Ofsted will "upgrade" its performance after receiving evidence to support their position.

Inspectors warned that "too many tutors underperform for too long and the quality of teaching is not good enough", and said leaders had "taken insufficient action to ensure learners are safe".

The report also said the proportion of learners who remain on their programme is "too low", and said over


Further education and skills inspection report

Ofsted
raising standards
improving lives

Beyond 2030
Independent learning provider

| Inspection dates | | | 30 October–2 November 2018 |
|---|---|---|---|
| **Overall effectiveness** | | | **Inadequate** |
| Effectiveness of leadership and management | **Inadequate** | Adult learning programmes | **Inadequate** |
| Quality of teaching, learning and assessment | **Inadequate** | | |
| Personal development, behaviour and welfare | **Inadequate** | | |
| Outcomes for learners | **Inadequate** | | |
| Overall effectiveness at previous inspection | | | Not previously inspected |

half the learners studying functional skills English have withdrawn from their courses without receiving qualifications.

However, inspectors praised the "strategic vision" of leaders working with learners who face challenges in their business lives, and say they succeed in making learners "more resilient and enable them to grow their businesses".

They added that most learners on classroom-based programmes "develop their confidence and self-esteem through effective coaching and support".

In order to improve, Beyond 2030's arrangements to keep learners safe should be "urgently reviewed" and ensure learners are on programmes appropriate to their abilities.

It must also "review and improve" the assessment practices of tutors so they can identify and challenge learners who submit work that is not their own.

News

# 3aaa police enquiries continue as DfE ‘has not yet completed its work’

BILLY CAMDEN
BILLY@FEWEEK.CO.UK

Exclusive

The police will only decide whether to launch a criminal investigation into disgraced apprenticeship firm Aspire Achieve Advance after the Department for Education “has completed its work”.

Derbyshire Constabulary started making enquiries into the defunct company, better known as 3aaa, on October 11, following a referral from Action Fraud.

The case was passed on by the DfE following its own second investigation into the training provider, which got underway in June.

But a police spokesperson told *FE Week* this week that they still haven’t been able to decide whether a criminal investigation needs to be opened.

The spokesperson said this was because the police need to wait for the DfE to conclude its own investigation, which has been going on for seven months.

“A criminal investigation has not begun as the Department for Education has not yet completed its work at 3aaa,” he told *FE Week*.

“The department is carrying out the necessary work with the agreement of Derbyshire Constabulary and, once it has completed its work, officers will look into this allegation.”

Despite admitting that the police are waiting for the DfE to pass over more information, the spokesperson added: “The Department for Education is not delaying an investigation into 3aaa.”

The DfE would not say when it expects to wrap up its own investigation.

“We do not comment on the details of any investigations, ongoing or otherwise,” a spokesperson said.

Once the police force has all of the information from the DfE and whistleblowers it will decide if the allegations break any laws. If this threshold is passed then a criminal investigation will open.

*FE Week* exposed the truth behind the government and police investigations into 3aaa last month.

The company, which had 4,500 learners and 500 staff before it went bust in October when the ESFA pulled its £16.5 million skills contract, allegedly manipulated Individualised Learner Records to artificially inflate achievement rates by a huge amount and misused employer-incentive grants.

3aaa received nearly all of its income from government skills funding.

It was co-founded by Peter Marples and Di McEvoy-Robinson in 2008, but the pair stepped down in September as the ESFA came knocking.

Their latest accounts show that they took out huge directors’ loans totalling more than £4 million between them.

At the end of 2015, both owners purchased multi-million pound properties.


3aaa splashed its public cash on £1.6 million of sports-club sponsorships, an Elton John concert and Tesla supercars among other luxuries.

And as revealed by *FE Week* last month, the company also paid for its former managing director’s child’s school fees as part of a “generous bonus”.

The first ESFA investigation into 3aaa, carried out by auditing firm KPMG in 2016, found dozens of success rate “overclaims”.

The finding is understood to have resulted in the company paying back a substantial six-figure sum.

But it didn’t stop the agency from giving the provider a £7 million apprenticeships contract increase in the same year.

After launching a second investigation into 3aaa in June, the DfE called in an independent auditor to investigate the ESFA over its contract management of the former apprenticeships giant.

News

# ESFA insists the apprenticeshi

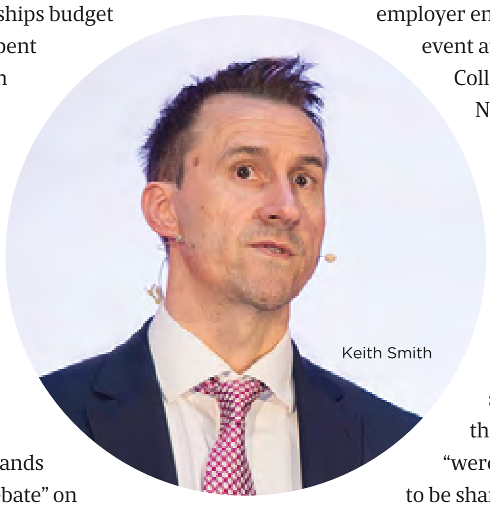
JUDE BURKE
JUDE@FEWEEK.CO.UK

**Exclusive**

The top apprenticeship civil servant has sought to reassure the sector after fears were raised of a budget overspend this year, as part of a wide-ranging interview with *FE Week*.

Keith Smith, director of apprenticeships at the ESFA, said he was "not expecting any pressures" on the £2 billion budget this year, in response to a question about a recent presentation by the Institute for Apprenticeships' chief operating officer, Robert Nitsch.

The IfA forecast (see right) shows the apprenticeships budget could be overspent by £500 million in 2018/19, rising to a £1.5 billion overspend in 2021/22.



Keith Smith

The figures were exclusively reported by *FE Week* last week, and prompted demands for an "open debate" on how the levy operates, and for the IfA to share the full presentation.

"I think what they were trying to set out was one scenario or a potential, particular illustration of what the budget might do and might happen, depending on some assumptions about demand, take up and those sorts of things," Mr Smith said.

However, he added that from the agency's "current point of view we're working within the context that the apprenticeship levy does and can continue to cover the costs of the programme".

"For us going forward, very much what we're trying to do from the budget that we've got, that we use that to support all of the high-quality apprenticeships that we want to continue to support."

Mr Smith said it was "really important to say" that the IfA had "looked at the medium to longer term against various different scenarios and assumptions".

He said the agency was "working hard to make sure" that "levy-paying employers have confidence to be able to make really high-quality business decisions to invest in their workforce", to "continue to operate a system for small employers" and "that we can continue to fund as many of those high-quality apprenticeships as we're able to".

"And there's no sense from us in the short term that that potentially is at risk."

Mr Smith said the agency's immediate focus was on "delivering on the government's commitment for three million apprentices" and "creating a more diverse and ethnically diverse apprenticeship programme".

"We're completely focused on delivering that for the 2020 commitment," he said.

Meanwhile, pressure is mounting on the IfA to reveal the full presentation, which was delivered as part of an employer engagement event at Exeter College on November 30.

It has so far refused to share the slides, on the basis that they were produced specifically for the event and "were not intended to be shared beyond this".

Shadow skills minister Gordon Marsden wrote to the IfA boss Sir Gerry Berragan asking him to publish the presentation, after having told *FE Week* of his intention to do so.

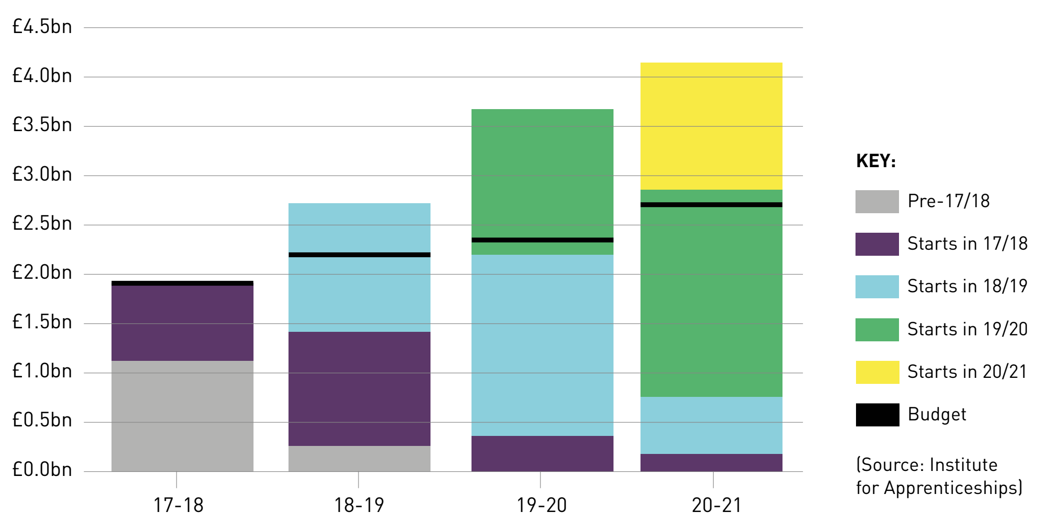
He said the figures cited from the presentation had "raised some concern across the education sector" as they had "not been previously indicated".

Publishing the presentation would be "useful", Mr Marsden wrote, "otherwise it undermines what I imagine was the purpose of the exercise, which was to reassure stakeholders and employers".

"With an apprenticeship programme still adapting to the introduction of the apprenticeship levy, and fluctuating starts across levels and standards, I believe maximum transparency as to where the apprenticeship budget is being spent is essential for the health of the sector," he said.

Robert Halfon, chair of the education select committee, has also tabled a parliamentary question about the presentation – although at the time of going to press it had yet to be published on the parliament website.

**Yearly cost of starts by year of start, 17/18-20/21**




## Apprenticeship standards come at a cost

The IfA analysis (above) demonstrates that the majority of apprenticeship funding spent in any given year is actually to pay for starts in previous years.

The pressure on the budget from this 'carry-over' funding quickly grows, especially as providers are forced to switch from frameworks to the more expensive and longer duration standards.

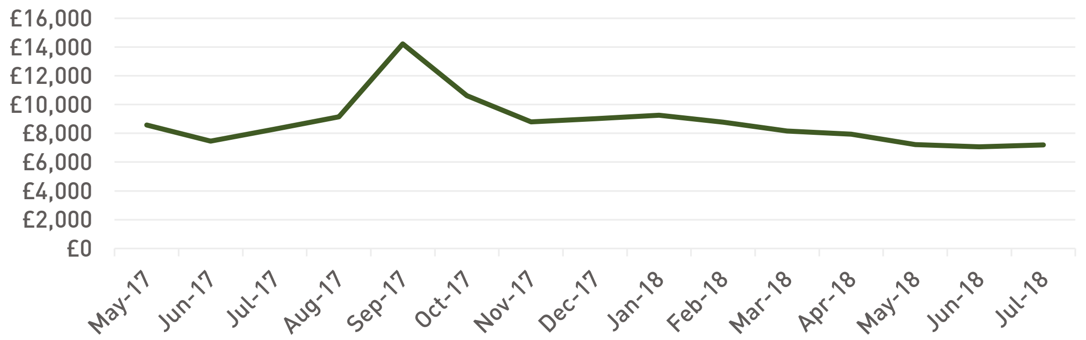
Funding analysis is extremely difficult to do, as the ESFA has published no information about spend last year.

However, we've taken latest starts data for every standard and compared it to the funding rate band cap (see below) when introduced in May 2017. Even taking account of drop-outs, it seems the reasonable to suggest average funding is more than £8,000. This peaks in September, when many of the most expensive courses begin - such as the £18,000 MBA (see right).

This is likely to be more than double the average framework costs before May 2017 (around £3,000 for 500,000 starts at £1.5bn per year) and far higher than the ESFA was expecting given the budget in England has only risen by £500 million, around a third higher.

IfA rate reductions will reduce the average, but as it stands the £4 billion prediction in 20-21 looks very plausible.

**Average max funding per start on an apprenticeship standard**




| Start Month | Starts on standards | Total funding at cap | Average max funding per start |
|---|---|---|---|
| May-17 | 3,680 | £31,596,000 | £8,586 |
| Jun-17 | 4,376 | £32,612,000 | £7,452 |
| Jul-17 | 5,319 | £44,165,000 | £8,303 |
| Aug-17 | 6,598 | £60,324,000 | £9,143 |
| Sep-17 | 24,650 | £350,449,000 | £14,217 |
| Oct-17 | 16,635 | £176,537,500 | £10,612 |
| Nov-17 | 12,649 | £111,363,500 | £8,804 |
| Dec-17 | 7,204 | £64,915,500 | £9,011 |
| Jan-18 | 14,391 | £133,249,000 | £9,259 |
| Feb-18 | 12,851 | £112,667,000 | £8,767 |
| Mar-18 | 13,724 | £112,052,000 | £8,165 |
| Apr-18 | 13,766 | £109,358,000 | £7,944 |
| May-18 | 13,220 | £95,388,000 | £7,215 |
| Jun-18 | 13,142 | £92,919,000 | £7,070 |
| Jul-18 | 14,916 | £107,475,000 | £7,205 |
| **Total** | **177,121** | **£1,635,070,500** | **£9,231** |

Analysis by FE Week of total funding for every standard if funded at the cap - assuming completion and achievement
Source for starts by standard: https://www.gov.uk/government/statistical-data-sets/fe-data-library-apprenticeships
Source for funding cap for standards: https://www.gov.uk/government/publications/apprenticeship-funding-bands

# ps budget is not under pressure

## MBA apprenticeships: why they are valuable, by their biggest provider

PIPPA ALLEN-KINROSS
PIPPA@FEWEEK.CO.UK

Exclusive

**As management degree apprenticeships continue to hit the headlines, with sector leaders voicing growing concern about their rising costs, *FE Week* spoke to the biggest apprenticeship MBA provider to hear the other side of the story**

Last year 550 people started an apprenticeship MBA, according to official statistics, and the Cranfield University School of Management in Bedfordshire currently has 388 on the programme, valued at over £7 million.

And the university is preparing expand further from its focus on middle managers and higher, to introduce a new apprenticeship MBA in management and leadership for early career managers. Beginning in March, Cranfield hopes to have a cohort of 120 in its September intake.

Another management degree in logistics and supply chain will begin in February, but is expected to remain small at around 30 learners.

Melvyn Peters, director of education for the School of Management, said he believes higher-level apprenticeships are allowing a greater diversity of learners to access postgraduate courses without the fear of getting into debt.

"The ability to access a high-level postgraduate degree, without cost to yourself, is generating a lot of interest and enabling people to access it for the first time," he said.

"Learners are more varied. I think it's breaking down the old boys' network. I think there was an element of that before. It's allowing a much greater diversity and I think that has to be a good thing."

Ofsted chief Amanda Spielman used her annual report earlier this month to warn graduate schemes are being "rebadged" as apprenticeships and urged the government to give "greater thought" to how levy money is spent, while skills minister Anne Milton has previously warned of a "middle-class grab" on degree apprenticeships.

But Mr Peters said that the "apprehension" about levy money being spent on high-level apprenticeships was a "misunderstanding".

"The levy scheme was supposed to upskill across the economy, not just additional vocational apprenticeships," he added.

"If there is a reorientation back to lower-level apprenticeships then we'll basically have a salary tax which is being used to cross subsidise other industries. I can't see where Barclays or Zurich or companies of that ilk would have that lower-level apprenticeship need. For them it would be pure salary tax."

Most of Cranfield's degree apprenticeship programmes cost the maximum allowable under the levy, with the new management and leadership and logistic and supply chain degrees, as well as an existing degree in business and strategic leadership, all coming in at £18,000.


However, the popular Executive MBA costs £27,000, with employers having to pay the extra out of their own pockets.

Mr Peters said the non-apprenticeship version of the degrees had also been slimmed down so that the provision and cost is equal on both.

"We've been quite careful about how we adapt the programme to deliver. It wasn't just a cost-cutting exercise, it was value identification.

"What do these people absolutely have to have? How do we deliver that in a more cost-effective way?

"Without the burden of debt, this is enabling a lot more people to access higher-level qualifications for the first time," he added. "That has to be a good thing."

The Cranfield apprenticeships MBA teaching is delivered in "partnership" with Grant Thornton, although not, according to Cranfield, under a subcontracting arrangement.

FEWEEK INVESTIGATES

# Revealed: Trail of insolvency and de

BILLY CAMDEN
BILLY@FEWEEK.CO.UK

From front Exclusive

A month-long *FE Week* investigation has uncovered a trail of insolvency and debt left by two businessmen, David Harper and Mark Hargreaves, who've created a complex web of companies involving Talent Training and AMS Nationwide which received millions in apprenticeship funding from the government.

Questions are now being raised over why a multinational employer, Santander, chose to move a lucrative apprenticeship contract from Talent Training to AMS, after the former went bust with £1.4 million debt.

Fast forward a year and AMS has now also gone into administration, on the same day that Mr Harper and a former HR director of Santander launched a training provider in Glasgow.

**The demise of Talent Training**

Mr Harper and Mr Hargreaves have incorporated numerous businesses in recent years, within a structure led by a holding company called HarperCo and operating out of HarperCo House in the north east.

At HarperCo, according to their website in early 2017, Mr Harper was chairman and owner and Mr Hargreaves was head of investments and acquisitions.

Of the many subsidiary companies connected to it, nearly all of HarperCo's income was derived from Talent Training, which was owned by Mr Harper and received millions in government funding for apprenticeships over many years.

The company also claimed to have £130 million of apprenticeship-levy business lined up, with contracts to deliver training for big firms including high-street bank Santander.

But in June 2017 an undercover *FE Week* investigation caught a Talent Training employee offering banned inducements, where as much as 20 per cent of the provider's government funding per apprenticeship was being offered to a firm that was considering its training services.

The company insisted at the time that no inducement payments had actually been paid, but it called in administrators David Rubin and Partners in August when the ESFA pulled its contracts after it became aware of our findings.

Around 100 jobs were lost.

While Mr Harper was a listed director of Talent Training on Companies House, Mr Hargreaves was not.


David Harper


Mark Hargreaves

But his LinkedIn page shows that he worked at the provider as its managing director for over four years from 2009.

Mr Hargreaves claimed to *FE Week* that he stopped working for Talent Training and HarperCo in November 2013 and November 2014 respectively.

But in a later conversation he admitted that he led redundancy meetings at the provider in 2017 and *FE Week* has seen evidence that he was an integral part of the running of Talent Training right up until it was taken into administration.

**The rise and fall of AMS Nationwide**

Mr Hargreaves joined AMS Nationwide under the name of "Ian" as a director in September 2017, a month after Talent Training went into administration.

It is understood that he started running the firm, which was a subcontractor to Talent Training, at this point when the majority shareholders Martin Rocks and Martin Foster became silent partners.

AMS started delivering its own apprenticeships for the first time in October 2017.

Mr Hargreaves told *FE Week* that he "recruited a couple of people from Talent" when he moved to AMS, and "got a couple of contracts that Talent Training had been dealing with".

*FE Week* understands one of these contracts was with Santander to train back-office staff within its subsidiary, Geoban. Mr Hargreaves claims on his LinkedIn page to have taken the monthly turnover of AMS from £10,000 to £250,000 in four months.

He told *FE Week* that there was a "contractual relationship" with Mr Harper, who is not listed as a director for AMS, who "did certain business-development exercises" for the company, and was used "under a consultancy arrangement".

Despite not being listed as a director at AMS and not responding to any *FE Week* questions, it is understood that Mr Harper played a central role in running the company. Mr Hargreaves claims to have "retired" and left AMS in June 2018.

Three months later the ESFA carried out an audit of the provider and found that "payments were being incorrectly reclaimed" which resulted in a claim being issued against the company for £177,000, according to a directors' report to creditors for AMS, obtained by *FE Week*.

Ofsted went knocking a month later and found the provider claiming funding for delivering little to no training. The inspectorate gave the company an 'insufficient progress' monitoring report.

The firm's reduced cash flow and "inability to source new work" caused it to cease trading immediately, with over £400,000 in debts, says the creditor report. Included in the creditors list is £15,000 owed to Mr Hargreaves, despite his claim that he left the company altogether in June 2018. He did not respond to requests for comment when asked about this discrepancy.

Amongst other creditors connected to Mr Harper, £106,000 was owed by AMS to HarperCo.

AMS called in David Rubin and Partners, in November 2017, the same administrator which handled Talent Training and two other dissolved companies set up by Mr Harper and Mr Hargreaves – Hco-Consult Limited, and Driving Careers Limited.

The DfE has remained tight-lipped about what action they have taken against AMS.

**The birth of Go-Centric**

Despite leaving this trail of debt, *FE Week* has learnt that Mr Harper has now set up a new training provider called Go-Centric in Scotland.

He's doing this with the former HR director of Santander, Joanne Mansell, who was responsible for "talent" at the bank and now works at HarperCo as its chief operating officer.

Santander told *FE Week* it had 32 apprentices with AMS at the time of the company going bust.

But the bank declined to comment on whether it is investigating Ms Mansell's relationship with Mr Harper, Talent Training and AMS.

## HOW AMS TOOK ON TALENT TRAINING DIRECTORS, STAFF AND CONTRACTS AND THE MOVE TO GLASGOW

**2012 – May 2017**
A "marketing company producing leads for a number of different solicitors in the personal injury sector"

**March 2017**
Approved on to the ESFA register of apprenticeship training providers

**April 2017**
The company "surrendered its Ministry of Justice authorisation"

**May 2017**
Company "converted to become a workforce training provider" as three new directors appointed with "new experience in this sector" (two resigning as directors in August 2017 and the other in Feb 2018) and becomes a subcontractor to Talent Training

**26 June 2017**
*FE Week* puts Talent Training on the front page, the main training company in the HarperCo group, reporting employer incentives and that the ESFA has said they will terminate their levy agreement

**17 July 2017**
ESFA writes to Talent Training to terminate their apprenticeship contract

**16 August 2017**
Mark Hargreaves leads the Talent Training staff meeting, to "make the Company's circa 100 staff redundant"

**7 Sep 2017**
"No sale could be achieved" and Talent Training was placed into administration with David Rubin and Partners. The long creditor list had a value of £1.4 million, including £16,389.84 owned to AMS National

**22 Sept 2017**
Mark Hargreaves (in the name Ian Hargreaves) becomes a director of AMS National. Around the same time, several of the large Talent Training employer contracts, and former staff, were moved to AMS National. This included the apprenticeship contract with Santander and their back-office function company Geoban. According to Mark Hargreaves' LinkedIn page, during this period he was the "interim MD of an apprenticeship training provider, taking the monthly turnover from £10K to £250K in four months". Mark Hargreaves has also confirmed to *FE Week* that David Harper was paid as a consultant for AMS National and multiple sources say David Harper was regularly in the office

**19 June 2018**
Mark Hargreaves resigns as a director of AMS Nationwide and claims to have had no involvement after that date. However, Mr Hargreaves did not respond to questions as to why AMS National owed him £15,000 when it went into administration

**September 2018**
"ESFA completed an audit" of AMS Nationwide "which resulted in a claim being issued against AMS Nationwide for £177,000"

**October 2018**
Ofsted monitoring of AMS National visit finds multiple issues, including the delivery of little to no training, published December 4, 2018.

**20 November 2018**
AMS Nationwide placed into administration with David Rubin and Partners (the same firm that managed the administration of Talent Training) with just £1,745.84 in the bank and £414,329.15 in creditors. Creditors included £106k to HarperCo – owned by David Harper, £15,000 to Mark Hargreaves and £4,000 to Nick Merrey – husband to David Harper. It also included £9,861 owed to "8th Green Developments Limited", a company incorporated on December 10, 2015 by Mark Hargreaves, David Harper and Nick Merrey

**20 November 2018**
HCO-Sustain Ltd, a dormant company that David Harper and Mark Hargreaves had incorporated on September 15, 2010 has a name change on Companies House to Go-Centric. A Registration of Charge, dated August 31, 2018, and signed by David Harper, shows they were taking on the assets of a training provider in Glasgow called Impact Results Limited that had appointed a liquidator on August 6, 2018 (website www.atimpact.com)

**20 November 2018**
Go-Centric launch event takes place in Glasgow and photos from the event show David Harper with Joanne Mansell, former HR director of Geoban UK Limited (now called Santander UK Operations Limited). Joanne Mansell hung up when called by *FE Week*, and her LinkedIn page says she now chief operating officer for HarperCo

# bt left in a tangled web of companies

## TALENT TRAINING

The defunct training provider, based in south Tyneside, was incorporated in April 2007.

It was the main income generator for the HarperCo group, owned by David Harper, and gained millions of pounds in ESFA funding. In 2016/17 alone its contracts were worth more than £8 million.

The company, which also claimed to have apprenticeship-levy business lined up worth more than £130 million, went bust in August 2017 after the ESFA terminated its contracts.

This followed an undercover *FE Week* investigation in June 2017 which found a Talent Training employee offering banned inducements.

It went under with debts totalling more than £1.4 million. Among its creditors are the HMRC, who are owed over £153,000, HarperCo, owed over £90,000, and AMS Nationwide, owed over £16,000 from its former subcontracting relationship with Talent Training.

But as this newspaper revealed last week, the ESFA paid a further quarter of a million pounds to the firm after it collapsed.

The company's administrator, David Rubin and Partners, has so far racked-up fees of close to a quarter of million pounds according to its latest progress report, published on Companies House.

And almost £30,000 was handed over by the administrator to Mr Harper for assisting with the ESFA payment.

Talent Training has also launched a legal challenge against the ESFA in an effort to claim more cash, in the hope of "high recovery value", which is ongoing.

Despite its large debts, the administrator's report also shows that Mr Harper owes the company up to £1 million, after taking out a "six-figure" director's loan, which needs to be paid back in full by June 30, 2019.

## HARPERCO

HarperCo is a holding company founded in 2009.

David Harper is the sole active director with more than 75 per cent ownership of shares – and financial statements to March 31, 2017 show negative reserves of £161,268 and dividends to him totalling £140,000 declared in May 2016.

HarperCo's LinkedIn page states that it operates across a number of business sectors including apprenticeships, skills development and property investments via a variety of related organisations including Talent Training (UK) LLP, Talent Partnerships UK Limited, Hco-Consult Limited, Hco-Lean Limited, Hco-People Limited, Hco-Sustain Limited and Very Niche Ltd.

It claims to be a "well-respected business incubation company, based on South Tyneside, with an impressive list of high-profile clients and business investments" with up to 200 employees and offices in Bristol, Darlington, Gatwick and Glasgow.

Mr Harper claims that HarperCo has grown into a "national multi-million pound group".

At the time of going to press the HarperCo website was "under construction" and in May 2018 Google street view showed HarperCo House up for sale.

## AMS NATIONWIDE

The company was incorporated in 2012 and started out in marketing, "producing leads for a small number of different solicitors in the personal injury sector" before offering "workforce training and development" in 2017.

It became an approved apprenticeship provider by the ESFA in March 2017 and began offering its own apprenticeships in October that year, according to its Ofsted monitoring visit report which was published earlier this month on December 4.

It had ESFA contracts totalling £500,000 for 2018/19 and trained over 400 apprentices this year.

The provider had a number of levy-paying employer contracts including Santander, Guarding UK and Stobart Group Ltd.

AMS went bust in November following visits from the ESFA and Ofsted, with just £1,745.84 in the bank and £414,329.15 in creditors.

An audit by the agency found that "payments were being incorrectly reclaimed".

Ofsted visited a month after the ESFA and its monitoring report gave an 'insufficient progress' verdict, meaning AMS got kicked off the apprenticeships register and banned from delivering apprenticeships.

Its creditors list includes £175,000 owed to ESFA and £31,000 to HMRC.

It also owes £4,000 to Nick Merrey – the husband of Mr Harper – £15,000 to Mr Hargreaves and £106,000 to HarperCo.

Over £9,800 is also owed to a firm called 8th Green Developments Limited, which was incorporated by Mr Merrey, Mr Harper and Mr Hargreaves in December 2015.

David Rubin and Partners are handling the administration for AMS Nationwide.

Martin Rocks and Martin Foster are listed as the company's majority shareholders.

## DAVID RUBIN & PARTNERS

David Rubin & Partners is an administration firm.

It states on its website that it "specialises in business turnaround and rescue, corporate and personal insolvency, forensic accounting, and litigation support".

The firm has handled the administration for four companies that Mr Harper and Mr Hargreaves have run: Talent Training (UK) LLP, AMS Nationwide Ltd, Hco-Consult Limited and Driving Careers Limited.

A report to creditors document published on Companies House earlier this year said its fees were already close to £250,000 for handling the administration for Talent Training.

*FE Week* attempted to contact the insolvency practitioners at David Rubin & Partners handling the administration for Mr Harper and Mr Hargreaves' various companies multiple times, but they would not respond.

## GO-CENTRIC

In November 2018 a dormant company called Hco-Sustain Ltd, which Mr Harper and Mr Hargreaves incorporated on September 15, 2015, registered a name change on Companies House to now be called Go-Centric.

A Registration of Charge document, dated August 31, 2018, and signed by Mr Harper, shows the firm taking on the assets of a training provider in Glasgow called Impact Results Limited that had appointed a liquidator on August 6, 2018.

Last month a Go-Centric launch event took place in Glasgow at which Mr Harper and Joanne Mansell, the former HR director of Geoban UK – now called Santander UK Operations Limited – were present.

Ms Mansell's LinkedIn profile states that she is now chief operating officer of HarperCo. She "recommended" Go-Centric on her Facebook page on November 16, and posted this message: "It's a people and customer-centric business that really works to help people and businesses prosper."

Go-Centric's website states it is a "multi-channel contact centre and training provider based in Glasgow, with over 20 years' experience managing the customer service, retention and acquisition needs of a wide range of businesses, from major high-street retailers to national utility providers".

Picture: Joanne Mansell with David Harper presenting at launch of Go-Centric "new company name brand" on November 20, 2018, according to the company's Facebook and LinkedIn pages.

## JOANNE MANSELL

Joanne Mansell is a former HR director and executive board member of Santander Operations who worked for the high-street bank from January 2010 to September 2018, according to her LinkedIn page.

Before this she held the top HR role at Coca-Cola Enterprises and then Santander's subsidiary company, Geoban.

While at Santander, Ms Mansell was responsible for "the complete HR, learning, talent and internal communications functions and processes within the company," according to her LinkedIn profile.

She became the chief operating officer of HarperCo after she left Santander, according to her LinkedIn page, and is playing a key role in the running of Go-Centric for David Harper.

She put the phone down without providing any comment when approached by *FE Week*.

FEWEEK INVESTIGATES

# Introducing the business partners: I

FE Week has contacted David Harper multiple times over the last month and finally managed to catch him on the phone two weeks ago. He requested that we send questions about his tangled web of companies to him via email, but he has not responded despite numerous attempts.

Given that he has refused to tell his side of the story, *FE Week* has pulled together a biography to shed some light on who he is.

**"David Harper is a successful, ambitious and driven entrepreneur"**

Mr Harper is a 38-year-old millionaire businessman who has created multiple companies across a number of different business sectors, ranging from apprenticeships to property investment.

In April 2014 he purchased a £1.2 million property in the north east, complete with a swimming pool, tennis court, paddock and stables. Since then the property has undergone substantial redevelopment.

He also owns a McLaren MP4-12C supercar and a Range Rover Autobiography, both with personalised Talent Training numberplates, which are worth around £150,000 each.

His main company is HarperCo. On the firm's website in 2017 Mr Harper described himself as a "successful, ambitious and driven entrepreneur".

"He has established and grown a small business to be a national multi-million pound group today," it said.

"David's business interests are principally held in HarperCo Limited, his parent investment company.

"With a passion for people and business development, David is focused on the continued growth of the group with a keen interest in building new investment channels.

"David takes an active role in client relationships across his companies and drives the strategic development of sales and marketing."

Via Companies House, *FE Week* has found that Mr Harper has been the director for over 20 different businesses since 2004. Six of these firms are now closed.

He married Nick Merrey at a ceremony in Scotland in August 2015. The couple have both been directors for a number of the same companies, including Talent Acquisitions (north east) Limited and 8th Green Developments Limited.

In March 2014 Mr Harper became a patron at The Prince's Trust and still holds the role today, according to his LinkedIn page.

A year later he became a board trustee at Pathways4All, a charity that provides leisure and social opportunities for children with disabilities and additional needs in the north east, as well as a board member of the North East Local Enterprise Partnership in April 2015.

His most well-known single company in the FE market was Talent Training, but as explained on pages 10 and 11, it went bust in August last year after being caught offering banned inducements.

Mr Harper told *FE Week* at the time of the exposé that he was "shocked to hear that alleged offers may have been made in order to win business".

"We are investigating but can confirm these incentives would be against all our business principles and would not make it through our governance processes".

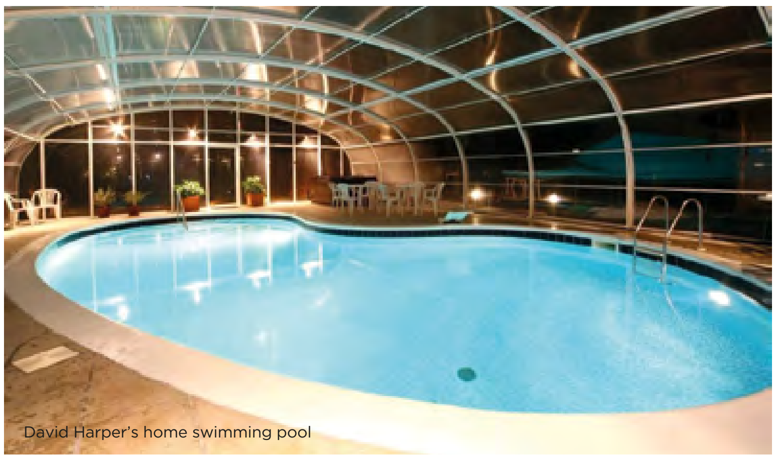
**"With a passion for people and business, David is focused on the continued growth of the group"**

He worked at AMS Nationwide on a consultancy basis as it started to offer its own apprenticeships and after Talent went bust in late 2017, as confirmed by Mark Hargreaves.

It is unclear if Mr Harper continued working at AMS up until the point it went into administration.


**The companies involving both David Harper and Mark Hargreave**

| Company Name | Incorporated | Current Status |
|---|---|---|
| Talent Partnerships (UK) Limited | 18/05/2000 | Active |
| Hco-People Limited | 29/11/2012 | Active |
| Hco-Consult Limited | 03/10/2011 | Voluntary liquidation - 17/11/17 |
| Hco-Sustain (renamed Go-Centric Nov 2018) | 15/09/2010 | Active |
| Hco-Lean Limited | 29/11/2012 | Active |
| Hco-Digital Limited | 09/08/2010 | Dissolved March 2018 |
| Driving Careers Limited | 11/03/2016 | Creditors voluntary liquidation - 0 |
| 8TH Green Developments Limited | 10/12/2015 | Active |
| Talent Acquisitions (north east) Limited | 09/02/2016 | Active |
| Vetting Solutions Centre Limited | 09/08/2010 | Active |
| AMS Nationwide Ltd | 30/10/2012 | Active |
| Talent Training | 18/04/2009 | Creditors voluntary liquidation - 1 |

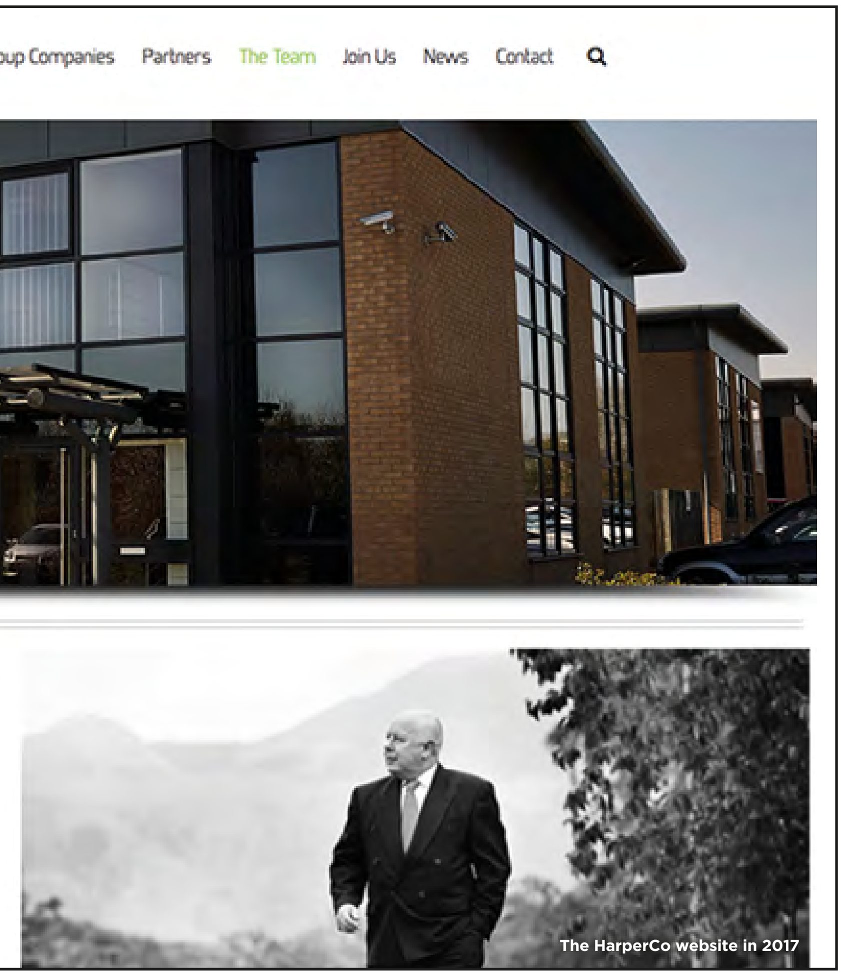

David Harper's home swimming pool


David Harper's £1.2 million home (source: Google maps)

David Harper's McLaren MP4-12C supercar and Range Rover Autobiography with personalised Talent Training numberplates

FEWEEK INVESTIGATES

# David Harper and Mark Hargreaves



The HarperCo website in 2017

| s | David Harper | | Mark Hargreaves | | |
|---|---|---|---|---|---|
| | Appointed | Resigned | Appointed | Resigned | Administrator/Liquidator |
| | 01/10/2004 | Active | 23/07/2009 | 04/03/2010 | |
| | 29/11/2012 | Active | 29/11/2012 | 10/09/2014 | |
| | 03/10/2011 | Active | 03/10/2011 | 23/05/2012 | David Rubin & Partners |
| | 15/09/2010 | Active | 15/09/2010 | 11/10/2012 | |
| | 29/11/2012 | Active | 29/11/2012 | 10/09/2014 | |
| | 09/08/2010 | - | 09/08/2010 | 31/01/2013 | |
| 6/11/17 | 11/03/2016 | Active | 11/03/2016 | 05/12/2016 | David Rubin & Partners |
| | 10/12/2018 | 25/05/2018 | 10/12/2018 | 02/02/2018 | |
| | 09/02/2016 | 14/10/2017 | 09/02/2016 | 07/02/2018 | |
| | 09/08/2010 | 30/03/2012 | 09/08/2010 | 30/03/2012 | |
| | Not a director, but involved | | 22/09/2017 | 19/06/2018 | David Rubin & Partners |
| 4/09/18 | 18/04/2009 | Active | Not a director, but involved | | David Rubin & Partners |

Mark Hargreaves is a 60-year-old businessman who has worked at some of the largest professional services firms in the world including Grant Thornton and Coopers & Lybrand.

He "retired" when he was 40 but then moved into the apprenticeships market in 2009 after being recruited by Mr Harper to work at HarperCo as its head of investments and acquisitions, and as the managing director of Talent Training.

An older version of the HarperCo website from 2017 states: "Mark is a chartered accountant who hates numbers and didn't want a desk job.

"He was the youngest ever partner at Coopers & Lybrand and has travelled the world counting beans.

"He returned to the UK as managing partner for Grant Thornton, where he carried out the first UK-based NASDAQ float and worked on business turnarounds before retiring at the age of 40.

"'I got a call from David in January 2009 and came in for four months, but he wouldn't let me leave.'"

Mr Hargreaves' LinkedIn profile says he was the office managing partner at Coopers & Lybrand from July 1985 to July 1990, providing audit and tax services to US, UK, European, Korean and Saudi businesses operating in Saudi, Kuwait and Bahrain.

The firm merged in 1998 with Price Waterhouse to become PricewaterhouseCoopers and is now known as PwC.

In August 1990 Mr Hargreaves became an office managing partner at Grant Thornton UK LLP, and worked there until June 2002.

From 2003 to 2007 he claims to have been the financial director at a firm called Atomic Planet Entertainment.

Mr Hargreaves is listed as either an active or former director of nearly 20 companies on Companies House.

Since joining up with Mr Harper, the pair have been directors for at least 10 of the same firms.

When first contacted by *FE Week* Mr Hargreaves was quite open about his work with Talent Training, HarperCo and AMS Nationwide.

He offered an explanation as to why he is called "Ian" on AMS' Companies House page when he is actually called "Mark" (see transcript below), and also claimed to have cut ties with Talent and HarperCo in November 2013 and November 2014 respectively.

But in a later text-message conversation he confirmed that he led redundancy meetings at the provider in 2017 and *FE Week* has seen evidence that he was an integral part of the running of Talent Training right up until it was taken into administration.

This newspaper went back to Mr Hargreaves to ask him to explain why, after years of apparently not working there, he was asked to tell Talent staff that they were being made redundant.

But it was at this point he stopped responding to requests for comment.

*FE Week*'s follow-up questions included why AMS still owes him £15,000 if he left the company in June 2018, as he claimed. This newspaper is yet to receive a response to this.

On his LinkedIn page, Mr Hargreaves describes himself as: "A fully qualified finance director with a vast range of experiences across several widely different sectors.

"I have operated as a managing director and operations director, and have developed and led operational and financial strategies to facilitate and accelerate growth plans and, on occasions, to rescue failing businesses.

"I have recently completed a number of interesting transactions – including a corporate merger, a start-up and a management buy-in: and the valuation of a contingent asset!

"I am always looking for one or more new challenges – ideally in a sector which is new to me – part-time and sweat-equity opportunities are particularly interesting.

"I would hate to be referred to as 'just the finance director' – irrespective of whether the role be part-time, full-time, executive or non-executive, a strong finance director should push, and at times lead, the other members of any senior management team."

It adds that since 2002, using the pen name "John Ashton", he has had three novels published: Business Breakfast, Liquid Lunch, and Dinner with Mandelson.

He is now "on the road to full retirement".

## The interview: *FE Week* quizzes Mark Hargreaves

*FE Week* first spoke to Mr Hargreaves on November 29, and quizzed him on his name discrepancy on companies house and his roles at Talent Training, AMS Nationwide and HarperCo. Here's how the conversation went:

**Mr Hargreaves:** Hello.
**Reporter:** Is that Ian?
**Mr Hargreaves:** No.
**Reporter:** Oh, is that Mr Hargreaves?
**Mr Hargreaves:** Yes.
**Reporter:** I'm writing about AMS Nationwide going into voluntary liquidation. As one of the former directors, can you explain why?
**Mr Hargreaves:** I can't help you at all, I left way back in June, so I have no idea what is going on there. No contact with the company because I have been travelling.
**Reporter:** Is your first name Mark then?
**Mr Hargreaves:** Well no, it is Mark Ian.
**Reporter:** Is that a joint first name?
**Mr Hargreaves:** No, it is Ian.
**Reporter:** So Ian is your first name?
**Mr Hargreaves:** Well no, Mark is, but I use the name Ian.
**Reporter:** Why's that?
**Mr Hargreaves:** It was from when I was a student many, many years ago.
**Reporter:** What are your links with Talent Training? I understand you used to work there?
**Mr Hargreaves:** That was a long, long time ago. And as far as AMS goes I was only involved for six months I think, so you are really talking to the wrong people, the wrong person.
**Reporter:** So you weren't working at Talent Training when it went into administration?
**Mr Hargreaves:** Absolutely, I was working with a business in a completely different sector and had been for a couple of years at the time so I can't answer any questions about what happened with that business because I just do not know other than rumour and gossip which isn't what you guys want to hear.
**Reporter:** But when you went over to AMS you took over a lot of Talent's business, correct?
**Mr Hargreaves:** Yeah. I recruited a couple of people from Talent, not many, a handful. And yeah I went and got a couple of contracts that Talent had been dealing with. It wasn't a case of one company morphing into the other.
**Reporter:** Did David Harper come over from Talent to work for AMS?
**Mr Hargreaves:** There was a contractual relationship with him where he did certain business-development exercises. But that was it, it was under a consultancy arrangement.
**Reporter:** Did he carry on working there when you left AMS?
**Mr Hargreaves:** I finished on a Wednesday in early June and on the Thursday I got a flight out of the UK into the Pacific for a month so I have no idea.
**Reporter:** Talent Training has a legal case against the ESFA. Are you aware of that?
**Mr Hargreaves:** Seriously I have no idea about that at all. I had nothing to do with Talent for maybe four or five years so what they were doing or trying to do before they went into administration, what they've done afterwards, I literally have no idea. I left AMS I think on the 19th June and seriously since then I've not spoken to any of them or heard anything, other than a few weeks ago I heard about some of the guys being made redundant which was unfortunate.
**Reporter:** Why did you leave AMS?
**Mr Hargreaves:** I was 60 in the summer, I retired.
**Reporter:** We understand Ofsted came in for a monitoring visit. Were you there at the time it happened?
**Mr Hargreaves:** No.
**Reporter:** During the period you were there Ofsted had not come in at all?
**Mr Hargreaves:** That is correct.

# News



## It is an exciting time and I'm really looking forward to 2019!

**It is an exciting time for the sector and I'm really looking forward to building on our reforms in the new year, says Anne Milton**

One of the great privileges of my job is the opportunity to meet apprentices, their employers and brilliant training providers.

Whether it's visiting Leeds Teaching Hospital – where I saw how our high-quality nursing apprenticeships are helping to make sure the NHS can continue to get the skilled staff they need – or seeing the amazing work by engineering apprentices at Airbus, there is always one common theme: how apprenticeships can transform lives; the impact they make on people's futures; and the positive energy they bring to employers.

That's why I was thrilled to attend the National Apprenticeship Awards last month, to celebrate the brilliant achievements of all the winners and nominees.

The ceremony not only showcased the fantastic apprentices, but also celebrated the employers and the training providers.

I wish more people could see what I saw that evening. The incredible energy and passion in the room was palpable and the event was a strong reminder of how an unrelenting focus on quality pays off. Quality has always been and remains at the heart of our reforms, and is at the heart of what providers deliver.

That's why we recently announced updated and strengthened guidance detailing our new, more robust, approach for providers looking to apply and secure a place on our register of apprenticeship training providers. This will make sure any provider is of consistently high quality.

Our new tougher approach builds on checks that were already in place, but provides greater assurance that public money is being used effectively. I would like to thank all those who took the time to respond to our review. Your feedback has been invaluable and has helped us to shape this new process.

> "The 'snobby' attitude towards technical education needs to change"

Last week the Damian Hinds, the education secretary, set out his long-term ambition for technical and vocational education. I was really pleased that in his speech he underlined the need for Britain as a nation to change its "snobby" attitude toward technical education. Our academic system should rightly be celebrated, but we also want technical and vocational routes to be equally celebrated. It is more important than ever that we all make sure we offer the next generation the widest choice of high-quality technical training options that match the best academic options.

I know many of you share this view. The education secretary set out a number of new measures, which include national standards for higher technical qualifications and a new destination measure to recognise those schools and colleges whose pupils not only go on to study degrees, but also higher technical apprenticeships or higher technical qualifications.

To coincide with his speech we published our second T-level action plan that shows the progress we have made this year. The plan details the next seven T-levels that will be taught from 2021, including one in healthcare science and onsite construction and how providers can apply to teach them. Do take a look and apply! Also, if you haven't already, do take the time to respond to our T-level funding consultation. It is a chance to have your say and help us to shape this system. Your views are vital so that we can make sure T-levels give young people the technical skills they need and our economy the workforce it needs.

It is an exciting time for the sector and I'm really looking forward to building on this work in the new year. And now I'd like thank all the readers who've taken the time to read this and all my previous columns.

This is my last *FE Week* column for this year, and so I want to thank *FE Week* for its journalism over the past year and wish all readers a very merry Christmas and a happy new year. See you in 2019!

Buckinghamshire College Group
Aylesbury Wycombe Amersham

## Executive Director – Student Services and Support

Salary - The salary for this position is Range 10, £53,545.00 - £55,059.00 per annum

We are looking for an inspirational and ambitious Executive Director to join the Executive Leadership Team. The purpose of this position is to lead on the strategic vision and planning for Student Support Services across the College campuses and continually improve the delivery of the Student Services provision. The post holder will add value and lead on the delivery of the Strategic Plan and business objectives as part of the College Executive Leadership Team.

Buckinghamshire College Group has campuses based in Aylesbury, Amersham and Wycombe serving over 7,000 learners. The College has a long term Strategic Plan (2018-2023) with a vision to provide excellent vocational and professional skills, education and training that has a positive impact for young people and adults, businesses and the communities it serves.

We welcome applications for this role from experienced senior managers with a solid knowledge of FE and of key policies and targets for national, regional and FE education. You will have proven experience in driving quality improvement in teaching and learning and be able to demonstrate the impact of this and experience of developing successful and collaborative partnerships. You will need to have exceptional communication skills, be passionate about learning and possess excellent influencing, team management and leadership skills.

**The Closing date for applications is Tuesday 1st January 2019.**

To apply for the role please apply by completing the online application form on the Buckinghamshire College Group website. Further information on the role, including the full job description are available on the website.

ESP Education & Skills Partnership

ESP is recruiting.

This is an exciting time to be joining a dynamic and innovative training provider. These new roles provide unique opportunities for ESP to become a world class institution and create and grow our apprenticeship offer.

We are currently recruiting a Programme Delivery Project Officer, looking for a solution focused individual who has experience of designing, developing and shaping the delivery of our apprenticeship programmes.

We are seeking two committed and qualified trainers and learning and skills coaches of Leadership and Management to drive forward our portfolio of Leadership and Management and Human Resource qualifications, including higher apprenticeships to meet the demand for skills development and the expectations of our employers.

With the learner at the heart of all we do, ESP are currently looking for an enthusiastic and driven Compliance and Quality Lead to take a lead role in the development and maintenance of robust controls and procedures with the purpose of ensuring compliance with audit requirements to meet funding and external stake-holder requirements, and contribute to improving the quality of, and compliance with the completion of learner files and accurate data recording.

An excellent opportunity has arisen within ESP for a highly motivated, learner focused, inspirational Work Based Learning and Skills Coach to join our team to deliver outstanding provision to our learners and employers delivering apprenticeship programmes including Customer Service, Team Leading, Business Management and Leadership and Management programmes.

To apply for any of the above positions, please email your CV and covering letter stating how you meet the person specification and why you would be suitable for the role to **karen@esp-ac.uk**

For more information on each vacancy, please visit **https://bit.ly/2zKXruk**

FEA FE ASSOCIATES

## THE SECTOR'S LEADING PROVIDER OF EXECUTIVE SEARCH AND RECRUITMENT SERVICES

### Waltham Forest College
Project Accountant – 12 month Fixed Term Contract

### Richmond upon Thames College
Deputy CEO Curriculum & Quality
Head of Governance

### Bolton College
Principal & CEO

### New College Swindon
Curriculum Manager

### Cornwall College
Director of MIS

**More Principal/Chief Executive roles to be launched in the New Year.**

For more information see our jobs site: **www.fea.co.uk/jobs**

Interested parties are encouraged to have an initial conversation with **Samantha Bunn** on **01454 617707**.

huish
RICHARD HUISH COLLEGE

# Richard Huish College

## Director of Apprenticeships and Adult Skills

As a member of the College`s Senior Management Team the Director of Apprenticeship and Adult Skills will develop an overarching strategy for the delivery of this provision in the South West. With an excellent proven track record of success in this area you will also contribute to the College`s broader commercial agenda through the development and oversight of alternative income whilst ensuring the quality of delivery and student outcomes is in line with our expectations as an outstanding College.

**Salary:** £45,000 - £50,000 [plus a contribution to relocation expenses for the exceptional candidate]

To apply, please visit **https://www.huish.ac.uk/working-for-us/director-of-apprenticeships-and/**

**Closing date:** 9th January 2019

Interviews will be held in the week beginning 14th January 2019

Please note, the College will be closed for Christmas and New Year from 2pm 21st December 2018 until 8am on 7th January.

Richard Huish College is committed to safeguarding and promoting the welfare of children and young people. These posts require a criminal background check via the disclosure procedure. We actively promote equal opportunities and welcome applications from all sections of the community.


## Chief Executive

Newcastle. Salary c£200,000

NCG is one of the largest providers of further education and training in the sector with national reach delivered through two training providers and seven Colleges based in the North, the Midlands and London. We have our own higher education degree awarding powers and are determined to provide the best opportunities for young people and adults alike and contribute to our local communities and economy. We are now seeking a new CEO to lead our large, successful and complex organisation through the next stage in our journey.

NCG works with over 45,000 learners and 7,800 businesses. We have a turnover of c£180m and employ 2,500 staff in 61 locations across the UK. The education, skills and training sector is changing and NCG is ready to meet the needs of our customers and the expectations of our stakeholders. Our agreed strategy and improvement action plan will ensure, following our recent Ofsted, that we rapidly deliver improvements in quality across NCG. Our goal is not just to be 'good', but to ensure that each part of NCG is at, or on a clear journey towards 'outstanding'.

We are looking for a highly capable, inspiring and empowering CEO who will ensure NCG delivers for our learners, employees and external partners. We want to appoint an outstanding leader with a successful track record in transformational change, a strong commitment to the empowering potential of education and experience of working within a complex, multi-site organisation.

This is a high-profile and hugely exciting opportunity to lead one of the largest College Groups in the UK with huge potential to realise benefits for learners, businesses and the broader further education sector.

GatenbySanderson

For more information and to apply visit www.leadingNCG.com and contact our advising consultants at GatenbySanderson: Paul Aristides on 020 7426 3987 or Emma French on 07977 225 513.
Closing date: 17 December 2018.


Education jobs
Jobs in schools, colleges and education; leadership, management, teaching and administration
Search our jobs
Start your search today
Schools Week Featured Jobs
FE Week Featured Jobs
Business Manager
Finance Officer

## EDITORIAL

# The ESFA may regret rejecting the IfA's levy budget concerns for 2018/19

As revealed by *FE Week*, the IfA has warned that there could be a £500m overspend on the £2bn apprenticeship budget this year.

This, their analysis shows, rises to a £1.5 billion overspend for 2020/21 when the entire £2bn budget would be used paying for apprentices that started in previous years, leaving nothing for new starts.

Readers may find these predictions a surprise, even bizarre, in the context of a fall in starts and employers on average only using a small fraction of their levy pot.

And in an interview with *FE Week*, the top civil servant responsible for apprentices said he was not forecasting the budget to be exceeded – not this year anyway.

But in truth, the way employers pay monthly for apprenticeships, it is more than possible that a slow start will rapidly grow out of control.

Consider a levy paying employer starting one £5,000 apprentice per month for 12 months from the start of 2018/19 (total value of £60,000) with the minimum duration for a standard of 13 months (372 days).

In August, the employer levy spend would be £333 for one start, rising to £666 in September when there are two starts and by the July (once there are 12 starts) the payment for a single month would be £3,667 (more than ten times the cost of August). And that is before any of the 20 per cent completion payments are paid, in this case worth £1,000 of the £5,000 per apprentice.

So in this example, after a year the monthly cost has risen from £333 to £3,667 and costing a total of £23,333 in 2018/19 with a further £36,667 'carry-over' to be paid in 2019/20 (excluding the cost of any starts in 2019/20).

This exponential growth in both in-year and carry-over monthly payments can quickly get out of control and makes the Institute for Apprenticeships forecast plausible.

And analysis published by *FE Week* this week suggests the average cost of standards is far greater than the ESFA would have expected.

We've taken latest starts data for every standard and compared it to the funding rate band cap when introduced in May 2017. Even taking account of drop-outs, it seems reasonable to suggest average funding is more than £8,000 per apprentice. This peaks in September, when many of the most expensive courses begin - such as the two year £18,000 MBA.

This is likely to be more than double the average framework costs before May 2017 (around £3,000 for 500,000 starts at £1.5bn per year) and far higher than the ESFA was expecting given the budget in England has only risen by £500 million, around a third higher.

The IfA programme of rate reductions will reduce the average cost, typically by around a third.

So as it stands their £4.2 billion prediction in 2020/21 with no funding for new starts could not only be right – but dare I say it – even conservative.

**Nick Linford, Editor**
**news@feweek.co.uk**

Experts

## TOM BEWICK

Chief executive, Federation of Awarding Bodies

# Higher technical quals: Hinds' groundhog day?

**Will the higher technical qualifications be genuinely new, or a simple brand wrapper around what already exists, asks Tom Bewick**

Damian Hinds is the latest Secretary of State to call time on the country's woeful skills and productivity record.

In the surroundings of Battersea power station – Europe's largest regeneration initiative – Hinds used the anniversary of the government's industrial strategy to give a rather cogent speech. He set out a convincing narrative of what had gone wrong in technical education reform in the past and proffered a rational four-point plan for how it could all be different in future.

One of those policy ideas was the introduction of new technical qualifications, aimed specifically at the sub-degree marketplace of level 4 and 5 qualifications. While the new T-levels will be equivalent to three academic A-levels, this next suite of qualifications will act as a kind of bridge between intermediate level 3 skills, the labour market and more traditional university education at level 6 and above.

To some in the audience it felt like a major revelation: a missing link in the technical education jigsaw. To others, it was more like groundhog day.

Two decades ago, working as a political adviser on post-16 education, an important letter flashed across my desk. It was a cover note written to the then Prime Minister, Tony Blair, by his Secretary of State, David Blunkett. The letter contained a rather prophetic statement that, even if it was no great state secret, has taken on more significance with the passage of time.

> "Taxpayers will not appreciate paying for a whole new generation of bums on seats"

Blunkett was trying to win Number 10's support for the creation of new two-year "vocationally orientated" foundation degrees. These were designed to answer the same challenge Hinds has recently identified: of England's relatively low attainment at levels 3 and 4 compared to big competitors like Germany. In particular, overcoming the challenge of restricted options being available for those unready or unable to take on full-time residential degrees, such as part-time and older learners already in the workforce.

Based on the American community college model of "associate degrees", it was thought that these new qualifications would equip business with the skills it needs, while helping more students leaving tertiary education progress directly into employment or further study. Blunkett cautioned the Prime Minister: "We must avoid any suggestion of linking higher education funding in general to the employment success of graduates unless we really want to bring the wrath of Oxbridge down upon our heads."

Of course, this aversion to take on the vested interests in our universities would lead ultimately to the failure of foundation degrees as a policy. Foundation degrees simply ended up taking the place of many higher national diplomas (HNCs). After 2010, foundation degrees declined to less than 2 per cent of all university enrolments, as institutions simply used them as gateway courses to full-time bachelor degrees.

Improving productivity and labour market outcomes was never hard-wired into the policy for fear of the vice-chancellors. It turned out to be a historic mistake, as higher education has pocketed a 60 per cent increase in investment with no corresponding uplift in workforce productivity.

So, we appear to have come full circle. There are already many good qualifications at level 4 and 5. It begs the question whether what the Department for Education is now proposing is genuinely new, like T-levels, or a simple brand wrapper around what already exists.

It is unclear who will regulate these new courses – Ofqual, Office for Students or the Quality Assurance Agency for Higher Education? And will they be procured from awarding bodies in an open market, like A-levels and other vocational qualifications, or the controversial single provider model?

Only one thing is certain: if universities are able to award higher technical levels they will be smothered at birth and go the same way as foundation degrees. If further education colleges are to be handed the baton, they will need to be funded on the basis of defined labour market outcomes. Otherwise, we run the risk of inviting the wrath of taxpayers, who will not appreciate paying for the creation of a whole new generation of bums on seats.

## GORDON MARSDEN

Shadow skills minister

# T-levels must be fixed first before moving onto level 4

**T-levels are more than another alphabet soup qualification, says Gordon Marsden. But it's the government's job to make sure HE and FE providers – and learners – know how much more there is on the menu**

Damian Hinds's speech last week at Battersea Power Station laid out the government's vision for a "new generation" of higher technical qualifications at levels 4 and 5 for T-level students to progress on to.

There were certainly warm words, but details were lacking. It's not even clear whether these will be an entirely new suite of qualifications or a rebadging of existing ones. The education secretary would also seem to be jumping the gun, given all the problems dogging the development of the level 3 T-levels.

Talking about vocational failure and the need to act on it could have been said at any time in the past 30 years. Since 2010 the Labour Party and I have said repeatedly that we have to put vocational and technical education on an equal footing with academic routes to get the high-skilled workforce we need to improve productivity and compete internationally. That imperative – given Brexit – has accelerated.

The Sainsbury Review was a crucial step forward, but the government's handling of T-levels has fallen far short of its vision to create a much broader eco-system fit for 21st-century Britain.

The review said that "short, flexible bridging provisions should be developed". But there's no detail on this – how learners could cross over to T-levels from academic subjects and vice versa ¬– than when I first raised it with Nick Boles, the skills minister.

I'm concerned that presenting T-levels simply as a competitor to A-levels could damage their take-up and viability. But the Department for Education has left the education secretary to plough on about UCAS A-level and points equivalence for universities. Exhortation alone won't do that. The government must first convince HE and FE providers, with the learners and families, that T-levels are not just another alphabet soup qualification, but are the vanguard of new high-quality pathways into the world of work. Presenting them antagonistically as the new kid on the block against the entrenched brands of A-levels and BTECs will not do the business.

Many believe the pre-16 curriculum remains too narrowly academic to allow many students, to take on T-levels. Simply aiming at those whose preparation has been largely geared towards taking A-levels, and assuming that will be an adequate proxy for taking T-levels, is a risky strategy. Far more resources going into the promised transition year will be needed.

> "T-levels must not simply be presented as a competitor to A-levels"

There is a particular challenge to get SEND students involved. We know that a number of SEND learners, particularly many on the autism spectrum, can be very successful in progressing not just in digital skills, but also in creative, art and design pathways. That talent must not be wasted.

There are looming capacity issues if T-levels do start to take root and take off. What capacity will colleges have to be involved since the Chancellor closed his purse to new funding, despite unprecedented lobbying by the sector?

Who will teach T-levels? Existing FE, school, college or training staff, recent graduates doing crash courses in T-level teachings or a new cadre? Whatever the answers are will require a big infusion of money beyond the existing £500 million by 2022. And a whole new approach to funding continuing professional development for FE staff, which this government has consistently ignored, will be needed.

A review of higher technical qualifications at levels 4 and 5 for T-level students to progress towards is welcome, but given existing take-up problems with advanced learner loans there is no guarantee it will be a game-changer.

We also need to look at how we expand and deliver technical skills at level 6 or 7. This occupies crossover territory between FE and HE, which, frankly, Labour's new National Education Service will be better equipped to handle than current DfE structures locked into dated silos.

Getting transient headlines for T-levels and talking up the importance of technical education is only a start. Unless ministers and officials do urgent due diligence on delivery and detail, T-levels, like other previous reforms, risk being fatally compromised.

Experts

CAROLE STOTT

Chair, Association of Colleges

# Colleges are at last getting the recognition they deserve

**The outgoing chair of the AoC reflects on the past six years of FE policy and practice**

I was honoured to become chair of the Association of Colleges in January 2013. Like most people who work in our colleges, to me further education is a vocation and a passion. The role that colleges play; the difference they make; the value they add is something that I have been privileged to be a part of for most of my career. So as I come to the end of my six year term as chair of AoC, it's interesting to reflect on the experience of colleges during that period.

In the first decade of the 21st century, colleges had been generally successful in securing government funding to meet student and employer needs. However the financial crash and subsequent austerity measures meant that FE, like most public services, has faced continued hardship.

Decisions by government to cut departmental funding and then not to protect FE budgets have been devastating. In 2013 the 16-18 budget constituted two thirds of DfE's "non-protected" budget and it has taken the brunt of education cuts. The raising of the participation age to 18 in 2015 saw no consideration given to the inequity of funding for this age group. Similarly the lack of protection for 19+ budgets has had severe consequences. Taken as a whole and over the six years, the cumulative impact has been a fall in funding that now calls into question the sustainability of the sector.

And while the financial neglect has been marked and consistent, it has not meant government has reduced the burdens. The surge of reforms has continued unabated.

Colleges have tackled new maths and English funding conditions that created enormous staffing, curriculum and logistical demands. They have dealt with substantial qualification reforms; the introduction of the levy and major reforms to apprenticeships; delegation of SEND budgets to local authorities; area reviews; new common inspection frameworks; new intervention regimes; and are facing imminently the devolution of AEB budgets; a new insolvency regime; and

> "College staff, leaders and governors do an amazing and increasingly difficult job"

the introduction of T-levels.

This list is not exhaustive, and the AoC has worked with members throughout to mitigate the impact of austerity, influence policy and moderate some more severe proposals, and support members to deal with the changing environment.

This has been the reality of the college experience during the last six years. They have risen to the challenges: trying to secure and manage the funds necessary for investment and expenditure to meet local economic, business and student needs whilst balancing the books. The margin between success and failure can be very small, but getting it wrong is perilous.

Yet despite the undoubted hardships and challenges faced by colleges, they have continued to get on with the job of doing everything they can within their powers – and resources – to meet the needs of their students and communities. The staff, leaders and governors in colleges do an amazing and increasingly difficult job, and they get it right far more often than not. It is one of the reasons I am so proud to be part of this sector and am optimistic about the future.

But it's not only colleges' resilience, fortitude, and passion for their mission to improve lives through learning that gives me cause for optimism. I sense that the value colleges add to our economy and society is at last being more widely recognised and understood. Every community needs a college, and their role will become ever more vital as we face the challenges of the fourth industrial revolution. As a civilised and mature democracy we cannot entertain the injustice or the consequences of failing to invest in the talents, skills and well-being of all our citizens.

Colleges are a community mainstay; they are necessary support to cope and thrive as we navigate our way through a future landscape that will be full of unknown hazards and opportunities. We must now continue to work energetically and collectively to make a new reality, where investment in our colleges is at the very heart of our plans to be a successful nation.

# Bulletin

## Movers & Shakers

Your weekly guide to who's new and who's leaving

### Naomi Clayton

**Deputy director of research and development, Learning and Work Institute**

**Start date** January 2019

**Previous job**
Policy and research manager at Centre for Cities, and deputy director at the What Works Centre for Local Economic Growth

**Interesting fact**
Naomi spent her summers in between university as a park ranger - it was an eye opening experience!

### Joe Dromey

**Deputy director of research and development, Learning and Work Institute**

**Start date** January 2019

**Previous job**
Senior research fellow, Institute for Public Policy Research

**Interesting fact**
Joe started his career as an employment advisor on a welfare to work programme where he helped over 100 long-term unemployed people into work

### Jake Tween

**Head of apprenticeships, DSW Apprenticeships**

**Start date** December 2018

**Previous job**
Head of apprenticeships, ILM

**Interesting fact**
Jake is a keen songwriter and musician and has shared a stage with some household names.

**If you want to let us know of any new faces at the top of your college, training provider or awarding organisation please let us know by emailing news@feweek.co.uk**

## *FE Week* Sudoku challenge

How to play: Fill in all blank squares making sure that each row, column and 3 by 3 box contains the numbers 1 to 9

**Difficulty: Easy**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 7 | | | | 2 | | | 1 |
| | | | 1 | 3 | | 2 | 6 | |
| | | | 6 | | | 5 | | 8 |
| 9 | 6 | 1 | | | | | 3 | |
| 5 | | | | | | | | 9 |
| | 8 | | | | | 4 | 2 | 6 |
| 2 | | 5 | | | 6 | | | |
| | 1 | 3 | | 7 | 4 | | | |
| 7 | | | 2 | | | | 5 | |

**Difficulty: Medium**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2 | | 5 | 4 | | | | | |
| | | 8 | | 6 | 1 | | | |
| | 1 | | | | | 3 | 6 | |
| 1 | | | 7 | | | 4 | | 8 |
| | 7 | | 6 | | 4 | | 1 | |
| 8 | | 4 | | | 9 | | | 6 |
| | 2 | 1 | | | | | 4 | |
| | | | 1 | 5 | | 6 | | |
| | | | | | 7 | 1 | | 5 |

**Solutions: See right**

## Spot the difference
## To WIN an *FE Week* mug


Spot five differences. **First correct entry wins an *FE Week* mug.**
Email your name and picture of your completed spot the difference to: **news@feweek.co.uk.**

**Last Edition's winner: Mo Dixon**

## Solutions

Turn the paper around to check if your answers match - but no cheating!

**Difficulty: Easy**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 4 | 7 | 6 | 8 | 5 | 2 | 3 | 9 | 1 |
| 8 | 5 | 9 | 1 | 3 | 7 | 2 | 6 | 4 |
| 1 | 3 | 2 | 6 | 4 | 9 | 5 | 7 | 8 |
| 9 | 6 | 1 | 4 | 2 | 8 | 7 | 3 | 5 |
| 5 | 2 | 4 | 7 | 6 | 3 | 8 | 1 | 9 |
| 3 | 8 | 7 | 9 | 1 | 5 | 4 | 2 | 6 |
| 2 | 9 | 5 | 3 | 8 | 6 | 1 | 4 | 7 |
| 6 | 1 | 3 | 5 | 7 | 4 | 9 | 8 | 2 |
| 7 | 4 | 8 | 2 | 9 | 1 | 6 | 5 | 3 |

**Difficulty: Medium**

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2 | 6 | 5 | 4 | 7 | 3 | 8 | 9 | 1 |
| 9 | 3 | 8 | 2 | 6 | 1 | 7 | 5 | 4 |
| 4 | 1 | 7 | 5 | 9 | 8 | 3 | 6 | 2 |
| 1 | 9 | 6 | 7 | 2 | 5 | 4 | 3 | 8 |
| 3 | 7 | 2 | 6 | 8 | 4 | 5 | 1 | 9 |
| 8 | 5 | 4 | 3 | 1 | 9 | 2 | 7 | 6 |
| 5 | 2 | 1 | 8 | 3 | 6 | 9 | 4 | 7 |
| 7 | 4 | 9 | 1 | 5 | 2 | 6 | 8 | 3 |
| 6 | 8 | 3 | 9 | 4 | 7 | 1 | 2 | 5 |