Sector Developments

Technical and Professional Education (TPE) reforms and the delayed Skills White Paper

In February, the Skills Funding Agency (SFA) published a document entitled 'Legal Entitlements for 2016 to 2017', in which a specific reference was made to a new Skills White Paper to be published later this year. The SFA document said 'the 2016/17 funding year is part of a transitional period as we move towards full skills devolution and the implementation of Technical and Professional Education (TPE) reforms'. It went on to say 'These proposals will involve the establishment of 'up to 20 new professional and technical routes, leading up to employment or degree-level study' and that more information would be available 'when the Skills White Paper is published in the spring'. As yet (May) there is no sign of the new White Paper being published and perhaps even more significantly, in version 2 of the 'Legal Entitlements' document, the reference to the Skills White Paper has been removed altogether.

The inexplicable delay in the publication of what will be the first Skills White Paper for more than ten years appears to have caused some consternation. Earlier this month, Shadow Skills Minister for England, Gordon Marsden, tabled a parliamentary question for the Sajid Javed, Secretary of State for Business, Innovation and Skills (BIS), asking exactly 'when his department intends to publish its Skills White Paper'. The question has not yet been answered, nor have any reasons been given for the delay.

An independent panel has been set up by the government to oversee the development of the TPE proposals. The panel is chaired by lord Sainsbury and includes Professor Alison Wolf, and Simon Blagdon, non-executive chairman of Fujitsu UK. There is speculation that the reason for the delay in the publication of the White Paper is that the panel has not yet completed its report. However, it seems that a first draft of what are likely to be the panel's recommendations has been 'leaked'. If the leak is accurate, the proposals contained in the new White Paper (when it eventually is published) are likely to include the following:

- Post-16 academic and vocational learning will be simplified through the creation of 15 new TPE routes
- The TPE routes will be delivered either full-time over two years or through an apprenticeship.
- A three-year course could also be an option, with the first year preparing students to start on TPEs.
- Each college-based TPE route will include a 'substantial' work experience component, to be undertaken within the industry most relevant to that route.
- At the higher levels, there will be 'bridging courses' between academic and vocational TPE pathways.
- TPE accreditation will be simplified, and many existing post-16 qualifications will be abolished.
- There is likely to be just one awarding body for each TPE route.
- The development of the content and accreditation for each of the 15 TPEs will be overseen by a panel of 'industry experts'.
- The new Institute for Apprenticeships (IfA) will become involved with TPEs as, and when, appropriate.

Further details on the UK government's proposed TPE reforms in England can be accessed at:

https://www.gov.uk/government/news/technical-and-professional-education-revolution-continues

Government apprenticeship levy proposals leave FE sector representatives feeing excluded

Delegates from the FE sector attending a conference hosted by Shadow Skills Minister for England, Gordon Marsden, and held at the House of Commons, said that they felt that they were left 'outside the tent' when the UK government was drafting proposals for the apprenticeship levy. One attendee said they 'were left so far outside the tent, they couldn't even tell you where the tent was'. Commenting on this, Mr Marsden said that it was important not just to have 'extraordinarily clever civil servants writing rules in a darkened room', and that 'if you don't involve people who are on the ground…even the finest minds in the civil service will get it wrong'. Not that any of this would have made a blind bit of difference, of course.

Taskforce to help people with learning difficulties participate in apprenticeships

Earlier this month (May), the UK government announced the establishment of a new 'taskforce' to help people with learning disabilities to access apprenticeships. The taskforce will be led by Paul Maynard MP, and will include employers, training providers, charities and educational experts. The identity of those who will be invited to join the taskforce is 'yet to be decided'. The government also intends ask the IfA to make access to apprenticeships for disabled groups a high priority. More information on the new taskforce and the scope of its work can be acceshttps://www.gov.uk/government/news/announcement-of-taskforce-to-look-at-improving-accessibility-of-apprenticeships-for-people-with-learning-disabilities

CBI criticises the Institute for Apprenticeships (IfA)

The IfA (not to be confused with the now defunct IfL) is the new body set up by the UK government to oversee the quality and standards of apprenticeship programmes. It will also assume responsibility for advising the government on funding allocations for each apprenticeship standard. To date, the only public appointment made to the IfA has been Rachel Sandby-Thomas, who has become its 'shadow' Chief Executive. Although the IfA is not yet fully operational, it has already been subjected to criticism from the Confederation of British Industry (CBI). Pippa Morgan, the Head of Education and Skills at the CBI, said that the IfA had a 'disappointingly narrow set of duties and responsibilities'. Ms Morgan went on to say that CBI members had 'pushed for a very strong business voice', and that although they had achieved 'some wins in terms of shaping the apprenticeship remit to better reflect the needs of businesses', it was becoming increasingly apparent that the role of IfA was 'just to rubber-stamp apprenticeship standards'.

A useful briefing on the IfA and its work can be accessed at:

https://www.gov.uk/government/publications/institute-for-apprenticeships-enterprise-bill-factsheet

CBI calls for delay in introducing the apprenticeship levy

The Director General of the CBI, Carolyn Fairbairn, has called for next April's launch of the apprenticeship levy to be delayed. Ms Fairbairn said that, given the 'extraordinarily tight timeframe, there are still a large number of unanswered questions about government proposals to phase in the levy'. She went on to say that, 'in particular, it was vital that the digital system which manages levy spend must be ready and able to support the delivery of apprenticeship training, in full and from the start', and that if this could not be guaranteed, there was 'really no option but to have a delay'.

Ms Fairbairn also called for the new IfA to 'assume a more robust role beyond just that of monitoring apprenticeship quality and standards and become more involved in 'measures that are about outcomes, rather than just about number of starts'. She went on to say that although the target of 3 million new apprenticeship starts by 2020 was 'a positive ambition for the government, the mass recruitment drive risked the unintended consequence of driving quantity over quality'. She also warned that having to pay the levy might cause CBI members to 'reduce the number of apprentices they take on, particularly in sectors where there are very narrow margins'. In addition, Ms Fairbairn called for 'more flexibility in how firms can spend the apprenticeship levy, including being allowed to spend levy funding on existing training, and the establishment of an 'allowable expenses system that would allow firms to recover the cost of staff time and capital expenditure invested in developing and delivering apprenticeships'.

Responding to Ms Fairbairn's comments, a spokesperson for BIS said 'We will be working with businesses in the coming months on the development of an independent, employer-led IfA that will ensure employers are at the heart of driving up the quality of apprenticeship training'. Meanwhile, Greg Hands, the Chief Secretary to the Treasury, recently refused to rule out any future increases in the the current apprenticeship levy rate, and a BIS spokesperson has warned employers not to consider engaging in practices such as splitting companies up in order to avoid reaching the £3 million payroll threshold beyond which the levy is required to be paid.

The majority of adults taking Level 2 and 3 apprenticeships have already studied at this level

BIS has recently published the report of its sixth annual survey into the previous attainment level of adult apprentices. The report, which analyses the prior qualifications of 175,400 adult apprentices in 2013/14, reveals that 79% of adults on Level 2 apprenticeships and 56% of adults on Level 3 apprenticeships already had a qualification at this level. Peter Kyle MP, who is a member of the House of Commons Select Committee said the figures were 'deeply concerning'. He went on to say 'at a time when the government is looking for 3 million people to start apprenticeships over the course of this parliament, all efforts should be put into ensuring these are at a level higher than their previous qualifications', because if this was not the case it was 'hard to see how the proposed expansion of apprenticeship numbers will help close the skills gaps within our economy and improve our productivity'. A copy of the BIS report can be accessed at:

https://www.gov.uk/government/publications/prior-qualifications-of-adult-apprentices-2013-to-2014

More pensioners take up apprenticeships

The number of people of pensionable age taking up apprenticeships is increasing. In 2009/10, 0.1% of all apprenticeship starts were learners aged 60 and over. By 2014/15, this had grown to 0.7%. including more than 300 people aged 68 and over. The person believed to be Britain's oldest apprentice is learning to be an undertaker with Co-op Funeral Care (I haven't made this up). Some observers have cast doubt on whether providing apprenticeships for people in the 'twilight of their working lives' is an appropriate use of public funds. When asked to comment on this, a spokesperson for BIS said that funding for apprenticeships was 'available for all people of working age', and went on to say that 'apprenticeships are created by employers, who are free to make their own recruitment decisions'. More cynical observers argue that because the government keeps raising the age at which people can access a state pension, encouraging old people to take up apprenticeships is one way to keep them working and earning for longer and to thereby reduce the numbers of old people who would otherwise be retiring into poverty.

Apprenticeship funding may be used to train Church of England (CoE) vicars

To become a fully licensed CoE vicar, ordinands have to undergo two or three years of (usually residential) higher education as 'pre-ordination' training. This is followed by up to four years of 'post-ordination', which includes 'on-the-job' training as a curate, All of this is currently paid for by the CoE. Never slow in spotting an opportunity, the CoE has recently entered into discussions with BIS to explore the possibility of apprenticeship funding being used to help finance the training of vicars. The Church has around 24,000 employees (of which around 8,000 are vicars) and has an annual payroll which is in excess of the £3 million threshold and therefore places it within scope of the apprenticeship levy. Because of this, CoE officials argue that they should be allowed to access levy funding to help with the cost of training of their 'ordinands'. Caroline Spelman MP, who is apparently acting as an intermediary between the church and BIS, said that this was evidence of the 'CoE's support for government's drive to increase the number of apprentices', although a BIS spokesperson seemed to pour cold water on the CoE's enthusiasm by pointing out that, as yet, there was 'no apprenticeship standard for members of the clergy'. Representatives of other religious groups will no doubt be monitoring the CoE's negotiations with BIS very closely. Who knows, at some stage in the future, we may see BIS funded apprenticeships for aspirant shamen, imams, priests, druids, rabbis and 'ordinands' of the rapidly growing 'Church of the Flying Spaghetti Monster'.

Concerns expressed about the IfA's capacity to regulate apprenticeships effectively

The ability of the IfA to effectively regulate the apprenticeship system has been questioned after a document called 'BIS 2020: Finance and Headcount outline' was leaked. The document says that the IfA will take on just 40 staff in 2016/17 (although more are likely be recruited over the next three years). When asked whether this number of staff was adequate to effectively monitor and regulate provision involving up to 500,000 employers, 1,000 providers and around 600,000 apprentices each year, Skills Minister for England, Nick Boles said that he had 'no idea' how many IfA staff would be needed, or if he had an idea, he was 'not going to share it'. He also said the location for the new IfA had not yet been decided.

More robust safeguards needed to prevent apprenticeship fraud

Figures recently released by the SFA show that there have been 114 cases of suspected fraud or misappropriation of public funding over the last 3 years. Baroness Wolf, who questioned the SFA about this, said that there was 'extraordinarily little information available to the public about a sector which is receiving huge amounts of public money'. She went on to say 'without more robust safeguards, routing millions of pounds through tens of thousands of employers could lead to shocking examples of fraud'. Mick Fletcher, an FE policy analyst, has warned that the 'biggest threat of all was neither fraud nor mistakes, but poor value for money, as people learn how to get rich within the rules of the scheme', as some did by exploiting Individual Learning Accounts (ILAs), LearnDirect and Train to Gain (T2G).

Concerns have also been expressed about the potential for less than scrupulous providers to achieve the maximum funding for minimum cost by cutting corners in the way in which apprenticeships are delivered. As an example of this, it has been claimed that under the new 'Trailblazer' apprenticeship schemes, it is possible for 'adult career-changers and upskillers to fast-track the apprenticeship qualification in a matter of months, and to meet the minimum requirements of the on-site aspect of the NVQ qualification in a matter of days'. It has also been claimed that because the duration of the new 'Trailblazer apprenticeships is not standardized, it is open to interpretation as to what constitutes accredited prior learning', and that an 'over reliance on the new Trailblazer end test may result in low-fidelity assessments'.

Critics argue that the risk of both financial irregularity and abuse in the way in which apprenticeships are delivered, will be 'magnified by pressure to reach the government's 3 million apprenticeship target by 2020', and that this, in turn, might 'discourage officials from looking too closely at activity that delivers the right numbers'. Responding to these concerns, a spokesperson for BIS said the SFA was 'working closely with colleagues from across government to implement counter-fraud measures for the new funding system.

SFA to 'crack down' on lead providers who fail to publish subcontracting information

It seems that around a third of all 'prime' providers (ie those in receipt of a direct contract from the SFA) have ignored the requirement to publish full details of the fees and charges associated with their subcontracting arrangements. Prime providers have previously been warned that non-compliance would result in their funding being suspended. The SFA has now written to around 300 providers that have failed to comply with SFA rules to notify them that their subcontracting arrangements for 2016/17 will be 'restricted'. This involves the 'termination of their current subcontracts when existing learners have completed their programmes', and a 'ban on entering into new subcontracting arrangements in 2016/17'. The SFA says that restriction will be lifted if non-compliant providers supply the information required to their Central Delivery Service Adviser by 5pm on Friday June 3. If they fail to do this, the subcontracting restriction will be applied for the whole of 2016/17 and their names will be published on the SFA website.

Funding for National Colleges announced

BIS has announced how the funding for the establishment of five new national colleges will be allocated. This is as follows:

- The National College for High Speed Rail, located in Birmingham and Doncaster, will receive £40 million (the largest single amount allocated) towards the cost of the construction of new buildings and the cost of equipment. The Barnsley, Doncaster, Rotherham and Sheffield Combined Authorities, and the Greater Birmingham and Solihull Local Enterprise Partnership (LEP) will provide a further £6 million each, and around £5 million in equipment is being donated by firms in the rail industry.
- The National College for Nuclear in Somerset and Cumbria will receive £15 million towards the cost of buildings and equipment. A further £3 million will be provided by the South West LEP and £4.5 million will come from Bridgwater College.
- The National College for Onshore Oil and Gas will receive £5.6 million, with equipment donations from firms in the oil and gas industry.
- The National College for Digital Skills will receive £13.4 million, plus a further £18.2 million jointly contributed by the Greater London Authority and the London Enterprise Panel.
- The National College for the Creative and Cultural Industries will receive £5.5 million and £1 million in equipment donated by firms in the creative and cultural industries.

All five of the new national colleges will focus on delivering 'high-level technical skills', and are scheduled to open in September 2017. More details can be accessed via the link below:

https://www.gov.uk/government/news/government-confirms-80-million-for-national-colleges-to-deliver-the-workforce-of-tomorrow

Colleges need to become 'more commercial'

Last month's newsletter included an article first published in FE News, that recounted the comments of a group of private trainers at lunch. They expressed the belief that 'the future belonged to them'. This, they said, was because the inability of FE to be 'commercial' meant that colleges would 'become extinct in the next few years'. A report recently published by the 'Gazelle College Group' suggests that 90% of FE college managers agree with them. The report says that two-thirds of managers surveyed believe that colleges 'will need to adopt a private sector mentality in order to survive in the future'. However, while there is apparently a general agreement amongst FE college managers on the need for colleges to become 'more commercial', it seems that there is less of a consensus on whether colleges can actually become so. Only 20% of college managers said that they thought 'that every college can transform its operating model to a truly commercial one', but most believed that a failure to do so, would lead to 'the demise of smaller colleges and those colleges in financial difficulties'.

A copy of the Gazelle Group report can be accessed via the link below:

http://www.thegazellegroup.com

An article that analyses the extent to which that FE colleges might be able to become 'more commercial' has been written by Ian Sackree, the Chief Operating Officer at Protocol. This was also recently published in FE News and a copy of Mr Sackree's article can be accessed at:

https://www.fenews.co.uk/featured-article/can-colleges-really-cut-it-commercially-after-all-we-are-not-making-watches-12003

Colleges are still under 'acute financial pressure'

There was widespread relief when it was announced that the adult FE budget would be protected in cash terms for the next four years. However, a survey of 110 FE colleges conducted by the Association of Colleges (AoC) and the Times Educational Supplement (TES) has revealed that FE colleges in England are still under acute financial pressure. The survey findings show that over the next 12 months:

- 20% of colleges are likely to return an operating deficit.
- 46% of colleges are planning to engage in staff restructuring.
- 34% are likely to be declaring compulsory redundancies.
- 31% intending to seek applications for voluntary redundancies.
- 38% regarded funding uncertainty as their main concern.

Against this:

- 14% per cent of colleges said they were planning no changes to their workforce.
- 15% are intending to increase their workforce through a recruitment drive or merger.

Meanwhile, FE unions have asked for a £1 per hour pay rise for all staff in the sector, along with equal pay for women and permanent contracts for temporary staff. In submitting the claim to the AoC, a joint spokesperson for the unions said 'College staff in England are approaching a loss in real pay of 20% since 2009', adding that over the same period, 'pay in schools has increased by more than 10%'.

BIS launches a review on the progression of BME staff in FE

Earlier this month BIS announced the launch of a review into why black and minority ethnic (BME) people working in the FE sector find it more difficult to progress into senior positions than their white colleagues. The review panel is being led by Baroness McGregor-Smith, who has called for evidence from BME staff in FE. However, Rajinder Mann, the former Chief Executive of the now defunct Network for Black and Asian Professionals (NBAP), which was closed last year due to lack of funding, has accused BIS of 'reinventing the wheel'. Ms Mann, who was not invited to join the review panel, said the review 'seems like a backward step, after the work done by the NBAP', and pointed out that 'many of the factors holding ethnic minority workers back today were the same as those initially identified by NBAP', She also highlighted the example that the number of BME principals in the FE sector had fallen from 17 in 2012/13 to 13 this year, and asked 'will the review address who is going to pick up these issues?'.

Ofsted decides to drop action against the inspector who dared to criticise his boss

Sir Michael Wilshaw, the Ofsted Chief Inspector for England recently caused widespread offence across the English FE college sector when he told the House of Commons Education Select Committee that all 16-19 year olds should be taught in schools, rather than colleges, because FE in England was 'in a mess'. Speaking at a recent FE Conference, Tom Davis, an Ofsted inspector, said that Ofsted's own inspection data undermined Sir Michael's comments and bravely called for Sir Michael's immediate departure from his post before his planned retirement in December. This prompted Ofsted to launch an investigation into whether Mr Davis had breached both his contract of employment and the Ofsted Code of Conduct for inspectors. Meanwhile, Mr Davis received 'a deluge' of expressions of support from those working in the FE college sector, with '*the wrong person is being investigated by Ofsted'* being typical of the comments received. Ofsted has now announced that 'no further action' will be taken against Mr Davis. Mr Davis said 'I am delighted that Ofsted will be allowing me to continue my work as an inspector', but then repeated his assertion that Sir Michael should not 'be allowed without significant challenge to give unfounded and biased personal opinions when he is speaking to government in his capacity as chief inspector'.

Schools could be fined if they encourage pupils to join inappropriate courses in their sixth forms

Colleges and other post-16 providers say that they find it difficult to gain access to young people in local schools to tell them about the vocational and technical pathways available after GCSE. A report published by Ofsted in 2013 found that 75% of schools failed to promote vocational options, and that some schools had persuaded pupils to join inappropriate courses in their own sixth form. Earlier this year, the Education Secretary for England, Nicky Morgan announced a plan to legally compel state schools to allow college staff and other apprenticeship providers to visit and speak to pupils as part of their careers advice. In addition, Skills Minister for England, Nick Boles, speaking at the April meeting of joint BIS/DfE sub-committee meeting on Education, Skills and the Economy, has said that schools should be 'fined if they sign students up to inappropriate A-level courses that they later abandon'.

UK government abandons plans to force all England's schools to become academies

A recent analysis by the Local Government Association (LGA) shows that 81% of council-maintained schools are rated by Ofsted as 'good' or 'outstanding', compared to 73% of academies and 79% of free schools. Despite this, in his Budget Statement to the House of Commons in March, the Chancellor of the Exchequer, George Osborne somewhat incongruously announced plans to force all remaining local authority schools (good or bad) to become academies. Mr Osborne described the move as one that would 'free schools from the shackles of local bureaucracy', and went on to claim that if schools became academies, there would be 'a greater level innovation and competition', and that this would drive up standards. However, the plans were greeted with derision as teachers and heads became more bemused by the idea of forcing high-performing local authority schools to become academies against their wishes. Even normally loyal Conservative councilors failed to see any logic in the proposal, and during an opposition day debate in the House of Commons, it was Conservative MPs who made the most effective arguments against it. This, combined with threats of industrial action by teaching unions (including the head teachers' union), resulted in Nicky Morgan, the Minister for Education in England announcing that the plans had been abandoned. Ms Morgan said that the change of policy 'was about the government listening', but Shadow Education Secretary for England, Lucy Powell described the about-turn 'a humiliating climb down'.

However, the UK government still intends to enforce academy conversions in the following two areas:

- 'Where it is clear that a local authority can no longer viably support its remaining schools because too many schools have already become academies'.
- 'Where a local education authority consistently fails to meet a minimum performance threshold across its schools'.

As yet, here are apparently no plans to force underperforming academies and academy chains to be taken back under the control of high performing local education authorities.

University Technical Colleges (UTCs) are facing more problems

Another University Technical College, 'UTC Lancashire' has announced it will be closing at the end of this academic year, just 3 years after it was opened. Despite having the capacity for 800 pupils, the school saw its enrolment fall from 313 in 2014/15 to just 113 students in 2015/16. A spokesperson for the 'Visions Learning Trust', which runs the UTC, said that there had been 'difficulties in recruiting students in sufficient numbers to secure future financial viability'. Commenting on this latest UTC closure, a spokesperson for the Baker Dearing Trust, said UTCs 'tend to find it hard to recruit students at 14, as this is not the normal age of transfer', but went on to insist that 'most UTCs in England are steadily building effective long-term relationships with schools, employers and local communities'.

Of the 39 UTCs that currently remain open, three of them (Buckingham UTC, Daventry UTC and Wigan UTC) have recently been issued with an Education Funding Agency (EFA) 'Financial Notice of Concern'. Nevertheless, UTCs remain a key component of the Conservative Party's education policy, with David Cameron saying that he wants to see a UTC 'within reach of every city'. Ofsted Chief Inspector for England, Sir Michael Wilshaw also supports the expansion of UTCs, which he apparently believes are an integral part of the solution to the 'failings' of FE colleges. All of this probably helps explain why there are a further 20 UTCs 'in development'. However, Skills Minister for England, Nick Boles, now argues that new UTCs, rather than being 'stand alone, would function better if they were part of a multi-academy trusts. This was presumably before he had been told that the 'Bright Futures' multi-academy trust, which runs the Wigan UTC along with another nine schools, has also been issued with an EFA Financial Notice of Concern.

DfE given a second reprimanded by the NAO for failing to account for spending by academies.

The National Audit Office (NAO) has criticised the DfE for the second time, for the late publication of its accounts. The latest delay may, in part, be explained by the fact that the DfE's group financial statement for 2014/15 involves the complex task of consolidating 2,824 academy trusts operating 4,900 academies. In addition to this, while a school's financial year runs parallel to the academic year (August to July), all government departments operate within the tax financial year (April to March). This means that the 2014/15 DfE consolidated accounts will be comprised of academy accounts that are a combination of the period April 2014 to July 2014 plus the period from August 2014 to March 2015.

The NAO has also produced a report that says 'the rapid expansion of the academies programme in England has made it difficult to keep an accurate track of spending' and that 'the DfE's policy of autonomy for academies brings with it significant risks'. The head of the NAO, said that the DfE was failing to provide parliament 'with a clear view of academy trusts' spending'. As a result, the NAO has given the DfE an 'adverse opinion on the truth and fairness of its financial statements'. (An 'adverse opinion' is the most serious view an auditor can give on a set of accounts). In response to this, a spokesperson for the DfE said 'We are confident that the accountability system for the expanding academies programme is robust and fit for purpose'. However, Shadow Education Secretary for England, Lucy Powell said 'This is a damning and very serious report', adding that 'if it had been a local authority, it would rightly be put in special measures'. A copy of the NAO report on the DfE's accounts can be accessed via the link below:

Details of the response of Chris Wormald, the DfE Permanent Secretary gave to the Chair of House of Commons Education Select Committee, in respect the NAO concerns can be accessed at:

http://www.civilserviceworld.com/articles/news/dfe-perm-sec-chris-wormald-apologises-mps-disappointing-delay-departments-accounts

IFS says poorest graduates in England will leave university with debts of up to £53,000

In England, more than half a million students from poorer backgrounds currently receive a maintenance grant at a cost to the taxpayer of about £1.57 billion a year. Despite the UK government claims that it is 'committed to widening access in higher education', from August 2016, these grants will be replaced with maintenance loans of up to £8,200 per year (for students living away from home outside London), which students will be expected to repay in addition to the loans they have taken out to pay for their tuition fees. This will theoretically result in a reduction in UK government borrowing, because while spending on grants counts towards this borrowing, spending on loans does not. However, in the longer term, the Institute for Fiscal Studies (IFS) has estimated that only a quarter of these loans will be repaid, and that the long-term annual savings to the government arising from the change will be closer to £270 million. The IFS says that although the new maintenance loans will mean up to £550 more extra cash per year for students, they will graduate owing up to £53,000 in total, compared with £40,500 before maintenance grants were abolished. A copy of the IFS report and more information on student loans is available via the two links below:

http://www.ifs.org.uk/publications/7905

https://www.gov.uk/student-finance/new-fulltime-students

Sutton Trust says that graduate debt in England is the 'highest in the English speaking world'

The Sutton Trust, has produced a report entitled 'Degrees of Debt', which says that those students who graduated from English universities in 2014/15 (the first batch graduating under the new fees regime that was introduced in England in 2011/12) owed an average of £44,000. This is now much higher than the average graduate debts in other English-speaking countries. The report says that for students at publicly funded universities, and at exchange rates current in the period in which the report was written:

- American graduates owed an average of £20,500.
- Canadian graduates owed an average of £15,000
- Australian graduates owed an average of £20,900
- New Zealand graduates owed an average of £23,300

The report also highlights the 'growing complexity' in arrangements across the different UK nations in respect of the level of university tuition fees charged. This is as follows:

- There is free university tuition in Scotland for Scottish students (and non UK EU students). Scottish university students from less well-off backgrounds may also be eligible for a maintenance grant. If a Scottish student chooses to study at a university elsewhere in the UK, their fees will be reimbursed in full by the Scottish Government. Students from elsewhere the UK who opt to study at a Scottish university are charged a flat annual tuition fee of £9,000
- In Wales, tuition fees are set at a maximum of £9,000 per year, however Welsh students are only required to take out a loan of £3,900 towards this and will receive a grant from the Welsh Government of up to £5,100 per year to make up the difference. This arrangement will also apply if a Welsh student chooses to study at a university elsewhere in the UK. Welsh university students from less well-off backgrounds may also be eligible for a maintenance grant. Students from elsewhere in the UK who study at a Welsh University are charged a flat £9,000 per year.
- The two universities in Northern Ireland are allowed to charge a maximum of £3,925 per year to Northern Irish students (and non UK EU students). Northern Irish university students from less well-off backgrounds may also be eligible for a maintenance grant. Queens University charges students from elsewhere in the UK £9,000 per year and Ulster University charges students from elsewhere in the UK £6,000 per year. If a student from Northern Ireland chooses to study at a university elsewhere in the UK, they are required to take out a loan to pay the fees charged by that university.
- English students are required to pay fees of up to £9,000 per year, irrespective of where in the UK they choose to study at. The only exception to this is if they choose to study at Ulster University, in which case they will be charged £6,000 (if they can obtain a place). They are required to take out loans to cover the full cost of the fees. No tuition fee grant is available. A maximum loan of £9,000 is available to students attending a publicly funded university and a maximum loan of £6,000 is available to students attending a private university. English students from less-well off backgrounds are no longer eligible for a maintenance grant. Instead, they must apply for a maintenance loan.

Recommendations made in the report include the following:

- The House of Commons BIS Select Committee should carry out a further assessment of the impact of changes in fees and grants on disadvantaged students, and mature and part-time students.
- There should be better co-ordination between higher education ministers from England, Scotland, Wales and Northern Ireland in order to rationalise the inconsistencies in student funding policies across the UK nations.
- There should be an investigation by the Office for Budget Responsibility (OBR) into the impact of the latest changes to grants and loans, including the likelihood and extent of loans being repaid in order to ensure value for money for students and taxpayers.
- There should be a more robust evaluation of current university spending of around £750 million a year on outreach and access programmes, in order to ensure value for money and to maximise their impact.

Sir Peter Lampl, who chairs the Sutton Trust, said, 'The massive increase in tuition fees in 2012 from just over £3,000 to £9,000 per annum, and the abolition of the maintenance grant in 2016 has resulted in the poorest English university graduates facing debts on graduation of over £50,000, along with interest rates on the debt compounding at up to 3% over inflation'. He went on to say 'These debt levels are by far the highest in the English-speaking world and are more than double the average debt levels at universities in the United States, where students study on four-year programmes, rather than three. Sir Peter said 'These debts impact on the ability of graduates to undertake post-graduate studies, to afford a mortgage, the timing of having children and other major life decisions'. He also said that, in England, 'The cost of going to university has become so expensive that more young people should seriously consider taking higher level apprenticeships rather than a degree at a university'. Responding to the report, a BIS spokesman said 'As the Organisation for Economic Co-operation and Development (OECD) has recognised, our student funding system is fair and sustainable. (Mind you, the UK government helps to fund the OECD- through grant, rather than a loan- so perhaps the OECD might not want to say anything the government might not like). A copy of the 'Degrees of Debt' report can be accessed at:

http://www.suttontrust.com/researcharchive/degrees-of-debt/

University fee levels in other countries

One of the reasons graduate debt in England is so much higher than in America, Canada, Australia and New Zealand, is because their publicly funded universities have lower tuition fees for undergraduate courses, (and there are more scholarships on offer). In Germany, Austria, Norway, Denmark, Sweden, the Republic of Ireland and Scotland, graduate debt is very much lower than in England because university tuition in those countries is free. In other non UK EU countries where tuition fees are charged, they are very much lower than in England. For example, average annual tuition fees (at current exchange rates) in France are £145, in Belgium they are £682, Italy charges £652, the Netherlands is relatively more expensive at £1,521 (although many courses are taught in English), and Spain charges £500. More details of university fees in Europe can be accessed at:

http://www.studyineurope.eu/tuition-fees

Graduate salaries in England are falling in both cash and real terms

Since annual university tuition fees in England rose to £9,000, questions are increasingly being asked about whether it is still financially advantageous to get a degree. Data on the graduate labour market recently released by BIS shows that in England, in 2010, the median salary for graduates was £32,396, but that by 2015, this had fallen to £31,200. Although graduates in England still earn more than people without degrees, the gap is closing, with median salaries for non-graduates increasing from £20,800 in 2010 to £22,100 in 2015. The Centre for Economic Performance at the London School of Economics has described the stagnation in graduate earnings as 'unlike anything since the 1920s' and estimates that there has been a 9% real-terms drop since the 2008 recession. Despite this, a spokesperson for BIS said that the latest data was 'great news for the UK economy' and went on to say that 'gaining a degree is an 'excellent option for people of all ages seeking to gain employment and a rewarding career'. However, TUC general secretary Frances O'Grady said 'While university leavers are better paid than non-graduates of the same age, the figures show that their prospects are worsening, just as their debts are soaring'. She also said that many graduates 'are now finding themselves doing lower-skilled, lower-paid jobs' (the BIS data shows that 31% of all graduates in employment were in medium or low skill jobs), and that this was 'pushing young people who don't have a degree out of work altogether'.

A copy of the 2015 BIS Graduate Labour Market data can be accessed via the link below:

https://www.gov.uk/government/statistics/graduate-labour-market-statistics-2015

Big pay rises for university vice chancellors

Meanwhile at the other end of the earnings spectrum, the lifting of restrictions on student recruitment, and the apparently unlimited number of people in England who are still prepared to borrow up to £9,000 a year to pay for their tuition fees, has meant that many universities are now awash with cash. It would seem that the opportunities presented by this new found wealth has not been lost on university vice chancellors. The Independent newspaper reported that last year, the average annual remuneration of vice chancellors rose by £14,595 to £252,745, and that the ten highest paid vice-chancellors are now receive annual remuneration packages ranging from £416,000 to £593,000. One vice chancellor received a £60,000 pay rise. More details can be accessed at:

http://www.independent.co.uk/news/education/education-news/blatant-double-standards-as-uk-university-heads-pay-rises-4-times-faster-than-academic-staff-s-a7039086.html

Universities in England to be allowed to increase tuition fees above £9,000

Apparently not content with condemning English university graduates to a lifetime of debt repayments, the UK government has now published a White Paper, which includes a proposal that, from 2017/18, universities in England will be allowed to charge annual tuition fees above £9,000, initially in line with annual inflation. Sadly, there is no mention of any inflation linked raising of the £21,000 annual earnings threshold beyond which tuition fee and maintenance loans have to start being repaid. The White Paper is curiously entitled 'Success as a Knowledge Economy: Teaching Excellence, Social Mobility and Student Choice', and suggests that if, based on inspections, universities can demonstrate that they are offering high quality teaching, they may be able to raise their tuition fees still higher. More cynical observers have suggested that if the standard of teaching in universities were to be subject to the same level of inspection and other scrutiny as it is in FE and sixth form colleges, it might cause some university lecturers to void their bowels. More moderate observers have had the temerity to suggest that providing undergraduates with high quality teaching might reasonably be expected to be the norm rather than the exception. And even those old fashion sort still who argue that universities are places 'where people go to learn, not to be taught' (by which they presumably mean 'spoon fed'), there is still the need to address the question whether it is, or ever was, morally acceptable for universities in England to charge students up to £9,000 a year in tuition fees in return for providing them with mediocre or poor quality teaching.

Other proposals in the white paper include the following:

- Introducing 'more new and innovative providers into England's higher education system'. (This probably mean more private HE institutions).
- Speeding up the process by which these new HE institutions (called 'challenger institutions' in the White Paper, will be allowed to award their own degrees.
- Encouraging competition between universities in order to provide 'better consumer value for students'.
- Phasing in the new 'Teaching Excellence Framework' over a four-year period as the 'main mechanism for measuring teaching quality'.
- Requiring universities to provide more information about courses (eg the number of teaching hours).
- Encouraging universities to admit students from a wider range of social backgrounds.
- Requiring universities to produce much more detailed information about applications and admissions, in terms of ethnicity, gender and social class measured by family income. (This last criterion was hastily added after two recent research reports revealed that, as a proportion of their constituent population, white working class young people were the least likely to go to university).
- Making it easier for students to switch courses and universities.
- Creating a new regulatory body to be called the 'Office for Students' (OfS), which will combine the existing functions of the Higher Education Funding Council for England (HEFCE) and Office for Fair Access (OFFA), and which will regulate all institutions offering HE, 'including private and alternative providers, FE colleges and new entrants' to the HE market.

Responding to the white paper, Shadow Skills Minister for England, Gordon Marsden warned of the risks of having 'inadequate controls over the rapid expansion of new (private) universities', and said that it could be 'potentially very dangerous to allow new providers to award degrees too quickly'. But Jo Johnson, the Universities Minister for England said that that 'the jobs market needs increasing numbers of high-skilled graduates' and went on to say 'Making it easier for high-quality 'challenger institutions' to start offering their own degrees will help drive up teaching quality, boost the economy and extend aspiration and life chances for students from all backgrounds'.

A copy of the HE White Paper can be accessed via the link below:

https://www.gov.uk/government/publications/higher-education-success-as-a-knowledge-economy-white-paper

Will the UK government ever accept FE colleges in England as 'challenger institutions'?

At present, 244 colleges in England offer HE qualifications, but only five of them have their own foundation degree-awarding powers. To date, none has been granted the power to award taught degrees. The rest are required to have their degrees validated by a university partner. The White Paper appears to have largely ignored the role of English FE colleges in delivering degree level provision. Although there was considerable coverage of the potential for private for-profit 'challenger institutions to enter the HE market, FE was only mentioned 3 times throughout entire the 83-page document. Sadly, the UK government doesn't even seem to want to allow FE colleges to award their own FE level qualifications, let alone HE qualifications.

ETF/RCU research shows that FE helps widen participation in HE

Despite the UK government's apparent disinclination to allow FE to accredit HE programmes, research commissioned by the Education and Training Foundation (ETF) from the Responsive College Unit (RCU), reveals that in 2013/14, 10% of all HE students undertook their HE studies at an FE college. Many of these students came from the most deprived parts of the country with the lowest rates of HE participation. They also tended to be older, more local to the college and studying part-time. However, the numbers of HE students (and particularly part-time HE students) taking their courses in FE colleges in England has contracted significantly in recent years. This is because the cost of HE courses has risen dramatically since 2011/12, and older students are more averse to incurring the significant levels of debt associated with taking out a student loan. Also, the lifting of the cap on HE student number recruitment, and the ability of universities to charge up to £9,000 in annual tuition fees, has resulted in many universities terminating their HE delivery partnerships with FE colleges and delivering the provision themselves.

A copy of the ETF/RCU report can be accessed via the link below:

http://www.et-foundation.co.uk/news/the-local-impact-of-higher-education-delivered-by-fe-colleges/

UK share of the international student market is affected by Home Office immigration policy

Home Office figures show that in the 3 years to December 2015, 99,635 non EU students have had their visas curtailed and that 410 educational establishments have had their licences to sponsor international students revoked. A Home Office spokesperson said that that this was part of the UK government's strategy of 'cracking down on the immigration abuse from poor quality institutions which is damaging the UK's reputation as a provider of world-class education'. Some university and college leaders claim that real reason why some international students are being 'scapegoated' is more to do with helping the government meet its targets on net migration to the UK. (Incoming and departing international students are included in the governments migration statistics). But the Home Office says that the strategy is working, and that 'visa applications from international students to study at British universities are up by 17% since 2010, whilst visa applications to our elite Russell Group universities up by 39%'. Against this, recently published Office for National Statistics (ONS) data shows that 192,000 international students arrived in the UK for long-term study in the year to June 2015, down from a peak of 238,000 in 2010. A spokesperson for the ONS said and that the fall was due to the tightening of immigration rules, but that 'most of the fall has been in FE'.

And finally…

A group of BTEC performing arts students from an FE college in the Black Country were preparing for their final assignment. This was the performance of a play, based on the 1970s glam rock band 'Slade'. Because of government spending cuts, the students were asked by their course tutor if they might be able to provide their own 1970s style costumes. The student who was to play the part of the band's lead singer, Noddy Holder, decided that he would scour the ever increasing number of charity shops in the local town for a 1970's outfit such as the one that Noddy might have worn on stage. Eventually, he found a 'vintage' shop that sold the type of clothes he was looking for. The conversation between the student and the sales assistant in the shop went something like this:

Student: Have you got a jacket my size with really wide lapels and long vents up the back?
Sales assistant: Yes, we have
Student: And have you got a pair of flared trousers that would fit me?
Sales assistant: Yes, we have
Student: Do you a pair of platform sole shoes, size 10?
Sales assistant: Yes, we do
Student: And do you have a flowery shirt with long pointy collars, that would fit my neck size?
Sales assistant: Yes, we do
Student: Great stuff! I'll take the lot
Sales assistant: Would you like a kipper tie?
Student: That's very kind of you mate. Milk and two sugars please.

Alan Birks – May 2016

*As usual, the views and opinions expressed in this newsletter are not necessarily those held by **Click CMS Ltd***