Sector Developments

Employers to be paid for apprentices through tax credits.

In the recent Autumn Statement, the Chancellor of the Exchequer, George Osborne, announced that the government would be introducing a tax credit system for funding apprenticeships in England. The announcement was widely anticipated and means that apprenticeship funding will be routed directly to employers via Her Majesty's Revenue and Customs (HMRC) systems. However, it remains unclear whether payments will be made via the PAYE tax system, or whether it will be some other HMRC system, possibly a new one. The Treasury says that it will launch yet another consultation on this in early 2014. Also, because of concerns that small businesses may be put off taking on apprentices by the administration burden involved with tax credits, the Treasury has confirmed that it will be looking at the possibility of an 'alternative funding route for the smallest businesses'.

A compulsory employer cash contribution for 'a significant proportion' of the external training costs of an apprentice (excluding English and mathematics) will also be introduced. However, against this, the government has said that it will be providing extra funding for employers to help meet the costs of training for 16-17 year old apprentices and is considering extending the extra financial support to apprentices aged 18. At the same time, funding caps will be introduced on the overall maximum government funding per apprentice. Also, a proportion of the total apprenticeship funding payable by the government will be withheld as part of a new 'payment by results' approach, the technicalities of which are yet to be worked out.

Whether these new arrangements were quite what Doug Richard had in mind when he called for a simpler and more streamlined funding model for apprenticeships remains to be seen.

20,000 additional higher apprenticeships to be created

During his Autumn Statement, the Chancellor also confirmed that £40 million would be provided to deliver an additional 20,000 higher apprenticeship starts in the 2013/14 and 2014/15 academic years.

The '16 Hour Rule' is to be relaxed for Traineeships

As the title suggests, the '16 Hour Rule' restricts the number of hours that a person in receipt of benefits is allowed to study each week without losing their benefit entitlement. However, in the Autumn Statement it was announced that those in receipt of job seeker's allowance (JSA) are to be allowed to undertake more than 16 hours' study each week as part of a Traineeship and still keep their benefits. Commenting on the change a spokesperson for the Department for Work and Pensions (DWP) said, 'The government will ensure that the benefit rules do not impede the take-up and effectiveness of traineeships'. It is also hoped that the easing of the '16 hour rule' will help address the current levels of under recruitment to Traineeships

Traineeships are under-recruiting

It appears that recruitment to Traineeships is failing to reach targets. Keith Smith, the Skills Funding Agency (SFA) Executive Director for Funding and Programmes, told delegates at the recent Association of Colleges (AoC) Annual Conference that, based on discussions the Agency had held with providers, 'colleges were currently expected to deliver only around 57% of contracted 19-23 traineeship starts for 2013/14'. This apparently then prompted Matthew Coffey, Director of Further Education and Skills at Ofsted to suggest that colleges 'may not be stepping up to the mark', and to challenge them 'to increase the number of traineeships on offer'. He went on to say that 'the initial recruitment to traineeships is disappointing' and that 'we expect providers to engage with employers to increase the number of places available'.

A number of reasons have been suggested for the current level of under recruitment to traineeships. One is that those who spent more than 16 hours per week in lessons or in the workplace lost their JSA, and were therefore discouraged from participating in Traineeships. As mentioned in the section above, this is now being addressed. Another reason given is that the current policy of restricting the delivery of traineeships to providers that have been judged as grade 1 or 2 by Ofsted, has restricted the potential number of providers. This, in turn, has given rise to calls for a review of the policy.

Ofsted's national priorities for inspecting FE

Speaking at a recent AoC regional conference for governors, Mr. Coffey outlined Ofsted's seven national priorities when inspecting FE colleges. These are to:

- 'Increase the impact of inspection'
- 'Increase the impact and scope of improvement work'
- 'Improve outcomes in English and mathematics at Level 2'
- 'Ensure high quality of provision for 14-16 year-olds directly enrolled in colleges'
- 'Strengthen local accountability and governance/leadership of further education and skills providers to focus on the overall impact of their provision'
- 'Raise the status, quality and impact of vocational training'
- 'Improve the quality of teaching, learning and assessment'

Ofsted Annual Report 2012/13

As usual, this year's Ofsted Annual Report focuses on the perceived failings of the FE sector. The main gripe this year is that colleges are failing employers by 'offering too much provision that is not responsive to local employment needs'. (Although recent Ofsted inspections of provision delivered by employers would seem to suggest that they might not be particularly good at this either). The Ofsted Annual report goes on to say that 'There is currently no structure, accountability measure or system of incentives to ensure that FE and skills provision is adapted to local economic and social needs' and that 'If the government is committed to raising employment through better skills and to secure economic competitiveness, it will need to fill this gap in strategic accountability urgently'. Presumably to help with all this, Ofsted has announced that it intends to carry out a review of the 'appropriateness of provision in meeting local needs' and has called for a 'Data Dashboard' to be developed to 'ensure governors have accessible data to hold leaders and managers to account'. Maybe Ofsted hopes that eventually FE colleges will become more like the private sector firms that hold the contracts for inspecting the sector.

The Ofsted report then goes on to criticise apprenticeship provision, saying that 'This year, we judged 9% of apprenticeship provision to be inadequate', and that this was 'far too high'. The report says that 'too many providers do not work closely enough with employers'. As a result, apprentices 'fail to get the right training'. The report then goes on to say that 'too many young people applying for an apprenticeship are not sufficiently employable'. This is a characteristic they may possibly share with some Ofsted personnel.

Colleges were also criticised by Ofsted for not doing enough to prevent the 'drop out' from courses by students from less well off backgrounds. The report says 'A disproportionate number of pupils from disadvantaged backgrounds go into the FE sector. In schools, there is an increasing focus on the achievement of this group of children, influenced by national incentives such as the pupil premium. However in the FE and skills sector, it is too often the case that managers and staff do not know who these young people are, or what provision and support would be most appropriate for them'.

The report then turns its attention to inspection outcome and reveals that numbers of providers judged by Ofsted to be 'good', 'outstanding' and 'inadequate' all increased. As at August 2013, 71% of providers were judged to be 'good' or 'outstanding' at their latest inspection. This is a 7% improvement compared with August 2012. However, the number of providers judged to be 'inadequate' also increased from 34 to 41. These include some large providers that were previously judged good or 'outstanding', which Ofsted says 'must become a priority for the new FE Commissioner'.

FE Commissioner and FE Advisors undertake their first assignment

Skills Minister Matthew Hancock has sent the new FE Commissioner, Dr David Collins and his team of FE Advisors on their first assignment into the troubled K College. The team carried out a review that identified 'significant weaknesses in governance and leadership' and in response, Mr. Hancock has given the college 'Administered Status' with immediate effect (meaning that the college is now stripped of its powers to appoint and dismiss staff, or to incur expenditure or transfer its assets).

The Chair and Vice Chair of the college Corporation have announced that they are stepping down in the wake of the publication of an Ofsted inspection report earlier this month (December) in which the college was judged to be 'inadequate'. The report acknowledged the good work that the interim principal and senior leadership team had done, and the broad accuracy of the college self-assessment report (SAR), but went on to say that the pace of improvement needed to be faster. The report also acknowledged that the 'continued uncertainty over plans for the college's future existence is severely and adversely affecting the learner experience'. Commenting on this, Mr Hancock said that it was 'critical that under administered status, K College moves quickly to address the weaknesses identified by Ofsted and the FE advisers so that we can find alternative local education provision for learners and employers'.

The college was already in the process of being divided up prior to being given 'Administered College' status and its subsequent Ofsted inspection. However, it appears that the bidding process has now been suspended and that no contracts to take over the component parts have as yet been awarded to those who have expressed an interest in doing so.

Problems with processing 24+ Advanced Learning Loans

A new student loans system (24+ Advanced Learning Loans) was introduced in England in April 2013 for courses starting from August 2013. Data recently released by the Department for Business, Innovation and Skills (BIS) shows that of 52,468 applications that had been received by Student Loans Company (SLC), 13,425 of applications (or 26% of the total) were not ready for payment in time. A further 1,212 applications had been processed by the SLC, but the applicants had subsequently been deemed as being ineligible to receive a loan. This has given rise to concerns that the SLC application process is not working as efficiently for FE students as it is for higher education (HE) students. Commenting on this, a spokesperson for the AoC said that 'although the SLC process might have worked well for full time HE students who apply for loans months in advance', it was clearly 'more problematic for walk-in enrolments at colleges'. In response to these concerns, an SLC spokesperson said that the company 'was prepared to review how it processes FE loans'.

24+ apprenticeship loans to be scrapped

The BIS data referred to above also reveals very low levels of applications for adult apprenticeship loans, with just 404 applications (or less than 1% of the total) having been received by the SLC since the loans were introduced 7 months ago. Prior to this, apprentices in England were not required to pay anything towards the cost of their training and it has been suggested that some prospective applicants, fearing that they could incur debts of several thousand pounds, have been deterred from participating in adult apprenticeships. Earlier this month (December) a spokesperson for BIS conceded that 'there was an issue' with apprentice loans and that the take-up was 'well below government forecasts'. As a result, BIS Minister Vince Cable has now confirmed that 24+ Advanced Learning Loans for apprenticeships will be scrapped. In announcing the move, Dr. Cable said that 'for apprenticeships we accept it has not succeeded and we're dropping it', adding that there was 'no shame in that'. However, Dr Cable also confirmed that 24+ Advanced Learning Loans for other adult FE provision in England would continue, arguing that 'the Advanced Learning Loans system has taken off for non-apprenticeships'.

The number of all-age apprenticeship starts fall for the first time in 7 years

Government data shows that in the 2012/13, there were 10,400 fewer apprenticeship starts than in 2011/12. This is equivalent to a year on year contraction of 2%. The drop, down to 510,200, was the first fall in all-age apprenticeships since 2005/06. The fall in the number of 16-18 year olds starting an apprenticeship last year was the main reason for contraction in total all-age starts, this being the second consecutive yearly fall in the number of 16-18 apprenticeship starts. Against this, apprenticeship starts for 19-24 year olds and those aged 25+ both increased compared with the previous year.

A spokesperson for BIS explained the contraction in 16-18 numbers saying that, ‘For the first time, all apprenticeships now involve a job and, as such, some low quality provision has been ended. This has particularly affected 16-18 apprenticeships’. The BIS spokesperson went on to add that, ’All apprenticeships now routinely last a minimum of a year. That means that while more people than ever are in apprenticeships, the number of starts has not grown’.

Education Funding Agency (EFA) cuts the rate of funding for 18 year olds on full time courses

The EFA has announced that it intends to cut funding rates for 18 year olds on full time courses in schools and colleges in England. This is apparently in order to generate savings of £150 million. The EFA said that ‘the funding rate for full-time 18 year old students in 2014/15 will be 17.5% below the rate for full-time 16 and 17 year olds’. In a letter to 16-18 providers, the EFA explained that ‘this will apply to all elements of the formula, except the flat rates for disadvantaged students without GCSE grade C or above in English or mathematics, recognising the importance of English and mathematics for disadvantaged 18 year olds’. The EFA went on to say that it would ‘confirm the national funding rate per student for 2014/15 in March 2014’.

Justifying the cut, the EFA said that it ‘was operating on a fixed budget’ and that the Spending Review for 2015-16 inevitably meant that ‘savings were required to be made from the 16-19 participation budget that year’. The EFA went on to explain that ‘the cut would come into force for 2014/15, by which time 18 year olds would not need as much non-qualification provision within their study programmes, because they will have already benefited from two years of post-16 education’. The EFA also pointed out that ‘Fewer than one in five of 16-18 year olds funded by the agency are aged 18 at the start of the academic year’, and gave assurances that ‘Students with a learning difficulty assessment or a statement of special educational needs will not be affected by this change’

It is estimated that the cut will affect around 100,000 18 year olds in FE and sixth form colleges in England, plus those in school sixth forms. For information, 16-18 year olds are already funded at a rate that is 22% lower than that for school children aged 5-15.

University Technical Colleges (UTCs) are under-recruiting

Meanwhile, it appears that many UTCs (which we should perhaps remind ourselves are neither universities, nor technical colleges) are also under-recruiting, with some that are currently running at less than a third of their capacity. Figures released in answer to a recent parliamentary question revealed that in the 2012/13 academic year, Hackney University Technical College was 77% full, Aston University Engineering Academy was 76% full, the JCB Academy in Uttoxeter was 66% full, the Black Country UTC (so far the only UTC inspected by Ofsted, which judged it to ‘require improvement’) was 36% full and Central Bedfordshire UTC was just 30% full. Of the 12 UTCs that were opened at the start of 2013/14, 5 of them had a combined occupancy figure of 57%. Nevertheless, the government has given outline approval for 26 more UTCs to open in 2014/2015. Worries about occupancy levels are unlikely to be too much of a concern for UTC management teams at the moment, since they all continue to be funded on the basis that they are 100% full

Lord Baker, who is chair of the UTC Trust defended the UTC under-recruitment, saying that ‘he was confident that occupancy figures would be a lot higher in the future’. When pressed on this, he said ‘you can’t possibly put an exact number on it’ and went on to complain that ‘head teachers of state schools are allocated pupils by the local authority, but we have to go out and get our pupils with marketing’.

Apparently unfazed by any of this, last month Lord Baker went on to unveil plans for 14+ vocational institutions called ‘Career Colleges’. Some observers have said that this seems to be ‘coat tailing’ the flexibility that FE colleges now have to offer full time vocational programmes for 14-16 year olds. However, Lord Baker said that this ‘would help colleges to develop a 14-16 brand’. When confused observers asked what the difference between a UTC and a Career College would be, Lord Baker apparently made everything crystal clear by helpfully explaining that a UTC would offer STEM (Science, Technology, Engineering and Mathematics) subjects, whereas a Career College wouldn’t.

Regional Boards to assume Ministerial responsibilities for regulating Academies and Free Schools

At the moment, the Department for Education (DfE) has direct responsibility for the control of around 3,600 free schools and academies in England. As a result, ministers have recently had to become personally involved in addressing the management and governance of a number of 'failing' academies and free schools (such as the Al Madinah free school in Derby and the New Discovery School in Suffolk). Ministers have clearly found the experience to be an uncomfortable one, and as a result, are proposing that 8 regional head teacher boards should be established to take on their responsibilities for dealing with 'failing' academies and free schools. The heads of schools within each of the regions will elect board members, who will be led by a 'Regulator' directly appointed by the government.

Commenting on the new arrangements, Education Secretary Michael Gove said, 'The idea is to delegate existing powers from ministers and DfE to head teachers on the ground who know their area best'. He went on to say that the new Boards and their 'Regulators' will be given delegated powers, allowing them 'to investigate and change the sponsors and management of failing academies or free schools'. Responding to the proposals, Mary Bousted, general secretary of the Association of Teachers and Lecturers (ATL), said, 'We are pleased that Michael Gove realises he cannot run academies and free schools from central government. However, this proposal creates a whole new layer of bureaucracy with no consideration of how the local community will hold these schools to account'.

First 'Tech Levels' announced

Skills Minister Matthew Hancock has announced details of the new 'Tech Levels'. These are Level 3 vocational qualifications that have to be backed by a major employer and which, when combined with a core Level 3 mathematics qualification and an extended project, can lead to the award of the new 'TechBacc' (Technical Baccalaureate) qualification to be offered in colleges and school sixth forms in England from 2016. There will be a total of 142 new 'Tech Levels', ranging from engineering, construction to sport and performing arts. Each of these will be deemed to be the equivalent of a full GCE A Level and will be counted in the new 16-19 league tables. Mr. Hancock has also announced 87 new 'Applied General Qualifications'. These are courses that are not directly linked to an occupation, but which will provide a 'broader study of a vocational area' and need the backing of 3 universities. They will be deemed to be equivalent to 0.5 of a full GCE A Level and will also count in the new 16-19 performance tables.

From 2016, only those Level 3 qualifications which have the support of major employers or universities will be included in new English schools and colleges' 16-19 performance tables, which means will mean that at least 80% of the current 5,000 or so vocational qualifications will be excluded from the tables.

The recent Wolf Review argued that too many existing qualifications at all levels did not adequately prepare young people for work (including apprenticeships) or higher level vocational study. The new 'Tech Levels' and Applied General Qualifications are part of the government's response to this. Hopefully they will meet with more success than the 'New Diplomas', the General National Vocational Qualification (GNVQ), the Advanced Vocational Certificate in Education (AVCE) and seemingly countless other attempts to come up with a viable vocational alternative to GCE A Levels.

New 'National Work Experience Quality Standard' to be developed

Until recently there has been no nationally accepted quality standard for work experience. Neither has there been any recognition and accreditation of the skills gained by those on a work experience placement, or for the commitment of the employees and employers who help provide the work experience. However, because of the importance now being given to high quality work experience, 'Fair Train' (the Group Training Association for the Voluntary Sector) has been commissioned to develop a new 'National Work Experience Quality Standard' (NWEQS). Fair Train will receive funding for this work from the United Kingdom Commission for Employment and Skills (UKCES), which will use part of the funding that it receives from the government. Although the new standard has not yet been fully developed, Fair Train is nevertheless proposing to offer 12 month's support free of charge to those colleges and other providers that 'adopt' the NWEQS before 1 January 2014.

Fair Train says that the new NWEQS:

- 'Will be an independent quality benchmark that is nationally recognised by key government departments and by quality and fundraising organisations who have steered and supported its development'.
- 'Identifies you as a training provider and employer committed to providing high quality work experience to develop young people and your workforce for the future'.
- 'Provides independent evidence, to the public funding bodies and main contractors, of the quality of work experience you organise and offer'.
- 'Is applicable to all ages'.
- 'Helps you to avoid potentially damaging comparisons with those providing poor quality work experience and contributes to your position as an ethical employer who aims to help the local community. This provides reassurance for customers who use your organisation and potential customers'.
- 'Is supported by a Framework for you to use to evaluate your current arrangements'.
- 'Is a three level Standard: Bronze – Silver – Gold, that includes aspirational elements to help you improve the quality of the experience you offer'.
- 'Is a quality benchmark that can be referred to during inspections'.
- 'Is available at 'no cost' during the development phase, and affordable once nationally rolled out'

The Education and Training Foundation (ETF) outlines its priorities

The ETF has published details of the projects and programmes that it intends to give priority to in the coming months. These include the following:

- 'Taking forward the recommendations from the Commission on Adult Vocational Teaching and Learning (CAVTL) report, including consultation on the development of a national vocational education and training (VET) centre and call for demonstration projects exploring the idea of *Teach Too* to make existing good practice more visible and replicable'.
- 'Supporting the development of the learning technologies agenda in conjunction with the Further Education Learning Technologies Advisory Group (FELTAG)'.
- 'Working with the sector on programmes to support providers to implement the reforms to apprenticeships programmes and the introduction of traineeships, including approaches to effectively embedding mathematics and English in vocational programmes'.
- 'Working with Ofsted on the publication of joint CAVTL/Ofsted case studies of excellent vocational teaching and learning practice, which we hope to publish jointly towards the end of the year'.

The ETF is also launching three new leadership development projects. These are:

- 'Improving Leadership Skills in the Education and Training Sector (the Leadership Conversation)'
- 'Improving Leadership Skills in the Community Learning Sector through supporting implementation of Community Learning Reforms'
- 'Improving senior leadership skills in the education and training sector through the National Mentoring and Work Shadowing Pilot'

The ETF says that it is commissioning these leadership development projects in order to:

- 'Facilitate opportunities for mentoring, coaching and work shadowing through a central register that matches want to available expertise'.
- 'Implement a coherent approach to management training, so that specialist skills needs are met.
- 'Develop further the leadership skills of the community workforce'.
- 'Navigate and access products and services which support professional development

through an easy to use online toolkit'.

The ETF website provides further details for those organisations interested in securing contracts to deliver these programmes on behalf of the ETF.

New Joint Information Systems Committee (JISC) funding

JISC recently announced a new £1 million funding programme for projects designed 'to improve the learner experience and increase the capability and capacity of the workforce across further education and skills providers'. The projects will focus on:

- 'Integration of new technologies in teaching, learning and assessment and in business activities'.
- 'Overcoming barriers to the adoption and use of technology in the FE sector'.
- 'Developing new uses for technology or innovative adaption and the rollout of technologies'.

Examples of what project funding could be used for include:

- Creating resources, tools or products.
- Developing organisational and collaborative processes using digital technologies
- Developing learning 'apps'.
- Creating augmented reality resources.
- Developing, improving or adapting current technologies and resources.
- Developing new uses for learning technologies.

Bids for funding have been invited and different levels of funding, ranging from £5000 to £100000, will be awarded to those organisations whose bids have been accepted, depending upon the scale of the project.

What happened to the 'Bonfire of the Quangos'?

People from Black and Minority Ethnic (BME) groups under represented on governing bodies

The AoC has carried out a survey of the ethnic and gender composition of college governing bodies. The report is due to be published early next year, but some of the report's contents appear to have been widely 'leaked' and reveal that (amongst other things):

- 81% of governors were white British.
- 60% were aged between 45 and 64.
- 62% were men.
- 7% of governors were Indian, Pakistani, British Asian, black African or black Caribbean.
- 17% of college chairs of governors were women.

No surprises there then.

OECD PISA tests show UK performance lags behind other countries

Hot foot on the Organisation for Economic Cooperation and Development's (OECD) last report, which showed that the level of numeracy and literacy in England and Northern Ireland was poor and falling, the OECD has now published another report which says that the UK is 'at best flat lining' in terms of Mathematics, Reading and Science'. The report is based on the results of tests that were conducted in 2012, and are a component part of the OECD's Programme for International Student Assessment (PISA). Around 500,000 secondary school pupils age 15, from 65 countries across Europe, North and South America, Australasia, and parts of the Middle East and Asia took the tests, with Tunisia being the only African country that participated. 12000 pupils from across the UK took part in the tests.

The test rankings showed that pupils from Asian countries (and particularly those from China and South Korea) performed the best, with Scandinavian countries returning the best results in Europe. The UK has apparently made little progress since the tests were last held 3 years ago, and remains amongst the middle-ranking countries, in 26th place for mathematics and 23rd place for reading. However, in Science, the UK has slipped from 16th to 21st place. The UK's performance has been the subject of debate, particularly in terms of how to reconcile the UK's apparent poor performance in the PISA tests with Ofsted's judgment that over 80% of schools in England are now 'good' or 'outstanding', and the fact that performance in GCSE and GCE A Level examinations has consistently improved over time.

Sir John Rowling, of the 'Performance in Excellence (PiXL) Club', comprised of some 800 schools dedicated to boosting pupils' exam performance at GCE A level and GCSE, has argued that, politically, PISA tests are now so important that pupils should be formally prepared for them. He went on to say that the fact that they are not, is one of the reasons why the UK may be performing so badly in the PISA league tables. As a result, from next year, individual schools will be able to use PISA tests to assess their 15 year-old pupils in Reading, Mathematics and Science and to rank their performance against global standards. However, the National Foundation for Educational Research (NFER), which administers the PISA tests in the UK on behalf of the OECD, has said that it does not recommend that schools should teach to the test, and Education Minister, Elizabeth Truss has said that it would be for individual schools 'to decide whether they want to take part in the tests'.

Almost half of all recent university leavers are working in non-graduate jobs,

Research by the Office for National Statistics (ONS) covering male graduates aged 21- 64 and female graduates aged 21-59, who left university since the recession of 2008/09 and who were currently in work, shows that 47% were performing roles that did not require higher education qualifications. The ONS data has fuelled concerns that the recovery in the UK economy is being built on low skilled, low paid, part-time posts, and that many of the traditional job roles performed by graduates are not returning.

The research also provides data on how much graduates in different subjects were earning. The median for annual earnings for all graduates is currently £35,000 a year, well above the earnings of those without a degree. Medical graduates have the highest median pay at £45,600, while Media and Information Studies graduates have the lowest at £21,000. Other courses that have led to jobs with comparatively high levels of pay include Engineering at £42,000, Physical and Environmental sciences at £36,000, and Architecture at £35,000. Courses that have led to jobs with comparatively low levels of pay include English at £26,400, and Arts, Languages and Humanities at £21,900. Graduates in these areas were also amongst the most likely to be out of work. Although Media Studies graduates are likely to be in jobs that were amongst the worst paid at £21,000, they are also more likely to be in some form of work relevant to their degree than almost all other graduates. Graduates from Russell Group universities are more likely to work in higher paid jobs than those from other HE institutions. The ONS study also revealed a steady increase in the number of graduates as a proportion of the wider population, rising from 17% in 1992 to a current level of 38%.

Fewer people have applied for places at UK universities than at this point last year.

Data recently released by the University and Colleges' Admissions Service (UCAS) shows that as at November 2013, there was an overall 3% fall in university applications compared with the same time in 2012. Within the overall total, applications are down by 4% from people living in England, 7% down from those living in Northern Ireland, 2% down from those living in Scotland and 6% down from those living in Wales. Applications from those living outside the European Union (EU) are up 8% while applications from other parts of the EU are roughly the same as they were at this time last year. The main deadline for applications for university places is in 15 January 2014, so final application levels might show a different pattern, although in most years the pattern of applications has apparently stayed the same.

Top universities in the UK are as 'exclusive as ever'

Bahram Bekhradnia, the Director of the Higher Education Policy Institute (HEPI), has claimed that 'too many poorer students are still ending up at less prestigious universities'. Mr. Bekhradnia said that 'top institutions should be clear that they want their student populations to represent wider society'. He went on to say that 'research shows that the proportion of poor students attending the most selective and prestigious universities in the country, such as Oxford and Cambridge, had not changed in 15 years' and that 'the Russell Group and 1994 Group of Universities (comprising of those specialising in research) were as socially exclusive as ever'. He added that performance in school is closely linked to socio-economic background, saying 'Posh students go to posh universities because they do better at school and less posh students to less posh universities because they do less well at school'.

Dr Wendy Piatt, director general of the Russell Group of Universities, said the group disputed some of Bahram Bekhradnia's analysis and pointed out that 'The proportion of students from state schools has actually increased at Russell Group universities since 1997'. A BIS spokesman said 'the government has been very clear about the importance of widening participation and improving fair access in higher education. All those with the ability should be able to study at university'.

Students failing to pay back HE loans

A National Audit Office (NAO) Report published last month (November) says that around 417,000 students from the UK and elsewhere in the EU that have taken out loans to pay tuition fees and to meet living costs, are failing to make the required repayments. The report says that in most cases, the government simply does not hold enough information about them and that, as a result, 'around £5.7 billion of public money is unaccounted for in the English student loans system'. The NAO has now warned BIS that it has been, and still is, 'consistently overestimating how much will be recovered each year'. The NAO went on to say that, 'given the rapidly expanding size of the loan book, the NAO does not consider that BIS is well placed to secure value for money'. Margaret Hodge, the Chair of the House of Commons Public Accounts Committee (PAC), added to these concerns, saying that 'on the basis of current trends the total value of outstanding loans could reach as much £200 billion within the next 30 years, with as many as half of borrowers never fully repaying their loans'. Commenting on the situation, Liam Byrne, the Shadow Universities and Science Minister said, 'we may already be at the point where so many students loans are being written off, the government's new student finance system is actually more expensive than the old arrangements, even though the government is asking students for three times as much money'.

Almost half of EU students at English Universities are failing to repay loans

Following on from this, under European law, students from the mainland European Union (EU) can apply for UK government loans to help meet the cost of attending courses at English universities, on the same basis as students from the UK. However, the NAO report above, says that around 18,000 graduates from mainland EU member states (of a total of 42,000 mainland EU graduates) who took out UK loans are either 'in substantial arrears or are failing to provide the required earnings information'. The NAO report goes on to say that mainland EU students are 'three times more likely to be avoiding repayments than those from the UK' and that this was 'because cash cannot be collected through the tax system in foreign countries'. The NAO report also says that more than 75% of arrears from borrowers living overseas 'have been overdue for between one and four years', sparking claims that students from outside Britain were accounting for an increasingly disproportionate share of the UK universities budget.

Commenting on the NAO's findings, Kevin O'Connor, the Student Loans Company (SLC) Head of Repayments, said, 'The SLC expects to receive payments from all customers in repayment and, depending on status and circumstances, we will adopt various collection methods to recover outstanding payments'.

Meanwhile, the government has recently sold £890 million of outstanding student loans to a debt management consortium called 'Erudio' for £160 million, claiming that, under the circumstances, the sale represents 'good value for public money'.

Unchecked growth in recruitment at private HE colleges adds to loans pressure

At present, private HE providers do not have the same controls imposed on the number of students they are allowed to recruit as do public HE institutions, nor do they have to provide information about student completion rates. Moreover, the Quality Assurance Agency (QAA) has admitted it has ‘no knowledge of the teaching quality at most of the private for profit companies operating with UK state support’.

Following a freedom of information request, the Guardian Newspaper has discovered that a failure to place proper controls on the number of students from overseas enrolling at private HE colleges has resulted in an £80 million shortfall in the BIS budget for student loan support this year, and that the shortfall is forecast to rapidly increase to around £330 million pounds over the next 2 years. The main reason for this is that number of students from abroad enrolling for Higher National Diplomas (HNDs) and Certificates (HNCs) at 46 private HE colleges has increased from around 13,000 in 2011/12 to around 30,000 in 2012/13 and is projected to rise to 40,000 in 2013/14. A large proportion of these students have come from the European Union (EU) and because of European regulations, BIS has been required to spend increasing amounts of money on providing them with loans on the same basis as UK students.

Because of concerns about the rapidly escalating levels of expenditure being incurred in providing the loans, at the end of November, David Willets, the Universities and Science Minister, was forced to send letters to 23 of the fastest growing privately run HE colleges in England telling them not to admit more students than they had formally registered on official surveys last year. Fearing possible fraud, Mr Willets also stepped in to stop HND and HNC grants and loans being paid to around 5,500 Romanians and Bulgarians in the wake of a dramatic increase in applications from prospective students from these countries. The Guardian says that it has seen a letter to the Chief Executive of the SLC, from the Senior Director of Higher Education at BIS, that raises general concerns about the checks on foreign students, saying ‘There may be perfectly legitimate reasons for this, but as the weaknesses identified in the residency check process for Romanian and Bulgarian students may also be exploited by students from other European nationals, these numbers are cause for concern’.

In response to the criticisms in the NAO report, a BIS spokesperson said ‘Our goal has always been to create a higher education sector that responds to student demand and has the ability to expand and create more competition. But we've always been clear that we have a responsibility to keep control of public finances and minimise the risk of unsustainable growth, which is why we confirmed our intention to introduce student number controls for private HE providers from 2014/15’.

Nevertheless, to help meet the cost of the loans overspend thus far, BIS has had to implement cuts of £25 million to the ‘Access to Learning Hardship Fund’, which provides financial support for disadvantaged students, and £20 million from the budget spent on higher education teaching.

And finally...

You will often find an angel at the very top of a Christmas tree, but have you ever wondered how this tradition came about? Read on and find out.

Long ago, and far away, Santa Claus was preparing for his annual trip delivering Christmas presents to children. But, everywhere he turned, he was experiencing severe problems, and these problems were causing him stress. Five of his full time Elves had called in sick. Earlier that year, he had placed another four Elves on zero hours’ contracts and, in protest they had refused the overtime that Santa had offered them over the Christmas period. The Elves that Santa had taken on via government traineeships couldn’t work as fast as the more experienced full time Elves. A Troll who had been turned down for a toy assembly job in Santa’s workshop was taking him to tribunal on the grounds that he had been discriminated against, alleging that Santa was only willing to employ ‘persons of restricted growth’ as his assistants. The previous week he had received a visit by officials of the Health and Safety Executive to check the machine guards in the workshop. The machine guards were in order, but Santa had been severely censured for not carrying out robust risk assessments both in the workshop and when out making deliveries. Then, just as it seemed that things could not get any worse, Mrs Clause came into the workshop to say that she had just taken a phone call from Children's Services saying that, because his deliveries involved him coming into proximity with minors, officials would be paying him a visit to obtain assurances that the required 'vetting and barring' procedures had been followed and that all the Elves accompanying him on his deliveries had been properly DBS checked. Santa had no idea if all of his Elves had been subject to DBS checks and feared the worst.

To take his mind off things, Santa began to load up the sleigh, which had recently been refurbished by carpentry apprentices on work experience from a private training organisation. After loading the ninth sack of presents onto the sleigh, Santa noticed that the weight of the sacks had caused the thin wood the apprentices had used to repair the sleigh floor to bend alarmingly. The tenth sack of presents caused the wood to splinter and break. So Santa had to unload the sleigh again and fit strengthening beams to the floor. When he began to load the sleigh again, he slipped and the toy bag he was holding fell to the ground and scattered all the toys. And then, when he went to check on the reindeer, he found that two of the newer reindeer had been injured during an earlier practice take off and landing, one was diagnosed with chronic fatigue syndrome and three others were missing, presumed served up in reindeer burgers at the German Market in Birmingham.

As a result, Santa was falling seriously behind with his schedule and his stress levels continued to rise. So he decided to go into his house for a cup of coffee and a tot of whiskey in order to try to calm himself down. But when he looked in the kitchen cupboard the coffee jar was empty and, because the Elves had been at the drinks cabinet, there was no whiskey (nor any other spirits) left. In his frustration he dropped the empty coffee pot he was holding and it broke into hundreds of little pieces all over the kitchen floor. He went to get the broom he had bought from a local Prince's Trust workshop, only to find that mice had eaten the straw that the bristles were made from.

It was then that Santa just lost it. He walked around the kitchen in circles, grinding his false teeth, clenching his fists, his eyes bulging, and with steam coming out of his ears. Just then the doorbell rang. In a daze, Santa went to the door and opened it. There, standing outside, was an angel dressed in a wide white gown who was earning a bit of extra Christmas money by delivering parcels for Amazon. In his arms was a huge artificial Christmas tree that Santa had forgotten he had ordered. The unsuspecting angel said to Santa, 'Where should I put this?' and unfortunately for the angel, Santa not only told him where to put the tree, he showed him as well.

*From all of us at **Click**, we would like to wish you and yours a very merry Christmas and a Happy New Year*

Alan Birks – December 2013

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