

Wonkhe Live

April 2022

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Welcome to Wonkhe Live

Wonkhe Live is a monthly online briefing event exclusively for Wonkhe Pass subscribers and our partners.

Get involved – post in the chat, ask questions, share your thoughts.

The recording and slides will be available after the session

Please share your feedback if there's anything you'd like to see at future Wonkhe Live events: team@wonkhe.com

WONKHE | APRIL 2022

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HOME OF THE HIGHER EDUCATION DEBATE

The Augar response



Is the new student loan system really fairer?

GAVAN CONLON | ANALYSIS | 25/02/22



In the Augar response ministers are trying for a third way between capping opportunity or letting the HE market run amok

The government's Augar response and HE reform proposals are more equivocal than the public narrative would suggest. Debbie McVitty is your tour guide

DEBBIE MCVITTY | POLICY WATCH | 24/02/22



The same but different – devolution and the response to Augar

LUCY HUNTER BLACKBURN | COMMENT | 25/02/22



The government has missed an opportunity to alleviate the impacts of debt

CLAIRE CALLENDER | COMMENT | 25/02/22



PODCAST: Augar response special

TEAM WONKHE | PODCASTS | 24/02/22

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Agenda

O1 WELCOME AND UPDATE FROM TEAM WONKHE

Jim Dickinson, Associate Editor

O2 UKRAINE

UUKi on the latest on the conflict and the UK HE response

O3 BLAIR INSTUTUTE

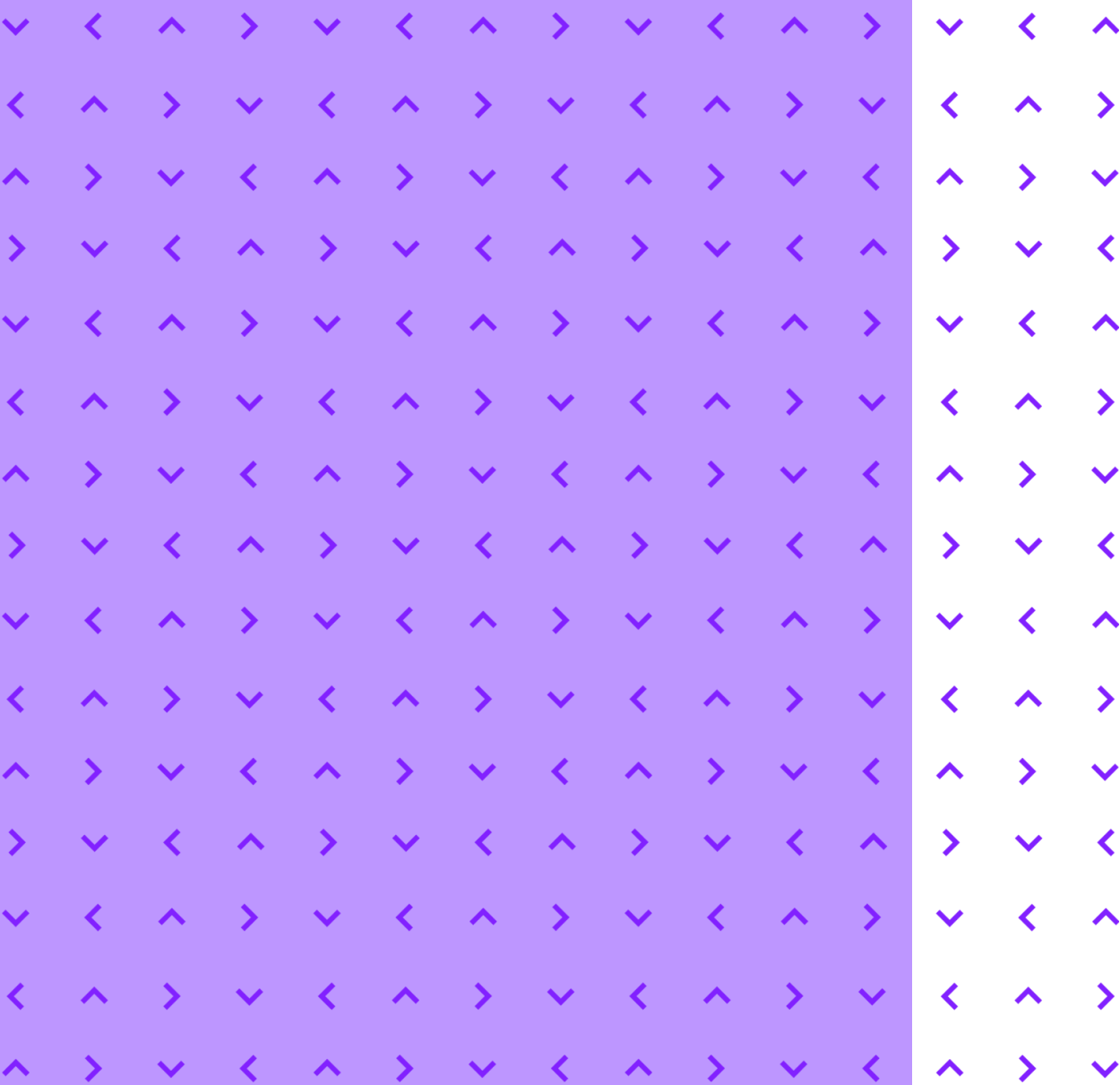
The debate about expansion hots up via Tony Blair and the IFS

O4 REGULATORY PRIORITIES

What is government telling OfS to do this week?

O5 FISCAL DRAG

Money money money must be funny



Policy headlines



REGULATION PRIORITIES

Another letter from ministers to OfS

UCU

Announcement of reballot results and results of HESC 1

ACCESS AND PARTICIPATION

Revisions to reflect new priorities

SPIKING

Home affairs select committee report

TONTY RETURNS

University expansion in the next decade

FREE SPEECH

Carry over motion and speech from MD

ANTISEMITISM

John Mann, NUS Conference, NUS Inquiry

ALRA CLOSURE

What does this tell us about student protection?

LOANS

IFS and an interest rate kerfuffle



It's your letters

- A week after strategy publication, new priorities letter

Yours sincerely,



Rt Hon Nadhim Zahawi MP
Secretary of State for Education



Rt. Hon. Michelle Donelan M
Minister of State for Higher and Further Education

It's your letters

Skills and levelling up

- OfS expected to continue to co-operate in the design and delivery of an appropriate regulatory regime for the Lifelong Loan Entitlement
- Modular metrics (!)
- Cold spots
- Technical education and degree apprenticeships via APP revisions (P4)

Quality and standards

- Hurry up, inc TEF!
- In person teaching, grammar and spelling
- Prioritisation of B3 investigations – on site inspections (10-15 a year)

B3 investigations...

- larger providers with university title which are below proposed numerical thresholds either for the whole provider, or multiple subject areas; and
- a set of investigations focused on a major subject grouping with large numbers of students and high variation in outcomes, such as computer science or law, with the intention to drive up the quality of those courses across the sector as a whole; and
- providers where OfS has long-standing concerns about quality which are confirmed or strengthened by numerical data on student outcomes

It's your letters

Access and Participation

- Crack on!
- Data on completion rates and highly skilled employment or further study in course advertisements will become a requirement from the next admissions cycle, voluntary at first

Antisemitism

- Summit, priority

Risk based regulation and reducing bureaucracy

- More progress, no savings necessary

Freedom of speech and academic freedom

- Prepare for powers

Preventing and addressing harassment and sexual misconduct

- Statement of expectations will get teeth

It's your letters

Admissions

- Take the pressure off

Strategic Priorities Grant

- £4m for Ukraine
- High cost subjects get a £32m increase
- £8m for L4 and L5
- £5m increase for small and specialist
- Hardship – assessment and discontinue.
- Student premium “protected”
- £10m lopped off from UniConnect



Graduates face 'eye-watering' 12% interest rate on student loans

Graduates earning £27,295 or less will see their interest rates soar from the current 1.5% rate to 9%, according to the Institute for Fiscal Studies.

By Alexa Phillips, news reporter

🕒 Wednesday 13 April 2022 15:17, UK

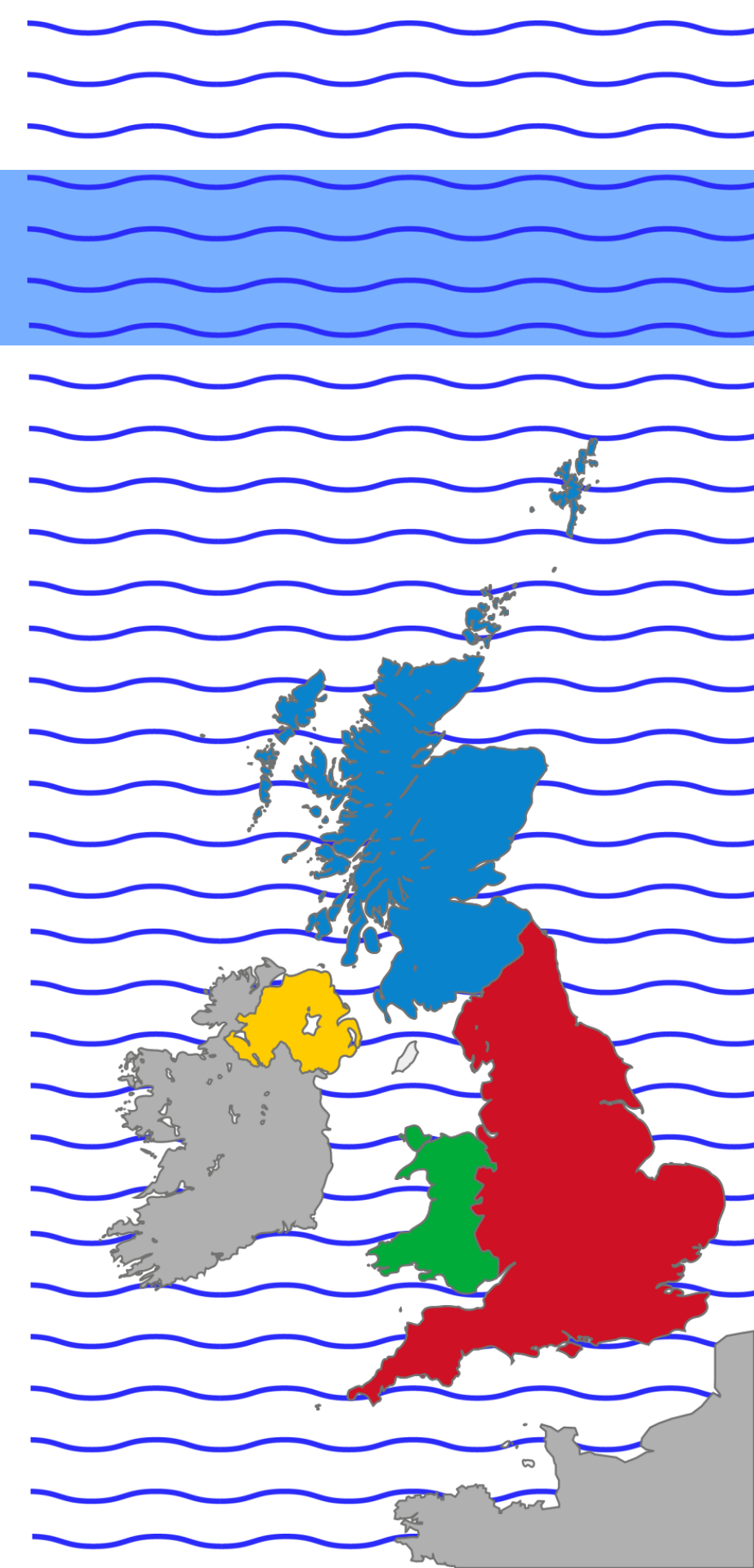
Recipient	Amount
Household income £16,000 or less	£1300
Household income £16,001 – £20,000 and from POLAR 1 postcode	£800
Care leavers and estranged students	£2500

Figure 9: Bursaries for new entrants 2020/21 to 2024/25.

- Judged as what was needed (no more) to make the difference
- 16k is now higher – earnings growth
- £1,300 worth less – inflation rising faster
- Costs of support outside of financial support increasing too, and support from DfE/OfS declining (frozen but volume + inflation)
- Triple whammy!

What a drag

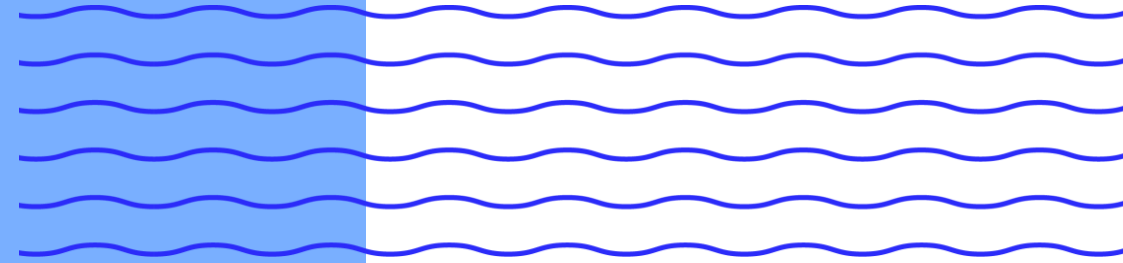
- England: maintenance (and PCG) 2.3% and thresholds unchanged
- Wales: No threshold, NLW link (£1,000) but other bits 2.2%
- Scotland: 4.5% PIYP but still far behind recommendation or Eng/Wales
- Northern Ireland: No increase at all, thresholds frozen



Thank you

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Things can only get better?



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“...we have lifted the cap on student numbers and 100,000 more will go to university in the next 2 years, 700,000 more to further education. So today I set a target of 50 per cent of young adults going into higher education in the next century.”

Tony Blair, Speech to Labour Party Conference, 28 September 1999

The government has moved to clarify its promise that by the end of the decade half or more of young people would be entering higher education.

University students will be the largest part of any total, but calculations for participation rates will not be limited to those following courses at higher education institutions.

January 2002 (BBC report)

Student targets will be based on:

- 18 to 30 year olds
- Courses of one year or more
- Awarded by higher education institutions
- Awarded by recognised national bodies
- Possibly professional qualifications of less than one year

So how did we do?

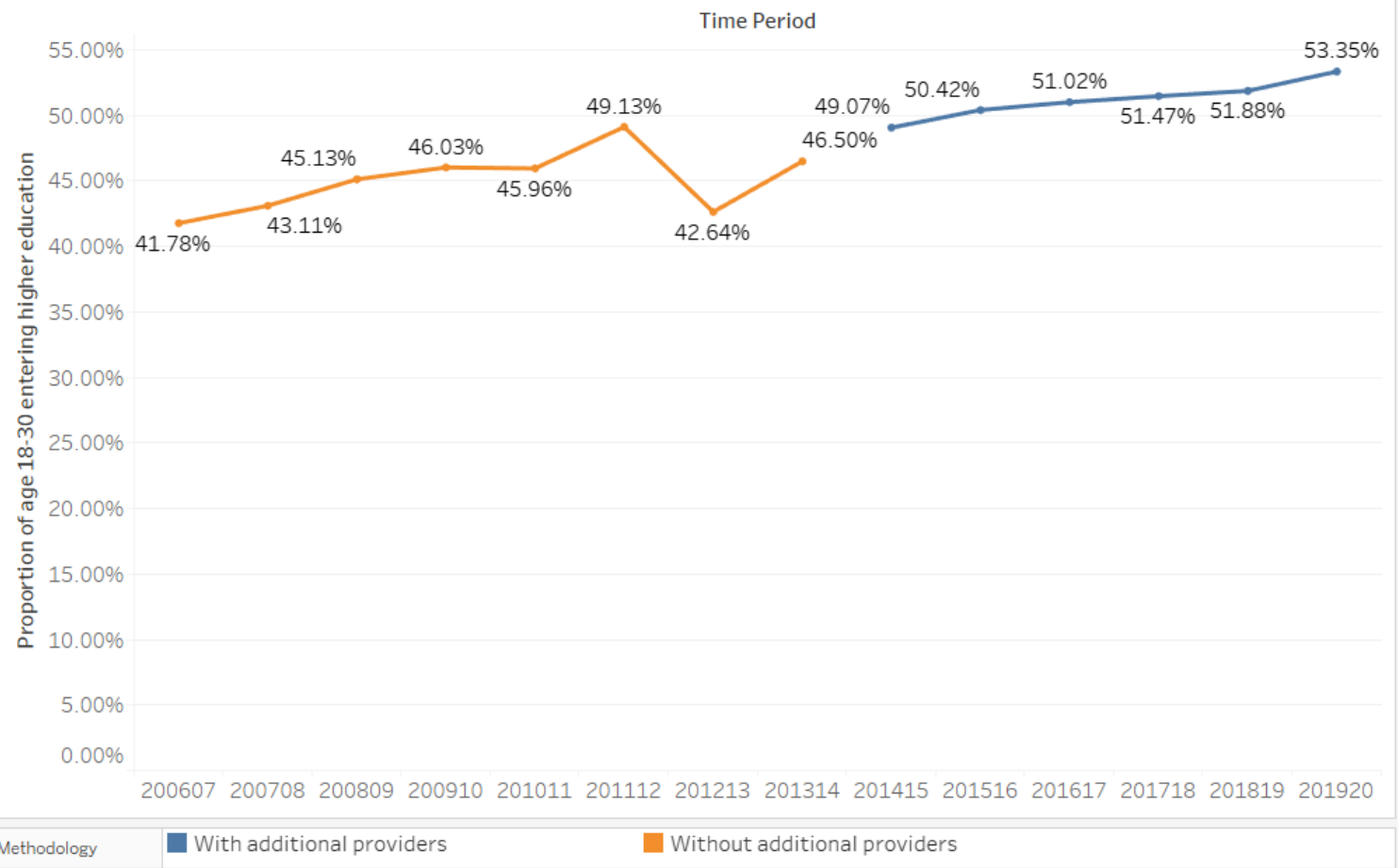
Methodological note

HEIP can be thought of as “a projection of the likelihood of a 17-year-old today participating in higher education by age 30 if the latest year's entry rates persisted in the future”.

The numerator for each age-specific rate includes English domiciled entrants to higher education who participate in UK higher education for a minimum period of six months for the first time. The measure includes full and part time participation. In 2014-15 participation at “alternative providers” were added to the total.

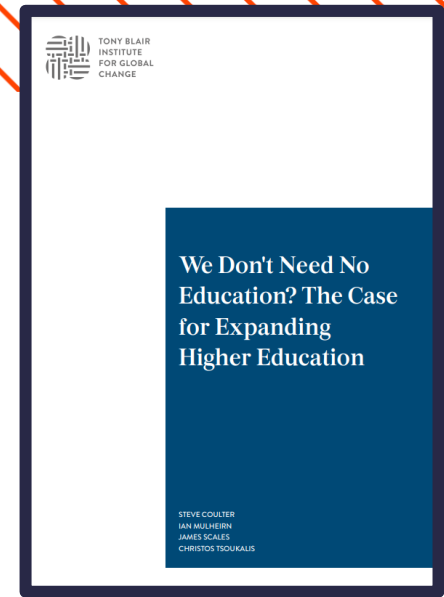
Higher Education Initial Participation (HEIP)

Data: DFE, published 25 November 2021



We don't need no education?

In a nutshell



Skills

Away from current employer needs

The future skills needs of the economy (2030s/40s) will be characterised by soft skills, adaptability, and advanced technical skills. Immediate skills needs are not a basis for long term skills planning.

Participation

Increases worked – let's continue

Call to move to 60 per cent participation by 2030 and 70 per cent participation by 2040. This refers to the target as currently constituted, and is in line with global trends.

Productivity

Higher education has driven post '08 growth

A disaggregation of one productivity measure shows that the human capital (skills) growth spurred by better qualified entrants (and less well qualified leavers) is the only think that has maintained even the mild growth we have seen.

Information

Student choice and public investment

Better information means better choices. Salary information here is not as helpful – low school attainment needs to be addressed. Low skilled courses could be reformed.

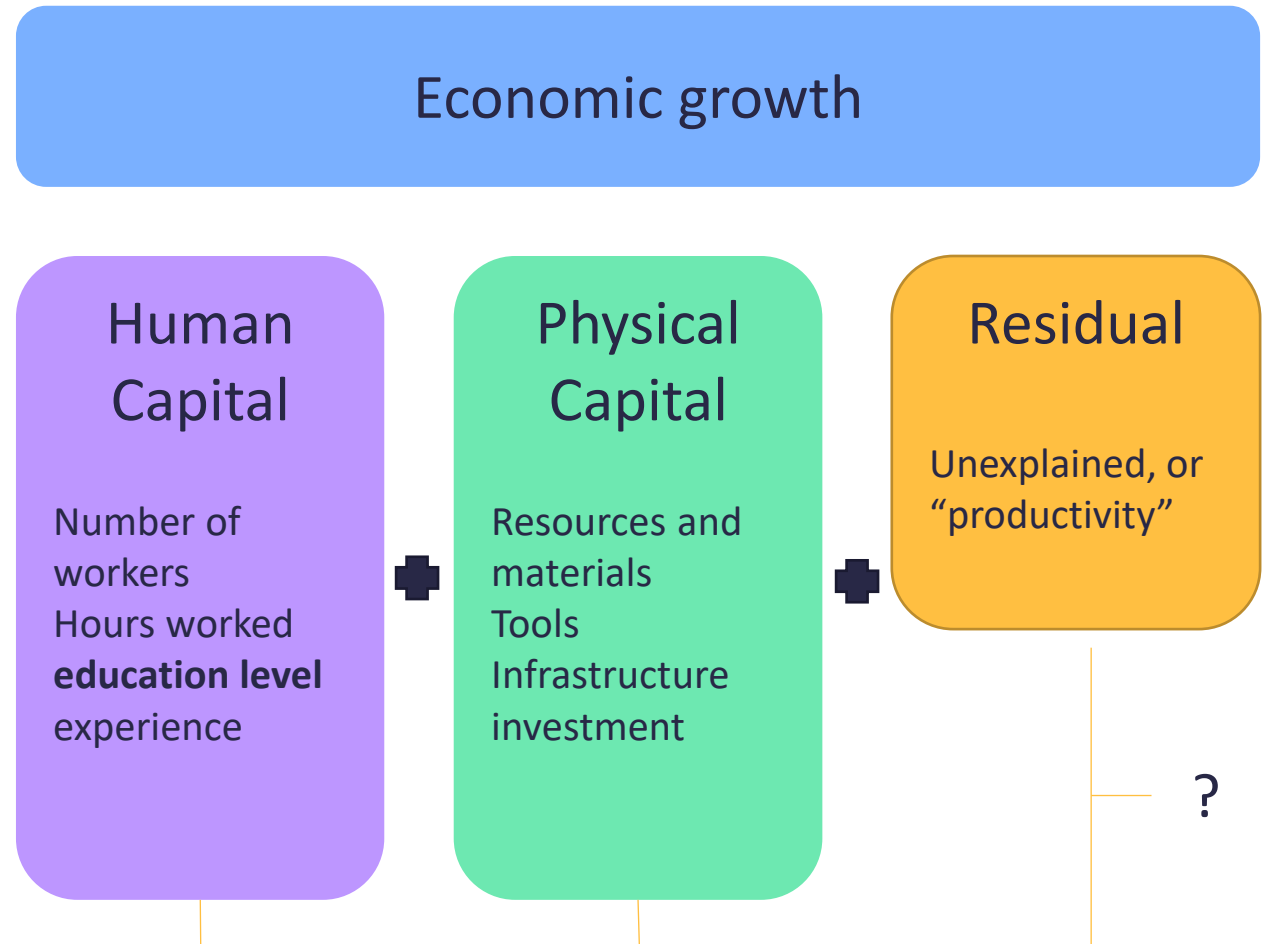
What's growth accounting?

The productivity puzzle

One common way of thinking about economic growth is to consider a range of inputs against outputs. Productivity in this context is a residual that can be observed but not independently measured, and is driven by increases in human and physical capital.

It's a bit like a “free” component to growth that has a relationship to the two “paid” input categories.

The TBI report argues that, post-2008, sluggish investment stymied growth in physical capital, employment rates fell, but the education level of those entering employment rose – and that therefore, this rise was the primary contribution to productivity.



The future

Skill levels will grow for next decade

Current growth in placed students will mean proportion entering work with high skill level will rise.

Automation affects low and mid skill jobs

Growth in employment will happen at high skill levels

Current skills needs will change

New technologies, demand for “human” skills that can’t be automated.

International comparators are investing

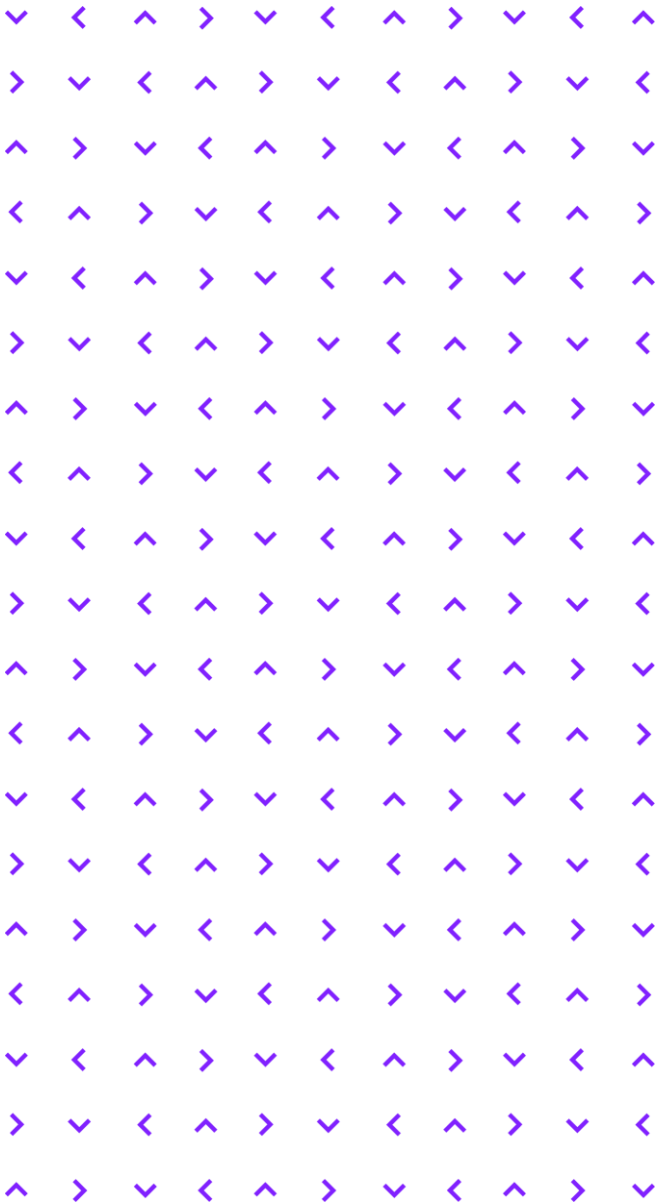
Participation is already at 60/70 per cent in some countries. Others have set ambitious targets.

Wild cards: climate change/ pandemic

Graduate adaptability and soft skills will be invaluable here

HE definition will broaden

The LLE – the government’s own policy – will substantially increase L4+ participation in the years to come.



The politics

- You can frame this intervention as a “trigger the Tories” moment – the doubling down on the dreaded 50 per cent target and the involvement of Blair was always going to raise hackles.
- But we are really looking at a restatement of orthodoxy. All sides of the political debate are calling for a rise in L4+ participation... the arguments are about scope and nomenclature.
- What is illustrated is the pointlessness of the current “war on universities” – higher education providers will likely be delivering a lot of these qualifications for the foreseeable future.

