Department for Education

# Institutes of Technology: Frequently Asked Questions

## SCOPE

### Why are IoTs needed?

We are supporting the creation of prestigious new Institutes of Technology (IoTs) to increase the supply of the higher-level technical skills that our economy needs, to maximise productivity now and in the future. The future of work and the skills-sets required are facing major disruptive change driven by new technologies, business-model innovation and the emergence of completely new industries and jobs. We need to ensure businesses and individuals have the skills they need to meet the challenges this will bring. Demand for higher-level technical skills will increase. But the mix of skills needed will change and may have a shorter "shelf life". At the same time, increased automation will exacerbate the need for people to retrain and upskill.

There is already a shortage of high-skilled technicians below graduate level (Levels 4/5) in England, with few people undertaking higher-level skills training (of the 95,000 people participating in Advanced Learner Loans in 2015/16, only 6,300 were at Level 4+)[1]. By 2020 we estimate we will need around 300,000 trained technicians entering the labour market annually[2].

This shortage is partly due to the investment required to teach technical disciplines, providers' focus on delivering lower level qualifications and learners' choices being limited by the lack of a quality offer with a clear route to employment.

### What are IoTs expected to deliver?

IoTs will have employers at the heart of their leadership and governance, and in the design and delivery of curriculum. IoTs should strengthen and grow provision to fill gaps in the market; they will focus particularly on technical (eg Science, Technology, Engineering Mathematics) skills at levels 4 and 5 but will extend to degree level and above (level 6+) to

[1] SFA/DfE (March 2017) Further Education and Skills Statistical Release
[2] DfE estimate based on OECD and IPPR data

strengthen routes into higher levels of technical education, as well as directly into employment. An IoT's close relationship with employers will facilitate direct routes into employment on completion of courses at all levels.

IoTs will need to anticipate future workplace skills needs including by effectively leveraging the applied research and innovation base, in both the HE sector and industry, eg by building links with centres of innovation. They will need to make full use of new technology and innovative modes of delivery to meet the challenge of rapidly changing skills needs and the wholesale upskilling of the workforce.

The appropriate scale and offer will vary for different areas[3], but all must be designed to contribute to the core objectives of the IoT programme, as set out in the policy statement.

### What does improving occupational competency mean?

By drawing on both HE and FE expertise, IoTs should aim to deliver the full range of skills and behaviours employers will need in the workplace now and in the future. Alongside the breadth and depth of subject knowledge, employers often report a lack of "softer" employment-ready skills among technician level recruits along with concerns about the technical and practical skills of graduate level entrants[4]. Individuals looking to obtain higher level technical skills need a combination of technical and business skills to be successful in the labour market.

### What are the key features of an IoT?

IoTs will complement and add value to existing technical and higher education provision, building where possible on existing education and training assets in order to increase capacity and capability. We expect all IoTs to share the following critical success factors, as set out in the policy statement.

## COMPETITION

### What is the IoT competition looking for?

Our primary focus is on achieving quality over quantity. To reflect this a high bar will be set in terms of assessment of the bids, with the emphasis on proposals that provide the strongest evidence as to how they can achieve the IoT objectives and critical success criteria. We anticipate that we will use both output and outcome measures to track progress in meeting the core objectives of the programme. Capital funding will be available

[3] We are defining 'area' in this context as a functional regional or sub-regional economic area
[4] CBI Education and Skills Survey 2016 http://www.cbi.org.uk/cbi-prod/assets/File/pdf/cbi-education-and-skills-survey2016.pdf

for new buildings, equipment, facilities, or else to cover capital refurbishment costs of existing facilities.

**Is the competitive process for funding or IoT status?**

Both, but IoT status can be assessed for a proposal and awarded without capital funding if it is not required.

## GEOGRAPHICAL REACH

**What geographical scale should a bid cover?**

IoTs should be designed to meet labour market needs across a functional regional or sub-regional economic area. Proposals should work across administrative boundaries where it will deliver better economic and social outcomes. For example, IoTs in city regions making their offer accessible to learners in bordering, less advantaged areas or bringing together other relevant institutions to deliver at greater scale and impact, opening up wider career pathways.

**Can an area submit bids for more than one IoT?**

Yes. However, successful bids will need to demonstrate adequate scale and impact and the lead authority for local economic policy (either the Local Economic Partnership (LEP) or Combined Authority) will need to confirm each bid fits with local strategic economic priorities.

## CURRICULUM

**What do you expect IoTs to deliver at Level 4 and 5?**

We would expect an IoT to deliver a mix of some or all of the following:

- Higher Apprenticeships;
- Courses for technical qualifications eligible for Advanced Learner Loans;
- Courses for HE Qualifications i.e. HNC/HNDs;
- Bespoke courses for local employers; and
- To be lead delivery partners for the new technical routes when they are introduced, to teach technical qualifications approved by the Institute for Apprenticeships.

**What do you expect IoTs to deliver at Level 6+?**

We would expect an IoT primarily to deliver a mix of:

- Degree-level Apprenticeships; and

- Technically-focussed degree courses

### What does specialising in technical disciplines mean?

IoTs should specialise in technical disciplines such as STEM to meet the identified skills needs for the growing and diverse range of technology-enabled occupations in sectors such as advanced manufacturing, construction and the digital and creative sectors that are crucial to future national and regional economic growth.

We would expect most courses to fall within the broad STEM classifications, with a particular focus on Engineering and Technology and Computing Sciences subject areas[5]. At Levels 4 and 5, we would expect courses, qualifications and apprenticeships to be aligned with the new technical routes such as engineering and manufacturing; construction; digital and transport and logistics.

### Does the curriculum have to be wholly STEM?

No. The precise mix of disciplines will depend on the sectoral make-up and the specific skills needs of national, regional and local employers in the locality. For example, a thriving creative sector will need broader design skills alongside specific technical knowledge. The aim should be to deliver the range of skills needed to improve the functioning of the labour market.

## REGULATION, STATUS AND FUNDING

### How and by whom will IoTs be regulated?

IoTs that are eligible to receive grant funding or whose students are eligible to receive student support will be subject to oversight and inspection arrangements applicable to other FE and HE providers, as currently provided by the Education and Skills Funding Agency, Ofsted, HEFCE and the Quality Assurance Agency. The detail of those arrangements is being developed in parallel to the IoT call for proposals. We expect that publicly-funded taught HE provision, and its providers, will be in future subject to the regulatory framework of the Office for Students (OfS), which will include financial sustainability, management, governance and quality assurance assessments, and HE-level research provision will be subject to regulation by UK Research and Innovation. An IoT which is not eligible to receive grant funding or which is not designated for student support may also in future voluntarily apply to join the OfS register and will be subject to regulation by the OfS if they are an English Higher Education provider or intend to become one.

[5] Joint Academic Coding System (JACS) classifications

### Over what period will the funding be available; when should the IoT be open?

The funding allocation for IoTs is up to £170m capital allocation available until March 2021, with the first IoTs expected to be introduced in 2019. The opening date need not be tied to the start of the academic year if the initial offer is based around apprenticeships or bespoke commercial courses.

## FIT WITH OTHER POLICIES

### How do IoTs fit with the Area Review process?

We would expect any IoT proposal to align with Area Review recommendations as well as ensuring that the underlying LEP or Combined Authority economic evidence supports the proposal.

### How do IoTs fit with the wider skills reform agenda?

IoTs are a key part of the government's wider technical education reforms, such as reaching our target for expanding apprenticeships and fulfilling career learning objectives by working with employers on workforce upskilling.

IoTs also have a significant contribution to make on the social mobility agenda. The area focus of IoTs aligns well with the place-based dimension of the Industrial Strategy and wider Government policies to drive regional economic growth.

### How do IoTs fit with the introduction of the new technical education routes?

We expect IoTs to be at the forefront of development and delivery of the new higher-level qualifications, working with government on the early adoption of the new technical routes. This would be mutually beneficial, as IoTs will have strong links with employers, industry-standard equipment and an industry-fresh workforce.

### What is the relationship with National Colleges Programme?

IoTs will complement and build links to the National Colleges as employer-led institutions delivering higher-level technical skills, but will have the following differences:

- IoTs will predominantly focus on place-based rather than national skills needs; and
- IoTs will focus on broad technical provision (eg manufacturing, engineering, construction) rather than a single sector.

### What is the relationship with University Technical Colleges (UTCs)?

From September 2017 there will be 49 UTCs open across England. Working across the 14-19 age range, these schools work in partnership with Universities and employers to offer L2 and L3 education with a technical specialism that addresses local and national skills shortages. UTCs have an important role to play as feeder institutions, creating clear pathways by providing a pipeline of students progressing to L4 courses at IoTs.