Westminster Hall Debate briefing
Third Report of the Education Committee: 
A plan for an adult skills and lifelong learning revolution
15 April 2021

About AoC
The Association of Colleges (AoC) represents more than 90 per cent of the 237 colleges in England incorporated under the Further and Higher Education Act 1992. English colleges educate over 2.2 million students every year and employ approximately 111,000 full time equivalent staff.

Our response to the report
We strongly welcome the committee’s report and its acknowledgement that adult skills and lifelong learning have “benefits for productivity and the economy, for health and wellbeing, and for social justice and communities.” This is now more critical than ever – as we seek to recover from the impacts of the pandemic, respond to the needs of the economy and the upcoming post-furlough shock. We must also support people to reskill and upskill in light of technological changes and the need to move to a net zero carbon economy, address digital exclusion and work to redress long-standing social and regional inequalities.

The committee’s recommendation to ensure that there is community learning provision in every town is critical. We echo the report in noting the importance of supporting the existing institutions, including both colleges and local authorities, who already carry out this function – and would underline the need for both increased investment and policy reform in order to unlock this potential. This has to include redressing woefully inadequate investment in adult education – which has suffered from a 50 per cent cut over the past decade. This also means significant reform to the system as it stands, which currently impedes the ability of colleges and other providers to deliver a coherent system of lifelong learning. The reform agenda crucially needs to give colleges the authority and capacity to work together collaboratively in delivering on long-term strategic priorities, in line with the principles set out in the Government’s recent Skills for Jobs White Paper.

The importance of lifelong learning
We have long argued that radical, long-term education and skills reforms and investment are needed to address current and future skills gaps and transform life chances for every adult. Lifelong learning will also be central to helping people and businesses rebound from the pandemic.

The English College of the Future report, from the Independent Commission on the College of the Future chaired by Sir Ian Diamond, calls for a statutory entitlement to lifelong learning for every adult, with colleges better supported to deliver this in every community across England. It argues that colleges should “act as a touchpoint for people throughout their lives, and as a place where people are able to reskill and retrain in response to changes in the world of work, technological change and the need to move towards a carbon-neutral economy and respond to the impacts of climate change.”

This statutory entitlement to lifelong learning has to include ensuring that financial support is available to people right through their lives. This means delivering on three principles:

1. That equal maintenance support across loans and grants is available for individuals in further and higher education and advanced skills training, adequate to an individual’s needs whether part-time or full-time, in-person or distance learning, so that everyone has the opportunity to pursue the route best suited to them throughout their lifetime.

2. Ensuring flexibility in the use of the entitlement and any associated maintenance support in grants and/or loans so that individuals are able to build up their skills over time to match both their evolving career development needs and their personal circumstances.

3. Ensuring that unemployed people do not lose their welfare benefits where they use their entitlement to reskill/retrain full-time in areas of identified job opportunities and skills shortages.
The Government’s ‘Lifetime Skills Guarantee’ is an important step towards restoring a funded entitlement for level 3 (A Level/ BTEC equivalent) study. However, the restriction that it is only available to those who do not already hold a level 3 qualification should be revisited, given many people need to be able to reskill and upskill as the world of work changes, and the offer of available courses should be extended.

The commitment within the Skills for Jobs White Paper to introduce a Lifelong Loan Guarantee by 2025, is similarly welcome – and would ensure that people of all ages can access fee loans on equal terms across further and higher education. However, this needs to also see Government ensuring equity across student maintenance too – without which lifelong learning will remain unaffordable to many.

The need for a long-term funding settlement
Despite recent uplifts, further education funding remains wholly inadequate, and compares extremely unfavourably with both university and school funding - with annual public funding per university student averaging £6,600 compared to £1,050 for adults in further education. Recent research from IPPR has found that if further education funding had kept up with demographic pressures and inflation over the last decade, we would be investing an extra £2.1bn per year on adult skills and £2.7bn per year on 16-19 further education.

We are pleased that the Committee’s report highlights the need for a long-term funding settlement for lifelong learning – a point that echoes the English College of the Future report which recommended a new three-year funding settlement for colleges, alongside a shift in approach away from the current restrictions toward a more integrated and streamlined offer, all underpinned by a 10-year national education and skills strategy. The White Paper also recognised that funding has been wholly insufficient, and sets out the need for simpler, longer-term funding settlements which allow colleges to deliver on longer-term strategic priorities. We have also been calling for the number of adult education funding lines to be condensed and for colleges to have the ability to transfer money between funding pots. It is now vital that Government focuses on these elements in the next spending review process.

ESFA proposals to clawback adult education funds
Confidence in the Government’s support for colleges was undermined last month by the Education and Skills Funding Agency (ESFA) decision to claw back adult skills funding from colleges, and other grant-funded organisations like local authorities, if they miss their 2020-1 academic year targets by more than 10 per cent. This is in effect nearly a £60m cut to adult funding, announced eight months into the academic year it applies to.

College finances have been hit hard as a consequence of the significant disruption caused by the pandemic, with significant drops in commercial and apprenticeship income. The expectation was that the ESFA would take a similar approach this year on adult funding as it did last year to help stabilise. In 2019-20 the threshold was 68 per cent so the move to 90 per cent for 2020-1 came as a shock, particularly so late into the academic year.

This decision hits college finances at an already extremely vulnerable point, with little time to reduce costs. Our data suggests average performance of 77% and implies a budget cut of nearly £60m at the end of 2021 with some colleges losing over £1 million. The result is that colleges will reduce capacity for adult skills - which is entirely at odds with the country’s immediate and longer-term needs as we move out of lockdowns. It also moves in the opposite direction to the ambitions for a thriving college sector set out in the White Paper and in the committee’s report. Just at the point where colleges should be building capacity to support people, communities and employers too many will be making short-term cuts to stay afloat.

We are calling on the Government to urgently work with the ESFA on a revised approach that would give colleges the financial security they desperately need at this challenging time. This should include a lower threshold (with a higher margin for missing a target) based on a better analysis of data and reflecting the context of past year. It should also contain a process for handling exceptional cases, noting local contexts.

For further information or to discuss these themes in more detail, please contact:
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