

Parliamentary Briefing

1st Reading of the Skills and Post-16 Education Bill

18 May 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. Colleges are inspirational places to learn, preparing students with valuable employability skills, helping to develop their career opportunities.

Background

In January 2021, the government published the [Skills for Jobs](#) White Paper, with a clear focus on the pivotal role that further and technical education has in helping people get skills for good jobs now and in the future. Part of the government's 'Plans for Jobs', it recognises the importance of colleges in boosting productivity, strengthening communities, and supporting individuals. The White Paper set out five key areas:

1. Putting **employers at the heart of the skills system** so that education and training leads to jobs that improve productivity & fill skills gaps.
2. Investing in **higher-level technical qualifications** that provide an alternative to a university degree.
3. Making sure people can access training and **learning flexibly throughout their lives** and are well-informed about what is on offer through great careers support.
4. **Reforming funding and accountability** to simplify how funds are allocated, give providers more autonomy, and deliver value for money.
5. Supporting **excellent teaching** in further education.

The Skills and Post-16 Education Bill will receive its first reading on Tuesday 18 May.

Key messages

- It is welcome and significant that skills and lifelong learning is at the heart of the government's policy agenda. This reform agenda is critical to delivering on our post-pandemic recovery, and ambitions to build a fairer, more productive and more sustainable economy, and build healthy, cohesive and connected communities.
- We need to ensure that the ambitions of the reform agenda are fully realised.
- And this agenda ultimately will require serious, long-term investment.

What we expect be in the legislation

We have set out what we are expecting to be included in the legislation, and some questions we have on these issues that you may wish to put to government, below:

A Lifetime Skills Guarantee - DfE is now funding an all-age level 3 entitlement via its National Skills Fund. The sums are relatively small (£80 million in 2021-2) in the context of DfE's total post-18 spending (about £25 billion) but it's an important reform and it's possible that the Bill will write this entitlement into law, which will extend existing entitlements to level 2 qualifications and to level 3 for those under 25. Questions to ask:

- There are many people with level three qualifications taken decades ago who would not be entitled to this funding currently. Many would benefit from a new Level 3 qualification in order to retrain

and reskill, as the world of work changes. Will the Lifetime Skills Guarantee include subsequent level three qualifications, where required?

- The post 18 review of education and funding (chaired by Philip Augar) and Independent Commission on the College of the Future (chaired by Sir Ian Diamond) have both argued that opening up lifelong learning means extending maintenance grants/loans to further education, but this is not currently a part of the government's proposals. How do we ensure that the Lifetime Skills Guarantee is meaningfully accessible to all – including crucially ensuring everyone can afford to study, through looking at available loans, grants and universal credit?

Lifetime loan allowance - recommended by Philip Augar's 2019 post-18 education and funding review, this is a lifetime allowance for student loans equivalent to four year's full-time costs but available to individuals for a more flexible combination of higher education courses. This is a big but complicated change so is not scheduled to take effect until 2025. We expect several consultations to work out the details, and the Bill to ask for powers in the legislation for the Education Secretary to set regulations to move this ahead. Questions to ask:

- As above, how do we ensure that this is meaningfully accessible to all – and that we open up HE student maintenance to students at this level too, as well as ensuring people do not lose access to benefits when they study/train?
- Is 2025 soon enough, and can this timetable be brought forward as a matter of urgency?
- Some people of faith, including Muslims, do not feel able to take on interest-bearing loans – and this could pose as a barrier for some to engage in lifelong learning. Extensive work has been undertaken on a sharia-compliant model, including within government. Will government be taking this forward, ensuring that there is a sharia compliant loans system, to ensure nobody is denied access as a result of religious faith?
- It is possible that demand/appetite for loans will look quite different for adult learners applying for level 4-5 qualifications compared to younger university students. What will demand/appetite for taking on loans be like from adult learners, and what impact could this have on the success of the agenda?

Higher technical qualifications - another set of post-18 review recommendations that may be included in the legislation relate to the regulation of higher technical qualifications. We expect adjustments to the powers of the Institute for Apprenticeships and Technical Education and the Office for Students to help government move this agenda forward. Question to ask:

- This agenda is very welcome – but how do we ensure that we keep sight of lower-level provision too? Crucially, level 1-2 provision must be recognised as a critical part of the skills agenda.

Skills plans ("Skills accelerator") - the White Paper set in motion a new form of local skills planning (Skills Accelerator) which will require legislation. DfE is asking colleges to work collaboratively together and with employer representative bodies and others to define local needs, to identify growth areas and to work through how best to meet them. Alongside this it is anticipated that there will be a duty on colleges to review their provision. Colleges of course review provision in this way already as a matter of course – so the key is that we build on the best of what already occurs, and ensure that colleges are empowered and trusted to lead this agenda, and thereby play an expanded role in their local/regional economies. Questions to ask:

- Our education and skills system can suffer from high levels of unproductive competition at present, as has been noted by the review of post 18 education and funding, the review of financial oversight

and accountability and the Independent Commission on the College of the Future. How do we ensure that local skills planning aligns across all post 16 education - not solely colleges – redressing unproductive competition that can exist between schools and colleges (in 16-19 provision) and with universities (particularly in level 4-5 provision)?

- How do we ensure that colleges are given the autonomy and authority to work proactively together, with employers and with other education providers to deliver on long term strategic priorities? How do we ensure that the system supports – rather than impedes – this collaborative focus on long term strategic priorities?
- How will this agenda be supported by a change in the funding and accountability system – ensuring that colleges are empowered to focus on long term strategic outcomes, rather than short term input/outputs? The funding and accountability regime currently impedes coordination between providers, and drives a focus on delivery of qualifications rather than focussing on the long-term strategic priorities of the region/locality.

Intervention powers in case of failure - Ultimately, we need to move to a trust-based system that gives colleges the autonomy and accountability to meet employer and learner needs – and that government are assured that they have reserve powers to step in solely and explicitly in instances where this is not delivered on by colleges. The Skills for Jobs White Paper promised a faster, more targeted intervention regime, in order to deliver on this. We await details as to what this will entail. Questions to ask:

- The government has rightly made the case for building a trust-based relationship with the college sector – what cultural as well as policy changes does this require of DfE?
- All too often, intervention has been triggered as a function of the wholly insufficient funding of the college sector. How do we redress this, by ensuring adequate funding for the sector in the upcoming spending review?

What colleges need from the legislation

It is welcome and significant that colleges are recognised as having a central role at the heart of our economic recovery, the plans to redress long-standing regional economies and transition to a net zero carbon economy. Colleges stand ready to do more, for people, employers and communities – and it is significant to note that the White Paper’s emphasis on skills and lifelong learning enjoys strong cross-party and cross-sectoral support.

However, colleges are clear that these ambitions must go further and there are important ways in which the forthcoming legislation must do that:

- **Introducing a statutory right to lifelong learning** - the emphasis in the White Paper on lifelong learning, including the Lifetime Skills Guarantee, is welcome. But the legislation will need to go further, introducing a statutory right to lifelong learning. This should include ensuring everyone can access student finance to support lifelong learning, and that people do not lose access to benefits by engaging in education and training; and extending the focus to include level 1-2 qualifications.
- **Need for cross-government alignment** - we need the legislation to be backed up by a 10-year strategy, linked to welfare and economic strategies and sitting across relevant government departments.
- **Need to ensure this is a connected post-16 strategy** - this means looking at the responsibilities of universities, academies/school sixth forms and other providers within network strategies – and ultimately ensuring an integrated, collaborative wider skills system which supports lifelong learning business support across innovation and skills and a joined-up approach to place-making.

The need for a long-term funding settlement for colleges

The White Paper recognised that college funding has been wholly insufficient, and that alongside increased funding there is a need for simpler, longer-term funding settlements which allow colleges to deliver on longer-term strategic priorities. The English College of the Future report 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.

In order to deliver on this agenda, it is imperative that the White Paper and forthcoming legislation is backed up by long-term, multi-year, simplified funding. This will require redressing the longstanding underinvestment of the college sector in the upcoming comprehensive spending review with serious, long term funding – it is otherwise simply not deliverable.

Wider funding pressures on colleges

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.

The result of this underfunding is that colleges have had to narrow their curriculum and reduce the broader support they offer to students – including across careers advice and mental health services. In addition, the current complexity of the approach to funding leads to planning uncertainties, burdensome data management and turbulence in cash flow. 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.

In addition, 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. This was compounded by the Education and Skills Funding Agency's (ESFA) recent decision to claw back adult skills funding from colleges 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. 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 we are urging the government to reconsider this decision.

How you can help ensure the legislation delivers for colleges

- Meet with your local college to hear their priorities for the Bill.
- Write to the Education Secretary highlighting the priorities we outline above. We can help draft that.
- Once the legislation is published, work with us to identify gaps and opportunities to strengthen via amendments.
- Become a member of the APPG on Further Education & Lifelong Learning which will act as a vehicle to share information and insight into the legislation as it progresses through parliament.

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

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