

**Click Newsletter Supplement: Auger Review of Post-18 Education and Funding**

The Auger Review of Post-18 Education and Funding in England was published today (30 May). The review, chaired by Philip Auger, was commissioned by Theresa May in the wake of the 2017 general election, in an attempt to counter Labour's promise to young voters that it would scrap tuition fees altogether. The 216-page review is divided into eight chapters. HE is dealt with in chapter 3 but interestingly, three chapters are dedicated to a vision for England's FE colleges in the future. These can be found in chapter 2 (skills), chapter 4 (further education) and chapter 5 (apprenticeships). The main recommendations arising from the report are listed below:

**Chapter 3: Higher Education**

- University tuition fees in England should be cut to a maximum £7,500. The government should make up any shortfall in income by an increased grant to universities
- Student loan repayments should continue for up to 40 rather than 30 years
- Graduates should continue to be charged interest rates based on inflation plus 3%, but interest charges while students were still studying should be reduced
- Repayments should begin at an earnings threshold of £23,000 rather than the current £25,725
- Maintenance grants to support poorer students, scrapped in 2016 and replaced with maintenance loans, should be reinstated
- Students should pay back loans for another decade and instead of any unpaid loans being cancelled 30 years after graduation, deductions from income for loan repayments should continue for 40 years

**Chapter 4: Further Education Colleges (FECs)**

- There should be a national network of collaborative FECs that provide high quality technical and professional education with a clear focus on Levels 3, 4 and 5, delivered flexibly and aligned to the needs of local economies. FECs should maintain strong relationships with employers and assist in driving productivity. As engines of social mobility and inclusion, FECs should also provide community learning, reskilling and upskilling opportunities for adults leading to sustainable career opportunities
- Small, local, colleges which are "vulnerable to shifts in demand" are too small to employ adequate high-quality staff full-time in specialised areas, and should be 'integrated into groups'
- The unit funding rate for economically valuable adult education courses should be increased
- The reduction in the core funding rate for 18-year-olds should be reversed. There is no evidence to justify the lower base rate set for 18-year-olds in colleges, compared to that for 16-17 year olds. Many of them will have had difficulties in their earlier education, and may need more teaching hours, rather than less
- Education and Skills Funding Agency (ESFA) funding rules should be simplified for FE colleges, allowing colleges to respond more flexibly and immediately to the particular needs of their local labour market
- The government should commit to providing an indicative adult education budget (AEB) that enables individual FE colleges to plan on the basis of income over a three-year period. The government should also explore introducing additional flexibility to transfer a proportion of AEB allocations between years on the same basis
- The government should provide FE colleges with a dedicated capital investment of at least £1 billion over the next spending review period. This should be in addition to funding for T-Levels and should be allocated primarily on a strategic national basis in line with Industrial Strategy priorities
- The government should use the additional capital funding primarily to augment existing FE colleges to create a strong national network of high-quality provision of technical and professional education, including growing capacity for higher technical provision in specific FE colleges
- The government should consider redirecting the HE capital grant to further education

- The structure of the FE college network, particularly in large cities, should be further modified to minimise duplication in reasonable travel to learn areas
- In rural and semi-rural areas, small FE colleges should be strongly encouraged to form or join groups in order to ensure sustainable quality provision in the long term
- The government should develop procedures to ensure that (as part of a collaborative national network of FE colleges) there is an efficient distribution of Level 3, 4 and 5 provision within reasonable travel-to-learn areas, to enable strategic investment and avoid counterproductive competition between providers
- Investment in the FE workforce should be a priority, allowing improvements in recruitment and retention, drawing in more expertise from industry, and strengthening professional development. The most important barrier to workforce improvement is simply a lack of money, as colleges currently cannot afford to match salaries in schools or HEIs
- The government should take steps to improve data collection, collation, analysis and publication across the whole further education sector (including independent training providers)
- The Office for Students (OfS) and the ESFA should establish a joint working party, co-chaired by the OfS and ESFA chairs, to align the requirements they place on providers and improve the interactions and exchange of information between these bodies. The working party should report to the Secretary of State for Education by March 2020
- FE colleges should be more clearly distinguished from other types of training provider in the FE sector with a *protected title* similar to that conferred on universities. Conferring a protected title on colleges would instil confidence in potential learners that their chosen college and that the courses it offers are part of a respected national adult education network

### **Chapter 5: Apprenticeships:**

- The government should monitor closely the extent to which apprenticeship take-up reflects the priorities of the Industrial Strategy, both in content (including the need for specific skills at Levels 3, 4 and 5) and in geographic spread. If funding is inadequate for demand, apprenticeships should be prioritised in line with Industrial Strategy requirements
- The government should use data on apprenticeships wage returns to provide accessible system wide information for learners with a potential interest in apprenticeships
- Funding for Level 6 and above apprenticeships should normally be available *only* for apprentices who have not previously undertaken a publicly-supported degree
- Ofsted should become the lead responsible body for the inspection of the quality of apprenticeships at all levels (meaning the Office for Students would no longer be the sole regulator for Level 6 and 7 apprenticeships). The complex environment of apprenticeship regulation creates duplication, leaves gaps and risks poorer quality provision
- No provider without an acceptable Ofsted rating should receive a contract to deliver training in their own right (although a provider who has not yet been inspected could subcontract from a high-quality provider pending their own inspection)
- The Institute for Apprenticeships and Technical Education (IfATE) and the Department for Education (DfE) should, through the ESFA, undertake a programme of work to better understand the barriers that SMEs face in engaging with the apprenticeship system and put in place mechanisms to address these
- The IfATE should improve transparency when processing standards that have been submitted for approval. Trailblazer groups and providers should have a clear indication of progress, available on-line, so they can start to plan, recruit and invest within workable timelines
- All approved providers of government-funded training, including apprenticeship training, must make clear provision for the protection of learners in the case of closure or insolvency

### **Chapter 2: Skills**

- The government should introduce a single lifelong learning loan allowance for tuition loans at Levels 4, 5 and 6, available for adults aged 18 or over, without a publicly funded degree. This should be set, as it is now, as a financial amount equivalent to four years' full-time undergraduate degree funding

- Learners should be able to access student finance for tuition fee and maintenance support for modules of credit-based Level 4, 5 and 6 qualifications
- Institutions should award at least one interim qualification to all students who are following a Level 6 course successfully
- The number of Level 4 and 5 qualifications should be streamlined and their status improved
- The OfS should become the regulator of all non-apprenticeship provision at Levels 4 and above
- The government should provide additional support and capital funding to specific FE colleges in order to ensure a national network of high-quality technical provision is available. The government should work with the OfS to determine how best to allocate this using, for example, quality indicators and analysis of geographic coverage
- From 2021/22 the fee cap for Level 4 and 5 qualifications currently prescribed by the OfS should be £7,500 (the same as that proposed for Level 6 qualifications and in line with current arrangements for prescribed HE qualifications). Longer term, only kite-marked Level 4 and 5 qualifications that meet the new employer-led national standards should be able to charge fees up to the Level 6 cap and be eligible for teaching grant. From that point, any other Level 4 and 5 courses should have a lower fee cap
- The current age cap should be removed so that a first 'full' Level 3 is available free to all learners whether they are in work or not, to remove barriers in social mobility and increase productivity and to allow people to meet changes in economic demand
- Full funding should be provided for the first 'full' Level 2 qualification, for those who are 24 and over and who are employed should be restored
- The careers strategy should be rolled out nationally so that every secondary school and college is able to be part of a careers hub, that training is available to all careers leaders and that more young people have access to meaningful careers activities and encounters with employers

The Prime Minister, Theresa May, who launched the report at the Policy Exchange in London, has accepted all the report's recommendations. However, she acknowledged that their implementation would be 'up to the next prime minister and the government to decide, at the upcoming spending review'.

A copy of the report is available at:

<https://www.gov.uk/government/publications/post-18-review-of-education-and-funding-independent-panel-report>

### Alan Birks – May 2019

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