



# Review of Post-18 Education and Funding

## Terms of Reference

The Government is committed to conducting a major review across post-18 education and funding to ensure a joined-up system that works for everyone. As significant reforms move into implementation, this review will look at how we can ensure that the education system for those aged 18 years and over is accessible to all, is supported by a funding system that provides value for money and works for students and taxpayers, incentivises choice and competition across the sector, and encourages the development of the skills that we need as a country.

Our system of post-18 education and training has many strengths: we have a world-class higher education system with record numbers of young people from disadvantaged backgrounds entering university. The Higher Education and Research Act 2017 sets the foundation for further improvements to the system. We have established the Office for Students to operate a new register of providers and ensure minimum standards; created the Director for Fair Access and Participation to drive social mobility; enacted the Teaching Excellence and Student Outcomes Framework (TEF) to hold universities to account for the teaching and outcomes they deliver for students; and are encouraging further diversity within the system with new providers and shorter degrees delivered at a lower cost to students.

The Government has introduced the Technical and Further Education Act 2017 which extends the responsibilities of the Institute for Apprenticeships to include technical education and has introduced degree level apprenticeships. New Institutes of Technology will be established, which will focus on higher-level technical skills and will be eligible for access to loans and grants for their students. A separate review has been launched to determine how best to extend technical education reforms to level 4 and 5, the findings of which will feed into this review.

These important achievements must be built on.

This review will look further at how we can ensure our post-18 education system is joined up and supported by a funding system that works for students and taxpayers. For example, in recent years the system has encouraged growth in three-year degrees for 18 year-olds, but does not offer a comprehensive range of high quality alternative routes for the many young people who pursue a technical or vocational path at this age. The majority of universities charge the maximum possible fees for at least some of their courses and three-year courses remain the norm. Average levels of graduate debt have increased, but this has not always led to higher wage returns for all graduates. And the system does not comprehensively deliver the advanced technical skills that our economy needs.

The review will focus on the following issues:

## **1. Choice and competition across a joined-up post-18 education and training sector:**

- How we can help young people make effective choices between academic, technical and vocational routes after 18, including information on earnings outcomes and the quality of the teaching they receive.
- How we can support a more dynamic market in provision, taking into account reforms already underway, whilst maintaining the financial sustainability of a world-class higher education and research sector.
- How we can encourage learning that is more flexible (for example, part-time, distance learning and commuter study options) and complements ongoing Government work to support people to study at different times in their lives.
- How to ensure the market provides choice with higher-level degree apprenticeships and shorter and more flexible courses, in particular accelerated degree programmes, and supporting innovative new institutions that can drive competition.
- How we can ensure that there is world-class provision of technical education across the country including through the new Institutes of Technology.

## **2. A system that is accessible to all:**

- How we can ensure that people from disadvantaged backgrounds have equal opportunities to progress to and succeed in all forms of post-18 education and training.
- How disadvantaged students and learners receive maintenance support, both from Government and from universities and colleges.

## **3. Delivering the skills our country needs:**

- How we can best support education outcomes that deliver our Industrial Strategy ambitions, by contributing to a strong economy and delivering the skills our country needs.

## **4. Value for money for graduates and taxpayers:**

- How students and graduates contribute to the cost of their studies including the level, terms and duration of their contribution, while maintaining the link that those who benefit from post-18 education contribute to its costs.
- Ensuring that funding arrangements across post-18 education and training are transparent and do not act as barriers to choice or provision, considering how best to promote institutional efficiency and value for money for students and taxpayers.
- How the Government and institutions communicate with students and graduates around student finance, ensuring this communication is as clear as possible (consistent with the relevant legal requirements) about the nature and terms of student support.

Many elements of our current post-18 education system work well and there are some important principles that the Government believes should remain in future. Therefore, the recommendations of the review will be guided by the need to:

- Maintain the principle that students should contribute to the cost of their studies while ensuring that payments are progressive and income contingent;
- Continue with the reforms in train to build a strong technical and further education sector that encourages the skills that we need as a country;
- Place no cap on the number of students who can benefit from post-18 education; and
- Support the role of universities and colleges in delivering the Government's objectives for science, R&D and the Industrial Strategy.

The review will not make recommendations related to the terms of pre-2012 loans or to taxation, and its recommendations must be consistent with the Government's fiscal policies to reduce the deficit and have debt falling as a percentage of GDP.

The overall review will be led by the Department for Education and report to the Secretary of State for Education, Chancellor of the Exchequer and Prime Minister.

An independent panel, led by Philip Augar, will provide input in to the review on the issues above. The panel will comprise experts from across post-18 education and the business world, and consult with, among others, people currently or recently participating in post-18 education.

The panel will publish their report at an interim stage, before the Government concludes the overall review in early 2019.