



Department
for Education

Interim Conclusion of the Review of Post- 18 Education and Funding

January 2021



Interim Conclusion of the Review of Post-18 Education and Funding

Presented to Parliament

by the Secretary of State for Education

by Command of Her Majesty

January 2021



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Introduction

1. In 2018, the government launched a review of post-18 education and funding, with the aim of ensuring that post-18 education gives everyone a genuine choice between high quality technical and academic routes, that students and taxpayers are getting value for money, and that employers can access the skilled workforce they need. This paper sets out an interim conclusion of the review, which responds to some of the key recommendations of the report of the independent panel led by Dr Philip Augar.¹ A full conclusion of the review will sit alongside the next Comprehensive Spending Review.

2. The UK economy faces significant change over the next decade: addressing the impact of an unprecedented global pandemic, delivering on new opportunities outside the EU, and adapting to the changes created by big data and other technological advances. Education and skills are crucial to our response to these changes and we are making bold investments and reforms to build a high quality, unified system. Our education reforms, including those outlined in this paper, will play a huge part in ensuring that we build back better with a world-leading skills system. We will deliver an education system that supports the aims of the Government's International Education Strategy, attracting the brightest and best international students, and that delivers for our people and our economy.

3. As the Prime Minister set out in his skills speech in September, we will bring in a more flexible system so that individuals can benefit throughout their lives, while also bringing huge benefits to our economy.² As part of our Lifetime Skills Guarantee, and as recommended by the Augar Report written by the panel reporting to the review, we are introducing a Lifelong Loan Entitlement from 2025, enabling people to access funding across higher and further education throughout their lifetime. This radical change will provide much-needed flexibility for those who need it and should lead to many more people undertaking training that will result in positive, tangible outcomes.

¹[Independent panel report to the Review of Post-18 Education and Funding](#) (2019).

² [PM's skills speech: 29 September 2020](#) (Prime Minister's Office, 10 Downing Street, 2020).

The Augar Report's Recommendations

4. The independent panel, chaired by Dr Philip Augar, made 53 comprehensive recommendations for the reform of the further and higher education sectors. As proposed in the Augar Report, we are striving for a more coherent and unified post-18 system in which technical routes are strengthened and access is made more flexible and accessible for everyone at every stage of their life. Despite the changed circumstances since the report's publication, the core findings remain highly relevant and, as detailed in this paper, we are delivering on a large number of the recommendations.

5. The Government's focus on the response to the coronavirus pandemic means that now is not the right time to conclude the review in full. However, we remain committed to introducing further reforms that will ensure a just and financially sustainable student finance system, drive up the quality of higher education provision and promote accessibility for students. This will include consideration of elements mentioned in the Augar Report, including student finance terms and conditions, minimum entry requirements to higher education institutions, the treatment of foundation years and other matters. We plan to consult on further reforms to the higher education system in spring 2021, before setting out a full response to the report and final conclusion to the Review of Post-18 Education and Funding alongside the next Comprehensive Spending Review.

A Reformed Landscape

A flexible system: the Lifetime Skills Guarantee

6. The coronavirus pandemic means we are collectively facing one of the biggest challenges this country has ever seen. We are committed to building back better, to safeguarding jobs and livelihoods where we can, and to giving people the skills they need to find new and better jobs. Technical skills are more important now than ever as a result of changing business models, in many cases accelerated by the pandemic. As part of our Lifetime Skills Guarantee, and as recommended by the Augar Report, we will be providing adults with funding for their first advanced level technical qualification (level 3) in a subject area with strong market outcomes and alignment with Government priorities. This investment will be met through our new £2.5 billion National Skills Fund. We will also be extending our bootcamps as part of the National Skills Fund, enabling adults to access high quality flexible provision that will equip them with skills that are much needed by our employers. The bootcamps will be co-designed with employers and will offer a direct line of sight to employment.

7. Flexibility was a core tenet of the Augar Report. The Report recommended ‘the introduction of a lifelong learning loan allowance to be used at higher technical and degree level at any stage of an adult’s career for full and part time students’. As a further part of our Lifetime Skills Guarantee, and informed by the recommendation of the Augar panel, we will move to a system where everyone has a Lifelong Loan Entitlement, giving them access to the equivalent of four years of post-18 education. This flexible entitlement will bring technical and academic education closer together and will help people to train, retrain and upskill throughout their lifetime. The Lifelong Loan Entitlement will provide fairness of opportunity by making the same funding system available regardless of the route you choose and when you choose to study. We will consult on the scope and detail of the entitlement in early 2021, including seeking views on objectives and coverage.

8. We will move towards modularisation of higher education in order to provide a truly flexible system that provides more opportunity for upskilling throughout people’s careers, as recommended by the Augar Report. We will consult widely about the changes that are needed to enable universities and colleges to provide a modular offer.

A strong link between education and jobs

9. It is vital that education and training undertaken by our students benefits them and the labour market, and the Augar Report was clear on this. Our aim is for everyone to do the training that is right for them, that will give them the best chance of securing employment and that will align with the needs of our economy. We will ensure employers are at the heart of our skills system.

10. Our vision is that the substantial majority of post-16 technical and Higher Technical Education will be aligned to employer-led standards by the end of this decade.³ We will also give employers a central role in shaping the technical skills provision offered in local areas beginning with Trailblazer areas where accredited Chambers of Commerce, and other business representative organisations, will work with further education colleges and other providers to develop new Local Skills Improvement Plans. We want employers, providers and government to work together to provide the skills that the economy needs to ensure we are delivering an excellent, fit-for-purpose skills system. This will be complemented by a continued expansion of Careers Hubs and other careers infrastructure that is proven to help schools and colleges improve their careers programmes in line with the Gatsby Benchmarks of Good Career Guidance, as recommended by the Augar Report.⁴ This will mean that more people can access impartial careers advice and guidance and be supported to make the right education, training and career choices.

³ Employer-led standards set out the knowledge, skills and behaviours (KSBs) required for an occupation. They enable assessment of whether an individual has achieved the KSBs needed to be competent in an occupation. They are developed by groups of employers and approved by the Institute for Apprenticeships and Technical Education. They currently form the basis of the T Level technical qualification and apprenticeships.

⁴ [Good Career Guidance](#) (Gatsby Foundation, 2014)

11. We will set out how the higher education teaching grant will be used next year to ensure that more of taxpayers' money is spent on supporting provision which aligns with the priorities of the nation, such as healthcare, STEM and specific labour market needs. This gives reassurance to potential students that incentives are aligned to encourage courses with good job outcomes and reinforces the Government's commitment to safeguarding the UK's high-quality research base. This comes alongside the Research and Development funding uplift agreed at Spending Review which will see an additional £400 million per year over the next three years for the National Academies and UK Research and Innovation's core research budget. We will also move the Teaching Capital fund from a broad formula allocation to a targeted bidding system, allocating capital funding to projects that will support high quality provision in subjects aligned to the needs of the economy and contribute to the levelling up of disadvantaged areas of the UK.

Making technical education an attractive choice

12. We have a skills system that has historically been effective at producing graduates but less suited to helping people achieve good quality higher technical skills. Only 10% of adults aged 20-45 hold a higher technical (level 4-5) qualification as their highest, compared to 20% in Germany and 34% in Canada.⁵ We need to support the improvement of skills at the right level if we are to close the gap with international competitors. As recommended by the Augar Report, we will create a system that stimulates demand for technical education, improving the nation's skills and encouraging growth.

13. In September 2020, students across England embarked on the first ever T Levels, which are based on employer-led standards, include a substantial industry placement and offer a much needed prestigious, technical alternative to A Levels. This lays important foundations for post-18 technical education. We have also transformed apprenticeships into a prestigious programme that better meets the needs of employers across the country. Our Lifetime Skills Guarantee builds on this, expanding apprenticeships and investing in them to ensure that all employers, especially SMEs, have access to apprenticeships in every part of the country.

⁵ [Skills Beyond School: Synthesis Report, OECD Reviews of Vocational Education and Training](#) (OECD, 2014).

14. Our reforms will create clear pathways for young people and adults to progress into higher level training or skilled employment. There are approximately 4,000 qualifications available at higher technical level (levels 4 and 5), creating a complex landscape for individuals and employers to navigate.⁶ Our focus is on quality and, echoing the recommendations of the Augar Report and the Sainsbury Review⁷ before it, our reforms establish an approvals system for Higher Technical Qualifications which will drive up quality and clearly identify the courses that give learners the skills they need to succeed in a high-skill job.⁸ Employers and learners will have confidence in the world-class quality of the provision and the relevance of it to local and national skills needs. We are radically increasing and reforming the capital investment in our skills provider base through expanding our flagship Institute of Technology programmes, the launch of a strategic development fund for innovative further education provision, and significant funding for the further education estate.

Rebalancing from academic to technical education

15. We need a better balance between academic and technical education – we are currently too skewed towards degrees above all else. The terms of reference for the government review included ‘how we can ensure that there is world-class provision of technical education across the country’. In line with this, and as recommended by the Augar panel reporting to the review, we aim to create a system whereby the quality of our technical and academic education is on a par, and the two are equally accessible. We want every student with the aptitude and desire to go to university to be able to do so and we want technical, employer-centric training to be a viable option for many more people.

16. The approved Higher Technical Qualifications offer a high-quality prestigious alternative to the traditional full-length academic degree model. This will ensure that everyone, no matter where in the country they are based, has access to the same quality of qualification and to equally good outcomes.

⁶ Over 4,000 in 2016/17: [Review of the Level 4-5 qualification and provider market, research report](#) (Department for Education 2019).

⁷ [Report of the Independent Panel on Technical Education](#) (2016)

⁸ Approvals system run by the Institute for Apprenticeships and Technical Education.

17. We are publishing the Independent Review of the Teaching Excellence and Student Outcomes Framework (TEF) and the Government's response to it alongside this paper. We are very grateful to Dame Shirley Pearce for conducting the review and for her thoughtful and clear analysis and recommendations. The TEF will continue to play an important role in driving improvement in higher education provision as part of the Office for Students' (OfS) wider quality regime. We will ask the OfS to consult on a more streamlined, improved, low-burden TEF exercise that will ensure that the drive to improve the quality of provision applies across all providers, not just those at the lower end. In line with the ambition to reduce bureaucracy, we will not be introducing a subject-level TEF.

18. We are considering what further reforms may be needed to tackle low-quality provision and will set out a full response on this issue in due course.

Reforming skills funding

19. As part of our Lifetime Skills Guarantee, we are making reforms to funding across the sectors in order to enable our new, flexible, fairer system. As well as the Lifelong Loan Entitlement (para 7) and the funding for advanced level qualifications (para 6), we are making investments in further education to ensure that public money is spent on high quality education and training that leads to good outcomes. This includes a £400 million increase in 16-19 funding at Spending Review 2019, and a £291 million increase to 16-19 funding at Spending Review 2020. We have also committed to invest £1.5 billion of capital funding to refurbish the further education estate, as recommended by the Augar Report.

20. The Augar Report highlighted the significant, and growing, taxpayer subsidy in the higher education student finance system. It is important that the student finance funding systems remain sustainable and that those who benefit from their higher education should make a fair contribution. We intend to freeze the maximum tuition fee cap to deliver better value for students and to keep the cost of higher education under control. This will initially be for one year and further changes to the student finance system will be considered ahead of the next Comprehensive Spending Review.

Conclusion

21. We are committed to building a skills system which offers genuine choice between the academic and the technical, which truly supports employers and the economy, and which is flexible and fair. This will be achieved through our Lifetime Skills Guarantee and other reforms which will create jobs and opportunity across the country and will support us to build back better from the coronavirus pandemic.

22. We will provide a full conclusion to the Review of Post-18 Education and Funding at the next Comprehensive Spending Review.

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