



DEBATE PACK

Number CDP-0009, 18 January 2019

Debate on e-petition 229744 relating to college funding

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Summary

On 21 January 2019, there will be a Westminster Hall debate on the motion "That this House has considered e-petition 229744 relating to college funding." The debate will begin at 4:30pm.

[E-petition 229744](#) reads as follows:

We call on the Government to urgently increase college funding to sustainable levels, including immediate parity with recently announced increases to schools funding. This will give all students a fair chance, give college staff fair pay and provide the high-quality skills the country needs.

Funding for colleges has been cut by almost 30% from 2009 to 2019. A decade of almost continuous cuts and constant reforms have led to a significant reduction in the resources available for teaching and support for sixth formers in schools and colleges; potentially restricted course choice; fewer adults in learning; pressures on staff pay and workload, a growing population that is not able to acquire the skills the UK needs to secure prosperity post-Brexit.

On 1 November 2018, the government published a response to the petition: this can also be found on the e-petition website.

The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

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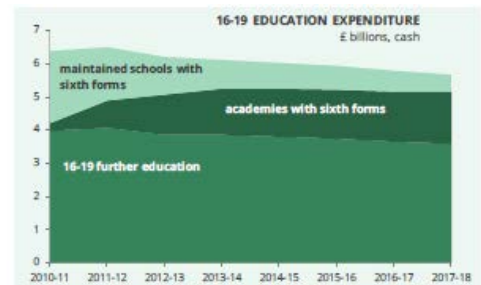
1. One page briefing

There are two main sources of revenue funding for colleges in England: the 16-19 funding system and the adult education funding system.

16-19 funding

Funding for 16-19 year olds in schools, sixth form colleges, and further education (FE) colleges is allocated by the Education and Skills Funding Agency (ESFA) using the same national funding formula. A new formula based on learner numbers has been used since 2013-14, replacing a formula based broadly on the number of qualifications taken.

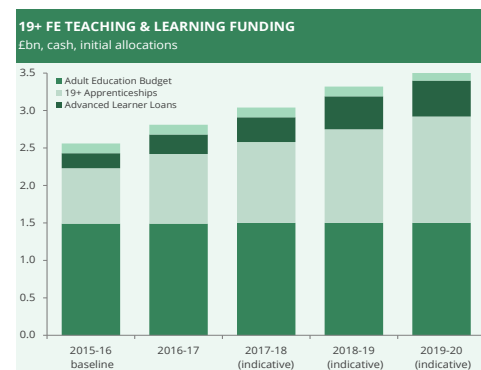
Based on the figures in the ESFA accounts, expenditure on 16-19 education has experienced decreases of around 11% in cash terms and 21% in real terms, between 2010/11 and 2017/18. Expenditure on 16-19 further education (which includes sixth form colleges and general FE colleges) fell by around 10% in cash terms and 20% in real terms over this period.



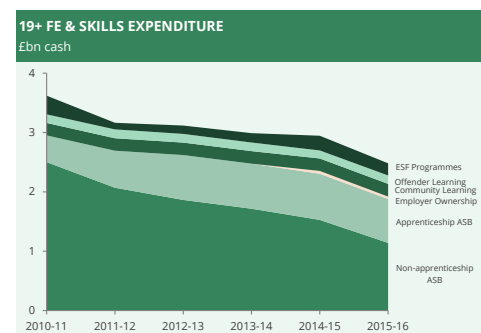
Adult education funding

After the Government has set the annual budget for adult FE (education for individuals aged 19 and over that takes place outside of schools and the higher education sector), the ESFA confirms each provider's funding allocation for the forthcoming year. Providers then earn funding up to their maximum allocation by delivering education and training that is approved for public funding.

The 2015 Spending Review settlement included a protection of the "core adult skills participation budgets" in cash terms at £1.5 billion. Prior to this, spending on the Adult Skills Budget (the predecessor of the Adult Education Budget and the largest single component of adult FE funding) fell by 32% in cash terms between 2010-11 and 2015-16. It should be noted that these figures, and the chart opposite, do not include spending on Advanced Learner Loans, which replaced grant funding for some learners.



Further information on these areas are available in the following Library Briefings:



- CBP7019, [16-19 education funding in England since 2010](#), last updated 7 November 2018
- CBP7708, [Adult further education funding in England since 2010](#), December 2018.

2. 16-19 education funding

The term 16-19 education is used in this briefing to refer to education funded by the Education and Skills Funding Agency (ESFA) and its predecessor bodies through the 16-19 funding system. This covers a broad range of educational provision, including (but not limited to), students aged 16-19 in maintained schools and academy sixth forms, sixth form colleges, general further education (FE) colleges and special schools.

In 2017-18, there were around 1.1 million students in England participating in some form of publicly funded 16-19 education at around 3,000 education providers. This included 128,000 students at sixth form colleges,¹ and 500,000 students in just under 200 general FE colleges.²

2.1 Allocation of 16-19 Education Funding

16-19 education funding is allocated to providers by the ESFA and its predecessor bodies. The majority of each provider's annual allocation is determined using a national funding formula and estimated student numbers. Additional elements of funding are then allocated outside of the formula, including, for example, funding for high needs students and for some student support schemes (e.g. Dance and Drama Awards). Some 16-19 funding is not allocated to institutions but is instead held and managed centrally (e.g. funding for the vulnerable student bursary). Following a consultation in 2011, significant changes were made to the 16-19 funding formula from the 2013-14 funding year onwards.

A "large programme uplift" element was added to the funding formula from 2016-17 onwards. Consequently, the current formula used to calculate institutions' 16-19 programme funding allocation is as follows:

Programme funding = (student numbers x national funding rate per student x retention factor x programme cost weighting + disadvantage funding + large programme uplift) x area cost allowance.

Any formula protection and transitional protection funding is then added and any reductions resulting from the maths and English condition of funding are applied to arrive at a provider's total formula-based funding allocation.

The national funding rate for 16 and 17 year olds has been held at £4,000 since 2013-14 (the rate for 18-year olds was reduced to £3,300 from 2014-15).

Future planned changes to 16-19 funding include:

- The Government has announced additional funding (comprising £500 million per year when fully implemented) to increase the

¹ The number studying at sixth form colleges is lower than in previous years because some sixth form colleges have converted to 16-19 academies.

² Education and Skills Funding Agency, [16 to 19 allocation data: 2017 to 2018 academic year](#), October 2017; Department for Education, [Participation in education, training and employment: 2017](#), June 2018.

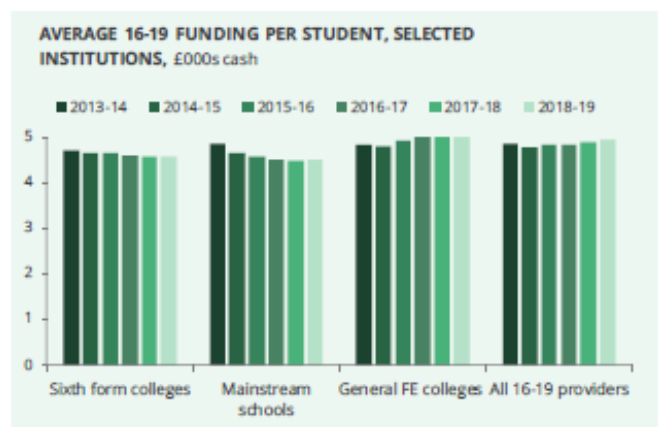
number of programme hours for 16-19 year olds on T levels to “over 900 hours a year on average.” Further information is available in Library Briefing 7951, [T Levels: Reforms to Technical Education](#).

- The Government has announced that from 2019-20 schools and colleges will receive an additional £600 for every extra pupil taking Maths or Further Maths A levels, or Core Maths (referred to as the Maths premium for 16-19 years olds).

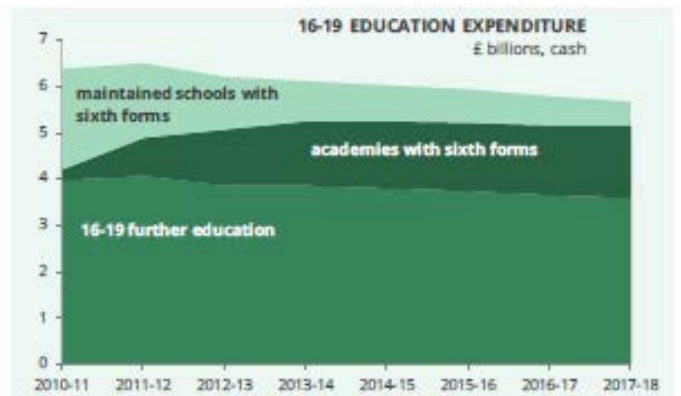
More detail on the operation of the current funding system is available on Gov.uk at [16 to 19 Funding: how it works](#) and in [funding guidance](#) published by the ESFA.

2.2 Funding allocations and expenditure

Based on the ESFA’s allocations data, the average total funding allocated per student³ increased from £4,856 in 2013-14 to £4,943 in 2018-19 – a fall in real terms of 5.7%.⁴ Of the three mainstream categories of 16-19 provider, school sixth forms (including academy sixth forms) saw the biggest change in per student funding over the period – a fall of 7.2% in cash terms or 14.1% in real terms. Average per student funding fell by 3.3% in cash terms (10.4% in real terms) at sixth form colleges over the period and increased by 7.6% in cash terms (a real terms fall of 0.3%) at general FE colleges.



Based on the three main categories of expenditure contained in the funding body’s accounts, total expenditure on 16-19 education fell from £6.39 billion in 2010-11 to £5.68 billion in 2017-18, a reduction of 11.1% in cash terms and 20.6% in real terms.



The expenditure on school sixth forms (both maintained schools and academies) fell by 13.0% in cash terms over the period, or 22.3% in real terms. Expenditure on 16-19 FE (which includes sixth form colleges and general FE colleges) fell by 10.0% in cash terms and 19.6% in real terms.

In its 2018 [Annual Report on Education Spending in England](#), the Institute for Fiscal Studies used expenditure figures from the funding body’s accounts along with pupil numbers data to estimate the level of spending per 16-19 student between 1989-90 and 2017-18.

³ All funding included in allocations except Dance and Drama Awards and residential student support funding

⁴ Real terms figures calculated using 2018-19 prices based on the September 2018 GDP deflator.

It estimated that, in 2018-19 prices, spending per full time equivalent 16-19 student in further education (e.g. sixth form colleges and general FE colleges) fell from £6,208 in 2010-11 to £5,698 in 2017-18. Expenditure per student in 1989-90 was estimated to be £5,170.

For comparison, the IFS estimated that spending per full time equivalent 16-19 student in school sixth forms declined from £6,311 in 2010-11 to £4,963 in 2017-18. Estimated per student expenditure in 2002-03 (the earliest year for which it was possible to produce estimates) was £5,625.

16-19 bursaries

In September 2011 the Education Maintenance Allowance (EMA) was replaced by the 16 – 19 bursary.

Recorded expenditure on EMA in 2010-11, its last full year of operation, was £555 million. Following the introduction of the 16-19 bursary from 2011-12, EMA expenditure reduced as it was limited to students who had started courses in the 2010-11 financial year. By the time transitional expenditure for EMA finished in 2013-14, expenditure on 16-19 bursaries had reached £179 million. 16-19 bursary expenditure then stayed at this level (around a third of the previous expenditure on EMA) until 2016-17, when it was reduced to £167 million following the removal of “double-funding” for free school meals. Spending on 16-19 bursaries in 2017-18 was £158 million.

2.3 Developments and issues in 16-19 funding

16-19 ‘funding dip’

The average funding per student for the 16-19 age group is now less than for secondary school aged students and for higher education students. For example, the new national funding formula for schools includes a minimum funding level per secondary school student of £4,600 in 2018-19 and £4,800 in 2019-20.⁵ The maximum university tuition fee for 2017-18 and 2018-19 is £9,250. In comparison, the national per student funding rate in the 16-19 funding formula is set to remain at £4,000 until at least 2019-20.

In its 2018 annual report on education spending (see above) the IFS noted that “spending per student in an FE or sixth-form college is now about 8% lower than spending per pupil in secondary schools, having been about 50% greater at the start of the 1990s. It concluded that “16-18 education in England has been the big loser in from education spending changes over the last 25 years”, with spending falling faster during the 1990s, growing more slowly in the 2000s, and being “one of the few areas of education spending to see cuts since 2010.”⁶

This 16-19 “funding dip” is frequently noted by bodies in the sector. For example, in October 2018 the Association of Colleges stated that its

⁵ Department for Education, [The national funding formula for schools and high needs](#), 14 September 2017.

⁶ Institute for Fiscal Studies, [2018 Annual Report on Education Spending in England](#), September 2018, pp7 & 48.

research suggested that per student funding falls by 24% once a learner enters post-16 education.⁷

Removal of formula protection funding

Formula protection funding (FPF), which was provided to protect providers who lost funding as a result of the introduction of the national funding formula in 2013-14, began to be phased out from 2016/17 and the last payments will be made to institutions in 2020/21.

It is expected that the phasing out of FPF will make up a “significant proportion” of the reductions to non-core 16-19 funding, which were announced at the 2015 Spending Review and are expected to reach around £160 million a year by 2019-20. This, therefore, could represent a substantial funding reduction for some providers.⁸

English and maths provision

Since 2014-15 it has been a condition of funding that students without a GCSE grade C or above (or grade 9-4 under the new grading system) in English and/or maths continue to study these subjects post-16. Since 2015, full-time students with a grade D/3 must be enrolled on a GCSE qualification in these subjects.

The Autumn Budget 2017 announced that the Government would launch a £8.5 million pilot to “test innovative approaches to improve GCSE Maths resit outcomes.” It is intended that the pilot will run for two years (2020-21 and 2021-22), with £4.3 million and £4.2 million of funding allocated in each year respectively.⁹

16-19 budget under-spend

16-19 funding allocations are based on estimated student numbers. If actual student numbers are lower than the estimates then there will be a budget underspend.

In [response to a parliamentary question](#) in July 2017, the Minister, Anne Milton, stated that spending on 16-19 education was £135 million lower than forecast in 2014-15, and £132 million lower in 2015-16; this represented 2.2% of the budget.¹⁰ A response to a [further question](#) in October 2017 stated that spending was £106 million lower than estimated in 2016-17, meaning that 1.8% of the budget was not spent.¹¹

Sector spokespersons have raised concerns about budget underspends at a time of funding reductions and have argued that the money should

⁷ [Funding drops at 24% when a young person moves into a sixth form](#), Association of Colleges, 5 October 2018. The AoC has also [detailed](#) 22 areas where it contends schools are treated more favourably than colleges by the DfE.

⁸ Education Funding Agency, [Funding for academic year 2017 to 2018 for students aged 16 to 19 and students aged 19 to 25 with an education, health and care plan](#), 21 December 2016.

⁹ [PO 116028](#), 1 December 2017.

¹⁰ [PO 3811](#), 13 July 2017.

¹¹ [PO 106098](#), 16 October 2017.

be used by the 16-19 sector and not redeployed to other ministerial priorities.¹²

Teacher Pay Grant

The STRB recommended that for 2018-19 all pay and allowance ranges for teachers and school leaders should be uplifted by 3.5%.

The Government accepted the STRB's recommendation for a 3.5% uplift to the main teacher pay range, but recommended a 2% increase to the upper pay range and a 1.5% increase for the leadership pay range. The Government additionally announced that it would pay all maintained schools and academies (including schools with sixth forms) a new teachers' pay grant to "cover, in full, the difference between this award and the cost of the 1% award that schools would have anticipated under the previous public sector pay cap."¹³

However, the pay grant does not include FE and sixth form colleges. This was raised in a [parliamentary question](#) in December 2018, to which the Minister responded:

Further education (FE) and sixth form colleges have a different legal status and relationship to government when compared with academies. They are private sector institutions, independent of government and therefore, we are considering the needs of FE providers separately. We will continue to look carefully at funding for FE in preparation for the next Spending Review.¹⁴

Further information on 16-19 education funding is available in Library Briefing 7019, [16-19 education funding in England since 2010](#).

¹² See the comments in, [DfE confirms £267m underspend of 16-19 budget in last two years](#), FE Week, 17 July 2017; and [Support Our Sixth-formers: DfE urged to redirect 16-19 underspend](#), FE Week, 17 October 2017.

¹³ Department for Education, [Teachers' pay grant methodology](#), September 2018

¹⁴ [PO 204600](#), 9 January 2019.

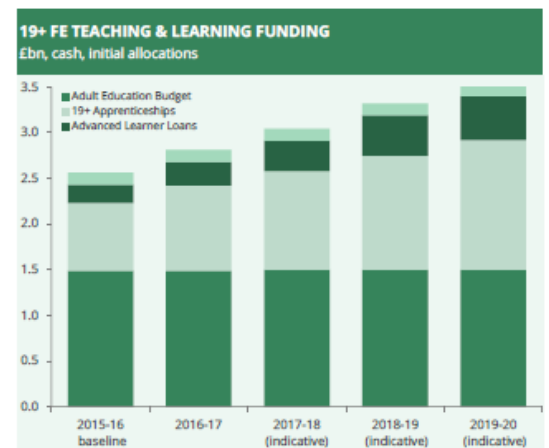
3. Adult FE funding

The term adult further education is used in this briefing to refer to education for individuals aged 19 and over that takes place outside of school and the higher education sector, including apprenticeships. It can thus form a large part of the funding for general further education colleges (although not sixth form colleges).

3.1 Funding since 2016/17

The budget for adult FE is set by the Government, usually in an annual skills funding statement or letter. After it has received details of its budget, the Education and Skills Funding Agency (ESFA) confirms each FE provider's funding allocation or maximum contract value for the forthcoming year. Providers then earn funding up to their maximum allocation by delivering education and training that is approved for public funding.

The 2015 Spending Review set out the parameters for public spending over the period 2016-17 to 2019-20. The settlement includes a protection for the "core adult skills participation budgets" in cash terms at £1.5 billion. Additionally, it stated that savings of £360 million would be made from non-participation budgets, including the UK Commission for Employment and Skills. (A written statement in July 2016 confirmed that funding for the UK Commission for Employment and Skills would be withdrawn during 2016-17). Under the Spending Review settlement, funding for apprenticeships and loans is set to increase by 92% and 140% respectively between the 2015-16 baseline and 2019-20.



Other funding that has been made available includes:

- Up to £40 million for a flexible learning fund "to test different approaches to help people to retrain and upskill throughout their working lives."¹⁵ On 29 March 2018, the Department for Education announced the 32 projects that would receive a share of £11.7 million from the Flexible Learning Fund.¹⁶
- In the Autumn Budget 2017 the Government announced that it would enter into a skills partnership with the Trades Union Congress and the Confederation of British Industry to develop a National Retraining Scheme, which would initially be focused on construction and digital skills. The Budget outlined that £65 million would be invested initially in the scheme with £30 million used "to test the use of AI and innovative EdTech in online digital skills courses so that learners can benefit from this emerging technology, wherever they are in the country."¹⁷

¹⁵ HM Treasury, [Spring Budget 2017](#), HC1025, March 2017, p41.

¹⁶ [Multi-million pound fund for adult learning announced](#), Department for Education, 29 March 2018.

¹⁷ HM Treasury, [Autumn Budget 2017](#), HC587, November 2017, p47.

3.2 Funding prior to 2016/17

In the years prior to the 2015 Spending Review, the initial teaching and learning funding allocations for adult FE in England fell from a 2010-11 baseline of £3.18 billion to £2.94 billion in 2015-16, a reduction of 8% in cash terms or 14% in real terms. The allocation for 2015-16 fell further as a result of the 2015 Summer Budget, which reduced the non-apprenticeship part of the Adult Skills Budget (ASB) by an additional 3.9%.

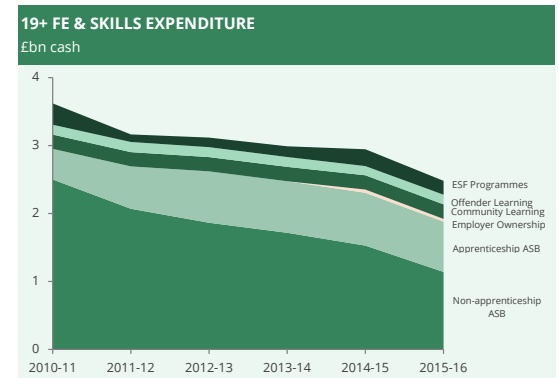
An alternative way to look at the financial support provided to adult FE is to look at outturn expenditure from the SFA's annual accounts.

These show total teaching and learning expenditure falling from £3.63 billion in 2010-11 to £2.48 billion in 2015-16, a cash terms reduction of 32%. It should be noted, however, that these figures do not include expenditure on Advanced Learner Loans. Between 2013-14 and 2017-18 between £116 million and £250 million has been paid out each year in such loans.

19+ FE FUNDING, ENGLAND 2010-11 TO 2015-16						
£bn, initial allocations						
	2010-11 (SR baseline)	2011-12	2012-13	2013-14	2014-15	2015-16
<i>Cash prices</i>						
Adult Skills Budget	2.84	2.80	2.70	2.47	2.26	2.01
Employer Ownership	0.00	0.00	0.00	0.05	0.07	0.09
Advanced Learner Loans	0.00	0.00	0.00	0.13	0.40	0.50
Minimum expectation for apprenticeships ^a	0.36	0.61	0.70	0.76	0.77	0.77
Offender Learning and Skills Service	0.13	0.13	0.13	0.13	0.13	0.13
Adult Safeguarded Learning/Community Learning	0.21	0.21	0.21	0.21	0.21	0.22
Total Teaching and Learning^c	3.18	3.14	3.04	2.98	3.07	2.94
<i>2018-19 prices^b</i>						
Adult Skills Budget	3.22	3.14	2.97	2.66	2.41	2.12
Employer Ownership	0.00	0.00	0.00	0.05	0.08	0.09
Advanced Learner Loans	0.00	0.00	0.00	0.14	0.42	0.53
Minimum expectation for apprenticeships ^a	0.41	0.68	0.77	0.82	0.82	0.81
Offender Learning and Skills Service	0.15	0.15	0.14	0.14	0.14	0.14
Adult Safeguarded Learning/Community Learning	0.24	0.24	0.23	0.23	0.22	0.23
Total Teaching and Learning^c	3.61	3.52	3.34	3.22	3.27	3.11

Notes
 (a) In 2011-12 and 2012-13, the minimum expectation for apprenticeships covered apprenticeships delivered through the ASB. For 2013-14, it covered apprenticeships delivered through the ASB, the Employer Ownership Pilots and Advanced Learner Loans. For 2014-15 and 2015-16 it covered apprenticeships delivered through the ASB and the Employer.
 (b) Prices adjusted to 2018-19 values using the GDP deflator for September 2018.
 (c) Figures for total teaching and learning exclude funding from the European Social Fund.
 Values in shaded areas are based on the indicative budget for 2014-15 as no figure was provided in the final initial allocations.

Sources
 BIS, Further Education - new funding, investing in skills for sustainable growth, investment in 19+ skills, adult apprenticeships, December 2011 - 2014, investing in a world class workforce, 1 December 2011; BIS, Skills Funding Statement 2012-2015, December 2012; BIS, Skills Funding Statement 2013-2016, February 2014; and BIS, Skills funding letter: April 2015 to March 2016, February 2015.



3.3 Post-18 education review

On 19 February 2018, the Prime Minister announced that there would be a government-led review of post-18 education, which would be supported by an independent panel, led by Philip Augar. The Prime Minister stated that the review would look at “the whole post-18 education sector in the round, breaking down false boundaries between further and higher education, so we can create a system which is truly joined up.”¹⁸

The independent panel issued a call for evidence on 21 March 2018, which closes on 2 May 2018. It is expected that the panel will publish its report at an interim stage, with the Government concluding the review in 2019.

More detail on the review can be found on the page: [Review of Post-18 Education and Funding](#).

Further information on adult education funding is available in Library Briefing 7708, [Adult further education funding in England since 2010](#).

¹⁸ [PM: The right education for everyone](#), Gov.uk, 19 February 2018

4. News articles

Further education: general

[2019: The year ahead in FE and skills](#), FE Week, 11 January 2019

['FE's battle for fair funding is only half won'](#), TES, 2 January 2019

[DfE reopens £15m strategic college improvement fund before finalising first round](#), FE Week, 6 November 2018

[Budget 2018: What it means for further education](#), TES, 29 October 2018

[Thousands march on parliament to protest for fair college funding](#), FE Week, 17 October 2018

[Colleges Week exposes the hypocrisy of FE funding](#), TES, 16 October 2018

[We need more core funding not 'initiative mania', sector leaders tell MPs](#), FE Week, 10 October 2018

[Severe squeeze on further education and sixth-form funding in England: press release](#), Institute for Fiscal Studies, 17 September 2018

[School sixth form and college funding most severely squeezed, new report says](#), Independent, 17 September 2018

[Sixth form and FE funding has fallen by a fifth since 2010, says IFS](#), Guardian, 17 September 2018

[IFS: FE the 'biggest loser' in cuts to government funding](#) FE Week, 17 September 2018

[College pension contributions set to rise and could cause 'financial crisis' in FE](#), FE Week, 10 September 2018,

[Post-school education in England attacked in Lords report](#), Guardian, 11 June 2018

16-19 education

[Sixth form funding rates to remain unchanged in 2019-20](#), Schools Week, 12 December 2018

[May challenged on 16-18 funding](#), TES, 14 November 2018

[Ofsted boss backs calls for more 16-to-18 cash to combat falling standards](#), FE Week, 31 October 2018

[College funding cuts will deepen skills shortfall, warn businesses ahead of Westminster march](#), Independent, 17 October 2018

[Sixth form college students 'getting short straw'](#), Guardian, 8 October 2018

[College teacher pay decision is clumsy and divisive](#), FE Week, 21 September 2018

[Department for Education's Teacher Pay Grant decision adds insult to injury](#), Association of Colleges, 19 September 2018

[Exclusive: No pay rise for teachers in sixth-form colleges](#), TES, 19 September 2018

[Further education college finances face double whammy](#), BBC News, 17 September 2018

[We must tell the chancellor FE needs more, not less funding](#), FE Week, 1 August 2018

[Funding for 16-19 Education and Sixth Form Colleges](#), National Education Union/NUT, 2018

[Post-16 funding inequality has consequences](#), FE Week, 14 November 2017

[Seven calls to action that will improve Further Education funding](#), YMCA, 5 September 2017

Adult education

[Review to back student loans for further education in England](#), Financial Times, 14 January 2019

['Little time' given to adult learners in Augar review](#), TES, 11 January 2019

[Lifelong learning campaigners join forces to launch 'centenary commission' on adult education](#), FE Week, 10 January 2019

[Ofsted's report shows community learning providers need more funding](#), FE Week, 4 December 2018

[Part-time students 'down by more than half'](#), BBC News, 26 October 2018

['Our society is suffering from adult education cuts'](#), TES, 17 September 2018

[The decrease in adult learning: are we clued up on funding in higher education?](#) Open Access Government, 30 July 2018

[The world of work is changing. We need more adult education, not less](#), Guardian, 19 April 2018

[32 adult learning projects share £11.7 million fund](#), FE Week, 29 March 2018

[London needs proper control of its adult education budget](#), FE Week, 25 May 2018

[Local devolution could severely threaten adult learning opportunities](#), Big Issue, 18 April 2018

[Prime Minister launches major review of post-18 education](#), Department for Education, 19 February 2018

[Mayors raise concerns over weak adult education budget devolution powers](#), FE Week, 23 February 2018

Devolved administrations

[Welsh Government announces £8m extra funding so Further Education teachers are paid the same as other teachers](#), Wales Online, 21 December 2018

[Who sets FE lecturers' pay, why they don't get the same deal as teachers and why they're so worried?](#) Wales Online, 3 December 2018

[College disruption as lecturers strike over pay](#), BBC News, 19 January 2019

['Austerity has cost colleges over £1 billion of funding' – Scottish Labour](#), Evening Express, 27 December 2018

[Exclusive: Scottish colleges fear funding clawback](#), TES, 19 December 2018

[Modest budget increase for Scotland's colleges](#), TES, 12 December 2018

5. Parliamentary material

5.1 Further education: general

Early day motions

[INVESTMENT IN FURTHER EDUCATION](#), 1686 (session 2017-19), 11 Oct 2018 (43 signatures)

That this House recognises the vitally important contribution which further education colleges make to the education system and economy; notes with concern the recent report from the Institute for Fiscal Studies which shows that spending per student in further education has fallen by eight per cent in real terms since 2009 and the adult learning budget has fallen by 45 per cent in the same period; further notes that over a million adult learners have been lost from colleges in that same period, representing a huge loss of opportunity; further recognises that over this period further education pay has fallen by 25 per cent in real terms causing increasing problems with recruitment and retention of staff; is concerned that the impact of this is likely to be compounded by the recent ring-fenced Teachers' Pay Grant for schools which was not extended to further education colleges; and calls on the Government to urgently increase investment in colleges to fund a fair pay deal and sustainable resource levels for the future.

Debates

[Education: Treating Students Fairly \(Economic Affairs Committee Report\)](#), HL deb 16 January 2019, volume 795, cc.221-266

[Education Funding](#), HC deb 13 November 2018, volume 649, cc.237-285

[Lifelong Learning](#), HL deb 16 April 2018, volume 790, cc.1042-64

[Work: Lifelong Learning](#), HL deb 27 November 2017, volume 787, cc.535-564

Written parliamentary questions

[Further Education: Finance](#), PQ 191438, 22 Nov 2018

Asked by: Hobhouse, Wera | **Party:** Liberal Democrats

To ask the Secretary of State for Education, what recent assessment his Department has made of the adequacy of funding for further education institutions.

Answering member: Anne Milton | **Party:** Conservative Party | **Department:** Department for Education

We have protected the base rate of funding for 16 to 19 year olds for all types of providers until the end of the current spending review period in 2020. We have been allocated £1.5 billion for the Adult Education Budget for each year of the 2015 Spending Review period to engage adults to participate and develop the

skills and learning they need up to level 3 to equip them for work, an apprenticeship or further learning.

We are actively exploring the efficiency and resilience of further education and will be assessing how far existing and forecast funding and regulatory structures enable high quality provision. This work will align closely with the Post-18 Funding Review in particular, to ensure a coherent vision for further and higher education. As with other areas of departmental spending, further education funding from 2020 onwards will be considered as part of the next spending review.

[Further Education: Pay and Pensions](#), PQ 191391, 22 Nov 2018

Asked by: Offord, Dr Matthew | **Party:** Conservative Party

To ask the Secretary of State for Education, what estimate his Department has made of the increase in salary and pension costs in the further education sector in the next 12 months.

Answering member: Anne Milton | **Party:** Conservative Party | **Department:** Department for Education

It is the responsibility of individual employers within the further education sector to set the salaries of their staff. For the period of 2019 to 2020, we estimate that £80 million more will need to be put into the Teacher Pensions Scheme by further education employers as a result of the recent revaluation.

Our intention is to fund general further education colleges and sixth form colleges, specialist designated institutions and adult and community learning providers for the increased costs resulting from the changes to the valuation of the Teachers' Pension Scheme.

We will undertake a public consultation to make sure that we are allocating funding to where it is most needed. We expect to launch the consultation in December, with a response in January 2019. As the Local Government Pensions Scheme is due to be revalued in 2019, we are therefore unable to make estimates about employer costs until that valuation is completed.

[Further Education: Finance](#), PQ 191938, 20 Nov 2018

Asked by: Rayner, Angela | **Party:** Labour Party

To ask the Secretary of State for Education, pursuant to the Prime Minister's Oral Answer of 14 November 2018, Official Report, column 310, to the hon. Member for Makerfield, what the evidential basis is for the statements that (a) the Government has invested nearly £7 billion this year in further education and (b) funding to support adult participation in further education will be higher than at any time in England's history by 2020.

Answering member: Anne Milton | **Party:** Conservative Party | **Department:** Department for Education

The government plans to invest nearly £7 billion during the 2018/19 academic year, to ensure there is a place in education or training for every 16 to 19 year old who wants one. This is made up of £5.7 billion as set out in the 2018/19 published 16 to 19 allocations (available at the following link:

<https://www.gov.uk/government/publications/16-to-19-allocation->

[data-2018-to-2019-academic-year](#).) along with our estimates of: additional high needs funding from the Dedicated Schools Grant that will be invested by local authorities in young people with complex special educational needs or disabilities (whose support costs more than schools and colleges can meet from their annual budget); and investment in apprenticeships for 16 to 18 year olds.

By 2020, funding in adult skills participation will have increased through maintaining the Adult Education Budget at £1.5 billion per annum, by investing nearly £2.5 billion in apprenticeships per year, double what was spent in 2010, and by extending the reach of Advanced Learner loans so that funding has been available to meet demand. In addition, the total amount of investment in skills through the European Social Fund (ESF) is between £250 and £300 million per annum. Plans are being made to determine what provision should be delivered as a replacement for ESF.

[Further Education: Finance](#), PQ 190900, 19 Nov 2018

Asked by: Rayner, Angela | **Party:** Labour Party

To ask the Secretary of State for Education, how many colleges are currently subject to a notice to improve financial health; and how many are projected to be subject to such a notice in the next (a) five and (b) 10 years.

Answering member: Anne Milton | **Party:** Conservative Party |
Department: Department for Education

There are currently 38 colleges that are subject to a notice to improve for financial health.

The published response to the insolvency consultation stated that, using data and assumptions available at that time, over the first ten years of the insolvency policy (commences April 2019), an additional 63 colleges could meet the current triggers for a notice.

The Education and Skills Funding Agency (ESFA) has published an Early Intervention and Prevention strategy, which is available at the following link:

<https://www.gov.uk/government/publications/college-funding-early-intervention-and-prevention/early-intervention-strategy>. This strategy outlines how the ESFA works with colleges where data shows that they could be at risk of failure.

In addition, the ESFA is improving and increasing the financial information that it requests from colleges, which will be analysed by integrated expert teams, and is developing a strengthened approach to intervention and prevention approaches in advance of financial crisis.

The department is also updating improved guidance for college governors, due later this month, to highlight governors' fiduciary duties. They are in the process of appointing National Leaders of Governance to deliver sector-led support (alongside the National Leaders of Further Education). The Further Education Commissioner's team has also expanded coverage of 'diagnostic visits' to colleges, which also highlight potential issues in advance of crisis, and offer recommendations for support and improvement.

[Further Education: Capital Investment](#), PQ 186217, 06 Nov 2018

Asked by: Marsden, Gordon | **Party:** Labour Party

To ask the Secretary of State for Education, what assessment he has made of the potential merits of extending the £475 million for schools capital funding in his 2018 Autumn Budget to FE Colleges.

Answering member: Anne Milton | **Party:** Conservative Party | **Department:** Department for Education

General further education (FE) colleges have separate capital arrangements. Skills capital for FE colleges is delivered through the Local Growth Fund, devolved to Local Enterprise Partnerships to spend on their capital priorities. This year, the government has made available £130 million in skills capital funding through this route.

In October 2018, my right hon. Friend, the Secretary of State announced an additional £38 million in capital funding to help ensure that the group of 2020 T level providers, including FE colleges, have the equipment and facilities necessary to deliver T levels from September 2020.

My right hon. Friend, the Chancellor of the Exchequer announced in the Budget that an additional £400 million will be made available to schools and sixth form colleges in England in 2018-19 to spend on capital projects to meet their own priorities.

5.2 16-19 education funding

Oral parliamentary questions (PQs)

[Education Funding](#), HC deb 17 Dec 2018, volume 651, cc515-6

Asked by: Liz Twist (Blaydon) (Lab) | **Party:** Labour Party

Turning to further education, funding for students aged 16 to 19 has fallen by 8% since 2010 according to the Institute for Fiscal Studies—the biggest squeeze of any part of the education budget—and the Government announced last week that the base funding rate for 16 to 19-year-olds would be frozen for the seventh year running. Does the Minister agree with the chief inspector of Ofsted, Amanda Spielman, who says that the “sustainability and quality” of further education and skills provision have been hit by the cuts to their funding?

Answered by: Nick Gibb | **Party:** Conservative Party | **Department:** Education

Of course, we have guaranteed the amount per pupil for post 16, but we understand the constraints of post-16 funding. There is £500 million extra a year coming into the FE sector with the introduction of T-levels.

[Further Education Funding](#), HC deb 11 December 2018, volume 651, c.132

[Further education funding](#), HC deb 12 November 2018, volume 649, cc.13-15

[Further Education: Teachers' Pay](#), HC deb 16 October 2018, volume 793, cc.398-401

[Further Education Providers: Funding](#), HC deb 14 May 2018, volume 641, cc.12-3

[Funding: 16 to 19-year-olds](#), HC deb 19 March 2018, volume 638, cc.15-6

Written parliamentary questions (PQs)

[Further Education: Finance](#), PQ HL12385, 20 Dec 2018

Asked by: Lord Watson of Invergowrie | **Party:** Labour Party

To ask Her Majesty's Government what assessment they have made of the adequacy of funding for further education.

Answering member: Lord Agnew of Oulton | **Party:** Conservative Party | **Department:** Department for Education

The departmental budget for spending on further education and apprenticeships in England from 2015-16 to 2019-20 was set initially in the 2015 Spending Review. Skills is a devolved matter and the funding for the devolved nations for the current spending review period was set at the same time. As with other areas of departmental spending, further education funding from 2020 onwards will be considered as part of the next Spending Review.

The department has protected the base rate of funding for 16 to 19 year olds for all types of providers until the end of the current spending review period in 2020. The department has been allocated £1.5 billion for the adult education budget for each year of the 2015 Spending Review period up to 2020, to engage adults and provide the skills and learning they need up to level 3 to equip them for work, an apprenticeship or further learning.

Since 2016, the department has made over £330 million available to support major college restructuring, supporting significant improvements to financial sustainability in the sector. The department is currently considering the final applications for the restructuring facility and expect the final figure to rise significantly before the programme ends next year.

The department is actively exploring the funding and resilience of further education and will be assessing how far existing and forecast funding and regulatory structures enable high quality provision. This work will align closely with the Post-18 Review in particular, to ensure a coherent vision for further and higher education.

By 2019-20, the funding available for apprenticeships in England will have risen to over £2.5 billion, including the additional £115 million confirmed at Budget 2018. Spending on the apprenticeship programme is demand-led and employers can choose which apprenticeships they offer and at what level, how many and when. Further, levy paying employers have two years to spend the funds available to them in their apprenticeship service accounts.

The department will publish details on further education and apprenticeship spending in our annual report and accounts as part of our normal financial reporting cycle. The department published 2017-18 spending in July and the annual report and accounts can be found on GOV.UK.

[Teachers: Pay](#), PQ 201723, 17 Dec 2018

Asked by: Moran, Layla

To ask the Secretary of State for Education, what assessment he has made of the effect of the pay gap between teachers working in schools and further education colleges on the (a) recruitment and (b) retention of staff working in further education colleges; and if he will make a statement.

Answering member: Anne Milton | **Department:** Department for Education

It is essential that the further education (FE) sector is able to recruit and retain excellent teachers if we are to achieve a world-class technical education system in England. Due to the independent nature of the FE sector, and government's historical relationship with it, we do not have detailed data on FE teacher pay, or on the wider FE workforce.

We are undertaking work to understand the situation better, including the specific challenges and opportunities in relation to teacher recruitment and retention in the sector. This includes our recent College Staff Survey, which is helping us develop a better insight into the state of the teaching profession in FE and shows that more than half of all teachers have worked in the sector for ten years or more.

We want to support the recruitment and development of FE teachers. This year we have launched our £5 million Taking Teaching Further programme to help attract talented and inspiring people with industry expertise to teach in FE. We have also announced our £8 million new bespoke professional development offer, T level Professional Development, to help existing teachers and leaders successfully deliver T levels.

Further, we have recently commissioned research on identifying FE teacher comparators, and on incentive programmes for the recruitment and retention on FE teachers, to better inform our thinking. The reports, and the results of the College Staff Survey, are available at GOV.UK.

[Further Education: Refugees](#), PQ 186410, 09 Nov 2018

Asked by: Smeeth, Ruth | **Party:** Labour Party

To ask the Secretary of State for Education, what financial support further education and sixth form colleges receive for students who entered the UK via the Syrian Children's Resettlement Scheme.

Answering member: Anne Milton | **Party:** Conservative Party | **Department:** Department for Education

The government considers refugees, who entered the UK via the Syrian Vulnerable Persons Resettlement Scheme or the Vulnerable

Children's Resettlement Scheme, eligible for funding on the same basis for 16-19 study programmes as all other eligible students.

In addition, the department provides a number of financial support programmes for economically disadvantaged 16 to 19 year olds, in particular the 16-19 bursary fund, to help with the education related costs associated with staying in post-16 education such as travel and course equipment. These programmes aim to enable 16 to 19 year olds to participate whatever their financial situation, and are available to refugee students who meet the qualifying criteria for each scheme.

[Pupil Premium](#), PQ 176247, 16 Oct 2018

Asked by: Morris, Grahame | **Party:** Labour Party

To ask the Secretary of State for Education, will he will make it his policy to extend the provisions of the pupil premium to disadvantaged students moving from secondary to further education.

Answering member: Nadhim Zahawi | **Party:** Conservative Party | **Department:** Department for Education

The national funding formula for 16 to 19 year olds includes extra funding for disadvantaged students. This is provided to institutions specifically for students with low prior attainment or for students who live in the most disadvantaged areas.

In the period 2017 to 2018, around £520 million was allocated to provide extra support to disadvantaged students. We also provided student support funding to help disadvantaged young people to access education and training.

[Further Education: Finance](#), PQ 177671, 15 Oct 2018

Asked by: Morris, Grahame | **Party:** Labour Party

To ask the Secretary of State for Education, what assessment he has made of the validity of the findings of the Institute for Fiscal Studies 2018 annual report on education spending in England that funding for further education has been reduced more than other areas of education since 2010.

Answering member: Anne Milton | **Party:** Conservative Party | **Department:** Department for Education

The Institute for Fiscal Studies report uses published data on funding and student numbers to derive a trend in real terms expenditure per student. Their report shows that funding for school pupils aged 5 to 16 will be more than 50% higher in real terms per pupil in 2020 than in 2000. The government chose to prioritise pre-16 schooling because that is absolutely fundamental to later learning and achievement.

We have protected the base rate of funding for 16 to 19 year olds for all types of providers until 2020. Our commitment to the 16 to 19 sector has contributed to the current record high proportion of 16 and 17 year olds who are participating in education or apprenticeships.

We are investing in the sector to support providers to deliver the new T level qualifications from 2020. This will mean an additional £500 million every year once they are fully rolled out. We recently

announced a further £38 million for the first wave of T level providers to invest in equipment and facilities to support the roll-out of T levels.

We are currently considering the efficiency and resilience of the further education sector and assessing how far existing funding and regulatory structures meet the costs of delivering quality further education.

[Teachers: Pay](#), PQ 177270, 15 Oct 2018

Asked by: Morris, Grahame

To ask the Secretary of State for Education, with reference to the press Association of Colleges' release entitled AoC update on college pay, published in July 2018, if he will he take steps to close the £7000 a year pay disparity between teachers working in further education colleges compared with their counterparts in schools.

Answering member: Anne Milton | **Department:** Department for Education

The further education (FE) sector – including FE colleges – has a different legal status and relationship to the government when compared with schools. FE colleges are private sector institutions, independent of the government. It is for individual FE employers to agree local pay structures with unions, based on local needs.

The department values all of our teachers and leaders in FE who change lives for the better. Since 2013, we have invested over £120 million in the FE workforce, including investing in workforce development through the independent Education and Training Foundation (ETF).

Having enough highly-skilled FE teachers in place to deliver high-quality, work-relevant skills training is essential, particularly for the successful delivery of T Levels and apprenticeships. This is why we have committed up to £20 million to help providers, teachers and leaders prepare to deliver T Levels. This includes launching Taking Teaching Further, a £5 million programme to attract industry professionals to teach in FE.

FE providers help to make sure people have the skills they need to get on in life, which is why we have protected base rate funding for 16 to 19 year olds until 2020. However, we acknowledge that FE faces cost pressures. This is why the department has been actively engaging with the sector to look closely at how we fund providers to ensure that the system supports sustainable, high-quality education. We will be looking carefully at these issues in the Spending Review.

[Apprentices: Finance](#), PQ 136922, 26 Apr 2018

Asked by: De Piero, Gloria | **Party:** Labour Party

To ask the Secretary of State for Education, what assessment he has made of the effect of the 2017 changes to apprenticeship funding on the (a) number of employees and (b) level of funding of further education colleges with a role as partner providers for apprenticeships.

Answering member: Mr Sam Gyimah | **Party:** Conservative Party | **Department:** Department for Education

No specific assessment has been made of the impact of the apprenticeship reforms upon individual further education (FE) colleges, or other providers. However, we are actively considering the efficiency and resilience of the FE sector, and will be assessing how far current funding and regulatory structures meet the costs of high quality, world-class provision. Funding to FE colleges to deliver apprenticeships and the key role they play in the wider further education system will be considered as part of this assessment.

[Further Education: Standards](#), PQ 134788, 19 Apr 2018

Asked by: Evennett, David | **Party:** Conservative Party

To ask the Secretary of State for Education, what steps the Government is taking to improve the quality of further education.

Answering member: Nadhim Zahawi | **Party:** Conservative Party
Department: Department for Education

Improving the quality of Further Education (FE) provision is a key government priority. There remains too much poor quality FE provision. The introduction of T levels will establish a world class technical education system that develops young people's talent and ensures that they have access to the training they need.

To deliver world class technical education we need outstanding FE Colleges. We have now approved the first fourteen grants from the Strategic College Improvement Fund, worth £15 million, enabling some of the best FE colleges to partner with those needing to improve. We have appointed seven National Leaders in FE, enabling the best college principals to actively support their peers. The FE Commissioner's role has been extended to support improvement at a wider group of colleges, helping them to address any areas of weakness at an early stage. The role of governors within the FE sector has been strengthened. We are also continuing to help colleges restructure to create efficiency which can be reinvested in teaching and learning, including through access to funding from a restructuring facility.

To create excellent institutions, we need talented teachers and leaders. We continue to fund the Education Training Foundation to help raise standards of teaching, leadership, and governance across the sector. We have announced up to £20 million to help teachers prepare for the implementation of T levels. Bursaries of up to £25,000 continue to be offered, up to at least 2019, to attract new graduates with relevant degrees to teach maths and English within the FE sector. We have also committed to invest £40 million to establish a FE centres for excellence in basic maths programme. This programme will build teaching capacity and spread high quality, new and evidenced methods for teaching of basic skills in the post-16 sector.

[Further Education](#), PQ 129163, 02 Mar 2018

Asked by: Mann, Scott | **Party:** Conservative Party

To ask the Secretary of State for Education, how much has been allocated from the public purse for 16 and 17-year olds studying in further education per capita in (a) England, (b) Cornwall and (c) North Cornwall in each of the last five years.

Answering member: Anne Milton | **Party:** Conservative Party | **Department:** Department for Education

Allocations for students studying at post-16 institutions are not available separately for students aged 16 and 17, although data on allocations and student numbers are available for 16 to 19 year olds as set out in published allocations data. The following allocations show the average funding per student in England, Cornwall and North Cornwall for the last five academic years.

Average funding per student

	2013/14	2014/15	2015/16	2016/17	2017/18
England	£4,685	£4,586	£4,639	£4,625	£4,625
Cornwall	£4,389	£4,355	£4,480	£4,541	£4,554
North Cornwall	£4,157	£4,140	£4,281	£4,258	£4,267

The above figures exclude high needs funding but include both full and part-time students, and allocations for the 16 to 19 bursary fund and free meals funding.

Institutions in Cornwall and North Cornwall are funded through the same national funding formula as the rest of England and have received the same £4,000 base rate of funding for full time 16 and 17 year olds throughout the period. Average funding per student in Cornwall and North Cornwall is lower due to other factors in the 16 to 19 funding formula, for example, institutions in Cornwall do not attract an area cost uplift for higher delivery costs like those in London and South East England.

[Further Education: Finance](#), PQ125037, 02 Feb 2018

Asked by: Moran, Layla | **Party:** Liberal Democrats

To ask the Secretary of State for Education, what the reasons are for a review of funding across tertiary education that focuses on post-18 education rather than post-16 education.

Answering member: Mr Sam Gyimah | **Party:** Conservative Party | **Department:** Department for Education

The internationally recognised understanding of the term tertiary education, in line with the International Standard Classification of Education, corresponds to English qualification levels 4 and above, which are typically taken by those aged 18 and over.

The government will conduct a major review of funding across tertiary education to ensure a joined-up system that works for everyone. As outlined in the Industrial Strategy, the review will consider a range of specific issues within post-18 education.

The government is already fundamentally reforming the post-16 education system to give all young people the opportunity to fulfil their potential and deliver a better future for our country. A key principle of the reform agenda is to improve the quality of technical education provision to deliver young people with the skills employers need both locally and nationally. New T-levels, with content designed by employers, will support them into skilled employment or progression to higher education. T-levels will be backed by over £500 million annually by the time the programme

is rolled out fully, and we are implementing apprenticeship reforms to continue to improve the quality of apprenticeships for all. Our commitment to the 16 to 19 sector has contributed to the current record high proportion of 16 to 18 year olds who are participating in education or apprenticeships.

The government will set out further details on the review shortly.

5.3 Adult further education

Written parliamentary questions

[Digital Technology: Training](#), PQ 190886, 19 Nov 2018

Asked by: Shannon, Jim | **Party:** Democratic Unionist Party

To ask the Chancellor of the Exchequer, if he will ring-fence additional funding to enhance further education training in digital capability.

Answering member: Elizabeth Truss | **Party:** Conservative Party | **Department:** Treasury

The Government will introduce an entitlement to full funding for basic digital courses from 2020. Adults will have the opportunity to undertake improved digital courses based on new national standards free of charge.

As is the case for the English and maths adult entitlements, the new basic digital skills entitlement will be funded through the Adult Education Budget.

In the interim, we will continue to support the provision of basic digital skills training for adults in colleges and community learning centres across England through the Adult Education Budget and other programmes.

[Adult Education: Finance](#), PQ 132171, 15 Mar 2018

Asked by: Onwurah, Chi

To ask the Secretary of State for Education, what steps his Department has taken to ensure that devolution of the Adult Education Budget does not have a deleterious effect on adult education provision (a) generally and (b) with regard to the role of national providers.

Answering member: Anne Milton | **Department:** Department for Education

The Adult Education Budget (AEB) will be devolved to the Mayoral Combined Authorities (MCAs) in 2019/20 subject to certain conditions. In meeting these conditions, we will have assurance that the MCAs possess the necessary capability to not only deliver and administer the devolved AEB to learners and providers, but also improve on its current functions.

[Vocational Education](#), PQ 117400, 12 Dec 2017

Asked by: Long Bailey, Rebecca

To ask the Secretary of State for Education, with reference to page 11 of the Industrial Strategy, what assessment she has made of the effect of funding cuts to the Adult Skills Budget since 2010 on the ability to establish a technical education system that rivals the best in the world.

Answering member: Anne Milton | **Department:** Department for Education

The Adult Education Budget (AEB), introduced in 2016-17, replaced three separate funding lines: funding for adult vocational education outside of apprenticeships (previously held within the Adult Skills Budget), Community Learning and Discretionary Learner Support. We have maintained funding for the AEB in cash terms at £1.5 billion for this year to support adult skills participation. In the 2017-18 financial year, the overall funding for adult Further Education and skills (excluding capital) is £3.4 billion. This £3 billion will be available to directly support learning (this includes funding for offender learning which is now the responsibility of Ministry of Justice). This is set out in the Skills Funding Letter 2017-18 which can be viewed here: <https://www.gov.uk/government/publications/skills-funding-letter-april-2017-to-march-2018>.

Furthermore, in the Spring 2017 Budget, the government announced the investment of an additional £500 million per year in England's technical education system once T levels have been fully rolled out. We announced £20 million to help providers prepare for the delivery of T levels and to help teachers prepare for these changes.

In the first wave of reforms to technical education, we are focussing on developing T levels as high quality level 3 technical study programmes for 16 to 19 year olds. We will consider how we adapt T levels so they are appropriate for adult learners and will review technical provision at levels 4 and 5. On 30 November we published a consultation setting out proposals for T levels and the wider reformed technical education system. It seeks views on how best to implement the reforms to make sure they are a success and meet the aims of the Sainsbury Report and the Post-16 Skills Plan.

[Adult Education: Finance](#), PQ HL1821, 24 Oct 2017

Asked by: Lord Hunt of Chesterton

To ask Her Majesty's Government, in the light of the loss of EU funding available for cultural and adult education programmes after the UK leaves the EU, whether they are reducing the amount of funds available each year to local communities for the provision of such programmes; and, if so, by how much.

Answering member: Lord Agnew of Oulton | **Department:** Department for Education

The Government will guarantee funding for structural and investment fund projects which are signed before the UK leaves the EU, if they represent good value for money, and if they are in line with domestic strategic priorities. This includes schemes which continue beyond the departure from the EU.

As part of our preparations for exiting the EU, we are assessing the impact of EU funds and programmes. The replacement of EU funds following the guarantee period will be based on UK

strategic priorities and decisions will be taken in light of other domestic spending priorities.

Leaving the EU means we will look to take decisions for policy objectives previously targeted by EU funding. Over the coming months, the government will consult closely with stakeholders to review all EU funding schemes in the current round, to ensure that any ongoing funding commitments best serve the national interest, while ensuring appropriate certainty.

6. Further reading

6.1 Reports and responses

[2018 annual report on education spending in England](#), IFS, September 2018

- [UCU comment on IFS education funding report](#), University and College Union, September 2018
- [IFS report on education funding cuts - Association of Colleges's response](#), Association of Colleges, September 2018
- [ASCL comment on IFS education funding report](#), ASCL, September 2018
- [NUS responds to FE funding report](#), NUS, 17 September 2018

[Association of Colleges 2018 report on college finances](#), Association of Colleges, September 2018

6.2 Parliamentary/official publications

[16 to 19 funding: funding for academic year 2018 to 2019](#), Education and Skills Agency, 9 January 2018

[Treating Students Fairly: The Economics of Post-School Education](#), Economic Affairs Committee, 11 June 2018

- [Treating students fairly: response to the House of Lords report](#), Department for Education, 10 August 2018

[The Annual Report of Her Majesty's Chief Inspector of Education, Children's Services and Skills 2017/18](#), Ofsted, HC 1707, 4 December 2018

Ofsted talk about the funding pressures in further education:

While schools have largely been protected and early years has seen significant new investment, FE has borne the brunt of austerity when it comes to education. In September, in its annual report on education spending, the Institute for Fiscal Studies (IFS) reported that spending per student in an FE or sixth form college is now 11% lower than for pupils in a secondary school, having been 50% greater in FE at the start of the 1990s, rightly reflecting the higher costs of provision.

We are concerned about the financial sustainability of the college sector, and the clear impact that real-term cuts to FE funding can have on provision.

Inspection evidence, our published reports and our insights indicate several areas in which some colleges are having to make cutbacks. These include a reduction in: the number of teachers, trainers and/ or support staff; teaching hours allocated to some courses; and the range of courses and enrichment activities offered to students. These concerns are reflected by the number of colleges that are currently in financial intervention.

Where colleges have improved their Ofsted grade this year, good financial management has been at the heart of that improvement. Fifteen of the 18 general FE colleges that improved to good this year have done so at least in part because they are thinking strategically about financial planning, their governance is robust and spending is focused on improving quality.

It is understandable that colleges are trying to recruit as many students as possible. However, we are concerned about the number of courses on offer that do not have good local employment prospects for learners. In our research on level 2 (lower level) study programmes, we found that art and media courses were generally perceived by colleges to have the least chance of resulting in employment within those industries. However, at least three of the colleges we surveyed reported these courses as having the most applicants, and our study of college websites showed some colleges overstating the potential for students to go on to work in that industry. Colleges should be realistic with potential applicants about which courses are most likely to lead to good jobs.¹⁹

In April 2018, the Education Select Committee opened an inquiry into [School and college funding](#). A final report is not yet published.

Library publications

[Further Education: Post-16 Area Reviews](#), Commons Library briefing paper, 21 May 2018

[Skills devolution in England](#), Commons Library debate pack, 19 January 2018

[Lifelong Learning and Adult Re-skilling](#), Commons Library debate pack, 23 November 2017

6.3 Devolved Administrations

[Research Briefing : A quick guide to post-16 education funding](#), National Assembly for Wales Research Service, April 2018

[Colleges Final Funding Announcement 2018-19, Scottish Funding Council](#), May 2018.

¹⁹ [The Annual Report of Her Majesty's Chief Inspector of Education, Children's Services and Skills 2017/18](#), Ofsted, HC 1707, 4 December 2018, p.16

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