

## HOUSE OF COMMONS

## LONDON SW1A 0AA

The Rt Hon Philip Hammond MP Chancellor of the Exchequer HM Treasury 1 Horse Guards Road London SW1A 2HQ Our Ref: EP

05/02/2019

## **Further Education funding**

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Following the Government's announcement of the 2019 Spending Review, we write to you on behalf of 164 colleagues across the House for your support in increasing Further Education (FE) funding in the next Spending Review this spring.

Over the last ten years, FE has been the Cinderella of education spending; for while government policy has protected the incomes of schools and universities, colleges have been dealt an average funding cut of 30% (source: Association of Colleges), and costs have increased significantly.

The chart below shows spending per student p.a. at different stages of education. Further Education is the only stage of education to have received a permanent drop in funding per student during the last eight years.



Source: Institute for Fiscal Studies

We believe this constraint on FE resources has had an impact on the teaching, courses and above all opportunities for young people and skills of all ages. Currently, the UK ranks poorly in the OECD skills comparison - we are in the bottom quartile for Level 4 & 5 technical skills, including NVQs and HNCs (source: OECD). In addition, England has comparatively poor levels of basic skills - 50% of adults are only at or below the level of numeracy expected of an 11 year old. If the UK is to compete successfully post-Brexit ("Global Britain"), in an economy which keeps pace with technological and demographic changes, it is critical that our current and future workforce has the skills employers need. We believe FE colleges have a key role to play in this drive for more skills and working with employers to create courses with direct benefits. They also make a significant contribution in promoting the Government's social mobility agenda.

Given the government's focus on closing the nation's productivity gap and the fact that education/ training is now legally compulsory up to the age of 18, we are concerned that a lack of funding for over 16 year olds in FE risks failing to raise productivity too. Meanwhile, a lack of investment in the adult education budget means there are fewer people skilled in professions vital for our economic and social success now and in the future. According to the University and Colleges Employers Association (UCEA), over the last ten years, qualifications for health and social care workers fell from 692,000 to 219,000 - a drop of 68%. So ensuring there are enough skilled people in work to deliver the country's industrial strategy must remain a priority. We share the view of Amanda Spielman, Ofsted's Chief Inspector, at the launch of the Ofsted annual report in December, who said that the sector will continue to struggle without an increase in the base rate funding for this age group.

We would be delighted to explain more in a meeting with you; and hope this will highlight a strong view in Parliament that FE budgets deserve an above inflation increase in 2019-20, and that there is a clear economic benefit from doing so.

Komwer, Rinard/nham/

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