



# Education Committee

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Rt Hon Philip Hammond MP  
Chancellor of the Exchequer  
HM Treasury  
1 Horse Guards Road  
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15 October 2018

Dear Chancellor

Last Wednesday, the Education Committee took evidence as part of its inquiry into school and college funding from the Association of Colleges, Sixth Form Colleges Association and National Union of Students. Our inquiry is looking at the level and distribution of public funding for education between the ages of 5 and 18, and one of the starkest issues to emerge from the written evidence is the disparity between funding pre- and post-16.

As the Institute for Fiscal Studies has recently noted:

*In 1990–91, spending per student in further education was 50% higher than spending per student in secondary schools, but it is now about 8% lower. Spending on further education fell faster during the 1990s, grew more slowly in the 2000s, and has been one of the few areas of education spending to see cuts since 2010.*

[...]

*Spending per student in 16–18 further education fell by 8% in real terms between 2010–11 and 2017–18 and by over 20% in school sixth forms.*

While the substantial sums of £500m for T Levels and £80m for Institutes of Technology are to be welcomed, witnesses at our evidence session highlighted some of the particular challenges for further education, including underspends of more than £100m in recent years, additional costs in the form of VAT, requirements for students to study additional maths and English and the need for specialist facilities for some subjects.

It cannot be right that a funding ‘dip’ exists for students between the ages of 16 and 18, only to rise again in higher education. Successive governments have failed to give further education the recognition it deserves for the role it plays in our national productivity puzzle. As you prepare for the Budget later this month and next year’s Spending Review, we would like to take this opportunity for you to look very carefully at the core level of funding for students in FE, as opposed to targeted announcements.

At our session last Wednesday, Dr Alison Birkinshaw from the Association of Colleges told the Committee that:

*We have to work back from what this country needs, we have to do our work in envisioning what an education system should look like post-16, including adult, and then we have to work [...] what it will cost to fund it. Politics needs to come out of it because we cannot afford the short-termism that we get currently.*

Further education plays a vital role in tackling social injustice and providing an educational ladder of opportunity. One in three college students live in the most disadvantaged wards in the country, yet they manage to outperform independent schools when it comes to next steps. 87% of college students are in education, training or work six months after finishing their course, compared to 82% from independent schools.

We will, of course, be taking evidence from a Minister in the Department for Education towards the end of our inquiry. Given the specifically financial aspects of our inquiry and the link to improving national productivity and creating a skills-based economy, we would also like to hear from a Treasury Minister. I would therefore like to take this opportunity to invite the Chief Secretary to give evidence to our inquiry on school and college funding on a mutually convenient date later this year, and hope that your officials will be able liaise with the Committee staff to make this happen.

I am copying this letter to the Secretary of State for Education and Chair of the Treasury Select Committee.

Yours sincerely,



**Rt Hon Robert Halfon MP**  
**Chair of the Education Committee**