General Election 2019
An analysis of manifesto plans for education

Priority 6: Post-16 education, including technical and vocational

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Priority 6: Post-16 education, including technical and vocational

After the age of 16, young people in England must select from a variety of routes intended to develop the right skills and knowledge to prepare them for the world of work or for higher education. The provision of a high-quality, well-funded, and accessible post-16 system is vital to support young people to make informed choices about their future.

It is also increasingly important to ensure the right skills are being cultivated to meet productivity needs. In addition to current known challenges in the UK labour market, a new government may be preparing for the uncertain impact of leaving the European Union. Jobs requiring intermediate, technical skills appear the most vulnerable given the UK's long-standing difficulty in generating these skills in its workforce.[1]

The current landscape

Post-16 routes

While a pathway after secondary school involving A levels followed by study at university is often seen as typical, a growing proportion of young people go on to take vocational equivalents to A levels, continued GCSE study, GCSE level vocational qualifications, lower-level qualifications and apprenticeships. These less academic pathways can loosely be termed as further education (FE). The same level of esteem is typically not attached to FE as to more academic pathways. This is evidenced not only in the socio-economic segregation present in the system, but also by the disparities in resourcing and outcomes for those who pursue further education.

The lack of parity is pressing because, as it stands, young people who follow further education pathways tend to have worse educational and employment outcomes, as well as poorer health outcomes on average than their peers following academic routes.

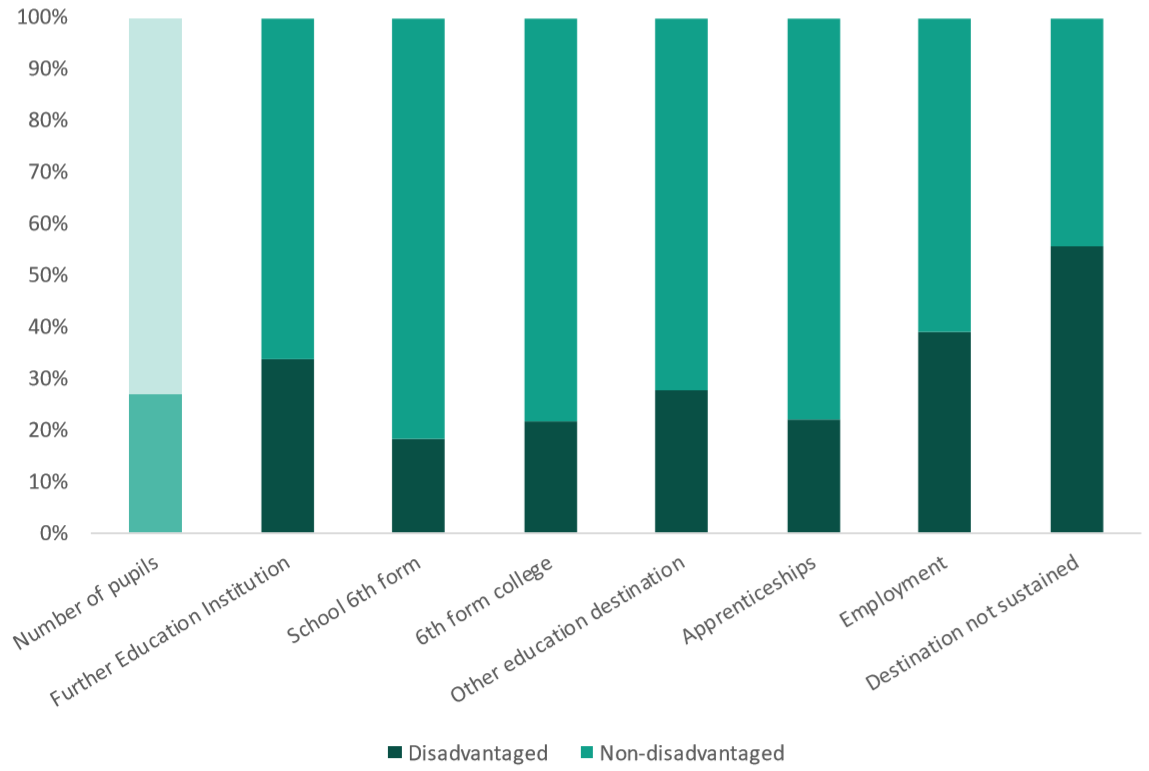
There is also a longstanding issue with literacy and numeracy. A third of 16-year-olds in England do not achieve at least a grade 4 pass in GCSE English and maths each year. This is not adequately addressed by the post-16 system. Twenty to twenty-four year olds in England who have not entered higher education have lower levels of numeracy and literacy than peers educated to similar levels in other developed countries. England also has the third largest gap between the numeracy and literacy of those with the highest and lowest education levels.

Social segregation in post-16 routes

Our annual report on education in England assessed the attainment gap that exists between disadvantaged pupils and their peers at key stages of their education. It found that disadvantaged pupils are not equitably represented across all post-16 pathways. In 2017, 21.8 per cent of disadvantaged pupils would have needed to switch their post-16 destination to match the destinations of non-disadvantaged students in order for there to be parity in the system (Figure 6.1).

[1] David Robinson, '*Further Education Pathways: Securing a Successful and Healthy Life after Education*', (November 2019)

Figure 6.1: The post-16 destinations of young people in 2017



Post-16 funding

Between 2010-11 and 2018-19, real terms funding per student in school sixth forms, sixth form colleges, and further education (FE) colleges declined substantially, by 16 per cent, from £5,900 to £4,960. This is twice the rate that per pupil funding in schools fell by between 2009-10 and 2017-18 (8 per cent).

In fact, not only has 16-19 education been the biggest real terms loser of any phase of education since 2010-11, but it has also suffered from a long-run squeeze in funding: 30 years ago, 16-19 funding was far higher (almost 1.5 times) than secondary school funding, but is now lower.

The impact of these financial challenges appears to be making itself felt in the reduced number of learning hours received by students.[2]

In the most recent spending round of September 2019, a one-year settlement was announced, committing an additional £400m of funding to 16-19 education for 2020-21. Much of this funding appears to be targeted towards further education, signalling a step towards addressing the current disparity between FE and academic pathways.

[2] Gerard Dominguez-Reig and David Robinson, '*16-19 Education Funding: Trends and Implications*', (May 2019)

Progression from vocational and technical education

There is a lack of clarity across the assorted array of vocational and technical further education options, without a transparent pathway for progression into higher qualifications.[1] Young people who take these pathways are consequently less likely to continue education beyond the age of 19, and those that do are less well supported financially than those taking an academic route into higher education. This is in spite of potential for positive labour market returns from these additional qualifications. Improved careers guidance could potentially make a difference to this situation. As it stands, schools and colleges are not managing to meet the current standard set by the 'Gatsby benchmarks', and over a third of those in FE are not receiving information about the full range of apprenticeships available to them as further study.

Reforms to post-16 settings and participation

There have been significant changes in this area including making it mandatory for young people in 16-19 education who have not already achieved a good pass in English and mathematics to continue to study those subjects;[3] raising the participation age to 18 in 2015; the publication of a new Careers Strategy in 2017; and the introduction of the Apprenticeship Levy in 2017.

Apprenticeships are an avenue by which recent governments have hoped to deliver high quality vocational and technical education and bolster the number of skilled workers, as well as raise the status of these types of qualifications. The government has recently acknowledged that the goal to achieve three million apprenticeship starts by 2020 would be missed.[4] Key issues are around the quality of provision, lack of clear progression opportunities to more advanced qualifications and differential access, particularly at higher levels. A significant proportion of those starting apprenticeships are existing employees who are 'converted' to apprentices, whilst uptake is low among new starters and those younger than age 19 in comparison with successful apprenticeship schemes in other national settings. Equally, young people from disadvantaged backgrounds are disproportionately less likely to take up the apprenticeship route, particularly at higher and advanced levels.[5]

T levels are new technical qualifications which are intended to be on par with A levels. These are currently being developed across 15 industries, with the first three due to be rolled out in 2020 and expected to be fully introduced by September 2023. However, senior officials in the Department for Education raised early concerns over the deliverability of the programme within this timetable.[6] Concerns are around whether they will receive support among young people and employers, as well as whether the skills exist in the workforce to deliver adequate teaching, and whether there is sufficient time to develop them to the quality required to make them a success.

UTCs are a type of free school first introduced in 2010. They offer education to 14-19 year olds, with a strong focus on technical education. Many have struggled both to recruit and retain pupils. Ten out

[3] Full time students with a grade 3 must study an eligible GCSE qualifications, other students can take a functional skills level 2 qualification.
[4] Damian Hinds, evidence to the Education Select Committee, 26 June 2019
[5] Alison Fuller et al., '*Better Apprenticeships*', (November 2017)
[6] David Laws, '*A Top Education Official Has Warned That T-Levels Are a Problem. He Is Right*', (June 2018)

of 58 of these schools have closed. The low numbers on roll are widely attributed to their starting age of 14, which does not fit well with the broader system which is essentially pre- and post-16.

The requirement for young people to study towards GCSE English and maths up to the age of 19, including those aged 19 to 25 with an Education Health and Care Plan, has seen an early uplift in the number of people in this age range achieving the required level. However, despite these improvements, four-fifths of these young people still do not achieve the threshold by the age of 19.

What should a new government do?

- **Provide the 16-19 phase with a more enduring financial settlement to sustain quality provision in the long term.** In particular, the impetus behind the most recent financial commitment of £400m must be built upon into a new government, in order to ensure the imbalance between the 16-19 phase and other phases is addressed.
- **Carry over into a new government the focus on young people and technical pathways**, including the development of new qualifications, and ensure that schools and colleges are sufficiently resourced to meet any new responsibilities.
- **Boost low literacy and numeracy skills among 16 to 19-year-olds** and consider whether resits of GCSEs are necessarily the best way of delivering this.
- **Increase the number of 16-19 apprenticeship starts**. A new government should consider the options to increase apprenticeship uptake among young people, including further redistribution of levy funding towards younger apprentices, or other incentives for employers to hire younger learners.

Manifesto commitments

All parties, except for the Brexit party, have pledged to increase funding for the 16-19 education phase, with much of this money being earmarked for the further education sector, as opposed to school sixth forms which mainly deliver A levels. Both the Liberal Democrats and Labour parties have made commitments which would see an increase in funding received directly by disadvantaged students aged 16-19, with a view to promoting equal access and retention at this phase of education. There are also commitments to capital funding to expand the further education and sixth form estate.

Beyond funding, there are some less detailed proposals to improve vocational and technical education, and to improve careers guidance and advice. In terms of apprenticeships, all parties except for the Green Party have pledged to reform the Apprenticeship Levy, with the Brexit party pledging to abolish it. In each instance, apprenticeships appear to be framed in terms of education and training beyond the age of 18, with little focus on those aged 16-18.

16-19 funding

The Labour party pledged in their manifesto to "ensure fairness and sustainability in further education, aligning the base rate of per-pupil funding in post-16 education with Key Stage 4." In correspondence with EPI, it was further clarified that the base rate would be raised to £4,921 in 2023-24 cash terms.[7] Adjusting to 2019-20 prices puts this proposed base rate at £4,558 by 2023-24.

[7] Confirmed in correspondence by the Labour party on 27th November 2019.

The Liberal Democrat policy in this area is to spend an additional £1bn in Further Education funding, including by refunding colleges for the VAT they pay. The party has also pledged to extend the Pupil Premium to young people aged 16-19, which is discussed below. The party has clarified that £820m of this funding will be applied to base funding per student in 2020-21, rising to around £900m by 2024-25 in addition to the current £4,000 baseline.[8]

Though not referenced in their manifesto document, the Conservative party is retaining the commitment of £400m one-year settlement for 16-19 education in 2020-21, announced in the 2019 spending round. There is no funding commitment mentioned beyond this one-year settlement. Beyond £190m allocated to increase the current £4,000 basic funding rate for all students, £20 million to support teacher recruitment and retention and £10m to fund the advanced maths premium, this spending is allocated largely towards further education, with £120m for courses with higher running costs; £25m for the delivery of T levels; £35m for targeted interventions to support students taking level 3 qualifications to re-sit GCSE English and mathematics.

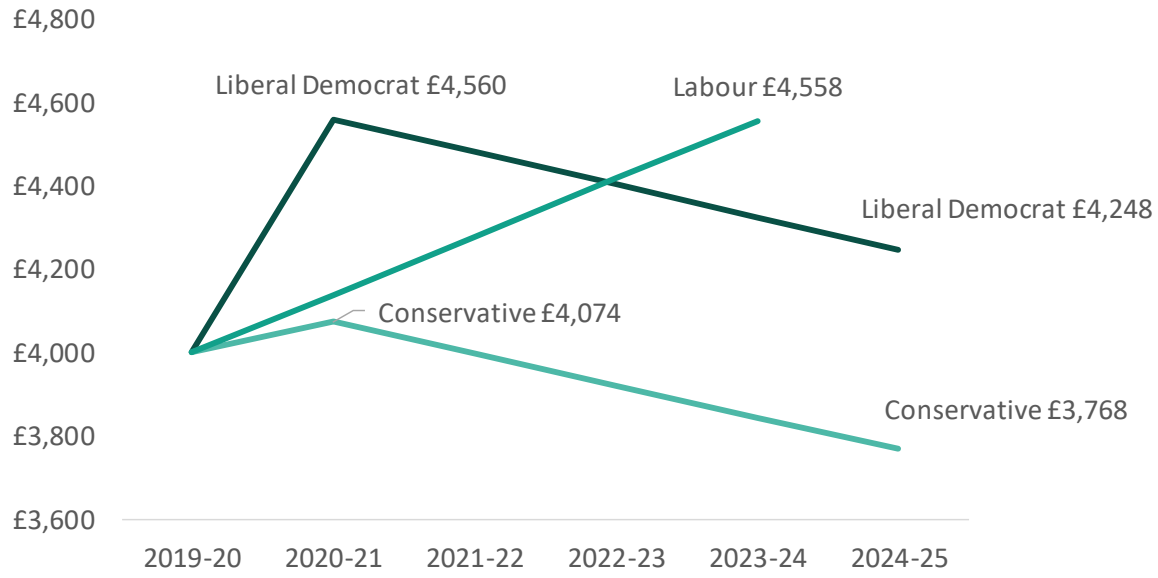
The Green Party has also pledged an uplift in spending in this phase of education. Specifically, the manifesto states that a Green government would "raise the funding rate for 16-17 year olds, followed by an annual rise in line with inflation…". Without further clarification on the extent of the funding increase, it is difficult to compare this with pledges of other parties.

Figure 6.2 compares party pledges to increase base funding per student. Where the Liberal Democrat and Conservative parties have specified overall totals pledged to uplift the per student base rate, these totals have been translated in to per student amounts. This calculation has taken account of projections of student numbers – which are expected to increase substantially over the next few years – and of the expected real terms fall in value of the current £4,000 base rate, which is not protected in cash terms under current government policy. Full details of the methodology are set out in the technical appendix.

Figure 6.2 illustrates that the Conservative party pledge is lower and less sustained in comparison with the higher and longer term pledges detailed by the Labour and Liberal Democrat parties. While the Liberal Democrat pledge would see a similar level of funding as Labour introduced much earlier, it appears that the pledged rise in funding thereafter (from £820m in 2020-21 to £900m by 2024-25), would not keep pace with the fall in the current base rate value or with the rise in student numbers. We also calculated an alternative scenario (not shown in the figure) which assumed a protected base rate. This alternative calculation found that the increase to £900m by 2024-25 as pledged by the Liberal Democrats would still result in a small decrease in per student funding due to the expected rise in student numbers.

[8] Confirmed in correspondence by the Liberal Democrat party 26th November 2019.

Figure 6.2: Base funding per student 2019-20 to 2024-25



Three parties have pledged capital funding for the post-16 sector, though the Conservative Party is the only one to provide figures. The Labour manifesto pledges "dedicated capital funding to expand [further education] provision" and the Green party has also pledged to provide a capital expansion fund for sixth form providers. The Conservative manifesto states they are "investing almost £2 billion to upgrade the entire further education college estate." This is a significant amount, going beyond the recommendation of £1bn made in the Augar review. [9] However, the Augar recommendation advocated "an additional £1bn capital investment over the coming spending review period", as opposed to apportioned across a five-year period starting in 2021-22.

Funding for disadvantaged students

Both the Labour and Liberal Democrat parties have included pledges to reform the funding available to students aged 16-19 who are from less affluent backgrounds. In each of these policies, either all or a portion of the funding would be paid directly to the student.

Labour proposes to reinstate the Education Maintenance Allowance (EMA), with the stated intention of ensuring "fairness and sustainability in further education". This was a scheme introduced in 2004 and later abolished in 2011. The original programme consisted of cash transfers available to 16-19 year olds of up to £30 a week, with the intention of tackling the attainment gap in that phase of education. Eligibility was based on low household income and conditional on education participation after the age of 16. Whilst evidence suggests that schemes in both England and Wales did have a positive impact on the participation and retention of those receiving the full £30 allowance in post-16 education, the scheme was abolished in England in 2011 as it was considered that a large number of recipients would stay in education without the payments.[10] The scheme continued in Wales. A key

[9] Department for Education, *'Independent Panel Report to the Review of Post-18 Education and Funding*', (May 2019)

[10] Jack Britton and Lorraine Dearden, '*The 16 to 19 Bursary Fund: Impact Evaluation*', (June 2015); Nia Bryer, 'Evaluation of the Education Maintenance Allowance', (October 2014)

difference to the post-16 landscape now is that since the abolition of EMA the compulsory participation age for education has been raised to 18.

If reintroduced, the full payment available would be uprated to £35. This reflects inflation on £30 since the abolition of the original scheme in 2011. However, it should be noted that this payment amount had not been protected in real terms since its pilot and introduction in the late 1990s and early 2000s, meaning that by its abolition in 2011 the bursary payments were worth less than when the scheme was initially introduced.

The Liberal Democrats have pledged to introduce a 'young people's premium' which signifies the extension of the existing Pupil Premium to college students aged 16-19. The Pupil Premium is an initiative introduced by the Coalition government in 2011. The manifesto states that the young people's premium would be based on the same eligibility criteria as the current Pupil Premium. A key difference however is that part of this fund would be paid directly to students, with the intention that this supports them with travel costs and other necessities, introducing some parallel with EMA payments.

It would appear that the main intention behind each of these policies is to encourage more disadvantaged pupils to both enter and remain in education and training beyond the age of 16. Despite the raised participation age to 18, current data covering the destinations of pupils following the end of secondary education tell us that disadvantaged pupils are less likely than their more affluent peers to progress to education or training after GCSEs. Around 15 per cent of disadvantaged pupils are in employment rather than education or have not 'sustained' their destination in the year after finishing Key Stage 4, compared with around six per cent of their more affluent peers. [11, 12] Those who do progress to education are then less likely to complete their course or qualification. Furthermore, the current evidence base tells us that disadvantaged young people enter the post-16 system with lower attainment on average, as well as being more likely to enter institutions with lower progression to higher qualifications.[13] Less is known precisely about what happens to the disadvantage gap after the age of 16. There is therefore some scope to encourage a greater proportion of disadvantaged students to participate in education beyond the age of 16, as well as to reduce social segregation across different post-16 institutions (see Figure 6.1).

In the case of EMA, the raising of the compulsory participation age to 18 means it is difficult to estimate based on previous evidence how a reinstatement would impact on participation or retention up to 18.

Mechanisms are already in place within the post-16 sector intended to address these inequalities. The disadvantage uplift is applied through the National Funding Formula and is intended to compensate for area-based deprivation and for student populations with lower prior English and maths attainment. It therefore works similarly to the proposed young people's premium, in that allocations are based on the level of disadvantage of the student body (based on different eligibility criteria), with a key difference being that a portion would be paid directly to the student under the

[11] Department for Education, '*Destinations of Key Stage 4 and 16-18 Students, England, 2017/18*', (October 2019)

[12] Not sustained includes students with participation which did not last two terms, or who had no participation and claimed out-of-work benefits.

[13] Jo Hutchinson et al., '*Education in England: Annual Report 2019*', (July 2019)

young people's premium. It is not clear whether YPP is instead of or in addition to existing disadvantage funding.

Another system that is currently in place is the 16-19 bursary scheme which provides financial support paid directly to the student. Though introduced as a replacement to EMA, this system has a much smaller budget than the original EMA and is paid at the discretion of providers as opposed to being applied through common eligibility criteria. We assumed that EMA would replace this bursary scheme if introduced.

Within this report it is not possible to compare the direct funding component of each proposed policy. This is because, on the one hand, we lack detail from the Liberal Democrats on what proportion of the fund would be paid directly to students. On the other, while the Labour Party estimate that nearly 600,000 young people would be eligible for the bursary with over 475,000 receiving the highest rate, without access to data on parental income it is difficult to estimate which students would be entitled to receive EMA.

Here we estimate how the phase as a whole would be affected by the extension of Pupil Premium, specifically which types of institution would be likely to receive the greatest amount of the grant. This exercise will tell us a number of things: firstly, how disadvantage is currently distributed in the post-16 system and which types of institutions will therefore attract the greatest grant in young people's premium; secondly, we will see how the grant will impact on each institution type's overall per-student funding, and therefore how significant the grant would be for each institution type's funding within the context of recent cuts; thirdly, the exercise will indicate where institutions may be incentivised to attract more disadvantaged students and therefore discourage social segregation in the system. To do this we use Key Stage 4 destinations statistics, which provide national data on the pathways taken by young people following the end of secondary school. Full details of the method can be found in the appendix.

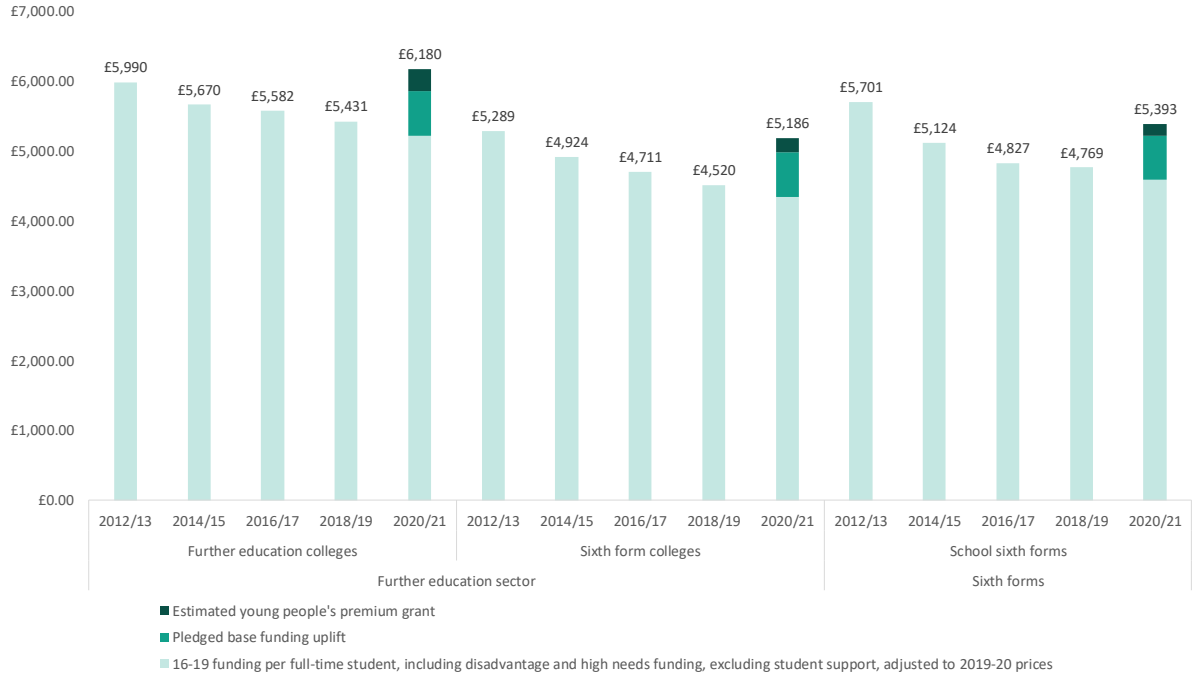
We present results for state-funded institutions alongside historical per-student funding, adjusted to 2019-20 prices, to provide a contextualised view of how the extension of the Pupil Premium to young people aged 16-19 would impact on per-student funding in different state-funded institutions, assuming all other funding is unchanged for this phase.

We find that:

- Providers in the further education sector would have the largest amount targeted towards their students. This is mainly targeted towards FE colleges, owing to them being attended by a larger proportion of disadvantaged pupils.
- Taking into account trends in real terms funding cuts over the past decade, the uplift in funding per-student received through the young people's grant, in combination with the pledged uplift of the base rate funding, would reverse much of the per-student funding cuts felt by further education colleges. Cuts would be reversed to a lesser extent in other parts of the sector, particularly school sixth forms.
- Introducing a young people's premium may create incentives for sixth form colleges and school sixth forms to recruit more disadvantaged pupils, given that their numbers are currently proportionately low.

- About 115,000 young people would be eligible for the young people's premium, contrasting with the Labour party's estimates that over 475,000 young people would be eligible to receive the full rate of £35 EMA.

Figure 6.3: Funding per student in the first year of study following secondary school, by institution type



As noted above, it is difficult to predict precisely whether and how the young people's premium or EMA would impact on the sustained participation of disadvantaged students in the post-16 education system, particularly following the introduction of the raised participation age.

Each scheme may well encourage participation, as there is evidence from previous EMA schemes that direct payments to students can aid this. The young people's premium may do more as a scheme to encourage providers with currently lower numbers of disadvantaged students to attract more of these learners, thus potentially helping to ease social segregation in the system. Again, without evidence demonstrating that the Pupil Premium impacted on segregation levels in primary or secondary schools, it is difficult to project whether this will have the intended effect in post-16 education.

Improving vocational and technical pathways

Party manifestos give little attention to issues around vocational and technical pathways in post-16 education. Where it is mentioned, there is little detail provided. The Liberal Democrat Party proposes to "improve the quality of vocational education, including skills for entrepreneurship and self-employment." The document does not expand further.

There are numerous proposals across all parties (except for the Greens) to reform the apprenticeship levy. In addition to this, the Conservative manifesto states that the pledged large-scale infrastructure projects will "require significant numbers of new UK apprentices". Overall, these reforms are consistently framed in terms of adult re-training or post-18 education. What is missing is attention to funding or reform in 16-18 apprenticeships. The key concern that a new government

should have regarding apprenticeships is both ensuring quality and encouraging more young people to take up apprenticeships, as opposed to focusing on numbers per se.

The 20 Institutes of Technology referenced in the Conservative manifesto represent an opportunity to provide better clarity for progression into higher qualifications for students following technical post-16 routes. Ultimately however, the key focus needs to be on the quality of the qualifications, rather than the institutions in which they are provided.

Careers guidance

The Labour and Liberal Democrat party manifestos both contained a pledge relating to careers advice and guidance, though were scant on detail. Labour takes a broad approach, proposing to "reform existing careers advice, working towards an integrated information, advice and guidance system that covers the entire National Education Service." The Liberal Democrat manifesto states that under their government they would "improve careers advice and links with employers in schools and colleges."

The Conservative manifesto makes a brief reference to careers, stating an intention to ensure young people with special educational needs have access to careers advice. Beyond this, we assume that the Careers Strategy announced in 2017 would continue to be government policy.

Any new government must ensure efforts to improve or reform careers guidance focus particularly on disadvantaged young people and on technical pathways. Early engagement with employers is also an important priority, which is reflected in the Liberal Democrat pledge. In communicating the possible returns of various pathways to young people, it is important to broaden the focus beyond financial returns, and for example ensure evidence on the health and wellbeing outcomes of different education pathways is made available to inform careers advice. Ultimately, any new responsibilities for colleges in this area must be funded.

Overall assessment

All parties except the Brexit party have pledged to increase funding for the 16-19 education phase. The Conservatives have pledged the least and have not committed to additional funding beyond their one-year settlement. Labour's pledge is lower than that made by the Liberal Democrats, but is set to rise significantly beyond the first year. Combined with additional funding provided by the young people's premium, this would reverse a significant proportion of cuts felt in the last decade.

There is little detail across manifestos on how technical education will be addressed in a new government. Our assumption is that current government policy on reforming qualifications including T levels will continue, but there is no detail on what funding will be provided and how quality will be ensured.

No parties make reference to numeracy, literacy or the "forgotten third" – save it being implied by some pledging significant funding uplift in further education. Again, we have to assume that current government policy will continue, for example the requirement for some to re-sit English and maths GCSEs to achieve a basic level of qualification. There needs to be more explicit commitment and closer consideration of how best to tackle these issues.

On apprenticeships, there is no clear focus from any party on the potential benefits of recruiting younger apprentices, and no clear plan on improving their quality.