

## Independent panel report to the review of Post-18 education and funding – report summary

### Background

In February 2018 the Prime Minister [announced a review](#) of post-18 education and funding. An independent panel, led by Philip Augar, were asked to provide input into the review. The terms of reference of the review stated that it would focus on:

- Choice and competition across a joined-up post-18 education and training sector
- A system that is accessible to all
- Delivering the skills our country needs
- Value for money for graduates and taxpayers

In March 2018, the independent panel invited interested individuals and organisations to submit evidence to inform its work. The Royal Society of Biology submitted a [response](#) to this consultation.

In May 2019 the [independent panel's report](#) was published. The report sets out their findings and policy recommendations for government consideration.

### Guiding principles

The review is guided by a set of 8 principles, highlighted below.

#### **Principle 1. Post-18 education benefits society, the economy, and individuals.**

The potential benefits of an increasingly educated adult population have guided our work. But increasing the sheer volume of tertiary education does not necessarily translate into social, economic and personal good. That depends on the quality, accessibility and direction of study.

#### **Principle 2. Everyone should have the opportunity to be educated after the age of 18.**

We have noted the disparity of resources between higher and further education and the steep decline in opportunities for education and training in later life. We have this in mind in seeking to create an integrated and sustainable post-18 system with opportunities for the whole population.

#### **Principle 3. The decline in numbers of those getting post-18 education needs to be reversed.**

In many developed economies, increased participation in tertiary education has been associated with productivity growth over the past half century but in England - where attention has focused largely on degree-level study - the total number of people involved in post-18 education has in fact declined. This decline needs to be reversed urgently.

#### **Principle 4. The cost of post-18 education should be shared between taxpayers, employers and learners.**

This was the defining principle of the seminal Dearing Report (1997) and continues to have resonance: the alternatives are simply inconceivable. Getting the taxpayer to pay for everything is unaffordable. Getting learners to pay all their own costs is unfair to those of limited means. Getting employers to pay for the whole system would put too much emphasis on economic value alone. A shared responsibility, in our view, is the only fair and feasible solution.

**Principle 5. Organisations providing education and training must be accountable for the public subsidy they receive.**

The receipt of taxpayer funding, whether this is directly through grants or indirectly through forgivable loans, carries with it the expectation of transparency and accountability for the purposes to which it is put and the outcomes that it delivers. There should be no sense of entitlement.

**Principle 6. Government has a responsibility to ensure that its investment in tertiary education is appropriately spent and directed.**

The government should consider public spending on tertiary education alongside its spending on other parts of the public sector and should hold the sector accountable whilst respecting its intellectual freedom and academic autonomy.

**Principle 7. Post-18 education cannot be left entirely to market forces.**

The idea of a market in tertiary education has been a defining characteristic of English policy since 1998. We believe that competition between providers has an important role to play in creating choice for students but that on its own it cannot deliver a full spectrum of social, economic and cultural benefits. With no steer from government, the outcome is likely to be haphazard.

**Principle 8. Post-18 education needs to be forward looking.**

The future challenges of technological innovation, artificial intelligence and shorter job cycles will require greater labour market flexibility. The post-18 education system needs to respond to this: doing more of the same will not be enough.

## Summary of the panel's recommendations

- **Strengthen technical education**  
Improved funding, a better maintenance offer, and a more coherent suite of higher technical and professional qualifications would level the playing field with degrees and drive up both the supply and demand for such courses.
- **Increase opportunities for everyone**  
Almost 40% of 25 year olds do not progress beyond GCSEs as their highest qualification. Reverse cuts in adult skills provisions and encourage part time and later life learning.
- **Reform and refund the FE college network**  
Increase the base rate of funding for high return courses. An additional £1bn capital investment over the coming spending review and investment in the workforce will help improve recruitment and retention. Rationalisation of the network to even out provision across over-supplied and under-supplied areas and funding for some specialised colleges.
- **Bear down on low value HE**  
Encourage universities to bear down on low value degrees and incentivise them to increase the provision of courses better aligned with the economy's needs.
- **Address higher education funding**  
Restore more control over taxpayers support and reduce what universities may charge each degree student. Universities should find further efficiency savings over the coming years, maximum fees for students should be reduced to £7,500 a year, and more of the taxpayer funding should come through grants directed to disadvantaged students and to high value and high cost subjects.

- **Increase flexibility and lifelong learning**  
Introduce a lifelong learning loan allowance to be used at higher technical and degree level at any stage of an adult's career for full and part-time students. This should be available in modules where required, to encouraged retraining and flexible learning. These proposals should facilitate transfer between different institutions.
- **Support disadvantaged students**  
Provide additional support by reintroducing maintenance grants for students from low income households, by increasing and better targeting the government's funding for disadvantaged students.
- **Ensure those who benefit from higher education contribute fairly**  
Support the income-contingent repayment approach, with those benefitting the most making the greatest contribution. The current student loans system should be renamed the Student Contribution System to avoid public misunderstanding.
- **Improve the apprenticeship offer**  
Make further improvements in the quality of the apprenticeship offer by providing learners with better wage return information, strengthening Ofsted's role, and better understanding and addressing the barriers SMEs face within the apprenticeship system. Apprenticeships at degree level and above should normally be funded only for those who do not already have a publicly-funded degree.

## Context

### *Higher and further education landscape in England*

- Within England there are currently 141 higher education institutions (HEIs) of which 134 receive public funding from the Office for Students (OfS).
- In English higher education the typical university offers all levels of degrees: undergraduate, taught postgraduate and research degrees. This arrangement is highly unusual. Almost all other countries in the world have very clear sub-categories of university, distinguished by the level of degree they award.
- There are currently 200 general, tertiary and specialist Further Education Colleges (FECs) providing learning in England.
- Government-funded education and training in England is also provided by 1,179 private sector training providers (also referred to as ITPs) and 312 'other publicly funded' providers of further education and training.
- There has been a decline in work-based training over the last twenty years. A smaller proportion of employers are now directly engaged with, or purchase training from FE colleges. For some decades government policy has removed most apprenticeship training and funding from employer control.
- England now has one of the highest university participation rates among OECD countries.
- There has been a decline in part time and older university students
- There has been a decline in Level 4 and 5 qualifications, as well as a decline in qualifications at Level 3 and below.

### *HE finance system*

- In 2012 the fee cap was raised to £9,000 following the Browne Review, splitting the cost of higher education between the student and taxpayer, and so enabling the government to lift the previous cap on student numbers.
- The move led to a reduction in public funding for higher education, and a deferral of cost.
- The system of income-contingent loans collects interest and repayments from borrowers depending on their post-study earnings.
- It is estimated that an average of 45% of the amount loaned to students will ultimately be written off.
- In 2018 the OfS concluded that the write-off should be scored in the public finances rather than at maturity (after 30 years) thus bringing public spending statistics in line with the Department for Education (DfE) accounts.

- At Spring Statement 2019, the Office for Budget Responsibility estimated an impact on the deficit of £10.5bn in 2018-19, rising to £13.7bn in 2023-4. This will make the taxpayer subsidy more visible and immediate.
- FECs, ITPs and other providers are funded in a completely different way – FECs receive annual contracts for adult (post 18) education based on the amount of education and training delivered. Student numbers are capped for these institutions.
- The government records costs upfront for FECs and ITPs, as it does for schools. The full cost of the contracts appear at once on the public accounts.
- There are in effect two different systems of funding for tertiary education.

### **Social mobility**

- Despite more people obtaining considerably more education at higher levels than they would have done in the past, social mobility in England is not improving.
- At school level, there have been some significant improvements in recent decades – A Level 2 qualifications is widely considered the minimum benchmark for employability in a range of productive occupations. There has also been a significant increase in the proportion of young people receiving a Level 3 by the age of 19.
- However, at age 18 the picture becomes very different. The progress for learners who do not complete their Level 3 by the age 18/19 is virtually non-existent.
- The gaps are widening rather than closing:
  - Regions differ in the likelihood that young people will apply to HE
  - There are wide difference among different ethnic groups
  - Girls are more likely to apply to university than boys
  - Young people with a graduate parent are more likely to apply to university, for any given set of GCSE or A level grades
  - Those with graduate parents are more likely to do A levels in preparation for university
- The most advantaged students are 4.5 times more likely to go into HE than the least disadvantaged.
- Students from disadvantaged backgrounds are disproportionately likely to attend low tariff institutions and more likely to drop out. These students are also less likely to achieve first class or upper second class degrees.

### **Skills and skills mis-match**

- There is a shortage of higher technical and craft skills which in some sectors and regions is acute.
- Skills shortages and skills mis-matches reduce efficiency and act as drags on productivity growth.
- The evidence for skill shortages is particularly strong in STEM-related areas
- In the UK, for example, there has been rapid growth in demand for intermediate or technician level jobs in sectors that include construction and agriculture, as well as health and information
- National longitudinal studies and earnings data provide clear evidence of very strong demand for mathematics and for STEM expertise more generally
- At university, individuals with at least one STEM A level are mostly found taking degrees with high returns, reflecting the high labour market demand for STEM skills

## Full list of recommendations

### CHAPTER 2: SKILLS

**2.1 The government should introduce a single lifelong learning loan allowance for tuition loans at Levels 4, 5 and 6, available for adults aged 18 or over, without a publicly funded degree. This should be set, as it is now, as a financial amount equivalent to four years' full-time undergraduate degree funding.**

**2.2 Learners should be able to access student finance for tuition fee and maintenance support for modules of credit- based Level 4, 5 and 6 qualifications.**

**2.3 ELQ rules should be scrapped for those taking out loans for Levels 4, 5 and 6.**

The country's very small number of Level 4/5 students translates into persistent skill haps at technician levels and also severely reduces opportunities for people who are unable to progress directly from Level 3 to 6.

A small minority of Level 4/5 learners are found in the STEM-related technical areas where skills gaps are especially evident.

This gap in higher technical education makes England an outlier by international standards.

Financial issues explain why there has been a decline in higher technician provision at a time when the labour market provides clear evidence of skill gaps, and are important in explaining why our skills system supplies so little part-time and flexible provision at a time of rapid economic change and lengthening work lives.

Maintenance should be drawn down on a pro-rated basis as currently happens for part-time students. Learners should be able to build up to full qualifications over a number of years, if they wish. Modules eligible for individual funding should be for a minimum of 30 credits.

Demand for Level 4/5 and for short courses should grow and be actively encouraged as demand from learners increased.

**2.4 Institutions should award at least one interim qualification to all students who are following a Level 6 course successfully.**

Sometimes students need to pause their learning, or may decide they have made the wrong choice.

Creating a widely known accreditation point would motivate students who may be struggling or have decided to leave their current one. It would also make credit transfer easier and make Level 4 and 5 a central and visible part of HE with minimal expense.

**2.5 Streamline the number and improve the status of Level 4/5 qualifications.**

**2.6 The OfS should become the national regulator of all non-apprenticeship provision at Levels 4 and above.**

**2.7 Government should provide additional support and capital funding to specific FE colleges in order to ensure a national network of high quality technical provision is available.**

**Government should work with the OfS to determine how best to allocate this using, for example, quality indicators and analysis of geographic coverage.**

**2.8 From 2021-22 the fee cap for Level 4 and 5 qualifications currently prescribed by the OfS should be £7,500 – the same as that proposed for Level 6 qualifications and in line with current arrangements for prescribed HE qualifications. Longer term, only kitemarked Level 4 and 5 qualifications that meet the new employer-led national standards should be able to charge fees up to the Level 6 cap and be eligible for teaching grant. From that point, any other Level 4 and 5 courses should have a lower fee cap.**

England's market-led approach is fragmented across three types of providers at Level 4 and 4. Linked to the Industrial Strategy, the report recommends government take a lead role in ensuring geographical coverage of Level 4 and 5 provisions.

From 2022/23 the report recommends that the fee cap for all Level 4/5 qualifications should be linked to the new employer-led national standards for higher technical education.

The simplification of the fee system, and its application across HE and FE would make technical provision much easier for learners to understand and thereby more attractive.

**2.9 The current age cap should be removed so that a first 'full' Level 3 is available free to all learners whether they are in work or not.**

**2.10 Full funding for the first 'full' Level 2 qualification, for those who are 24 and over and who are employed should be restored.**

**2.11 The careers strategy should be rolled out nationally so that every secondary school is able to be part of a careers hub, that training is available to all careers leaders and that more young people have access to meaningful careers activities and encounters with employers.**

Achieving a 'full' Level 2 qualification can increase an individual's earnings by 11% and their chance of being in employment by 2 percentage points.

Level 2/3 qualifications should be employment and skills focused, appropriate for older adults and based on the quality of the course, not the number of hours studied.

The government published a Careers Strategy in December 2017, however the panel believes that careers support is still underfunded and therefore recommends the strategy is rolled out nationally so that every secondary school is able to be part of a careers hub, that training is available to all careers leaders and that more young people have access to meaningful career activities and encounters with employers.

## CHAPTER 3: HIGHER EDUCATION

**3.1 The average per-student resource should be frozen for three further years from 2020/21 until 2022/23. On current evidence, inflation based increases to the average per-student unit of resource should resume in 2023/24.**

**3.2 The cap on the fee chargeable to HE students should be reduced to £7,500 per year. We consider that this could be introduced by 2021/22.**

**3.3 Government should replace in full the lost fee income by increasing the teaching grant, leaving the average unit of funding unchanged at sector level in cash terms.**

**3.4 The fee cap should be frozen until 2022/23, then increased in line with inflation from 2023/24.**

The 2012 increase in the fee cap from £3,290 to £9,000 marked a major change in university funding. It allowed government to increase per-student resources while reducing upfront grants.

Sharing more of the costs of tuition and maintenance with students through the loan system made the lifting of the student number cap in 2015 affordable.

This radical move boosted the money received by universities per student to its highest real-terms levels in at least 25 years.

Overall funding is now close to the highest international level, despite recent freezes.

An estimated 98% of full-time students are now on a degree course with a fee cap at the maximum.

The removal of number controls combined with a high fee cap created the conditions for a very competitive market.

**3.5 Government should adjust the teaching grant attached to each subject to reflect more accurately the subject's reasonable costs and its social and economic value to students and taxpayers.**

**Support for high-quality specialist institutions that could be adversely affected should be reviewed and if necessary increased.**

Universities spend a large proportion of the income from student fees and teaching grants on non-teaching activities – more than their international comparators.

The KPMG study showed that 42% of reported costs went on direct departmental teaching costs.

University spending has risen in line with income but lower-cost courses have seen bigger spending increases than more resource-intensive subjects. Because funding increased at a much faster rate for lower cost subjects due to the nearer universal setting of fees at the fee cap, lower cost subjects have seen a larger percentage increase in spending than higher cost subjects.

Spending on humanities have increased at more than twice the rate of many STEM subjects, including physics and engineering. Either HEIs are spending their additional income for these subjects in order to demonstrate value for the higher fee level charged, or the allocation of costs to different subjects in the TRAC data is relatively loose.

The report recommends that the OfS carry out a review of the funding rates for different subjects, to include an examination of the reasonable costs of provision in the light of sector best practice.

It also recommends that the OfS should have regard to economic and social value and consider support of socially-desirable professions such as nursing and teaching which do not command significant earning premium. This study would be expected to rebalance funding towards high-cost and strategically important subjects and to subject that add social and economic value.

Many of the under-funded high-cost subjects – Engineering, Science, Technology, Medicine and health related subjects – are central to the government's Industrial Strategy. The panel believes that providers should be encouraged to offer these subjects, as they are now, not financially penalised for putting them on.

**3.6 Government should take further steps to ensure disadvantaged students have sufficient support to access, participate and succeed in higher education. It should do this by:**

- **Increasing the amount of teaching grant funding that follows disadvantaged students, so that funding flows to those institutions educating the students that are most likely to need additional support.**
- **Changing the measure of disadvantage used in the Student Premium to capture individual-level socio-economic disadvantage, so that funding closely follows the students who need support.**
- **Requiring providers to be accountable for their use of Student Premium grant, alongside access and participation plans for the spend of tuition fee income, to enable joined up scrutiny.**

Currently more than £1bn is spent annually on widening access and participation and supporting disadvantaged students.

Institutions that charge more than the basic fee of £6,165 – in effect nearly all universities, and some FECs and ITPs – are required to agree with the OfS their plans and expenditure for supporting disadvantaged and underrepresented groups.

Universities with relatively small proportions of disadvantaged students are required to undertake more outreach activity.

Panel report surprise that there has been no overall assessment of the effectiveness of spend on different approaches to recruiting and supporting disadvantaged students.

**3.7 Unless the sector has moved to address the problem of recruitment to courses which have poor retention, poor graduate employability and poor long term earnings benefits by 2022/23, the government should intervene. This intervention should take the form of a contextualised minimum entry threshold, a selective numbers cap or a combination of both.**

**3.8 We recommend withdrawing financial support for foundation years attached to degree courses after an appropriate notice period. Exemptions for specific courses such as medicine may be granted by the OfS.**

Foundation years are one-year courses offered by universities for students who do not have the prior attainment in the right subjects to enter the course of their choice, to teach them the knowledge they need to progress on to the first year of their chosen course.

The number of UK-domiciled students entering integrated foundation years in England almost tripled between 2012/13.

It is not hard to conclude that universities are using foundation years to create four-year degrees in order to entice students who do not otherwise meet their standard entry criteria. These students are obliged to take out an additional fourth year of higher and non-cancellable fee loan. We question whether this is in their best interest.

The report rejects the case of an institutional number cap.

## **CHAPTER 4: FURTHER EDUCATION**

**4.1 The unit funding rate for economically valuable adult education courses should be increased.**

**4.2 The reduction in the core funding rate for 18 year-olds should be reversed.**

Funding is a fundamental challenge in FE. Funding for adult learners in FE is fragmented, unpredictable and sits at a much lower level per learner than both HE and 16-18 funding.

Overall spending on 16-18 year olds in FE has fallen by 15% in real terms between 2009/10 and 2017/18.

High quality FE needs to offer teaching by vocational experts with up to date experience and knowledge and it must recruit people who did not make teaching a lifetime career.

Staff retention in FE is challenging: 42% of FE tutors and 33% of FE leaders say they are likely to leave the sector in the next 12 months.

The government's decision in 2019 to revoke regulating FE teachers' qualifications was designed to make it easier for FE to recruit industry professionals, and there are no prescribed levels of qualifications or professionals status required to teach in the sector.

The fragmentation of FE teacher training makes it difficult to articulate a clear 'value proposition' for those who might be attracted to teaching in the sector.

**4.3 ESFA funding rules should be simplified for FE colleges, allowing colleges to respond more flexibly and immediately to the particular needs of their local labour market.**

**4.4 Government should commit to providing an indicative AEB that enables individual FE colleges to plan on the basis of income over a three-year period. Government should also explore introducing additional flexibility to transfer a proportion of AEB allocations between years on the same basis.**

The report recommends that the OfS works with the government to find an appropriate way of deciding how to allocate additional capital to grow capacity for higher technical provision in specific FECs.

**4.5 4.5.1 Government should provide FE colleges with a dedicated capital investment of at least £1 billion over the next Spending Review period. This should be in addition to funding for T levels and should be allocated primarily on a strategic national basis in-line with Industrial Strategy priorities.**

**4.5.2 Government should use the additional capital funding primarily to augment existing FE colleges to create a strong national network of high quality provision of technical and professional education, including growing capacity for higher technical provision in specific FE colleges.**

**4.5.3 Government should also consider redirecting the HE capital grant to further education.**



**4.6 4.6.1 The structure of the FE college network, particularly in large cities, should be further modified to minimise duplication in reasonable travel to learn areas.**

**4.6.2 In rural and semi-rural areas, small FE colleges should be strongly encouraged to form or join groups in order to ensure sustainable quality provision in the long term.**

**4.7 Government should develop procedures to ensure that – as part of a collaborative national network of FE colleges – there is an efficient distribution of Level 3, 4 and 5 provision within reasonable travel-to-learn areas, to enable strategic investment and avoid counterproductive competition between providers.**

The report encourages the Association of Colleges and employee groups to work with government and colleges to develop an enlarged and professionalised FE workforce, building on the DfE's recent programmes in this area.

**4.8 Investment in the FE workforce should be a priority, allowing improvements in recruitment and retention, drawing in more expertise from industry, and strengthening professional development.**

**4.9 The panel recommends that government improve data collection, collation, analysis and publication across the whole further education sector (including independent training providers).**

**4.10 The OfS and the ESFA should establish a joint working party co-chaired by the OfS and ESFA chairs to align the requirements they place on providers and improve the interactions and exchange of information between these bodies. The working party should report to the Secretary of State for Education by March 2020.**

**4.11 FE colleges should be more clearly distinguished from other types of training provider in the FE sector with a protected title similar to that conferred on universities.**

Conferring a protected title on FECs, as universities are entitled to, would instil confidence in potential learners that their chosen college and the courses it offers are part of a respected national adult education network.

## **CHAPTER 5: APPRENTICESHIPS**

**5.1 The government should monitor closely the extent to which apprenticeship take up reflects the priorities of the Industrial Strategy, both in content – including the need for specific skills at Levels 3 through 5 – and in geographic spread. If funding is inadequate for demand, apprenticeships should be prioritised in line with Industrial Strategy requirements.**

The low number of apprenticeships in the priority areas in the Industrial Strategy, and the small numbers at Level 4 and above, indicates a clear mismatch between the economy's strategic demands and current apprenticeship starts and employer activity.

Early figures show that degree and higher level apprentices are more likely to come from areas with higher participation in education, and companies in education and employment 'cold spots' are usually far further, geographically, from degree apprenticeship providers that are companies in more advantaged areas.

The panel believe that the regulation of degree apprenticeships should go beyond the current broad requirements relating to 'new' learning.

**5.2 The government should use data on apprenticeships wage returns to provide accessible system wide information for learners with a potential interest in apprenticeships.**

**5.3 Funding for Level 6 and above apprenticeships should normally be available only for apprentices who have not previously undertaken a publicly-supported degree.**

**5.4 Ofsted become the lead responsible body for the inspection of the quality of apprenticeships at all levels.**

**5.5 No provider without an acceptable Ofsted rating should receive a contract to deliver training in their own right (although a provider who has not yet been inspected could sub-contract from a high-quality provider pending their own inspection).**

At present both the OfS and Ofsted are expected to have the necessary expertise to ensure the quality assurance of apprenticeship provision which the panel believes is wasteful. One regulator should inspect apprenticeship provision at all levels to ensure consistency in standards and in-house expertise.

**5.6 The IfATE and the DfE (through the ESFA) should undertake a programme of work to better understand the barriers that SMEs face in engaging with the apprenticeship system and put in place mechanisms to address these, including raising awareness of the programme and making the system easier to navigate.**

**5.7 The IfATE improve transparency when processing standards that have been submitted for approval. Trailblazer groups and providers should have a clear indication of progress, available on-line, so they can start to plan, recruit and invest within workable timelines.**

**5.8 All approved providers of government-funded training, including apprenticeship training, must make clear provision for the protection of learners in the case of closure or insolvency.**

## **CHAPTER 6: STUDENT CONTRIBUTIONS**

**6.1 Continue the principle of loans to cover the cost of fees combined with income-contingent contributions up to a maximum.**

The panel recommend that the most suitable threshold for students in degree-level education is the median non-graduate earnings. In 2018-19 prices, this would mean reducing the threshold to £23,000.

**6.2 Set the contribution threshold at the level of median non-graduate earnings so that those who are experiencing a financial benefit from HE start contributing towards the cost of their studies. This should apply to new students entering HE from 2021/22.**

**Adjust the lower interest threshold to match, with the higher interest threshold moving by the same amount. This should apply to new students entering the system from 2021/22.**

The panel recommends retaining the principle that the real interest charged should be increased linearly between the repayment income threshold and an upper threshold in order to protect borrowers on relatively modest incomes while charging real interest rates to those on relatively high incomes.

**6.3 Extend the repayment period to 40 years after study has ended so that those who have borrowed continue to contribute while they are experiencing a financial benefit. This should apply to new students entering the system from 2021/22.**

**6.4 Remove real in-study interest, so that loan balances track inflation during study. This should apply for new students entering the system from 2021/22.**

**6.5 Retain the post-study variable interest rate mechanism from inflation to inflation plus 3 per cent.**

**6.6 Introduce a new protection for borrowers to cap lifetime repayments at 1.2 times the initial loan amount in real terms. This cap should be introduced for all current Plan 2 borrowers, as well for all future borrowers.**

**6.7 Introduce new finance terms under the banner of a new 'student contribution system'. Define and promote the system with new language to make clearer the nature of the system, reducing focus on 'debt' levels and interest and emphasising contribution rates.**

The panel recommends that communication of the student finance system, including by government departments and agencies, should be significantly improved and updated. A new system: the 'student contribution system' should include a public engagement campaign to introduce wider changes being made to the student finance system and ensure they are properly understood by students, parents and the media.

## CHAPTER 7: MAINTENANCE

**7.1 The government should restore maintenance grants for socio-economically disadvantaged students to at least £3,000 a year.**

In FE there is no universal support for living costs: some learners are eligible for the full HE loan package; others are entitled only to small, often discretionary awards.

Despite the tripling of tuition fees in 2012, and the replacement of maintenance grants with loans from 2016, participation rates in HE for 18 to 21 year olds has steadily increased since 2012, and participation rates for the most disadvantaged groups have increased the fastest.

Since the removal of maintenance grants, students from low-income households are likely to graduate with the greatest debt, because they are entitled to a higher-level of loan. The difference in debt compared with their more privileged peers can be as much as £15,000 for someone living away from home and studying outside London undertaking a three year degree.

**7.2 The expected parental contribution should be made explicit in all official descriptions of the student maintenance support system.**

**7.3 Maximum maintenance support should be set in line with the National Minimum Wage for age 21 to 24 on the basis of 37.5 hours per week and 30 weeks per year.**

**7.4 In delivering a maintenance system comprising a mix of grant, loan and family contribution, the government should ensure that:**

- The level of grant is set as high as possible to minimise or eliminate the amount of additional loan required by students from disadvantaged backgrounds.
- The income thresholds within the system should be increased in line with inflation each year.

**7.5 The new post-18 maintenance support package should be provided for all students taking Level 4 to 6 qualifications. The government should take steps to ensure that qualifications which are supported through the maintenance package are of high quality and deliver returns for the individual, society, economy and taxpayer.**

**7.6 The OfS should examine the cost of student accommodation more closely and work with students and providers to improve the quality and consistency of data about costs, rents, profits and quality.**

**7.7 Funding available for bursaries should increase to accommodate the likely growth in Level 2 and Level 3 adult learners.**

**7.8 The support on offer to Level 2 and Level 3 learners should be made clearer by both the government and further education colleges so as to ensure that prospective learners are aware of the support available to them.**