



# The All-Party Parliamentary **University Group**

**University APPG meeting – The Post-18 Education and Funding Review**  
**18:00-19:30, Tuesday 26 June, Committee Room 2, House of Lords**

Chair:

**Roberta Blackman-Woods MP**, Chair of the APPUG

Speakers:

**Philip Augar**, Chair, Post-18 Education and Funding Review independent panel

**Seamus Nevin**, Head of Policy Research, Institute of Directors (IoD)

**Philip Augar** opened his remarks by explaining he would give attendees context to the review and explain where they had got to, but could not give detail on specific policies at this stage. He gave assurances that the panel was fully independent from the government and, although drawn from a range of backgrounds, parked their prior knowledge and perceptions to enable them to deal with the evidence base gathered.

The panel was due to report in November he said, then told the audience they were in the middle phase of their workings which involved building on the evidence gathered in the first phase. In September and October the panel would be testing their ideas with stakeholders and writing the report, he added.

The review presented an “extraordinary opportunity” to fix problems and futureproof the system he thought, explaining the first question the panel asked itself was ‘what should post-18 education address’? There were economical and societal requirements of the post-18 education system; producing an appropriately skilled workforce that could provide what business needs in a fast-changing labour market, and “easing the wheels of social mobility” were the primary requirements of each, respectively. He commented on the shortening of job cycles due to technology and artificial intelligence, then acknowledged the value of learning for learning’s sake.

The panel was determined for the review not to just take place in Whitehall and had therefore undertaken stakeholder engagement around the country as well as conducting literature reviews. The call for evidence had attracted nearly 400 responses he then told attendees.

He then shared the four emerging themes:

- 1) **Issues around student finances**, the loans system, interest rates and thresholds. This included views that the system was unfair on non-traditional students
- 2) **How higher and further education institutions are funded**. This includes issues around contact hours, value for money and the efficiency of governance.
- 3) **Information and guidance** which is seen as very uneven, especially as teachers themselves lack knowledge of non-academic routes.

- 4) **Skills.** Fears expressed by employers' organisations that the system does not support the economy's needs.

Building on this, he said that both the evidence gathered and literature review conducted by Department for Education officials pointed towards a skills gap, particularly at a technical level, with high numbers of graduates doing non-graduate jobs. There were, however, lots of positive comments about the sector, including on how the UK played a leadership role in many academic fields.

He noted there had been legions of previous reports of varying utility and quality, stressing his desire for the report produced by his panel to fix the problems that existed and preserve the many good aspects of the current system. He also wanted the report to take the initiative with the government's industrial strategy and close the skills gap.

**Seamus Nevin** noted the Prime Minister's remarks at the launch of the review that she wanted to "throw away" outdated attitudes, and thought that a more dynamic market was needed to develop a successful vocational route.

There had been a lot of talk about value for money he said, but stressed that the relationship between a student and an institution was not at all like a normal consumer relationship as money was not directly handed over. The graduate premium was also difficult to assess he thought, given that the exact figure for an individual was not known until 30 years after graduation.

He told attendees that the IoD supported the current funding arrangement, as he thought the income-contingent aspect made it fair, but acknowledge the lack of clarity around what students were 'buying' needed addressing. The government should use the review to focus on areas such as the drop in part-time and mature students as certain policies restricted people from accessing education, he thought.

Britain was in a transformative era and Brexit would change the nature of the economy significant he thought, with some industries prospering and others declining. Even pre-Brexit, IoD members were reporting difficulties in recruiting the skills they needed which was problematic, especially given the Bank of England's prediction that 15 million jobs were at risk of being lost to automation. Another external factor that was affecting skills needs was the increasing life expectancy of the population; people were now likely to move jobs multiple times throughout their lives.

Better careers guidance was essential, not just for young people choosing between academic and vocational routes, but for adults already in work. Different pathways were needed given that people were working later in life and education was expensive. Seamus Nevin thought technological changes offered a solution to this, including computer-based collaborative virtual reality which reduced the cost of learning and increased flexibility. UK universities were leading the world on this he said, but acknowledged computer-based learning had its limitations.

He noted that affordability was the biggest barrier to further education on-the-job training, and called on the government to create tax incentives to encourage education for adults. To create a joined up system that works for everyone it needs to be remembered that not everyone takes A Levels. He thought degree level apprenticeships could be good, but some

areas of apprenticeship policy needed to be challenged; the 3 million starts target distracted from the “real prize” of a well-trained workforce.

Finally, he spoke about the skills shortages that existed in certain areas of the economy, particularly construction, engineering and manufacturing. Some of the biggest apprenticeship levy payers were in the education sector, but this was not where the skills shortages applied, he noted. There were also several regions with major skills shortages that were not being addressed; cold spots needed to be focused on within the post-18 education system.