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Speech

PM speech at Augar Review launch: 30 May 2019

Prime Minister Theresa May delivered the following speech at the Augar Review launch.

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From: Prime Minister's Office, 10 Downing Street and The Rt Hon Theresa May

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Thank you, Philip, for that introduction, for all the work you and your panel have undertaken over the past year, and for sharing some of your findings with us this morning.

Your report is a ground-breaking piece of work, because it is one that sets out in compelling detail the challenges confronting all of us who care about post-18 education in all its forms.

It's a sector that, since 2010, the Government has consistently supported.

We have increased the funding flowing to universities, delivered more high-quality apprenticeships and developed brand new technical qualifications on a par with A-Levels.

Yet, as we have just heard, there remains much to be done.

The UK boasts some of the finest universities in the world, universities that we can proud of and that all governments should pledge to support and protect.

But in technical education we have fallen behind other leading nations.

Our further education colleges have the potential to transform lives and grow our economy, but the FE landscape can be confusing to navigate.

Too many students, parents and employers see further education as a second-best option.

And successive governments have failed to give it the support it needs.

For nearly 20 years there has been a relentless focus on getting 50 per cent of young people into higher education.

Yet most have lost sight of the fact that the original target referred not just to university degrees.

It, quite rightly, covered the whole higher education spectrum – including vocational and technical qualifications.

That is why, in February last year as you've just heard, I set Philip a clear and ambitious challenge.

To break down the false boundaries between further and higher education.

To look at all the options open to young people.

And to say how they could be improved, and how the state should support students, so that every school-leaver – and indeed every adult learner – can follow the path that is right for them.

With today's report, Philip and his expert panel have provided a blueprint for how those improvements and changes could be carried out.

As we've heard, it makes many recommendations across further and higher education.

The proposals on adult and lifelong learning are also important.

Decisions about whether and how to implement these recommendations will not fall to me, but to the next Government.

But regardless of the debate to come, there can be no doubt that this report represents a major landmark.

And that the data, analysis and insights it contains will help us to deliver a post-18 education system that truly works for everyone.

That needs to begin with Further Education.

Our FE and technical colleges are not just places of learning.

They are vital engines of both social mobility and of economic prosperity, training the next generation and helping deliver our modern industrial strategy.

But for too long, further education has been allowed to stagnate, with student numbers falling.

With MPs, civil servants and, yes, even journalists overwhelmingly coming from university backgrounds, it's no surprise that attention has drifted away from other post-18 options.

I found it rather telling that, despite the wide-ranging remit of the panel, in the year since the review was launched the debate has concentrated almost exclusively on what it will mean for universities.

As the panel argues, this focus on academic routes at the expense of all others has left further education overlooked, undervalued and underfunded.

Routes into and through our colleges are confusing and opaque, with no equivalent of the clear, straightforward and comprehensive UCAS system.

And this situation isn't just bad for students – it's bad for our economy.

By failing to equip more of our young people with the technical skills they will need to compete in the jobs of the future, we have hampered our ability to compete on the world stage.

Businesses here in the UK regularly tell me that they struggle to find workers with the technical qualifications they need – but that their rivals overseas have no such problems.

As the report says, in Germany 20 per cent of the workforce holds a higher technical qualification.

Here in the UK, just four per cent of 25-year-olds can say the same.

Behind that statistic lies an immeasurable number of opportunities missed and potential wasted, both for individuals and employers,

So reinvigorating FE is vital if we are to help all our young people develop the skills they need to get on – and if we are to truly make a success of our modern industrial strategy.

As Prime Minister, it's something I've worked hard to do.

This Government has made sure there is an education or training place for every 16- to 19-year old who wants one.

We're rolling out T Levels – new, high quality technical qualifications on a par with A-levels – to give students a clear choice at 16.

We've committed to launching Institutes of Technology in every major English city, and this year announced the first 12.

And we're creating more high-quality apprenticeships that deliver for students and employers alike.

But while these reforms have made a real difference, the report is clear that if the half of young people who do not go to university are to have the skills they need for the future then we must go further.

It's not enough to simply say that FE and HE should be seen as equals.

As the report argues compellingly, to make that happen we will have to invest much more in further education – in the buildings, in the equipment and of course in teachers who are expert in their field.

And making a success of FE is not just about increased funding – it's about giving these young people a genuine choice about their education.

So more also needs to be done to ensure that further and technical options are every bit as attractive a path for students as more academic options – including by reforming the sector so that colleges can thrive.

That will mean more specialisation and collaboration – while also continuing to make sure all young people have access to a college in their local area – and reforms to ensure the courses offered by colleges deliver the skills that are needed by local businesses.

And of course we also need to make sure that only high-quality qualifications are on offer.

That FE students are appropriately supported by Government.

And that the route to Further Education is as streamlined and clear as possible – just as it is for universities.

Now of course, for many young people, following the path to university is absolutely the right option.

And prospective students in this country are blessed with many of the best universities in the world – four of the top 10 and almost a fifth of the top 100, according to the latest rankings.

Our reforms since 2010 have been designed to ensure that success continues.

We've given universities the long-term funding they need, removed the cap on student numbers, and made the system fairer – with the students who will benefit from a university education contributing more and the taxpayer contributing a little less.

And, as this report shows, those reforms have been broadly successful.

But I agree with Philip and his panel that, while the core structure of the system is sound, there is room for improvement in the way it functions.

For example, we need to look again at the level of tuition fees.

We've already frozen the maximum level of tuition fees and raised the threshold at which graduates have to start paying back their loans.

But when, in 2012, the tuition fee cap was raised to £9,000 most predictions were that the full amount would only be charged by the top universities for the highest quality and most prestigious and potentially lucrative degrees.

That is not what has happened.

The vast majority of degrees are now set at the maximum fee – and the panel's report rightly questions whether that is acceptable.

After all, plenty of courses do not cost the full current rate of £9,250 per student per year to teach.

And while the majority provide good outcomes for students, we know that is no longer true across the board.

Indeed, the report rightly calls for further action to drive out the minority of degrees that are of poor quality – and I hope to see the Office for Students using the powers we have given it to do just that.

So there is much to be said for the panel's proposal to cut fees and top up the money from Government, protecting the sector's income overall but focussing more of that investment on high-quality and high-value courses.

The top-up funding would come from an increased teaching grant, with

funding distributed in a way that reflects each subject's reasonable cost and value.

[POLITICAL CONTENT REMOVED]

Scrapping fees would also lead to worse outcomes.

It would, as we have seen in Scotland, force Government to reintroduce a cap on student numbers.

An arbitrary annual limit that, far from opening the door to opportunity, slams it in the face of thousands of young people.

And, worst of all, it would be socially regressive – disproportionately benefiting students who go on to earn the most.

It simply cannot be fair to expect people working hard in low-paid jobs to fully fund the education of students from well-off families who will go on to earn much more as a result.

All the evidence shows that scrapping fees would simply be the wrong approach –unaffordable, unsustainable and unfair.

But reducing the cost of higher education would make a real difference to many students.

And we should also be more upfront about what that cost will actually be.

When the Office for National Statistics announced that it would be reclassifying student loans as part-government spending, most people focussed on the £12 billion it will add to the deficit upfront.

But this piece of technical accounting also made clear to the world what the architects of the system already knew: that many students never pay off their loan in full, with taxpayers covering 45 per cent of the cost.

I believe we should be much more transparent about this.

Prospective students who are put off university by the idea of borrowing large sums for their tuition bills should know that, in reality, they are unlikely to have to pay back the full amount.

But tuition fees are not the only bills students have to deal with – the cost of living can also be prohibitively high for students from less well-off families who are living away from home.

Going to university was one of the biggest privileges of my life, opening the door to so many opportunities that followed.

And I want this to be a country where every young person, regardless of which school they go to or what their parents do for a living, is able to

follow a similar path if they so choose.

Nobody should feel they have to go to university – and that applies to children from middle class backgrounds just as much as anyone.

But nor should anybody feel that, because of who they are or where they are from, the world of HE is one that is not open to them because it will cost too much.

Thanks to this government, universities are legally required to improve access – and if you're an 18 year-old from a disadvantaged background, you're now more likely to go to university than ever before

But improvements are slow and the challenge remains large – the number of young people from working class families who apply to and take up places at universities is still a long way from reflecting the country in which we live.

That's why I made access one of the key areas of focus for the Augar Review, asking Philip and his panel to look at the lingering barriers that prevent some young people from applying for university, taking up a place, or completing their course.

That included the issue of maintenance grants.

In 2015 the decision was taken to replace maintenance grants with loans, allowing us to raise the maximum level of maintenance support for students in England to among the highest in the world.

These loans are not like ordinary debt, and are only paid off when you are earning a good salary.

But talking to young people from less well-off backgrounds, I've heard too often how this financial outlay can deter them from applying for university at all.

I've spoken to parents and grandparents forced to scrimp and save to fund their children and grandchildren through university.

And I've seen how young graduates starting out in their adult lives feel weighed down by the burden of student debt.

So I was not surprised to see the panel argue for the reintroduction of means-tested maintenance grants both for university students and those studying for higher technical qualifications.

Such a move would ensure students are supported whichever route they choose, and save those from the poorest backgrounds over £9,000.

It will be up to the Government to decide, at the upcoming Spending Review, whether to follow this recommendation.

But my view is very clear: removing maintenance grants from the least well-off students has not worked, and I believe it is time to bring them back.

Securing the right education for every child and every young person is an aspiration that drove me in my earliest days in politics, when I was chair of the local education authority in the London Borough of Merton.

It drove me from my first day as an MP – indeed, it was the subject of my maiden speech in the House of Commons more than two decades ago.

And it has driven me throughout my time in Downing Street.

I have always believed and I still truly believe that, if this is to be a country that works for everyone, then we have to make education work for everyone.

Because the solutions to so many of the burning injustices that plague so many lives can be found in our schools, our colleges and our universities.

So as we look ahead to the spending review and beyond, I believe the Government will need to take very seriously the report's proposals to boost Further Education spending and put right the errors of the past...

- ...To restore higher education maintenance grants, so students from the poorest backgrounds no longer leave university with a higher level of headline debt than the richest...
- ...And to cut tuition fees, so students pay a fairer price for their education.

Now of course, it is always necessary to prioritise when it comes to choices on public spending.

These decisions will need to be taken in the round, as part of the balanced approach to the economy and public finances that has allowed us to make long-term investments in public services like the NHS.

But only by taking action now will we be able to deliver the lasting change and improvements we need in further and higher education...

Give every child and young person in this country the education they need to reach their true potential...

And ensure that everyone, whatever their background, can go as far as their talent and hard work will take them.

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