

# Learning for Life

*Education and Skills from Upper Secondary  
to Lifelong Learning*

Policy Paper 110



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## Our Vision, Our Principles

Liberal Democrats recognise that education and skills are vital both to individual opportunity and the overall economic performance of the country. In recent years the UK has trailed some of our main competitors, particularly in the intermediate levels of workforce skills, which puts our competitiveness in global markets at risk. The past emphasis in Labour Government policy (intended to catch up) has tended to be on the sheer number of qualifications being gained - from Level 2 (GCSE or vocational equivalent) to degrees - rather than on ensuring people have the right skills to succeed in a modern workforce. The Coalition Government has put emphasis, on the one hand, on rigour - making sure that qualifications are meaningful - and, on the other, on expanding work-based apprenticeships which it sees as the most satisfactory training for those young people not going on to university.

While supporting this policy, Liberal Democrats believe that these inequalities must be reduced. Even though approximately 50 per cent of young people now gain a degree or equivalent, those pursuing a university career still come disproportionately from the higher socio-economic groups and the opportunities for the other 50 per cent, particularly opportunities to make good failures in earlier education, are limited. As a result too many enter working life with no or low levels of qualification and currently suffer disproportionately from unemployment. The policies set out in this paper aim to make good some of these failures but at a time of austerity, there are obvious limits to these ambitions until the economy improves. The UK spends 1.3% of GDP on tertiary education, below the Organisation for Economic Co-operation and Development (OECD) average of 1.6%. If, as a country, we are to raise our game we must increase spending at least up to the OECD average. The three beneficiaries of education and training are the state itself, the individual and industry. Tuition fees mean the individual is now making a bigger contribution towards costs (and does so of course generally through taxation) but all three beneficiaries need to up their contribution if we are to meet this target. Education is an investment for life and one that we as a country must make.

More than this, the whole of the tertiary education and skills sector faces a fundamentally changing landscape in the delivery of education and training. Short (and often free) online courses are increasingly available. Teaching methods are moving from chalk and talk to click and message, enabling learners to choose when and where they learn, and interact online. This means that the old days of full qualifications (on which most public funding arrangements are based) are looking expensive and inflexible. The new world of education looks like being a smorgasbord of mix and match modules and courses offering huge opportunity with the individual student needing to be guided through almost infinite choice. As the Open University (OU) has long emphasised, effective distance learning does not do away with individual tutors or mentors. And it is the range of choices, even within the present system, which explains why this paper gives pride of place, in its first chapter, to careers advice and to call for a step change in present arrangements to provide a comprehensive, all-age, advice system.

The other chapters in this paper address a very wide area of education and skills, from upper secondary (after options are chosen aged 13) through 16-19, post 19 education and training, wider Further Education (FE) opportunities and Higher Education (HE), including the difficult

issue of student finance. Despite both the improvement in social mobility of students entering higher education and the substantial increase in apprenticeships under the Coalition Government, it is evident that the UK still needs to find an effective skills framework that places the academic and vocational in an interlocking structure understood by students, parents and employers. Learners must be able to move easily from vocational to academic courses, vice versa, or combine both as appropriate. We are particularly concerned at present levels of unemployment amongst young people and suggest (Chapter 5) a range of measures to prevent the development of another 'lost generation' as we had in the 1980s. Chapter 6 explores ways of extending the apprenticeship programme; Chapter 7 looks to how we may, in the longer term, develop a viable system of individual learning accounts to meet the needs of lifelong learning. In relation to Higher Education (Chapter 8) we suggest a stream-lining of regulation while the agenda remains that of widening participation. We are anxious to see action on recognising high quality teaching (as well as research) and call for better funding opportunities for post-graduates.

The Dearing review of Higher Education in the 1990s suggested that the main aims of any educational system should be:

"To inspire and enable individuals to develop their capabilities to the highest potential levels throughout life, so that they grow intellectually, are well equipped for work, can contribute effectively to society and achieve personal fulfilment;  
To increase knowledge and understanding for their own sake and to foster their application to the benefit of the economy and society;  
To serve the needs of an adaptable, sustainable, knowledge-based economy at local, regional and national levels;  
To play a major part in shaping a democratic, civilised and inclusive society."<sup>1</sup>

Liberal Democrats endorse these objectives and have sought to make sure that they underlie the proposals put forward in this paper.

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<sup>1</sup> Dearing report *Higher Education in the Learning Society* of 1997 Paras 5.10 and 5.11 page 72

### *Equality of access and support*

Liberal Democrats are acutely aware that tertiary education is not always accessible for all students. This paper wants to see providers focus on accessibility for all, whatever the needs of the individual or group. Too often Black, Asian and Minority Ethnic (BAME) students, and those with disabilities are losing out. For example, young black men face higher levels of not being in employment, education or training (NEET) than most, and may need targeted guidance and mentoring support<sup>2</sup>. Students from poorer backgrounds have not traditionally attended university, and our policies have a real focus on widening participation to increase social mobility. And students with special education needs often find that support diminishes as they leave the school system. If we believe that everyone has a right to the best education possible for them, our system must be flexible enough to target the right support for those with needs.

### *Key themes in this paper*

There are 15 key themes in this paper that we believe are critical to harnessing the tertiary education sector to further success:

1. **Information, advice and guidance (IAG).** We want to see a streamlined and independent IAG system throughout education, from primary through to lifelong learning.
2. **Given that the end of compulsory education will be 18 by 2015, 16 will no longer be seen as the logical break (and therefore the key examination time) in our education and training system.** This was appropriate with a school leaving age of 16, but is less relevant with the new Raising of the Participation Age (RPA). 18 will be the age when young people will finish this compulsory phase of their education and move on to the next phase, usually with a clutch of qualifications at Level 2 (equivalent to GCSEs A\*-C) and Level 3 (equivalent to A levels and BTECs).
3. **Literacy and numeracy to 18.** We believe that all students should continue to study literacy and numeracy to 18 and be able to use language to communicate in speech and writing fluently. New and appropriate courses suitable for students' future career pathways should be developed, and we recognise that there will need to be an increase in qualified teachers and tutors to deliver this.
4. **Unemployment should not be an option for 18-24 year olds.** We want to see a real focus of resources and energy on those 18-24 year olds who struggle to gain qualifications or sustainable jobs. We believe that the funding spent on 18-24 year olds from DWP, BIS

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<sup>2</sup> The problems facing BAME students are set out in Towards Race Equality: a Liberal Democrat Approach, the report of the Liberal Democrat Task Force on Race Equality: Race Equality in Education and Employment (2013)

(and in due course the Youth Justice System) should be channelled into providing them with positive options in training, employment and support.

5. **Expanding apprenticeships & traineeships.** The Coalition Government has a strong record in increasing the number of apprenticeships. We believe that there is further to go on this, and want particularly to see small and medium size enterprises (SMEs) increase the number of apprentices.
6. **Raising student numbers at universities.** We believe that students who qualify to go to university should be able to. We also want to see an expansion in Foundation Degrees in Science, Technology, Engineering & Mathematics (STEM)<sup>3</sup>/Strategically Important and Vulnerable (SIV) subjects, and a review of the Equivalent or Lower Qualification (ELQ)<sup>4</sup> rules for STEM/SIVS<sup>5</sup>. This is essential if we are to improve social mobility as well as widen and increase participation in higher education.
7. **Make our Higher Education system more flexible, and student-led.** We want to see more credit accumulation and transfer (CAT) so students can study part time and move between universities and work more seamlessly.
8. **We propose to maintain the existing system of undergraduate student finance.** The new system is increasing the number of students from low socio economic backgrounds, and we propose to increase and further develop the scholarship and bursaries introduced by the Coalition Government into a National Bursary System, which will ensure that students from poor backgrounds will know exactly what support they are entitled to. A Graduate Tax system, which the group also considered, does offer the one clear benefit of preventing wealthy families from buying their way out of the system, but this is substantially outweighed by the difficulties of enforcement of payment, the increase in payments by lower income graduates and the significant upfront costs. We therefore propose a review in the next Parliament.
9. **Postgraduate student support.** We want to see income contingent loans available for UK students undertaking postgraduate courses, including support loans for post graduate students on taught masters courses.
- 10 **Recognising employer efforts and encouraging employers to invest more in skills.** The latest estimate is that employers invest £49bn (of which £6bn is senior management training) in education and training paying the wage costs, the cost of on-the-job and off-

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<sup>3</sup> STEM subjects are Science, Technology, Engineering and Mathematics

<sup>4</sup> ELQ: there is a ban on receiving access to student loans for students who already have an Equivalent or Lower Qualification.

<sup>5</sup>SIVS are Strategically important and vulnerable subjects, such as Modern Languages.

the-job training, and sometimes fees for their employees. The Liberal Democrats recognise and applaud this level of investment by employers competing and operating in tough economic times. But going forward we must expect employers to do more.

11. **Local involvement in skills and education.** It is generally accepted that jobs for life are gone, and most people will have to change career direction at least once, and often many times in the future. Skills and Lifelong Learning must be flexible enough to help people who are faced with this at any stage of their lives. It is vital that the local and regional bodies (including Local Authorities & Local Enterprise Partnerships -LEPS) are involved in assessing the labour market, guiding courses on offer in their areas, and held accountable for these decisions to their electorates and businesses.
12. **Strengthening voluntarism.** The Working Group has considered a range of statutory options – from statutory training levies to statutory licenses to practice – and have concluded that this is not the time for a compulsory approach to skills training. Instead, we judge that the more effective approach is to give employers greater incentives to invest in apprenticeships combined with targeted measures to encourage employers to invest more in skills. These are set out in the relevant sections of the paper.
13. **Government departments working together to help 18-24 year olds.** As referred to above, and in Section 5 in more detail, Liberal Democrats want to bring together the support and funding mechanisms for young people struggling to get into employment, and for a small number of them, becoming involved in the judicial system. We do not believe that one large over-wieldy government department should oversee this, and propose an agency to draw together the funding routes from DWP, BIS and for those at risk of offending, the Ministry of Justice and DCLG streams of funding. Provision should be delivered locally, where experts understand the issues these young people face day to day, and how intensive intervention can make a real difference to their lives.
14. **Higher Education.** As outlined in Section 8, The Higher Education Funding Council (HEFCE) has proved that retaining its ability to advise and support HEIs facing difficulties has significantly reduced the likelihood of HEIs going bust. Given the volatile state of global higher education, it is sensible to continue to have a funding body with planning and support abilities. Deliver a more efficient and agile approach to Higher Education regulation by implementing the regulatory reforms set out within the Browne review (2010). These reforms would see the four bodies HEFCE, The Quality Assurance Agency for Higher Education (QAA), Office for Fair Access (OFFA) and the Office of the Independent Adjudicator (OIA) replaced by a single Higher Education (HE) Council.
15. **Science and Research.** Science and research are critical to the future success of the UK, and it is clear that knowledge based work, whether blue skies research, applied STEM areas or service based industries that rely on intellect, are the bedrock for our economy in the 2020s and beyond. Julian Huppert MP's paper<sup>6</sup> on policies for science and research sets out the case well, including assessing

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<sup>6</sup> Developing a Future: Policies for Science and Research. Dr Julian Huppert MP July 2012



many of the changes needed in the schools system as well as tertiary education and employers. This paper was overwhelmingly endorsed at the Liberal Democrat Federal Conference in September 2012, and we too agree with his findings and recommendations.

*What this paper does not address*

The focus of this paper is on tertiary education, and does not address broader schools policy. References to schools are in the context of vocational and academic routes into tertiary education.

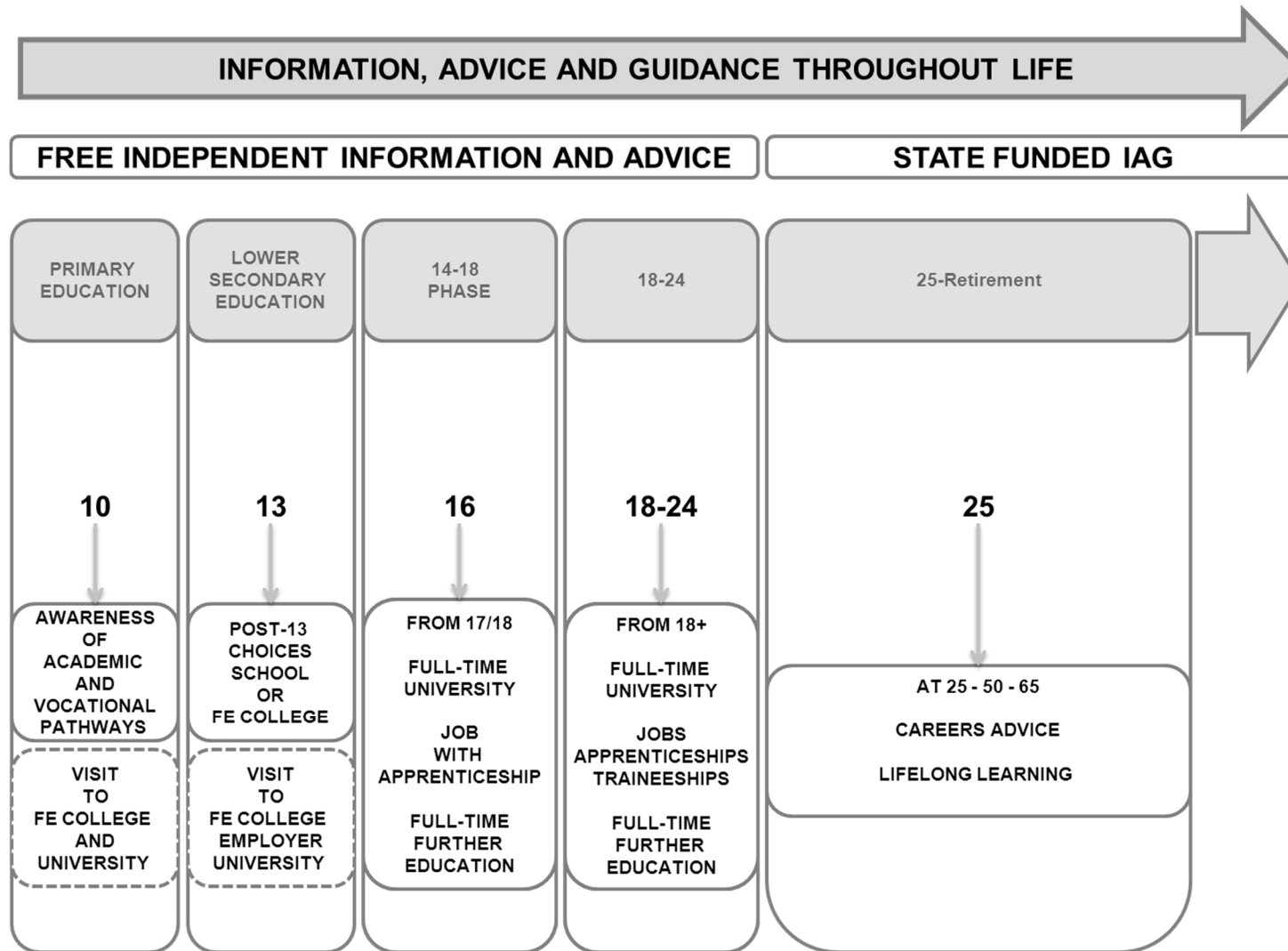
# Careers, Information, Advice and Guidance Throughout Life

## 2.1 Careers, Information, Advice and Guidance Critical to Education and Employment

2.1.1 All the evidence we have heard has made it plain that at all stages of life, good careers information, advice and guidance (IAG) is crucial. From the age of 13 onwards, young people, in conjunction with their teachers and parents, are required take decisions – what schools or colleges to attend, what courses to follow, where their inherent capabilities and aptitudes lie - which will profoundly affect the rest of their lives. And in a world of rapid technological change many will face decisions about a change of career at least once later in life. Good advice helps to avoid dud decisions which close off options and limit choices. In turn this opens up educational opportunities and leads to a happier and more productive workforce, which is in everyone's interest.

2.1.2 Liberal Democrats want to see a system that provides age- appropriate provision from the age of ten, (See Figure 1 below) giving pupils the chance to understand the different academic and vocational pathways, so that they do not, for example, drop maths if they want to be an engineer. Schools, colleges and universities should be able to focus on more than just helping students attain the required qualifications – they should provide an environment that prepares young people for the world of work and enables them to make informed choices about their future. Unfortunately the present system does not do this. With the demise of Connexions, although schools now have responsibility to provide independent IAG, too often they are just referred to a website and a telephone helpline, with careers education biased towards staying on at school rather than exploring options such as vocational courses in FE colleges or apprenticeships. It is important that every young person, whether in school or college, has the opportunity of face-to-face advice from a professional.

Figure 1



## 2.2 Professional Careers Advice and Guidance

2.2.1 As Figure 1 suggests, Liberal Democrats see the provision of high-quality, independent and age-appropriate careers advice as a service which should be available to all when needed. This was the original aim of the National Careers Service and we would like to see this service become, as intended, an all-age service. It would ensure that all those providing careers guidance are accredited to bodies like the Institute of Careers Guidance and are qualified to the appropriate Matrix standard. The aim would be that this body will also cover accreditation for careers professionals in both the Further and Higher Education sectors, as well as those working in schools. As part of its role, we would expect this body to facilitate mentoring arrangements, and exchanges between careers advisers, teachers and employers so that individuals working with people requiring careers guidance have experience of as broad a range of industries as possible.

2.2.2 Under the Education Act 2012, schools retain responsibility for careers education but are required to employ advisers independent from teachers in schools. We propose that Governing Bodies should have oversight of this responsibility and that Ofsted should be required to comment on the efficacy of the careers provision when inspecting schools and colleges. We also believe that Local Authorities could usefully broker CIAG services for schools in an area, and that schools and colleges should be encouraged to work together. Local Authorities would have the same level of oversight over Free Schools and Academies as they do over other maintained schools.

2.2.3 It is also important that young people be given tools to track their own pathways and the skills and educational qualifications that they need to do this. A number of good websites already exist for this purpose, including the much improved National Careers Service, and private providers such as Careers Box (<http://www.careersbox.co.uk/>): good practice should ensure that IAG providers make links to young people. These links can also be accessed easily by parents, who can learn about different career pathways alongside their children.

## 2.3 Pupils and Students Work Experience

2.3.1 Liberal Democrats believe that work experience can play a useful role in careers education. We will therefore reinstate the legal requirement for young people to gain work experience for not less than three weeks at Key Stage 4. Employers criticise many young people for their lack of understanding of working, and it is essential that employers are able to provide this experience for students. In addition, we are anxious, as Figure 1 suggests, to encourage pupils of a younger age to visit both workplaces and FE colleges and universities so that these are not alien worlds of which they know nothing.

## **2.4 Specialist Advice Provision for Those with Special Educational Needs**

2.4.1 Specialist provision and support should be available for those with special educational needs. We will review careers, information, advice and guidance for Special Educational Needs (SEN) students and adults, paying particular attention to those facing transition from school or special education provision into college, university or adult social care.

## **2.5 Access to Lifelong Advice and Guidance**

2.5.1 Careers information advice and guidance needs to be a lifelong provision. People need to be able to access information online and face-to-face once they have left school, college and University. Our economy no longer provides a 'job for life' and people will need to re-skill, upskill and move jobs throughout their working lives, creating a need for an all-age careers information, advice and guidance offer. The National Careers Service already provides online and telephone careers guidance to people of all ages. We propose expanding this service to provide face-to-face guidance on lines similar to that of the Citizens Advice Bureau.

## A World Class 14-18<sup>7</sup> System

### 3.1 Staying on to 18, Choice from 14

3.1.1 Liberal Democrat policy for the last ten years<sup>8</sup> has supported the idea of a distinct 14-18 phase of education and training. As members of the Coalition, we endorse the raising of the participation age (RPA) to the 18th birthday from September 2015. This means most students will complete this stage of their education aged 19. But we also want to give young people the opportunity to develop more practical skills, to mix the vocational with the academic or indeed to choose between following an academic pathway or a vocational pathway from 14. Choosing at 14 makes sense because by this age young people have begun to formulate ideas about what they are good at and would like to pursue and, for some, a more practical, vocationally based course makes sense while others may want to keep options open but have a chance to experience more vocationally-based courses. For example, it makes sense for a young person wishing to pursue an engineering career to do some practical mechanics at this age whether later they opt for an apprenticeship or to go on to study for a degree. We must move away from the outmoded and elitist attitude of 'education for best and training for the rest'. We want young people of all abilities to be able to pursue more vocational subjects if that suits their interests and aptitudes; likewise it should be recognised that many vocational subjects require high levels of skills and learning.

3.1.2 We support the development of University Technical Colleges (UTC), at present still in the early stages of development, but we are also anxious to see FE colleges embrace the opportunity of enrolling full-time students at 14 from September 2013. Although more 14 year olds may from this date start their 14-18 journey at FE colleges, many may decide, as now, to stay-on at school until 16 and then transfer to a sixth form or general FE college. It is vital, however, as stressed in the previous section, that at this stage young people get good help and guidance about the options that are available and do not take decisions which cut off later opportunities to pursue a career of their choice. We believe in high quality further education, and welcome the excellent provision in the sector, but will insist on rigorously high standards for the whole FE sector.

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<sup>7</sup> Strictly speaking the RPA (Raising of the Participation Age) will only require young people to stay in education or training until their 18<sup>th</sup> birthday but many undertaking Level 3 qualifications will be 19 during their second year of study.

<sup>8</sup> Reference to policy papers *No child left behind* (2002) and *Equity and Excellence* (2009)

## 3.2 Continued Study of Literacy and Numeracy Until 18<sup>9</sup>

3.2.1 At the same time we propose that every young person should continue to study literacy and numeracy until they are 18, and Information and Communications Technology (ICT) up to Level 2 (even if this is not attained until they are 18). High standards in literacy and numeracy are critical to the employability of young people and progression in learning throughout life. The UK is unique amongst advanced economies in allowing young people to 'drop' these core subjects at 16. We therefore support the proposals in the Wolf Report<sup>10</sup> that every young person should be expected to achieve as a minimum a Level 2 in literacy and numeracy by age 18: each 16 year old will take GCSE English and maths and if they do not obtain a minimum of grade 'C' they will either have to re-sit the exam or take other courses to help them achieve Level 2 literacy and numeracy qualifications. However, we would go further in requiring every young person continue to study literacy and numeracy irrespective of level until 18, whether pure or applied courses. For example, those who gain a grade 'C' in GCSE maths will be expected to continue either with a higher level maths course, including AS/A levels, or with some other short or full Level 3 course which will assist them in future education and career progression. Another example might be that those interested in psychology or humanities courses where data analysis is important could study statistics; those going in to construction might study elementary quantity surveying and those going into retail, accounting. A course of managing personal finances should form at least one module of any Level 3 course, building on the new unit being now being introduced for pre-16s in Personal, Social and health Education (PSHE). Likewise those who achieve their GCSE Grade C or equivalent English qualification at 16 should continue to study the subject both as a means of communication, written and oral, and as literature until they leave school or college at 18. For those students who struggle to reach Level 2 (or even Level 1), extra support will be provided, through the pupil or student premium. We recognise that this will require more skilled maths, English and ICT teachers to deliver a Level 3 curriculum, as well as a range of Level 3 courses to be developed (whether short courses, or a full Level 3). This will be a priority for a Liberal Democrat Government, and we will use both Teach First and Universities experienced in teacher training.

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<sup>9</sup> References to literacy and numeracy are also intended to cover English and mathematics, if these are the appropriate courses for a particular student to follow.

<sup>10</sup> Review of Vocational Education (The Wolf Report) Alison Wolf March 2011

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/180504/DFE-00031-2011.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/180504/DFE-00031-2011.pdf)

### 3.3 Examinations at 18

3.3.1 Under these proposals 16 will no longer be seen as the 'break' in our education and training system. This was appropriate with a school leaving age of 16, but is less relevant with the new RPA. 18 will be the age when young people will finish this phase of their education and move on to the next phase, usually with a clutch of qualifications at Level 2 (equivalent to GCSEs A\*-C) and Level 3 (equivalent to A levels and BTECs). It will be for teachers and lecturers at schools and colleges to assess in discussion with the young person and their parents when a young person is ready to move from Level 2 to Level 3 qualifications. Increasingly under this system a Level 3 qualification is likely to be seen as the leaving examination at the end of compulsory education and it may be that, given the need to continue studies in English and maths, an examination closer to the International Baccalaureate may emerge as the favoured route. For the present, however, we are not suggesting that either GCSE's or A levels be phased out. Rather we would hope over time to see young people studying a wider range of subjects through to 18 and mixing and matching academic with vocational qualifications when this suits their chosen route. In recent years, various governments and political parties have suggested a number of over-arching qualifications (A Bacc; E Bacc and T Bacc), confusing employers, parents and the sector, and which often make the academic/vocational divide worse. Liberal Democrats do not propose at this stage to create a new qualification framework, but believe that reference should be made to the qualification level first, so that it is evident at a glance the skill level that the student has attained. The Record of Achievement and certificates will then detail the exact qualification (Level 3: Distinction BTEC in ICT; A Level Mathematics Grade B; English Language Grade B etc), so that the young person and prospective employers will understand the qualifications.

### 3.4 Employment with Training with a Leaving Age of 18 for Compulsory Education

3.4.1 Liberal Democrats wish to see more young people stay on in full-time education, in either school or college, until they are 18. However, for some, work-based training may be more appropriate and under RPA young people have the option to leave full-time education at 16 and enter the labour market, providing they continue with the current minimum of hours a week 'off the job' education and training. Under our proposals this would have to include some study of English and maths. Other options for 16 year olds under the RPA include jobs with apprenticeships, and employment, self-employment and volunteering of 20 hours or more per week combined with part-time training.



## 3.5 Apprenticeships, Pre-apprenticeships and Traineeships

3.5.1 Liberal Democrats continue to regard apprenticeship as one of the best ways of helping young people move into the world of work and are committed to the Coalition's policy of creating a world class system of apprenticeships. We would like to see classroom-based pre-apprenticeships available from 14, preparing the way to employed-apprenticeships from 16. We endorse the Richard Review proposals that apprenticeships should be set and led by employers, rather than by colleges or training providers. We would like to see more use made of group-apprenticeships to encourage small and medium sized businesses to take on apprenticeships, some of which may be led by training providers.

3.5.2 Demand from employers for apprentices aged 16 and 17 has however, fallen despite rising demand for such places from young people. One reason for this is the recession and the tough economic climate, but it is also because many young people are viewed by employers as lacking the required standards in English and maths and generally lacking work 'readiness'. Pre-apprenticeship training for 14-16 year olds will help to meet these criticisms, but is likely to be available in only a limited number of cases. More generally we support the Coalition proposals for 16 and 17 year olds to be able to join a traineeship for one or two years to help them to improve maths and English capabilities and gain experience needed the world of work. The Liberal Democrats are also committed to ensuring that every 14-18 year old has meaningful and relevant work experience during this phase of their education and support the introduction of financial incentives to encourage employers to take on 16-17 year old apprentices in small firms as in the Youth Contract.

## 3.6 A Flexible 14-18 Qualifications Framework

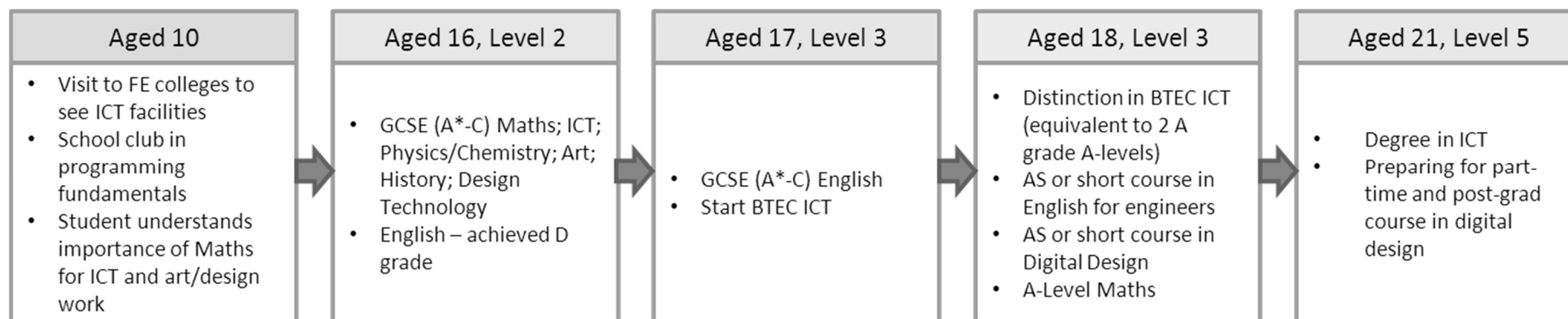
3.6.1 The English qualifications system seems to have been in a state of perpetual revolution and employers, parents and students struggle to understand its complexity. We support current moves by the Coalition to simplify the nexus of vocational qualifications but above all we are anxious to see a flexible system of qualifications for 14-18 year olds which provides for choice between different academic and vocational pathways but also allows movement between them. In the past it has been too easy for students to take exclusively academic or vocational courses, as well as either humanities or science. Our proposed flexible system (as in the Dutch system) has on occasion been referred to as a 'Climbing Frame for Learning'<sup>11</sup> on which the individual can move 'sideways and across' as well as climbing upwards on the rungs of a specific ladder. Please see Box 2 below. This would remove the divide between vocational and academic, and encourage students to keep their studies broad and not too narrow. This remains the vision but it is important, as one member of the working group remarked, that this does not become a game of snakes and ladders in which some end up sliding all the way down to the bottom, and are effectively set up to fail. The aim is to provide a system which is flexible enough to meet the needs of the individual.

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<sup>11</sup> See *Quality, Diversity and Choice: A Liberal Democrat Vision for Higher Education*, 2003 Higher Education Policy paper

Implicit, although not essential, to its development is the notion of a relatively comprehensive credit transfer system discussed later in this paper.

Figure 2: Below is a sample pathway for a pupil, showing the flexible vocational and academic pathways to achieve a degree in ICT



### 3.7 Free School and College Meals

2.7.1 Free meals are available on a means tested basis to young people attending school until age 19 and to the current small number of 14-15 year olds enrolled at FE colleges. Free meals are not, however, available to 16-18 year olds at FE colleges. Liberal Democrats have long argued that this is inequitable and would like to see free meals available to all 14-18 year olds from poor families in full-time education irrespective of the institution they attend.

### 3.8 A Student Premium

3.8.1 Current revisions in school and FE funding being implemented by the Coalition mean that within the next few years the discrepancy between funding for young people in schools as distinct from colleges (Sixth form and FE) will at last disappear and that the funding will be on a per capita basis and follow the student. Liberal Democrats are proud that the Coalition have backed their proposals for the pupil premium for 5-16 year olds, targeted on pupils who are, or who have been (once they reach 16) eligible for free school meals. The introduction of a 14-18 phase of education provides an opportunity to recast the pupil premium to be a 'student premium' for this group of students. We propose that any student eligible for free school meals should be able to carry that entitlement through to their 14-18

education, whether staying-on at school or moving between schools and FE colleges at 14 or 16. As with schools, colleges would need to demonstrate to Ofsted that the money was being used for the benefit of those who receive it.

3.8.2 Currently, parents are eligible for means-tested child benefit and child tax credit (soon to form part of Universal Credit) for all children aged 14 and 15. But they only receive these benefits if their 16-18 year old remains in full-time education. Keeping teenagers in full-time education and training is costly. In particular travel costs to and from school/college can be significant. We recognise that simply raising the participation age to the 18th birthday will not necessarily deliver higher participation if parents on low incomes cannot afford to support the young people. The payment of means tested 16-18 bursary grants to students which replaced the EMA is limited to those studying full-time. 16 and 17 year olds in employment and studying part-time and those in apprenticeships receive some sort of wage. But unemployed 16 and 17 year olds do not receive JSA even if they study part-time. The Working Group considered a number of different options including re-introducing the EMA but in the end decided that given current financial constraints the best solution would be to maintain the current system of financial support for parents and bursaries for students, but creating a new entitlement to subsidised or free travel for 16-18 year olds in receipt of the student premium (i.e. those entitled to free school meals) and starting a full-time course before their 18th birthday.

### 3.9 Small Sixth Forms

3.9.1 As noted earlier there is now a considerable diversity of institutions serving young people between the ages of 14 and 18. While welcoming the choice this offers young people, we stress again the importance of first class guidance and a broad curriculum. Collaboration between schools and colleges is the only way we can offer young people the full range of choice at 14. This may include federations to share teaching and facilities in order to broaden the range of subjects offered and ensure that sixth forms remain economically viable.

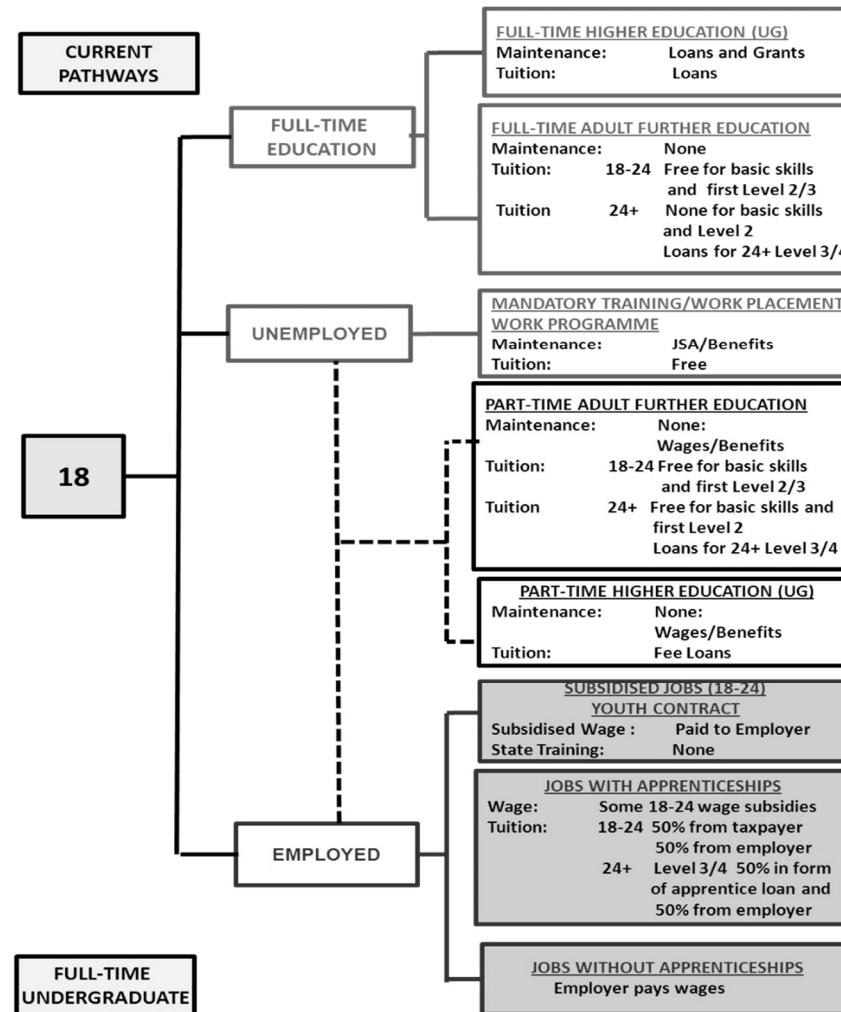
## Post-Compulsory Participation – The Present System

4.01 Compulsory participation may end at 18 but the Liberal Democrats have always regarded education as extending throughout life. This is crucial as we move to a knowledge economy where workers will need a broad range of updated or new skills during their working lives. As the state pension age rises, many more adults will be expected to work longer. And increasingly, as our citizens live well beyond the start of the state pension age, learning becomes an important activity improving well-being, quality of life and indeed delivering potential savings in health and social care costs.

4.02 Given current levels of youth in employment our first priority is to bring together education, skills and employment policies to ensure we do not have another 'lost generation' of young people as many young people who failed to find work in the 1980s were termed. We believe that education and training is preferable to youth unemployment and that maintenance grants are preferable to benefit payments.

## 4.1 Current Progression Pathways

4.1.1 Figure 3 illustrates the present progression pathways available from age 18. As the diagram shows, there are at present four main pathways:



**4.1.2 Entry into higher education (HE)** with taxpayer funded loans repayable on an income contingent basis available to cover fees and, for full time students, also towards maintenance costs whether living at home or away from home, with bursaries and grants available for the poorest students.

**4.1.3 Entry into further education (FE)**, where there is no maintenance support, and fees are paid after the age of 18 for any course above a Level 3 (A level equivalent) although as with HE, upfront loans are available to cover fees. Until the age of 24, there are no fees working for a Level 2/3 qualification if they do not already have a qualification at that level. After the age of 24 fees have to be paid on all courses except basic skills and Level 2.

**4.1.4 Employment and earning wages** whether full or part time. Employment can be with or without an adult apprenticeship. For jobs with apprenticeships, taxpayer funding is primarily used to support off-the-job training and is currently targeted on 18-24 year olds. There is also limited taxpayer funding to cover apprentice wage costs to encourage small and medium-sized firms to recruit unemployed 18-24 year olds via the Youth Contract. Adults aged over 24 are expected to take out fee loans covering 50% of course costs for Level 3/4 apprenticeships.

**4.1.5 Unemployment and in receipt of benefits.** Intensive job search and job preparation will be the default position for receiving Universal Credit. After six months unemployment, claimants must participate on the Work Programme, with mandatory skills training, as well as work experience placements. The emphasis is getting adults into work, any type of work, including temporary full-time or part-time work or self-employment. At present, different policies seem to contradict the needs of the unemployed individual. For example, it does not make sense for Job Centres to pull people off courses that will improve their employability in order to take up a very short term or low skill jobs.

## 4.2 Part-time Further and Higher Education

4.2.1 Part-time study is an attractive option for many adults since it enables them to earn and learn at the same time. No maintenance is available to part-time employed students and they must rely on personal earnings, savings or commercial loans to meet costs such as books and travel. Whilst the abolition of the 16 hour rule may be helpful for those who are unemployed, the new arrangements for limiting voluntary part-time study for Universal Credit claimants could jeopardise longer term skills acquisition. This needs to be reviewed once implemented. In addition, there is a complex system of fee support for part-time HE and adult FE students in work and those on benefits who are participating on a voluntary basis. Although there is a relatively straightforward system of tuition support for part-time undergraduate students in the form of fee loans, eligibility is highly restricted by the intensity of the course and whether an adult has already achieved a qualification at the same level (known as ELQ). Similarly, tuition entitlements for adult FE students - full-time and part-

time; in work and on benefits but studying voluntarily - are targeted towards 19-24 year olds with fee loans for 24+ Level 3/4 courses and free tuition only for adult basic skills and first Level 2 qualifications.

4.2.2 We want to move even further. We believe that some of the recent initiatives in the higher education sector should be further developed. For example, Birkbeck College, University of London, has recently developed a full time evening course alongside their part time courses, and this may be attractive to some students who want to maintain their employment whilst studying. Some private providers already offer two year full time courses for Law and Accountancy.

### **4.3 Conclusion - Clearer Pathways and Wider Entitlements Needed**

4.3.1 Overall, our conclusion is that the present system is over complicated and does not provide the necessary incentives to encourage individuals or employers to invest in developing and upgrading knowledge and skills. Liberal Democrats want to develop interlocking system with clearer pathways and wider entitlements so that individuals (and employers) have the incentive to invest in both education and training in order that all can compete better in the labour market and live more fulfilling lives. The next two sections outline our proposals.

## Avoiding a New Lost Generation of 18-24 Year Olds

### 5.1 Greater Choice and Wider Opportunities for Every 18 Year-Old

5.1.1 This country was shamed by the high levels of unemployment and low level of skills of young people in the 1980s, where interventions, euphemistically known as 'Youth Opportunities', were short term and often left the individual with nothing to show after they had ended. Today over 600,000 young adults are unemployed and not in full-time education (with 265,000 still claiming JSA up to six months and 75,000 unemployed for more than a year). A further 580,000 are classed as economically inactive and not in full time education. If we are to avoid a new lost generation of 18-24 year olds we must bring together the full range of education, skills and employment measures to reduce the number of young adults who are unemployed.

5.1.2 The 18th birthday is a critical milestone in life. It marks the move from childhood to adulthood but it also now marks the time when over a half of the age cohort are preparing for an extra period of full-time education – at universities and colleges – whilst the remaining half have to prepare to enter a tough and insecure jobs market. Even higher fees of up to £9,000 and lower than inflation increases in maintenance support the combination of loans and grants on offer for 18 year olds entering full-time higher education remains an attractive offer and the extra earning gained by graduates means that those who choose this route, benefit. By comparison, the offer to those who do not enter university after school is much less fair.

5.1.3 Fairness should be about providing opportunities for every 18 year old, not just those who go to university. Building on this principle, our aim is that every young person aged 18-24 should be (i) in full-time education – further and higher - with adequate maintenance support, or (ii) in a sustainable job (with or without a wage support for the employer) and ideally in an apprenticeship, or (iii) in a structured job search with work placements or mandatory skills training in return for an allowance. We expand on these proposals below.

### 5.2 Full-time Education with Adequate Maintenance Support

*Raising student numbers at universities and lifting the cap on numbers of HE places over time.*

5.2.1 This is not the time to cut the number of places in full-time higher education below the 350,000 level. Our priority for the next Parliament is to maintain the number of HE places in the face of the currently falling population of 18-21 year olds despite the fiscal crisis.



Full-time higher education is preferable to youth unemployment and is also critical to the skills profile of a successful economy in the 21<sup>st</sup> century. We deal with this in more detail in Chapter 8.

*Expanding the number of full-time two-year Foundation Degrees.*

5.2.2 We need to increase the supply of high level technical skills to further develop the high skill/knowledge based economy that we need. We would fund an extra 20,000 full-time HE places specifically in the form of two-year foundation degrees in technician STEM subjects. We are clear that full-time vocational higher education is preferable to youth unemployment as well as responding to the shortage of technicians in the economy.

*Maintenance loans for full-time 18-24 FE students on Level 3 STEM subjects.*

5.2.3 There are more than four times more 18-24 year olds in full-time undergraduate higher education than in full-time further education. Part of the reason is that at 18 young people are still completing Level 3 courses, but it is also because from age 18 there is no comprehensive system of support for FE students. Compared to full-time HE students, who are entitled to a package of maintenance loans and grants, a twenty year-old starting a two year Level 3 course in STEM subjects (qualifying them for an advanced technician job, where there are currently major shortages in applicants) receives no maintenance support. To remedy this we propose offering maintenance loans to 18-24 year olds with a Level 2 qualification seeking to enrol on a two-year Level 3 course initially just in STEM subjects (but as finances allow extending this to other areas). The policy assumes that full-time FE students will be living at home and so the value of the loan will be in line for the home rate for full-time HE students. Further we propose that, as with older 'access students', those progressing within two years into higher education in a STEM subject will have the loan cancelled.

## 5.3 Creating Sustainable Jobs

5.3.1 Over 2.75m young adults between 18-24 are in employment: this compares with 1.81m in full-time education, and just over half a million registered unemployed and a further half a million inactive who are not registered as unemployed nor in full-time education.

Our sustainable jobs strategy is three-fold: where possible we want to increase the number of employers offering jobs for 18-24 year olds with apprenticeships or part-time higher education opportunities; in addition, therefore, we want to encourage more 18-24 year olds in employment to participate in part-time adult and higher education, and finally we propose expanding 'Youth Contract' style financial

incentives to enable the least well qualified to gain supported jobs with approved employers. We explain these proposals in more detail below.

### *Expanding higher level and professional apprenticeships for 18-24 year olds*

5.3.2 For a large number of 18 year olds with Level 3 qualifications (whether A levels or vocational) another two or three years in full-time education at university is not a prospect they wish to contemplate, nor would it necessarily be appropriate. Many would prefer to combine a job with higher level and professional training through an apprenticeship. See Section 6 for our proposals on apprenticeships.

### *Explaining the part-time fee loan system to both students and to employers*

5.3.3 Many employers already support their employees to undertake part-time higher education. In the past, part-time fees had to be paid up-front. This is no longer the case since for both full and part-time students fee-loans cover the entire cost of the degree and are repaid on an income contingent basis. We propose a substantial campaign to explain more effectively to both potential students and employers the new funding arrangements, including the fact that these loans apply to part-time Foundation Degrees. Employers should also be reminded of the importance of their role in offering paid and un-paid time-off for study and examinations.

### *Small maintenance loans for part-time study for 18-24 year olds in employment*

5.3.4 Some younger adults in employment want to develop their careers but do not want support from their employer because the course might be in a different sector compared to one they are presently employed in. A combination of relatively low pay and rising costs of items such as travel, books and equipment, can make part-time study in higher education impossible. We have already suggested extending maintenance loans to those studying STEM subjects in full-time FE. Here we propose a new means-tested maintenance loan worth up to £1,000 for 18-24 year olds in employment and intending to study for a part-time [degree] to help with study and equipment costs.

### *Wages support for employers taking on low qualified young adults*

5.3.5 During this Parliament, it has been the Liberal Democrats who have insisted through the Youth Contract that time-limited wage subsidies or support should be available to incentivise employers to take-on poorly qualified young adults to provide them with work experience and hopefully, in the longer run, a permanent position with some training opportunities.

*Mandatory skills training*

5.3.6 The aim of Universal Credit is primarily about getting people of working age into employment. It is vital that mandatory skills training under the new Universal Credit regime is of sufficient duration to allow unemployed younger adults to achieve qualifications up to full Level 3 qualifications. Skills training of up to a year should be available to help them secure a job, and when they get a job, they should retain rights to access to an apprenticeship or part-time higher and further education. Above all it is important that they should not be forced to drop training which will result in a substantive qualification in order to take up a short term job.

*Traineeships*

5.3.7 For those with no work experience, we support the introduction of six month traineeships which combine structured job search, continuing English, Maths and ICT support for those who need it and work experience in return for an allowance. Traineeships should be flexible, intensive and personalised to meet the needs of the trainee, but feel like a real job. Government should also focus on regulating the quality of the outcome rather than the detailed content of the process of the traineeship. We should allow the market to innovate and develop best practice. Our hope is that employers will take young adults on during the traineeship, offering them a wage and ultimately progression into apprenticeships. But we recognise the critical issue is offering young people further assistance who are not taken on after a traineeship.

# A Step Change in 18+ Apprenticeships

## 6.1 An Economic Imperative

6.1.1 Liberal Democrats strongly believe that the 18+ apprenticeship is a highly satisfactory route into training for full-time employment for those young people who after leaving school or college for whom HE or FE are not the right route. We support the Richard Review which highlighted the economic imperative of expanding high quality apprenticeships at Level 3 for young and older adults in order to boost growth and improve business competitiveness. We also agree that apprenticeships below Level 3 should not be encouraged, other than as a clear pathway to Level 3 and beyond. Employers should be held to account for ensuring that apprentices receive at least the statutory minimum pay.

## 6.2 Retaining the Tripartite Approach

6.2.1 Funding for adult apprenticeships is tripartite: the employer pays the apprentices wages and 50 per cent of the cost of off-the-job training; in return adult apprentices accept lower than commercial wages, and the taxpayer pays the remaining 50 per cent of the cost of off the job training. We believe this tri-partite approach is correct. Our plan to reform and expand adult apprenticeships has six key elements:

- A key focus on adult apprenticeship funding for 18-24 year olds.
- Increasing public spending on 18-24 apprenticeships.
- Placing the public contribution to 18-24 apprenticeships into the hands of each employer with funding redistributed through the NI/PAYE system.
- Continuing to treat expenditure on apprenticeships, including apprentice wages, as an expense deductible against corporation tax liabilities.
- Ensuring that full cost funding of adult apprenticeships is specified in large scale public contracts.
- Consider offering a time-limited employer NI rebate from 13.8% to zero for all age adult apprenticeships when public spending is exhausted to help make the jobs sustainable in the longer term.

## 6.3 Placing the Government Contribution into the Hands of Employers

6.3.1 Increased taxpayer funding for adult apprenticeships is only part of our plans to reform adult apprenticeships. We like the principles in the proposals of the Richard and Holt reviews in their proposals to put the purchasing power of the state contribution directly into the hands of employers, whilst using accredited providers to ensure high quality training. The accountability for this needs to be discussed between BIS and HMRC, but might include proposals that government funding for adult apprenticeships will be distributed to each employer through the NI/PAYE system. Adding the public contribution to their own contribution, each employer will be able to purchase apprenticeship training from accredited providers, driving-up quality and innovation. Knowing that funding is in their hands should also help to increase employer engagement especially by small and medium-sized enterprises. We want to see more accredited Group Training Associations to assist small and medium-sized enterprises to make it easy to recruit and fund apprentices as well as deliver higher quality training. We would like to see Sector Skills Councils and LEPs working within their relevant sectors and areas to ensure that the priority needs of employers, especially SMEs, are being addressed.

## 6.4 Retained Corporation Tax Relief

6.4.1 Private sector employers falling within the corporation tax system can already treat apprentice wages and their contribution to off-the-job training and on-the-job training as deductible expenses against trading profits. This is a significant incentive. We are sympathetic, however, to the suggestion that for SMEs a scheme similar to that introduced for R&D, which would allow apprentice costs to count double against tax, might be introduced. In Germany, SMEs provide the bulk of apprentice training, whereas in the UK it is mainly the province of the larger companies such as British Gas and BAE Systems. Given the need to encourage many more employers to offer apprenticeships we suggest that alongside the proposals set out above in relation to payment through the NI/PAYE system, the Treasury, BIS and HMRC consider whether such an additional incentive might prove cost effective.

## 6.5 Inserting employer funding of apprenticeships in public contracts

6.5.1 To demonstrate their commitment we propose that contractors be asked to fully fund the cost of a certain number of adult apprentices – training and wage costs – as a proportion of the total value of large scale public contracts. We are concerned about reports that some apprentices are being paid less than the statutory minimum.

## 6.6 Central Clearing House Apprenticeship Admissions System

6.6.1 Many young people and their parents know little about apprenticeships or how to apply for them. To raise awareness (and with awareness also the status of apprenticeships at all levels) the Liberal Democrats propose that the National Apprenticeship Service (NAS) develops a UCAS style apprenticeship admissions system which would give details of all apprenticeship offers across the country and provide a common application system. This will be a more highly developed system than the current National Apprenticeship Service website offer. Every young person wishing to start an apprenticeship after their 18th birthday would apply to the NAAS and all employers would register their vacancies with them. We would like to see Sector Skills Councils and Local Enterprise Partnerships cooperating with the NAS to ensure that the needs both of employers (especially SMEs) and of young people seeking to train through apprenticeships within their relevant sectors and areas are met.

# A Fresh Approach to Adult Further Education and Employer Skills for Longer Lives

## 7.1 The Changing Jobs Landscape and the Need for Lifelong Learning

7.1.1 Jobs for life are a relic of the past. In the future, adults will be expected to work longer as life expectancy increases and the state pension age rises. Modes of working are also likely to change, with more part-time jobs, and portfolio careers. Re-skilling and lifelong learning are crucial to employability, well-being and quality of life, both in work and in the many years after formal retirement. The UKCES skills survey for 2011 shows that more than 1 in 5 of vacancies are hard to fill, mainly specialist and technician roles, while at the same time nearly 1 in 5 employees are without the necessary skills for their jobs. In other words even when unemployment is high the UK faces a substantial skills deficit yet we are still not training people to fill these gaps. Remedying this failing must be a priority if the UK is to remain globally competitive. Central to this issue is the fact that despite many initiatives over the last thirty years, many employers remain disengaged in the skills debate – UKCES figures indicate that in 2011 only 54 per cent of employers spent on employee training and a large amount of this was on compulsory health and safety training rather than skills development of the work-force. We need to create ambition for employers and persuade them that a skilled workforce will improve productivity and the bottom line, as well as being more satisfying for employees.

## 7.2 The Present Provision for 25 year-olds and Over

7.2.1 For those starting adult FE courses after their 25th birthday, present regulations provide for:

- Free tuition for first Level 2.
- A first Level 3 and first Level 4 entitlement to income contingent loans covering the full fee cost of courses on the same terms of income contingent loans in higher education.
- The full write-off of all fee Level 3 loans for HE access courses where an adult progresses into higher education.

7.2.2 Liberal Democrats recognise that as compared to the provisions for HE and apprenticeships for the 18-24 age group post-25 adult education is poorly treated while likely to become over time an increasingly important part of the educational system of the country.

Current budget constraints and the very high levels of youth unemployment mean we cannot immediately propose improvements – indeed by transferring apprenticeship funding transfers from the post-25s to the 18-24 age group we are restricting rather than expanding funding. We set out below measures which in the longer term may help to rebalance these proposals in favour of this older age group.

### **7.3 Lifelong Learning Accounts: Learning from the Turner and Dilnot Reviews**

7.3.1 In broad terms the policies outlined in this paper strengthen access to adult (defined as post-18) further education, higher education and employer skills and will contribute towards improving the skills of our workforce as they face longer working lives, and higher skills are needed in our economy. But a new funding settlement is needed between individuals, the taxpayers and employers if access to re-skilling and lifelong learning is to increase before and after state retirement age. Our ambition is to see every adult having access to a Lifelong Learning Account so that young people who graduate at 22, or gain an apprenticeship by age 24, and who subsequently lose their job and have to make a career change or just need to update their skills can have access to a learning fund which will enable them to invest in training, to improve their employability and skills and/or to participate in learning to improve their quality of life in retirement. We envisage that such a Lifelong Learning Account would include contributions built up over time from the individual and their employer with some element of matched funding from the taxpayer and would be available to be drawn upon over the course of a lifetime.

7.3.2 Given present demands on the public finances, we recognise that it is not feasible to set up such a fund immediately, but we propose that a commission be set up within the next three years to develop these proposals and secure an historic settlement, long promised by Liberal Democrats, for the funding of re-skilling and lifelong learning. The 2000s saw a new settlement for the funding of pensions. The 2010s are about securing a new settlement for the funding of long-term social care. We suggest that the 2020s should be the decade when a new funding settlement is achieved for re-skilling and lifelong learning. Following the lessons from the Turner Review of Pensions and the Dilnot Review of Social Care, we propose a cross party Commission (chaired by an independent Chair) to review the funding of re-skilling and lifelong learning and to report before the end of the next Parliament on:

- Lessons from the Turner Review of pensions and the Dilnot Review of Social Care.
- Automatic opening of a Lifelong Learning Account for every adult from their 25th birthday.
- Arrangements for individual saving for learning in line with the new second pensions managed by the National Employment Savings Trust.
- Use of private pensions and other personal assets to fund re-skilling and lifelong learning.
- Restricting learning tax relief to purchases made from Lifelong Learning Accounts.



- The introduction of a wider system of commercial Professional Career Development Loans beyond state-backed income contingent loans.
- Financial incentives for employers to match individual and taxpayer funding held in Lifelong Learning Accounts.
- New modes of learning including MOOCs, and other forms of on line and distance learning.

## 7.4 Emerging and Future Technologies

7.4.1 As indicated, we hope that the Commission will come up with proposals which will help rebalance the world of adult education. More than this, it will need to take into account the fact that new modes of learning are being developed that were unheard of even five years ago. Massive Open Online Courses (MOOCs) are taking active participation in distance learning to new levels, and bite size courses are being developed for the mobile phone. The Open University are pioneering new fields with their FutureLearn proposals. With development in digital products speeding up, the opportunities for lifelong learning are vast, but they will change the model of teaching from the 19<sup>th</sup> century chalk and talk approach forever. In such a world, people need to be able to put previous qualifications and experience towards further learning and potential qualifications. Many will look to learning 'on the go' – learning in 'bite-size' modules which can fit more easily into crowded lives. This means developing ways of fitting the modules together into meaningful qualifications. We will charge the Commission to also investigate the creation of a 'Credit Cloud' framework, based on the Scottish system of the 'Credit Qualification Framework'. This in turn will feed into proposals for a comprehensive credit accumulation and transfer system linking the worlds of FE and HE and are discussed at greater length in Chapter 8 below.

## 7.5 Recognising Employer Efforts

7.5.1 The latest estimate is that employers invest £49bn (of which £6bn is senior management training) in education and training paying the wage costs, the cost of on-the-job and off-the-job training, and sometimes fees for their employees. The Liberal Democrats recognise and applaud this level of investment by employers competing and operating in tough economic times. But going forward we must expect employers to do more.

## 7.6 Strengthening Voluntarism

7.6.1 The Working Group has considered a range of statutory options – from statutory training levies to statutory licenses to practice – and have concluded that this is not the time for a compulsory approach to skills training. Instead, we judge that the more effective approach is to give employers greater incentives to invest in apprenticeships combined with targeted measures to encourage employers to invest more in skills.

## 7.7 Targeted Measures

7.7.1 To ‘nudge’ employers further in the direction of investing in skills over and above funding 18+ apprenticeships, we propose, as and when the economy can afford it:

- Employer training grants/loans managed by Industrial Partnerships to support micro and small businesses to develop training and business plans.
- Employer grants/loans to support achievement of the Investors in People standard by small and medium-sized enterprise.
- Commitment to human capital reporting in company accounts.
- Specific reporting of the number of adult apprentices supported each year.
- The introduction of capital allowances to employers opening ‘training schools’.
- Communicating to private sector employers more effectively that fee contributions to part-time higher education and part-time adult further education can be treated as expenses for corporation tax purposes.
- An allowance within the R&D tax credit for higher and professional level apprenticeships to incentivise joint investment by employers in skills and innovation.

# Higher Education for the 21<sup>st</sup> Century

## 8.1 A diverse and globally competitive university sector

8.1.1 Higher Education is vital to the economy of the UK. Over 80% of new jobs to be created by 2020 will be in occupations with high concentrations of graduates<sup>12</sup>, whilst jobs for the less skilled are disappearing. Higher Education exports are projected to grow from £8bn in 2009 to £17bn by 2025, and it is now a bigger industry in the UK than aircraft, agriculture or pharmaceuticals. However, the UK ranks seventh in the OECD for levels of skills in the general population<sup>13</sup>, and the UK ranks first in the OECD for the proportion of R&D funded from abroad. Despite this, our competitor countries are investing more, so we must not be complacent. The UK spends 1.3% of GDP on tertiary education, below the OECD average of 1.6%, and just 1.8% of GDP on R&D compared to an OECD average of 2.3%.<sup>14</sup>

8.1.2 The Liberal Democrats are committed to supporting a diverse university sector which offers higher education in the context of cutting-edge research and innovation, ensuring the UK's global competitiveness in the future. For hundreds of years Higher Education has been the preserve of the elite, focusing on the excellence of learning for its own sake. Only in the last fifty years has participation passed 15%. In more recent years, the focus has shifted to the higher skills needs in the UK economy. Some argue that it has now swung too far in the opposite direction. Liberal Democrats are clear that there is a place for both learning for its own sake and provision of a suitably qualified workforce for the 21<sup>st</sup> Century. This is why we do not believe that number controls are helpful. The needs of a knowledge based economy, which will be the catalyst for growth, are paramount and cannot be dictated to by an arbitrary bar. Universities will be expected to collaborate with each other, FE and with schools, to ensure that courses of national strategic importance, including STEM and Modern Languages are available. The Government will consider incentives to students who take up places on these courses. This might include a bursary.

8.1.3 In order to protect and develop our diverse and globally competitive university sector Liberal Democrats will give HEIs more freedom by creating a more efficient and agile approach to Higher Education regulation by implementing the regulatory reforms set out within the Browne review (2010). These reforms would see the four bodies HEFCE, QAA, OFFA and the OIA replaced by a single Higher Education (HE) Council. This will slash unnecessary bureaucracy, reduce duplication and ultimately save the sector money. WE believe that

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<sup>12</sup> UK Commission for Employment and Skills (2012) Working Futures 2010-2020, and analysis from UUK

<sup>13</sup> OECD 2012 Education At A Glance

<sup>14</sup> ibid

the new HE Council should continue with its accountability for quality and planning in HE, which has been successful. The HE Council will conduct an annual review of the impact of the funding and maintenance regime for both full and part time students and report to Parliament and the Social Mobility Tsar. The Tsar will provide an independent commentary to the report to help inform parliament and ministers.

8.1.4 Institutions will have to be transparent about their financial viability, working with the HE Council to produce a clear and accessible annual report. Those at risk of failure will be placed under review. The independent review process will include recommendations to governing bodies on how to address ineffective management. We welcome the increased efficiency of institutions merging back office administrative functions and shared services, often on regional bases, but more can be done. International recruitment and expansion delivered in collaboration will ensure UK HEIs compete against larger well-funded international providers.

8.1.5 We will require institutions to ensure students have a greater role in the operation and governance of HEIs. Governing bodies will be required to demonstrate how the views of students have been considered within their decision-making process.

## 8.2 Raising Student Numbers at Universities and Lifting the Cap on Numbers of HE Places Over Time

8.2.1 This is not the time to cut the number of places in full-time higher education below the 350,000 level. Our priority for the next Parliament is to maintain the number of HE places in the face of the currently falling population of 18-21 year olds despite the fiscal crisis. Full-time higher education is preferable to youth unemployment and is also critical to the skills profile of a successful economy in the 21<sup>st</sup> century. We would also like to see investment in extra STEM/SIVS courses at Foundation Degree level (20,000 extra places) and a review on the ELQ rules for STEM/SIV subjects.

## 8.3 Student Finance and Tuition Fees

8.3.1 Liberal Democrats were unable to implement the policy of phasing out tuition fees which we included in our previous manifesto. This was because both the Conservative and Labour parties opposed it and the state of the country's finances did not permit it. But, in Government, Liberal Democrats have worked together to implement a system which is fairer than the one introduced by Labour. The new system, introduced in 2012, allows institutions to charge fees of up to £9k per year and ensures that:

- No students, including part-timers, will pay upfront fees.

- No graduate will pay anything until they earn at least £21,000 per year, and any outstanding loan written is off after 30 years.
- Interest rates will be applied progressively to higher incomes, which is more progressive than both Labour's old system and the Browne Report (which proposed to lift the cap on fees that were to be charged).
- Maintenance grants for students are rising, and more than 1 million students will now benefit.
- Universities had to demonstrate how they are improving access for students with disadvantaged backgrounds.
- There is a £150m per year scholarship scheme for students from low-income families.

## 8.4 Alternative Models to the Present Student Finance System

8.4.1 Alternatives to the new system have been put forward by a variety of groups. The two options put forward most frequently are: a cut in the tuition fee cap to £6,000, with the lost university revenue replaced by direct government funding in the form of HEFCE teaching grant; and the removal of upfront fees and the introduction of a new graduation contribution or 'graduate tax' scheme.

8.4.2 We have reviewed both these options and concluded that neither provides a viable, progressive alternative.

## 8.5 Cutting the Fee Cap

8.5.1 Analysis by Centre Forum has demonstrated that reducing the fee cap to £6,000 would primarily benefit higher income graduates in the later part of their career. Half of the benefit to graduates would accrue to the top 20% of graduate earners: those who earn more than £2m in the 35 years after graduation. The analysis also demonstrates that young graduates get very little benefit: under 1% of those within 10 years of graduation will gain, so there would be no significant impact on graduates until 2030 and beyond.

8.5.2 With a lower fee cap, the government would face a much lower default rate on tuition loans, because more graduates would pay them off during their working lifetime. This would reduce the cost of issuing the loans. However the reintroduction of a teaching grant of up to £3,000 per student would increase upfront government expenditure significantly because grants are accounted for differently from loans, which count as a financial transaction.

8.5.3 We do not believe it would be right to increase short term expenditure in order to reduce costs for high earning graduates many years into the future. We therefore conclude that Liberal Democrats should not advocate a lower fee cap and the reintroduction of a teaching grant.

## 8.6 Graduate Tax

8.6.1 One benefit of a graduate tax system is that it prevents students or graduates from the wealthiest families from 'buying their way out' of the progressive payments system by paying up front. With fee loan take-up expected to be over 90%, and many of those who do not take out a loan being mature students who are paying from their own savings, or Islamic students for whom a non-sharia compliant loan is not permissible, this approach is clearly only used by a small group. Nonetheless, we would prefer a system which did not offer a loophole for those from wealthy backgrounds and this is why we spent significant time exploring the feasibility of a graduate tax.

8.6.2 Several models for a graduate tax have been put forward. We looked in close detail at the proposals put forward by the University Mission Group Million+ in conjunction with London Economics. Their proposals assume that, as with the current loan system, there would be no upfront fees but that the tuition fee income received by universities (currently from the Student Loans Company) would be replaced by HEFCE funding and graduates would repay via a stepped addition to income tax which would vary according to income and would be set for a given period of time: between 30 and 40 years.

8.6.3 We have several concerns about the fairness and deliverability of the Million+ proposal and other similar models of graduate tax.

8.6.4 First, the proposals apply only to tuition fees: under their modelling the arrangements for maintenance loans and repayments would remain the same, meaning graduates would be paying two loans simultaneously. Without changes to the maintenance loan regime, those earning between £21,000 and £42,000 would be paying 11% of their earnings in loan repayments - paying in total tax 43% of their marginal income - making repayments more onerous in the early years of a graduate's career. Reform to the maintenance loan repayment regime would be possible, of course, but any reduction in the repayment rate or threshold would come with a fiscal cost as it would increase the lifetime default rate.

8.6.5 Under the Million+ plan, graduates earning less than £24,150 would pay more, per year, and over their lifetime, than under the government's tuition fee regime. This is because the tax modelling requires people to start paying the graduate contribution once their earnings reach £10,000, rather than the £21,000 threshold currently used. Graduates on these low incomes will not pay off their loans under the current regime, so would expect to pay for the full 30 years under either a loan or graduate tax system. With a graduate earning £22,000 paying £240 a year under the Million+ scheme, compared with £90 under the current regime, they would pay £4,500 more over their lifetime.

8.6.6 Those earning over £24,500 would pay less per year, though over their lifetimes this could add up to significantly more. Those who would pay off their loan quickly under the current regime, in particular, would pay more over their lifetime. However, as the CentreForum

analysis shows, less than 1% of graduates pay off their loan in the first 10 years after graduation, as earnings tend to be relatively low in this period.

8.6.7 Clearly alternative graduate tax models could be explored, but in order to match the current payment threshold of £21,000, it is clear the rate of tax would need to be much higher than that modelled by Million+.

8.6.8 Enforcement of a graduate tax poses significant problems. Loan repayment is already a challenge for EU students (5% of the total) who have returned home or UK students who have left the UK, with as many as 45% of EU students' loans in arrears. However, a move to a graduate tax would worsen this enforcement challenge. Unlike a loan agreement, which is enforceable in law across the EU, the UK does not have the right to tax foreign citizens in their home country or UK citizens resident overseas for tax purposes on their overseas income. Million+ argues that this could be overcome by enforcing repayments through a contract, rather than a strict tax mechanism. We have been unable to verify whether this could work in practice, but it is clear that a graduate tax would increase the incentive for avoidance for those with the highest incomes, given their liability over a lifetime would be much higher than under the fee loan regime.

8.6.9 The final problem with a graduate tax model is one of affordability. HEFCE teaching grant would be considered by the ONS to be direct spending while tuition fee loans count as a financial transaction, in which the government only counts the presumed default rate (the RAB charge) as spending. Therefore switching to a graduate tax model would cost, according to Million+, £4.1bn of revenue spending in the first year. Given the current deficit situation, this increase would need to be made up by cuts elsewhere in government spending or tax rises.

8.6.10 Million+ argues that we could change accounting rules to solve this problem, not recognising that accounting rules are set internationally and cannot be altered by the UK government. Decisions on how different types of spending should be accounted for are made by the Office of National Statistics in line with EU rules set by Eurostat.

8.6.11 A graduate tax system offers one clear benefit by preventing wealthy families from buying their way out of the system. However the difficulties of the system in terms of enforcement, the increase in payments by lower income graduates and the significant upfront costs outweigh this single advantage and therefore we concluded it should not be pursued.

8.6.12 In conclusion, we believe there is no one alternative funding mechanism that combines both progressive support for graduates on low incomes, affordability for the state and support for those from less affluent backgrounds to participate.

8.6.13 We therefore propose sticking with the current system, but commit to a review within the next Parliament in particular on its impact on access, participation and quality. This should consider both the pressure on the Public Sector Borrowing Requirement from unpaid loans and progress made on widening participation.

## 8.7 Improving Social Mobility, Widening and Increasing Participation in Universities

8.7.1 Liberal Democrats remain committed to widening participation and improving social mobility. The opportunities provided by higher education must be available to all young people with the academic ability to succeed, regardless of their background. A key step towards widening student participation at university is closing the shameful performance gap in our schools and colleges.

8.7.2 No prospective student should be barred from attending university on the grounds of cost. As a result of the new funding regime introduced by the coalition Government, students studying for their first degree do not pay upfront tuition fees. Future graduates will only have to repay their fees once they can afford to do so under a system which operates in a similar way to a graduate tax. Under 20% of young people from poor backgrounds enter higher education (and not a single student at schools or colleges in 8 local authorities - Sandwell, Islington, Barking and Dagenham, Swindon, Knowsley, Halton, Barnsley and Rochdale - attended Oxbridge<sup>15</sup>). Young people from independent schools continue to be overrepresented in the most selective universities. Initial analysis of the new funding regime introduced by the coalition government suggests that greater numbers of young people from disadvantaged backgrounds are applying to university. Whilst 18 year olds from the most disadvantaged areas are now nearly twice as likely to apply to higher education than ten years ago there is no room for complacency. It remains the case that young people from the most advantaged areas are 3 times more likely to enter higher education than those from the most disadvantaged backgrounds.

8.7.3 Liberal Democrats recognise that while no student studying for their first degree has to cover their tuition fees upfront, covering maintenance costs can be a real struggle. We will protect the budgets for widening participation, as it is critical to social mobility. We will further enhance the National Scholarship Programme by transforming it into a National Bursary Scheme that is fairer to all; this will enable prospective students to know exactly how much maintenance support they will receive before applying to institutions. The focus of the bursaries would be to help student maintenance and retention rather than giving fee discounts.

8.7.4 We will also increase the transparency and accountability of institutions for achieving fair access and widening participation. A single Social Mobility Charter will be agreed between institutions, with input from their students, and the HE Council (including OFFA). This annual public charter will replace all of the current reporting methods and will contain ambitious and resourced targets to improve access, retention and student success. Institutions who fail to meet these targets will potentially lose elements of their public funding.

8.7.5 In addition to setting ambitious targets for their own institution, all universities will also be expected to support the national goal of widening participation across the sector. This will include running summer schools, sponsoring/establishing schools, setting-up mentoring

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<sup>15</sup> <https://www.gov.uk/government/news/education-and-employment-destination-data-published>: Headline figures



programmes between students/alumni and schools pupils etc. Collaborative approaches to this work will be encouraged and will be countable towards the Social Mobility Charter.

## 8.8 EU Student Funding

8.8.1 Liberal Democrats are concerned that the plethora of different student funding systems within the EU are causing difficulties for some states. We believe it is time for the EU to review the current arrangements to ensure that students cannot take advantage of loans, and then avoid repayments. Whilst this is only a problem in a minor number of cases, the UK is not the only state to face this difficulty.

## 8.9 Teaching Excellence

8.9.1 Under the current regulatory regime, research excellence and publications have come to be valued much more highly than teaching excellence, which has had a detrimental impact on the quality of teaching provision in some HEIs. Liberal Democrats believe that the excellent teachers in our universities deserve recognition and that a focus on teaching should again become a viable and celebrated career path in UK academia. We note that teaching quality is already assessed by students through the National Student Survey (NSS) and published. QAA stipulates regular peer reviews as well, which should continue under the new HEC.

8.9.2 Liberal Democrats welcome greater transparency which allows prospective students to make more informed choices on the basis of the quality of the teaching provision, and we wish to see further progress in this area.

8.9.3 The HEC will monitor universities' provision for career paths on the basis of criteria other than research (teaching, administration), and the actual progress with granting promotions on this basis. Universities should also be required to disclose, as part of the Key Information Sets, how much of their teaching is delivered by staff on temporary contracts, or by teaching assistants on hourly rates, rather than by permanent academic staff.

## 8.10 Part-time Students

8.10.1 Liberal Democrats are very concerned about the recent slump in the number of part-students. While part-time students are now on a level footing in terms of their entitlement to fee loans, we would like to go further by increasing the Access to Learning Fund (ALF). The ALF, a non-repayable discretionary fund, will be increased to £50M and we will encourage universities to top-up this fund as a part of the Social

Mobility Charter commitments. The student number control system will be reviewed to ensure institutions are incentivised to support a healthy part-time provision, particularly for strategically important and vulnerable subjects (SIVS).

## 8.11 UCAS

8.11.1 The lack of a central admissions system for part-time students can be confusing for applicants and expects them to find out what courses are available and apply directly to individual institutions. Liberal Democrats would work with institutions and UCAS so that part-time admissions can be handled centrally.

8.11.2 Prospective students also need clear access to information about courses, and the qualifications required for entry to those courses at an early stage. This is one of the reasons that we propose a national Careers, Information and Guidance system (see section 2).

## 8.12 Credit Accumulation and Transfer (CAT) Frameworks

8.12.1 Introducing more flexibility into the system to replace the current rigid structures would encourage more part-time study. This could include enabling students to choose the length of their course and the speed of progression. CAT frameworks enable students to accumulate credits and complete their programme at their own pace. They can break their studies more easily and also transfer between and within institutions to suit their needs. While the majority of universities use credit-based systems internally, few students break their studies or transfer between institutions.

8.12.2 Such a system would allow people to fit their higher education around their own lives and also help to ease the financial burden on them. The Higher Education Policy Institute (HEPI) have also proposed the development of a 'personal learning cloud' that would allow the storage and retrieval of details of accumulated credits. Liberal Democrats in Government would lead the development of such an initiative.

8.12.3 Groups of HEIs, working with their local Further Education Colleges, will be incentivised to collaborate to provide universal, transferable and flexible courses for students, which meet the needs of the local and national economy. This reform will work to increase the number of people studying part-time whilst working full-time.

8.12.4 Employers and sector groupings should be encouraged to help identify relevant courses that they seek in employees, and work with HEIs to develop courses suitable for CAT, which could include corporate collaborations: joint ventures established to deliver courses that meet the needs of emerging industries, such as green energy, incentivised by being outwith the number controls.

## 8.13 Universities at the Heart of Their Communities

8.13.1 Liberal Democrats are committed to the idea of the community-facing university. We want to see universities which are not ivory towers but open resources and knowledge bases for the local community. We propose closer links between local government and local universities, to enable HEIs to develop their outward facing activities within the local community and to make their resources (expertise, libraries, sports and other campus facilities) more widely accessible and available.

8.13.2 We would like to incentivise more collaboration between Universities and their wider communities, which would guarantee each school child a visit to and/or interaction with a university. We also note the beneficial impact of community-facing projects (work placements, community research, collaborations with local businesses, schools and colleges) on both the community and the employability and transferable skills of students. Apprenticeships within universities should also become a more widely recognised element of HEIs' outward facing work or third mission activities.

8.13.3 Universities should work closely to ensure that courses of regional or local strategic importance which could help support regional economies are agreed, developed with and possibly funded by LEPs.

## 8.14 Maths and English teachers

8.14.1 As discussed earlier in this paper, there will be a need for more qualified maths and English teachers and FE lecturers if those two subject areas are compulsory up to 18. In addition, Liberal Democrats believe that Leadership in teaching is critical to culture change and success. We would like to see universities working closely with Teach First, Teach Future Leaders and their further education counterparts to ensure that there are more places available, and that provision is broadened to cover applied literacy and numeracy.

## 8.15 Postgraduate Students

8.15.1 Funding for taught masters courses for UK students has become increasingly scarce, and there is a real risk that the UK will lag behind its major competitors in those qualified to a postgraduate level. This has serious implications for the knowledge economy, especially the emerging high technology clusters around the UK. Students have attempted to secure Career Development Loans from the major banks (who will loan up to £10,000 for a course that demonstrably improves the applicant's future career), but along with mainstream seekers of bank funding, they are finding it almost impossible to get approval. We support CentreForum's proposal that UK students wanting to

undertake a taught post graduate course should be eligible for an income contingent loan of up to £10,000. The repayment would be the same as for the undergraduate loan system, except that the loan would be triggered for repayment once the student starts earning £15,000, not £21,000. Students in receipt of research council grants or other scholarships would not be eligible for this loan.

8.15.2 We would like to see Corporate PhD's developed, where early career researchers are supported by industry and LEPs to innovate and support the expansion of regional economies. This talent management will ensure high ability students contribute to the economy early in their career and will help retain talent within the UK.

### **8.16 Postdoctoral Careers: Development of Future Researchers**

8.16.1 We are concerned about the fragmentation of the academic career structure after the doctoral level. Because of funding shortages, too many post-doctoral positions are very short term, which does not allow individuals to develop into experienced academics, researchers and teachers; this state of affairs is also not conducive to quality higher education. Moreover, it has become increasingly difficult for postdocs without considerable personal means to remain in academia, independent of suitability for such a career, and we are losing too many talented, well prepared young people. British academia needs to remain meritocratic. Without significant extra funding, we have to rely on greater transparency to promote more long-term employment in teaching positions, and we will seek to provide greater certainty for good postdoctoral researchers, such as by supporting the Research Councils' UK Academic Fellowship scheme. A Liberal Democrat government will review this problem and seek to collaborate with HEIs and research institutions to create a better environment for the support of early academic careers in the UK.

## 8.17 International Students

8.17.1 Our universities are globally respected and attract excellent students from overseas. In recent years, the changes to the visa system have caused consternation from applicants who have found the barriers to getting a visa, even with the offer of a place at an accredited UK university, growing. Liberal Democrats will:

- Remove international students from the immigration figures.
- Ensure that students offered places at respected and accredited universities have fast tracked routes to visas, reducing the need for in-country agents who receive large rates of commission.
- Allow international students to remain in the UK for up to three years following their course providing they are in graduate based employment.

## 8.18 Science

8.18.1 Julian Huppert's paper<sup>16</sup> sets out the critical importance of the excellence of science for the UK, and also the tensions between recent Governments' focus on applied science and early stage identification of the impact of research, which often compromises grant applications for blue skies research. It is essential that a balance is found between applied and blue skies research that represents the strategic needs of the nation, whilst respecting the Haldane principle, that political interference in science funding decisions should be kept to a minimum.

8.18.2 We also support the increase of interdisciplinary research. Funding streams tend to be discipline focused, but many excellent discoveries and their applications cross disciplinary boundaries. We will encourage Research Councils to work together on interdisciplinary research. We also want to see more collaborative work between Research Councils and universities, and hope that the USA models used by the NSF and NIH, which facilitates secondments between Research Councils and academia. This has the benefit of allowing research council staff to remain research active while also acting as science administrators.

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<sup>16</sup> Developing a Future: Policies for Science and Research. Dr Julian Huppert MP July 2012

## 8.19 Research Excellence Framework

8.19.1 As Julian Huppert<sup>17</sup> says, the Research Excellence Framework (REF) has caused much controversy, especially around the use of impact measures. The Liberal Democrats agree that we should ensure that we get as much value as possible from publicly-funded research, but that it is inappropriate to judge all research by a measure of short-term impact. We accept the need to establish how individuals and departments are performing, and how they use public funding, but are concerned about the time taken by the processes currently in place. We are also concerned about the skewed effects of recruiting research academics in the run up to REF reviews, in order to “buy in” publication and status. We believe that institutions should be able to continue to use the research output for review purposes for up to five years after the research, even if the key researcher is no longer with the institution.

8.19.2 We support blue skies research, but, inevitably, it is not possible to predict outcomes from it. We would therefore not require those conducting such research to predict or demonstrate impact as a sign of success or failure, but they should be required to consider and set out early on the possible applications and value, in order to strengthen university industry collaborations as the discoveries move on into the next stage of application.

8.19.3 We therefore propose an annual, light-touch research review of research outputs by department (research unit) which would replace the current periodical REF assessments.<sup>18</sup>

8.19.4 We value the importance of research for local communities and are determined to support universities which use their research capabilities to serve local interests. We are therefore committed to spreading research funding beyond centres of international excellence. We want to ensure that research council funding is distributed solely on the basis of the excellence of research ideas, independent of pre-determined agendas, and without regard to the location of the applying researcher or prospective postgraduate student.

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<sup>17</sup> Developing a Future: Policies for Science and Research. Dr Julian Huppert MP July 2012

## 8.20 Private Providers

8.20.1 Private providers are establishing their place in the provision of Higher Education in the UK. They are leading the way with shorter highly business focused courses that fulfil a particular need. Liberal Democrats encourage plurality of provision, but would like to see private providers receiving public funding held to account through the Student Charter, and have to publish their recruitment and retention figures annually. This would also have the benefit of protecting students, should the provider fail.

# Glossary

AGCAS:	Association of Graduate Careers Advisory Services
BAME:	Black, Asian and Minority Ethnic
DLHE:	Destinations of Leavers from Higher Education
EBACC:	English Baccalaureate
FE:	Further Education
GCSE:	General Certificate of Secondary Education
HE:	Higher Education
HEPI:	Higher Education Policy Institute
KIS:	Key Information Sets
NEETs:	Not in Employment, Education or Training
REF/RAE:	Research Excellence Framework/Research Assessment Exercise
RPA:	Raising the Participation Age
SIVS:	Strategically Important and Vulnerable Subjects
STEM:	Science, Technology, Engineering and Mathematics



## Learning for Life – Policy Paper 110

*This paper has been approved for debate by the Federal Conference by the Federal Policy Committee under the terms of Article 5.4 of the Federal Constitution. Within the policy-making procedure of the Liberal Democrats, the Federal Party determines the policy of the Party in those areas which might reasonably be expected to fall within the remit of the federal institutions in the context of a federal United Kingdom. The Party in England, the Scottish Liberal Democrats, the Welsh Liberal Democrats and the Northern Ireland Local Party determine the policy of the Party on all other issues, except that any or all of them may confer this power upon the Federal Party in any specified area or areas. The Party in England has chosen to pass up policy-making to the Federal level. If approved by Conference, this paper will therefore form the policy of the Federal Party on federal issues and the Party in England on English issues. In appropriate policy areas, Scottish, Welsh and Northern Ireland party policy would take precedence.*

*Many of the policy papers published by the Liberal Democrats imply modifications to existing government public expenditure priorities. We recognise that it may not be possible to achieve all these proposals in the lifetime of one Parliament. We intend to publish a costings programme, setting out our priorities across all policy areas, closer to the next general election.*

### Working Group on Education Skills from Upper Secondary to Lifelong Learning

*Note: Membership of the Working Group should not be taken to indicate that every member necessarily agrees with every statement or every proposal in this Paper.*

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ISBN: 978-1-907046-69-8 © July 2013

Further copies of this paper may be obtained, price £5 from: Liberal Democrat Image, PO BOX 443, Farnborough, Hampshire, GU14 4DA, Tel: 01252 510 005  
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Printed by Sarum Colourview, 23-24 Henrietta Street, London WC2E 8ND

Cover design by Steve Lawson