

# Close funding gap between them and us

## FE *focus*

It appears to be one of the immutable laws of our political economy that there will never be sufficient state cash to support properly an obvious societal good such as free education. As a result, managing hardship is the norm in education and is, possibly, even a perverse badge of honour. It is tempting to imagine a meeting between representatives from the primary,

secondary, FE and university sectors descending into something resembling Mony Python's Four Yorkshiresmen sketch. "Oh, we used to dream of livin' in a corridor!"

The likelihood is, of course, that FE would be the Eric Idle character whose hardships would trump the other sectors.

That the current funding gap between schools and colleges is as high as 20 per cent (page 1) is little short of scandalous. Why a gap of this size exists between two arms of the state-funded education system delivering the same qualifications to the same 16-18 age group is hard to understand.

Some may say that the Sixth Form Colleges' Forum throws into the equation everything, including the cost of kitchen sinks and other fittings for the capital projects awaiting approval from the Learning and Skills Council. As such, it does not offer an accurate comparison of the actual money available for teaching.

It is true that the 20 per cent covers a great deal. But surely this means it more accurately reflects the real-life difference in resources made available to our schools compared to our colleges for delivering the same education. Even if we look at cash per student in isolation, schools are still almost £90 per pupil better off than colleges.

It is miraculous that college students continue to perform as well as they do compared with their better-funded school peers. If there is a badge of honour to be worn it should refer to the efficiency with which colleges deliver 16-18 education.

This is not a case of inverse we-were-poorer-than-you one-upmanship. And no one is suggesting that schools receive too much money for 16- to 18-year-olds. College funding must rise to something approaching the level of schools. However, given the ongoing rationing of funding for state education, colleges are right to question the deployment of resources currently.

Is it the most rational and efficient use of scarce public resources to support myriad small school sixth forms created, in many cases, to meet the self-interest of small groups of parents and local politicians' ambitions?

Alan Thomson, *FE Focus* Editor  
E alan.thomson@rseducation.com



**Tom Bewick**  
*Chief executive, Creative and Cultural Skills, and a government adviser from 1997 to 2002*

# Think outside the box to help beat recession

The new Department for Business, Innovation and Skills (Bis) headed by Lord Mandelson is an opportunity, once and for all, to deal with Britain's Achilles heel: declining business competitiveness; sluggish growth; poor skills; badly conceived regulation; and unresponsive universities. The prize is what business leaders and forward-thinking college principals have been demanding for some time: a better focus on the things that underpin a successful modern economy.

Record levels of public investment and the economy stimulus package may not be enough. We need a more systemic approach to our business support, skills and lifelong learning ambitions. For too long, these goals have sat in different parts of Whitehall, disjointed from how businesses, innovators and learners actually interact with each other.

Lord Mandelson needs to get a grip quickly. With 11 ministers under his command, Bis looks top-heavy. There is an opportunity to streamline what is widely regarded as a bloated administration. People who really understand the low-carbon, digital economy are now urgently needed.

If skills activism is to mean anything, then Lord Mandelson must build on one of the few strengths of the old department for trade and industry, with its focus on industrial sectors. Many more skilled jobs will be lost unless the Government implements an ambitious sector-led plan that targets specifically the skills needed for the recovery from recession. Every region should be encouraged to develop "growth clusters" linked to the indigenous strengths of regional economies.

Further education, working alongside sector skills councils, could be a major force in the fight against the recession. They just

need a bigger push beyond the entrenched interests of the bureaucracies, whose comfort zone is generally higher education and soviet-style delivery mechanisms.

One obvious candidate for greater market discipline is the labyrinth of skills and business support bodies that the new department inherits. Why does Business Link have to remain in public hands?

Surely this is a role for reinvented local chambers of commerce working more closely with the high street banks?

Why can't proper degree-awarding powers be given to further education and large employers, or groups of small firms, acting together?

Our universities are one of the last great bastions of privilege in terms of policy protection from the centre. For too long they have escaped the reforming zeal of ministers, consuming public money without the improved economic outcomes to show for it. Government should agree a new pact with higher education that essentially achieves three things: a lifting of the cap on student fees to draw in more private investment from those who can afford it; new statutory targets to widen participation among poorer students through a national bursary scheme; and a link between a proportion of all funding of undergraduate courses to the actual employment outcomes of learners.

Alternatively, why stop at merging the two government departments? A new learning and skills funding agency could replace at least five quangos – either formed or in the pipeline – at a stroke.

We cannot get away from the fact that we are entering a new age of austerity.

*Mr Bewick writes in a personal capacity*