



The Rt. Hon Gillian Keegan MP
Secretary of State for Education
Department for Education

Sent via email: Sec-OF-STATE.PS@education.gov.uk

31st October 2023

Dear Secretary of State,

I am writing to set out five key themes at the forefront of college leaders' minds which we would like to discuss with you and your officials in the coming weeks. We have fourteen issues across the five themes: college staff pay, enrolments this academic year, T Levels and defunding, capital and, reclassification to public sector status.

On college staff pay, I would like to thank you again for the additional funds you managed to secure for colleges, which has helped many, but not all, to make significant pay awards this year. The extra funding has helped for this year, but there remains a substantial gap in pay (around £9,000) between schools and colleges for teaching staff. For those colleges with a larger adult provision and for the Institutes of Adult Learning, the gap will likely be wider because they did not benefit as much or even at all from the additional funding. There are three areas we would like to discuss:

1. To consider how college pay might be addressed next year, given that we know the use of the 16 to 18 budget does not benefit every college equally.
2. To use the data you now have from the workforce survey to make an assessment of how that pay gap of £9,000 can be bridged in the next few years; and then to commit to seeking the necessary funds from HMT.
3. What annual process we might agree between AoC and DfE on assessing pay in colleges to match the process you have for schools with the School Teacher Review Body.

College enrolments this academic year have thrown up two issues we would like to explore with you:

4. Colleges are reporting a promising increase in numbers of 16 to 18 year olds recruited this autumn, with many exceeding their funded numbers. You have helpfully announced, much earlier than usual, that there will be in-year growth funding once again and that undoubtedly helps. The major challenge for colleges, though, is the large increase of over 30% on average in the numbers of students requiring resits in English and maths GCSEs. This is putting enormous pressure on availability of teachers and space.
5. On the adult side, we are seeing growing waiting lists for adult skills in shortage subjects including construction, engineering, digital, health and social care. Colleges simply do not have the capacity and resources to be able

to meet these needs and we are sure this will be hampering economic growth.

Despite the strong recruitment of young people, the numbers starting T Levels is disappointing and falling short of your ambitions and plans. A large part of this is that many potential T Level students did not achieve good GCSEs and are therefore not ready. We would welcome an open discussion about three areas:

- 6.** How this overall shortfall looks nationally and what your plans are to adjust the rollout plan for T Levels. Our longstanding deep concern about the rapid defunding of existing qualifications before T Levels are established has heightened with the recruitment picture this academic year.
- 7.** Reviewing appropriate flexibilities, T level by T level to ensure they are deliverable such as in digital where face to face placements are particularly difficult to secure.
- 8.** How T Levels will be promoted to parents, employers and students, particularly now that the Advanced British Standard has been announced.

On college capital, we have seen only 6 confirmed college cases of Reinforced Aerated Autoclaved Concrete reflecting that colleges have a strong, thirty year, track record in managing their own estates. The capital grants colleges have been able to secure from DfE and others in recent years has helped, but there is great uncertainty about what will happen after 2025. We would like to discuss:

- 9.** How we support your work to determine the need for capital ahead of the next spending review. We would want to support a new condition survey to help with this, as well as more work to understand how the growing demographic alongside the increasing attractiveness of college education and skills will require more capacity of high quality technical facilities.
- 10.** How DfE plans to ensure every 16 year old can be offered the full choice of options (majors and minors) in the ABS across the so-called academic and technical routes in every place. This is likely to require stronger collaboration between school sixth forms and colleges, with more capacity in colleges. It is also likely to need changes in Key Stage 4 to allow young people greater access to college-based technical education which can inspire and motivate them into technical routes at age 16.
- 11.** How DfE can provide a more coherent and strategic capital funding regime to allow colleges to meet capacity and condition investment whilst ensuring that the college estate is net zero as soon as possible.

Finally, now that the dust has started to settle on the reclassification of colleges into the public sector, there are three priority issues for colleges:

- 12.** As public sector institutions serving the public good, with a strong focus on levelling up and economic growth I would ask you to prioritise removing VAT on college funding and providing a local government pension fund guarantee. These two changes would bring colleges in line with schools, and

ensure that the funding you have fought for goes properly to the frontline and helps college students as much as their counterparts in schools.

13. I have written before about the enormous disruption that a change to the college year-end would present. We have been involved in many discussions about this with your officials, but remain concerned that a change might still happen. I would urge you to stop that from happening as the only outcome is lots of work for colleges and for your officials with no clear benefit for anyone.

14. One of the freedoms lost to colleges from the reclassification is their ability to borrow to invest in estates, facilities, equipment and money-saving net zero works. This is hampering colleges from investments which can reduce running-costs, bring in new revenue streams or meet employer needs. It would be good to explore how these sorts of investments might be supported within the Managing Public Money rules.

I look forward to discussing these issues with you.

Best Wishes,

A handwritten signature in dark ink, reading "David Hughes". The signature is written in a cursive, slightly slanted style. The first name "David" is written in a larger, more prominent script, and "Hughes" follows in a similar but slightly smaller script. There is a small horizontal line at the end of the signature.

David Hughes
Chief Executive, Association of College