

Consultation response

Ref: 5411

New Challenges, New Chances: Next Steps in Implementing the Further Education Reform Programme

Further Education Loans

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This consultation response relates to the Government's latest phase in its plans to reform the Further Education sector. This paper responds to the proposals to introduce a new system of loans for learners in the Further Education sector. The section of the consultation concerned with Informal Adult and Community Learning can be found in a separate response, ref: 5511

Key points and recommendations

- Age UK warmly welcomes the introduction of the proposed system of loans for Further Education, providing there are no restrictions placed on older learners.
- We believe it has the potential to re-engage people in the skills and training system, and to help more people move into employment.
- It is an important component of the policy to extend working lives because it will allow people aged 50+ to up-skill and help them remain active in the labour market for longer.
- The Government should go even further and remove the age-based barriers placed on the system of public funding for skills. Alternative models include factoring in the length of time since the previous qualification, and allowing people to re-skill in a different subject area to that which has been previously studied.

1. Introduction

In an era of extended working lives, it is important the FE system delivers for older learners and provides them with the skills they need to remain active in the labour market.

In recent years, there has been a decline in participation of older learners in the FE system. This is because the perverse incentives offered to providers has led to a shift in the predominant focus away from an 'all-adult' approach and towards those aged under 25. We believe this process needs to be reversed, as it has caused many older workers and jobseekers to be unable to gain the skills needed to remain active in the labour force and thereby attain a reasonable standard of living in retirement.

In addition, providers must be able to respond flexibly and promptly to changes in learner and employer requirements, if the Government is to achieve its aim of implementing a fully demand-led system.

The proposed new system of fees will, we believe, go some way to achieving these aims, and will help older learners who need to re-skill later in their careers – it is an essential component of the policy to extend working lives.

2. Consultation questions

Section 2: Introducing Level 3/4 loans and sharing responsibility for investing in skills
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- 1. What information do learners, employers, colleges/training organisations and careers advisers need about FE loans to cover learner contributions?**
- 2. How can we engage individuals and employers so that they make use of loans to support skills and training?**
- 3. How can we support learners who are progressing from FE to HE and Advanced to Higher Level Apprenticeships using loan support?**
- 4. Will the introduction of FE loans to cover learner contributions for Level 3/4 for those aged over 24 create any particular barrier to access provision based on (i) race, religion or belief, (ii) disability, (iii) gender or (iv) age?**

Age UK warmly welcomes the introduction of a system of loans for adults undertaking further education, and is a vast improvement on the financial options currently available to older learners. The proposed system signals a significant move towards putting the sector on a level footing with the Higher Education sector, which will benefit older learners who are more likely to study in the former. We hope the development will give many people the opportunity to re-skill later in their careers.

We are hopeful this will create a more conducive funding environment for engaging older learners in developing their skills, which is essential given the Government policy of extending working lives.

Barriers to learning

Advisers need to be aware of the diverse needs of older learners, and trained to recognise the wide-ranging circumstances and reasons which motivate people to engage and progress in learning. A recognition of the typical barriers to learning in particular will be essential.

We are concerned that there will be some age-related barriers to studying. For example, caring responsibilities may make it impractical or impossible for some people (particularly 50+ women) to attend a course, even when they are keen to re-engage with the labour market. The loans system will not help address this, and it may be necessary to look at options for flexible study to enable people to balance other commitments.

Secondly, some older people are reluctant to take on debt. They will therefore need to see a clear value in undertaking learning will therefore need to be promoted to them (where appropriate). Next Step, and from April 2012 the new National Careers Service, will be appropriate vehicles to show how learning can support re-entry into

work, but the role of Jobcentre Plus and other providers of back-to-work support from the private and voluntary sectors will also be important.

However, if the principle of 'first qualification only' is applied to funding then many older workers and jobseekers who need to retrain later in their careers may be unable to obtain a loan. This will mean that many people who need to re-train but have prior qualifications at a higher or equivalent level may be denied the opportunity to do so. Age UK requires clarification on this point. Instead, ability to receive public funding for a qualification should be based on length of time since the previous qualification, or even on the basis of the subject matter being in a completely different area.

In addition, we believe the Government should go even further and move away from an age-based system of funding entirely (loans would still play a part in this for some learners). Ultimately, a system of lifelong learning accounts would be welcome, allowing people to put aside money while they are working in order to pay for future education – this could be converted into pension provision if unused.

Conclusion

The new FE loans system is therefore a significant step in the right direction, and has the potential to re-engage many older learners, help people develop the skills they need to get back to work, and address some of the barriers to study that currently affect many over 50s.

The Government should ensure that this system is implemented in with the potential for loans to be supplemented with contributions from either or both individuals and employers.