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Jessica Ward  
Further Education & Skills Investment Directorate  
Department for Business, Innovation and Skills  
1 Victoria Street  
London  
SW1H 0ET

### **A Simplified Further Education and Skills Funding System and Methodology**

Dear Ms Ward,

Please consider this letter as the response of Education for Engineering to the BIS Consultation on a simplified FE and Skills funding system and methodology. Education for Engineering (E4E) is the mechanism by which the engineering profession offers coordinated and clear advice on education to UK Government and the devolved Assemblies. E4E represents the collective views on education and training policy of 36 professional engineering institutions, the Engineering Council, EngineeringUK and the Royal Academy of Engineering. A full list of E4E members is provided at the end of this letter.

We trust that, in assessing responses to this consultation, the Government will ascribe appropriate weight to E4E's response in line with the wide range of contributing professional engineering institutions and organisations.

The main points we wish to raise are as follows:

- Intermediate level qualifications (levels 3+) in STEM subject areas must be prioritised in the funding arrangements. The recovery and growth of the UK economy will be driven by Science, Engineering and Technology industries. These sectors depend heavily on a skilled technician workforce.
- The FE Sector is responsive to funding arrangements. We would urge Government therefore to create a system that incentivises and encourages progression to higher level qualifications across all subjects. Progression adds greater value to the economy, provides for social mobility and delivers increased productivity for employers.
- In a bid to simplify the sector, we would advocate a move away from the dual YPLA and SFA funding bodies towards a single Further Education Funding Council.
- With the closure of QCDA, there is a need for a mechanism or body to ensure the development of appropriate and up to date qualifications and assessment processes. The Government should look to the professional bodies, employers and HE to perform this function rather than establish a new publicly funded body. The professional engineering community is ready to take the lead in a subject standing committee for qualifications and assessment in engineering and technology subjects.

- We are supportive of a system of course labelling, where colleges and training organisations provide comparable information to learners and employers.
- In principle we agree that public funding should be used where it is most needed and where it gives most value. While we would argue that level 2 numeracy, mathematics, English language, literacy and ICT are essential for learners in the FE and Skills sector, there must be an emphasis on progression as described earlier.
- We agree with the Independent Review of Fees and Co-funding that a sensible way forward is for public investment to follow private investment. However private investment must not be allowed to fall entirely on individual learners. *Employers must make a fair contribution if their profit margins are to benefit from greater productivity as a result of initial training and up-skilling.* We urge that the situation is closely monitored in case employers do not step up to the mark or those individuals most in need are excluded.
- Long-term tax incentives for training would create a greater incentive to for employers to train now, when training is needed and would provide a more sustainable approach to funding.
- Some learners on level 3 vocational and occupational programmes may lack level 2 functional skills. It is important that whatever the size of the level 3 programme, acquisition of level 2 functional skills continues to be supported. Any funding caps which stand in the way should be removed. In the case of level 3 occupational routes 'functional skills' may include other preparatory units and qualifications at level 2 that have a high degree of commonality across a broad sector.
- We agree that many SMEs may need additional financial incentive to ensure their workforce is up-skilled for globally competitive environments. However, widespread improvement in business management might best drive greater company investment in CPD. It has, though, also been brought to our attention that larger (and successful) companies may find it difficult to ensure consistent support for Apprenticeships, including over-training (training of more apprentices than they themselves require), without some sort of buffer support.
- With regard to contracting and sub-contracting (paras 52-57), we are concerned about how contractors will be commissioned, quality will be assured and maximum funds will be utilised for learning.

We thank the Government for undertaking this important consultation at a time when economic growth, driven by engineering and technology sectors, will be fuelled by a workforce with the ever increasing skill-set needed for UK industry to compete in the global economy. We look forward to seeing the findings at the completion of the consultation.

Yours sincerely,



Dr Rhys Morgan  
Head of Secretariat  
Education for Engineering

## Annexe

### E4E Members

British Computer Society	Institution of Royal Engineers
British Institute of Non-Destructive Testing	Institute of Acoustics
Chartered Institution of Building Services Engineers	Institute of Materials, Minerals and Mining
Chartered Institution of Highways & Transportation	Institute of Physics
Chartered Institute of Plumbing and Heating Engineering	Institute of Physics and Engineering in Medicine
Chartered Institution of Water and Environmental Management	Institution of Railway Signal Engineers
Energy Institute	Institution of Structural Engineers
Institution of Agricultural Engineers	Institute of Water
Institution of Civil Engineers	Nuclear Institute
Institution of Chemical Engineers	Royal Aeronautical Society
Institute of Cast Metals Engineers	Royal Institution of Naval Architects
The Institution of Diesel and Gas Turbine engineers	Society of Environmental Engineers
Institution of Engineering Designers	Society of Operations Engineers
Institution of Engineering and Technology	The Welding Institute
Institution of Fire Engineers	
Institution of Gas Engineers and Managers	
Institute of Highway Engineers	Engineering Council
Institute of Healthcare Engineering and Estate Management	Engineering UK
Institution of Lighting Engineers	The Royal Academy of Engineering
Institute of Marine Engineering, Science and Technology	
Institution of Mechanical Engineers	
Institute of Measurement and Control	

### E4E is supported by an Expert Panel whose members include:

Design and Technology Association  
Engineering Professors' Council  
SEMTA  
Specialist Schools and Academies Trust  
STEMNET  
Women Into Science, Engineering and Construction (WISE)