

CONSULTATION SUBMISSION

Higher Education Reform Consultation

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STUDENT NUMBER CONTROLS (SNC)

Question One:

What are your views of SNCs as an intervention to prioritise provision with the best outcomes and to restrict the supply of provision which offers poorer outcomes? Please explain your answer and give evidence where possible. If you consider there are alternative interventions which could achieve the same objective more effectively or efficiently, please detail these in your submission.

As the consultation document sets out, the higher education sector was set up to operate as a market, predicated on high priority being given to student choice. The document is clear that the government believes that individual choice remains an important part of the architecture of the sector and makes explicit the link between that choice and the debt personally accrued post-graduation. Taking the system as currently designed, it is difficult to see how the introduction of SNCs are compatible with such an overarching structure, particularly when gearing them towards the promotion and restriction of courses.

It is right to focus on outcomes as a key element of judging quality of higher education, and all universities are committed to this ongoing work. However, even with the new guidelines and regulations from the Office for Students (OfS) on quality, the judgment of any outcome is incredibly hard to ascertain. For some the purpose of higher education is not solely something that can be judged economically, or even through personal finances, even if this remains one of the most straight forward metrics on outcomes to judge. Instead, it can be for myriad reasons, all entirely valid, and meeting the aspirations of each individual. As above, the current system is built on the principle of student choice. The system was designed on this principle that assumes that students on the whole know what is in their interests and are better judges of this than any government or official. The risk, therefore, with any SNC is that it is overly prescriptive with respect to citizens' decision-making.

If the purpose of an SNC is to raise the quality of provision and ensure students are getting the appropriate level of provision, then that is one that all providers would support in principle. However, this policy intention is already being addressed by the OfS in its work on quality and standards. Such duplication runs counter to the government ambition to reduce unnecessary bureaucracy in the sector. Even if we were to accept the increased burden on providers and the limitations on choice for the individual student, however, there is little indication that such a policy would be working in tandem with the OfS work on raising quality – itself subject to development and a series of consultations. MillionPlus is fully engaged with the OfS agenda on quality and standards and, through its close consultation with the sector, there is widespread belief that many of the measures it will propose will benefit students and the sector more widely. This work risks being undermined, or at best confused, by more policy churn, disruption and an additional burden for providers through a separate mechanism seeking to do the same work. The excessive load put upon providers does not help them drive improvement, and there is no clear added value, indeed there may be a negative impact in drowning out or drawing away from work done by the OfS. Having two competing policy drives that are not joined up is unhelpful and could at times have the central government at the Department for Education (DfE) saying something at odds to that being said or prioritised by OfS. Such ambiguity would leave providers confused and ultimately harm the stated ambition to improve quality and standards. One way to perhaps ensure the

best outcomes would be to let the OfS do this work and assess any necessity for an SNC after a period of reflection.

Aside from the quality argument, if an SNC is being considered as a way of saving money for the government then there are also complicating factors to unpack. Such a policy will, in effect, be limiting student choice and capping aspiration for potential students, in a system founded upon that very fact. A cap necessarily means a limit on numbers, be that overall, by subject, or mode of study, and that will have an impact on certain potential students who could otherwise have progressed onto higher education. Importantly, any cap will almost certainly not limit the ability or ambitions of students who have progressed through the school system well, and it is therefore likeliest to impact upon those who have perhaps been let down by the school system, and for whom higher education is seen as the key pathway and aspiration to improving their lives. Such a cap will therefore be seeking to alter the market and try and dictate student choice, and, as above, largely the choice of certain types of students over others.

If the government want the higher education to function as a market then this would be counterproductive, as well as unfair on the potential students who may wish to make certain choices, irrespective of government wishes, and who will either choose an alternative course against their wishes or not continue into higher education. But, as the paper also notes, these individuals will continue to contribute to the system through general taxation. Student choice does not feature heavily in the consultation document at all, where it is rather more implied that universities have the ability to fill 'low-cost' courses very easily. Such choice does exist and is incredibly important, and the OfS is tasked with ensuring transparency and openness in the offers and claims being made to the prospective students who are making such choices. The Independent Panel report stated that the current system offers "intense competition for students through quality of offer", so to distort the market in order to change that would be worrying if quality of offer remains the ambition.

Aside from the principles associated with SNCs, there are significant logistical challenges posed. How does the government choose which courses are limited, where are these barriers set and how are they administered? How indeed do possible changes in workforce need over time become reflected in controls when the data they are being based on will be necessarily retrospective. The regional dynamic is also a major complicating factor here, as some parts of the country may have a severe lack of certain skills whereas others have a surfeit. Equally importantly, outcomes in certain regions will differ for reasons well outside of any university's control. Applying a cap regionally makes little sense as many students travel to other parts of the country to study and then may go home or live elsewhere post-graduation. It is impossible to accurately predict such flows, as well as it being incredibly bureaucratic to attempt to do so. Under an SNC there would either need to be an acceptance that the system will be imperfect and unintended consequences for certain regions will be a feature, or systems would have to be built into the SNC to be responsive to need, but at such a level of dynamism to render the SNC itself largely redundant.

It is not clear from this consultation what the purpose of such a policy would be. If the intention of the policy would be to actually cause a reduction in the number of students, be that overall or for any particular courses, then at both a principled level, and at a practical level, it would be a mistake and run counter to what has been the government's stated overall approach to higher education for the past decade. If it is to limit growth in some areas it will restrict choice and is bound to lead to unintended consequences, and the effects of government trying to plan future workforce skills needs, rather than leaving it to businesses and institutions to do that dynamically. If it is to save money, then in order to achieve its objective it would need to be set at a level that would have a real impact on student numbers, with a clear consequential impact on widening access, and therefore the thrust of the levelling up agenda. The imposition of an SNC would present a huge change to the architecture of the higher education sector, and therefore absolute clarity on why it is being done would need to be more clearly spelled out.

Question 2:

What are your views on how SNCs should be designed and set, including whether assessments of how many students providers can recruit should be made at: Sector level? Provider level? Subject level? Level of course? Mode of course? Please explain your answer and give evidence where possible.

As set out above, the design and implementation of any SNC will be difficult, bureaucratic and ultimately based on retrospective data that may run counter to ambitions of having a responsive and dynamic higher education sector, looking to the future in an ever-changing world of work.

Establishing an SNC at sector level does not fit the understanding of a policy based on outcomes and quality, as if the government believes the current system produces incentives that it disapproves of, then an overall number cap will not address this. Such a limit would also clearly signal that higher education is not open to all, and that, depending on where it was set, could mark a move away from the opening up of the sector that has been so beneficial over the past thirty years.

Such a policy could also run against a rising number of potential students due to demographic changes¹. MillionPlus is incredibly supportive of efforts to increase alternative routes, such as Degree Apprenticeships, HTQs, and new modular learning and Lifelong Learning initiatives, however this will in no way diminish the need for expanded degree provision. Even if this expansion was to some extent factored into a cap then the fact that the greatest bulge is likely to emanate from London and the south east of England could mean any cap would run counter to the government's commitment to levelling up, as attainment remains higher in London and those more likely to be limited in their ability to qualify under a cap will therefore be from areas of the lowest prior attainment, such as the north east of England.

The impact at provider level would also be problematic. For example, how would one define what would constitute a provider's 'share of the aggregate total' and how flexible this might be. One of the greatest strengths of the UK higher education sector is its diversity of provision and the dynamism in responding to change. Freezing the sector at any one point would harm this, and even allowing for some flexibility it would lead to a further entrenchment of outdated hierarchies that do much harm to student outcomes across the sector.

Other potential levels, be it allowing some growth in certain areas, or modes of course, would also present the very real problem of the government undermining institutional autonomy and the ability of institutions to respond to real-world business need, in favour of an approach that looks to 'pick winners' in a rather more statist system. Aside from the issues already highlighted above on student choice and agency, such a system also runs the risk of draining dynamism from a system that does strive competitively for students based on quality of offer. The system in England could suffer from providers looking to meet government targets rather than make the best offers for students as they do today.

The models outlined in the paper, particularly basing caps at provider level on subject outcomes, are enormously bureaucratic, especially with reference to the OfS work on quality and standards that is currently underway, as well as varying significantly between types of course. For example, traditionally creative arts courses have relatively low levels of graduate salary outcomes immediately post-graduation due to portfolio careers, or indeed the nature of that sector. The system would either have to factor the particularities of each course or sector into its calculations or not make such a determination and risk limiting a talent pool that

¹ <https://www.hepi.ac.uk/2018/03/15/new-hepi-report-reveals-300000-higher-education-places-will-needed-england-2030-keep-demand/?shared=email>

contributes to a sector worth over £115.9bn to the UK economy². A system of picking winners and losers, based on back-projections is unlikely to continue to allow universities to respond accurately to business and industry need, or indeed the needs and desires of their own current or future students. This will be particularly acute for certain regions of the country where salary levels, skilled employment levels, or general economic development is traditionally lower – a foundational element of why the government seeks to address levelling up. In these circumstances some institutions may be in effect penalised for having graduates stay local and work in the economy, and see talent pipelines shrink as a result, running counter to both widening access initiatives and the purpose of the government’s levelling up agenda.

It is also important to note the link between any SNC, however set, with international student recruitment. If an SNC covers international students it would limit UK exports and do enormous damage a sector with targets for further growth. If set for only domestic students it raises questions around the future priorities for the UK education system and the risk of perverse incentives for universities, as more provision may be geared to international recruitment as a means of generating the lost investment a cap could impose. This could lead to a greater reliance on international student recruitment within the system, particularly as the freeze in tuition fee income and rising inflation means that in real-terms students are seeing a reduction in per-student investment, which overseas fees would help to mitigate.

Finally, the paper mentions that one possible benefit of a cap would be to ‘encourage growth in high-quality level 4 and 5 provision and/or modular study’. This would be a worrying policy intention. High-quality level 4 and 5 currently exists, and universities are keen to explore modular learning. Many MillionPlus members have been innovative in recent years with other ideas such as two-year degrees, to encourage greater flexibility in the system. All have reported that, overall, the demand has not been sufficient, and the government could again risk putting what it believes students should want ahead of what they are going to actually choose. The further complication of a move to use this policy lever to encourage more into level 4 and 5 is that it, in effect, embeds level 4 and 5 as a somewhat lesser provision, not just in terms of qualification but in terms of quality. A cap, however constituted, is highly likely to ensure the students with the most advantages will not be limited in their choices, and that this limitation will fall on others. To embed the idea that it is certain types of students who should go to do level 4 and 5 qualifications means that there will not be parity of esteem between higher and further education provision, and that one will be seen as the place where people who could not access places at university will ‘end up’. Creating a pathway to encourage such a transfer would be counterproductive to efforts to embed level 4 and 5 as more highly sought-after qualifications.

Question Three:

The Government is considering which outcomes should be used if SNCs are introduced and has identified the three broad categories as quantifiable, societal, and/or strategically important. What are your views of the merits of these various approaches to consider outcomes and/or do you have any other suggestions? Please explain your answer and give evidence where possible. (For further explanatory detail, please see pages 37- 40).

The approaches set out in the paper present some significant issues, which align with many of the points already highlighted. In brief summary, nowhere do they account for student choice, or personal agency or business need, and they risk undermining the nature of a market while still retaining its overall structure, which will produce unintended consequences and further complications down the line.

² <https://lordslibrary.parliament.uk/impact-of-government-policy-on-the-creative-sector/#:~:text=Economic%20output&text=In%202019%2C%20DCMS%20estimated%20that,and%202019%20in%20real%20terms.>

To take each in order, quantifiable measurements of outcomes are notoriously hard to accurately assess, partly as they take too narrow a definition of what a good outcome is. If a graduate undertook a degree programme that radically improved their skills and life chances, and benefited from a stable but relatively low-paid job as a consequence, but did not repay the majority of the student loan, is that a good or bad outcome from the point of view of the government? Is the outcome in the eye of the student, who has made the choice and taken on the debt, or the government, as the debt's guarantor? Even leaving this to one side, a high salary is only one marker of success, and an enormous amount of evidence suggests that the markers that are likely to point to a divide in salary levels between graduates are societal, and family based, as opposed to a lack of high-quality teaching at their institution. It is, at best, a proxy metric, and at worst it is building a system based on what is easiest to measure as opposed to what is an accurate reflection of quality or outcomes.

The situation is similarly difficult when assessing what high-skilled graduate employment means. Is this time-limited, does it take into account external factors that play on a decision where to find work, does it vary regionally? None of these questions are easy to answer satisfactorily and making changes to an ecosystem of work in one sector can have consequences that one would not necessarily expect. It may be the case that in many sectors graduates undertake non-graduate jobs at the start of careers to build experience at the lower end of a sector, and that after some time this experience, plus their skills accrued through their degree, culminates in highly paid 'graduate level' work. The bureaucracy of having to accurately map such details out for each and every sector would be incredibly time consuming and imperfect, with the alternative being a simpler list that will lead to certain fields of study or employment being disincentivised for students and universities, and the sectors therefore de-skilled and downgraded. It would be many years too late before such trends became evident, and even today there is a body of evidence suggesting graduate job vacancies are rising in many areas, implying a need for expansion of provision as opposed to any decrease³.

In many ways the societal classification gives a good demonstration as to the problem highlighted above. The fact that teaching and nursing would not be adequately covered by a quantifiable system underlines its inability to properly appreciate value, quality and a good outcome. It also suffers from the issue of having to then define what constitutes a 'greater good' and disentangling the many courses that will invariably overlap with any major public 'key worker' sector. Similarly with any quantifiable classification, courses do not neatly always map onto jobs, and many people will have different careers over the course of their lives. On this point, teaching may be of high value societally, but a common route into teaching is via a PGCE, which requires a first degree for entry onto the course. Limiting numbers of certain courses therefore restricts the pool of potential graduates who may go into teaching, and this is going to be acute in regions of the country with the lower levels of attainment at school. In turn, this would lead to worse outcomes for any SNC metrics, which then leads to a smaller pool of graduates to become the teachers needed to improve the school outcomes. These systems have built organically over decades and have increased over the past ten years across all sectors, so any one way of limiting based on centrally assessed metrics will have consequences that will not be properly understood for some time.

Strategically important targets suffer from the problem of using largely retrospective data to bet on which areas will be most useful in the future, instead of letting business, industry and the market make that evaluation. The cost to the UK of being unresponsive to change, and not having dynamic versatility throughout the sector to meet the needs of business across a range of sectors, could well be far more costly economically than limiting a certain number going into higher education. It also, again, clashes with the issue of student choice, personal agency, and institutional autonomy. A student is taking on an individual debt,

³ <https://www.universitiesuk.ac.uk/what-we-do/policy-and-research/publications/busting-graduate-job-myths>

same as any other within the current system. Should it be the case that some students should be encouraged to make different choices to meet strategic ambitions of a government, while theoretically retaining the entire cost of tuition? If government is committed to positioning the higher education sector to directly meet government targets or projects there would be better ways of incentivising students than limiting their options, and the sector and government should work together to explore these.

Question Four:

Do you have any observations on the delivery and implementation of SNCs, including issues that would need to be addressed or unintended consequences of the policy set out in this section? Please give evidence where possible.

If such a policy were to be introduced a key factor would need to be retaining stability and clarity for institutions and students. Universities plan provision many years in advance, and such a seismic shift in higher education architecture would require a lengthy period of consultation and testing prior to any implementation. It is also critical to appreciate that any SNC policy will have different impacts upon different institutions, and no one type of institution should be seen as the guide to how said policy may operate. The higher education sector is incredibly diverse, and this needs to be taken fully into consideration to avoid causing unintended consequences.

Similarly, when using data and metrics for any assessments, benchmarking and the use of context are vital in not undermining a core purpose of higher education: to widen access and ensure the least advantaged can progress and succeed. A one-size-fits-all approach to establishing outcomes or quality is necessarily flawed as it takes no account of student learning gain or journey. MillionPlus responded strongly to the OfS consultations on outcomes and experience indicators affirming this point, with the importance of context being critical to having a true appreciation of student performance.

As the consultation document states there is clear overlap between these proposals and the work of the OfS in regulating quality and standards. However, the consultation document and the OfS consultations do not have the same expressed policy intent, and there is a risk of the two either duplicating work, merging, or one subsuming the other, as well as adding a further bureaucratic burden to no real benefit. Without a clear and independent policy intention through an SNC it would likely become, if introduced, a vehicle through which other policy agendas would seek to make a difference in their own way.

MINIMUM ELIGIBILITY REQUIREMENTS

Question Five:

Do you agree with the case for a minimum eligibility requirement to ensure that taxpayer-backed student finance is only available to students best equipped to enter HE? Yes or No. Please explain your answer and give evidence where possible.

No. Universities remain best placed to make decisions regarding the students they accept onto their courses. Universities set their own requirements for entry, based on each course of study, and make a determination as to the suitability of each candidate on their own merits. Using a blunt tool like MER goes against the much-lauded Robbins' principle for higher education in this country, that "courses of higher education should be available for all those who are qualified by ability and attainment to pursue them and who wish to do so". This principle remains incredibly important for the English HE system and is partly why it is unique and so diverse and one of the things that make it the envy of the rest of the world. Such a clear statement of purpose cuts to the very heart of what the HE system should be about, and speaks to British values on inclusion, aspiration and the power of education. It would be a great shame to undermine this principle now

and dilute this proud heritage of the UK system. Such a determination of ability and attainment is best understood by the institution, and in context, as it is currently.

Furthermore, MERs again run counter to the architecture of the sector, built on the principles of individual choice and aspiration, as well as the personal accumulation of debt. If a provider believes an applicant will benefit from a course of study and they wish to undertake it, with the responsibilities that brings, then they should be free to make that choice.

Many of the issues raised in the above section on SNC remain the case for MERs also, particularly around the ecosystem that would be created in relation to other types of provision (level 4 and 5 for example). It is important to promote other routes alongside higher education, and the consultation paper is right to say that no one path is right for everyone. However, the unintended consequence of establishing an MER for higher education would be that it would necessarily mean that those that did not meet the threshold would either have to leave education entirely, which would underline efforts to upskill and close skills and qualification gaps across the country, or alternatively it would mean they would try and access other educational routes. This, of course, is not a bad thing in itself, however this way of channeling people into alternative routes via an inability to access higher education would essentially embed these routes as qualifications for those unable to succeed at degree level, and therefore of lesser quality and status. This would almost certainly have knock-on implications for businesses looking at who to hire, and the value of certain types of qualification. In promoting alternative routes other than higher education it is vital that student choice remains a factor. They need to be attractive routes in which future students will see genuine value and quality. MERs for higher education are therefore likely to, perversely, make higher education seem an even more attractive proposition for students as high-quality, meaning that the element of choice that a student has between routes will be undermined.

Question Six:

Do you think that a grade 4 in English and maths GCSE (or equivalent), is the appropriate threshold to set for evidence of skills required for success in HE degree (L6) study, managed through their eligibility for student finance? Yes or No. Please explain your answer and provide reference to any pedagogical or academic sources of evidence to explain your reasoning.

No. Alongside a principled objection to such a policy, analysis of recent GCSE results data suggests that, based on needing to have Grade 4 in English and maths, 48% of all disadvantaged students in England would become ineligible for a student loan to pay their fees, and thus effectively barred from entry into higher education. This runs counter to the mission of many universities, to reach out and widen access and offer opportunities to those who may have been failed by the school system or who have not progressed through traditional pathways towards a university education.

An MER based on this threshold would be regressive, and it would provide a significant barrier in government efforts to level up regions of disadvantage, as it is those very areas where such a policy would be most keenly felt. Prior attainment, at level 2 as well as level 3, varies considerably by region. Creating an absolute minimum eligibility criteria is place-blind and will inhibit regional development. In regions outside of the greater south east we need to increase higher education participation, this goes hand in hand with the objectives and metrics outlined in the government's levelling up white paper⁴.

As above, it is also important to stress again that universities already apply minimum entry requirements, but do so in a way that considers context, for example, operating contextual admissions systems to support and

⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1052046/Executive_Summary.pdf

prepare students whose prior educational and broader life experiences mean that they have not had the opportunity to meet MERs. Moving to a national system of MERs would be problematic as it would remove this consideration of context. Should a student from an area of multiple deprivation be judged exactly the same as a student with every advantage in life on the basis of one standardised metric, or would context show that one may actually have achieved more despite lower grades?

Question Seven:

Do you think that two E grades at A-level (or equivalent) is the appropriate threshold to set for eligibility to student finance, to evidence the skills required for success in HE degree (L6) study? Yes or No. Please explain your answer and provide reference to any pedagogical or academic sources of evidence to explain your reasoning.

No. Retaining the ability to employ context in decision making is vitally important in determining who may benefit from higher education across the country. Almost all university courses will be run with an institutional requirement for a student to have two E grades at A level currently, however where there are exceptions these are there for the reason that a provider sees that giving this opportunity is of enormous benefit. Setting an MER at this level would therefore have limited impact on the whole, when one can then question its utility, but for a small few it would cut off their life chances and significantly limit their opportunities.

Question Eight:

Do you agree that there should be an exemption from MERs for mature students aged 25 or above? Yes or No. Please explain your answer and give evidence where possible.

Yes. If MERs were introduced it would be vital to ensure mature students had an adequate exemption, otherwise the government would be limiting a pathway into higher education at the same time as pursuing a lifelong learning agenda. The currently accepted definition of a mature students, however, is a person who starts their studies aged 21 and over, therefore this is the age at which the exemption should start. There is a whole body of research on mature student education to show that there are notable differences in the average student experience for somebody who is entering higher education at 21 or above. No evidence has been offered in the consultation document to explain why this exemption should start at 25.

Question Nine:

Do you think there should be an exemption from MERs for part-time students? Yes or No. Please explain your answer and give evidence where possible.

Providing an exemption for part-time students if it doesn't exist for full-time students feels inequitable. Could a student start a course as a part-time student with the exemption and then move to full-time or would they be barred? It is also worth noting that any full time/ part time binary distinction runs counter to the concept of lifelong learning and what many members have reported about patterns of study for many of their students.

Question Ten:

Do you agree that there should be an exemption to the proposed MERS for students with existing level 4 and 5 qualifications? Yes or No. Please explain your answer and give evidence where possible.

Yes. Evidence base is that they have proven their ability to study successfully at HE level.

Question Eleven:

Do you agree that there should be an exemption from any level 2 eligibility requirement to level 6 study for students with good results at level 3? Yes or No. Please explain your answer and give evidence where possible.

Yes. Universities are used to making nuanced decisions about relative performance at different stages in the context of discipline requirements and individual educational histories and obtaining additional assurance where needed. Limiting this sort of discretion is likely to be regressive.

Question Twelve:

Do you agree that there should be an exemption to MERs for students who enter level 6 via an integrated foundation year, or who hold an Access to HE qualification? Yes or No. Please explain your answer and give evidence where possible.

Yes these courses are designed to give students the skills required for higher education and by their nature are designed for individuals who have not had the opportunity to obtain these MERs earlier in their educational journeys. Taking away these routes will be regressive and is likely to have a particularly significant impact in areas that are priorities under the levelling up agenda.

Question Thirteen:

Are there any other exemptions to the minimum eligibility requirement that you think we should consider? Yes or No. Please explain your answer and give evidence where possible.

Exemptions are critical in any MER, but this fact also undermines the value of introducing it in the first instance. Exemptions below thresholds very similar to those mentioned within this consultation are rare within the university sector in any case, however where they exist it is because an institution believes a degree pathway would be beneficial, and the applicant demonstrates that they will benefit from the course of study and achieve success through it. To that end it makes more sense to continue to enable institutions to autonomously make these judgements, as opposed to setting up a large bureaucratic system which requires lots of exemptions in order to function effectively.

That said, one group who are more likely to disproportionately suffer if an MER was introduced as those with special educational needs. Members have reported to us that they believe students with conditions such as dyslexia may have pathways closed to them, as an MER will be unable to take into account their special circumstances, as it is based on metrics that will be necessarily too general. An exemption would therefore need to be made for those potential students.

FOUNDATION YEARS

Question Fourteen:

Do you agree with reducing the fee charged for foundation years in alignment with Access to HE fees? Yes or No. Please explain your answer, providing evidence where possible.

Foundation years remain an important part of the pathway into higher education, and many MillionPlus members have reported that there has been an increased desire for foundation years owing to lost learning, or lost confidence, caused by the Covid-19 pandemic and its devastating impact on schools across the country.

We agree that foundation years should not become embedded as a standard route into higher education akin to a four-year degree, however, there remains very clear appetite from students for them and providers are therefore meeting a need in offering them. It is interesting to note that, even with Access to HE diplomas

available, foundation years remain increasingly popular, and students see the particular value in having a well-funded route that prepares those that need it for their university education.

For many providers the costs of running these courses will not be significantly reduced even if fees were to be, and the extra support that might be required to help students who have suffered lost learning over the past two years may require additional investment from universities.

Question Fifteen:

What would the opportunities and challenges be of reducing the fee charged for most foundation years, and of alignment with Access to HE fees? Please explain your answer, providing evidence where possible.

As above, one challenge will be absorbing the higher costs of delivery with the lower level of investment. Many providers increase teaching contact time in foundation years, to give confidence and support to students, but if the fee is reduced this may need to be reviewed to see if it remains viable. The same is true for which subjects providers may be able to offer a foundation year in.

For students this reduction may present something of a challenge as, in effect, the majority will be paying the same amount back in loan repayments (9% over the threshold) even though they will be receiving less in terms of direct investment into their education and provider, through a reduction on the foundation degree fee. However, even with that being the case, there is a widespread belief among providers that a reduction in fee for foundation years may actually see an increase in their desirability and take-up of this route.

Question Sixteen:

Do you agree there is a case for allowing some foundation year provision to charge a higher fee than the rest? Or is there another way for government to support certain foundation years which offer particular benefits? Please explain your answer.

The question of benefits is a difficult one to evaluate, as one has to ask who would the new system be seeking to benefit in a way that the current system is not? If a higher fee was to be allowed for higher cost subjects, then that would be one way to ensure there was not a drop off in these subjects following any reduction, as a consequence of universities having to make difficult decision in a challenging economic environment. If, however, the intention is to use the higher fee as a means of making certain foundation year courses more or less attractive then it runs again into the problems of 'picking winners' and interfering in the market and with student choice.

Question Seventeen:

If some foundation year provision were eligible to attract a higher fee, then should this eligibility be on the basis of: particular subjects, some other basis (for example by reference to supporting disadvantaged students, to access highly selective degree-level education)? Please explain your answer.

It is important to ensure those that can benefit from high-quality foundation years retain the ability to access them. One MillionPlus institution noted that those who studied at university as a 'first in family' student, who did so through a foundation year tended to graduate with a higher grade.

NATIONAL SCHOLARSHIP SCHEME

Question Eighteen:

What are your views on how the eligibility for a national scholarship scheme should be set?

Modern universities do much of the heavy lifting in the area of widening access and opening up opportunities to those who traditionally do not access higher education. Ninety-six per cent of entrants to

modern universities went to a state school, 64% of all entrants to higher education from low participation backgrounds study at modern universities, and moderns also have the most ethnically diverse student populations across the country⁵.

Moves to create a national scholarship scheme to increase student choice is to be welcomed, however there is a risk that such a scheme takes too narrow a definition of social mobility and access, and further embeds a culture that actually harms outcomes and life chances as a consequence. The heavy lifting in this area is being done at modern universities throughout the sector, offering support as well as opportunity to those who may never have previously considered higher education as a route for them. Defining one particular type of institution as the one to aim for not only ignores the diversity of the sector, and the excellence throughout it, it also undermines the work of students at institutions not deemed to be 'high-tariff' which does more harm to the social mobility agenda than a handful of students being better able to access more traditionally prestigious courses.

It is right, however, to focus on the cost of living, which impacts upon many students, but if this is accepted as a major factor in limiting choice and therefore outcomes then it would be better to address this issue more widely for all who may need such help, irrespective of institution, as opposed to only targeting a few. As stated in the consultation paper, many 'high-tariff' institutions already have ambitious plans to assist students from disadvantaged backgrounds so that they can apply and thrive at those institutions. This additional funding will therefore be allocating resources not at the institutions that do the most in this area in favour of those that have traditionally done the least. To combat this it would be important to ensure all students who can benefit from such a scheme, no matter what institution they choose to apply for and study at, can be supported, and that this scheme can provide further evidence as to the importance of cost of living support more generally as a way of widening access and increasing opportunity.

LEVEL 4 AND 5 COURSES

Question Nineteen:

How can Government better support providers to grow high-quality level 4 and 5 courses? You may want to consider how grant funding is allocated, including between different qualifications or subject areas, in your response.

High-quality level 4 and 5 courses are a crucial part of the educational ecosystem in this country, and as the consultation document states, they are already providing high-quality educational pathways, be they delivered through colleges, universities or other types of providers. The document goes on to infer the presence of significant barriers in the growth of level 4 and 5 provision, however it does not take into account the possibility of there being a lack of demand as being a factor in their growth, or lack thereof. Many MillionPlus members are involved in level 4 and 5 provision and have stated that, contrary to the idea of significant barriers holding people back, the demand for massive growth in this area is not clear and that instead both students and business continue to see degree-level qualification, at level 6, as aspirational and therefore more attractive. This is not in any way to dismiss the importance of levels 4 and 5, far from it, however it is important to place student choice as a real and present factor when discussing the growth of qualifications, as even if the government may wish to increase numbers in certain areas, unless there is real-world appetite it is unlikely to be successful. This does not mean, however, that nothing can or should be done, and the suggested principles for reform within the document are important to address.

⁵ https://www.millionplus.ac.uk/documents/Jul21_ThinkModern_StatsBooklet_LR.pdf

The issue of incentives is a critical one and linked to the question of choice and attractiveness. The consultation paper seems to suggest the importance of creating structures that will move potential students away from undergoing higher education and towards level 4 and 5 provision. With a demographic bulge this may not be a desired impact in real terms, but even in percentage terms it presents issues that have been raised above around the restriction of student choice as well as the unintended consequences of having certain routes end up as second-choice options for those who wanted to do a degree. Levels 4 and 5 need to be supported to grow in response to real-world need, and colleges and universities work locally on the ground to do just this. A major problem that may be present in following through with the logic of these principles is thinking that there is a large barrier somewhere that needs government to do something about and once sorted we will see a rebalancing of the entire student ecosystem, and a rush towards level 4 and 5 provision. This is almost certainly not the case, and students currently undertaking level 6 courses are doing so as they believe they will have greater life chances and opportunities as a consequence – a feeling that is on the whole echoed by business and industry who continue to look for level 6 qualifications above others. Growing level 4 and 5, akin to the German model, is a laudable ambition, however it will take many years to achieve, and will require a concerted effort across government, as well as enabling it to develop organically and not imposed from above.

A continuing problem for all technical and vocational education, irrespective of level of qualification, is that there is still a perception that a purely academic degree subject at a 'high tariff' institution is the best outcome one can hope for and is therefore the yardstick by which all other qualifications are set against. This mindset, however anachronistic, needs to be entirely challenged and debunked if serious progress is to be made on parity of esteem even within level 6 qualifications, let alone level 4 and 5. As stated, this requires a whole-government approach, with positive action to underpin the value of these courses and the institutions that offer them. A potential problem would be if the alternative approach was taken, and barriers, like SNCs or MERs, were introduced as a means of channeling students down certain pathways without challenging the overriding perceptions of quality, and therefore having these routes as 'back-up' or 'drop-out' options that no high-performing student would want to consider. If the ambition is parity of esteem, and for all students to see the value in level 4 and 5, or indeed of all technical and vocational courses, then such a policy would be incredibly counterproductive.

We support the introduction of HTQs, however note that high quality level 4 and 5 does require high levels of investment and resource. We agree that HTQs should not necessarily lead to a fee increase, however if a strong alternative to degrees is the government's ambition, then it would be incredibly hard to achieve this with ever diminishing resources.

Question Twenty:

What drives price differences at level 4 and 5, where average fees in FE providers are significantly lower than in HEIs?

Question Twenty-one:

To what extent do the drivers of fees at levels 4 and 5 differ from those for level 6 (including between universities, further education colleges and independent providers)?

A significant driver in level 6 fees has been the need to replace what had previously been teaching grant funding, which reduced considerably after the 2012 higher education reforms⁶. With a reduction in this grant funding, income from higher tuition fees was necessary to maintain the unit of resource invested per student. With fees frozen currently, and inflationary pressures incredibly high, the real terms value of the fee income

⁶ <https://researchbriefings.files.parliament.uk/documents/SN06206/SN06206.pdf>

has reduced significantly, meaning there is pressure on the entire higher education sector to continue to charge the highest fees possible.

Irrespective of need, student choice also played a large part in driving fee levels. After the 2012 reforms there were some pricing differences for degree courses in England, and some providers chose not to charge the full fee. This decision on the whole had the opposite impact than the one desired, by both providers and government, where students considered courses that were 'cheaper' to be inferior in quality, and demand actually decreased as a consequence. The prestige factor at play within this dynamic is particular to higher education and is hard to quantify in relation to level 4 and 5 courses or qualifications. That said, if the ambition of the government is to raise the prestige of level 4 and 5 and to make it much more appealing, then it is possible that a similar effect may one day take place in that area, where price is allied to perceived quality and prestige.

Question Twenty-two:

How can we best promote value for money in the level 4 and 5 market to avoid an indiscriminate rise in fees?

In order to do this one would need to effectively define 'value for money', and also for whom such value is the most important. As above, a rise in fees may become necessary if inflationary pressures, allied with a drive to improve quality and therefore appeal, necessitate increased investment. If the policy intention is to raise the quality and prestige and attractiveness of level 4 and 5 then this is in some ways inevitable, and a marker more of success than of failure for this policy. Value for money would then be defined as having the ability to choose high-quality alternative routes other than higher education, even if the savings overall to the Treasury were minimal. If, however, the policy intention is to generate value for money by an overall reduction in cost more generally, then having greater numbers doing level 4 and 5, but not having the investment to improve those qualifications and courses and make them attractive to those who may otherwise opt for level 6, would serve that purpose – although it would simultaneously undermine the drive for quality, prestige and parity of esteem between the routes.

While the system remains one of individual choice for students, value for money is perhaps best understood by those making that ultimate determination and living with the consequences of that choice. Having a very open, robust and transparent sector with an ability to make an informed choice is most likely to lead to better value judgements than any other course of action.

Question Twenty-three:

Which learner types are more or less price-sensitive and what drives this behaviour? As part of your response, you may want to specifically consider the learner cohorts described above and the equalities considerations set out in the level 4 and 5 section of the equality analysis document, published alongside this consultation.

Traditionally, mature learners are more price-sensitive than younger students. However, this evaluation has been made before the most recent reforms to student finance, with the extended 40-year repayment threshold, so a determination as to the impact of the current system may be harder to accurately predict. That said, it is highly likely mature learners will remain the most price-sensitive, but their relative sensitivity to younger students is now harder to effectively evaluate.

Question Twenty-four:

What are your views on the current barriers, including non-financial barriers, that providers face in offering and marketing level 4 and 5 courses?

Question Twenty-five:

We want to ensure that under a flexible study model, learners studying HTQs still develop occupational competence. We also want the quality and labour market value of individual higher technical modules to be signalled. Which of the approaches below, which could be introduced separately or together, do you prefer for delivering these aims, and why?

Introducing requirements for each module to be individually assessed and/or for students to complete a summative assessment at the end of a qualification.

Awarding bodies submit qualifications with a modular structure and the Institute carry out an assessment of the quality of individual modules to provide assurance of their value to learners and employers.

An Institute/employer-led process to develop a common modular structure for HTQs, to support credit transfer and labour market currency of modules.

Question Twenty-six:

How would these approaches align or conflict with OfS and/or university course approval requirements?

Question Twenty-seven:

Are there any other approaches we should consider?

Question Twenty-eight:

How should any of these approaches be applied to qualifications already approved as HTQs?