

CONSULTATION RESPONSE

OfS Public Grant funding submission

Vanessa O'Donnell, Head of Policy & Research

16 May 2024

1. MillionPlus, the Association for Modern Universities, welcomes the opportunity to contribute to this call for evidence and to share the priorities we consider the public grants funding should adopt in future.
2. MillionPlus encourages the Office for Students (OfS) to ensure that both the course and student funding allocated through these grants keep pace with the evolving nature of the higher education sector and the challenges that both students and institutions face.
3. MillionPlus urges the OfS to ensure that future public grant allocations follow the principles below:
 - Support student access and participation.
 - Support student choice.
 - Future-proof a diverse set of provision.
 - Deliver a joined-up approach.
 - Ensure agility to emerging challenges.

Supporting student access and participation

4. MillionPlus encourages the OfS to ensure that the student premium keeps pace with both the evolving nature of the higher education sector and the challenges students face.
5. Modern universities are leading advocates for their local communities and do much of the heavy lifting in terms of widening participation. Members invest considerable resources into recruiting and retaining students from less advantaged backgrounds, creating opportunities for people who might not otherwise have access to higher education.
6. However, current funding arrangements are placing pressure on the uptake of these opportunities, with recent research illustrating the challenging circumstances students now face¹ and the inadequacies of the current student maintenance system. These challenges have been illustrated in our recent [general election manifesto](#) where we have called for the reintroduction of maintenance grants and reviews of maintenance loan support, to allow them to be adjusted with inflation when higher than forecast².
7. MillionPlus members offer a range of support to their students who face barriers to accessing higher education, engaging with their studies and transitioning into employment. These include but are not limited to the following examples:

¹ <https://www.hepi.ac.uk/wp-content/uploads/2024/05/A-Minimum-Income-Standard-for-Students-1.pdf>

² https://www.millionplus.ac.uk/documents/Building_a_Modern_Britain_v1.pdf

- Leeds Trinity has worked closely with their Student Union to extend support to students through the cost-of-living crisis. This has included supporting students struggling to pay travel costs and utility bills. Leeds Trinity has also increased their Hardship Fund, applications to which are assessed on a case-by-case basis.
- Suffolk University has developed the Digital Technology Support Fund to assist their students who do not have access to IT equipment necessary to support blended learning¹
- The University of Central Lancashire has developed a bursary for estranged students to support their transition from university into employment or further study including help with the costs of setting up new accommodation and buying interview clothes¹.

8. Without additional and urgent support for the most vulnerable students, we risk reversing much of the progress seen across the higher education sector to drive social mobility and widen opportunities. To ensure the student premium is reflective of the challenges that both existing students and future applicants will face, we urge the OfS to introduce [a social mobility premium](#).
9. This should be paid directly to institutions that create opportunities for communities that do not traditionally enter higher education and recognise the additional support these institutions need to put in place to enable these students to thrive throughout their studies.
10. In recent years, there have been a number of changes to the qualifications that learners undertake both within schools and college, as well as the higher education system. It is vital that the student support provided within the public grants is reflective of the new qualifications landscape.
11. In particular, we encourage the OfS to ensure that:
 - In order to apply a consistent approach with existing support, those applying with the newly developed T-Levels should be among those eligible for additional support.
 - Ahead of the implementation of the Lifelong Loan Entitlement (LLE), the OfS to ensure that financial support for part-time provision is boosted.
 - While a lower proportion of future students will apply with BTECs, the OfS should ensure they continue to feature within the student premium allocations given the continuation of a small number of these qualifications.

Supporting student choice

12. Higher education institutions in England continue to deliver world-class teaching and research against a backdrop of financial challenges and economic uncertainty. In the current academic year, the £9,250 annual tuition fee is worth just £6,600 in 2012–13 prices.
13. These challenges have been exacerbated by the cost-of-living crisis, increasing energy costs and seeking resolution to pay disputes. This paired with a near decade-long freeze of tuition fees means that universities are year-on-year being compelled to do more with less.
14. Universities have responded to this by seeking efficiency savings, but this will also lead inevitably to cost-cutting measures, including course closures. While all universities will feel the challenge of these financial pressures, modern universities, who recruit many of their students locally or from disadvantaged

backgrounds, and have smaller, albeit growing, international student cohorts may be particularly vulnerable to these challenges.

15. Public grant funding can play a pivotal role in the coming years to help safeguard and preserve strategically important provision which otherwise may be lost. With courses at risk due to higher delivery costs and lower student numbers, we must ensure breadth of provision is maintained, in order to support student choice both now and in the future.
16. This is especially the case for MillionPlus institutions, many of whom recruit predominantly from their local area and develop provision in light of local skills needs. In the absence of course availability in their region, many of these students would not be able to undertake the course of their choice and in some cases, may not enter higher education at all. This in turn could have negative impacts on local growth and productivity.

CASE STUDY: [University of Sunderland](#)

In identifying which skills to teach, the University of Sunderland is entirely data driven. [It draws heavily on labour market intelligence from the North East Local Enterprise Partnership](#) to identify both current and future skills' needs. It also is closely aligned with the skills' priorities identified by national government departments and other bodies. One example was the opening of the School of Medicine at the University in 2019 as it was designed to expand training places in so-called 'cold spots' for doctors (and from September 2023, we will be up to our full cohort of 500 medical students).

The University actively engages with industries and employers in the private, public and voluntary sectors, to identify the skills and competencies in demand. This enables us to align curriculum development with the needs of the job market, ensuring graduates are equipped with relevant skills.

Future proofing a diverse set of provision

17. It is important to note that newer and innovative forms of provisions involve high upfront infrastructure costs. MillionPlus institutions are committed to supporting the development and delivery of these forms of provision including degree apprenticeships, modular courses as envisaged under the LLE, as well as the development of additional interdisciplinary courses. Modern universities are at the forefront of the development of degree apprenticeships and represent 60% of universities on the apprenticeship training

CASE STUDY: [University of Worcester](#)

The University of Worcester (UW), led by their Institute for Education (IfE), is currently [working toward developing a Level 5 Higher Technical Qualification \(HTQ\) in Early Years](#). IfE has extensive experience of positive engagement and collaboration within the Early Years Sector and has an excellent relationship with our employer partners across Worcestershire and the West Midlands. This employer-based partnership work supported UW to identify the demand for the HTQ qualification. A series of workshops have been able to confirm our employer partners support the concept of creating a new and accessible learning pathway, which in turn will support the skills shortages, and challenge of recruitment and retention of the Early Years sector.

The HTQ in Early Years course development has been subject to continuous ongoing employer engagement and the views of employers have informed the course content. Employers support the proposal in both 'the value of meeting occupational standards in the industry' and its 'currency' of skills. Funding for the development of this HTQ has been awarded through the UK Governments higher technical education skills injection fund. IfE aim to commence recruitment onto the HTQ in Early Years from January 2024, with the first cohort of students commencing from September 2024.

provider register. Across modern universities in England and Scotland, the number of students beginning degree apprenticeships in 2021–22 was 22,191 illustrating the scale of our commitment to delivering this new form of provision.

MillionPlus urges the OfS to consider how the course-based funding element of the public grants could further support institutions that are contributing to the diversity of provision on offer for learners. This is particularly important given the relatively low fees they receive in relation to the costs incurred to develop and deliver these qualifications, as well as the significant regulatory burden from multiple regulators, especially in the areas of apprenticeships.

CASE STUDY: [Staffordshire University](#)

[Staffordshire University is a national leader in Higher and Degree Apprenticeships working with both levy and non-levy employers from public and private sectors.](#) Provision has been developed across a range of areas including Education and Care services, Policing, Health and Science as well as Manufacturing and Engineering.

The Lifelong Learning Entitlement (LLE) presents an opportunity to build on this work and provide an increasing number of learners with the option of developing skills and knowledge through flexible and stackable microcredential pathways. The university is partnering with Stoke-on-Trent City Council to deliver the Stoke-on-Trent Higher Skills Accelerator extending our microcredentials offer to businesses' workforce and communities. This would create skills development pathways and progression options, particularly for the strategic sectors in our region, improving regional skills levels in partnership with LEP, Chamber of Commerce and other key stakeholders delivering the Local Skills Improvement Plan.

Delivering a joined-up approach

18. The direction and focus of public grant funding must complement the wide range of priorities that the higher education sector is working towards, some of which are agreed between institutions and the regulator on a multi-year basis.
19. For example, UniConnect is regarded as an important initiative and funding stream and one which makes a valuable contribution in supporting institutions across the sector to achieve their access and participation targets. Regrettably, the government has cut the UniConnect budget in recent years, despite evidence of its important role in driving progress on this agenda. MillionPlus members are working to minimise the impact of these cuts on their work; however, it is important to recognise the potential these cuts could have on their efforts in this space.
20. MillionPlus encourages the OfS to consider the wider implications of cuts to different funding streams and the interconnected nature of different priorities. For example, the government and OfS appear firmly committed to expanding degree apprenticeships both in terms of numbers and the range of learners engaged in this provision. MillionPlus universities were some of the first institutions to offer this exciting and innovative provision and remain committed to delivering these to a growing pool of apprentices and applicants in the future.
21. However, one of the aims of UniConnect is to equip learners from underrepresented groups to make informed choices on the full range of routes into higher education. Its reduced budget is likely to impact the sector's ability to generate greater awareness among these underrepresented groups which could have knock on consequences for their engagement with this provision.

Ensuring agility to emerging challenges

22. It is vital that the OfS recognise the importance of institutional discretion to target support based on individual student needs and circumstances in a timely manner. For example, members have utilised the

student premium to establish specific funds for students who are unable to make the full payments for their energy and rent bills, which can be disseminated to students promptly when a crisis is arising.

23. The ability for institutions to receive and distribute this funding to students in their time of need and as issues arise, provides both agility and responsiveness and also ensures that each institution is able to support the diversity of challenges that their student body faces.
24. MillionPlus encourages the OfS to ensure that the student voice is captured and considered as they set the direction for future public grant allocations. This is particularly important to ensure the direction and weighting of the funding allocated remains responsive to their needs and challenges. MillionPlus understands that the OfS has a student panel and a student member on their board, however, currently only three of the thirteen students on the student panel study at a modern university, while modern universities educate 52% of undergraduate students.
25. MillionPlus encourages the OfS to ensure that in this call for evidence and in future stages of their consultative process they seek and secure engagement from right across the student body to ensure they capture the perspectives of individuals from non-traditional backgrounds.