

A response to  
**Higher Education: Students at the Heart of the System**  
from the  
National Institute of Adult Continuing Education (NIACE)

**Summary of NIACE's main messages**

Engaging adults in higher learning, and opening up more opportunities for them to study part-time, in ways that fit around their work and family circumstances, are critical both to economic growth and to social mobility. NIACE is concerned that, at this critical moment, the unintended consequences of some of the Government's reforms to higher education could prevent adults from playing their full part in economic and social renewal. There are three main things we propose the Government does to address this:

- Make part-time study more attractive to adults by reviewing loan repayment arrangements to ensure part-time students do not become liable for repayments while studying, and tailoring communications to the complex needs of adults;
- Review the 'core and margin' system which could make it more difficult for mature students who have come to higher education by a non-traditional route to gain a place at elite universities and leave students from disadvantaged backgrounds over-represented at less prestigious and less well resourced institutions; and
- Reconsider the introduction of Level 3 loans in further education and the restriction of the entitlement to face-to-face careers guidance, which, we believe, could impact negatively on wider participation and social mobility.

NIACE has long argued that higher education should not be viewed in isolation but as part of a wider framework of lifelong learning. It is vital that in formulating policy for the sector the Government takes into account all aspects of the system that supports adults into learning, and recognises their interconnectedness. Achieving a better articulation of the way in which the different elements of the system relate to each other is critical both to social mobility – a key concern of the Government which is also an important aspiration of the White Paper – and to boosting economic competitiveness. Adults progress to and from higher education in many different ways, with many different aims and aspirations, and it is critically important that efforts to help them to achieve these ambitions do not fall foul of the unintended consequences of decisions made in other parts of the system.

Higher education is about many things. NIACE believes it is a public good and that, as the Dearing report recognised, it has a critical role to play in building and sustaining a learning society, as well as in securing economic growth. As the NIACE-sponsored Inquiry into the Future for Lifelong Learning argued, 'universities contribute across the full range of desirable forms of capital – human, social, identity, creative and mental'<sup>1</sup>. Higher education is about cultural enrichment as much as it is about skills; it is about helping people to grow intellectually and achieve personal fulfilment as much as it is about equipping them for

---

<sup>1</sup> 'Lifelong Learning and the Future of Higher Education', David Watson, Inquiry into the Future for Lifelong Learning supplementary paper, 2009: <http://www.niace.org.uk/lifelonglearninginquiry/>.

work. It is important also to recognise that while higher education institutions often see themselves as competing in an international marketplace, they are also important public assets, supported by the taxpayer, and have equally important contributions to make in terms of offering good-quality, responsive teaching, widening participation and improving social mobility, and engaging with employers and their local communities.

For these reasons, NIACE is encouraged by the White Paper's emphasis on parity for part-time students, its commitment to making educational opportunity available to people throughout their lives, and its ambitions for improving the student experience, widening participation and creating a more diverse and responsive higher education sector. There are, however, a number of areas where we believe the Government needs to think again or more deeply, and a number of proposals which we believe could impact negatively on some of the headline ambitions of the paper. These are explained in detail in the response below. Our main messages are summarised under four themes: fairer funding; quality and information; a diverse and responsive sector; and social mobility.

### **Fair funding**

- The Government's decision to extend eligibility to tuition fee loans to some part-time students is welcome. However, arrangements for repayment mean that many part-time students will become liable for loan repayments while studying. We believe this runs against the grain of the Government's commitment to higher education free at the point of delivery.
- The Government should look again at the proposal to limit eligibility to fee loans to students studying at an intensity of 25 per cent of a full-time course. Many of those who study part-time while at work study at lower intensities even than this and short periods of study can often be a first step towards a more substantial commitment.
- NIACE is concerned that the inevitable increases in tuition fees for part-time courses will prove a significant disincentive to part-time students, whose recruitment is likely to be more price sensitive than that of full-time students – particularly troubling given the continuing trend of falling recruitment for part-time higher education.
- The withdrawal of public funding and the introduction of tuition fee loans for Level 3 students over the age of 24 could also impact negatively on demand for courses and consequently on efforts to widen participation in higher education. We ask the Government to consider restoring funding for these courses.
- Although the White Paper undertakes to ensure no up-front fees and proposes a regime under which graduates will pay less each month than under the previous system, NIACE is concerned that high fees set by many institutions could have the unintended consequence of deterring participation from disadvantaged groups.

### **Quality and information**

- NIACE supports the aim of improving the information available to potential students about courses and institutions. We are, however, concerned that the Government plans to remove the entitlement to face-to-face guidance for young people at a time of massive reform to the education system and high youth unemployment.

- The development of the all-age national careers service promises to give adults a better service than ever before. However, most Government communications about the new loans system have been targeted at younger students and this will need to change if adult students are to understand the new system, the costs they will face and the kinds of support available to them.
- There are some useful measures to improve the student experience, particularly plans to improve information and involve students in the process. This should, however, involve networks of adult learners, as well as the NUS.

### **A diverse and responsive sector**

- NIACE welcomes the White Paper's recognition of further education's distinctive strengths in delivering HE, particularly its track record in engaging non-traditional higher education learners, including mature and part-time students.
- While the traditional three-year full-time higher education experience must remain an essential part of the HE mix, the system must also accommodate credible alternatives for the vast majority of adults for whom this model has little relevance.
- Diversity is welcome, but there is a danger that the reforms could further polarise the HE system, with elite institutions competing for 'high achieving' students with AAB+ grades, and other, middle-ranking universities forced to cut costs (and, in some cases, inevitably, standards) in order to compete for the 'flexible margin' of places open to institutions charging £7,500 or less.
- While colleges bring something distinct and valuable to the table, it is unclear to what extent all FE colleges are equipped to offer a higher education experience directly comparable to that offered by some of the institutions against which they will be competing.
- The pressure to cut costs, combined with the removal of controls on recruitment of high-achieving students, could lead to a further polarisation within the sector, between elite universities with a basic A-level offer of AAB+, which will be able to charge the maximum, and the rest, which will be obliged to reduce costs and charge less in order to compete.

### **Social mobility**

- Although NIACE welcomes the prominence given to social mobility and fairer access in the White Paper, we are concerned at the negative impact some of the Government's reforms could have on social mobility.
- The 'unconstrained recruitment' of AAB+ students will make it more difficult for mature students who have come to higher education by a non-traditional route to gain a place at these universities.
- NIACE is concerned that this will reinforce social immobility, with disadvantaged students disproportionately represented in less prestigious institutions charging less for their courses and thus with less resource to spend on teaching.
- Those institutions which have done the most in recent years to widen participation will be among those obliged to lower their fees to compete for their lost places (they

are also the institutions which stand to lose most if the widening participation premium is discontinued).

- The Government should consider ways in which alternative qualifications and other contextual data might be included in determining who does and doesn't count as an AAB+ student, or allocate a proportion of non-AAB+ places within the quota.
- NIACE is concerned that the loss of the AimHigher programme could prove a significant blow to efforts to widen participation. Instead of cutting all funding, the Government should consider implementing transitional arrangements so that the work of AimHigher is not lost and the investment has some legacy.
- The removal of public funding and the introduction of government-backed loans for further education students over the age of 24 taking qualifications at Level 3 is very likely to have a negative impact on demand for courses, particularly among those from 'non-traditional' backgrounds.
- The Government should look again at policies, such as the introduction of Level 3 loans and the restriction of the entitlement to face-to-face careers guidance, which have the potential to impact negatively on wider participation.

## **Introduction**

The National Institute of Adult Continuing Education (NIACE) welcomes the opportunity to respond to *Students at the Heart of the System*, the Government's higher education White Paper (Cm 8122), published on 28 June 2011. As an organisation with members across higher education, further education, work-based learning and adult and community learning, NIACE has long argued that education should not stop when a person leaves school and we therefore applaud the White Paper's recognition that the 'opportunities and enjoyment' education offers 'should be available to people throughout their lives in different forms: full-time and part-time; academic and vocational, whatever will help them achieve their goals at that stage of life'.

There is much to welcome in the Government's intention to deliver a 'renewed focus on high-quality teaching in universities'; to 'empower' students with better information about different courses; and to enable a greater diversity of provision, including more higher education in further education colleges and more variety in modes of learning. These are all things which are of potential benefit to adult students. We also welcome the extension of tuition fee loans to part-time students, the vast majority of whom are mature, and the commitment to higher education free at the point of delivery, at least for full-time undergraduates. We would, however, like to see the principle extended to part-time students, to enable a genuinely level playing field in higher education.

As well as finding a good deal to welcome in the proposals, NIACE has a number of concerns as to their possible impact on access, course quality, student demand and social mobility. These are set out in more detail in the sections that follow. We also make a number of recommendations to government as to how the proposed system might avoid some of the unintended negative consequences of its reforms and so better deliver its laudable aim of putting students at the heart of the higher education system.

## **1. Sustainable and fair funding**

This section of the White Paper sets out policies to reduce the proportion of funding for teaching provided by direct grant from HEFCE and to increase the proportion coming from graduate contributions, supported by a system of subsidised loans from government:

The public money that supports higher education courses should come predominantly in the form of loans to first-time undergraduate students, to take to the institution of their choice, rather than as grants distributed by a central funding council. We are reducing the block grant money that universities and colleges get from the Higher Education Funding Council for England (HEFCE) and increasing to a maximum of £9,000 the tuition loans that students can borrow from Government.

### **Ensuring a level playing field**

The Government has also indicated that, in line with the recommendations of the Browne review on student finance, part-time students will become entitled to tuition fee loans to cover full tuition costs for the first time. Unlike their full-time counterparts, part-time students have been required to pay their fees up-front, a glaring injustice against which NIACE has long lobbied. Principle 6 of Lord Browne's report put the case for levelling the playing field between part-time and full-time students succinctly:

Part time students should be treated the same as full time students for the costs of learning. The current system requires part time students to pay upfront. This puts people off from studying part time and it stops innovation in courses that combine work and study. In our proposals the upfront costs for part time students will be eliminated, so that a wider range of people can access higher education in a way that is convenient for them.

The Government's decision to extend eligibility to tuition fee loans to students studying at an intensity of at least 25 per cent of a full-time course is, therefore, welcome, and does, to a large extent, succeed in levelling the playing field with full-time students. As Lord Browne acknowledged, this is critical not only in ensuring economic growth and competitiveness but also in widening participation in higher education, particularly among disadvantaged and so-called 'non-traditional' groups.

However, while the expansion of tuition fee loans to part-time students is a very significant step in the right direction, NIACE believes the government could do more to level the playing field with full-time students and make part-time education a more attractive option to more people, with respect to arrangements for repayment, in particular. Unlike full-time students who begin to repay their loans after they are graduated and are earning at least £21,000, part-time students will become liable to repay their loan from the April after the third anniversary of the start date of their course, even if they continue to study (provided they are earning £21,000 or more). If their part-time course lasts less than three years, they will be liable to pay from the April after they leave higher education. As Birkbeck's Professor of Higher Education Claire Callender has pointed out, this represents a far from fair deal for part-timers:

Students who take short one-year undergraduate courses, often aimed at encouraging them to progress to a degree, would start repaying their loans once they completed their course, assuming their income was above £21,000. If they then decided to take a bachelor's degree, they would be repaying their loan for their previous course while still studying. In fact, all part-time students taking a bachelor's degree will have to start repaying their loans while studying because it will take them more than 3.5 years to complete their degree. (*The Guardian*, 29 March 2011)

The situation for part-time students is further complicated by the fact that the vast majority of them are already in the workforce and most already earn more than £21,000. This means that large numbers will, as Professor Callender warns, become liable for loan repayments while studying, which runs against the grain of one of the guiding principles of the Government's reforms – that higher education should be free at the point of delivery. We would like to see this principle extended to include *all* students.

### **Widening eligibility**

We also believe the Government should look again at the proposal to limit eligibility to tuition fee loans to students studying at an intensity of 25 per cent of a full-time course (though we recognise that its previous decision to reduce the limit from 33 per cent of a full-time course was an important concession). Many of those who study part-time while at work – and almost all of those who are supported/co-funded by their employer – are studying at lower intensities even than this. If the Government is serious in its desire to see more employees studying at higher levels it would do well to look at this again. Even short periods of study can have a dramatic impact and can act as a first step to a more substantial commitment.

### **Student demand**

NIACE is also concerned that the inevitable increases in tuition fees for part-time courses could have a serious negative impact on student demand. From 2012, universities will be able to charge part-time students fees of up to £4,500, or £6,750 provided they offer bursaries. This could prove a significant disincentive to part-time students, whose recruitment is likely to prove to be more price sensitive than that of full-time students. The average age at which part-time undergraduates complete their course is around 40. Most have family and other commitments to manage. They are more likely to be female and to come from so-called 'non-traditional' backgrounds. They are also more likely to have vocational qualifications or general education qualifications below A-level on entering higher education courses and to be studying in new universities. They are both more risk-averse than their younger, full-time counterparts and less well supported in terms of information, advice and guidance. Both these factors raise big questions over the likely take-up of tuition fee loans by part-time students (and, indeed, over employers' willingness to fund their employees to undertake part-time HE) – and present challenges to the Government's ambitions for social mobility and wider participation (points to which we return later).

It is important also to note that, despite wide political agreement as to the importance of part-time higher education, it has been in decline in recent years (with the exception of the Open University). One of the main reasons for this decline was the previous government's

decision to phase out funding for students studying for qualifications equivalent to or lower than qualifications they already hold (ELQs), which made part-time study more difficult (in 2005–06 23 per cent of part-time undergraduates already had a first degree – see *The supply of part-time higher education in the UK*, UUK, October 2010). The ‘catastrophic’ impact of these changes on many providers of part-time HE – many universities closed down their continuing education departments as a result – has been compounded by a worsening economic picture and a funding system which incentivised institutions to scale down part-time provision in favour of full-time. Against this background, it is unsurprising that many in the sector are pessimistic about the impact the introduction of tuition fee loans for part-timers, and the inevitable fee rises, will have on this trend.

### **Level 3 loans**

As mentioned, NIACE welcomes the White Paper’s commitment to ensuring no first-time undergraduate needs to pay tuition costs up-front, and the expansion of tuition fee loans to part-time and distance-learning students. However, we are concerned about the effect the Government’s intention – set out first in *Skills for Sustainable Growth* – to introduce government-backed loans for FE students over the age of 24 taking qualifications at Level 3 (university entry level) and above from 2013–14 will have on demand for courses, particularly among those from non-traditional backgrounds. An outline for the new loans system has been given as part of the BIS further education consultation, *New Challenges, New Chances*. The loans, which will operate on the same basis as loans in higher education, will be based on residency and the type of course being undertaken and will be repayable once the learner has left the course and is earning more than £21,000 a year. They will apply to all provision at Levels 3 and 4 for those aged 24 and over, including Access to HE courses as well as Advanced and Higher Apprenticeships. The White Paper pledges to ensure the support system for the new loans ‘makes sense to students, their parents and employers’ and ‘offers a straightforward path for students progressing from further education courses into higher education’.

Colleges currently provide 38 per cent of entrants to higher education and are, in Simon Hughes’s phrase, the ‘local doorway’ through which people from non-traditional backgrounds access higher education. NIACE is concerned that the introduction of loans at this stage could make progression into higher education both harder and less attractive. In particular, we fear that requiring college students aged over 24 to take on a loan to finance an Access to Higher Education diploma will have a negative impact on recruitment to these courses, and, consequently, on efforts to widen participation (it is worth noting that 27 per cent of students on these courses are from an ethnic minority and 70 per cent are women). The prospect of having to pay back two sets of loans is likely to act as a significant deterrent to students without more traditional qualifications who are weighing up the costs and benefits at the start of their educational journey, and who are, because of their social backgrounds, more likely to be risk-averse. They are also likely to be less well-informed of the costs and benefits of higher education than their younger counterparts and are more likely to be put off by the thought of having to repay a loan while studying when the returns are so uncertain (an uncertainty compounded by the serious economic challenges facing the country). The Government should look again at this area of policy and should consider restoring funding for FE access courses for students over the age of 24.

### **Wider access**

The Government has allowed all higher education institutions to charge a basic threshold of £6,000 a year for undergraduate courses, to a maximum of £9,000. Although the White Paper undertakes to ensure no up-front fees and proposes a regime under which graduates will pay less each month than under the previous system, NIACE remains concerned that the high fees set by many institutions could have the unintended consequence of deterring participation from disadvantaged communities. As the University and College Union's recent report on variations in levels of education within Britain's adult population demonstrated, there is a deeply entrenched divide between the educational haves and have-nots in Britain that will take a huge effort – and not just from government – to reverse. In some areas, as many as one third of adults have no qualifications at all. It will be critical that institutions charging above £6,000, and thus subject to access agreements, demonstrate significant inroads in improving access and widening participation. As Simon Hughes has pointed out, there is much existing good work involving schools, colleges and universities that can be built on (the Government should, in particular, act to ensure the good work carried out under AimHigher is not lost). NIACE supports the Hughes Report's recommendation that universities should collaborate on a regional level on access initiatives and that this should be a compulsory requirement for every institution that wants to charge above the £6,000 threshold. The Government should also give serious consideration to the report's suggestion that National Scholarship Programme support could be more effectively directed towards payment for living and accommodation costs rather than tuition fee waivers.

### **Financial education**

Financial education will be important, for young people and adults alike, if the changes to student finances are to be effectively communicated. Better information about courses, their costs and benefits, targeted specifically to the needs and interests of adults as well as teenagers, will also be critical in ensuring wider participation. It should be remembered that most prospective adult students will not have access to the network of support available to young people at school or college. Just as important, they are far less likely to have access to the kinds of informal support and advice, from family and friends, that students from more 'traditional' backgrounds can call upon. Part-time students are, often, also less confident and less sure of themselves than their younger, full-time counterparts, and in many cases see themselves as having been failed by the education system the first time around. It's important that the government, and institutions, find ways of communicating with these groups of students which are well targeted, straight-forward and sensitive to the complex needs and circumstances of learners juggling study along with a range of other commitments.

## **2. Well-informed students driving teaching excellence**

For these reasons, NIACE supports the Government's aim of improving the information available to potential higher education students about courses and institutions, through, in particular, the publication of a standard set of easily comparable course information. We also welcome the intention to make higher education more responsive to students and employers. As the White Paper rightly points out, the issue is not so much the existence of data (there is a great deal out there already), but 'how it can be made available and linked in ways that make sense to potential students, their families, schools, employers and others

with an interest'. The proposed Key Information Sets will undoubtedly help in this process, ensuring consistency across the data and also bringing together the information centrally on the Unistats website. As noted above, the provision of such information will be particularly important in recruiting students from non-traditional backgrounds. We also welcome plans to give prospective students access to better information about teaching expertise, class sizes and the kinds of classes they can expect.

### **National careers service**

NIACE is, however, concerned at the impact the closure of the Connexions service, which provided careers advice for all young people, and the new statutory duty for head teachers to secure access to 'independent, impartial careers guidance' for their pupils, with no extra funding, will have on information, advice and guidance in schools. Under the new duty, schools will be free 'to make arrangements for careers guidance that fit the needs and circumstances of their students, including determining the appropriate balance between web-based, telephone and face-to-face support'. While the new national careers service will include face-to-face services for adults, there will be no duty to provide a specialist face-to-face service for young people. Indeed, if it wishes, a school may solely refer their pupils to a website rather than secure for them face-to-face guidance with a qualified careers adviser. NIACE shares NAEGA's concern that these changes could have a devastating effect on careers services around the country, at a time when young people are facing massive changes in further and higher education, as well as high youth unemployment. Negotiating the new fees system and the complex system of scholarships and bursaries that is being created ad hoc in each institution will, in many cases, require informed, professional support that teachers, however well-intentioned, are ill-equipped to give.

### **Adult guidance**

The development of the all-age national careers service promises to give adults a better service than ever before, and this is, of course, welcome. The availability of comparable information sets is also good news, and it will be important that adults understand how to find and use the information that is available. As mentioned in the previous section, adults very often do not have access to the kinds of informal advice and support available to younger applicants, and particularly those from more traditional backgrounds. They also often lack the more formal support structures in place at schools and colleges. There is a particular challenge in ensuring that adult students, who mostly study part-time and are often 'second-chance' learners from non-traditional backgrounds, understand the new loans system, the costs they will face and the kinds of support available to them. Most of the Government's communications effort around the new loans system has been targeted at younger students, and this is reflected in the White Paper, which talks of re-presenting information 'to meet the needs of students, their parents, and careers advisers or teachers'. It will be critically important that special attention is given to the more complex information and guidance needs of adult students whose decision to study is likely to be a result of a range of related factors, including work, family and finances. The omission of any reference to the specific guidance needs of adults is disappointing. Developing effective policy and process in this area is challenging work, but it will be necessary if the Government's reforms are to meet their objectives in terms both of creating a better-informed, more demanding student body, and of widening participation. NIACE is willing to work closely with

Government in ensuring that the information, advice and guidance needs of adult students are met, and that the transition to part-time loans goes smoothly.

### **3. A better student experience and better-qualified graduates**

There are some useful measures in the White Paper to improve the student experience, and NIACE welcomes them. The aspiration to create ‘a learning community where engagement of students is encouraged, their feedback valued and complaints resolved transparently and as soon as possible’ is to be applauded, as is the Government’s intention to encourage greater collaboration between higher education institutions and employers. Further education colleges, many of which specialise in university-industry collaboration, should have a significant contribution to make here, and will, no doubt, feature prominently in Professor Sir Tim Wilson’s review. We believe the review should also look at the decision to limit eligibility to tuition fee loans to people studying at an intensity of at least 25 per cent of a full-time course, for the reasons given above.

#### **Adult representation**

The Government endorses the Student Charter Group’s recommendation that each institution should have a student charter setting out ‘the mutual expectations of universities and students’, and this is a positive move. Requiring institutions to publish summary reports of their student evaluation surveys is also welcome, as is the Government’s intention to work with HEFCE and the NUS in agreeing the information and the format most helpful to students. Ensuring student input will be critical and this should involve all students, including adults. The NUS and the Higher Education Academy do, as the White Paper acknowledges, play an important role in supporting institutions to respond to student feedback, but more should also be done to engage with networks of adult learners, including the National Learner Panel. The NUS has made responsiveness to ‘diverse learning experiences including part-time students, apprenticeships and work-based learners’ a strategic priority, and it is working to widen participation in student unions, but it remains an organisation dominated by the concerns of younger students, and few older adults have any involvement in NUS governance or policymaking.

### **4. A diverse and responsive sector**

The other lever by which the Government believes the sector can deliver a better, more responsive student experience is competition. NIACE has long argued that the traditional model of a three-year residential degree, while valuable, is not for everyone, and we therefore welcome the White Paper’s recognition that:

For many people, entry to higher education does not follow the traditional and well-established route of A-Levels followed by a full-time, residential, three-year degree. Some choose to undertake a foundation degree, Higher National Diploma (HND), Higher National Certificate (HNC) or Apprenticeship, while others enter higher education later in life after a period in the workforce, or move onto a higher education qualification having already undertaken some vocational learning. Some want to work

or take care of their family alongside studying part-time while others want to study more intensively, compressing a three-year degree into one or two years.

This recognition reflects significant changes to the make-up of the UK's higher education population over the past two decades. Part-time students currently make up around 40 per cent of the undergraduate population. According to an analysis by the Association of Colleges, more than a quarter of higher education students below postgraduate level study short courses such as foundation degrees, HNCs and HNDs, while 17 per cent of Bachelor degree students study part-time. Forty-five per cent of all higher education students below postgraduate level are aged 21 and over and 32 per cent are aged 25 and over. It is worth noting, however, that these changes have not included very substantial changes to the make-up of the part-time student body – few 18 years olds opt for part-time higher study as an alternative to the traditional full-time route. Only nine per cent of part-time students are aged below 22 when they start university, compared with 74 per cent of full-time students (HESA, 2007–08).

### **HE in FE**

NIACE also welcomes the recognition in the White Paper, and in the further education consultation, *New Challenges, New Chances*, of further education's distinctive strengths in delivering higher education. As the White Paper acknowledges, HE in FE fulfils a 'distinctive mission in delivering locally relevant, vocational higher-level skills' and has a strong track record of reaching out to and engaging non-traditional higher education learners, including mature and part-time students.

As we have said, we support the overall policy goal for higher education of creating a system 'more responsive to student choice, that provides a better student experience and that helps to improve social mobility'. The enhanced role for FE promised in the White Paper will support these aims. Colleges can offer high-quality teaching, and flexible and innovative modes of delivery, potentially at a reduced cost – creating more affordable opportunities for adults to access higher study in ways that fit in around their lives and work roles. Although colleges are currently minor providers of higher education, with 12 per cent of the market share, almost all of this is employer-focused provision. Almost half of all higher education students in FE colleges are part-time, 64 per cent are aged 21 and over and 46 per cent aged 25 and over (according to the Association of Colleges).

### **Credible alternatives**

As Lord Browne acknowledged in his review of HE funding, future economic growth depends upon adults already in the workforce retraining and preparing themselves to work in new industries by studying part-time. The White Paper supports this objective, recognising that opportunities for adults to gain new learning and skills throughout life are necessary not only for flexible, innovative and competitive businesses, but are also preconditions of social mobility and personal growth. While we believe the traditional three-year full-time higher education experience must remain an essential part of the HE mix, the system must also accommodate credible alternatives for the vast majority of adults for whom this model has little relevance, such as higher apprenticeships, foundation degrees and specialised, employer-focused courses, which colleges, among others, are often well placed to provide.

### **Risk of stratification**

However, there are significant risks involved in opening up the higher education 'market' to greater competition and a greater variety of providers. One of these is acknowledged in the FE consultation. The Government's aim, it says, is to 'diversify' rather than 'stratify' higher education. Diversity is both welcome and necessary, for the reasons given above. But there is a danger that the reforms could further polarise the HE system, with elite institutions competing for 'high achieving' students with AAB+ grades, and other, middle-ranking, universities forced to cut costs (and, in some cases, inevitably, standards) in order to compete for the 'flexible margin' of places open to institutions charging £7,500 or less.

Of course, further education colleges will, in most cases, charge considerably less than the £7,500 and are expected to be the main beneficiaries of the 20,000 places in the margin. However, there is, inevitably, a distinction between the kind of HE experience that can be offered in FE colleges and that offered in traditional HE institutions. National Student Survey results have shown HE in FE students to be seven per cent less satisfied overall than their counterparts in universities. One of the big differences between students at FE colleges and those at HE institutions, as Claire Callender has pointed out, is that FE students are less satisfied with basic facilities, such as libraries. While colleges bring something distinct and valuable to the table, it is unclear to what extent all FE colleges are equipped to offer a higher education experience directly comparable to that offered by some of the institutions against which they will be competing.

### **Teaching quality**

NIACE is concerned that the stipulation that only institutions charging £7,500 or less will be able to bid for a share of the 20,000 places outside the recruitment cap will oblige middle-ranking universities to cut costs and, in some cases, cut corners where the quality of the student experience is concerned. This is troubling and clearly runs counter to the ambitions of the White Paper, with its promise of 'a renewed focus on high-quality teaching'. We believe there is a tension between the Government's desire to raise the quality and diversity of teaching in the sector – which is, for reasons given above, wholly welcome – and its desire to push down the costs of university education, in part a result of institutions charging higher fees than the Government expected. The White Paper explains: 'As public investment shifts from grants to loans the Government must maintain control of its financial exposure.' However, the dramatic reduction in the teaching grant in last year's Comprehensive Spending Review left many institutions feeling they had little choice but to charge higher fees in order to replace the lost income. The core and margin system means that any university with mainly non-AAB+ entrants but fees of over £7,500 will be forced to reduce fees and cut costs in order to bid for margin places they have lost under the new arrangements. This pressure to cut costs, combined with the removal of controls on recruitment of high-achieving students, could lead to a further polarisation within the sector, between elite universities with a basic A-level offer of AAB+, which will be able to charge the maximum, and the rest, which are obliged to reduce costs and charge less in order to compete. This will mean more resources for the already most advantaged institutions, thus amplifying existing differences and reducing competition in the sector. This, in turn, could have a serious negative impact on both teaching quality and social mobility. We turn to the latter in the next section of our response.

## **5. Improved social mobility through fairer access**

Although NIACE welcomes the prominence given to social mobility and fairer access in the White Paper, we are concerned at the negative impact some of its reforms (and some of those set out elsewhere) could have on social mobility. In particular, the 'unconstrained recruitment' of AAB+ students is, in our view, likely to privilege the already privileged whose higher A-level grades often reflect social circumstance rather than a superior capacity for higher study. The freedom to expand provision for these students could make more places available at elite Russell Group universities but the likelihood is that these will be taken up disproportionately by students from privileged backgrounds, as existing places are. It will also make it more difficult for bright, mature students who have come to higher education by a non-traditional route (very few mature students have AAB+ qualifications) to gain a place at these universities. Loss of non-AAB+ places will mean more pressure to recruit AAB+ students to maintain student numbers and, hence, fewer students from less advantaged backgrounds attending these prestigious institutions. NIACE is concerned that this will reinforce social immobility, with disadvantaged students disproportionately represented in less prestigious institutions charging less for their courses and thus with less resource to spend on teaching. The new, post-1992 institutions which have done the most in recent years to widen participation – and where so-called hard-to-reach groups remain concentrated – will be among those obliged to lower their fees to compete for their lost places. To offset some of these unintended outcomes the Government might consider ways in which alternative qualifications and other contextual data might be included in determining who does and doesn't count as an AAB+ student, or allocate a proportion of non-AAB+ places within the quota. Again, NIACE would be happy to work alongside Government in developing this work.

### **Transition from AimHigher**

There are measures in the White Paper which will contribute to widening participation and which NIACE, therefore, welcomes. As mentioned above, the new quality-assured careers service in England promises much for adults, with a single access point to online and telephone services for young people and adults, and face-to-face careers guidance for adults (the plans for young people are more concerning, as we also note, and we urge ministers to reconsider these plans urgently). We also welcome the Government's intention to provide more generous maintenance support for low-income students (though we note with concern that the enhanced financial support will not be available to part-time students); its plans to strengthen the role of the Office for Fair Access; and its recognition of the importance of aspiration-raising schemes. NIACE is, however, concerned that the loss of the AimHigher programme could prove a significant blow to efforts to widen participation among non-traditional and disadvantaged groups (a loss compounded by the demise of many Lifelong Learning Networks which provided IAG support). The programme, which developed partnerships between schools, colleges and universities, is widely considered to have been one of the more successful interventions in this area. Instead of cutting all funding for AimHigher, we believe the Government should consider implementing transitional arrangements so that the work of AimHigher is not lost, its successes and partnership-making can be built on, and the investment in the programme has some legacy.

### **Routes to the professions**

Plans to improve the use of contextual data, for example about levels of average attainment in an applicant's school, are welcome. As the report of the Panel on Fair Access to the Professions highlighted, people entering leading professions such as medicine and law are increasingly likely to be from the most affluent families. We are, therefore, pleased to see a focus on developing alternative routes to the professions in the White Paper. However, as Alan Milburn, who chaired the Panel, has argued, developing a much better careers service will be critical to boosting the ambitions of young people, and, as we argue above, it is far from clear that the new statutory duty for schools will deliver this. NIACE is also concerned about the impact the core and margin system will have on mature applicants' access to the most prestigious universities and, thus, to the highest-status professions.

### **Student support**

The Government's grants and loans for low-income students will be supplemented by bursaries and scholarships set out in the access agreements through which institutions charging more than the basic £6,000 annual tuition charge demonstrate what more they will do to attract students from under-represented and disadvantaged groups. This support should give students from disadvantaged backgrounds a better higher education experience and, in particular, less need to work excessive hours to support themselves through their studies. Students with low incomes will have more support, and this is welcome; however, it is far from clear what the overall impact of the reforms on widening participation and social mobility will be. In particular, NIACE is concerned about the possible impact of significantly higher tuition fees on demand from non-traditional groups. Even if demand remains steady, the control of student numbers makes it unlikely that there will be a significant increase in participation by disadvantaged groups. A study at the University of Leicester, reported in *Times Higher Education* (15 September 2011), has indicated that universities could face a drop in undergraduate applications, with post-1992 institutions hit particularly hard. The new universities would also stand to lose out if the widening participation premium, which reflects the higher costs of recruiting, teaching and supporting part-time students or those from poorer backgrounds, were to be discontinued, as some fear, with all costs of widening participation transferring to institutions (see *THE*, 15 September 2011). We agree with Million+ that the loss of the premium would undermine efforts to improve social mobility.

### **Unintended consequences**

As mentioned in an earlier section, other changes could have a negative impact on efforts to widen participation among these groups. In particular, it is unclear what impact the removal of public funding and the introduction of government-backed loans for further education students over the age of 24 taking qualifications at Level 3 and above from 2013 will have on demand for courses, particularly among those from 'non-traditional' backgrounds. This will mean that students aged 24 and over will be asked to take on a loan to fund themselves through an Access to HE course. The prospect of having to pay back two sets of loans could act as a significant deterrent to risk-averse and hesitant non-traditional students weighing up the costs and benefits at the start of their higher education careers. We also note that, as the 157 Group has pointed out, the introduction of loans at Level 3 does not follow exactly the pattern followed in HE where there will still be public funding for more expensive STEM subjects so that students are not put off by disproportionately high fees. There is no such arrangement for STEM subjects at Level 3 where the additional costs could put the viability

of courses at risk, and result in a shortage of qualified applicants for STEM programmes in higher education. We suggest that, in line with the recommendations of the Hughes Report, the Government looks again at policies, such as the introduction of Level 3 loans and the restriction of the entitlement to face-to-face careers guidance, which have the potential to impact negatively on wider participation.

## **6. A new, fit-for-purpose regulatory framework**

This chapter sets the context for a BIS technical consultation on the regulatory framework for the higher education sector. We restrict ourselves here to a few general comments. NIACE welcomes the Government's intention to create 'a single, transparent regulatory framework for all providers in the higher education system, including further education colleges and other providers'. We also support the revised remit for HEFCE as sector regulator, and in particular its role in monitoring institutions to ensure financial stability and in protecting the interests of students. We look forward to receiving more detail of how HEFCE will champion and protect the interests of students and trust that the specific interests of part-time and mature students will feature in the Government's considerations. We note that HEFCE will also have the role of ensuring the 'orderly wind down' of institutions which fail or become non-viable. We await more information as to how HEFCE will protect the interests of students whose studies are disrupted by the winding down of a 'failed' institution.