

Introduction

1) *This review will look at how Government can ensure that the post-18 education system is joined up and supported by a funding system that works for students and taxpayers. The panel would like to understand your priorities. What, if any, are your principal concerns with the current post-18 education and funding system?*

- Alliance universities are leaders in technical and professional education. They work with local and regional industrial partners to ensure their courses address skills needs and enable students from a wide range of backgrounds to succeed in industry and public service.
- There are many aspects of the current post-18 education system that work well. For example, the current funding mechanisms have maintained investment in the English higher education (HE) sector, allowing some new forms of provision to grow, while making it possible for more young full-time students from disadvantaged backgrounds to participate and succeed in HE.
- However, there are aspects of the system that do not work as well as they should. In recent years there has been a collapse in the number of part-time and mature learners – notably, since 2012, the number of part-time English-domiciled first-year undergraduate students has fallen by 59%.¹ This decline has ultimately had a negative impact on social mobility – with a 17% decline in the number of English undergraduate students from low participation neighbourhoods entering university between 2011-12 and 2016-17.² There has also been a decline in the number of learners obtaining qualifications at Levels 4 and 5. The post-18 education funding system is fragmented – with different funding regimes for HE, FE and apprenticeships and little incentive for providers to develop innovative provision at scale.
- The review is an opportunity to examine ways in which the best aspects of the system can be strengthened, and weaknesses can be addressed, to support the economy and social mobility. Notably:
 - Greater integration between further education (FE) and HE may help create more flexible study pathways, encourage more innovation in provision, and provide greater local opportunities for students.
 - The provision of flexible funding to students, through mechanisms such as Individual Learning Accounts and/or the expansion of Advanced Learner Loans, may incentivise providers to offer a wider range of provision that

¹ HESA (2018). Who's studying in HE? <https://www.hesa.ac.uk/data-and-analysis/students/whos-in-he>

² HESA (2018). Widening participation: UK Performance Indicators 2016/17.

<https://www.hesa.ac.uk/news/01-02-2018/widening-participation-tables>

would allow students to upskill and reskill through various forms and modes of post-18 education, based on their needs.

- Given the UK's productivity challenge, it is important that universities are appropriately resourced to support students in their journeys and to ensure the longevity of existing and new provision (e.g. degree apprenticeships).

Part 1: Choice and competition across a joined-up post-18 education and training sector?

2) *How do people make choices about what to study after 18? What information do they use and how do they choose one route over another: for instance, between academic, technical and vocational routes?*

- Alongside tuition fees, students may consider location, living expenses, employment prospects, quality of the course offered and other financial information when making choices about post-18 study.³
- Background and choices made earlier in the journey through education may also impact the choices students make at this stage. A study of school leavers at the age of 16 found that peers "have a significant impact too", with fewer students likely to choose a course traditionally seen as 'vocational' if their peers have not chosen such a course.⁴ On the other hand, students from disadvantaged backgrounds may be "less likely to enrol in a [...] course [traditionally seen as 'academic'] irrespective of their ability and the ability of their peers".⁵
- The report of the Independent Panel on Technical Education highlights the need for "comprehensive career guidance" for all individuals from all backgrounds to be able to make "informed choices between the education and training options on offer"⁶. This is right but we do not agree with the report's division of education into "academic" and "technical" options⁷. This binary view does not reflect the advanced technical and professional education delivered through HE.
- Since university degrees are so diverse, and league tables are not a good indication of which course will be best for a particular student, it is important, as the Government's new Careers Strategy acknowledges, that young people and

³ RAND Corporation (2014). Understanding the impact of differential university fees in England. xv-xvi. https://www.rand.org/pubs/research_reports/RR571.html

⁴ Hedges, S. and Speckesser, S. (2017). Peer Effects and Social Influence in Post-16 Educational Choice. Research Discussion Paper 008. London School of Economics and Political Science, Centre for Vocational Educational Research. 12-13. <http://cver.lse.ac.uk/textonly/cver/pubs/cverdp008.pdf>

⁵ Ibid.

⁶ Report of the Independent Panel on Technical Education (2016). 25.

⁷ Idem, 30.

adults are able to access advice “delivered by individuals with the right skills and experience”, who have the right knowledge about the different courses on offer.⁸

3) *How do people make choices later in life about what further study to undertake?*

- Mature learners are comprised of diverse groups with diverse needs. According to the former Office for Fair Access, they are a “non-captive” audience and the information, advice and guidance available to them may be more limited.⁹ As such, providers may need to diversify their to ensure mature learners are aware of the wide range of pathways available to them (e.g. full awareness of pathways available based on prior educational attainment or skills objectives, awareness of flexible modes of study to accommodate their work and life commitments, etc). Numerous providers and other organisations, including University Alliance, have developed recommendations for how information, advice and guidance can be improved to ensure mature learners are fully aware of the study choices available to them.^{10 11}

4) *In recent years we have seen continued growth in three-year degrees for 18-year olds. Does the system offer a comprehensive range of high quality alternative routes for young people who wish to pursue a different path at this age? How can Government encourage provision across a wider range of high quality pathways to advanced academic, technical and vocational qualifications?*

- It is worth noting that there is significant diversity in the three-year degrees on offer. The diverse learning experiences available at different types of universities through different modes of delivery are a major strength of the English post-18 education system. The collapse in the number of part-time students – and the

⁸ Department for Education (2017). Careers strategy: making the most of everyone’s skills and talents. 4.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664319/Careers_strategy.pdf

⁹ Office for Fair Access (2018). Topic briefing: mature and part-time students <https://www.offa.org.uk/universities-and-colleges/guidance/topic-briefings/offa-topic-briefing-mature-learners/>

¹⁰ University Alliance (2017). Lifelong Learning: Ladder and Lifeline <https://www.unialliance.ac.uk/wp-content/uploads/2017/02/UA-Lifelong-learning-spotlight-paper-web.pdf>

¹¹ Office for Fair Access and the Open University (2017). Understanding the impact of outreach on access to higher education for adult learners from disadvantaged backgrounds: an institutional response <https://www.offa.org.uk/wp-content/uploads/2017/07/Final-Report-Understanding-the-impact-of-outreach-on-access-to-higher-education-for-disadvantaged-adult-learners-docx.pdf>

number of part-time degrees available for these students – has had an impact on the diversity of courses on offer.

- Alliance universities offer a wide range of high quality alternative routes for learners of all types to pursue HE based on their needs and the needs of industry (e.g. degree apprenticeships, sandwich courses, placements and other forms of work-based learning; provision of HE in collaboration with FE partners; accelerated degree courses in select subject areas; flexible course models, like the ones in place at CU Coventry¹² and the OpenPlus science degree at the Open University¹³).
- While the current system does contain diverse pathways, University Alliance's forthcoming report on technical and professional education sets out ideas for improving this further. For example, there could be clearer branding of programmes as preparation for progression within a particular profession, achievement at Level 4 and Level 5 should be recognised even when it is part of a Bachelor's degree programme, degree apprenticeships could be given a "blended brand" with the degree award designation reflecting that it has been obtained through the apprenticeship route, and the final year of a degree programme could be more flexible with emphasis on independent projects.

5) *The majority of universities charge the maximum possible fees for most of their courses and three-year courses remain the norm. How can Government create a more dynamic market in price and provision between universities and across the post-18 education landscape?*

- It is rational for most providers to set fees at the cap while there are income-contingent loans that meet the maximum fee allowed by government.¹⁴ In addition, price is seen as an indicator of quality and some institutions that set prices below the cap saw applications fall. Despite this, there is some lower cost HE provision on offer in FECs. Some universities e.g. Coventry have also developed their own institutions that offer flexible HE at around £6,000 to £7,000.
- This does not mean there is no competition in the post-18 system. Competition between providers has increased – with application patterns reflecting this – based on a wide range of factors including the diversity of their offer.
- Government could create a more dynamic market in price and provision by further supporting students to take up existing forms of flexible and part-time

¹² CU Coventry (2018). Courses and study <http://www.coventry.ac.uk/cuc/study/>

¹³ The Open University (2018). OpenPlus <http://www.open.ac.uk/choose/openplus/>

¹⁴ House of Lords Select Committee on Economic Affairs (2017). Corrected oral evidence: The Economics of Higher, Further and Technical Education, 4-5.

<http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/economic-affairs-committee/the-economics-of-higher-further-and-technical-education/oral/72109.pdf>

learning by, for example, expanding Advanced Learner Loans to allow students to spend their loans on modular learning, and reintroducing Individual Learning Accounts, as previously called for by University Alliance¹⁵, the Open University and other organisations within the post-18 education sector¹⁶. If learners are given access to support arrangements that encourage post-18 learning in diverse forms, providers may be further encouraged – and appropriately resourced – to be more flexible and innovative in their provision and in the fees they set to cover delivery costs.

6) *What barriers do current and new education and training providers face in developing innovative or diversified provision?*

- The main barrier is funding. There are challenges for providers in covering the cost of degree provision when it is not offered as a traditional full-time three-year course. While some alternative models have been successfully developed, they are not appropriate for all forms of provision, particularly those that may require a high level of human resource and infrastructure for course delivery.
- The lack of alignment between the apprenticeship and degree funding models also makes innovative or diversified provision more challenging to offer – particularly when there is demand by learners, employers and providers for a “hybrid” model. For example, the University of Central Lancashire has developed a “blended” model where students obtain an undergraduate degree and a complementary level 3 vocational qualification with the aim of ensuring all students graduate with the ‘work-ready’ skills employers seek. However, this blended model is difficult to deliver as the Education and Skills Funding Agency will not provide full funding to students who have already received Level 3 qualifications (which ultimately rules out most university students from obtaining funding for this type of training).¹⁷
- Other barriers are also impacting providers’ ability to develop and deliver new degree apprenticeships – such as the reduction of funding bands and pressures on Trailblazer groups to remove degree qualifications from apprenticeship standards.

¹⁵ University Alliance (2017). Lifelong Learning; Ladder and Lifeline. 19.

<https://www.unialliance.ac.uk/wp-content/uploads/2017/02/UA-Lifelong-learning-spotlight-paper-web.pdf>

¹⁶ HEPI (2017). Personal Learning Accounts for all: More choices, better skills, more success <http://www.hepi.ac.uk/2017/01/09/personal-learning-accounts-choice-better-skills-success/>

¹⁷ House of Lords Economic Affairs Committee (2017). University of Central Lancashire – Supplementary Written Evidence (HFV0098). <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/economic-affairs-committee/the-economics-of-higher-further-and-technical-education/written/76508.pdf>

7) *How can Government further encourage high-quality further education and higher education provision that is more flexible: for example, part-time, distance learning and commuter study options?*

- The current system needs to provide learners with the appropriate financial support that encourages study in a flexible manner, should they wish to do so. We would suggest that a financial support system should be agnostic to the mode of delivery – this is particularly important given the potential for growth of digital provision (blended and online) and other forms of flexible provision that meet the demands of learners and, in many cases, employers seeking high-quality training for their employees.
- Both former universities minister Lord Willetts and Lord Browne, who led the 2010 review of HE funding and student finance, have expressed regret at the impact of 2012 funding reforms on mature and part-time learners.¹⁸ Since these funding reforms, the number of part-time undergraduate HE student enrolments in England has declined by over 36% from 2012-13 to 2016-17.¹⁹
- 41% of the UK's part-time HE students are enrolled at an Alliance university. As the largest provider of part-time HE in the UK and as part of its mission to provide university education to all who wish to access it and succeed in it, the Open University has developed comprehensive proposals on how increased choice and increased flexibility can be promoted within the current system, by improving information, advice and guidance on course and career options, strengthening pathways between FE and HE, and introducing a mixture of financial incentives and mechanisms to support a post-18 education system that encourages 'learning and earning'.²⁰
- We note the steps the Government has taken to encourage the provision of more flexible study options, such as accelerated degree courses. However, it is also important to remember that 'one size does not fit all' and that a diverse learner population with diverse needs may require different solutions – and possibly, different arrangements to support those solutions – to be able to take up the post-18 education learning opportunities that best suit them.

¹⁸ Times Higher Education (2017). David Willetts: 'I plead guilty' on part-time student decline.

<https://www.timeshighereducation.com/news/david-willetts-i-plead-guilty-part-time-student-decline>

¹⁹ HESA (2018). Who's studying in HE? HE student enrolments by level of study. (SFR247, Figure 3)

<https://www.hesa.ac.uk/data-and-analysis/students/whos-in-he>

²⁰ The Open University (2017). Fixing the broken market in part-time study. <http://www.hepi.ac.uk/wp-content/uploads/2017/11/Fixing-the-Broken-Market-in-Part-Time-Study-final.pdf>

8) *To what extent do funding arrangements for higher education and further education and other post-18 education and training act as incentives or barriers to choice or provision: both at the individual and provider level? How does this impact on the choices made by prospective students and learners? What can Government do to improve incentives and reduce barriers?*

- To improve incentives and address the barriers to choice and provision presented in the responses above, the following could be introduced by Government:
 - Individual level: direct support for mature and part-time students through mechanisms such as Individual Learning Accounts; expansion of Advanced Learner Loans; better information, advice and guidance on post-18 education; introduction of a mixture of mechanisms to ensure students are able to access the appropriate amount of maintenance support; introduction of flexible funding to allow for a blend of full-time and part-time study; extension of maintenance loans to distance learners
 - Institutional level: recognition of all achievement at Level 5; allowing the final year of an undergraduate degree to be completed in a more flexible manner; design of metrics to ensure that HE outcome metrics accurately reflect success for all modes of study and all types of students
- Some of these recommendations could be introduced following incremental change to the current system, while for others, more radical change may be required.

Part 2: A system that is accessible to all

9) *What particular barriers (including financial barriers) do people from disadvantaged backgrounds face in progressing to and succeeding in post-18 education and training?*

- In terms of financial barriers, we continue to hear that the most significant financial barrier to students is likely to be insufficient money to meet their living costs while studying. Alongside concerns related to living costs, there is evidence that overall aversion to debt may be deterring participation of disadvantaged students in HE²¹
- Lack of information, advice and guidance on the complete range of learning opportunities available within the post-18 education system (e.g. pathways that

²¹ Callender, C. and Mason, G. (2017) Does Student Loan Debt Deter Higher Education Participation? New Evidence from England. The ANNALS of the American Academy of Political and Social Science. 671(1): 20-48. <http://journals.sagepub.com/doi/abs/10.1177/0002716217696041?journalCode=anna>

allow for “earning and learning” like degree apprenticeships), lack of access to various social networks that may help facilitate transitions into, through and out of the post-18 education system and other structural barriers (e.g. need to balance study with other personal or financial commitments, perceptions of institutional inclusivity) may also have an impact on the opportunities for people from disadvantaged backgrounds to progress to and succeed in post-18 education.

10) How should students and learners from disadvantaged backgrounds best receive maintenance support, both from Government and from universities and colleges?

- Both grants and loans can play a role in providing students from disadvantaged backgrounds with maintenance support – as long as these students are able to access the appropriate amount of funds to cover their living costs, and do not carry burdens associated with these costs over a long-term period.
- We are concerned that the replacement of grants with larger loans creates a stark unfairness in the system with those students from the most disadvantaged backgrounds now graduating with the most debt. Furthermore, the debt aversion of part-time and mature students – in light of their other financial commitments, among other factors – means that loans may not be the best way to support these students.²²
- As a result of the Diamond Review in Wales, the Welsh Government has begun implementing a revised student support system for undergraduate full and part time students. This system is comprised of a mix of universal maintenance grants, means-tested grants, and loans for students not eligible for the means-tested grants. Part-time students will receive support on a pro-rata basis.²³ It will be worth examining whether this mixed approach (or aspects of it) could be applied to the English post-18 system.

Part 3: Delivering the skills the UK needs

11) What challenges do post-18 education and training providers face in understanding and responding to the skills needs of the economy: at national, regional and local levels? Which skills, in your view, are in shortest supply across the economy? And which, if any, are in oversupply?

²² Callender, C. and Thompson, J. (2018) The decline of part-time undergraduate higher education in England. <http://dera.ioe.ac.uk/31281/1/The-Lost-Part-Timers-Final.pdf>

²³ Welsh Government (2017). Consultation – summary of responses. Student support funding for students ordinarily resident in Wales. 13-14
https://beta.gov.wales/sites/default/files/consultations/2018-01/170711_summary_responses_en.pdf

- While there is considerable anecdotal evidence of skills gaps, shortages – and in some cases oversupply – in particular occupations and places, it is not necessarily robust or granular enough to provide a clear picture of where skills gaps/shortages are and what is causing them. To fully understand these issues, an ongoing programme of research aimed at understanding the demand for and deployment of people with post-18 qualifications within sectors and across the country could be helpful. This could be conducted by Sector Skills Councils and local areas through their Local Industrial Strategies, with the Office for Students bringing these together to form a national picture. This role for the OfS, which used to be performed by UKCES before its abolition, was an element of the government's Industrial Strategy White Paper.
- There are, of course, potential pitfalls in identifying skills that are in short supply and in oversupply – while this could be helpful in the short-term, this assessment of skills needs must take into account longer-term trends related to the rapid transformation of the modern workplace and the importance of ensuring learners obtain adaptable, flexible competencies in order to navigate this transformation and provide resilience to changes in the labour market. This assessment must also consider regional and local variations that may exist within particular sectors and across the country more widely.

12) How far does the post-18 education system deliver the advanced technical skills the economy needs? How can Government ensure there is world-class provision of technical education across the country?

- A forthcoming report by University Alliance provides an overview of the excellent technical and professional education that takes place in universities – from Level 4 (e.g. HNC) to Level 8 (e.g. professional doctorate). The report also provides recommendations on how to address current challenges and improve the post-18 education system.
- The vision of two education systems – with its implications of two different student pathways and two different forms of engagement with industry and public services, is not only at odds with the current reality (e.g. development of new provision such as degree apprenticeships, combining academic and technical/vocational routes), but if reinforced, will hold Britain back.
- The education system needs to be holistic to ensure people can acquire the technical skills needed to succeed in the modern economy. For example, in order for T levels to be a success, they will need to provide clear pathways into higher and degree apprenticeships and undergraduate study at a wide range of FE and HE providers.
- Greater collaboration between FE and HE providers will also help open up new pathways within the system to allow learners to access post-18 education in ways

that allow them to balance their other personal and professional commitments. A research paper commissioned for the former Department of Business, Innovation and Skills highlights the important role of FE institutions in making HE more accessible to local students, providing “less confident students [with] a more supportive learning environment” and in making “an important contribution to the diversity of HE in England – and that contribution is likely to increase”.²⁴

- Overall, rather than reinventing the wheel, the current system can be tweaked and further integrated to deliver the best technical and professional skills that help people, joining or already in work, to follow specific career paths that meet the needs of industry or public services.

Part 4: Value for money for graduates and taxpayers

13) How should students and graduates contribute to the cost of their studies, while maintaining the link that those who benefit from post-18 education contribute to its costs? What represents the right balance between students, graduates, employers and the taxpayer?

- The ‘right balance’ will likely mean different things to all groups with links to post-18 education. It can be argued that the current system has a reasonable balance between the taxpayer and the student. However, this balance may be perceived differently in terms of debt and in a context of intergenerational unfairness.
- The significant taxpayer subsidy of the loan system is not well understood and this has damaged perceptions of the system. The public accounting conventions for student loans are complex and opaque and we welcome the announcement by ONS of a review.
- Greater flexibility in relation to certain education and training funding mechanisms may help ensure that contributions are spread in a more equitable manner, and that existing funds within the system can have maximum impact. For example, more flexibility within the Apprenticeship Levy, as called for by many employers, training providers, and organisations such as the CBI²⁵, could be used for a wide range of initiatives to boost high quality training that allows more workers to “earn and learn”. For example, training providers that pay in to the Levy could use part of their Levy funds to help support degree apprenticeship development for SMEs in their supply chains, as these smaller employers do not

²⁴ Parry, G., Callender, C., Scott, P. & Temple, P. (2012) Understanding Higher Education in Further Education Colleges. 18-19.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/32425/12-905-understanding-higher-education-in-further-education-colleges.pdf

²⁵ CBI (2018). Fix broken Apprenticeship Levy to deliver high-quality training.

<http://www.cbi.org.uk/news/fix-broken-apprenticeship-levy-to-deliver-high-quality-training/>

always have the resources required for programme design and recruitment. Also, a loosening of the transfer rules could help companies work more closely together to develop and access high quality apprenticeships tailored to local and regional needs.²⁶

14) *What are the most effective ways for the Government and institutions to communicate with students and graduates on the nature and terms of student support?*

- These communications must be done in a way that reflects the heterogeneity of students and graduates, and ensures they are able to obtain the information they need in a clear manner. Online communication (via UCAS, Student Finance England, the Student Loans Company, the Office for Students, and providers themselves) must be accessible and easy to understand. The centralisation of this information (or at the very least, ensuring this information is accessible via multiple sources), may be the best approach in ensuring it is consistent and coherent.
- Students and graduates should also be able to access this information via alternative sources. It may be helpful if careers advisers (such as those from the National Careers Service) – along with being better equipped to explain the diverse options available within the post-18 education system – were also better equipped to explain the nature and terms of student support.

15) *What are the best examples of education and training providers ensuring efficiency in the method of course provision while maintaining quality? And what are the challenges in doing this?*

- There are some instances where HE courses are currently being delivered at lower cost. For example, Coventry's CU model with campuses in Coventry, Scarborough and London sets the fees for its courses at £6,000 to £7,000 for full-time undergraduate UK and EU students²⁷ and the Open University sets its fees at under £3,000 per 60 credit module²⁸.
- Also, HE provision delivered by FE colleges can have lower delivery costs, due to lower staff and infrastructure costs and the fact that many college lecturers "teach on both FE and HE courses, which encourages more cost-effective

²⁶ Ibid.

²⁷ CU Coventry (2018). Law & Practice BA (Hons) Degree. 2017/18 Entry. Tuition Fees.

<http://www.coventry.ac.uk/cuc/course-structure/hnc-hnd-degree/2017-18/law-practice/>

²⁸ The Open University (2018). Fees and funding in England. <http://www.open.ac.uk/courses/fees-and-funding>

delivery (as well as producing other educational benefits)".²⁹ As these courses are delivered in partnership with HE providers and in line with all UK HE quality standards, their quality is maintained.

- However, it is not necessarily clear that these lower fees mean that these courses equate to more efficiency. According to Parry et al., "the fee differential between FECs and HEIs is largely explained by their different course portfolios; FECs have proportionately more students on FD and HN courses, for which HEIs also tend to charge lower fees."³⁰ No matter the level at which fees are set, institutions need to be able to recuperate the costs associated with course delivery – the way in which these costs are recuperated may be different based on the institution's structure.

16) What are the ways that Government can increase the value for money of post-18 education?

- Recent research commissioned by the Office for Students and conducted by a consortium of students' unions provides recommendations for improving transparency related to value for money based on the broad conception of value for money that students have. Increased transparency could help drive improvements by institutions to ensure students fully understand the value for money associated with their course, and to increase the value for money of these courses in the future.³¹
- Any discussion about the value for money of post-18 education must also consider the 'social value' of FE and HE and the role of providers, students and graduates in boosting local, regional and national economic, social and cultural capital. An initiative supported by four Alliance universities is calling for the development of "a metrics-based approach that captures and champions the role universities make to enhancing the social fabric of their communities".³²

²⁹ Parry, G., Callender, C., Scott, P. & Temple, P. (2012) Understanding Higher Education in Further Education Colleges. 183-184.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/32425/12-905-understanding-higher-education-in-further-education-colleges.pdf

³⁰ Ibid.

³¹ Trendence UK (2018). Value for money: the student perspective. Research commissioned by the Office for Students, project led by a consortium of students' unions.

<https://studentsunionresearch.files.wordpress.com/2018/03/value-for-money-the-student-perspective-final-final-final.pdf>

³² HEPI (2018). Let's talk about Social Value for Money. <http://www.hepi.ac.uk/2018/03/27/lets-talk-social-value-money/>