

Independent Review into Higher Education Funding and Student Finance: Call for Evidence.

The response of the Mixed Economy Group of Colleges.

The Mixed Economy Group (MEG) of colleges represents those Further Education Colleges which have a significant, established, strategic and developmental role in the provision of Higher Education. Colleges in membership must have at least five hundred Full Time Equivalent students, funded either directly or indirectly or in combination

The group is composed of 32 member colleges. (Membership list attached.) MEG colleges focus on the complementary aims of widening participation amongst groups and individuals currently under-represented in Higher Education and working with employers to ensure that higher level skills are developed and recognised in the workplace.

Our response to this Call for Evidence is therefore based on our distinctive HE offer, which is largely one of vocational, higher-level skills, and our particular client group, who in the main are older, in paid employment and studying part-time for higher qualifications which are often directly relevant to their present and future employment needs.

We set our thoughts below. These are given in line with the published order of questions.

Question 1.

Following the 2006 reforms, directly funded colleges of HE had to make decisions about what increased level of fee if any to charge and what bursary schemes would be introduced as a consequence. Indirectly funded colleges were obliged to follow the lead of their franchising HEI, even if their own analysis of the local market they served indicated that cost of study could be a major disincentive. Indeed, based on such perceptions, many colleges chose not to introduce an increased fee to maintain recruitment amongst students from lower socio-economic backgrounds.

In contrast other colleges adopted an increased fee, on the assumption that, in their context, to charge a lower fee might indicate that college based provision, especially for Honours degrees was in some way inferior to that offered by an HEI. Some colleges also adopted differential approaches to fees, charging a lower fee for Foundation Degrees on the assumption that this provision was more likely to appeal

to a Widening Participation audience. Nevertheless, virtually all colleges chose to set fee levels at an amount less than that which emerged as the norm across HEIs. These colleges were also mindful of the need to be able to offer bursaries similar to those offered by HEIs in what was envisaged as an increasingly competitive market. Major college providers of HE were also subject to the same financial pressures as HEIs and needed to use some of the increased income to support high quality delivery. Recent analysis of college fee levels undertaken in discussion with MEG colleges indicated that many colleges still charge a lower fee level compared with HEIs.

Evidence from MEG members suggests that fee levels have made no discernible difference to recruitment i.e. lower fee levels have not encouraged more applicants and higher levels have not acted as a disincentive. Further, colleges could not see evidence that bursary schemes, whether means tested or not, have had any impact. Therefore as far as full time students are concerned, the level of fees set at the moment does not seem to have had any influence on decisions of students to undertake higher level study in colleges. However, it should be noted that restrictions on the availability of direct funding to colleges has meant that growth plans have been placed in abeyance, leaving open the possibility that some potential learners would be influenced differently.

Anecdotal evidence from students suggests that significantly higher fee levels may act as a disincentive i.e. that current levels are seen as manageable (and repayable) within the current expectations of students. However, there is now an acceptance that higher level study requires a fee to be paid and that students will incur debt as a result. In that sense increased fees can be seen to have worked. Evidence from QAA demonstrates that there has been no impact on the quality of provision.

Question 2.

Following on from the above, increased fees have been introduced at a time when growth in the college share of the HE market has been slower than most colleges would like or estimate to be possible. We therefore cannot estimate the number of potential students for whom fee levels acted as a disincentive. It should also be noted that, based on the MEG discussions, the bureaucracy surrounding fees, loans and bursaries can in itself act as a disincentive, preventing some potential students from even exploring the possibility of study.

The current system does not encourage flexibility of approach from either learners or providers. Many students have jobs alongside their study, in some cases almost equating to a full time commitment. "Part time" students (i.e. those in full time employment or sponsored by an employer) can often have as many study hours per week as a full time equivalent. Transfer between these modes of study is difficult, with PT students finding it difficult to access funding and FT students having to balance work and study. This situation is likely to continue for as long as courses eligible for funding support are defined in terms of academic years or even semesters. A move to credit funding approaches would require a fresh look at the whole funding base of higher level study. In this way, students who chose either to start their careers and study part time or take up "lower level" employment to pay their way through college on a "pay as you learn" basis would be encouraged.

Question 3.

As indicated above, growth has taken place but largely from groups already represented. Anecdotal evidence from advisers and tutors of students at Level 3 indicated that other potential students exist. However, the debt perceived to be consequential on undertaking HE study is seen as one of the more powerful reasons not to undertake study.

Question 4.

MEG has considered the experience of the US community college system. Although there are similarities there are also contrasts which it is instructive to consider. The role of the community college in providing cost effective higher education below Honours level is accepted and recognised by students, employers and the community. Although progression opportunities are inherent in the system, the Associate Degree is also seen as a qualification in its own right especially for skilled "technician" occupations. Community colleges respond to local need and have widening participation at the heart of their mission. Some colleges of FE in England carry out a similar function but perhaps without the recognition given to colleges in the US.

An expanded role for colleges in delivering high quality but cost effective and affordable HE must be considered. Building on their experience of offering high quality vocational qualifications, colleges are also ideally placed to encourage progression along vocational routes which historically have had a lower level of progression.

Question 5.

Both QAA and NSS evidence suggests that FE colleges offer high-quality provision which is valued by students. Recent IQER (2008-09) reports show that QAA gave a confidence judgement to 95% of HE delivered in FE with only two colleges having provision which caused concern. It is not possible to obtain comparable judgements for HE delivered in a University setting. College-based students who responded to the NSS value the contact that they have with teaching staff.

Question 6.

The generally accepted model for undergraduate study is still predicated on three year full time study. This may no longer suit many learners, employers and the needs of the economy. More consideration must be given to the need for higher levels skills, i.e. those areas of applied knowledge which have direct and immediate impact on economic needs of business and the career aspirations of individuals. A student funding model which creates a parallel pathway for students who do not wish to follow the traditional undergraduate route is required.

It may be that students in full time employment with employer sponsorship will have to be treated in a different manner. However, increased numbers of students may be encouraged to study over a longer period whilst combining study with jobs which generate an acceptable level of income but which may not in themselves be the final chosen career of the individual student (a further example of working through college and in contrast to the two year degree models currently being discussed which at their heart are still full time traditional courses)

Question 7.

Evidence from MEG suggests that a large proportion of the additional income has been devoted to bursaries, with several colleges adopting non means tested approaches. Other elements have assisted colleges in staff development and updating. Despite funding pressure, colleges have also been able to maintain their higher average number of contact hours per student.

Question 8.

Teaching and learning oriented institutions such as FECs will continue to feel the cost pressures generated by a heavy emphasis on teaching staff salaries. However, compared with most HEIs, colleges offer better value for money as their staff are not expected to undertake research but to devote their time exclusively to preparing for and delivering high quality teaching to their students. Students value this high level of contact with their tutors and appreciate the teaching skills and subject currency

their tutors possess. Close collaboration with employers also brings increased costs especially as employer facing provision has to be updated and changed in line with business needs.

Question 9.

Following on from the points made above, more students need to have a realistic choice put before them as to the advantages of combining work with study, ideally employer sponsored but if necessary funded by the student themselves as part of a career plan. The barriers between education and work will thus be eroded encouraging study and updating throughout a working life. Students need to be assured that not only is the cost of study affordable for them but that it also offer value for money. It should also be recognised that many students particularly those choosing to follow a vocational HE course do so explicitly to acquire the skills and knowledge needed for their chosen career. They are less interested in the intrinsic value of study in a traditional academic sense. Colleges of FE can provide a high quality alternative route for these students, a cohort which will grow and make a significant impact on the higher skill demands of the economy.

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