



**MEG Response to HEFCE Consultation on Teaching Funding and
Student Number Controls
September 2011**

1

Following the changes to funding for higher education agreed by the Government, we need to phase out the mainstream teaching funding relating to old-regime students. Do you have any comments on our proposed approach? You may wish to suggest alternatives, with reference to the principles in paragraph 34 of our consultation.

In the circumstances the approach proposed is logical and workable.

2

Given the reductions to HEFCE's teaching grant from 2012-13, do you have any comments on our proposal that certain non-mainstream allocations should be phased out, and others continued as an interim measure in 2012-13, as described in paragraphs 62 to 92 of our consultation?

Although the financial constraints under which HEFCE will have to work are well understood, we would expect that the commitments to Widening Participation in Higher Education made in the recent White Paper will continue to be reflected in the retention of specific and focussed support for those students and institutions which give priority to widening participation. The importance of part time and flexible study students in this should not be ignored.

3

Following government changes to funding for higher education, we need to change the way HEFCE provides teaching grant for new-regime students. Do you have any comments on our proposed approach for 2012-13, as outlined in paragraphs 31 to 108 of our consultation?

The process outlined is of necessity complicated. From the perspective of a Further Education College (and thus a relatively small scale provider of HE) the more streamlined, straightforward, fair and understandable the transitional arrangements can be, the better.

4

We have been asked by the Government to remove students achieving AAB+ equivalent from the student number controls. Do you have any comments on our proposed method of implementing this, as outlined in paragraphs 116 to 128 of our consultation? Please identify any possible negative or positive impacts from this proposal.

We have concerns that the methodology proposed will have an adverse impact on widening participation and social mobility. There are also concerns that well established and successful compact schemes are not included. These have seen very successful examples of engagement between universities, schools and colleges to widen participation. Such measures often ensure that students with high abilities who may not, due to their circumstances, achieve the grades they could. are not disadvantaged because of their background. It would be an unfortunate if an

unforeseen consequence if the proposals led to these programmes being reduced or abandoned. We are also concerned that if student numbers are to be removed from institutional allocations pro rata to create the necessary headroom, this will be done at the expense of other learners who are also from WP backgrounds.

5

The Government has asked us to consult on a core/margin approach to re-allocating places towards lower fee provision in order to increase choice, competition and fee diversity. Do you have any comments on our proposed method of implementation, as outlined in paragraphs 129 to 139 of our consultation? Please indicate any impacts you can identify, whether positive or negative.

We welcome the underlying principle that institutions setting a fee of £6,000 or less will be excluded from any student number reductions as part of this proposal. We also welcome the priority proposed for provision in FECs suggested in paragraph 133. We also agree that a formulaic approach will not achieve the aims as set out and that a bidding process will be used, against clear criteria.

However, our greatest concern is that there will be an adverse impact on FECs with indirect funding arrangements with HEIs. It is likely that some HEIs will regard any student numbers lost as a result of this process as drawn from marginal (ie franchised) provision and not core campus based activity. Evidence is already emerging that this step will be taken by at least some HEIs.

Although FECs affected by this will be able to bid into the new allocation, the overall effect may be a net reduction in the amount of HE provided by FECs. At best the current situation will be maintained: some provision may switch from indirect to direct funding via numbers allocated to the college. We believe that this could defeat the whole purpose and intention of the core and margin approach and must be carefully monitored.

This could be exacerbated where indirectly funded colleges have found themselves obliged to charge a fee of over £7,500 by partner HEIs. In many cases this has been against their better judgement, as their knowledge of their local market suggests that local students will be deterred by the level of fee being imposed.

6

Do you have any comments on the impact(s), positive or negative, that the proposals in this consultation will have on equality and diversity?

As indicated above, we believe some of the proposals could have a negative effect on participation by widening participation students over and above any impact higher fee levels might in themselves produce. Many HEIs rely on FE colleges to enable them to meet their WP targets, so some aspects of potential core and margin behaviour will ultimately benefit neither the institutions nor the students.