

Annex A Consultation questions

Responses should be made online by **Monday 12 July 2010** using the electronic response form, which can be accessed on the HEFCE web-site alongside this document at www.hefce.ac.uk under Publications.

Consultation question 1

Do you broadly agree with our statement of the purpose of HEFCE's funding for teaching?

Yes

Add any further comments below

Yes.

The consultation document draws on the Dearing report to support some of its contentions – MEG notes that this made specific reference to the “special mission” of FE colleges in delivering vocational HE particularly at “sub-degree” level. A review of the funding methodology would promote the development of this distinctive type of HE, delivered to local students who would not normally consider higher study. It also has the potential to offer cost effective, value for money provision building on the vocational strengths of FE Colleges to maintain wider participation, fair access and employer responsiveness even at a time of financial restraint.

Consultation question 2

Do you broadly agree that our funding method should give institutions the freedom to manage provision in a way that best responds to the needs of students, employers and society?

Yes

Add any further comments below

The consultation document draws on the Dearing report to support some of its contentions – MEG notes that this made specific reference to the “special mission” of FE colleges in delivering vocational HE particularly at “sub-degree” level. A review of the funding methodology would promote the development of this distinctive type of HE, delivered to local students who would not normally consider higher study. It also has the potential to offer cost effective, value for money provision building on the vocational strengths of FE Colleges to maintain wider participation, fair access and employer responsiveness even at a time of financial restraint.

Consultation question 3

Do you broadly agree that our funding method should enable us to incentivise change which is in the public interest?

Yes

Add any further comments below

MEG believes that public funding should be reflected in provision which meets public policy objectives. Although balancing competing policy drivers can be difficult, colleges have the ability to offer progression pathways for vocational learners and are well placed to do so. Funding stability is important as it enables all institutions to plan for the short and medium term. However, stability cannot be purchased at the expense of responsiveness and public policy objectives. The key question is the proportion of funding which would be diverted to the Strategic Margin and the lifetime of the activities which would be funded through this additional stream of funding. We assume that directly-funded FECs will have access to this funding and that indirectly-funded FECs will not be excluded from such access by HEI partners.

Consultation question 4

Do you broadly agree that we should achieve this through a 'strategic margin'?

Yes

Add any further comments below

See above.
MEG is firmly of the opinion that all Colleges, however funded, must have access to all funding streams.

Consultation question 5

Do you broadly agree that our funding method should be compatible with various modes of study, including flexible provision?

Yes

Add any further comments below

Agree with the points made in para 44.
MEG colleges would argue that easy access to impartial all-age careers guidance is an important factor in recruitment and retention to HE provision and should be perceived as a component part of the total HE offer. Little attention appears to be paid to this in the document.

Consultation question 6

Do you broadly agree that our funding method should be as simple and easy to understand as possible?

Yes

Add any further comments below

The system needs a complete overhaul, rather than merely incremental change.

However, the main issue for HE delivered in FE through franchise arrangements is the extent to which HEIs retain excessive proportions of the funds available, thus reducing the capacity of FECs to respond. Our point is that in a diverse HE landscape, all large providers of HE in FE which have satisfied IQER requirements should be unfettered from partner HEIs and enabled to respond to their own local markets. Increased direct funding would be part of the answer.

Consultation question 7

Do you broadly agree that our funding method should be responsive and dynamic?

Yes

Give reasons for your answer.

As stated above, colleges have the ability to respond locally, swiftly and flexibly. They should be enabled to do so through the transfer of direct funding from partner HEIs. This can be done without prejudice to the ability of HEIs to respond to the demands of research and knowledge transfer. It may however require some HEIs to reflect on their mission.

Consultation question 8

Do you broadly agree that, to achieve value for money, our funding method should continue to reflect the impact of income from tuition fees and contributions from employers?

Not sure

Add any further comments below

As stated above, colleges have the ability to respond locally, swiftly and flexibly. They should be enabled to do so through the transfer of direct funding from partner HEIs. This can be done without prejudice to the ability of HEIs to respond to the demands of research and knowledge transfer. It may however require some HEIs to reflect on their mission.

Consultation question 9

Do you consider that any other principles or features should be fundamental to our teaching funding method?

The Widening Participation argument risks being lost in this approach.

The key market for all but the most traditional providers of HE is now those adults who are in the workplace, and who may be prepared to contribute to the cost of their higher study if it is delivered in modular form. They are likely to turn to their local FE College in the first instance. Reliance on indirect funding can make Colleges less responsive and thus unable to satisfy employer requirements.

Consultation question 10

What are the advantages/disadvantages associated with each of the options in paragraph 60? Are there other effective alternatives?

Given the financial constraints imposed by the current economic and funding regime the process outlined in Option (a) may be inevitable. If this is adopted then criteria should be devised which reflect and where possible preserve key policy objectives such as wider participation, fair access and fostering higher level skills. At a time of severe cutbacks, difficult decisions such as those foreseen in (a) will have to be taken. It is better to prepare and think through the implications and procedures which will be needed well in advance even if the measures outlined will be imposed at the margin of activity. Option (b) has already been seen to work successfully with Foundation Degrees and thus may be considered to have short term impact. Option (c) has attractions although the task of monitoring performance under this head should not be underestimated. This observation is made on the assumption that resources will be reduced for the foreseeable future and hence long term shifts in patterns of behaviour are required not short term adjustments to the current system. This view of the need for permanent change in the landscape of higher education, including institutional structures, is implicit in (d). As indicated in that paragraph, managing the transition from the current turbulent state to a period of more stability may require a combination of all the strategies outlined, combining short term impact with long term change.