Middlesex University response to the Government's Review of Post-18 Education and Funding Call for Evidence

Q1. 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?

The different funding systems across further education (FE), apprenticeships and higher education (HE) make it difficult for learners to move between different types and levels of learning. This creates progression barriers because credit, standards and qualifications poorly articulate with each other. This is exacerbated by a tendency in policy to regard academic and technical routes as separate when there is considerable overlap. A system of credits that facilitates learners moving between routes, as well as levels, would help to address this, such as a common competency-based framework.

Misunderstanding of higher education in the Institute for Apprenticeships (IfA) is also creating bureaucratic obstacles to the approval process for degree apprenticeships and reducing incentives for HEIs to deliver degree apprenticeships and the related social mobility, skills and productivity benefits of degree-level learning. The funding available for a degree delivered through a degree apprenticeship is, in addition, significantly less than the funding available for a conventional degree, and there is a danger that this will compromise the important degree apprenticeship brand.

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

Q2. 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?

Students are not necessarily making a choice between academic, technical and vocational routes. Middlesex offers an extensive portfolio of work-relevant and professionally accredited courses and our programmes encompass and integrate academic, technical and vocational knowledge and skills. Higher education is part of a tertiary skills system; Middlesex for example has a strategic partnership with London's Capital City College Group of FE colleges, with growing collaborative provision of courses and apprenticeships. Creating a system in which students feel forced to choose one route over another, often at a young age, can constrain individual life chances.

More information is needed, particularly for young people and their parents, about the range of education pathways available and the extent to which these lead to a particular occupation or career, or develop more transferable knowledge and skills. A single, national 'go to' place for this information would be useful, but it would be important that this does not 'silo' opportunities and instead explains how learners may change paths, moving for example from science to creative subjects. It is also important that this information recognises that for many learners aspects such as mode of course delivery are as important as 'standard' KPIs such as graduate employment rates or entry requirements, especially as many students have to consider how to balance earning with learning, or housing with travel costs.

Q3: How do people make choices later in life about what further study to undertake?

A recent MillionPlus report, *Forgotten Learners: building a system that works for mature students*, found that one-third of mature students select their course due to the availability of flexible study options, so choice will be constrained if these options are not available in a way that enables learning to be combined with paid work, caring or other commitments. The way that the current student financial support system has discouraged part-time and mature students means that for many universities numbers have declined to levels where they can no longer offer much-needed flexibility because it is not financially sustainable, such as block or evening teaching separate from the full-time, office hours timetable. Choices about learning later in life are increasingly being shaped by the absence of financial support and flexible opportunities rather than positive opportunities about wanting to study a particular subject or for a particular qualification.

Q4: 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?

There is a danger that some of the current policy narrative about lower cost alternatives to degree education, such as level 4 or 5 vocational qualifications and apprenticeships, could widen social inequalities in terms of access to degree education and its benefits. It also needs to be recognised that people from disadvantaged backgrounds, or with lower prior attainment, can succeed in higher education but may need additional support, and this is not a reason for degree education being regarded as the wrong choice for them. The best way to encourage a wide range of high quality pathways is to make the whole system more flexible and enable students to choose the study mode that is right for them, with the option of pausing and re-starting study or changing direction. Credit transfer needs to become much more common to enable this.

Degree apprenticeships have the potential to be genuinely transformative in terms of diversifying the way in which people can engage with higher education. The recent position of the Institute for Apprenticeships in seeking to undermine the status of degree apprenticeships based on the premise that the ‘apprenticeship’ is the only required ‘qualification’ is limiting the benefits that degree apprenticeships can bring and endangering the parity of esteem that degree apprenticeships must have with conventional degrees. Degree apprenticeships are the flagship of the apprenticeship family, and this needs full engagement from, and support for, degree-awarding institutions.

Q5: 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?

As indicated above the best way to encourage a more dynamic market in provision is to make the whole system more flexible, supported by a system of credit that is widely used. There is also scope to develop a more standardised way for people to gain recognition for their prior learning, widening opportunities for people from diverse backgrounds to engage with higher education. This needs a transparent and nationally standardised approach to support the process for the award of credit. This is more important than encouraging price competition because learners will want reassurance that a unit of credit has the same value across institutions between which they may choose to transfer. The value of education credit should not be based on market criteria such as the graduate earnings from particular qualifications, which is highly conflated with family background, timescales, geography and type of institution, but on the cost of making high quality and flexible provision in that subject area.

Q6: What barriers do current and new education and training providers face in developing innovative or diversified provision?

A high fee regime for part-time students appears to have deterred many prospective adult learners from studying, and this is a barrier to developing the flexibility that many learners with work, family and other commitments want. However, any funding reforms such as greater subsidy or more flexible loan conditions need to ensure equity for young full time learners as well, who - while apparently not discouraged by high fees - still have to face many years of loan repayment after they graduate.

We also have serious concerns about the obstacles to developing degree apprenticeships. Misunderstanding and underrepresentation of the higher education sector in the Institute for Apprenticeships is creating barriers to the approval process. The degree apprenticeship brand is also devalued through the depression of the allocated funding bands for degree apprenticeships by the IfA and its proposal to remove a degree qualification from the degree apprenticeship certificate.

The lack of a national standardised approach to credit and the recognition of prior learning can be a barrier to developing courses because of the lack of a 'common currency' that enables progression and transfer between institutions.

Better provision of labour market intelligence and better local and regional coordination of the wider skills ecosystem would encourage more innovation.

Q7: 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?

We refer to our response to Q4 above on this point and the need to focus on supporting flexible learning pathways. On commuter study options, many Middlesex University students commute and the university works to ensure the particular needs of commuter students are supported, for example by study and social spaces for use between lectures, 24/7 library opening hours, free e-textbooks and microwaves available on campus. A key barrier for many commuting students is transport costs, which could be addressed cost-neutrally by redistributing concessionary fare budgets. Transport for London, for example, spends £55m annually on free travel for over-60s compared to just £30m p.a. for a 30% student discount. There is a strong argument for shifting the subsidy from older to younger generations.

In addition, higher and degree apprenticeships should be further incentivised and the current obstacles created by the IfA should be addressed. Supporting and incentivising collaboration between employers and higher education providers to develop innovative higher and degree apprenticeship programmes will necessarily enhance the flexibility of provision.

Q8: 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?

The new regulatory framework for higher education puts in place a number of incentives for the HE sector. Time is needed to allow these incentives and reforms to bed in and take effect.

We refer to our responses above on the dangers of the bifurcation of academic and technical learning and the need for a more flexible funding system supported by a more standard approach to credit. A common student financial support system for tertiary education would be valuable to underpin this. The most cost-efficient arrangement would be to support the system from general taxation given the productivity gains (and therefore future tax revenues) from investment in education. The apprenticeship levy is a welcome step change, moving essentially to a tax-funded system, but for reasons stated in Q6 it is not working well for degree apprenticeships, while there are other issues for other apprenticeship levels. These could be resolved by giving HE and FE institutions a larger role in their provision and creating more flexible work-based learning models.

Care should be taken not to divert resource away from core educational and educational equity purposes to essentially discretionary choices, such as living away from home to study. A policy of encouraging local study has many benefits. It is less costly to students and taxpayers, greener in transport terms and could take pressure off many local housing markets.

Part 2: A system that is accessible to all

Q9: What particular barriers (including financial barriers) do people from disadvantaged backgrounds face in progressing to and succeeding in post-18 education and training?

Many students who are the first in their family to go to university and those from underrepresented groups do not have the extensive support networks that their more advantaged peers can use before, during and after study. There are still barriers to people from more disadvantaged backgrounds succeeding once they are at university. The attainment gap for BME students and weaker rates of retention of students from low participation backgrounds are just two indicators of how disadvantage continues.

Widening access and increasing participation from disadvantaged communities has been an explicit part of the new system. In 2015/16, universities and colleges spent £725.2m on access measures under their access agreements. It is a fairly accurate approximation to suggest that around £1,000 from every tuition fee that a student 'pays' goes towards widening access funds at the university. The lack of a student number cap has, in that regard, has a positive benefit on the numbers able to attend.

Maintenance and travel costs will also act as more of a barrier for young students from disadvantaged backgrounds who cannot rely on help from friends or relatives when under financial pressure, which in turn may affect their ability to succeed. There is a negative correlation between working over 17 hours a week and attainment at university. The review should also explore the possibilities of a more nuanced approach to the calculation of maintenance loans/grants e.g. based not only on household income but also considering existing financial commitments and caring responsibilities.

Q10: How should students and learners from disadvantaged backgrounds best receive maintenance support, both from Government and from universities and colleges?

The replacement of grants by loans has added to the debts of students from the poorest households. Restoring income-contingent maintenance grants would support the government's ambitions to promote social mobility and equality, but these should not necessarily encourage moving away from home to study. A grant element for non-housing living and travel costs, for example, could be combined with a loan element for housing costs.

The Special Support Grant (SSG) doesn't count as income when working out if a student is entitled to income-related benefits or tax credits which means that low income families can ask their SSG-supported student to work part-time without affecting benefit income. There is a risk that students living at home with parents, and having previously contributed to paying the bills, might be prevented from going to university by the fact. In order to ensure that incentives in the grants and benefits do not put would-be students who are on benefits and in part-time work in low income parental families off returning to study, the government should investigate making the SSG the preferred means of supporting such cases

Part 3: Delivering the skills the UK needs

Q11: 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?

Middlesex University works closely with local, regional and national employers to understand and respond to skills needs through the West London Alliance, London First, the CBI and other networks and collaborations. Skills needs are well documented but we would highlight construction, automation and digital skills as in short supply. Transferable skills such as problem solving, communications, resilience and agility are also in high demand from employers. A number of factors shape our skills needs in the UK, some cyclical and short-term, but many of them are systemic and longer term (e.g. BIM skills in construction as BIM develops). Government needs to support and encourage the development of 'early-warning' indicators for potential shortages in graduate-level skills. This would enable universities to base cases for curriculum development on agreed data and Government could take steps toward strategic interventions based on that data too.

Q12: 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?

Tertiary education courses, whether academic, vocational, technical or professional, prepare students for life beyond study, as well as lifelong learning, by developing a set of transferable skills that can be applied to a wide range of professional and learning environments (critical thinking, problem-solving, organisation of workload, quantitative and qualitative analysis, presentation skills etc.). While universities can play a role in helping businesses adapt to new markets through skills training, this is better managed through a compact of business, FE and HE. The skills needed in the 'fourth industrial revolution' can only be serviced through such a compact, and universities need to be encouraged *and* incentivised to lead the development of the kind of innovative, integrated curriculum that will allow the UK to lead, not lag, in the new economy, such as how technologies are converging.

Higher and degree apprenticeships also have a key role to play. It is important that the barriers blocking their delivery are addressed so that degree apprenticeships are able to play their pivotal role in delivering on the Government's social mobility and productivity goals.

Part 4: Value for money for graduates and taxpayers

Q13: 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?

Higher education outputs (graduates, research, knowledge exchange etc.) are a peculiarly mixed form of good – part private positional good, part public good, part private good for employers. This should be reflected in policy. There is no good case for assuming that because, for example, degrees in dance are seen as private positional goods (because of the type of activity in the economy with which they are associated) that a greater proportion of the cost of a degree in it should come from students than one in dentistry. The balance can be shifted tactically by means of a mix of additional funding for the public goods element of a degree and the employer benefit element on a case-by-case basis where a clear need arises. For example, the fact that there is a clear need now for graduate level skills in construction need not reduce the level of public support for dance degrees; it ought, though, to signal the need for short-term incentives for participation paid for from the public and employer side. However, there is a danger that complex arrangements for funding tertiary education create unnecessary bureaucratic costs and inequities. Students, graduates and employers are all 'taxpayers', so the simplest and most equitable approach is likely to be based on contributions from different types of taxation to reflect the distribution of benefits across employers, the general public and high earners.

Q14: 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?

Feeder schools and colleges, social media, peer to peer networks, students' unions and providers themselves all have a role to play in communicating this information. Students are more able to make use of information to inform their choice, but – as stated above – that choice is also informed by factors which do not benefit from public information. There is only so much that information based on TEF and NSS for example can do to help students make decisions. Instead, government needs to work with higher education to improve the information on options throughout the course of study and before it – across the spectrum of funding, welfare, health and wellbeing, accommodation, safeguarding and many other areas.

Q15: 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?

The recognition of prior learning, where it provides the opportunity for people to access and gain a degree at lower cost and in less time by recognising what they have already achieved – at work or in the community – is a good example of as yet mostly unrealised efficiency gains.

Q16: What are the ways that Government can increase the value for money of post-18 education?

A comparatively narrow 'value for money' debate focused on the direct cost of tuition for particular programmes and the fees charged is of limited use. This ignores the wider value to society and the economy of investing in higher education, which has been documented by the OECD and by a range of academic research. This includes the greater economic resilience of graduates in changing labour markets, the added value and contribution of graduates to employers and local communities and the fact that graduates themselves contribute to intergenerational aspirations and outcomes. Any value for money assessment of higher education must take into account the social return on investment. Public sector graduates are a key part of this, but we need to go further to prevent higher education being viewed as a commodity that is seen in purely transactional terms.

A key way to maximise value for money from post-18 education is to build in the flexible pathways referred to above, supported by a system of credits, that enable learners to move between and build on their learning. Greater diversity of abilities and backgrounds in all institutions is also likely to improve average outcomes at no additional costs and to have significant social benefits.