Summary

- Long-term, sustained investment in widening participation by successive governments and universities has led to a 30% increase in the proportion of young people from our most disadvantaged groups entering university since 2004.

- In 2013–14 the government will spend £87 million on widening participation, £224 million on retention and £15 million on disability, plus £100 million on the National Scholarship Programme (NSP). Universities will spend an additional £610.7 million to attract and retain students from low income backgrounds.

- Government funding, distributed via HEFCE’s Student Opportunity Fund, plays a vital role, leveraging additional institutional investment, and supporting the infrastructure, collaboration and long-term interventions that institutions might not otherwise be able to make.

- Student Opportunity funding builds on the support provided to schools via the Pupil Premium. It is a smart use of public funds because it helps universities ensure that the initial investment made in recruiting students from low income backgrounds is followed through, with investment to help these same students to succeed. It is also likely to reduce the long-term social costs which would result from a mismatch between skills supply and demand.

- The government should commit to sustained, but better targeted, co-investment with universities on a long-term basis to enable universities to plan ahead. Public funding should help universities support students from the widest range of backgrounds, including those with disabilities, carers, mature learners and other ‘non-traditional learners’. The distribution of this funding should take account of the national strategy for access and student success, which OFFA and HEFCE are developing in partnership with universities.

- Maintaining and, in the longer term, increasing participation in universities should be a central feature of such a policy.
Return on past investment

"Higher Education is the first stage of the education process where able students from disadvantaged backgrounds catch up with their peers."

Rt Hon Vince Cable MP

The proportion of young people from the most disadvantaged backgrounds attending university increased by 30% between 2004–05 and 2009–10. This success is a result of both government funding and investment by universities themselves. Universities have successfully supported this more diverse student body, maintaining low non-completion rates which rank amongst the best in the world.

Figure 1: 18-year-olds in England, entry rates (academic year) by POLAR2 groups

![Chart showing entry rates by POLAR2 quintiles](chart.png)

Note: POLAR2, quintile 5 = highest participation areas
Source: UCAS

Despite considerable progress, the most advantaged 20% of 18-year-olds remain three times more likely to go to university than the least advantaged 20%. It is clear that attainment at 18 is the strongest indicator of the likelihood of gaining entry to university, and that performance at 18 is strongly correlated with social class. We have also seen a 40% decrease in the number of undergraduate part-time students starting their studies in English universities since 2010–11, as well as a sharp decline in mature entry. This is a cause for significant concern.

Universities have the potential to redress some of the inequalities that are embedded at earlier

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1 Universities UK is currently leading a review into the reasons for this decrease, led by Professor Eric Thomas, which will report in autumn 2013.
stages in the education system, but widening participation should remain a shared responsibility, co-funded by universities and government. Sustained public investment and policy incentives will be essential to help universities inject more rigour and pace into the next phase of widening participation, and cement the gains of recent years.

Economic demands

Eighty per cent of new jobs projected to be created by 2017 will be in occupations with high concentrations of graduates. As the structure of the UK economy changes, and knowledge intensive jobs replace lower skilled and mid-level jobs, our competitiveness will increasingly depend on unlocking talent from all sections of society.

Figure 2: Restructuring of the UK economy towards knowledge-based activities (gross value added [GVA], 1970–2007)

Source: ONS

'I was devastated when I was made redundant', said Brian. 'The only thing I clung on to was that I had already been studying hard to make something of myself.' In 2009 he had enrolled with The Open University to study for a Technology degree. With that on his CV, he found no trouble in getting interviews. And just a few weeks after picking up his redundancy payment, Brian started a new job as a desktop support engineer for the NHS.

The Open University
Universities play an important short-term role, equipping graduates with the high-level skills employers need, but a university education also provides longer-term benefits, supporting both lateral and upward mobility. Graduates are economically resilient, able to change careers and adapt to new opportunities arising from globalisation and technological change. They provide the flexible labour force the UK will increasingly need.

Seventy per cent of the workforce of 2020 has already completed compulsory education. Declining numbers of 18-year-olds means that we cannot rely on young entrants to higher education to meet the needs of employers, so university and government policy should target mature as well as young entrants with the potential to succeed in higher education, and look for ways to support part-time and lifelong learning.

By widening, and increasing, the proportion of people with these flexible skills, the UK will reduce the proportion of capable people who are unable to get jobs in the future, reducing long-term social and public expenditure costs. Attention should focus on part-time and mature learners as well as school and college leavers.

Social imperatives

Universities can support upward mobility by improving opportunities and life chances for individuals. This creates knock-on benefits in community cohesion and social inclusion.

Universities deliver substantial non-monetised benefits to the individual, such as improved health and wellbeing, as well as a range of benefits to UK society as a whole. These range from civic engagement and generational transfer to the incentive effect created by evidence that success can reflect innate talent and ability and not background or birth.

The role of government investment

I think the funding gave us stability and a shape to the overall work that we were able to do. On the back of that we could then [find] other money to… build on [it].’

Head of partnership development, selective institution

The university sector has committed to spending £610.7 million in 2013–14 on activities to widen participation and support students while they study. This expenditure is the main source of funding for scholarships and bursaries, and fee waivers. Universities also invest substantial sums from their own resources in outreach and partnership work with schools. Increased university investment in outreach has helped to offset the removal of Aimhigher and the lifelong learning networks.
University investment is complemented by HEFCE Student Opportunity allocations for access, retention and disability support, totalling £327 million in 2013–14. This funding:

- contributes towards the extra costs involved in recruiting, and retaining, students from disadvantaged backgrounds – estimated to be about 31%\(^2\)
- supports universities to work together to widen participation
- supports long-term initiatives such as with schools, mentoring, curriculum development etc
- co-funds the infrastructure which supports outreach and student success, such as staff appointments, pre-entry and on-programme academic and pastoral support
- provides support to help universities meet the needs of disabled students

Student Opportunity funding echoes the support provided to schools via the Pupil Premium. It is a smart use of public funds because it helps universities ensure that the initial investment made in recruiting students from low income backgrounds is followed through, with investment to help these same students to succeed. Although Student Opportunity funding is small by comparison with investment in schools via the Pupil Premium, it provides an important link, stimulating engagement between universities and schools to raise aspirations and improve achievement.

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\(^2\) *The costs of widening participation in higher education*, JM Consulting for UUK, HEFCE and SCOP, 2004
In terms of economic efficiency and return on investment, this is money well spent – especially since students who complete their degrees are more likely to achieve higher lifetime earnings, and therefore contribute more in tax and attract a lower public subsidy on student loans.

Research shows that HEFCE Student Opportunity funding particularly supports institutions to work together to widen participation. It encourages universities to collaborate in, and coordinate, activities which are aimed at students applying to any higher education institution, rather than one in particular. These activities include partnership working with schools, colleges, the third sector, local communities and employers. This is increasingly important in a market environment where there is increasing competition for students, which creates disincentives to collaboration.

Evidence of effectiveness

"We liaise with our partner universities so we're not duplicating effort. So [institution name] for instance [target] looked-after children and, you know, we step back from doing that and instead put our efforts into working with students who have got carer responsibilities, precisely to get the maximum out of the available resources."

Director of outreach, selective institution

A recent study of the effectiveness of HEFCE’s Student Opportunity funding pointed to the following evidence of success:\(^3\):

- Progress against benchmarks and institutional targets
- Changed organisational cultures and attitudes
- Evidence that widening participation activity has been formalised and integrated into institutional strategies (eg recruitment, engagement, teaching and learning, student support and employability)
- Ensured universities focus on all aspects of student journey and not just an institution’s own objectives; as a result, most universities are engaged in activities that contribute to widening participation in higher education generally, as well as those that impact directly on access and retention within their own institution

Almost all universities engage in some form of activity involving schools and colleges. Most frequently, activities are designed to raise aspirations or provide a taste of university life but they also support the raising of attainment.

\(^3\) The Uses and Impact of HEFCE Funding for Widening Participation, HEFCE, June 2013
The University of the West of England sponsors the Bridge Learning Campus in Bristol. It provides active support and engagement in governance and management and strong links between the school and the university’s education department. The university supports continued professional development for staff and a sustained coordinated outreach programme for pupils. This has led to significant improvements in attainment. Despite being in a highly deprived area, with only 5% progression to higher education, BLC was Bristol’s second most improved school in 2009 – in 2006 only 11% achieved % A*–C at GCSE including English and Maths and 36% achieved 5 A*–C at any GCSE. In 2011 this had moved to 40% and 76% respectively."

The University of the West of England, Bristol
Evidence gathered by HEFCE suggests that selective and specialist institutions place a particular emphasis on supporting schools and colleges to improve the attainment levels of disadvantaged students in order to ensure that they are able to meet the necessary entry requirements.

"We've been working with [name of school] intensely since 2009, giving support at all the key stages… We provide governance for the school… we're providing this fellowship scheme where we partner up sixth form teachers with academic research experts in their subject, and they're giving them that intense support to help them develop their own subject area, and therefore improve their own teaching."

Director of marketing, inclusive institution

However, the sector is not complacent; we recognise there is still much more work to be done to close the gap in participation rates between the most and least advantaged groups. Analysis by HEFCE in 2010 found that the participation rate of the most advantaged was 57% compared with a participation rate of 19% for the least advantaged. To reduce this gap, within a context of a reformed higher educator sector and changes in the school system, will require a national response across all sectors of education and beyond, including employers and the professions, and a commitment from government. This must be sustained and coordinated, with support continually directed at each new cohort of young people, and those already in the workplace given the changing nature of employment.

Impact of withdrawing Student Opportunity funding

HEFCE’s research found that removing Student Opportunity funding would be likely to lead to a reduction in, or even put an end to a lot of, activity to widen participation. It would have a disproportionate effect on those universities with the largest numbers of students from low participation backgrounds and those that had been most successful in widening participation. Small, inclusive institutions would be hardest hit.

The report found that the withdrawal of this funding would be likely to trigger strategic debates within universities, and lead them to reassess institutional priorities. Respondents suggested that:

- Partnership work could be put at risk because an institution would be likely to focus on activities of greatest benefit to itself.
- Institutions would be likely to focus on their own short-term institutional targets for recruitment and retention, rather than long-term national targets, such as growing the applicant pool to the sector as a whole.
- While services for disabled students would be kept, outreach work would be likely to be hardest hit.
Conclusions

Universities have noted that increased competition could reduce their appetite to undertake collaborative activities for the benefit of the wider sector and its policy objectives, such as early interventions with schools. Evidence suggests that these interventions were the most reliant on the HEFCE Student Opportunity funding.

Universities UK believes that the government should continue to invest in Student Opportunity funding for the long term, not just annually. Continuing investment is crucial for ensuring students from disadvantaged backgrounds are given the support they need to be successful. Funding should be targeted towards those institutions with the greatest number of students from low participation backgrounds, in order to inject rigour and pace into the next phase of widening participation. This would reinforce the government's clear commitment to increasing social mobility\(^4\) by investing, along with universities, in the success of students from less advantaged backgrounds at university and helping them into a graduate job.

Withdrawring this stream of funding could put an end to collaborative activity to widen participation and early intervention work, both of which are critical if spending by government, HEFCE and institutions is to have maximum impact. This would be counter to what the government wants to achieve through the new National Strategy for Widening Access and Student Success.

The higher education sector is committed to working with HEFCE and the Office for Fair Access to develop the strategy, not only to lock in the progress made so far but also to secure the best possible outcomes for individuals, the economy and society as a whole.

\(^4\) Opening Doors, Breaking Barriers: A Strategy for Social Mobility, Cabinet Office, 2011