UNIVERSITIES UK RESPONSE TO HEFCE’S ‘FUNDING TO SUPPORT TEACHING IN HIGHER EDUCATION’ CONSULTATION

We are grateful for the opportunity to respond to the Higher Education Funding Council for England’s (HEFCE) consultation on ‘Funding to support teaching in higher education.’

Universities UK (UUK) found it somewhat challenging to respond to this consultation as it consults on a set of changes separately to other significant changes to teaching funding that are in the pipeline. These include:

- Government plans for other areas of teaching funding, including: high cost subject funding and the shift of health professional students onto the standard student support system, and catalyst funding. HEFCE have indicated their intention to consult on these changes later this year. There will also be changes made to the Higher Education Innovation Fund.

- How the oversight of widening participation funding may change with the new Office for Students (OfS) from 2018–19 onwards. While the consultation states that the proposals ‘set a direction of travel for funding through and beyond the government’s plan for the creation of the Office for Students’ it does not consider whether there may be scope for more strategic alignment between access and participation agreements and targeting of government funding. UUK’s Social Mobility Advisory Group (SMAG) will be making recommendations to government on potential opportunities for alignment later this year.

- the operation of the Teaching Excellence Framework (TEF), which the government has consulted on separately for year two.

Therefore, Universities UK has found it difficult to comment definitively on HEFCE’s proposals for change in the current consultation and the implications for institutions - other changes may interact with the changes proposed and create a cumulative impact on higher education institutions in 2017–18 and beyond. Therefore, our comments below on the proposed changes should be read with the caveat that we may revisit our comments once further details on other changes to teaching funding, the operation of the OfS, and the TEF are clearer.

We also recognise that this consultation was published before the outcome of the EU referendum vote, and is subject to any changes (funding and otherwise) that may need to be made that affect institutions, in light of the UK transitioning to leave the EU.

Consultation question 1: To what extent do you agree that we should discontinue the widening access element of the funding we previously identified as the student opportunity allocation from 2017–18? (Note that if a widening access element is continued, funding for the National Collaborative Outreach Programme (NCOP) will be provided in full or in part from the total available for the student premium and this will be further concentrated to reflect the reduced funding available.)
An implication of the increasingly competitive environment, as a result of the 2012 higher education reforms, is that some institutions may collaborate less on widening participation activities, due to increased competition for student numbers. There is clear evidence to suggest that collaborative approaches on widening participation are more likely to be effective. Therefore, Universities UK is supportive of government funding being targeted towards collaborative activity.

While we support the use of limited government funding being targeted towards collaborative activity, it should be kept in mind that the NCOP is a new programme, with bids only closing on 1 July 2016. It remains to be seen how effective NCOP will be and the extent of its coverage – some institutions may find it more difficult than others to participate in the NCOP. Its efficacy will be the subject of future monitoring and evaluation.

We would have concerns over additional funding for the NCOP being provided in full from the total available for the student premium. This would significantly reduce the amount available for the student premium and reduce its effectiveness. The alternative, however, is to discontinue the widening access element. Consideration should be given as to which institutions may be most affected by the removal of the widening access element, and whether unintentional consequences might occur – for example, whether some institutions would have significantly reduced capacity to undertake activities.

**Consultation question 2:** To what extent do you agree with the proposal that the full-time student premium should include a supplement with a weighting based on the recruitment of students who are both at risk and from the most disadvantaged backgrounds?

We agree that the full-time student premium should include a supplement with a weighting based on at risk students and from the most disadvantaged backgrounds. However, we would ask HEFCE to look again at the definition of ‘most disadvantaged backgrounds’ - the consultation document proposes this should be defined as those students from POLAR3 quintile 1.

Universities UK’s Social Mobility Advisory Group has received views that that the use of POLAR has its limitations to inform work on disadvantaged students. HEFCE itself has carried out an evaluation of POLAR3 which flags some concerns on the suitability of POLAR as a measure of disadvantage. It can miss some of the variation in individual circumstances, and a well-known example is the extent of its relevance in London, where areas with levels of high deprivation are not always grouped in quintile 1. HEFCE’s evaluation itself notes that there is a need for a range of different measures to be used when targeting disadvantaged students.

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1 HEFCE (2013) Literature review of research into widening participation to higher education
2 HEFCE (2014) Further information on POLAR3
Therefore, using a greater range of indicators for the weighting should be examined, beyond POLAR3 quintile 1, to represent the breadth of potential disadvantage. We are conscious that the approach needs to be tractable and proportionate to the amount of funding allocated. However, using POLAR3 quintile 1 alone may not achieve the desired outcomes. Universities UK would be pleased to work with HEFCE in exploring further options.

**Consultation question 3:** What source (or sources) of data do you consider should be used to determine the level of disabled students allocation to each institution?

We agree that given recent reforms to the Disabled Students’ Allowance (DSA), the use of Higher Education Statistics Agency (HESA) or Individualised Learner Record (IRL) data should be explored as alternatives. However, we note that in consultation question 7 the number of postgraduate students in receipt of DSA is proposed as an option for the retargeting of remaining postgraduate taught funding. Any change ought to be consistent across the board.

**Consultation question 4:** Do you have any other comments or advice on our proposals for supporting widening access and successful student outcomes?

Universities UK strongly believes that it is essential to retain an element of government funding to support widening participation activities. While the environment for higher education institutions has become increasingly competitive, this is not without its risks and potential market failures, which mean that government support is needed to achieve the best outcomes for students. Therefore, we are supportive of HEFCE’s proposals to target funding on collaborative activity and to meet the costs of delivering support to students from under-represented groups.

Changes in the higher education infrastructure may present new opportunities to review how oversight of widening participation activities is carried out, and how government funding is targeted in the longer term. The creation of the new OfS may provide scope to more strategically align the targeting of government funding with the monitoring of access and participation agreements. Universities UK’s Social Mobility Advisory Group will be making recommendations related to this later in 2016. The information in access and participation agreements provides a rich evidence base. This evidence base, in combination with the wider literature and evidence, could be used to inform funding decisions - to support the most effective interventions and manage activity in a sustainable way. HEFCE may wish to consider alternative methods of allocating funding in the longer term, and what may be feasible within a new OfS.

**Consultation question 5:** To what extent do you agree that we should discontinue the element of the taught postgraduate supplement for provision that is eligible for the masters loan? (We would retain the supplement for flexible short-cycle provision).
Given that the intention was for the supplement to be an interim measure, prior to the introduction of loan finance, we fully understand HEFCE’s rationale for discontinuation given loan finance has now been introduced. However, given the wide range of other changes that will be introduced in 2017–18, and the uncertainties over loan take up, the withdrawal of funding has the potential to be destabilising to some of the institutions most affected. Some small and specialist institutions, for example, may have limited flexibility in replacing this funding from other sources. Further work should be done to look at how this funding is phased out and a smooth transition facilitated.

Consultation question 6: If the taught postgraduate supplement for provision that is eligible for the masters loan is discontinued, to what extent do you agree the supplement should be attributable to activity across all subjects, not just clinical, high and intermediate cost subjects?

We support the retention of the supplement for provision that is not eligible for loan finance. While in principle, it would seem reasonable to extend the supplement to apply across all subjects, some recognition should be given to those subjects with higher costs. We would welcome working with HEFCE on the options that may be available here.

Consultation question 7: To what extent do you agree that funding should be provided according to the proportion of taught postgraduate students in each institution from the lowest participation areas or in receipt of Disabled Students’ Allowance?

The inequalities evident at undergraduate level are also evident at postgraduate level, and Universities UK supports the targeting of teaching funding to ensure gains in undergraduate widening participation are not reversed by widening inequalities at the postgraduate level.

As mentioned in our answer to consultation question 2, there are drawbacks to using POLAR in isolation, and the use of POLAR becomes less meaningful when applied at the postgraduate level. Also, in our answer to consultation question 3 we support a move away from using DSA students given the reforms to DSA policy. Therefore, it is worth examining whether it is in fact appropriate or possible for funding to be targeted using a formulaic approach. Alternative approaches need to be considered alongside the amount of funding that will be available, with the funding approach to be proportionate to the amount of funding.
Consultation question 8: Are there other ways in which you would suggest we should provide teaching funding to address barriers to taught postgraduate participation?

Alternatives could include:

- Delaying the withdrawal of the postgraduate supplement until an assessment of the first year of postgraduate masters loan take up has been made, as the patterns of take up may indicate how the supplement could be retargeted.
- Reviewing the lessons learned from the Postgraduate Support Scheme (PSS), and particular initiatives that were most successful in targeting students from disadvantaged backgrounds. There could be scope in using the remaining supplement to continue some of the work begun as part of the PSS, and ensure the long-term sustainability of some activities.
- The evaluation of the PSS\(^3\) noted that there is a need for greater co-ordination of taught postgraduate education. The remaining supplement could be used to promote better coordination and collaborative activity, through use of providing information advice and guidance.

Consultation question 9: Do you have any other comments or advice on our proposals for supporting progression to taught postgraduate study?

We strongly support government funding being used to support progression to taught postgraduate study, particularly for those from under-represented groups. There are barriers, other than access to finance, that inhibit progression. Therefore, while the introduction of postgraduate master’s loans is a very welcome development, there is a continued need for government support to address factors not addressed by the introduction of loans, which may hamper progression.

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\(^3\) P. Wakeling (2015) Programme analysis of HEFCE’s postgraduate support scheme – final report to ESRC and HEFCE