

Briefing for Peers

The Future Direction of Higher Education Thursday 26 June 2008

The Key Facts

- around 200,000 students study higher education (HE) in a further education college.
- 272 further education colleges provide higher education about 30 of which have 700+ HE students.
- 48% of HE in FE students are aged over 25 compared to 37% in universities
- more than half of all foundation degree students are taught in colleges
- colleges deliver 86% of HNCs and 59% of HNDs
- QAA judged 99% of HE courses in colleges to be 'commendable or approved'
- Colleges provide 48% of entrants to higher education
- colleges offer price competition in a market where almost all universities charge the £3,100 flat-rate fee – more than 50% of colleges charge less than this – which acts as an incentive to less traditional HE students
- Government needs to reassess the financial support available to these students
- Progression pathways to HE using academic qualifications are well trodden. But progression with vocational qualifications needs to be better defined.
- Government and institutions need to work together to encourage employers to devote more resources to training staff in high level skills as outlined in the recent DIUS publication '*Higher Education at Work*'
- AoC welcomed the decision to allow colleges to award their own foundation degrees. We expect the first college to begin the application process this year.

The future of Higher Education

- further education colleges have a major role to play in the future of higher education (HE)
- Government says the nation needs 60,000 graduates by 2010-11, an increasing proportion of which will not be 18 year old undergraduates, but older people seeking local, flexible provision which they can fit around work and family commitments
- **The distinctiveness of HE in FE**
Several key characteristics of students who choose to study HE in an FE college can be identified:
 - many come from families with little or no experience of HE and often from lower socio-economic groups
 - they tend to be older and to study part-time
 - they have a different perception of the student experience from that traditionally associated with undergraduate school leavers
 - they are often more motivated by the prospect of a job or advancement in employment rather than the value of academic study
 - they will have often progressed to HE from qualifications already achieved through the college

The balance between full-time and part-time higher education

Government policy towards higher education is constrained by the agreements made in the preparation and passage of the Higher Education Act in 2004. The Act secured new income for higher education teaching in the form of to-up fees; Ministers agreed to ensure that this income was additional by promising to protect core funding.

One consequence of these decisions is that the protection of the existing university network and traditional undergraduate study has been placed ahead of developing new opportunities to access HE for older and part-time students described. Although recent changes have been introduced to assist part-time students financially the balance overall is weighted heavily in favour of full-time undergraduates. When ministers wanted additional funds for expansion of employer-facing higher education, the savings had to come from cuts to funding for students taking equivalent or lower qualifications (ELQs). Money for the expansion of one form of part-time higher education was found from elsewhere in the part-time budget.

Capital support

HEFCE's capital budget is about £750million and is mainly focused on existing provision rather than developing new provision, for example for part-time students in FE colleges. However, AoC warmly welcomed the Secretary of State's announcement that the Government will establish 20 new higher education centres. Colleges look forward to being actively involved in this process.

Action that could be taken to expand part-time higher education for adults

Longer-term decisions on the future funding of higher education will wait until the review of 2009. This does not preclude some shorter-term decisions on funding which could be taken by the Government and HEFCE:

- making it easier for successful universities and colleges to expand their provision to meet demand. Funding follows a plan rather than the number of learners
- allowing colleges to offer modular courses. Currently only universities can do so which makes it more difficult for colleges to meet demand from employers and those who want to study flexibly.
- Widening access to 'initiative funding' available for teaching and knowledge transfer (for example the strategic development fund which supports innovation in HE). Currently only universities can do so.