



House of Commons  
Innovation, Universities,  
Science and Skills Committee

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# **Withdrawal of funding for equivalent or lower level qualifications (ELQs)**

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**Third Report of Session 2007–08**

***Volume II***

*Oral and written evidence*

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## **The Innovation, Universities, Science & Skills Committee**

The Innovation, Universities, Science & Skills Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Innovation, Universities and Skills.

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**Professor Brenda Gourley**, Vice-Chancellor, Open University, **Professor David Latchman**, Master, Birkbeck College, University of London, **Ms Gemma Tumelty**, National President, National Union of Students, and **Ms Sally Hunt**, General Secretary, University and College Union

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**Bill Rammell MP**, Minister for Lifelong Learning, Further and Higher Education, Department for Innovation, Universities and Skills (DIUS), and **Professor David Eastwood**, Chief Executive, Higher Education Funding Council for England (HEFCE)

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# Oral evidence

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## Taken before the Innovation, Universities and Skills Committee

on Thursday 17 January 2008

Members present

Mr Phil Willis, in the Chair

Mr Tim Boswell  
Mr Ian Cawsey  
Dr Ian Gibson  
Dr Evan Harris

Dr Brian Iddon  
Mr Gordon Marsden  
Ian Stewart

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*Witnesses:* **Professor Brenda Gourley**, Vice-Chancellor, Open University; **Professor David Latchman**, Master, Birkbeck College, University of London; **Ms Gemma Tumelty**, National President, National Union of Students, and **Ms Sally Hunt**, General Secretary, University and College Union, gave evidence.

**Chairman:** Good morning, and could I welcome our witnesses to this, the first session of a short inquiry looking at the Government's policy on equivalent and lower qualifications. It has produced quite a lot of interest and a huge amount of evidence which I actually have in front of me today, which is a pile members have to carry around with them wherever they go. Our first session, which is a tight session with roughly 40 minutes, is Professor Brenda Gourley, Vice-Chancellor of the Open University, welcome to you; Professor David Latchman, Master of Birkbeck College, University of London, welcome to you, David; Gemma Tumelty, the National President of the NUS, National Union of Students, welcome again, Gemma; and, last but by no means least, Sally Hunt, the General Secretary of the University and College Union, the UCU. Could I say at this moment that I do apologise to all the literally hundreds of people who have written to us asking to be oral witnesses this morning, it just would not have been possible to take evidence from everyone, and I am just going to call for any declarations of interest from my Committee before we start.

**Dr Iddon:** I am a member of the University College Union and I have another registered interest.

**Q1 Chairman:** Thank you. Could I start with you, Professor Latchman? The Government has claimed that it is public policy to give priority to students who have not had the opportunity to study for a first degree. That is perfectly reasonable, is it not?

**Professor Latchman:** I think it sounds perfectly reasonable and it is a nice simple line. The problems are twofold. First of all, that by doing that, we will restrict support for a number of people who are re-skilling in order to take advantage of changes in the labour market—women returning to work, people who have had disabilities and so on, and people who simply want to change careers. So on that level we will be disadvantaging those people. Secondly, if we do disadvantage those people and we gain money by doing that, Government says that money will go into

recruiting new first time students. I do not think we or the Government believes there is a huge demand for more full-time students.

**Q2 Chairman:** We will just come back to that but the actual principle of the Government's policy you are saying that you do not agree with, that in a limited pot of money, and I think you would accept that there is a limited pot of money, and you have to have priorities, the priority for you would be for students with degrees to get a second degree rather than a first one?

**Professor Latchman:** No. What I am saying is there are reasons for people wanting to do second degrees, and the second part of the answer was going to be that the extra students we might be able to teach for the first time, that you are and the Government is referring to, will be predominantly part-time students. There is no evidence of huge demand there. What we need to do is take the time to resource the part-time sector properly so that it can actually recruit those hard-to-reach students into part-time studies, as the Secretary of State repeatedly said we should, and that is not going to be achieved by removing large numbers of resources from the part-time sector, so it is an argument about the part-time students currently studying for ELQs and an argument about where the other students are coming from in a sector where the part-time sector has had its legs cut off.

**Q3 Chairman:** Just for clarity, as far as Birkbeck is concerned, the majority of ELQs that you offer are at the lower level, are they? Graduates gaining other skills? You target mainly re-skilling --

**Professor Latchman:** Yes, graduates gaining further skills, either people doing further Bachelor degrees, or people who are doing further Masters.

**Q4 Chairman:** As a rough proportion, how many of the total number of students are actually doing a lower qualification?

**Professor Latchman:** It depends on your definition of lower qualification.

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17 January 2008 Professor Brenda Gourley, Professor David Latchman, Ms Gemma Tumelty and Ms Sally Hunt

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**Q5 Chairman:** Not at Level 4?

**Professor Latchman:** All our qualifications will be level 4 and above.

**Q6 Chairman:** Professor Gourley, the basic policy of the Government which is firstness, applies at level 2, level 3, level 4. Why is that not right?

**Professor Gourley:** I think what you have to do is put it in perspective. We are talking about £100 million here and in the context of the higher education budget that is not a lot of money. It is a lot of money to individual institutions, of course, and to the part-time sector but it is not a lot of money, and the risk that you are entertaining -

**Q7 Chairman:** I am trying to deal with the principle.

**Professor Gourley:** Yes. I am saying that there is a risk of moving money from the one group to the other. Both groups should be supported because the amount of money is too small against such a large risk, and you are risking the skill sets that you need for a first world economy.

**Q8 Chairman:** The Government has a laudable objective following the Leitch report of actually growing the number of students with a first level 4 qualification. Do you accept that is a laudable objective for Government to have?

**Professor Gourley:** I think it is an important objective, and there is a lot to fulfil in that.

**Q9 Chairman:** Given a finite sum of money in the higher education sector, and it is a huge amount of money going into the higher education sector, where else would they find £100 million in order to grow the level 4 first qualifications, in your view? Where could they find it?

**Professor Gourley:** I do not think that £100 million is a very large sum of money to squeeze out of the sector.

**Q10 Chairman:** Where would you find it?

**Professor Gourley:** Well, they are finding it in the first three years effectively by eliminating the inflation adjustment across the institutions, so if you want to squeeze the institutions it is £100 million across the whole sector. What you have done so far is take it out of the part-time sector which has made it very burdensome.

**Q11 Chairman:** Gemma, why are you concerned about people who have a graduate qualification having another qualification when so many young people in particular are not even getting access to a first qualification?

**Ms Tumelty:** The issue is there is no evidence to suggest at the minute that those people who do not have degrees are being pushed out by people who are furthering and re-skilling. I have not seen any of

that, and certainly I have not seen that element of competition or that demand is being unmet. I am worried particularly --

**Q12 Chairman:** That is not the issue, though, is it?

**Ms Tumelty:** I am worried about the impact on equality as well, particularly with women who have had career breaks, who maybe need to re-skill or up-skill before going back into the workplace, which is a really important issue seeing as women students make up 62% of part-time students, so they are going to be massively disproportionately affected by this decision.

**Q13 Chairman:** Should you not be worrying about women who have not got a degree in the first place, so many of whom drop out of school at 16?

**Ms Tumelty:** Absolutely, but obviously the Government has said that there will be an additional 50,000 students allowed for in the Comprehensive Spending Review and in the run-up to 2011. Is this 20,000 additional to those 50,000? What evidence is there that ELQ students are pushing first-time students out of having that opportunity to go? The issue is I have not really seen that, and there seems to be some urgency but no rationale behind that.

**Q14 Chairman:** Sally, it does not matter to you and your members who you teach provided they have got jobs and students. Why is this important?

**Ms Hunt:** What is important is not setting one group of students against another, because certainly any member of the UCU who teaches in higher education is looking to make sure that there is access according to what the Government asks us to do. What I am finding interesting in this debate is we are asking to set one group of students against another and what is quite interesting is for once I could actually say there is a General Secretary who completely agrees with the Prime Minister. He spoke at Greenwich in October and said: We do not have one chance; we have 1, 2 and 3 chances; it is lifelong learning and we have to unlock the door throughout people's lives. What he did not say is: But you have to carry on paying more and more if you want to achieve what I have asked you do in terms of re-skilling population and the working force. What we have to do is recognise there are definitely going to be cuts. It is not our imagination that this is going to impact on student access, or that that will bluntly mean that the members I represent are more at risk in terms of their jobs. It also means we are sitting looking at a policy that there is one Vice Chancellor in the whole country who agrees with it, he happens to run a private university, and I am in total agreement with the Prime Minister and the Chairman of the CBI. I think we have to ask some serious questions. In this consultation, in that huge pile of documentation you have there, which one says: Yes, Bill Rammell, I agree, thank you very much for making sure that second chance students, those who are trying to get back into the sector and re-skill, are not going to be able to afford it? That cannot be right.

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**Q15 Ian Stewart:** Is the opposition that you have to this an opposition to the principle, or is it opposition to the timing and lack of consultation in your eyes?

**Professor Latchman:** I think it is both. The principle certainly in simple terms sounds good but is far too simplistic, but the problem is it is being compounded by complete lack of consultation. We have not had consultation about what other possible sources of this hundred million pounds there are, we have not had clear evidence of student demand, and most importantly, as your predecessor Committee investigated, we have not had proper resourcing of the part-time sector and the students who want to study part-time in terms of grants so that we can achieve these hard-to-reach students, and that is what the predecessor Committee found.

**Ms Tumelty:** Also, there is going to be a review into the size, structure, nature, make-up and funding of higher education in 2009 as was allowed for in the 2004 Education Act. It seems somewhat putting the cart before the horse to unilaterally withdraw funding from one particular group of students as we run up into that review when really, in my view, and I think in all of our views, if we are going to have this question around whether we should fund second degree or second chance learners at all, it should be deferred to the 2009 review when we can look at how the whole sector is funded, and what support we give to individual groups of students.

**Ms Hunt:** I completely agree with that. It is a really important principle that if you have access it has to be on an even level. If you have a sector that has to be open it has to recognise that no policy initiatives should impact in the way this has. We are not talking just one group of universities, either those that specialise in research or those that specialise in developing better access for working class students. It is going across the board. I have members in Oxford University, and in Westminster, and throughout the country who are telling me that continuing learning is going to be hit across the piece. It is the principle. If we believe that we ought to be supporting and broadening the base of higher education, what we must not do is cherry pick in terms of funding between the sectors.

**Q16 Chairman:** Should it be the principle throughout at level 2, 3, as well as 4? It should be a principle?

**Ms Hunt:** Yes.

**Q17 Chairman:** Because you cannot just pick and choose.

**Ms Hunt:** No. I think for the members I represent what is important to us is that if we are asked to develop and launch programmes that encourage students in, and support the economy, we expect the policies and government to enable us to do that, and I think unless we actually look at this across the piece, as Gemma has said from NUS, in terms of the overall funding review, we are in danger of doing something that is going to be putting the cart before the horse.

**Professor Gourley:** I agree completely.

**Q18 Mr Boswell:** First on the principle, I wonder if our witnesses can just comment on whether or not any minister can make any changes without an element of risk ie, special risk, picking up slightly what Professor Gourley said, and, secondly, whether you would equally accept that resources, even when you say they are small change, are limited and therefore one has at least to set out the agenda for the priorities? Could I follow that by returning to the issue of retrospection? I was interested in something specifically in the Birkbeck evidence, I think that is the only place I saw it, about the use of the student reference frame retrospectively, and I wonder if the witnesses can draw out a bit the different effects of actually funding with reference to something when this was unknown to our witnesses as a decision, as against something which is going forward and requires an on-going adjustment? Should I put it crudely, HEFCE might be wanting to hear from your lawyers on that matter, for example.

**Professor Latchman:** I could not possibly comment on that but we are having a debate here about the principle which is very interesting, it is a debate we should have had nationwide before this was brought in, and the speed of implementation has led to the use of this retrospective data. So that members of the Committee are clear, we will be fined from our grant on the basis of ELQ students that were recruited in 2005-6 in a situation where there was no question of whether that was equally valid to non ELQ.

**Q19 Mr Boswell:** And no debate, I suppose?

**Professor Latchman:** And no debate, so that is the situation because that is the only way that this can be implemented, and as we go forward the question that has not been answered, if this policy comes in and is maintained until 2050, is will we still be using 2005 data, or will we be asking students to register whether they have an ELQ or not? If that is the case, universities will spend huge amounts of money on policing this system on behalf of the government because we will have to investigate qualifications, we will have to find out whether those things have been properly recorded, and there will be a huge incentive to students who graduated a number of years ago to lie because there is no national database that you have to check it with.

**Q20 Mr Boswell:** I suppose there is a distinction here between students who come to you with claims of qualification, where you can ask to see their certificates, and students who are burying those claims of qualification and nobody would know?

**Professor Latchman:** That is precisely the point, because to do the ELQ you will not have to prove you have the previous degree because it is, by definition, at the same level in a different subject. So it is not about progression.

**Q21 Chairman:** Just before we finish on this, can I have roughly a one or two word answer, starting again with you, Professor Latchman, to this question? In terms of the principle, any student with

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a current level 4 qualification who wishes to study for another qualification should be funded, as far as you are concerned, end of story?

**Professor Latchman:** Yes. I believe in open access, but I also believe we should debate this issue properly before we change the funding system.

**Q22 Chairman:** But that is the position. Is that your position too?

**Professor Gourley:** Yes.

**Ms Tumelty:** Yes.

**Ms Hunt:** Yes.

**Q23 Mr Boswell:** Terribly briefly, because I am conscious of time, sometimes there are unspoken assumptions in these sorts of decisions. The words “academic tourism” have not featured in anybody’s literature on this and I am drawing an analogy sometimes used in benefits tourism. Is there any view in the minds of our witnesses that this decision is driven by some fear of perpetual students hanging on without being able to make a career decision or not?

**Ms Tumelty:** I would say maybe once, when we got free education or grants or whatever, that would be an absolute issue but now, where students are having to pay top-up fees and having to pay back their loans and having rising living costs, I would really like to see the evidence that there are perpetual students out there.

**Q24 Chairman:** Professor Gourley? Perpetual students?

**Professor Gourley:** Well, ELQ students do not get funded in the same way anyway as first time students, but we have done a survey of our ELQ students and 75% of them are studying for vocational reasons, and only 8% of them are studying for personal enrichment.

**Q25 Dr Gibson:** I am studying the Secretary of State’s every word and every speech he is making in the first three months and one he made at the Open University was interesting in which he said, “We have asked HEFCE to redistribute—not cut—£100m of core teaching grant over three years. This is under a third of the money we currently spend on ELQs”. So he is not going for the whole pot, is that true?

**Professor Gourley:** I think so.

**Q26 Dr Gibson:** Why not?

**Professor Gourley:** I think there is the question of being able to fund the exemptions and the question of putting some of the savings back into the system to fund particular priorities with respect to employer engagement.

**Q27 Dr Gibson:** So it sounds like there is a cunning plan somewhere being worked out by numbers, or is it guesswork, do you think?

**Professor Gourley:** I do not know what it is at the moment.

**Q28 Dr Gibson:** Why is the Minister isolated on this?

**Ms Hunt:** Because he is wrong!

**Q29 Dr Gibson:** That is a *Newsnight* answer, not a Select Committee answer!

**Ms Hunt:** You can ask it three times; I will still say he is wrong.

**Q30 Dr Gibson:** Is there any reason why you think the Minister comes over as getting very little support in this, because usually the smart government gets the support of the professionals before they institute some new policy change. Why do you think has that not happened?

**Ms Tumelty:** I think it is interesting that there is such a broad coalition against these proposals from students to lecturers to Vice-Chancellors to the CBI—not someone we often share values with—and actually I cannot find anybody that agrees with this decision. I think the issue is consultation, there was not enough of it, and I also think that there has been no clear rationale published around exactly what that money is going to be used for. Certainly HEFCE have said that it is going to be found for priorities not yet set.

**Q31 Dr Gibson:** I thought there were going to be 20,000 new students?

**Ms Tumelty:** How they do that, who they are going to be, whether full-time, part time, how they are going to get through the door—we have not seen any of that.

**Q32 Mr Cawsey:** Who speaks for them? You give a list of all the people in the system now. What about the ones who are not getting into the system?

**Ms Tumelty:** NUS obviously speaks for students who are pre application as well, and actually we have concerns about the whole education sector from further through to higher, and want to see the most students we possibly can in the sector gaining from education and skills. Yes, we would want more students in the system, so of course we want those 20,000 extra students in place but, as Sally said, why should we pick those students against students who are re-skilling and up-skilling and actually serving the economy well.

**Professor Gourley:** Could I add something to that? The Open University does an enormous amount of marketing, as you know; it has all sorts of outreach programmes to get students in, it is one of our core missions getting people into higher education that would not have seen themselves as higher education candidates. At the moment we have no unmet demand at all; we are taking all the students who apply to us.

**Q33 Dr Gibson:** But the Government has said quite clearly to you that you only need 3,000 to make up the shortfall? That was in the speech, I seem to remember. What did you do when you heard that?

**Professor Gourley:** I have to say I am rather mystified by that figure. I am not sure how you lose 29,000 students and gain 3,000 and come out square. I suspect the 3,000 students are probably full-time

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equivalents, which in part-time terms would be at least two to three times the number, and it is not easy to simply add seven, eight, nine thousand students overnight. We already do very heavy marketing and outreach programmes to achieve the student numbers we have.

**Q34 Dr Gibson:** But the insinuation was that the money lost would be regained by having these students. Do you accept that or do you think it is pie in the sky and just putting a finger up in the air and guessing?

**Professor Gourley:** The Government has a hope that a lot of the students that we try and encourage back into the system will be co-funded by employers. We do not share that hope and we certainly have not got evidence of it. In the same survey of ELQ students, 12% of our ELQ students got some support from their employers and 9% got full support. That does not change a pattern we have seen over many years.

**Q35 Dr Gibson:** But it is a fair argument an employer should play a greater role in higher education. What are you doing to try and achieve that?

**Professor Gourley:** We do a lot with respect to employer engagement and we have some very substantial programmes with employers—Microsoft, Cisco, all sorts of employers—but we have to accept the fact that a lot of students are actually studying to escape present employers not necessarily stay with present employers, and we also have to accept that most people nowadays do not have one employer and one career, they have four, five, six different careers over a lifetime, and the economy is offering them all sorts of different kinds of careers and they have to up-skill and re-skill to take advantage of that. Employers have no particular interest in supporting that.

**Q36 Ian Stewart:** Do you think, Professor Gourley, that this debate is a surrogate for a wider debate about employer involvement in higher education?

**Professor Gourley:** Yes.

**Q37 Ian Stewart:** Why?

**Professor Gourley:** Why should there be a surrogate?

**Q38 Ian Stewart:** Yes.

**Professor Gourley:** Well, I suppose people think that incentives are a way of getting people out of the woodwork, and if you put incentives in place all will be right.

**Q39 Ian Stewart:** Is there a necessity for higher involvement of employers in higher education?

**Professor Gourley:** I would think it could be improved.

**Professor Latchman:** I think certainly one would support the idea that employers should provide more support, and that is a laudable government aim. The problem is this is being rushed in with relatively little consultation with employers. It is exactly the same at Birkbeck—many students will not tell us who their employer is because they are studying to move on, and in London, where I have

obviously a particular interest, many employers say: “We can hire people with the appropriate skills. They may not be Londoners or British citizens, we can hire them from abroad, so why should we pay to fulfil the government priority that Londoners should be employed or UK citizens?”

**Q40 Mr Cawsey:** I want to talk a little bit about this whole issue about re-skilling people that are coming back for training because of that. The Government has said that people will be able to update and broaden their knowledge and skills through foundation degrees. For those wishing to top up their qualification, for example, from a higher national diploma to an honours degree, ELQ funding is protected as well as courses that employers co-fund. Do you think that these exemptions provide enough safeguards for people looking to retrain and re-skill, and if not why not?

**Professor Latchman:** No. We have to remember these are proposed exemptions and we are awaiting the outcome of the consultation, but at the present they do not and the reason they do not is they have been designed to add up to a certain saving. So there was a bottom line saving of £100 million. The exemptions that have been put in are designed to make sure that, without the other things that are not exempted, we save £100 million. So why is pharmacy not exempted when veterinary medicine is? Why are we in a situation where psychology which leads to lots of medically relevant qualifications is not exempted? Because they cannot make the saving if they exempt psychology because psychology is the biggest ELQ subject nationwide. So these things are not logical. I am sure we will find in your pile of papers people who argue that the entire part-time sector should be exempted and we would certainly support that; I do not think it is realistic if the policy comes in but certainly something that says people who are returning five years after initial study should be exempt, five years or more, because that will get at these mythical serial learners who have to be got rid of at all costs, but would not affect people trying to re-skill. So subject-based exemptions, unless you have a logical debate, without having the bottom line having to be £100 million, are nonsensical.

**Q41 Mr Cawsey:** We do not have to argue that it has a bottom line at all, and we might argue that the principle is sound if the exemptions are right. What would you say to that and what do you think those exemptions should therefore be?

**Professor Latchman:** We have said already that we all do not accept the principle, and obviously it is for the Committee to make up its mind, but if one did accept the principle the exemptions should be exemptions along the lines of either everyone studying part-time, or people studying a certain number of years after their initial qualification. We should not try and second-guess the value. You might say there is no value in a philosophy degree. Actually, in a survey of employers, they reported that philosophy degrees are one of the degrees they most want because people have the ability to think logically with a philosophy degree.

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**Chairman:** I am delighted to hear that!

**Q42 Mr Cawsey:** We are just looking for the evidence of the Chairman thinking logically!

**Ms Hunt:** If I could just comment on that, I think you will probably find in some of your evidence examples of where people are giving you different ways of doing that. One of the ones we have looked at quite carefully is from the University of Sunderland and that shows exactly why the exemptions will not work because a lot of their investment is working in the cultural field with the local community. It is not going to be something that says it is health or pharmacy or one of those key areas that I think we would expect to have put in front of us if we were looking to justify that. I think David is right, we have to look at this in a more organic way. We are not against it for the principle's sake. We simply think you have to take a stand that says either you are saying access or not and the moment we start going down the road of judgment as to which subject we are in danger because we are judging the outcome, and I do not think any of us believe that is possible. We strongly believe that the principle is one that should be accessible and that what we should do is refer this back into the funding review, because that is the only way, credibly, we can advise you and the Government in terms of fulfilling the objectives that we all want.

**Q43 Chairman:** May I just come in with a rider? Sally, there are so many inequities within the education system in the way in which FE students are treated, both full and part-time, the way in which full-time HE students are treated as opposed to part-time, why pick on this as the inequity which has got to be fought at all costs rather than some of those massive inequities which appear elsewhere?

**Ms Hunt:** I will come back and argue the corner on all of those areas any time you ask me to, with pleasure. What we have been asked to do today, though, is give you a view cross sector from the employers, from students and from staff, as to whether we think this consultation is credible and the recommendations coming out of it are ones that are logical in terms of government policy. We are telling you as clearly as we can that we do not know what happened in this consultation and we ideally hope you will be able to elicit from HEFCE the other options they possibly put to Government; and we would like to know how this fits in with the Leitch agenda because we will support that—I am hearing a deafening silence from those I might think might support. We are here to help with that but we are not going to put one group against another. Come General Election time we will give you a view on the whole lot but at the moment let's concentrate on this. I do not think this is right.

**Q44 Mr Cawsey:** On the exemption issue it could look, from the debate this morning, that it is a more comfortable life to allow people to clock a second and third lap than try and encourage people on to the track for the first time, and what the Government is trying to do is open up those opportunities. Is

there a principle where you could have exemptions to free up extra capacity for that, or are you just against the exemptions as a principle full stop?

**Ms Hunt:** I am.

**Ms Tumelty:** Again, it is the lack of evidence that I have seen and that colleagues have seen that says that those who are wanting to go into university for the first time are being turned away because there are people doing second degrees. Getting first time degree students into university, into higher education, has to be a priority as with the wider participation particularly but also those who need a second, third, fourth chance should be given that opportunity to do so, and the Leitch agenda and the wider participation agenda should not be at odds with each other but should be about making sure we have the graduates and the second life chancers.

**Q45 Mr Cawsey:** I do not disagree but, more simply, it may well be that there is not the demand at the moment, but if the Government does not do something to try and create the demand we will all just stop in the comfort zone and the comfort zone keeps a lot of people out for ever.

**Ms Hunt:** No, no.

**Professor Latchman:** The very important point here, including unmet demand or whatever, is that if there is demand it will be demand for more part-time places. That is not going to be achieved in a system where you cut off the legs of the part-time sector by doing this ELQ, and continue to have far worse resourcing for part-time students in terms of the support they get even if they have very low incomes than full-time students. That is not the way to attract more people. We need debate and more resourcing for those part-time students.

**Q46 Mr Cawsey:** That is more an argument about how you make this proposal work.

**Professor Latchman:** I think it is an argument that we should have had a debate about this proposal.

**Q47 Mr Cawsey:** About the principle of what we are trying to do?

**Professor Latchman:** Absolutely. We should have debated the principle and the way the money could be used if it was released.

**Ms Tumelty:** The other concern is the viability of courses. It is ridiculous to think that ELQ students are taught somehow in different lecture theatres to other groups of students, and if this funding is cut then what it could do is damage the viability of other courses and therefore have an impact across the sector of those first time students as well.

**Q48 Mr Boswell:** Do you have any specific evidence of that? Specific evidence of course is likely to be at risk because of the higher proportion of ELQ.

**Professor Latchman:** Yes. Every single course in Birkbeck has a mixture of ELQ and non-ELQ students.

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**Q49 Mr Boswell:** Are they all equally vulnerable?

**Professor Latchman:** It depends on the proportions and how students react to changes in the fee regime we may have to introduce.

**Q50 Chairman:** We have received some evidence on that and we will obviously publish that with our report. Gemma, yourself and Professor Latchman have both prayed in aid of Leitch. Leitch was quite clear in his recommendations that as far as level 2 and 3 were concerned the State should provide the bulk of funding but for most of level 3 and level 4, but specifically 4, it should be the employer and the individual, so is not the Government just simply following the Leitch principle?

**Ms Tumelty:** I do not think that Lord Leitch suggested or considered that withdrawing funding for ELQ students is an appropriate response to the challenge he set out, and it was a very laudable challenge around meeting the skills agenda going forward, but certainly I would like to know whether Leitch supports this as a policy because I do not think it is actually in line with what his proposals laid out.

**Q51 Chairman:** He specifically said at level 3 and level 4 it was the responsibility of the student and the employer.

**Ms Tumelty:** Absolutely.

**Professor Latchman:** The point is that Lord Leitch has not been asked his view on whether this ELQ policy is in accordance with his agenda.

**Chairman:** We might just do that.

**Q52 Dr Harris:** Gemma Tumelty said in a previous answer to Ian Cawsey that it was right that there should be priority given to first time students, and my old public health boss said whenever there is a priority there has to be a posterity to compensate because nothing can be a priority unless, relatively speaking, something is deprioritised. Can any of the Panel say what they think could be deprioritised that is currently funded in order to give the priority to encourage wider access to first time students?

**Ms Tumelty:** That is not a fair representation of what I said at all. I said it is absolutely vital that we are getting more first time students in but that should not come at the expense of another group of students. I do not think we should have that priority.

**Q53 Dr Harris:** What should it be at the expense of?

**Ms Tumelty:** We do not believe that you should pick one group of students against another group of students in terms of funding.

**Q54 Dr Harris:** I do not want to push this too much but if you say that there must be more of something and there is a limited pot, and I am not in favour of a limited pot but there we are, it is where we are, what could be cut or economised to provide for that part?

**Professor Latchman:** First, as we have said before, there is no clear evidence that there are huge numbers of students banging on the doors given the current regime and the current support for part-time

students. Secondly, we would say if there is a need to release this 100 million, which is a small part of the budget as the Minister himself has said, then there should have been a proper debate about what the options are and that is the key. I do not think it is for the sector itself to suggest those savings; it is for things to be put forward and debated against one another.

**Q55 Dr Harris:** There is the cushioning arrangement and the phasing arrangements which mean that for three years there will not be any, it is argued, net loss of income for institutions. Do you agree that three years is enough time for you to make other arrangements to protect your 2010/11 or 2011/12 position, or do you not accept the arrangements as you understand them, that there is going to be protection?

**Professor Latchman:** I am glad you asked that last part of the question because there is a protection and of course we welcome that, but if one takes Birkbeck's situation the safety netting, of which we will need £4 million a year in 2010/11 according to HEFCE's figures, is in cash terms, so that means we lose our inflationary uplift which on our inflation figures would be around £600,000 year-on-year. We have not heard whether there will be safety netting for the aspect of the grant dependent on student numbers. So the core grant is safety netted but is the widening participation element? That goes on total fundable student numbers. We could lose another million pounds in that. Is the capital allocation that we get for buildings going to be maintained even though that has an element of student numbers in it? So there are all those issues. Leaving that aside, during this three year period when we are safety netted, we are asked to respond with no guarantee of safety netting, and we will respond. We are already in dialogue with HEFCE about ways we could do things we want to do anyway about employer engagement and so on. The problem is that any additional resource we attract in by bringing in 500 co-funded students, a thousand students from East London as we have done, and we bring in all those, HEFCE will say: "That is very nice, your safety netting is reduced down because you have it on the this other line of your budget now", but we will not get any new resource to then go forward to build on those initiatives for further initiatives, because all we are doing is reducing the safety netting.

**Q56 Dr Harris:** This widening participation funding which may not be safety-netted, would you say that if that is not safety-netted that will particularly impact on those institutions in terms of a reduction in funding that they suffer, who are doing most to widen participation?

**Professor Latchman:** Absolutely.

**Q57 Dr Harris:** And that would run counter to government policy and stated policy in this area?

**Professor Latchman:** Absolutely.

**Professor Gourley:** I wanted to respond to the question whether the three year safety netting is enough to get the institution realigned. I have to say

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that it will cause damage but we will manage the first three years with the safety netting. What particularly concerns us is what happens after the safety netting because the Open University, as you well know, creates courses over a longer period of time than ordinary institutions where you can walk into the classroom and be a week ahead of the students, perhaps—of course that does not happen!—but we have longer lead times. Not only that, of course, but if you are going to take 29,000 students out of our system that is a serious chunk of our business and a serious realignment of our resources, and we have to start planning how that is to be done right now, so we are most concerned about what happens after the three years rather than what has happened during the three years.

**Q58 Dr Harris:** It was raised, I think, by Ian in an earlier question, but it falls within this category, what happens to courses which may not be sustainable if lots of ELQ students are no longer able to do them? The Government say they are allocating another £20 million in order to cushion that. Have you any idea in terms of data as to whether that would be sufficient? I am always troubled by round figures, rather like 50% targets for participation but do you have any data to suggest whether that is adequate or not?

**Professor Latchman:** It is inadequate and we know from HEFCE's own figures that it is. Several years ago they commissioned a report from JM Consulting which reported that on a full-time equivalent basis the costs of part-time students to the institution could be up to 40% more.

**Q59 Dr Harris:** 44%.

**Professor Latchman:** So what do we get now? We get a 10% premium for that under the current system and your round figure of £20 million will raise that to 13.1%, so that is 13.1% against existing extra costs of 44%, or around there depending on the level of the course, and so that is entirely inadequate. We have been arguing for better support for part-time for umpteen years. It is ironic that it is only coming at this moment to the background of huge damage to the part-time sector.

**Q60 Ian Stewart:** The OU and Birkbeck have both proposed that for returners after five years or more there should be a subsidy. How do you identify which of those returners or re-skilled will be for employment purposes and which are not? In addition to that, what percentage of those studying for an ELQ would benefit from such a change? And, of course, have you made any estimate of how much such an exemption would cost?

**Professor Gourley:** 75% of our ELQ students are studying five years after their last qualification, but can I just say that there is no question that part-time students are in effect a marginal activity in most institutions because they do not attract top-up fees and the kind of income that are attracted by full-time students, so the kind of courses that are offered to part-time students are a much more marginal activity. Take out the ELQ students and it is possible

that a whole lot of courses will become uneconomic and not capable of being offered. There is no question at the OU that the number of course offerings, the number of options, will be reduced.

**Q61 Chairman:** Sally, just putting aside Birkbeck and the OU, because you are dealing with the Sunderlands and the Middlesbroughs --

**Ms Hunt:** The key to remember is if you start from the premise of continuing education across the piece, and it does not matter whether it is pre-'92, post '92, whether it is Ruskin or not, whether it is Oxford, Oxford Brookes—I have a list as long as my arm that tells me this is across the country. What is also important is remembering that when we say continuing education we have to say these are not just percentages but students sitting in a room, next to each other; some will be coming back, yes, after five years, some will be coming back to re-skill, sitting next to someone else doing that same course—teaching is not organised according to funding streams but according to disciplines, and this is going to impact. Whilst I am very pleased that we can sit here and talk together, employers and unions together, what I am not willing to say to you is that there is not going to come a point where we are going to be sitting arguing with each other and I resent that frankly, because it should not be for us as trade unions to be saying that in order to defend our jobs we have to attack the people that I know three years ago once this goes through stood here in front of you saying: This is a policy that will impact not just on students and the economy but the people I represent. And it is across the country and it is coursewide, which is why we are so concerned about it.

**Q62 Ian Stewart:** When Professor Gourley explained that the OU would still try to provide the same number of, maybe even more, courses, what about the universities like Manchester Metropolitan University, which is in the Manchester area the university that concentrates on part-timers. What is the implication there, Sally?

**Ms Hunt:** Looking at my figures here, Manchester Metropolitan we are looking at and what we can see, if I take an FT, it is going to be the equivalent of 666, and FT is quite important because if you multiply that up, in terms of a whole range of institutions, whilst you can say it is marginal, and I do understand the use of language, Brenda, what that does not mean is it is something that is not going to affect people. It is. What I have is data. You have it in your evidence; you can pick any one of your cities. Frankly, you can sit in any one of your constituencies and say: Which of the population I represent am I going to say is not going to be funded? I am afraid there are real concerns. Just as matter of interest myself I looked at what would happen in Hull because I thought OK, that is probably one of the areas where Alan Johnson will be quite interested because he is the Minister for the NHS and he will want to have a look. When I look at that we are talking 1,500 odd places from that area and when I ratchet that in terms of real figures it is going

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to impact. Why your question was important, sir, was this: you cannot cherry pick. You cannot pick a strategic direction that is not going to exclude people who are going to go back into the job market. I say again, I genuinely think on this one is Government is right, I think it is cross-party. It is right, we all know, to have lifelong learning; we all know that Leitch was right; we all agree that learning is not something that stops at 21 or we are all in deep trouble, but this is really going to cause difficulties, and it is something we genuinely ask the Minister to think again on because we know that cannot possibly be the outcome they expected. I do not think they realise the range.

**Q63 Dr Iddon:** What is the key question we should be asking the Minister from each of you?

**Ms Hunt:** What were the options considered? Who supports this? I would like to know what Sandy Leitch has said to him.

**Ms Tumelty:** Why should this group of students be considered in separation from other groups of students and why are we not deferring the decision about the entire funding of the sector, which is going to be happening next year, '09?

**Professor Latchman:** What is the urgency to rush this through now before the review, and what were the other options that were considered for saving the money? What are they going to do with the money saved?

**Professor Gourley:** Bringing more people into higher education is much more complex than just providing the places. It is to do with the same thing that keeps young people from higher education, leaving school too early and all that sort of thing. There is a complex set of social and cultural factors. What is the Minister doing to address those kinds of factors and prompt the demand, because at the moment the demand is not necessarily there.

**Chairman:** We will try and put most of those questions to him. Can I just say finally we have received 478 submissions to this inquiry; 470 of them have been critical of the Government's proposals, and 7-8—one is a bit dodgy!—are in favour. But could I, in summary, say you seem to have, if I have got you right, the issue, first of all, about the lack of evidence to make the decision; there is the issue of timing, why now; there is the issue of lack of consultation on the proposals; but, above all, all of you have emphasised that this is a principle for which you are fighting. Can I thank each of you coming this morning; you have been splendid witnesses. Thank you very much indeed.

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*Witnesses:* **Bill Rammell** MP, Minister for Lifelong Learning, Further and Higher Education, Department for Innovation, Universities and Skills (DIUS), and **Professor David Eastwood**, Chief Executive, Higher Education Funding Council for England (HEFCE), gave evidence.

**Q64 Chairman:** We now welcome our second panel this morning to our short inquiry on equivalent or lower qualifications, and we welcome and apologise to you, Minister, **Bill Rammell**, Minister for Lifelong Learning, Further and Higher Education at the Department for Innovation, University and Skills, but you will appreciate there was quite a heated discussion earlier, and welcome also and apologise to you, **Professor David Eastwood**, Chief Executive of the Higher Education Funding Council for England. Minister, we asked for a memorandum on ELQs from DIUS. What we got was a short letter dated 14 January enclosing John Denham's letter of the 17 September, which was the letter to HEFCE, and HEFCE's consultation document of September 2007, both of which have been publicly available for four months, plus a two-page internal analysis of the responses to consultation. Can I say that that was neither helpful to the Committee nor to the Government's case, bearing in mind that, of the 478 consultations that we have got here, less than eight, roughly seven, were supportive of Government policies. Why did you feel it was not worthwhile to send us, given the sensitivity of this issue, a full memorandum in order to support the Government's policy?

**Bill Rammell:** I apologise if that is the way that it has been received. HEFCE was in the midst of the consultation that it was conducting. Both I and **Professor Eastwood** had had an opportunity to discuss it with you at our recent appearance at the

Select Committee. We knew as well that **Professor Eastwood** and I were coming along this morning to discuss it in detail with you, and we took the view that that would be the best way for you to be able to question us, to challenge us, to scrutinise us, on the proposals that were being put forward. I would wish to make clear that throughout this process, if we separate it out because **Professor Eastwood** quite naturally and responsibly has gone to great lengths during the consultation period to talk to a whole range of concerned individuals and institutions, but similarly, even though the consultation is with HEFCE, I and the Secretary of State have met a whole range of individuals and concerned institutions to discuss the detail of this—indeed we have done that now on numerous occasions across the floor of the House. So if what we presented with you was unhelpful, I apologise. There was certainly no intention not to give as full an explanation as possible.

**Q65 Chairman:** Well, can I ask you then a very straightforward question? Who took the decision to withdraw the £100 million of support for ELQ student fees? Was it HEFCE? Was it your Department? Or was it the Treasury?

**Bill Rammell:** It was Ministers, and that was clear in **John Denham's** letter to **Professor Eastwood** last September and it may help if I go through for you some of the deliberation that took place before we took that decision to re-direct the funding, and it was

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within a context where we are most certainly not cutting funding to higher education—I have said this previously at this Committee, and all the facts bear that out. By the end of this CSR period funding will have increased to higher education in real terms by 30% since 1997.

**Q66 Chairman:** I do not think we are debating that; we are debating prioritisation, and where did this come about?

**Bill Rammell:** It followed on from the Leitch analysis of where we need to be, as a country and an economy, with our workforce by the end of the next decade. Sandy Leitch put forward this analysis and nobody within this House has challenged that analysis, but, in order to be internationally competitive, we need to move from today with 29% of adults educated to Level 4 to at least 40% by 2020 and, arguably, we need to go significantly beyond; 40% will allow us just to creep into the upper quartile of OECD countries. The whole thrust of Sandy's analysis was the higher you regard the qualification chain, the more you have to pursue an approach of co-financing where, yes, the State makes a contribution, but the individual and the employer make a contribution. We looked at the evidence and the fact is that there are 20 million adults within the workforce who are not yet at first degree level. Six million of those actually have A Level-equivalent qualifications and yet have not gone on to degree level, so we took the view that we wanted some further levers within the system to enable, and to ensure, that universities prioritised the recruitment of those students within the workforce who are not yet at first-degree level. In addition to that, within the CSR process, we had set ourselves a number of objectives. We wanted to maintain the unit of resource, we wanted to maintain, and improve, the student financial support package, we wanted to increase growth in student numbers and we wanted to improve the research base further. Given that policy impetus, but alongside it, the need to maximise our opportunities for growth, we took the decision that the best way to achieve that was to redirect that £100 million.

**Q67 Chairman:** I have spoken to a significant number of people from a variety of universities, and I am up to Middlesbrough next week to the North East to meet people there. What you are saying is that the Open University, Birkbeck and a variety of universities offering ELQs have not been simultaneously going out to seek to recruit the very people that Leitch identified in his report. What evidence is there that they are not doing that and what evidence is there that they can do it in the future?

**Bill Rammell:** The evidence that is there is that there are 20 million people—

**Q68 Chairman:** No, I accept that, but what is the evidence that the universities are not doing it because it is a dereliction of their duty?

**Bill Rammell:** Well, I think they are doing it, but universities, in my experience, always respond to the financial levers within the system and universities have been very proficient and successful at doing that. Within what is a modest stimulation within the overall higher-education budget, and we were not going to bring it in overnight, there was a three-year transition phase, there was cash protection for institutions, it was on the back of an expansion of the higher-education budget, we certainly felt that this additional lever would lead over a period of time to a greater focus on that.

**Q69 Chairman:** Would you accept that a very significant number of the people in employment that Sandy Leitch identified, quite rightly, in his report are in jobs where the employer has no incentive whatsoever to actually fund an equivalent or lower qualification for those people because it is of no use to their business and that they are the very people who in fact will be affected by this decision? Do you accept that as a premise?

**Bill Rammell:** Well, in some cases with some employers that is the reality today, but, if we, however, accept that that is the status quo for ever, we are simply not going to achieve our higher-level skills ambitions. Therefore, we do need a cultural shift and that means we need financial levers in the system. It also means that we, as a government with employers, need to actually change that culture so that people will actually invest, but, even for those people who are with an employer who will not invest in them, there are other routes to reskilling that we are protecting within this process, such as vocational foundation degrees and such as a whole range of strategically important exempted subjects.

**Q70 Mr Boswell:** Do you accept that, if you are to increase participation in the way that we all have as a common objective and you wish to drill down into the existing labour force, quite a high proportion of those students will be likely to be part-time students rather than full-time students and, if they are, in what way do you think your proposals at the moment are going to be able to facilitate their learning as against some of those who may be the casualties of the proposals you have?

**Bill Rammell:** I think one of the features of this debate, and at one level I understand this, all the focus has been on the £100 million that is being redirected. The focus has not been on where that £100 million will be redirected to, and I think part-timers and more mature students are likely to be significant gainers through that process, but it is also the fact that we are increasing higher-education funding by 2.5% above inflation during the course of this CSR, so there will be further opportunities to make good on the part-time front. We also announced, HEFCE announced, in the original set of proposals that, bearing in mind that this does have an impact on part-time provision, they were going to put forward an additional £20 million in terms of the part-time premium, and that is on the back of a significant boost to the part-time premium in previous years. One of the things that I would like

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to do this morning is set out for you that this has been a genuine consultation on the implementation and I am minded, as a result of that, to write to HEFCE to suggest, and it is their decision, some changes to the original proposals. One of those is to increase that additional part-time premium from £20 million to £30 million.

**Q71 Dr Gibson:** You have declared a truly magnificent response that you are getting from a lot of people in the higher-education sector. Usually, they are a boring, dull lot, I find—

**Bill Rammell:** That is just you, Ian!

**Q72 Dr Gibson:** Actually they have really got active on this issue, so there is something stirring there and it is good that they are getting involved in that and you have picked an area for them, but I am interested in why you picked that one to increase what is right, and we all agree with employers having more input into the system and more money getting working-class kids into the system and all that, but why do you not really go for the employers in some way? I have always felt that they get a damned good deal from our higher-education system. Football clubs get Beckhams and all that for a lot of money. We send a lot of young people and old people out into that market, and it is a market, as you put it, and we do not get much back from it. Now, I know there are schemes, they are here, there and everywhere, but you could be much uglier with the employers and make them pay for what they are getting.

**Bill Rammell:** Well, if we are going to have a debate about whether you have statutory force on employers to actually commit to education and training of their workforce, I have to say that I am not persuaded by the international evidence that that actually works effectively because employers can always find ways around the system, but do we need a change? Yes, we most certainly do. That is why we already have 15 projects that HEFCE are funding across the country on co-financing initiatives and just before Christmas I announced a further at least £100 million during the course of the next CSR period for co-financing initiatives with employers, and we will be shortly publishing a high-level skills strategy which gives added impetus and force to the need to change that culture and to recognise that, if we are to get to where we need to be in terms of economic competitiveness by the end of the next decade, then there needs to be a cultural change and it needs to be based on co-financing.

**Q73 Dr Gibson:** But why did you pick on this mechanism or did you consider others as well and down the line they might yet happen? It is strange that you picked on this one which a lot of people did not see coming, as it were, arguably, from the consultation, but there is argument about that. Did you pick on anything else?

**Professor Eastwood:** By “mechanism”, do you mean the ELQ?

**Q74 Dr Gibson:** To put the money into getting first-timers into the system.

**Professor Eastwood:** As the Minister has said, the in principle decision was taken by ministers. We and our Board worked through the way in which that would be implemented and what we were seeking to do, which reflects the point the Minister was making earlier, was we were seeking to ensure in the implementation of the policy that the kind of priorities which the Government had already established, which Sandy Leitch had already pointed towards, would be protected and, as far as possible, be enhanced as we implemented the policy, hence the protection for employer co-funded, hence the protection for foundation degrees, hence of course the protection for strategic and vulnerable subjects which, in significant measure of course, are subjects that employers have indicated that they value highly and are in short supply.

**Q75 Mr Marsden:** Minister, can you tell the Committee how the £100 million, which is currently to be recirculated as a result of the changes on ELQ, will be divided between three particular initiatives, the co-funding with employers, support for full-time students and support for part-time students? What I am getting at there is, assuming we accept your premise about the recirculation of the money, who is going to benefit most from this process? Have you actually done a specific breakdown of that £100 million between those three groups?

**Bill Rammell:** The way the process works is that we do not micro-manage the numbers centrally in that way. What we do is give strong steers within the HEFCE grant letter that we will be publishing very shortly about where that money is to go and we do highlight that we expect the co-financing route to be a recipient. Our expectation is that, given the market that exists of adults within the workforce who are not yet educated to Level 4, a significant number will be part-time and in institutional terms.

**Q76 Mr Marsden:** I have to say, that sounds at the moment pretty woolly. I am not being a pedant over this because it seems to be absolutely crucial, but, if, for the sake of argument, you were to say that the vast majority of the money that you wanted to produce as a result of this £100 million change was going to go to an ambitious programme of co-funding with employers, that would have two implications. Firstly, it would take a considerable period of time to set up, but, secondly, you might even defuse some of the very sharp criticisms which have been made of this policy by Richard Lambert and by others at the CBI on the basis that there is nothing in this that would automatically encourage employers to take up the sort of numbers that you want.

**Bill Rammell:** On the issue of timing, it is very clear that this is a phased implementation. In the first year, this only affects 0.2% of the overall higher-education budget, so there will be time to adjust. In terms of what Richard Lambert said, he actually welcomed the proposals on co-financing and we will, within the grant letter, be making it very clear that the priorities for the £100 million are co-financing, and our own expectation is that part-timers will be

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major recipients. Another priority, and a very strong steer within the grant letter, is to widen participation, so we expect that to be the route as well.

**Q77 Mr Marsden:** Just for absolute clarification, is it your intention at the moment that that letter to HEFCE will include a specific breakdown of how that £100 million is to be recirculated?

**Bill Rammell:** Not in X amount of the £100 million for particular purposes because that has never been the way that the HEFCE grant letter operates. We give high-level steers at the priorities and that then needs to be undertaken in the proposals that institutions put forward for additional student numbers.

**Q78 Mr Marsden:** That most usefully brings me to you, Professor Eastwood, because you have had four months to think about this and you have been dealing with this in the consultation process. I am not asking you for figures on the £100 million, but have you had any thoughts as to where the majority of this £100 million being recirculated is likely to most benefit the sector?

**Professor Eastwood:** The £100 million, when recirculated, in round numbers, will put another 20,000 student numbers into the system by the end of the Spending Review period. That will constitute a significant proportion, but a minority, of the total growth that will be specified in the grant letter that the Minister has just referred to. Ministers have also announced that by the end of this Spending Review period they would expect to see some 20,000 learners on employer co-funded programmes, so that commitment—

**Q79 Mr Marsden:** If I can just interrupt you there, in the previous session it was very clear that one of the crucial distinctions we had to make, not least because it affects the figures by a factor of two or three or possibly more, was between full-time and part-time students, so, when you are talking about that 20,000, are you talking about full-time or part-time?

**Professor Eastwood:** When I am talking about what that £100 million will buy us, I am talking about FTEs. Obviously with employer co-funded programmes, in the main they are part-time programmes.

**Q80 Mr Marsden:** Do you accept that, that the majority of the programmes that will be co-funded with employers will be part-time?

**Professor Eastwood:** They would be normally studied over a longer of period of time, and that is the experience we are having so far, so we will continue to work with institutions, as we have over the last 18 months, to get institutions committed to delivering employer co-funded provision in order to meet that target. The remainder of the numbers we are committed to distributing in accordance with the priorities that will be set out in the grant letter and I think they are actually already well-known, they are to continue to try to widen participation, so we will

be looking to work with those institutions which are best able to widen participation in higher education, they are to continue to increase the number of foundation degrees to 100,000 by 2010 and they are to ensure that we have appropriate capacity in strategic and other valued subjects.

**Q81 Mr Marsden:** That is all very broad. There are no specifics there between the three categories that I put to the Minister.

**Professor Eastwood:** Well, the issue that we face in a higher-education system which is market-responsive is to identify the institutions that can deliver those numbers, and also the categorisation is not as straightforward as that because a student can simultaneously be a widening-participation student and a student on a strategic subject, for example, so it would be inappropriate in a system of allocation simply to put them into pots and identify them as driving one student type.

**Q82 Chairman:** You have not a clue, have you, how you are going to get these extra students in? That is the reality.

**Professor Eastwood:** On the contrary; all our evidence over the past few years, as the Government has increased the available number of students, is that we have had no difficulty in distributing them between institutions. What we need to do is to ensure that distribution is appropriate to institutions which are able to deliver to the priorities established.

**Q83 Chairman:** But the assumption here is that ELQ students are in fact preventing FTE students entering our universities, be it Birkbeck, the Open University or our regional universities, for first degrees, and you have not produced a single piece of evidence to say that that is the case.

**Bill Rammell:** Well, that is the financial reality. That is what has been happening within the system. Even with a government that has significantly increased investment in higher education, you have a limited pot, and within that limited pot at the moment people have been studying for ELQs financially, because numbers are managed through HEFCE, at the expense of first-degree entrants. There are 100,000 people who apply to university each year who do not succeed.

**Q84 Dr Harris:** Let us take the Open University. Do you have any idea how many applicants to the Open University who were suitable applicants for first-time degrees were turned down because 100,000 people may be turned down because they simply do not qualify for the courses and you would not want to argue that anyone should not apply again, so how many Open University applicants, do you know, were turned down because there was not the budget or the space for them when they were applying for first-time degrees?

**Professor Eastwood:** That is not data we would collect because they are—

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**Q85 Chairman:** On a similar question then, there are 100,000, as the Minister has said, who apply for first degrees who are turned down because there are not the places, so how many of those were suitably qualified, so they just did not get in because we are now demanding three A-stars from our A2 students, or whatever the bar is?

**Professor Eastwood:** The data that we have is that there are out there in the marketplace, and the Minister has already referred to them, two million students who have—

**Q86 Chairman:** I am not debating the figures.

**Professor Eastwood:** There are potential students who are qualified to enter higher education, so, of the 100,000 that the Minister has referred to, institutions are making admissions choices. Those are constrained admissions choices because their numbers are constrained and, when they are making those judgments, in part, they will of course from time to time prefer an ELQ to a first-time applicant because the ELQ applicant may leave that institution better qualified.

**Bill Rammell:** Also, in addition to that, and I made this point earlier and, when we were looking at these figures, I have to say, I was surprised by the numbers initially when we first looked at them, six million adults within the workforce who are educated and qualified to A-level equivalent who do not go on to higher education, surely there is space and capacity within that volume over three years, with effort, with creativity, with the funding lever, to get 100,000.

**Q87 Dr Harris:** But I have just checked and in the earlier session I believe Brenda Gourley said that, despite spending an awful lot on marketing, and obviously you cannot accept students unless they apply, they have not found any students, pretty much, whom they have had to turn down for first-time degrees who are suitably qualified because of the cap or their budget. Therefore, that suggests that, firstly, you need to get these people you think are out there to apply rather than take money away and say, "If you fill them with people who are not applying, your position will be restored". Do you see the problem they face, that, if people are not applying, they can never replace that funding that you have taken from them?

**Bill Rammell:** But, if we were proposing that this change comes in in September and the whole £100 million is redistributed, I, in part, could accept some of that argument. That is not what we are saying. We are saying that there are three years to phase this in, it will only be £20 million that is redistributed in the first year and, with the funding lever, with a much stronger focus on those adults within the workforce and the need to recruit them, I am confident that we can get that redirection over three years. The evidence to back that up is that actually universities, certainly over the last ten years and indeed before, have responded to the changes in the funding lever that have been administered through HEFCE.

**Q88 Chairman:** You have made your point very forcefully, Minister. Would it be possible to let us have, because this data clearly must be available, the details of those 100,000 students who have applied to our universities last year and to say whether, and how many of, those were suitably qualified for the courses for which they have applied because I think that is the essential data to put into the pot?

**Bill Rammell:** Chairman, I will happily do that. I did not say all of them were suitably qualified and the real force is the six million adults.

**Chairman:** But, if it was 50% of them, then it is a very significant number of fish that are in the pot, one of whom is my daughter.

**Q89 Ian Stewart:** This proposal demands, as you have said, Bill, a culture change. Now, if, for example, you wish to encourage employers to contribute, some of us would support that concept, but how are you going to ensure that? How are you going to ensure that employers do not just employ people from abroad who are already skilled? Secondly, why did you not just consider leaving this and including the whole lot of this in the review that you have proposed for fees and so on?

**Bill Rammell:** On the need for employers to move, we do need a cultural change. In addition to this, we have announced before Christmas at least £100 million over the coming CSR period for employer co-financing schemes, and what I am convinced of, given the need for that cultural—

**Q90 Dr Gibson:** You said £100 million?

**Bill Rammell:** That is right.

**Q91 Dr Gibson:** The same figure?

**Bill Rammell:** No, £100 million for co-financing, and then there is £100 million for—

**Q92 Chairman:** It is not the same £100 million?

**Bill Rammell:** No. What I am convinced of is that we cannot be prescriptive in absolute terms about how those co-financing initiatives need to take place. That is why at the moment HEFCE already have 15 pilot initiatives across the country and we need to engage and encourage employers to work with us. In terms of your second question—

**Q93 Ian Stewart:** Before you move on to the second question, the weakness of any previous levy system or anything else was that those good employers who invested in training and education got the benefits of that and those who did not invest had to pay a levy. That was the system in the past. That was a mandatory system. You are proposing here a voluntary system. How are you going to ensure that, even if the good employers will invest, those that do not wish to invest do not get away with it scot-free?

**Bill Rammell:** Well, we are not proposing levies, and there has never been a levy system at this level of qualification, because we are not convinced, based on the evidence, that that is the best way.

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**Q94 Ian Stewart:** I heard you say that earlier though. What is your evidence? How are you going to ensure with the voluntary system that employers just do not employ people from abroad who are already skilled?

**Bill Rammell:** The whole of our strategy is focused right the way through the qualification chain at upskilling the existing indigenous workforce so that the claim that is made of “I can’t get the home-grown workers that I need” does not have force. That is what the whole strategy at Level 2, Level 3, Level 4, the whole Leitch analysis is about, actually ensuring that British citizens have the skills to enable them to compete within that marketplace. Your second point, and this was played out quite significantly during the Opposition Day debate that we had on the floor of the House, that this should just be kicked off into the 2009 Commission, although I was interested that I did not hear anyone across any of the parties actually objecting to the policy in principle, it was a debate about delay, the problem with referring it to the 2009 Commission is that we have said that that Commission needs to address the first full three years of operation of the new variable fees system. That means that the Commission, and it will be a Commission with a report, it will not be proposals for action, is unlikely to report until the middle/end of 2009. If we delayed it, that would effectively mean that we have agreed here and now that we are going to make none of these changes during the whole of this CSR period. Given the Leitch skills imperative, I believe that would be the wrong thing to do.

**Q95 Mr Cawsey:** I just want to ask two very quick questions, one on timing and one on support. It strikes me that, if there were to be a simple analysis of your policy, you would be saying that there are 20 million people out there or six million who are ready to go, and both are big numbers, which the system is completely missing at the moment and, therefore, they have to be incentivised and you believe that the financial lever is the way to do it. Now, we heard evidence today that said that actually there is precious little evidence that there is the demand from these people, so is the lever by itself going to be enough? Let us just suggest for one second that it is. How can you be certain that 20,000 full-timers, which is actually a much, much bigger number—

**Bill Rammell:** Full-time equivalents.

**Q96 Mr Cawsey:** Exactly, so the actual number is going to be much, much larger than that. How on earth do you think that the universities are going to be able to recruit that amount of people who, from everything we have been told this morning, are not asking to come into the system? Is it simply going to be achieved by saying that, because it will be funded that way, that is what you are going to go out and do?

**Q97 Bill Rammell:** Well, in part, it is based upon experience. We have actually got 300,000 more students in higher education today than we had ten years ago, and, I have to say, at every stage in the debate about the expansion of higher education, the

critics have said, “We have enough people in the system, we shouldn’t go any further, it is destabilising and actually the demand isn’t out there”, and at every stage the system, responding to the funding steers from government, has actually managed to significantly expand the higher-education system. The really critical point about this is that that analysis which says, “Look, this is difficult, it is challenging. We’re not sure that the demand is there”, if we just accept that, then we accept we are going to fall behind. That Leitch target of 40% of the adult workforce by 2020, America, Japan and Canada are already there in terms of those percentages and they are not going to stand still, they are going to continue to move forward, and that is why I think it would be an abdication of responsibility simply to say, “We accept the status quo”, and we do not.

**Q98 Mr Cawsey:** But the timing, because the question is about timing, you think that this is a realistic timescale to expect all these institutions to change which they clearly have not been doing because these people have been ignored for so long?

**Bill Rammell:** Yes, I do. We are not asking for it overnight. The target is for the end of three years and it is 20,000 full-time equivalents. I am very confident, based upon the track record of the institutions that we are talking about, that they have the wherewithal with the funding support to achieve that change.

**Q99 Mr Cawsey:** Even more quickly, you say, and we have had you in front of us before about that, that it is all about Leitch imperatives, blah, blah, blah, but you clearly must have, therefore, discussed all of this with him. What is his view on all of this?

**Bill Rammell:** I think you need to talk to Sandy about that. It would be wrong for me to pass on whatever private conversations I may or may not have had about this.

**Q100 Mr Boswell:** As I understand the way you have formulated this with Professor Eastwood, we are looking at an objective of securing an additional 20,000 full-time equivalents which might be, on a realistic presumption, 40,000 part-time, at half rate, or even more than that. Can I just be clear, as an additional figure to this, separate from that which you seem to accept is our understanding, the CSR talks about an additional 50,000 student numbers by 2011, so is this 20,000 FTEs embraced within that CSR target or is it additional? In other words, is all of this implicit in the CSR target or is this an extra recruitment that you seek to achieve?

**Bill Rammell:** It is part of the overall CSR package, and I think you may be ahead of me because the HEFCE grant letter has not actually been released. It will be very shortly and, of the additional number, and I think it is likely to be higher than the 50,000 growth figure we are talking about, the 20,000 redirected is within that figure.

**Q101 Chairman:** Minister, both in the debate and again today and even before this Committee before, you have made a passionate defence of your policy,

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as indeed did the Secretary of State. Why did you not, therefore, have a consultation on these principles to actually engage the broader community before actually going down this road?

**Bill Rammell:** Let me turn that round. Where was the consultation that the interests of eight million graduates should be put ahead of the 20 million people in the workforce who do not have degree-level qualifications? In terms of the priorities that we set out within the HEFCE grant letter, that has always been a matter for the Government and ministers to give those steers. What we have done, however, additionally to that is, rightly, consulted on the detailed implementation and during the course of this morning I want to give you further indications of the changes I am minded to ask HEFCE to consider compared to the original proposals.

**Q102 Chairman:** If I could respond there just very briefly because I do not just want to have the debate between us, there is a clear issue here about a government policy which is about upskilling right throughout the agenda, and I think nobody on this Committee would disagree with that, but there is also a very, very fundamental issue about reskilling people with inappropriate qualifications of which this is an essential principle, and it is that principle that perhaps the Government could have engaged in with both the community and indeed, if you like, employers, students and the universities which would have in fact enabled you to deal with a lot of the angst which is in the system. Do you, with hindsight, feel that you could have handled this better?

**Bill Rammell:** Government ministers very rarely publicly admit, with hindsight, they could have handled things better.

**Q103 Chairman:** You are an exception!

**Bill Rammell:** With conviction, I do not think we could have gone about this differently. I think we did it in the right order. We set out the policy steer, but we have been consulting on the detail. In terms of re-skilling, we need to remember we are redirecting less than a third of the money which we spend through HEFCE on ELQs and we have been rightly consulting on the detail. There is protection and there is going to be protection for re-skilling in terms of foundation degrees and in terms of a whole range of strategically important and vulnerable subjects. A final word, and I should have said this to Mr Cawsey, whilst you need to go to Sandy Leitch, I am absolutely clear that what we are pursuing is absolutely in accordance with the Leitch analysis, that the higher you go up the qualifications chain the more you should rely on co-financing.

**Q104 Chairman:** I think the condemned prisoner who is told he is going to be condemned to death and you then consult on the method of execution is really what we are talking about. I wonder somehow whether that is a satisfactory way to move forward, but I will leave that hanging in the air!

**Bill Rammell:** Where was the consultation on the original funding?

**Q105 Chairman:** Minister, I think there were huge consultations in 1997 following the Dearing Report on the principles behind the Government's policy before it was implemented and I think in terms of top-up fees there were big issues there. Perhaps this is a similar momentous moment as to when there is a change of policy.

**Bill Rammell:** Except I will have to check the record, I do not recall Dearing addressing the question of ELQs.

**Chairman:** I did not say on ELQs, I said it would be on the issue of expansion of numbers.

**Q106 Ian Stewart:** Which trade unions have been consulted?

**Bill Rammell:** This has been a wide consultation and trade unions have had an opportunity to input their views. I personally have discussed it with University College Union and the National Union of Students as well.

**Q107 Ian Stewart:** Has anybody thought about consulting the industrial unions because if we are looking at making a flexible labour market, surely it would be sensible to consult the industrial unions as well?

**Bill Rammell:** In respect of the Higher Level Skills Strategy, which I think is a key element of this overall process of change, the TUC have been part of the working group I have been leading looking at those issues.

**Q108 Mr Marsden:** Professor Eastwood, can I come to you in terms of HEFCE's responsibilities in terms of assessing the impact of the policy. There is a statutory duty to have regard for eliminating unlawful discrimination and promoting equality but, in addition to that, the Government has said very strong things about the need to improve the conditions for and the admission of students with disabilities. I would like to know what assessment there has been of the impact of this policy on students with disabilities.

**Professor Eastwood:** As we always do, we have conducted a full sector impact assessment. That will go to my board next week and it will be published in the normal way thereafter.

**Q109 Mr Marsden:** Does that include a section on students with disabilities?

**Professor Eastwood:** It does.

**Q110 Mr Marsden:** Specifically?

**Professor Eastwood:** Specifically, and our advice is that there are no particular issues relating to students with disabilities.

**Q111 Mr Marsden:** If you will forgive me saying so, that seems to me to be slightly complacent. The reason I say that, in the context of what the Chairman has just said about re-skilling, is that there will be a number of potential students, leave aside

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the number of students with lifelong disabilities, who have acquired disabilities in a 10 to 20 year period which means that in order to pursue useful employment they will have to re-skill themselves. Would you not agree that is precisely a group whose interests ought to be addressed? In light of that, would you not agree that perhaps you ought to be thinking again about your assessment of the impact on students with disabilities?

**Professor Eastwood:** We did two things, and I took it you were asking whether we had done a sector impact assessment and my answer to that is yes.

**Q112 Mr Marsden:** On what?

**Professor Eastwood:** On the whole range of equalities issues.

**Q113 Mr Marsden:** For the purpose of time, I would like to focus you and concentrate on disabilities.

**Professor Eastwood:** As far as disabilities are concerned, our advice is it does not have a disproportionate impact. That said, we do recognise there are particular issues relating to learners who may have acquired a disability subsequent to their first degree and that may be relevant and we, along with a series of other issues, will keep that matter under review. If there are issues to be addressed there, they will be addressed downstream.

**Q114 Mr Marsden:** I hope that under review means you will do something about it. Can I come on to a second area, which is the area of the impacts particularly on newer universities? As I am sure you have, we have had evidence from Million+, which is the organisation that represents a large number of post-1992 universities, that over £42 million of the reduction fund will fall on those universities, many of whom have pioneered wider participation. The principle of this might be something the Minister wants to comment on. Is there not a danger that the law of unintended consequences is going to restrict many of the laudable aims you have for supporting the agenda for new universities?

**Professor Eastwood:** In terms of overall impact, if my memory serves, the post-1992 part of the sector is -2.5 and the pre-1992 part of the sector is -2.1, so there is a differential but it is not a huge differential. As you rightly say, a significant part of the redistribution of numbers will be redistribution towards widening participation.

**Q115 Mr Marsden:** I did not actually say that.

**Professor Eastwood:** My apologies.

**Q116 Mr Marsden:** That is what you wish to say.

**Professor Eastwood:** I inferred that. I think what you said is a significant proportion of post-1992 institutions had been notably successful in widening participation. My point was going to be that notwithstanding the hit that they take as a result of the ELQ decision, the fact that we will be continuing to drive widening participation will mean there will be very substantial opportunities for those institutions to continue to widen the participation and to receive additional student numbers.

**Q117 Mr Marsden:** Minister, you may want to come in on this. I want to pursue this particular point. Genuinely I do not have any doubts about your intention to pursue the widening participation, nor do I have any doubts about the strength that HEFCE has applied to this. I have very significant doubts about the law of unintended consequences. Have you done any analysis in the post-1992 universities as to how the unit costs of departments will be affected if, as a result of withdrawing funding, a significant number of students from ELQs in particular courses are no longer there?

**Professor Eastwood:** That is analysis which will be done by institutions because it is institutions that determine the distribution of that block grant.

**Q118 Mr Marsden:** Do you not even have a view on it?

**Professor Eastwood:** Clearly the distribution of ELQ students across programmes varies, it varies by programme and it varies by institutions. That is the reason, as the Minister was saying, why it is important to understand two other things: first of all, the new policy will be phased in over the three-year period and, secondly, we are cash-protecting all institutions. We are cash-protecting institutions through that three-year period so they will have ample opportunity to make adjustments in provision, recruitment and additional student numbers as appropriate.

**Q119 Mr Marsden:** I am aware of that.

**Bill Rammell:** The whole of the debate is focused on the reduction in respect of ELQs without factoring in, first, where the £100 million will go, and I think the kind of institutions you are talking about, based upon their track record, are very well placed to receive some of those redirected funds and, secondly, the overall growth in the higher education budget of two and a half per cent above inflation in the next three years. Additionally, although legally it is not within my powers to direct specific allocations of funding to particular institutions, we will within the HEFCE grant letter—and it may be helpful if I read this to you—be saying that: “I hope Professor Eastwood and his colleagues will consider carefully the position of institutions most affected by this change to the funding rules in allocating the new funded places that are being created”. That, along with the growth, along with the redirection of £100 million, should give a significant degree of reassurance to the institutions that are affected.

**Mr Marsden:** Chairman, all I would say to that is there is a lot of hope and expectation in there, but there has been precious little modelling to suggest it. If you take my local post-1992 university, the University of Central Lancashire, if you have a class of students in there, 30 of whom are on a particular course and ten of whom disappear immediately because they are no longer getting ELQ in funding, that is going to put enormous pressure on that university and universities across the piece to close some of those courses. By the time you get the benefit of your recirculation policy those courses may no longer exist.

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**Q120 Chairman:** I want to bring in Dr Gibson, but I think it is fair to say that students who are on existing courses will be protected. It is important to put that forward.

**Professor Eastwood:** Yes. Students on existing courses are protected, the policy is phased in and institutions will receive cash protection in addition to the effects of the increased spend which the Minister referred to. Also, again, one has to understand the flexibility in institutions in terms of delivery. For example, if you take a university like the University of Central Lancashire, it will use its credits flexibly and it will use unit components flexibly, so there is not a one-to-one relationship between numbers and programmes.

**Q121 Chairman:** Professor Eastwood, the fundamental point here is that as far as our evidence, we have not seen any modelling from individual universities as to what will happen in the future as, in fact, ELQ support from the Government is phased out and they are dependent purely on ELQ funding from the individual student or, indeed, with a supportive employer because that will make a profound impact on the size of the group and therefore the viability of the group. I think it is that modelling which we would have liked to have seen because that then gives comfort to institutions but, also, I would have thought gave comfort to you and to the Minister in terms of the policy moving forward. Surely HEFCE has got an interest in that rather than to simply say, “Woe is us, it is just the institutions”. If that could be provided in any way that would be incredibly useful.

**Professor Eastwood:** There are a number of important staging points here. The Minister has already indicated that the grant letter has not yet reached HEFCE, so in order to do any modelling we would need to know what the headline increase in the additional student numbers would be. The other issue which is important here is that we do have a dynamic higher education system and the Minister’s opening comment referred to dynamism. If we have a system which is dynamic and responsive, responsive to student demand, responsive to other agendas, for example the Leitch agenda, then over time you would expect to see some redistribution of resource between institutions, that is what you get in a dynamic market. What we will do, and what we always do working with institutions year-on-year, is we work with institutions over the allocation of funded numbers and we monitor year-on-year the impact of that on institutions and we will continue to roll that forward and those data are public domain data.

**Q122 Dr Gibson:** Minister, this time you used the phrase “most affected”. Have you got a concept of some who will be unaffected too while our dearly beloved Russell Group Universities will be just as severely affected as some of the others?

**Bill Rammell:** Professor Eastwood gave the statistic in terms of the overall impact that post-1992 institutions are affected to the extent of two and a half per cent; pre-1992 institutions 2.1%, so there is

some differential, although it is not very substantive. I think I am right in saying as well that in cash terms one of the most affected institutions is Oxford University.

**Professor Eastwood:** You are correct, it is.

**Q123 Dr Gibson:** But we will not have to close it!

**Bill Rammell:** I do not think you are going to see any institution close as a result of these changes. I understand the lobbying process that takes place and universities are very effective and skilled at asserting their interests, but there has been a degree of exaggeration in terms of the unmitigated impact of these changes.

**Q124 Mr Marsden:** Minister, you were making a point there about overall universities, but we know that the struggle for setting up lifelong learning centres and continuing education centres across universities has been a very hard one. Many of them operate at the margins, frankly many of them are still not at the top list of priorities in terms of that university funding. How can you be confident that if there are short-term—I will be very mild and say—dislocations in the student numbers on those courses as a result of your policies, notwithstanding the protection which is there for existing people, those centres of continuing education et cetera will not close?

**Bill Rammell:** First of all, we are phasing it in, and I have said that on a number of occasions, so we will have an ability to manage this process. Secondly, in terms of those institutions where there is the biggest impact, and I will talk particularly about Birkbeck College and the Open University—

**Q125 Mr Marsden:** I am not talking specifically about them, I am talking about other universities where they may have those centres on the periphery, if I can put it that way.

**Bill Rammell:** Yes, and that is why we are phasing it in. In terms of the redirected £100 million and the overall growth which exists within the system, there will be an ability to ensure that those initiatives in those departments can continue. If I could expand specifically because I want to get this out into the public domain, in respect of Birkbeck and the Open University, we do not want to harm those institutions. That is why I have met with both institutions on a number of occasions, as has Professor Eastwood, as has the Secretary of State. Birkbeck has engaged very constructively with us in terms of sitting down with HEFCE and looking at how we can give reassurance about moving the institution from where it is today to where it wants to be in three years’ time. The work that Birkbeck is doing in East London is a very strong step in the right direction. After some initial exchanges of views I welcome the fact that the Open University is now engaging with HEFCE on ensuring the HEFCE model adequately responds to and reflects some of the innovative provision within the OU.

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**Q126 Ian Stewart:** Minister, I think you need to realise that in an earlier evidence session we had the two universities representing the employers, the students' representatives and the staff representatives and all of them indicated outright opposition to the principle of this proposal. Can I now turn it back to the world of work, a main interest of mine. If employers are expected to pick up the funding shortfall, will that not penalise those who are self-employed and those who work in small businesses because they will not be able to afford the increased fee levels?

**Bill Rammell:** Let me be clear, in terms of the redirected £100 million, it is not just employer co-funding, as I said widening participation would be a major plank within that. In terms of the self-employed, there still will be routes through the system to ensure that you can re-skill, for example in respect of vocational foundation degrees, which I think in terms of re-skilling should become the trademark qualification for people who are looking to change careers, and a whole series of subjects which are exempted. One of the things I am minded to do is to write to Professor Eastwood as a result of the consultation to say for that list of exempted subjects HEFCE should undertake an annual review starting in December so that we ensure the impact of this policy change on those particularly important subjects is not adverse.

**Q127 Dr Iddon:** Bill, you have accepted that this policy change is going to disproportionately affect part-time students, I think that is a given, and that is proved by the fact that you have allocated £20 million towards a supplement for part-time studies. How have you quantified the impact on part-time students? In other words, where is that £20 million figure being plucked from, and why this morning have you changed it to £30 million? What has caused that change?

**Bill Rammell:** Part of the difficulty with this debate is that some of the criticism comes across as though this has been a government which has been negligent on the part-time front. I would want to reassert what I said previously to your Committee, this is the first government ever to bring in a part-time student grant. Two years ago we increased the value of that by 27%. Also, in last year's Spending Reviews we increased the part-time premium, I think I am right in saying, between the Department and HEFCE to £40 million. On top of that at the start of this process we looked at the change and made a judgment, along with the growth and the redirected £100 million, on how much more we ought to give by way of part-time premium and we have as a result of the concerns which have been put forward. I am proposing, and it is HEFCE's decision, that is increased to £30 million. It is not a science, it is a judgment based upon the amount of money within the system, the demands on it and the views that are put forward.

**Q128 Dr Iddon:** Why is this uplift now of £30 million only being paid a year after the policy is introduced in 2009-10?

**Bill Rammell:** Because the impact of the changes in the first year is very small, it is only 0.2% of the overall higher education budget, it is £20 million in total.

**Q129 Dr Iddon:** Sandy Leitch's name has been mentioned throughout the discussion, has he been consulted on this policy change at all? If so, what are his views?

**Bill Rammell:** Sorry, that question was put to me earlier. I think it would be wrong for me to reveal private conversations with Sandy, you will need to ask Sandy that question. I am absolutely convinced that the policy we are putting forward is consistent with the Leitch analysis.

**Dr Iddon:** Perhaps we will ask him.

**Q130 Dr Harris:** I want to ask you about some of these exempted subjects. In medicine there are now said to be about 30,000 junior doctors applying for about 20,000 posts. We are spending a quarter of a million pounds on training doctors, a third of whom, while perfectly qualified, they have done five or six years of study and passed continuing exams, are being told there are no jobs for them to train to be a consultant, yet you have reserved that as an exempted subject. Is that because you think we should train more doctors to fail to get into training positions or is there some future forecast catastrophe going to happen to strike down thousands of doctors in their prime who will need replacing?

**Bill Rammell:** I have not got the figures immediately to hand, but the figures you are quoting I do not accept as the impact which is happening on the ground. I recall last year there was a debate about the number of doctors who would end up not being placed and the actual evidence at the end of the day was not borne out by that. Medicine is a strategically important subject. Under this Government we have rightly expanded significantly the number of doctors working within the National Health Service and we want to ensure that we have a continuing supply of medical graduates who are able to take up those places.

**Dr Harris:** Of course there will be a continuing supply because there has been that expansion which was appropriate at the time, but I do not think anyone is arguing, Government or its expert group, that we need more medical student numbers coming through now, I do not think anyone is arguing that. You can argue whether it is 10,000 or 6,000 that end up disappointed at huge expense. If you contrast that to pharmacy, which is excluded from the exemptions, I think it is well known there is a shortage of pharmacists. I quote a letter from the Council of the University, Heads of Pharmacy, the 2006 survey: "6.5% of junior pharmacist posts in the NHS were vacant. Indeed, pharmacists are on the UK skills shortage list", so that does not seem to make sense. It sounds as bizarre as putting the medical students in.

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**Q131 Dr Gibson:** If I could add to that. Also, the Government now has policies where we want more pharmacists to do things that they are very skilled at and are not being used. We have realised that they have come out from their bunkers, as it were, down in the bottom of hospitals and are using their scientific and technical knowledge to do screening and all these kinds of things. They are a very important help to the National Health Service.

**Bill Rammell:** Yet if you look at the analysis of the proportions of particular subject category students who do it as an ELQ, pharmacists is a relatively small proportion. I am doing this from memory, I think about 5% do it as an ELQ.

**Q132 Chairman:** That is inevitable, is it not, because there is a very small number of people with degrees in pharmacology?

**Bill Rammell:** Sure, but the idea that ELQs suddenly resolve that challenge I do not think is borne out by the evidence. It might be helpful at this juncture if I set out for you what I am proposing HEFCE undertakes in respect of the exempted subjects. There has been a lot of representations about the viability of particular subjects and the impact of the ELQ changes. Whilst I understand those worries, I am not convinced they are well-founded and I do not think we should rush into making special arrangements. However, we do take the concerns seriously, that is why I am writing to Professor Eastwood to suggest that there should be an annual review of that subject list, starting in December of this year, and that will look at a number of things, the extent to which a subject has economic or social significance, the scope for increased demand for that subject for those without an ELQ, whether there is adequate provision at foundation degree level, the capacity of employer co-financing to meet the gap and, lastly, having gone through that analysis, whether there is a case for exempting entrants to the subject who have an ELQ qualification.

**Q133 Dr Iddon:** Bill, could you tell us whether ICT and computing studies are exempted? My view is that they are not because I think it was Sir David King, in his parting shot to this Committee a few weeks ago, who said there is a great shortage of students in those areas, and of course they are amenable to part-time study as well.

**Bill Rammell:** That analysis is correct, although it is relatively recent. If you go back 18 months to two years, there was not that lack of numbers studying ICT. I think there would be a danger if at every juncture we changed the list. You do need some longevity to these judgments. I am not persuaded at the moment in respect of IT, but what I am saying very clearly, and this is for HEFCE to consider, is that we should conduct that annual review and, particularly after these changes, it should take account of the impact of the ELQ changes in reaching those judgments and those will be judgments that will come to Government.

**Chairman:** I hope it will be looking ahead rather than just simply looking at numbers because it is the trends and forecasts that are so important.

**Q134 Dr Harris:** I have not had an explanation as to why medicine is in when there is oversupply and pharmacy is out and there is undersupply this year. A review next year is too late, it is shutting the stable door after the horse has died, is it not, because the signal you are sending out now is that people should not be thinking about retraining as pharmacists when that is exactly what we need. Is this written in stone or can you have a look at that or give me an explanation?

**Bill Rammell:** Before Professor Eastwood comes in, I am sitting here reflecting on what kind of dialogue we would be having if I had proposed to remove medicine from the list of exempted subjects and I think this conversation would be taking a very different direction. However, I am not convinced in respect of pharmacy where only 5% are done at ELQ level, but I am not making that judgment in respect of pharmacy or medicine forever and a day and I am suggesting we have an annual review.

**Professor Eastwood:** I want to make a specific point on pharmacy, which is an area where there has been an establishment of a significant number of new schools of pharmacy, Medway, East Anglia, Keele to name but three. We have been addressing two issues in pharmacy, one is the overall supply of pharmacists and the other is the regional distribution of training of pharmacists. I think that reinforces the point the Minister makes, that if we are thinking about the flow-through of pharmacists we have already taken actions which are appropriate. If you couple that to our commitment to reviewing the position as we move forward, that ought to give the Committee some specific assurance in the area of pharmacy.

**Q135 Dr Harris:** It will not surprise you to know that I want to say a few words in advocacy of theology. Oxford University has written and they explained that they have a long tradition of working with small theological training colleges. I think the impact on training for the priesthood is going to be so serious that your assertion to Dr Gibson that you did not think any institution would close might not apply to those institutions. They go on and explain that: "Of the vast majority of students or ordinands who already hold an undergraduate or post-graduate degree in another subject, the churches are unlikely to be able to meet the significant increase in sponsoring costs, and salaries in the churches are not at a level where students could possibly afford full-cost fees themselves". If ELQ policy is implemented, it is quite likely, and highly likely they say, that these courses will close. Can you say anything in comfort to prospective theology students at least in this life?

**Bill Rammell:** I hope I can. Having set out the annual review mechanism, there is one particular subject on which the Government is going to ask HEFCE to consult and respond within two months and that is theological subjects where the impact has been suggested. We are going to ask the Council to lead consultations and discussions with interested parties on the training of theologians and religious teachers and to consult and look at the impact and how that might be addressed, particularly through the

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potential of the development of foundation degrees and employer co-founded provision and I do not set out a limit to the remit of that. I am asking HEFCE to come back to me on that issue within a two month timescale.

**Q136 Dr Harris:** Do you recognise the further problem or point which has been made by the churches main committee, which is a coalition of the Christian churches, that if your objective is social cohesion you need people trained in their faith rather than amateurs, if you like, to do the engagement on an interfaith basis, especially, as I would see it, when we have other policies, like allowing schools to discriminate on the basis of religion, that tend to segregate even more, so your social cohesion agenda requires there to be an adequate supply of seriously trained people who do not train in private seminaries, because that is kind of insular. The advantage of training within a university setting is that they are exposed to people outside their own religion and indeed race because that is often a proxy.

**Bill Rammell:** It will not surprise you if I do not accept all of that analysis, however I do accept that there is force to the argument about social cohesion and the importance of training faith leaders and it is something the Government has quite rightly given a priority to. That is a significant element of the reason why I am saying that theological subjects should be taken out of the ongoing annual review and I am asking David to come back to me within two months.

**Q137 Dr Harris:** What do you say to the question of whether there is a discriminatory impact, an equality impact on, for example, women in the population seeking to come back or, indeed, unfairness as to cross-religions because you have specifically exempted Islamic studies, we are not talking about training for the priesthood now? Particularly this issue about an equality impact assessment, I am not convinced that it has been done. I understand it is usual when you have a policy change to conduct one to see if, for example, women or ethnic minority members of the population are adversely impacted because there is a positive duty on you, and certainly the public institutions that you fund, to promote equality, both on race and now on gender.

**Bill Rammell:** In terms of what you have said on Islamic studies, I would urge you to wait for the end of this process because I think there is at least an arguable case that whilst we have rightly designated Islamic studies as strategically important, I am not convinced it is vulnerable, so we need to wait for the end of that process. In terms of women, if you look at the 20 million adults within the workforce who are not yet at Level 4, ten million of them are women, two and a half million women are qualified to A level but do not go on to degree level and I think that should give some reassurance.

**Q138 Dr Harris:** They might be impacted by the cuts you are making, so you cannot just assert that, you need to do an analysis surely.

**Professor Eastwood:** Can I take you back to the answer I gave earlier. We have done that sector impact assessment and it will be published after it has gone to the board. The answer on the impact as between men and women is that it is 7.3 on women and 6.9 on men, so there is a marginal differential.

**Q139 Dr Harris:** What are the units?

**Professor Eastwood:** The proportion who are affected by the ELQ decision. There is a small difference, but it is a small difference and it will be covered in our sector impact assessment.

**Q140 Mr Boswell:** You will also look at BMEs in that.

**Professor Eastwood:** Yes, and we have taken advice from the Equality Challenge Unit specifically on the BME issue.

**Bill Rammell:** Also, additionally, that is HEFCE's responsibility. We have quite rightly said that these policies are in-line with our overall PSA targets which have been equality proved, but in the spring we will be conducting an equality impact assessment on the whole of the higher education funding allocation.

**Q141 Mr Marsden:** Professor Eastwood, the Minister indicated this morning some lines of thought for you in terms of extending the exemptions. If these exemptions are extended, have you got any thoughts as to how they are going to be financed? How is this going to affect the overall £100 million figure? The Minister may wish to come in on this, but it is a fact, is it not, that if these results, however laudably insignificant, give extra exemptions it will have an impact on that £100 million figure?

**Professor Eastwood:** Clearly if there was a significant increase in the number of exemptions, that would have a funding consequence and we would need to refer that back to Government in terms of the £100 million savings targets. I think what the Minister is saying is that this is a policy which will be dynamic as it moves forward. On the basis of the assessments that we will conduct in this Spending Review period and beyond, the Government will have to come to appropriate decisions. In that context it is worth noting, as we have been saying throughout, that the major financial impact of this comes at the end of the Spending Review period, so a number of these issues, including issues about augmenting the number of exemptions, will almost certainly be issues for the next Spending Review period.

**Q142 Mr Marsden:** Accepting what Professor Eastwood has just said about the gearing effect, have any of your civil servants done any modelling for you as to what the implications of your suggestions would be on the £100 million figure?

**Bill Rammell:** Let me reiterate what I said earlier, that I am not persuaded we should add to the exempted list at the moment, but I think it is right that we should look at that. In terms of the process that I will be asking HEFCE annually to go through, the last analysis they undertake, if they accept my

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proposals, is whether there is a case for exempting entrants to the subject who have an ELQ from the general ELQ funding rule. In such cases the Council should also advise on the scope for removing exempted subjects from the list.

**Q143 Mr Marsden:** You see it as a like-for-like process, do you?

**Bill Rammell:** Not in all circumstances.

**Q144 Mr Marsden:** That is the principle in order to maintain your £100 million, is it?

**Bill Rammell:** It is, and I do not say that can never be breached. If HEFCE comes back to us we would have to look at that.

**Q145 Mr Marsden:** Forgive me for saying this, because I think this is a crucial point, that is how you would square the circle over the medium to long-term beyond that three year period, is it?

**Bill Rammell:** Yes. I say that because I do not accept that exempted subjects are set in tablets of stone forever and a day.

**Q146 Ian Stewart:** In line with that, if you are looking at it, will you then consider the OU-Birkbeck proposal in relation to people who return after five years?

**Bill Rammell:** I have to say, I am not persuaded and convinced of that argument and I think it is one not factually borne out by the evidence. It is a fairly risky proposition for universities to effectively be saying that the value and currency of your degree qualification ceases after five years. Certainly in terms of the graduate earnings premium it does not stop after five years, if anything the graduate earnings premium lengthens the longer you are in the workplace with that degree or qualification.

**Q147 Ian Stewart:** Surely, Minister, it is relevant in a flexible workforce situation where you are asking people to re-skill?

**Bill Rammell:** In respect of those, we are saying vocational foundation degrees, we are saying a whole range of strategically important and vulnerable subjects, we are saying employer co-financing, but you cannot spend the same amount of money twice. This comes back to a fundamental choice, do we put the interests of the eight million people in this country who already have degree qualifications ahead of those who are not at first base, and I do not think we should.

**Q148 Mr Cawsey:** There was something said this morning which I was quite taken with, which is a simple practicality about all of this, that is the universities will not be able to monitor it. If somebody comes forward to apply and they have got a previous qualification, maybe from several years ago, and they simply do not declare that then you cannot make the system work, can you, because you would be classing them as people coming to the system for the first time?

**Bill Rammell:** I think we can and David might comment on this.

**Q149 Mr Cawsey:** How?

**Bill Rammell:** We will shortly be asking HEFCE to advise us and then issue guidance on the way this is dealt with. I think by and large, and I do not accept this in all cases, most people will and do obey the rules, but clearly there will need to be a random checking process. In some cases universities may need to check with the previous employers and previous education establishments to corroborate that particular students do not have a first degree. We will have to do that in a way that we get the balance right between protection and not an overly bureaucratic system. That is something we are going to ask David to advise on and then get that advice as quickly as possible.

**Professor Eastwood:** There are three quick points. First of all, we will offer good practice guidelines to institutions in March. Secondly, we work with institutions to audit numbers and final funding is determined on the basis of audited returns. Thirdly, as the Minister has hinted, there will need to probably be some additional dipstick-type checking mechanism in order to have a robust audit process.

**Q150 Mr Boswell:** Just briefly, because in a sense I was on the same point as Ian, I suppose my ELQ dates from 1966 so it might have got forgotten about, but MPs have public biographies so it tends not to be! Can we at least have some understanding from HEFCE about the duty of care which is put on the institution? This is not trivial because in this House yesterday we were discussing the obligations on employers in relation to the issue of National Insurance numbers and whatever and in particular that there would be no fine or onerous duty which will add to the problems which other of our witnesses have identified about these proposals.

**Professor Eastwood:** As the Committee knows, for a number of years now HEFCE has been working, and working effectively, to reduce the burden of regulation on institutions, and the way in which we have sought to implement this policy and the way in which we will continue to implement this policy will be consonant with that.

**Q151 Dr Gibson:** Several of us are quite interested in how the numbers are collected and particularly not just the number crunching but analysis of them and database setting and so on. Have you got a statistical unit within HEFCE that looks at the significance of figures because that is very important to look at trends and to look at whether the figures are significant or not? We have had experience with other departments where the statisticians are very low in numbers on the ground and yet many copious figures come out of there ostensibly to dictate policy.

**Professor Eastwood:** I have got two responses to that. The first is that the responsibility to us for the collection of most of these key data lies with the Higher Education Statistics Agency, its reputation is unrivalled. Within HEFCE we have got an analytical services group, the head of which is sitting behind me. That is a group of remarkable quality

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and remarkable reputation and it does precisely the kinds of things, Dr Gibson, you are referring to. It does some of them because it is asked to, it does some of them because it thinks it is a good idea and it does some of them because it cannot resist the temptation.

**Chairman:** I see a pay rise looming there! On that note, Minister, first of all, can I thank you for your time this morning and thank you, Professor Eastwood, for your time also. You have been most generous and most frank with us and we very much appreciate it. Also, thank you to my Committee.

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# Written evidence

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## Memorandum 1

### Submission from the Open University

#### WITHDRAWAL OF FUNDING FOR EQUIVALENT OR LOWER QUALIFICATIONS (ELQs)

##### EXECUTIVE SUMMARY

The Open University (OU) is committed to enlarging the opportunities for students to engage in lifelong learning and skills development and our curriculum provides significant opportunities for professional training and development. We are making further investment in new curriculum and new teaching approaches to improve vocational relevance and employer engagement and, with support from HEFCE, we are working with other institutions to develop our national role in these and other areas.

We also promote widening participation in higher education by providing high-quality university education to all who wish to realise their ambitions and achieve their potential. We have a long track record in this area and we are constantly working to improve the recruitment and retention of students from disadvantaged groups.

The ELQ policy will undermine the OU's capacity to deliver these objectives, and thus to support the Government's lifelong learning and skills agendas, in two important respects:

- It will frustrate our attempts to enable people of working age to update and broaden their knowledge and skills in line with the changing needs of the economy and of society more generally. Three-quarters of ELQ students at the OU are studying wholly or partly for vocational reasons.
- It will reduce the resources we have available for our core services and will jeopardise our plans for growth and innovation. The total future funding either lost or at risk from 2010–11 is £49 million per annum.

Government is committed to reviewing HE fees and funding in 2009 and HEFCE has decided to make no further changes to the funding method for part-time study until then.

In line with this strategy, and in order to provide time for a considered assessment of the ELQ policy, we urge that the decision should be suspended pending the planned review of fees and funding in 2009.

##### THE POLICY

1. The Open University is opposed to the withdrawal of funding from students with equivalent or prior qualifications because:

- (a) It departs from the Dearing Committee principle that the State, employers and individuals should take shared responsibility for the funding of higher education.
- (b) It contradicts the Government's commitment to the Leitch agenda on skills and lifelong learning and to its pronouncements about nurturing the talents of all its people.
- (c) It withdraws funding disproportionately from the part-time sector.
- (d) It hits hardest those institutions and departments that are making the largest contributions to widening participation and lifelong learning.
- (e) It causes collateral damage to non-ELQ students who may find whole programmes and courses withdrawn through lack of funding.
- (f) It will make it harder for institutions to create flexible, part-time vocational provision that is financially viable.
- (g) It adds cost and complexity at a time when Government is committed to reducing bureaucracy in public administration.

2. We do not accept the Government's rationale for introducing the policy. Like Ministers, The Open University is committed to widening and increasing access for those who have not previously experienced higher education. We have been working successfully in this field for almost 40 years. We acknowledge that more needs to be done and we are keen to play our part. But there are two problems with the Government's current approach:

- (a) Government assumes that potential first-time students are being denied entry to university because places are being offered instead to students who already have a degree. We find no evidence in either the full-time or part-time sectors that non-ELQ students are being turned away to make room for ELQ students.

- (b) Government claims employers are now willing to contribute more towards the costs of university-level teaching. Again there is no evidence to support this assumption. Richard Lambert, the Director General of the CBI, said on 11 December, in a speech critical of the ELQ policy, that:
- “[Businesses] are not going to step up to the plate just because the public purse is too constrained and because students can’t afford to pay either. They are not expecting their employees to stay with them for a lifetime, and they have lots of choice about where in the world they are going to find—and locate—their talent”.

Students are, in any case, often undertaking courses to equip themselves for a new career and they are not likely to be supported by their current employer.

3. We want to work constructively with Government, the HEFCE and other stakeholders to increase participation in HE amongst employers and employees. We do not believe that this is achieved by a policy change that has the effect of suppressing demand from one section of the population and offers no guarantee of stimulating demand from any other.

#### THE TIMING OF THE DECISION AND IMPLEMENTATION OF CHANGE

4. The Open University is concerned about the timing of the decision and of the date of implementation for a number of reasons:

- (a) There was no prior consultation with stakeholders and therefore no opportunity to influence the decision and its implementation. Important considerations have been overlooked, such as the curious decision uniquely to include OU students in Northern Ireland within the scope of the policy (para 22 below). Others have been underestimated, such as the significant additional costs and complexity of administering a policy that cannot be policed and cannot be applied uniformly and equitably across the sector.
- (b) The Department does not appear to have met its legal duty to assess the impact of the policy decision on groups protected by equality legislation and for ensuring that appropriate sector-wide measures are in place to mitigate the likely impacts.
- (c) The Department has not allowed time for institutions to adjust their curriculum and student support strategies, their marketing and fees strategies, or their staffing levels and financial plans. When HEFCE announces the results of its consultation exercise in February 2008, the OU (and all universities) will be already enrolling students for 2008–09.
- (d) The decision penalises institutions that have enrolled ELQ students in previous years when they were of equal priority with other students in national policy terms.
- (e) The calculation of the amount of grant to be withdrawn from institutions in respect of ELQ students is based on data that were collected for a different purpose and are unsuited to present purposes.

#### EXEMPTIONS

5. Ministers have made some exemptions to the ELQ policy and HEFCE has proposed others but the exemption categories are arbitrary and they do not go far enough. Only 4.6% of HEFCE-funded ELQ students at the OU will be exempt under the current proposals.

- (a) Professional groups: Government plans to exempt courses leading to practice as a teacher, nurse, midwife, social worker or other related healthcare professionals. We see no reason why these professions should be advantaged over others of value to the economy, society and culture. Some of the sciences (but not all) and some other ‘strategically important and vulnerable subjects’ are protected for three years but there is no undertaking to exempt these subjects on a permanent basis or to provide for growth above 2005–06 levels. Other subjects of obvious importance are not exempt either—IT, management, psychology and economics to name but a few. Moreover, exemption (where it applies) covers only initial training. It does not include subsequent training and development. We see no reason why those undertaking professional updating in all of these important areas should not also be eligible for public support.
- (b) Foundation degrees: HEFCE proposes that foundation degrees should be exempt because they give students the technical and professional skills in demand from employers and they keep open a route for ELQ students who wish to acquire new skills for use in the workplace. However, there are many other modules, courses and qualifications that do this as well as or better than foundation degrees (HNCs, HNDs, degrees with workplace learning). They, too, should be exempt.
- (c) Co-funded places: HEFCE plans a major expansion of co-funded places for ELQ and other students. Expecting employers to spend more on undergraduate teaching is a high risk strategy: our latest research reveals that only 15% of OU students studying 30 and 60 credit courses receive any help from employers towards tuition fees. Richard Lambert sees no reason to suppose that employers will spend more in the future.

6. Others: We believe that the following should also be exempt:

- (a) Students who received their awards more than five years previously. In modern, high-skill labour markets the level of a qualification is not always the best indication of its currency or value. The knowledge and skills contained within degrees and other qualifications need periodic updating and refreshing. It is reasonable to assume that the State, as a major beneficiary of graduate development, should join with employers and individuals to help maintain the employability of those whose qualifications are losing their market value.
- (b) Students who are unemployed, on benefit or unwaged (such as carers, including those preparing for a return to paid employment). Institutions will only be able to support such students if they study a foundation degree or train for one of the exempt professions. This is a crude and inappropriate instrument for women, for example, choosing to access flexible study during pregnancy and the early years of childcare, for carers needing to re-skill when returning to work after years of child or elder care responsibility, or for the long-term unemployed trying to get back into the workforce.
- (c) Students on low incomes. People in low paid employment, and particularly those in part-time jobs, are less likely to be able to afford the costs of study and much less likely to be offered employer support for higher education.
- (d) Students with disabilities. People with disabilities are less likely to be in work than others. Some will choose to study beyond their first degree to maintain an active lifestyle. Others will study to refresh their skills for a return to paid work. Neither group will have ready access to employer support and this will reinforce inequality amongst an already disadvantaged group.

#### IMPACT ON STUDENTS

7. The policy will withdraw Government support from most graduate development. This will lead to higher fees for ELQ students and will create a disincentive to continuing professional development (CPD). Some may be able to afford higher fees or persuade employers to contribute; some may find exempt provision that meets their needs. Most will find it more difficult to improve their skills. There is a risk, therefore, that the main economic benefits of CPD will be lost.

8. Most ELQ students are studying for vocational reasons. At the OU, ELQ students are spread across the major academic subject areas (Table 2 of the Statistical Appendix), with business studies, mathematics, computing, technology, science, education and languages topping the list. OU ELQ students are also evenly spread across the age groups between 25 and 49 (Table 4). Survey research conducted following the policy change indicates that three-quarters of OU ELQ students are taking courses partly or wholly for vocational reasons (Table 6). Amongst this group, the commonest reasons for studying are to improve career prospects, change career, and update or refresh knowledge (Table 7).

9. Most ELQ students are paying their own fees. Only 13% of ELQ students at the OU receive any fee contribution from their employers; just 10% have all their fees paid by their employer (Table 9). We know from pricing research undertaken both by UUK and by the OU that part-time students are extremely price sensitive. There is a high risk that thousands of ELQ students studying for vocational reasons and paying their own way will be priced out of CPD by the Government's ELQ policy.

10. Certain groups of students will be particularly affected. Research undertaken by UUK has revealed that employers have tended to offer support mainly to full-time workers from the wealthiest households [Part-time Students in Higher Education, UUK Policy Briefing 2006, para 4.7]. Part-time employees, the self-employed and those on low incomes will be disadvantaged as will those such as carers who are temporarily out of employment. Current OU ELQ students have written to us making the same point:

"I'm self-employed, so 'support by employer' is basically the same as paying my own fees. I'm studying with the OU Business School . . . I can barely afford it as it is."

"I am a single mum trying to survive on a less than average 'public service' salary in expensive London . . . these changes would effectively bar me from the opportunity to help myself!"

"Part-time study while working is difficult enough as it is; adding a large financial burden will most likely provide the justification for not bothering in the first place."

"If even part of the funding was to be withdrawn, there is no doubt whatsoever that I would never be able to complete the qualification that would lift me out of benefits and into decent employment . . ."

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 IMPACT ON INSTITUTIONS

11. The Part-time Sector. As HEFCE recognises, the policy affects the part-time sector particularly badly. The full-time sector will lose funding for 2% of its FTE students; the part-time sector for over 20%. This imbalance will further exacerbate the under-funding of part-time provision.

12. Part-time under-funding. The part-time sector is already under-resourced in two respects. First, it has not been able to benefit as much as the full-time sector from increases in student fees or from the generous fee loan arrangements available through the Student Loans Company. Second, the part-time premium/ allocation (currently + 10%) fails fully to compensate institutions for the per-capita costs of supporting part-time students (put at + 15% to + 40% by the JM Consulting report commissioned by HEFCE).

13. The Open University. Within the part-time sector it is two institutions, the OU and Birkbeck, that will bear the brunt of the loss of numbers and grant funding. The Open University will lose funding for about 25% of its 140,000 students in England. HEFCE has estimated the loss in grant at £32 million.

14. The Loss of funding. Ministers have claimed that the OU has overstated the financial impact. They point out that once transitional measures and safety netting are taken into account, the actual reduction in grant will be around £12 million by 2010–11 (equivalent to 3% of current OU turnover). But this misses the point. Our principal concern is for the period beyond 2010–11 when the transitional measures and safety netting come to an end.

15. Long term impact. The extent of our vulnerability is illustrated in Table 1 and Chart 1 of the Statistical Appendix. Some £28 million of our HEFCE funding for teaching is either temporary (ELQ teach out monies and safety netting) or subject to review (the SIVS and part-time students allocations) and cannot be relied upon beyond 2010–11. A further £8 million is at risk if corresponding adjustments are made to widening participation and capital funds. Another £13 million will have been lost through failure to index our teaching grant in line with inflation over three years. The total future funding either lost or at risk from 2010–11 is £49 million per annum (12.3% of turnover).

16. Managing risk. We cannot plan and invest sensibly with this degree of risk. We need the DIUS and HEFCE either to confirm that the above allocations will continue beyond 2010–11 and that money allocated to institutions for safety netting will be rolled into their baseline grant once the £100 million saving has been achieved in 2010–11 or they should suspend this policy and all its associated transitional measures until they conduct the planned review of fees and funding in 2009. We believe the latter is the sensible option.

17. The £100 million. Ministers claim that the OU will, in competition with the rest of the sector, share in the reallocated £100 million if it recruits new students. We will be working hard to do so but replacing 29,000 students with an equivalent number of hard to reach students over a very short period is not achievable. Reconfiguring our programmes will incur additional cost at a time when our teaching funding is being reduced. We shall therefore be looking to HEFCE for significant sums of money for realigning and restructuring our business.

18. Administration. The stated aim of Government and HEFCE is to reduce the burden of accountability but the implementation of the ELQ policy will result in a major increase in bureaucracy and cost. Checking existing qualifications, understanding the provenance and status of overseas awards, determining the equivalence of existing qualifications to planned study aims, advising students of the fee implications of their choices, setting and collecting differential fees, and determining eligibility for institutional grant (for students funded at 0%, 50% and 100% of standard rates) will add very significantly to administrative costs. It will be at best expensive and at worst physically impossible to police a system that incentivises students to conceal qualifications and requires institutions to uncover them by reference to an inadequate or non-existent national database. The scheme will lead to a reduction in confidence in the allocation of public funds by HEFCE and DIUS.

## OTHER COMMENTS: OU STUDENTS IN NORTHERN IRELAND

19. The HEFCE advise us that our ELQ students in Northern Ireland have been deemed unfundable whereas those at Queen's University and Ulster University have not. The OU has been treated as an English institution rather than as an institution operating in Northern Ireland on the same basis as QUB and Ulster. This runs counter to The Education and Libraries (Northern Ireland) Order 1993 which recognises the OU as an HE provider in Northern Ireland on the same basis as in Wales and Scotland (under the FHE Act and the FHE (Scotland) Act of 1992 respectively). Ministers in both Westminster and Belfast should confirm that the ELQ policy is not to apply to OU students in Northern Ireland.

**Appendix 1**

Table 1: Financial impact on The Open University of the withdrawal of ELQ funding from the HEFCE.

Figure 1: 2006–07 HEFCE grant income with projected loss.

Table 2 and Figure 2: ELQ students at The Open University by academic unit.

Table 3 and Figure 3: ELQ students at The Open University by gender.

Table 4 and Figure 4: ELQ students at The Open University by age.

Table 5 and Figure 5: ELQ students at The Open University: years since gaining qualification.

Table 6 and Figure 6: ELQ students at The Open University: reasons for studying.

Table 7 and Figure 7: ELQ students at The Open University: vocational reasons for studying.

Table 8 and Figure 8: ELQ students at The Open University: average contribution towards fee from different sources.

Table 9 and Figure 9: ELQ students at The Open University: proportion receiving a full or partial contribution towards fees from employers.

**Table 1**
**FINANCIAL IMPACT ON THE OU OF THE WITHDRAWAL OF ELQ FUNDING FROM THE HEFCE**

<i>Notes Description (PTO)</i>	<i>2007–08</i> £	<i>2008–09</i> £	<i>2009–10</i> £	<i>2010–11</i> £	<i>2011–12</i> £	<i>2012–13</i> £	<i>2013–14</i> £
1 Mainstream teaching grant non ELQ	100,777,907	103,498,911	106,293,381	109,163,302	112,110,712	115,137,701	118,246,419
1 Mainstream teaching grant ELQ exemptions	2,061,610	2,117,274	2,174,440	2,233,150	2,293,445	2,355,368	2,418,963
1,2 Strategically Important & Vulnerable subjects' allocation	4,896,640	5,028,850	5,164,629	5,304,074			
1,4 Transitional funding to be phased out over 6 years	31,628,519	22,955,962	10,062,074	7,666,933			
1,3 Supplement to part-time allocation	0	0	4,652,429	4,777,018			
1 Total teaching grant funding	139,364,676	133,600,997	128,346,953	129,144,477	114,404,156	117,493,069	120,665,381
1,4 Safety net funding		5,763,681	11,017,723	10,220,199			
Rounding	1	-1	1	1			
1 Funding on 2007–8 cash basis	139,364,677	139,364,677	139,364,677	139,364,677	114,404,156	117,493,069	120,665,381
5 5-year financial forecast of July 2007	139,218,318	142,977,213	146,837,597	150,802,212	154,873,872	159,055,467	163,349,964
Lost teaching grant compared to previous forecast		-3,612,536	-7,472,920	-11,437,535	-40,469,716	-41,562,398	-42,684,583
Other implications due to reduction in funded numbers:							
6 Reduction in Widening Participation		-3,607,006	-3,704,396	-3,804,414	-3,907,134	-4,012,626	-4,120,967
6 Reduction in Capital grant		-3,866,692	-3,971,093	-4,078,312	-4,188,427	-4,301,514	-4,417,655
Lost grant after WP & capital reductions		-11,086,234	-15,148,409	-19,320,262	-48,565,276	-49,876,539	-51,223,205
Inflation uplift		2.70%	2.70%	2.70%	2.70%	2.70%	2.70%

*Notes to Table 1*

1. Figures in bold are taken from the “modelling of the impact on institutions, subjects and mode of study” published by HEFCE in October 2007 as part of Circular 2007–27. Figures not in bold are extrapolations by the OU of funding streams using the inflation uplift quoted above.

2. Para 33 of HEFCE Circular 2007–27 states:

“This allocation will remain fixed in real terms up to and including the 2010–11 academic year. At this point, we will review the effectiveness of the allocation.

We will also reconsider the list of SIVS, and the population of students studying for ELQs in SIVS at each institution.”

It follows that the allocations are not secure beyond 2010–11 and no funding has been assumed by the OU after that year.

3. Para 35 of HEFCE Circular 2007–27 states:

“This supplement will be subject to review in 2011–12.”

It follows that the allocations are not secure beyond 2010–11 and no funding has been assumed by the OU after that year.

4. Para 37 of HEFCE Circular 2007–27 states:

“We will aim to supply this funding until the end of the current Comprehensive Spending Review period in 2010–11.

At that point, we will review whether this safety net is still required.”

It follows that the allocations are not secure beyond 2010–11 and no funding has been assumed by the OU after that year.

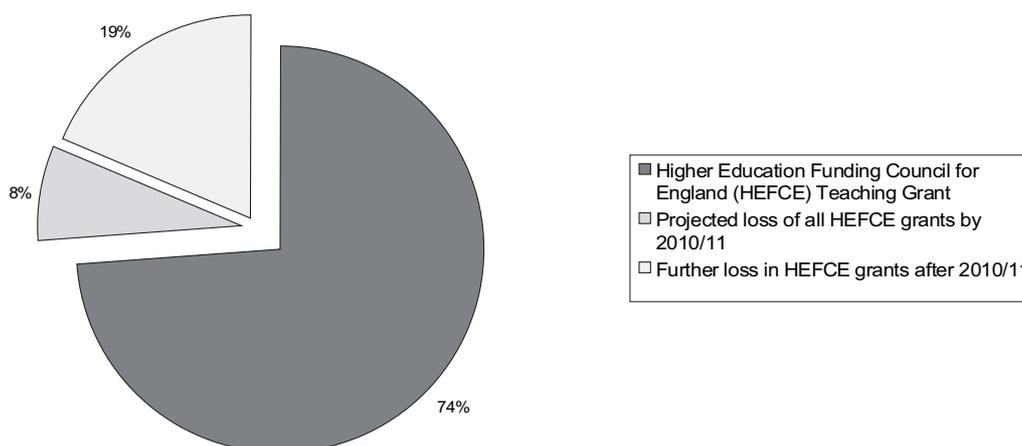
5. The University's assumptions are in line with those required by HEFCE Circular 2007–10 dated May 2007 entitled "Annual monitoring and corporate planning statements and financial forecasts 2007", where para 3a of Annex F stated that

"institutions may assume that the unit of teaching funding that underpins the HEFCE core teaching grant for all price groups will be maintained in real terms each year".

6. HEFCE Circular 2007–27 is silent on these grants; however, historically the amount allocated has been in direct proportion to the amount of teaching grant and so the amounts calculated above by the OU are at risk.

**Figure 1**

2006–07 HEFCE GRANT INCOME WITH PROJECTED LOSS



**Table 2**

ELQ STUDENTS (EXCLUDING PROPOSED EXEMPTIONS) AT THE OPEN UNIVERSITY  
BY ACADEMIC UNIT

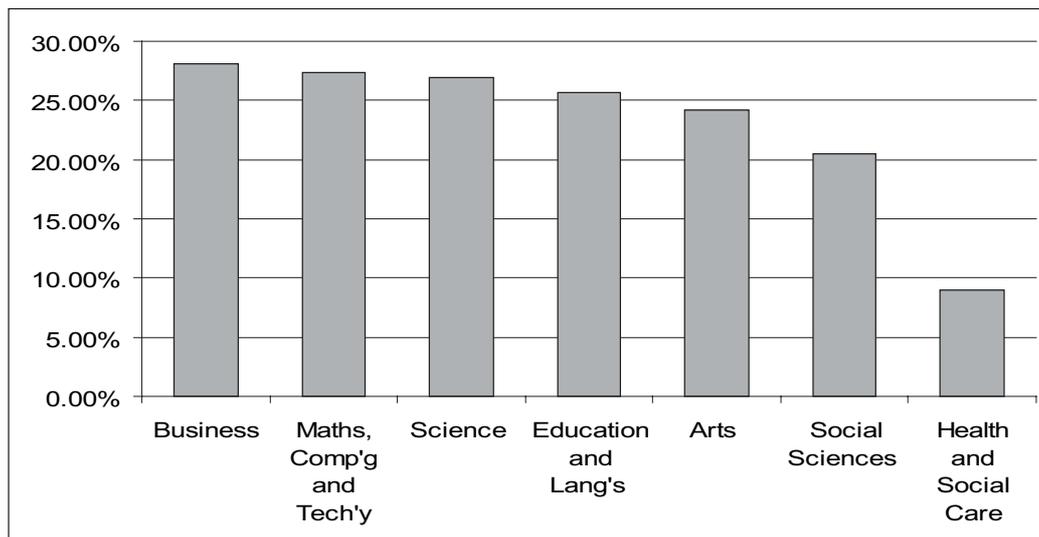
(Student numbers are expressed on the same basis as HEFCE's modelling, ie FTE students in England and Northern Ireland in 2005–06 who completed their courses; 1 FTE roughly equates to 2.5 OU students)

<i>Academic Unit</i>	<i>All students (FTEs)</i>	<i>ELQ students (FTEs)</i>	<i>ELQ students as % of all students</i>
Business	3,106	872	28.1%
Maths, Computing and Technology	6,677	1,826	27.4%
Science	4,377	1,179	26.9%
Education and Languages	4,346	1,115	25.7%
Arts	7,716	1,871	24.2%
Social Sciences	6,185	1,266	20.5%
Health and Social Care	3,884	349	9.0%
Other	171	58	33.9%
<b>Total</b>	<b>36,462</b>	<b>8,536</b>	<b>23.4%</b>

**Figure 2**

**ELQ STUDENTS (EXCLUDING PROPOSED EXEMPTIONS) AT THE OPEN UNIVERSITY BY ACADEMIC UNIT: PROPORTION OF ALL STUDENTS**

(See the note to Table 2 for the basis of the student count)



**Table 3**

**ELQ STUDENTS (EXCLUDING PROPOSED EXEMPTIONS) AT THE OPEN UNIVERSITY BY GENDER: UNDERGRADUATE STUDENTS ONLY**

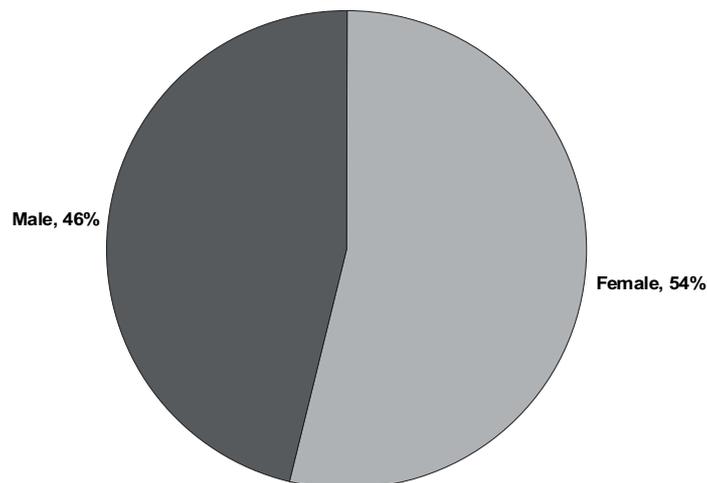
(See the note to Table 2 for the basis of the student count)

<i>Gender</i>	<i>All students (FTEs)</i>	<i>ELQ students (FTEs)</i>	<i>ELQ students as % of all students</i>
Female	21,056	4,225	20.1%
Male	12,610	3,547	28.1%
Total	33,666	7,772	23.1%
% Female	63%	54%	
% Male	37%	46%	

**Figure 3**

ELQ STUDENTS (EXCLUDING PROPOSED EXEMPTIONS) AT THE OPEN UNIVERSITY BY  
GENDER: UNDERGRADUATE STUDENTS ONLY: PROPORTIONS

(See the note to Table 2 for the basis of the student count)

**Table 4**

ELQ STUDENTS (EXCLUDING PROPOSED EXEMPTIONS) AT THE OPEN UNIVERSITY BY  
AGE: UNDERGRADUATE STUDENTS ONLY

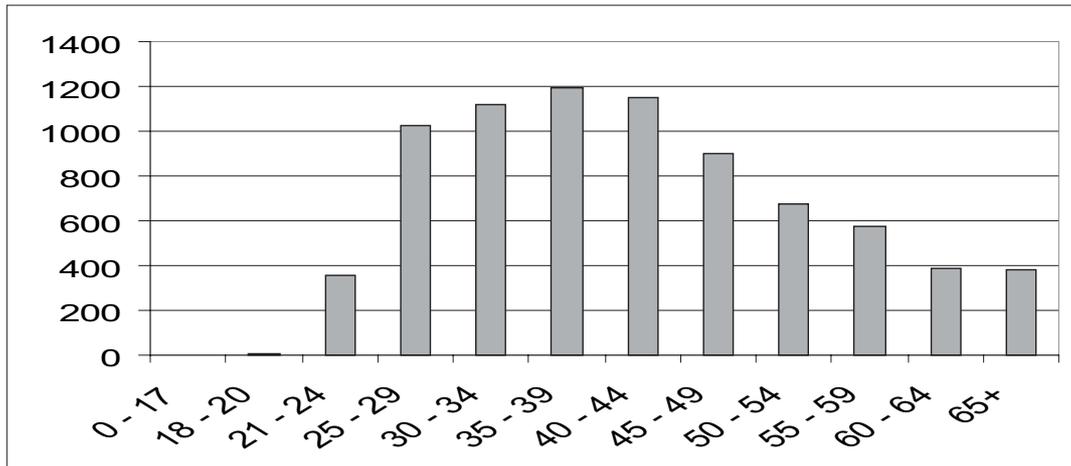
(See the note to Table 2 for the basis of the student count)

<i>Age band</i>	<i>All students (FTEs)</i>	<i>ELQ students (FTEs)</i>	<i>ELQ students as % of all students</i>
0–17	120	0	0.0%
18–20	838	9	1.1%
21–24	2,984	358	12.0%
25–29	4,911	1,025	20.9%
30–34	5,117	1,119	21.9%
35–39	5,841	1,193	20.4%
40–44	4,984	1,147	23.0%
45–49	3,455	898	26.0%
50–54	2,122	673	31.7%
55–59	1,536	575	37.4%
60–64	914	390	42.6%
65 +	845	384	45.5%
<b>Total</b>	<b>33,666</b>	<b>7,772</b>	<b>23.1%</b>
% aged 0–17	0%	0%	
% aged 18–20	2%	0%	
% aged 21–24	9%	5%	
% aged 25–29	15%	13%	
% aged 30–34	15%	14%	
% aged 35–39	17%	15%	
% aged 40–44	15%	15%	
% aged 45–49	10%	12%	
% aged 50–54	6%	9%	
% aged 55–59	5%	7%	
% aged 60–64	3%	5%	
% aged 65 +	3%	5%	

**Figure 4**

**ELQ STUDENTS (EXCLUDING PROPOSED EXEMPTIONS) AT THE OPEN UNIVERSITY BY AGE: UNDERGRADUATE STUDENTS ONLY: FTE STUDENTS AT COMPLETION**

(See the note to Table 2 for the basis of the student count)



**Table 5**

**ELQ STUDENTS AT THE OPEN UNIVERSITY: YEARS SINCE GAINING AN EQUIVALENT OR HIGHER HE QUALIFICATION**

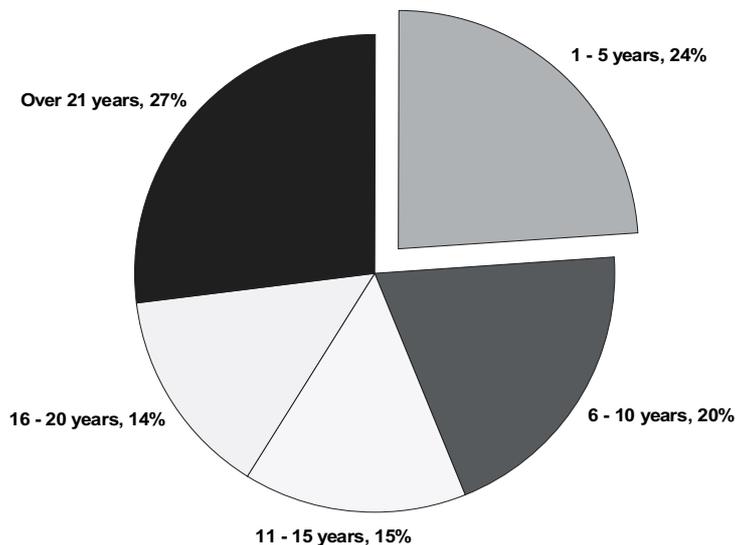
(These data are based on an electronic survey of a sample of OU students carried out in December 2007. The sample was drawn randomly from all OU students taking 30 points or more regardless of domicile or level of study. There were 1603 responses, representing a response rate of approximately 45%).

<i>Years since gaining ELQ</i>	<i>%</i>
1-5 years	24
6-10 years	20
11-15 years	15
16-20 years	14
Over 21 years	27
	100

NB Three-quarters of the ELQ students had gained their previous highest qualification over 5 years ago.

**Figure 5**

**ELQ STUDENTS AT THE OPEN UNIVERSITY: YEARS SINCE GAINING AN EQUIVALENT OR HIGHER HE QUALIFICATION**



**Table 6**

**ELQ STUDENTS AT THE OPEN UNIVERSITY: REASONS FOR STUDYING**

(2007 survey; see the note to Table 5 for details)

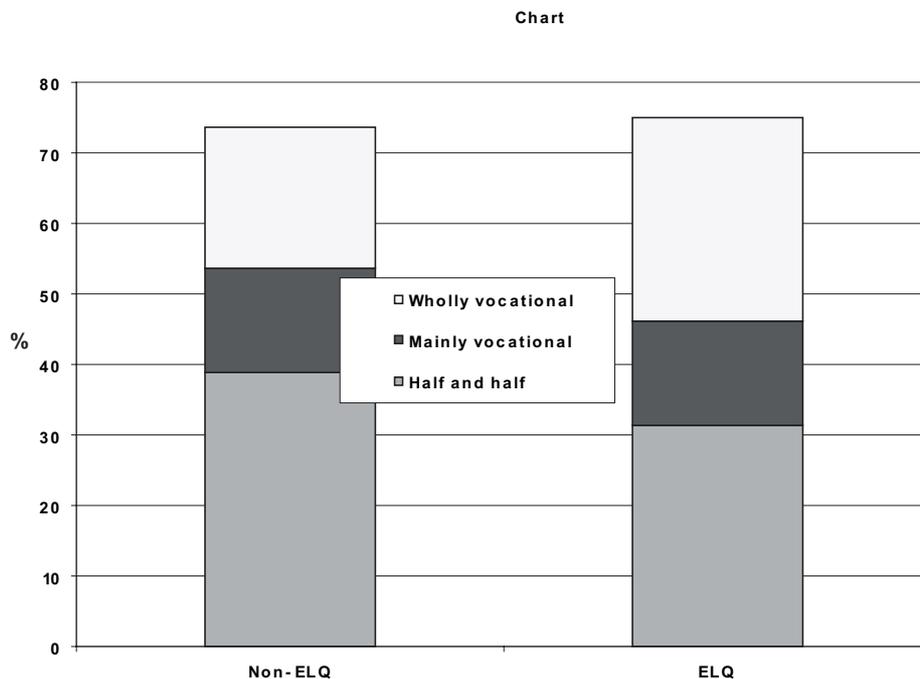
<i>Study Aim</i>	<i>Non-ELQ Students (%)</i>	<i>ELQ Students (%)</i>	<i>All students (%)</i>
Wholly personal	8.4	8.1	8.3
Mainly personal	17.8	16.9	17.5
Half and half	39.0	31.4	36.5
Mainly vocational	14.7	14.7	14.7
Wholly vocational	20.1	28.9	22.9
Total	100.0	100.0	100.0

NB: 75% of ELQ students give vocational reasons for studying (roughly the same as for non-ELQ students) and they are more likely to be studying for wholly vocational reasons.

**Figure 6**

**ELQ STUDENTS AT THE OPEN UNIVERSITY: REASONS FOR STUDYING**

(2007 survey; see the note to Table 5 for details)



**Table 7**

**ELQ STUDENTS AT THE OPEN UNIVERSITY: VOCATIONAL REASONS FOR STUDYING**

(2007 survey; see the note to Table 5 for details)

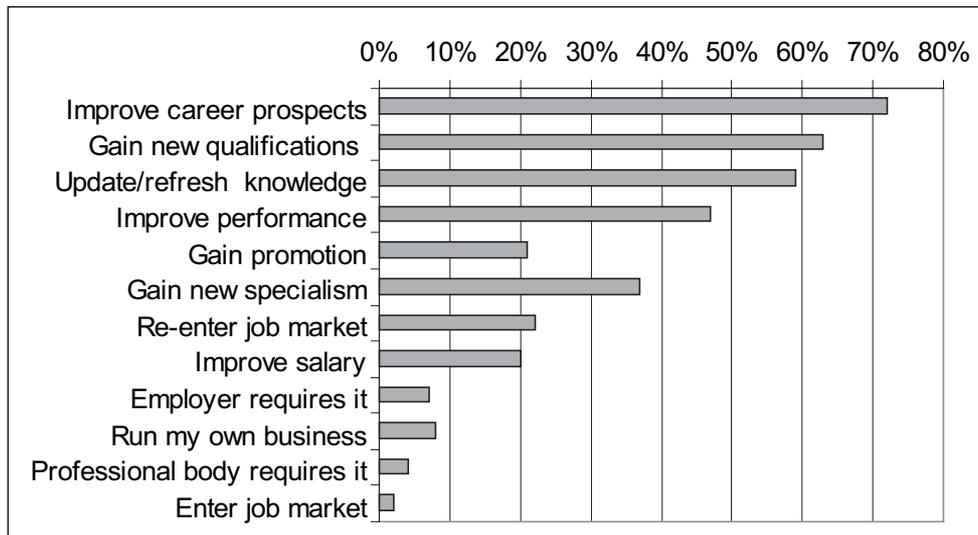
<i>Reasons for Study</i>	<i>Non-ELQ Students (%)</i>	<i>ELQ Students (%)</i>
To generally improve career prospects	81	72
To gain new qualifications to change my career	63	63
To update/refresh my knowledge in this area	54	59
To improve my performance in my present job	41	47
To gain promotion in my current line of work	34	21
To gain a new specialism in my current line of work	32	37
To re-enter the job market	28	22
To improve my salary in my present job	27	20
My employer requires me to do it	10	7
To learn about running my own business	9	8
My professional body requires me to undertake this study	9	4
To enter the job market for the first time	4	2

NB: Amongst those studying for vocational reasons, the commonest reasons for studying are to improve career prospects, change career and update or refresh knowledge.

**Figure 7**

**ELQ STUDENTS AT THE OPEN UNIVERSITY: VOCATIONAL REASONS FOR STUDYING**

(2007 survey; see the note to Table 5 for details)



**Table 8**

**ELQ STUDENTS AT THE OPEN UNIVERSITY: AVERAGE CONTRIBUTION TOWARDS FEE FROM DIFFERENT SOURCES**

(2007 survey; see the note to Table 5 for details)

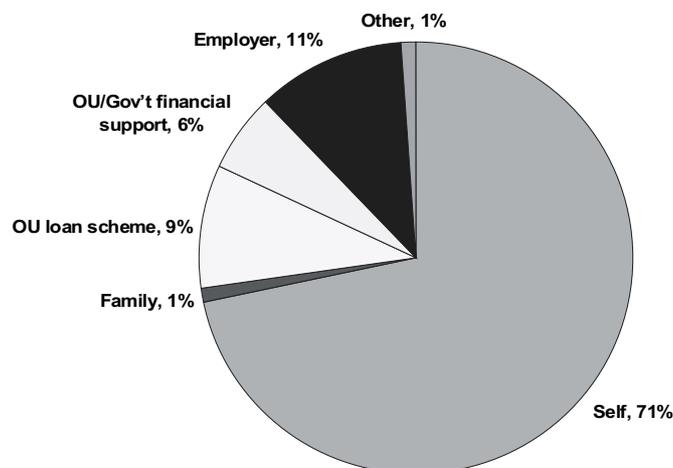
<i>Contributors to Fee Payments</i>	<i>Non-ELQ Students (%)</i>	<i>ELQ Students (%)</i>
Self	47	71
Family	3	1
Bank	0	0
OU loan scheme	15	9
OU/Gov't financial support	22	6
Employer	12	11
Other	2	1
Total	100	100

NB: ELQ students are more likely to be paying the whole fee themselves

**Figure 8**

**ELQ STUDENTS AT THE OPEN UNIVERSITY: AVERAGE CONTRIBUTION TOWARDS FEE FROM DIFFERENT SOURCES**

(2007 survey; see the note to Table 5 for details)



**Table 9**

**ELQ STUDENTS AT THE OPEN UNIVERSITY: PROPORTION RECEIVING A FULL OR PART CONTRIBUTION TOWARDS FEES FROM EMPLOYERS**

(2007 survey; see the note to Table 5 for details)

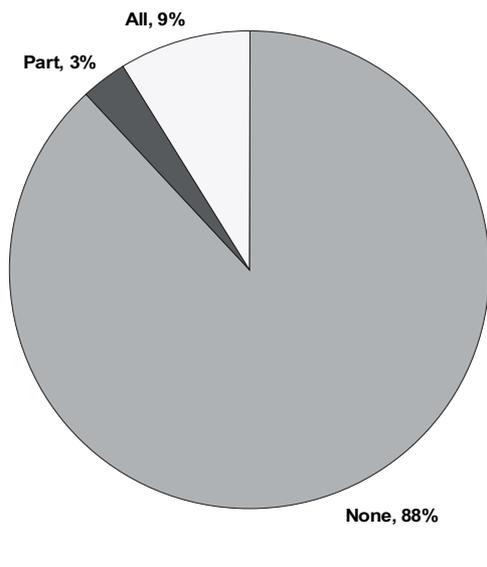
<i>Contribution to Fee Payments from Employers</i>	<i>Non ELQ Students (%)</i>	<i>ELQ Students (%)</i>
None	85	88
Part	7	3
All	8	9
Total	100	100

NB: overall, just 15% of all students are receiving some financial help from an employer.

**Figure 9**

**ELQ STUDENTS AT THE OPEN UNIVERSITY: PROPORTION RECEIVING A FULL OR PART CONTRIBUTION TOWARDS FEES FROM EMPLOYERS**

(2007 survey; see the note to Table 5 for details)



**Memorandum 2**

**Submission from the National Union of Students**

**INTRODUCTION AND SUMMARY**

1. The National Union of Students (NUS) is a voluntary membership organisation comprising a confederation of local student representative organisations in colleges and universities throughout the United Kingdom and Northern Ireland which have chosen to affiliate and which pay a membership fee. NUS has 600 constituent members from virtually every college and university in the country and, as such, represents the interests of more than 7 million students.

2. NUS welcomes the opportunity to provide written evidence to the Innovation, Universities and Skills Select Committee’s inquiry into funding for equivalent or lower qualifications (ELQs).

3. NUS strongly supports the widening participation agenda in higher education, and as such has consistently supported the principle that additional funding be directed at those who have yet to experience higher education. NUS does not, however, accept that the Government’s decision to phase out ELQ funding is the appropriate way to achieve this, and is concerned that the unintended consequences of this policy

could prove detrimental to the widening participation agenda. NUS does not believe that this was the Government's intention, and we therefore call for this policy to be reconsidered in light of the concerns expressed from across the higher education sector and beyond.

4. NUS has significant concerns that the withdrawal of ELQ funding will have the greatest impact on those institutions that are at the forefront of increasing and widening participation, as well as their students and staff. This is in direct opposition to the Government's stated intentions, including the Prime Minister's goal to "expand opportunity, not just one chance but second, third and fourth chances for people throughout their lives."<sup>1</sup>

5. Targeting funding changes at those higher education institutions (HEIs) that have proven best able to deliver the Government's important agenda appears to be contradictory and counterproductive. Institutions have warned that they will be forced to cut "economically unviable" courses, which have depended until now on a mixture of ELQ and non-ELQ students. NUS is concerned that there will also be risks to the jobs of teaching staff, reductions in the range of available courses, and the social mix of the student body.

#### TIMING OF THE DECISION AND IMPLEMENTATION

6. There was no prior consultation with stakeholders or the public and no parliamentary debate in advance of the decision to withdraw funding for ELQs. NUS believes that such consultation is crucial for effective and joined-up policy making, and that the Government should have sought the views of the HE sector, including student representatives. It is vital that such significant changes are discussed with the sector before decisions on long-term funding are taken.

7. The Higher Education Funding Council for England (HEFCE) has only consulted over how this decision is to be implemented, rather than the principles behind the policy. NUS believes that the Government should have sought views on alternative ways to produce savings from the HE budget, rather than presenting this policy as a *fait accompli*.

8. In July 2007, the incoming Secretary of State for Innovation, Universities and Skills called for a debate about the size, shape and role of higher education in advance of the Government's 2009 review of higher education fees and funding.<sup>2</sup> NUS welcomed this call and therefore believes that ELQ funding should form part of that wider debate and holistic review, rather than being considered in isolation from other HE funding issues or before an adequate assessment of its potential impact has been made.

9. NUS is also concerned at the lack of detail as to how, when and to which institutions the proposed £100 million worth of savings in the HE budget will be allocated, and believe that this should have been made clear from the Government's initial announcement in September 2007. HEFCE have merely announced that this funding will be reprioritised "to agreed priorities yet to be decided."<sup>3</sup> NUS believes that these priorities and a detailed explanation should have been provided before the Government's decision was announced.

#### IMPACT ON STUDENTS AND INSTITUTIONS

10. The withdrawal of funding for ELQs will have a hugely disproportionate effect on part-time students. According to HEFCE, as many as a fifth of part-time students in England will become unfunded after 2008-09, compared with only 2% of full-time students.<sup>4</sup>

11. According to Universities UK research, part-time students "are far more diverse than full-time students in their socio-economic mix."<sup>5</sup> Part-time students are more likely to be women, students with disabilities and from black and ethnic minority (BME), as well as frequently having work, family and caring commitments. NUS is concerned that the Government's ELQs policy is therefore likely to have a deeper impact on non-traditional students, who are already under-represented in higher education.

12. NUS fear that significant numbers of adults will discontinue their lifelong learning because they will be unable to pay increased fees. According to UUK research, part-time students are more "price sensitive" and this "reinforces scepticism in the sector as to whether part-time fees can be raised without a significant drop in numbers."<sup>6</sup> These students are more likely to be deterred by cost, and less able to travel greater distances. This would be further exacerbated by the fact that part-time fees, unlike full-time fees, are currently paid upfront.

<sup>1</sup> Gordon Brown, Speech at the University of Greenwich, 31 October 2007 <http://www.number10.gov.uk/output/Page13675.asp>

<sup>2</sup> Fabian Review, Summer 2007: The Education Issue

<sup>3</sup> HEFCE, Frequently asked questions (ELQs), 2007 <http://www.hefce.ac.uk/faq/elq.htm#q16>

<sup>4</sup> Modelling of the impact on institutions, subjects and mode of study, HEFCE, October 2007 [http://www.hefce.ac.uk/Pubs/HEFCE/2007/07\\_27/07\\_27s.xls](http://www.hefce.ac.uk/Pubs/HEFCE/2007/07_27/07_27s.xls)

<sup>5</sup> Part-time students in higher education, Universities UK, Policy Briefing November 2006, p.10 <http://bookshop.universitiesuk.ac.uk/downloads/policybriefing0.pdf>

<sup>6</sup> Part-time students in higher education, Universities UK, Policy Briefing November 2006, p. 10 <http://bookshop.universitiesuk.ac.uk/downloads/policybriefing0.pdf>

13. In the future, new ELQ students are likely to also be repaying debts accumulated from their earlier HE studies. NUS believes it cannot be assumed that these students will be in a position to finance their studies in the future.

14. The Government's suggestion that these students will receive funding from their employers to undertake their studies is not borne out by evidence. For instance, only 13 per cent of ELQ students at the Open University receive any contribution towards their fees from their employers.<sup>7</sup> This was reinforced by a recent speech by Richard Lambert, Director-General of the Confederation of British Industry (CBI) during which he asked, "Why should businesses in the future be expected to fund a much bigger share of higher education teaching?"<sup>8</sup>

15. When public funding is withdrawn, HEIs will face three options:

- (i) To charge fees based on the full cost of running a course—putting it beyond the financial ability of many
- (ii) To cross-subsidise the course—diverting much needed resources from other activities.
- (iii) To cancel the course because it is no longer affordable to run

16. All three options will have a negative impact on students, reducing choice and weakening the higher education experience, as well as damaging the Government's widening participation and skills agendas.

17. A number of higher education institutions (HEIs) excel at offering opportunities to first generation students, many of whom are from non-traditional backgrounds. It should be noted that their courses are frequently studied both by first time HE students and ELQ students, and the Government's policy could, on this basis, have a negative impact on their attempts to encourage first time and first generation applicants.

18. NUS is also concerned that this will affect students at a wide range of HEIs and their students. While Birkbeck stands to lose 38.3% of relevant teaching funding by 2014–15 and the Open University stands to lose 22.7%, these are by no means the only institutions affected. City University London, Thames Valley University, the University of Bedfordshire, the University of East London and London Metropolitan University all stand to lose more than 10% of relevant teaching funding in the same period, despite being among the HEIs who have led the way in delivering the Government's widening participation agenda. Meanwhile, the University of Oxford, the University of Sunderland and Coventry University all lose more than £2 million of relevant teaching funding by 2014–15. This will inevitably impact on the students at these institutions and particularly on excellent adult and lifelong learning faculties and expertise that has often been developed over many years.

19. The withdrawal of ELQ funding has the potential to adversely affect women returning to work after career breaks and older men. In addition, a number of the hardest hit institutions, including London Metropolitan and University of East London, are particularly successful in recruiting black and minority ethnic (BME) students.

20. There may also be a disability equality issue where a person with a pre-existing HE qualification who becomes disabled in later life may require retraining in order to pursue a new career. The withdrawal of most student support for ELQ students has already limited opportunities for such students to undertake new HE qualifications. To remove HEFCE funding altogether would make such study all but impossible, which is neither in the spirit of disability equality nor in the aims of the Leitch review or general Government policy to help disabled people find fulfilling employment.

21. No equality impact assessment has been published in relation to the Government's ELQs policy. NUS believes that the considerations outlined above demonstrate that this is vitally important.

#### SKILLS AND EMPLOYMENT

22. NUS supports the Government's attempts to meet the targets set by Lord Leitch, and whilst the report calls to increase the proportion of adults with HE qualifications, it is entirely consistent and commensurate with the aims of Leitch to ensure that funding for higher education qualifications remains available to those who already have equivalent or lower qualifications (ELQs). It should also be noted that Lord Leitch did not suggest or consider withdrawing funding for ELQ students as an appropriate response to the skills challenge faced by the UK.

23. ELQ students are frequently precisely those who are re-skilling, updating professional skills and accessing the lifelong learning that Lord Leitch recommended in his review of skills. This review concluded that, "without increased skills, we would condemn ourselves to a lingering decline in competitiveness, diminishing economic growth and a bleaker future for all".<sup>9</sup> ELQs clearly have a vital role to play in responding to this challenge.

<sup>7</sup> Open University, 8 January 2008 <http://www3.open.ac.uk/media/fullstory.aspx?id=12780>

<sup>8</sup> Richard Lambert, Universities UK inaugural annual lecture, 11 December 2007 <http://www.universitiesuk.ac.uk/speeches/show.asp?sp=77>

<sup>9</sup> Leitch Review of Skills, December 2006 [http://www.hm-treasury.gov.uk/independent\\_reviews/leitch\\_review/review\\_leitch\\_index.cfm](http://www.hm-treasury.gov.uk/independent_reviews/leitch_review/review_leitch_index.cfm)

24. Lord Leitch concluded that individuals would increasingly be required to up-skill and to re-skill. According to his report, 70% of the 2020 workforce have already completed their compulsory education. In a global economy that is constantly shifting, a qualification relevant 10 years ago may no longer be of the same relevance. This is particularly the case with subjects that are closely related to technological and scientific innovation.

25. The shifting demands for skills and the increased mobility of the labour market places a strong emphasis on the need for re-skilling capacity, but also on the need to attain additional skills in other disciplines. A true knowledge economy with an increasing emphasis on innovation surely relies on the workforce being able to form linkages of evidence and ideas across subject boundaries.

26. It is also important to note that the demographic downturn of more than 12% of the 18–20 age cohort between 2011 and 2020 will make mature students, part-time and non-traditional recruitment particularly key to the financial and long-term stability of many institutions and the wider economy.<sup>10</sup>

27. Given the scale of the Leitch agenda, it is disingenuous to suggest that the skills required by the UK can be achieved by proposing that one group of learners must sacrifice their learning opportunities to allow others to take their place. NUS believes that this underestimates the scale of the skills challenge faced by the UK.

#### COURSE EXEMPTIONS

28. NUS is concerned that the neither the Government or HEFCE have not presented a clear rationale for including or excluding subjects from the list of exemptions from the decision to withdraw funding for ELQs. Any such explanation should consider the benefit both to individuals and society of lifelong learning. Without such an explanation, the composition of the list of protected subjects risks appearing arbitrary.

29. It is crucial to ensure the list of exceptions in student support regulations fits DIUS and wider Government policy. NUS understands that the list includes some qualifications that are required for entry into certain key professions, and that a student could not attain entry to the profession through other routes such as postgraduate study.

30. There are however many questionable omissions from the list of courses protected by the decision to phase out funding for ELQs, including business, management, law, post-compulsory certificates of education for FE teachers, languages, economics, computer sciences, pharmacy, psychology and housing. It is not clear what the rationale is for including or excluding exemptions from this list. It is clear however that if excluded subjects were added to list of protected subjects, there would be additional pressure to find £100 million of funding cuts by removing other courses from the list.

31. NUS has asked that either HEFCE or DIUS confirms that this list of exceptions has therefore been fully reviewed and whether any other qualifications were considered for the list and then rejected, and if so for what reasons.

32. NUS welcomes the Government's commitment to review the list of Strategically Important and Vulnerable Subjects (SIVS) in 2010–11 but would ask that HEFCE ensure that the sector is consulted when any changes to the list are made, particularly if subjects are to be removed from it. Although the protection of Foundation Degrees is welcome, it should be noted that this mode of study is often not the most appropriate form of provision for all prospective students, particularly those who are in employment and who plan to study part-time.

#### CONCLUSION

33. NUS believes that the Government's decision to withdraw funding for ELQs, which was taken without consulting students, institutions, professional bodies or employer organisations, is unacceptable, and will have a raft of unintended consequences for students and their institutions. NUS is concerned that the Government's widening participation and skills agendas will be adversely affected by this policy.

34. NUS calls for questions about the future funding of ELQs to be referred to the review of higher education funding due to commence in 2009. This will allow the following:

- (i) A variety of options for "reprioritisation" in the higher education budget can be presented
- (ii) A full and meaningful consultation can be undertaken before any decision is made
- (iii) An assessment can be made of the impact any policy would have on the widening participation and skills agendas, and on part-time students
- (iv) A full equality impact assessment can be undertaken and published

35. NUS calls for the decision to withdraw funding for ELQs to be reconsidered in light of the concerns expressed from across the higher education sector and beyond.

*January 2008*

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<sup>10</sup> *Demand for Higher Education to 2020 and beyond*, HEPI, 21 June 2007 <http://www.hepi.ac.uk/pubdetail.asp?ID=234&DOC=reports>

### Memorandum 3

#### Submission from Professor David Latchman, Master of Birkbeck College, University of London

##### EXECUTIVE SUMMARY

1. Birkbeck opposes the withdrawal of ELQ funding on several grounds:
2. It will affect the lives of many individuals who wish to re-skill in order to enhance their employability and who will be prevented from doing so. It will particularly discriminate against specific groups who need to re-skill to return to the workforce including women returners, individuals who have been made redundant and individuals who have become disabled.
3. It will disproportionately affect the part time sector at a time when this sector is key to the Government's widening participation and employer engagement agendas.
4. It has been introduced without consultation with the sector despite its major impact and the fact that it creates for the first time a new class of UK/EU students, who are being treated as non EU overseas students.
5. Birkbeck would suggest that the proposal is deferred pending a full review by the 2009 Fees Commission of the fee implications. Such a deferral would allow a review of options, other than the withdrawal of ELQ funding, for releasing funds for redistribution and the need for these redistributed funds.
6. If the policy is introduced, Birkbeck would suggest that its effects on individuals should be mitigated by exempting all those returning to study five years or more after their first degree, so as not to penalise individuals who are re-skilling, at a reasonable interval after their first degree.
7. Similarly, the effect on the severely hit institutions should be mitigated by allowing them to keep their funding/student numbers but requiring them to report over a period of years on how funding/numbers for ELQ students have been re-oriented in accordance with Government priorities.

##### THE AUTHOR

8. Professor David Latchman became Master of Birkbeck in January 2003. Prior to that he was Dean of the Institute of Child Health, UCL and has published extensively in the field of genetics and molecular biology. He is the elected Chairman of London Higher, which represents London's Universities.

##### SUBMISSION FROM BIRKBECK COLLEGE

9. Birkbeck is a world-class research and teaching institution, a vibrant centre of academic excellence and London's only specialist provider of part time evening higher education. Birkbeck is recognised for providing the highest quality teaching that is informed by our outstanding research excellence. This is proven by our leading position each year in the UK's National Student Survey. 19,000 students study with Birkbeck every year and join a community that is as diverse and cosmopolitan as London's population.

This submission is structured around the five points on which the enquiry is focussing:

(a) *The arguments for or against the Government's decision to phase out support to institutions for students studying ELQs*

##### THE SKILLS AGENDA

10. Government argues that the decision will focus support on those who have not yet had the chance of a university education and that it is in accordance with the Leitch agenda of 40% of the workforce having level four qualifications by 2020.

11. However, this argument is simplistic, both in terms of the overall skills agenda and the aspirations of individuals to develop their skills so as to enhance their employment prospects. Thus, the skills agenda requires not only up-skilling but also re-skilling so that individuals have the correct combination of skills to contribute effectively in a changing labour market.

12. Moreover, the vast majority of ELQ students study part time (71% on a full time equivalent (FTE) basis: UUK figures) whilst working and thereby continuing to contribute to the economy. At Birkbeck, 90% of students combine part time study with day time employment.

13. Indeed, at Birkbeck, significant numbers of individuals study part time for ELQs in subjects such as Computer Science/Information Technology, Management, Geology/Earth Sciences and Psychology (see section c below) precisely to enhance their employment prospects either in their current employment or in seeking a new position. These will include women returners who have spent time raising children or with other care responsibilities and whose first degree is inappropriate for their future careers; individuals attempting to re-train to work following redundancy; individuals who have become disabled and "first generation" HE students who may have been poorly advised as to the appropriateness and utility of their first degree.

14. It cannot be in the interests of the economy that such individuals are denied the opportunity to take an ELQ aimed at vocational development. As the Prime Minister said (Greenwich University 31/10/07): “Educational opportunities should be lifelong, permanent and recurrent”.

15. In a number of cases, the second ELQ qualifications will complement the first and allow individuals to fulfil a role which requires both qualifications. Thus, for example, students taking Birkbeck’s part time accelerated LLB programme, for students who already have an unrelated degree, are frequently intending to combine their law qualification with their initial one to improve their work output. These include housing officers working for local authorities who acquire knowledge of landlord and tenant law, dispute resolution etc, and individuals working in the NHS (for example as nurses or pharmacists) who wish to work as legal claims managers. Similarly, students taking one year part time graduate courses in Economics include those such as Civil Engineers whose jobs increasingly involve economics or finance (eg cost benefit analysis) as they progress in their profession.

#### EMPLOYER FUNDING

16. The Government solution to these skills needs is that they should be funded by employers. In accordance with this, HEFCE is introducing significant numbers of co-funded places in which employers will pay half the normal HEFCE contribution. Unfortunately, employers are unenthusiastic about these proposals (see Richard Lambert, CBI Director General, UUK Inaugural lecture 11/12/07). This is particularly the case in London where employers report that they can obtain suitably skilled individuals from overseas and question the value to them of funding the training of UK citizens (London Skills and Employment Board: *The London Story*).

17. Critically, the policy assumes that the interests of the employer and the employee are co-incident, which is often not the case. At Birkbeck many students will not tell us who their employer is, since it would be obvious that they intend to leave on completion of their qualification. Indeed, a recent survey of Birkbeck students three years after their graduation, showed that 39% had moved employment compared to 15% in a control group (Jamieson A, *Benefits of Study* 2007). Overall therefore, it is unlikely that employers will fund the skills needs of large numbers of individuals affected by the ELQ policy

#### PART TIME STUDY

18. In his speech at the UUK conference (13/09/07), the Secretary of State, John Denham called for universities to introduce more evening courses to allow mature adults in employment to study part time. Only in this way can the Leitch target be achieved in a situation where 70% of the 2020 workforce has already left full time education.

19. Unfortunately, the ELQ proposals will significantly impact on the institutions best able to deliver this agenda and discourage others from enhancing their part time provision. According to UUK figures, 16% of part time students will suffer loss of funding due to the ELQ decision compared to only 1.6% of full time.

20. As discussed in section e) (see below) this loss of funding will impair the ability of the part time sector to respond to the Skills agenda, at precisely the time when the importance of this sector has finally been recognised. Moreover, non ELQ students will suffer since some courses may be withdrawn as fee increases put off ELQ students (see section d) below).

#### (b) *The timing of the decision and implementation of the change*

21. The change was announced in September 2007 with no prior consultation with the sector. The President of UUK was informed one hour before the announcement and it is unclear whether (or when) a discussion was held at the HEFCE Board. HEFCE then launched a consultation on how (but not whether) the decision should be implemented but it was made clear that £100 million must be saved from ELQ funding. It is intended that the HEFCE Board will decide the final details of the implementation in January so that these can be reflected in the 2008–09 funding letters issued to institutions in March.

22. This lack of consultation/speed of implementation is all the more surprising since this decision raises a major issue of principle. This is the first time that UK/EU students on an otherwise fundable university course, will not be funded and will be effectively treated as overseas students. Clearly, this could be applied in many other ways, once the principle is conceded.

23. The speed of implementation has had several specific consequences:

- (1) The need to use retrospective (2005–06) data to calculate grant withdrawals. This has the effect of imposing a retrospective fine for recruiting students who were fundable at that time.
- (2) No discussion of other alternatives for saving £100 million. We understand the HEFCE executive proposed several alternatives to Government and the ELQ option was selected. The others have not been discussed with the sector.

- (3) No discussion on the merit of the proposals for redistributing the £100 million saving. As the Minister of State said in evidence to the Committee (28/11/07), this is only 0.2% of the overall HE budget and it is unclear why it needs to be redistributed so rapidly. If it is for employer co-funded places (see section a) above) it could be better to expand more slowly, after fuller discussions with employers. If it is intended to release funding to allow 20,000 “hard to reach” students to attend university, then the Secretary of State has repeatedly acknowledged that the great majority of these students will study part time (UUK Conference 13/09/07, House of Commons 08/01/08). Given that this is the case, it is necessary to ensure first that part time students and the institutions which teach them are properly supported so as to facilitate the recruitment of such students.

24. Overall, therefore, we believe this proposal should be deferred for further discussion. In view of the implications for student fees of the ELQ decision (see section d) below) we believe it would be appropriate to refer it to the 2009 Commission on Fees.

(c) *Exemptions from the withdrawal of funding proposed by the HEFCE*

25. In its consultation document, HEFCE has proposed certain exemptions on the basis of subject or employer involvement. If the policy goes ahead (which we believe should not be the case), we would propose an exemption for all individuals returning to study five years or more after their initial qualifications, so as not to penalise those who are re-skilling, at a reasonable interval after taking their first degree.

26. Even in terms of the exemptions proposed, these appear to have been drawn up with the £100 million target in mind and so fail to include obvious work-related courses such as Computer Science/IT or Management.

27. Moreover, they include a number of anomalies:

- (1) Although Medicine/Veterinary Medicine are exempt, other medically related subjects such as Pharmacy are not. Similarly, Psychology (a major ELQ subject at Birkbeck and nationwide) is not exempted despite its obvious medical relevance. For example the BSc in Psychology at Birkbeck has 32% ELQ students and is approved by the British Psychology Society as a pre-requisite for professional training courses in areas such as Clinical Psychology, Neuropsychology and Educational Psychology. Similarly, postgraduate Psychology courses at Birkbeck have 33% ELQ students and train students for jobs as Family Therapists, Counsellors, and Psychotherapists in the NHS and elsewhere.
- (2) Similarly, Mathematics is exempted but not Economics even though, as taught at Birkbeck, Economics is highly quantitative and stresses the mathematical, statistical and numeral aspects of the subject.
- (3) Foundation degrees are exempt from the withdrawal of ELQ. However, it is unclear whether students will continue to be exempt if they progress to a Bachelors degree, even though such a progression route must be in place, before a Foundation degree can be introduced.

(d) *The impact upon students*

28. As noted above (section a), the proportion of part time ELQ students is ten times that of full time ELQ students. It is highly likely that the fees charged to part time ELQ students will have to rise considerably if HEFCE funding is withdrawn. In 2007–08 undergraduate students will pay fees of £1,248 per annum at Birkbeck and the College will receive on average £2,853 per student through HEFCE teaching funding. If fees were to increase to cover the loss of such funding for ELQ students, they would have to rise to £4,101 per annum, increasing the cost of a four year degree from £4,992 to £16,404.

29. The vast majority of ELQ students would not be able to afford increases of anything like this amount. For example, in a UUK survey, 31% of part time students had a gross income of less than £15,499 and 50% reported that, at current fee levels, unaffordable costs were a barrier to full participation in their course of study. (Survey of students’ attitudes and experiences of part time study and its costs 2005–06).

30. The Minister of State (Letters, *Independent* newspaper 22/11/07) has argued that fees will not necessarily rise since students can “shop around for the best deal”. Even if this is the case it could only be achieved by cross subsidy from the fees paid by other part time and full time students reinforcing the case for the ELQ decision to be referred to the 2009 Fees Commission.

31. Clearly, if increased fees prevent a significant number of students from studying, this will result in non ELQ students also suffering due to withdrawal of non viable courses. Moreover, even when courses continue, the educational experience for the non ELQ students and their drop out rates will increase, in the absence of the contribution to the class of those with prior university experience.

32. Hence, all part time students will suffer from this measure. Overall, part time students are 62% female compared to 54% female full time students. This indicates the important role of the part time sector in assisting women re-entering the work force after bringing up children or caring for other family members.

33. Evidently, the part time sector attracts all ages of student, compared to the predominately 18–21 year old full time students. Interestingly, 64% of Birkbeck undergraduates are over 30 and this proportion rises to 73% for ELQ students. The mean age for ELQ students at Birkbeck is 35 and the largest age category is 31–40 (39% of ELQ students). In the UUK Survey of part time students (see above) 46% of students in this age group, indicated that they were studying in order to change jobs, compared to 38% of all part time students. This is evidently an age group who are in mid-career and are the most in need of and will benefit from re-training, yet are unlikely to have the means to pay significant fee increases.

(e) *The impact of the change on institutions*

34. In view of the disproportionate number of part time compared to full time ELQ students, it is not surprising that the most significant impact of the ELQ funding withdrawal is on the specialist part time institutions:—Birkbeck and the Open University.

35. HEFCE have calculated that in 2005–06, Birkbeck had 2,614 FTEs with ELQs, out of a total of 5,867 student FTEs. According to HEFCE proposals, 578 of these are exempt from the funding withdrawal due to the subject studied or because they are doing Foundation degrees. Therefore, 2036 FTEs will be non-fundable, resulting in a withdrawal of £7,866,367 per annum or 38% of our total teaching grant (HEFCE figures).

36. Although this will be mitigated by various factors including a small increase in the part time teaching premium/allocation, Birkbeck will still require £4.6 million of safety net funding in 2010–11 to maintain our teaching grant in cash terms. Such safety netting is welcome. However, there is currently no guarantee that this safety netting will continue beyond 2010–11. Moreover, from 2008–09 Birkbeck will not receive normal inflationary uplift to its teaching grant, resulting in a loss of approximately £600,000 per annum, year on year. In addition, the College is likely to lose approximately £900,000 per annum of its HEFCE widening participation funding since this is calculated on the basis of total fundable student numbers and is not apparently safety netted. Hence, Birkbeck will lose £1.5 million per annum in real terms even after safety netting is taken into account.

37. The College would therefore face an unsustainable deficit even before the guaranteed safety netting ends in 2010–11. We are very keen to respond to Government desires to enhance widening participation and employer engagement, since they are entirely appropriate to its core mission. However, it is hard to do so with diminishing funding and uncertainty about the future, in a situation where funding deficits would have to be dealt with and any successful initiative would simply reduce the need for safety netting rather than providing any additional funding.

38. This problem is compounded by the poor resourcing of the part time sector, which existed even prior to the ELQ decision. Thus, a HEFCE-commissioned review in 2003 (JM Consulting) concluded that the actual costs of part time provision can be up to 44% more on an FTE basis than for full time. However, currently HEFCE pays only a 10% premium for part time students, rising to approximately 13% under the current HEFCE proposals for mitigating the effects of ELQ funding withdrawal.

39. Similarly, we are constrained in the fees that can be charged by relatively poor Government support for part time students. No loans are available and fees must be paid up front. In 2006–07, 33% of Birkbeck undergraduate students applied for Government means tested support with their fees. However, such fee support for the poorest students is capped at a level of approximately 50% of the fee level which would be pro-rata to the full time fee. Thus, for a 0.75 FTE course such as Birkbeck's (three year full time degree taken part time in four years) the fee should be £2,250, (ie 75% of the £3,000 full time fee) but the maximum fee rebate for the poorest students is £1,150 so our fees have been set at around this figure. Moreover, the amount that can be claimed decreases rapidly as the students' income rises and the thresholds for this decrease are much less generous than for the full time students (Million+ report: *Student Finance Regimes*, 2007).

40. These factors led to the Education and Skills Committee (Eighth Report 2006–07) calling for better support for part time students and the institutions which teach them and for students to be seen as one group with a variety of needs of support rather than being arbitrarily divided into categories of part time and full time.

41. The position has now been significantly worsened by the ELQ decision which impacts disproportionately on the part time sector. Paradoxically, this comes at a time when Government has recognised that its widening participation and employer engagement agendas can only be delivered by the part time sector.

42. Birkbeck can play a leading role in this agenda. It cannot do so in a situation where its future resourcing is highly uncertain and where any successful student recruitment initiatives, merely reduce the size of safety netting funding required, rather than providing new resources.

43. We strongly oppose the ELQ funding withdrawal decision and suggest that it is deferred for consideration by the Fees Commission in 2009. However, if it is implemented we would suggest that to mitigate its effects, the most hard hit institutions should be allowed to keep their funding (with inflationary uplift) and student numbers but should have to demonstrate over a period of years how the funding/numbers have been reoriented away from ELQ students and in accordance with Government priorities.

44. This would allow Birkbeck to play a key role in the Government's widening participation and employer engagement agenda without the difficulties and uncertainties that the ELQ funding cuts would introduce.

45. We must emphasise however, that such a solution would not help support the career aspirations of ELQ students. Our preferred option therefore remains the deferral of the proposal, to allow a full discussion of other options and consideration of the fee implications by the 2009 Fees Commission.

January 2008

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## Memorandum 4

### Submission from the University and College Union

#### FUNDING FOR EQUIVALENT OR LOWER QUALIFICATIONS (ELQs)

##### INTRODUCTION

The University and College Union (UCU) represents more than 120,000 academics, lecturers, trainers, instructors, researchers, managers, administrators, computer staff, librarians and postgraduates in universities, colleges, prisons, adult education and training organizations across the UK. We have consulted with UCU members, practitioners and vice-chancellors on the ELQ funding withdrawal and the following response draws upon the views of this diverse constituency.

##### EXECUTIVE SUMMARY

1. The UCU is strongly opposed to the withdrawal of ELQ funding.
2. The policy will undermine, rather than bolster, the Leitch agenda and government objectives to raise higher level skills and widen participation.
3. Abolishing public support for a huge swathe of ELQ places will lead to large and differential increases in the tuition fees paid by UK/EU students.
4. There is little evidence to suggest that employers will be willing to plug the funding gaps, both in terms of supporting students and co-funded HE programmes.
5. The consequences of the ELQ withdrawal will be reduced participation in HE, particularly from part-time students.
6. The withdrawal of funding will disproportionately disadvantage women returners and older learners.
7. While the Open University and Birkbeck College are hardest hit, the cuts in funding affect a wide variety of universities and departments—often those which have done most to widen participation.
8. Specialist expertise and infrastructure in adult, part-time HE may be permanently damaged as a result of the ELQ policy, hitting both first time and second time HE students.
9. UCU calls on the Government to withdraw the policy and defer the issue of ELQ funding to the 2009 Fees Commission.

##### SECTION 1: THE ARGUMENTS FOR AND AGAINST THE GOVERNMENT'S DECISION TO PHASE OUT SUPPORT TO INSTITUTIONS FOR STUDENTS STUDYING ELQs

10. The Government has stated that the reason for withdrawing £100 million of funding to English institutions for students studying ELQs is one of "fairness". According to the Department for Innovation, Universities and Skills (DIUS) the teaching of ELQ students "is not . . . usually as high a priority for public funding as support for students who are either entering higher education for the first time, or progressing to higher qualifications".<sup>11</sup> The Department has also claimed that the changes "should make a difference to the importance institutions attach to raising skills and to widening participation".<sup>12</sup> For the following reasons, we believe that these assumptions are highly questionable.

- It is wrong to claim that the ELQ policy will only affect "Second Degree Students". In fact, the decision affects a very wide range of students and universities in England, including many involved in short or part-time vocational, employer-focussed and professional education and training courses.

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<sup>11</sup> Letter from John Denham, Secretary of State for Innovation, Universities and Skills, dated 7 September 2007.

<sup>12</sup> DIUS, Advance Notice on Higher Education Funding Changes for England—Second Degree Students, <http://www.dius.gov.uk/publications/hefunding.html>

- ELQ learners are not “middle class freeloaders” who are looking to be perpetual students at the taxpayers’ expense. The majority of them are studying part-time whilst juggling work and family commitments.
- The ELQ proposals are based on a simplistic notion of skill acquisition. Modern labour markets require re-skilling, as well as up-skilling, and ELQ students are often the very ones acquiring new vocational and professional skills and qualifications along the lines advocated by the Prime Minister and Lord Leitch.
- To assume that first-time learners are somehow in competition for funds and places with ELQ students ignores the role played by ELQ students in ensuring the viability and availability of courses for first-time applicants. Widening participation work in a continuing education setting is particularly dependent, both financially and in terms of the quality of the student experience, on the involvement of ELQ students.

11. Another reason put forward by the Government for withdrawing public funding for ELQ students is that their employer will be able “to pay at least a proportion of the costs of such re-training”.<sup>13</sup> Unfortunately, UK employers do not have a good track record of investing in training and education and we are extremely sceptical about their willingness to subsidise employees’ participation in higher education

12. The DIUS has said that the £100 million will be reallocated to the new priority area, namely, co-funded places with employers. However, HEFCE has pointed out that the co-funding strategy still requires major development work. In the meantime, the Government’s high risk strategy is likely to damage existing part-time, adult higher education and seriously jeopardise the prospects of many individuals who aspire to improve their life chances.

13. We are dismayed by the ultra-utilitarian approach adopted by the Government on ELQ funding, including the choice of exemptions proposed by HEFCE (see section 3). The value of lifelong learning cannot be reduced to an employer-led, skills agenda but is important in promoting an intellectually healthy and culturally rich society. There is also government-funded research highlighting the wider benefits of learning, such as in relation to health and wellbeing, community safety, civic engagement and social cohesion, and economic regeneration.<sup>14</sup>

## SECTION 2: THE TIMING OF THE DECISION AND OF THE IMPLEMENTATION OF THE CHANGE

14. This massive change in Government policy was announced in September 2007 without any prior consultation or parliamentary debate. Instead, the HEFCE is consulting only over how the ELQ decision is to be implemented. We ask why there was no consultation on alternatives to this approach.

15. The September announcement was not simply an operational one but an historic shift in the principle of higher education funding. Beginning in 2008, a number of UK/EU students will be no longer fundable for an HE course and as a result they are likely to be treated in the same way as international students. When public funding is scrapped for ELQ students, universities will have no option but to charge similar tuition fees to those charged to overseas students (ie where full-time fees start at £7000 per year).

16. The new policy will mean different fee levels for UK residents studying on the same course and further divergence across the nations of the UK. Similarly, British residents with an overseas qualification awarded years ago but who have not previously accessed UK higher education will also be charged the same fees as international students. The ELQ funding withdrawal represents a significant de-regulation of the English tuition fee regime in advance of the 2009 Commission on fees.

17. We are also concerned about the short-time frame for phasing out ELQ funding and particularly the impact on staff. Although the HEFCE consultation period has only just finished, the Government is insisting on withdrawing ELQ funding from the 2008–9 academic year. Unfortunately, the results are entirely predictable:

“The implementation timescales do not give sufficient time to scope the issues before having to make decisions on matters such as next year’s advertised programme, our prospectus and the required staffing for next year.”<sup>15</sup>

## SECTION 3: THE EXEMPTIONS FROM THE WITHDRAWAL OF FUNDING PROPOSED BY THE HIGHER EDUCATION FUNDING COUNCIL FOR ENGLAND

18. The UCU has a principled objection to “cherry picking” various subjects, courses and employer-led programmes for continued public support, whilst encouraging a full-fee regime for ELQ students on non-HEFCE funded courses. Even in terms of the Government’s vocational mindset, however, it is difficult to see the logic behind some of the HEFCE exemptions. For example, why are students involved in land management and courses related to EU accession countries publicly supported while ELQ students on

<sup>13</sup> Letter from John Denham, dated 7 September 2007.

<sup>14</sup> The Centre for Research on the Wider Benefits of Learning (WBL) <http://www.learningbenefits.net/Index.htm>

<sup>15</sup> Response from the head of a pre-1992 continuing education/lifelong learning centre.

vocational courses related to management, psychology and computing receive no public funding for their studies? We would like to know what HEFCE's rationale is for excluding core vocational subjects such as these.

19. We are mindful of the practical consequences of a policy based on subject and programme exemptions. For example, it is likely to result in widespread institutional "games playing" such as repackaging existing undergraduate provision as foundation degrees and re-branding subject areas to fit in with current HEFCE exemptions.

20. Crucially, the new policy fails to recognize the "shelf life" of qualifications and the rapid changes in skills that are required in a knowledge economy. ELQ students are often engaged in re-training and career development activities a number of years after they completed their first degree. In the absence of the DIUS withdrawing the current policy we advocate exempting all students who return to study five years after their first degree. We believe that a five year time limit would go some way towards mitigating the detrimental impact on different groups, particularly women returners and older learners (see section 4).

#### SECTION 4: THE IMPACT UPON STUDENTS, INCLUDING WHETHER THE CHANGE WILL AFFECT SOME GROUPS OF STUDENTS MORE THAN OTHERS

21. Modelling by HEFCE and institutions shows that part-time students are much more likely to be affected by the ELQ changes than full-time students. Part-time students are also particularly "price sensitive" in relation to course fees.<sup>16</sup> The introduction of full market fees for ELQ students is likely to depress part-time participation in higher education, particularly as part-timers already have less access to student support packages than their full-time equivalents.

22. A major unintended consequence is that widening participation students will also lose local opportunities to participate in HE. Many part-time, professional development and continuing education courses in higher education will become non-viable without ELQ students.

23. As part of our consultation for this inquiry we have become aware of the negative effects on future WP programmes. For example, the head of a pre-1992 lifelong learning centre reports that the ELQ changes are "likely to hit at least one of our new frameworks designed especially to encourage WP of local adults from under-represented and disadvantaged groups." In another case, the ELQ proposals have forced Bristol University to drop its popular Art History outreach course and abandon plans to appoint a lifelong learning coordinator.<sup>17</sup>

24. Women are over-represented in the part-time student population and also in the disciplines that are threatened with the funding withdrawal, principally, in the arts, humanities and the social sciences. We are concerned that the ELQ funding changes have the potential to impact disproportionately on women returning to work.

25. There will be a detrimental impact on older learners who will have obtained their first degree many years ago. Older workers are also much less likely to get employer support for education and training and in many instances employers may prefer simply to replace them.

26. The disproportionate impact on London institutions has implications for students from black and minority ethnic (BME) backgrounds. In particular, some of the hardest hit HE institutions, such as London Metropolitan and the University of East London, are very successful in recruiting BME students.

27. Initial feedback from UCU members suggests that the ELQ policy will have a detrimental impact on different groups of staff. It is likely that the majority of job cuts resulting from the funding reallocations will be amongst fixed-term and hourly-paid teaching staff traditionally employed on part-time and short-term courses. Our research has shown that women in particular are disproportionately employed on fixed-term and hourly-paid posts.<sup>18</sup> In terms of the ELQ policy we have been informed by a head of department that the "key impact will be on fixed term part-time tutors, especially women and minority ethnic groups who are trying to get onto the teaching ladder or who juggle several posts at different institutions."

28. For these reasons, we strongly urge the HEFCE to undertake and publish a proper equality impact assessment before the ELQ policy is introduced.

<sup>16</sup> Universities UK, *Part-time students and part-time study in higher education in the UK: a survey of students' attitudes and experiences of part-time study and its costs 2005-6*, November 2006.

<sup>17</sup> <http://www.bristol.ac.uk/arhistory/lifelong>

<sup>18</sup> Association of University Teachers, *The Unequal Academy: UK academic staff 1995-96 to 2002-03*, October 2004.

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SECTION 5: THE IMPACT OF THE CHANGE UPON INSTITUTIONS, WITH PARTICULAR REFERENCE TO THE LONG-TERM IMPLICATIONS FOR SPECIALIZED INSTITUTIONS SUCH AS THE OPEN UNIVERSITY AND BIRKBECK COLLEGE LONDON.

29. The two specialist part-time higher education institutions—the Open University and Birkbeck College—are clearly the main victims of the ELQ proposal. UCU analysis has shown that the Open University is set to lose over £31.6 million in teaching funding by 2014–15 (a 22.7% cut), affecting nearly a quarter of all its HEFCE-funded students. Birkbeck will suffer a 38% cut in its teaching grant over the same period (£7.87 million), affecting more than a third of all its HEFCE-funded students (see tables 1, 2 & 3 in the appendix).

30. Local UCU branches are very concerned about the impact on jobs, particularly the large numbers of hourly paid lecturers teaching on adult courses. Our members also see the proposals as a fundamental attack on the liberal ethos of these unique institutions.

31. This is not just an issue affecting these two institutions. Our analysis of the HEFCE data shows that a wide variety of institutions will experience significant reductions in public funding (see tables 1 & 2 in the appendix). Universities such as London Metropolitan, Westminster and Sunderland—who do wonderful work to support widening participation and employer engagement—are amongst some of the worst affected.

32. It is difficult to reconcile the ELQ funding withdrawal with Lord Leitch’s call “to increase the higher education sector’s focus on workforce development” and to encourage HEIs “to collaborate with employers in delivering training that meet employers’ needs”. This is because many of the threatened ELQ programmes focus on national and regional priorities for retraining and up-skilling adults. Coventry University, for example, is very concerned about the “negative impact on courses in management” especially as “improved management competence” is the “top priority for the Regional Skills Partnership under the RDA”. Similarly, cultural regeneration has been vital to the revival of the North East economy and yet the ELQ cuts threaten Sunderland University’s lifelong learning programmes with more than 40 cultural partners.

33. Nor is the problem confined to post-92 institutions. Both King’s College and City University, for example, are significantly affected by the cuts in ELQ funding for professional and vocational courses in pharmacy, clinical psychology, enterprise and small business management, specialist law and computer programming or design.

34. At the micro-level, specialist continuing education/lifelong learning centres, often located in universities like Oxford that are criticised for not doing enough to widen access, are most affected by the ELQ funding withdrawal. In research-led universities it is increasingly difficult to persuade local managements, preoccupied with the RAE and research grants, that lifelong learning activities and community engagement are core academic activities. The loss of ELQ funding will make the job of local lifelong learning specialists much harder.

35. Above all, we are concerned that the ELQ funding changes will result in a permanent loss of staff expertise in working with adults and part-time students at the HE level. The threat of ELQ funding cuts is already having an impact on continuing education provision. At Hull the new policy poses “a threat to the sustainability of some areas of provision especially around liberal adult education and work related learning in SMEs, the public sector and the voluntary and community sector.” Oxford University is “very concerned about the effect the reduction in funding may have on the employment of staff, particularly in the Department of Continuing Education, where lecturers tend to work on a part-time basis.” Another head of a lifelong learning centre has warned that:

“At best it appears that 50% of the programme would go; at worst 75% (depending on what is meant by ‘equivalent’ qualifications—another little problem that hasn’t been thought about). In turn this would mean that each year between 400 and 600 students without experience of higher education would be denied that opportunity and between 25 and 45 tutors (who are part time sessional staff) would no longer be employed”.

36. Unless there are major changes to the Government’s approach, specialist departments, centres and networks may simply disappear or be profoundly damaged. “There simply won’t be the infrastructure and expertise to offer this expanded provision for adults,” warns Professor Leni Oglesby from the Universities Association for Lifelong Learning (UALL). “The university centres for lifelong learning will have disappeared, and with them that enormous pool of expertise, experience and commitment which has done so much for so many adults for so long.”

37. HEFCE safety net procedures will provide some assistance to institutions that are badly affected by the ELQ proposal. However, the safety net will only be in place for three years and because there will be no inflationary increases it will still result in a major loss of income for part-time oriented universities. Safety nets will not crack the destabilization of institutions and departments and simply calling on institutions to adapt their business plans is unacceptable when the cofunding mechanisms for doing so are inadequate.

38. The £20 million additional “uplift” funding to support part-time provision, while welcome, is inadequate to mitigate the effect of this policy across all institutions. It was also announced prior to the ELQ funding policy and will only start from 2009–10.

39. The UCU has concerns about the viability, and indeed administrative costs, of monitoring and recording prior qualifications. Universities will continue to rely on students accurately reporting their previous qualifications and given the financial implications, students will have few incentives to disclose prior qualifications. The complex additional bureaucracy needed to police the new system flies in the face of the government's own ambition to reduce the burden of regulation in higher education. We would like to know whether the DIUS has conducted a regulatory impact assessment of the ELQ policy.

40. Although the £100 million funding withdrawal represents only 0.2% of the overall HE budget, it will have a disproportionate, long-term and damaging impact on part-time institutions and students.

## CONCLUSION

41. The UCU is strongly opposed to the Government's decision to withdraw £100 million of funding to institutions for students studying ELQs. In short, we commend the analysis developed by the head of the CBI:

“The Government is now setting out on a drive to develop co-funding with what seems like a very limited base of evidence on which to build its arguments . . . Its decision to finance this programme in part by shifting funding away from ELQs looks like a crude measure, which has not been properly discussed with the sector and which will probably have unintended consequences”.<sup>19</sup>

42. In addition, given falls of 17,500 full-time first year enrolments of UK-domiciled students in England in 2006–7 compared with 2005–6, England can ill afford to cut 52,000 FTE ELQ students.

43. We call on the Government to defer the implementation of the ELQ policy and to refer it to the 2009 Fees Commission for proper consideration and consultation.

January 2008

## Appendix

### Funding for equivalent or lower qualifications

**Table 1**

INSTITUTIONS LOSING AT LEAST £2m OF RELEVANT TEACHING FUNDING BY 2014–15  
(2007–8 LEVELS)

	£
Open University	31,628,519
Birkbeck College	7,866,367
London Metropolitan University	6,191,987
University of Oxford	4,151,668
University of East London	3,774,215
Thames Valley University	3,630,467
London South Bank University	3,476,541
City University, London	3,191,136
University of the Arts London	3,122,340
University of Westminster	2,966,099
University of Wolverhampton	2,888,322
King's College London	2,719,681
University of Bedfordshire	2,677,349
University of Sunderland	2,642,639
Anglia Ruskin University	2,623,211
University of Brighton	2,576,959
Leeds Metropolitan University	2,466,895
University of Central England in Birmingham	2,352,250
Conservatoire for Dance and Drama	2,299,911
Coventry University	2,277,465
University of Teesside	2,140,443
Middlesex University	2,040,832
University of Nottingham	2,018,560
Manchester Metropolitan University	2,004,391

<sup>19</sup> Richard Lambert, Universities UK Inaugural Annual Lecture, 11 December 2007. UCU, Egmont House, 25-31 Tavistock Place, London, WC1H 9UT.

Table 2

## INSTITUTIONS WITH &gt; 10% CUTS TO RELEVANT TEACHING FUNDING BY 2014–15 (2007–8 LEVELS)

	%
City of Westminster College	40.8%
Birkbeck College	38.3%
South Thames College	28.0%
Conservatoire for Dance and Drama	26.0%
London Business School	24.9%
Open University	22.7%
Barking College	21.6%
Institute of Cancer Research	19.5%
Manchester College of Arts and Technology	17.8%
School of Pharmacy	15.3%
Southampton City College	13.9%
London School of Hygiene & Tropical Medicine	13.7%
Bradford College	13.6%
City University, London	13.3%
Thames Valley University	12.5%
Craven College	11.6%
Lewisham College	10.8%
University of Bedfordshire	10.7%
University of East London	10.6%
London Metropolitan University	10.3%
North East Surrey College of Technology	10.2%

Table 3

## FULL-TIME EQUIVALENT (FTE) HEFCE-FUNDED STUDENTS AFFECTED BY WITHDRAWAL OF FUNDING FOR NON-EXEMPTED ELQ STUDENTS

*2005–06 Student FTE derived from 2005–06 HESA/ILR data*

*Calculations by UCU, using data at [http://www.hefce.ac.uk/pubs/hefce/2007/07\\_27/](http://www.hefce.ac.uk/pubs/hefce/2007/07_27/)*

<i>Institution</i>	<i>Total ELQ not exempted FTE</i>	<i>Total ELQ not exempted FTE as % total HEFCE-funded FTE</i>
Open University	8,381	23.0%
Birkbeck College	2,191	37.3%
London Metropolitan University	2,026	12.2%
University of East London	1,214	12.4%
London South Bank University	1,046	12.7%
Nottingham Trent University	1,026	5.9%
City University, London	992	14.8%
University of Oxford	974	7.8%
Thames Valley University	969	12.9%
Anglia Ruskin University	958	7.9%
University of the West of England, Bristol	936	5.7%
University of Westminster	849	6.1%
Leeds Metropolitan University	842	5.4%
University of Wolverhampton	802	6.6%
University of Central England in Birmingham	766	7.7%
University of Warwick	721	6.5%
University of the Arts London	710	7.3%
University of Northumbria at Newcastle	706	5.0%
Sheffield Hallam University	687	4.3%
Manchester Metropolitan University	666	3.1%
University of Sunderland	662	8.0%
University of Brighton	637	6.3%
Middlesex University	625	5.6%
University of Nottingham	617	4.0%
University of Bedfordshire	615	10.0%
University of Teesside	614	6.1%

<i>Institution</i>	<i>Total ELQ not exempted FTE</i>	<i>Total ELQ not exempted FTE as % total HEFCE-funded FTE</i>
Coventry University	609	6.3%
University of Kent	606	5.7%
University of Leicester	562	6.3%
University of Central Lancashire	556	3.7%
De Montfort University	548	3.9%
University of Salford	480	4.4%
Kingston University	465	3.4%
Liverpool John Moores University	458	3.3%
University of Greenwich	453	3.9%
King's College London	453	4.3%
University of Birmingham	452	2.7%
University of Bristol	429	3.5%
University of Sussex	427	5.7%
University of Lincoln	422	4.8%
Oxford Brookes University	422	4.7%
University of Manchester	420	2.0%
University of Derby	406	4.6%
University of Exeter	378	4.2%
University of Huddersfield	374	3.4%
Lancaster University	367	4.3%
Staffordshire University	355	4.1%
University of Southampton	332	3.0%
University of Sheffield	330	2.2%
Keele University	324	5.8%
University of Hull	323	3.7%
University of Portsmouth	323	2.5%
University of East Anglia	321	4.3%
Brunel University	318	3.8%
University of Reading	314	3.9%
Canterbury Christ Church University	304	5.2%
University of Plymouth	303	1.9%
Goldsmiths College, University of London	294	6.7%
University of Cambridge	292	2.6%
University of Bolton	276	5.9%
University of Cumbria	272	8.3%
Roehampton University	271	5.2%
Bradford College	256	13.3%
University of Bradford	252	4.5%
University of Northampton	243	4.1%
University of Gloucestershire	239	4.3%
University of Hertfordshire	238	1.9%
Buckinghamshire Chilterns University College	237	4.8%
University of Durham	210	1.8%
University of Chester	205	3.8%
Conservatoire for Dance and Drama	202	26.2%
York St John University	188	6.0%
London Business School	179	24.9%
University of Liverpool	178	1.4%
University of Newcastle upon Tyne	158	1.2%
Bournemouth University	156	1.7%
University of Surrey	144	2.7%
Southampton Solent University	143	1.7%
Edge Hill University	142	3.4%
University of Worcester	137	4.3%
Liverpool Hope University	132	3.3%
University of Bath	123	1.7%
University College London	118	1.0%
School of Oriental and African Studies	114	5.4%
University of Leeds	111	0.6%
School of Pharmacy	108	15.8%
Institute of Education	99	9.0%
University of York	95	1.4%
Queen Mary, University of London	94	1.2%

<i>Institution</i>	<i>Total ELQ not exempted FTE</i>	<i>Total ELQ not exempted FTE as % total HEFCE-funded FTE</i>
University of Winchester	94	3.4%
Universities of East Anglia and Essex; Joint Provision at University Campus Suffolk	87	6.1%
Aston University	83	1.6%
Royal Holloway, University of London	71	1.5%
Imperial College London	70	1.0%
University of Essex	67	1.2%
University College for the Creative Arts at Canterbury, Epsom, Farnham, Maidstone, Rochester	65	1.5%
Doncaster College	64	8.0%
Blackburn College	62	4.6%
Bishop Burton College	58	9.1%
University of Chichester	57	1.9%
London School of Economics and Political Science	55	1.5%
Manchester College of Arts and Technology	52	18.7%
Bath Spa University	50	1.2%
Central School of Speech and Drama	50	7.4%
Rose Bruford College	48	8.4%
University College Falmouth	47	2.5%
City of Westminster College	46	38.5%
London School of Hygiene & Tropical Medicine	45	13.7%
Cranfield University	44	4.5%
Barking College	43	21.4%
Royal Academy of Music	43	10.1%
Trinity Laban Conservatoire of Music and Dance	42	6.0%
North East Surrey College of Technology	40	9.3%
St Mary's University College	40	1.8%
Royal College of Art	37	5.8%
Blackpool and The Fylde College	34	3.1%
Loughborough University	34	0.4%
Havering College of Further and Higher Education	33	4.4%
Royal College of Music	32	7.3%
Liverpool Community College	31	8.2%
The Grimsby Institute of Further and Higher Education	31	3.6%
Northbrook College, Sussex	30	3.7%
Wirral Metropolitan College	30	9.6%
College of St Mark & St John	30	2.6%
Leeds College of Art and Design	30	3.9%
Newman College of Higher Education	26	2.6%
Birmingham College of Food, Tourism and Creative Studies	25	1.1%
The Solihull College	25	8.0%
South Thames College	24	28.9%
Arts Institute at Bournemouth	23	1.5%
Trinity & All Saints	23	1.5%
Croydon College	22	3.0%
Courtauld Institute of Art	21	9.7%
Loughborough College	19	4.0%
Farnborough College of Technology	18	2.5%
Norwich School of Art & Design	17	1.8%
New College, Nottingham	17	3.9%
Royal Northern College of Music	17	3.1%
Swindon College	14	4.5%
Exeter College	14	9.0%
City of Sunderland College	14	6.9%
City College, Manchester	13	3.9%
The College of North West London	13	9.4%
St Helens College	13	2.1%
University of London	13	6.5%
Westminster Kingsway College	13	6.8%
St George's Hospital Medical School	11	0.8%
Hull College	11	2.0%
Newcastle College	11	0.6%
Chesterfield College	11	5.6%

<i>Institution</i>	<i>Total ELQ not exempted FTE</i>	<i>Total ELQ not exempted FTE as % total HEFCE-funded FTE</i>
Wiltshire College	10	7.5%
Northumberland College	10	8.0%
York College	10	4.7%
Ravensbourne College of Design and Communication	9	0.9%
Worcester College of Technology	9	2.0%
Warwickshire College, Royal Leamington Spa, Rugby & Moreton Morrell	8	1.4%
Dudley College of Technology	8	3.1%
Accrington and Rossendale College	8	3.6%
New College, Durham	8	0.8%
Stephenson College	8	5.5%
The Sheffield College	8	1.8%
Dartington College of Arts	7	1.4%
Lakes College—West Cumbria	7	5.3%
Wigan and Leigh College	7	1.6%
Herefordshire College of Art and Design	7	3.2%
North Lindsey College	7	2.2%
Gateshead College	7	3.2%
Leicester College	6	3.3%
Leeds College of Music	6	1.0%
Royal Veterinary College	6	0.5%
Brooklands College	5	3.7%
Dewsbury College	5	3.0%
South Tyneside College	5	1.2%
Southampton City College	5	12.5%
Filton College	5	2.3%
Wakefield College	5	2.5%
New College Stamford	5	5.5%
Calderdale College	5	2.6%
Bromley College of Further and Higher Education	5	8.6%
Herefordshire College of Technology	5	5.5%
Writtle College	4	0.5%
North Trafford College of Further Education	4	3.5%
Bedford College	4	3.0%
Institute of Cancer Research	4	19.5%
Sandwell College	4	8.4%
Oxford and Cherwell Valley College	4	3.5%
South Leicestershire College	4	9.0%
Ealing, Hammersmith and West London College	4	3.8%
West Thames College	4	2.3%
Craven College	4	12.1%
West Nottinghamshire College	4	1.3%
Dearne Valley College	3	3.1%
North West Kent College of Technology	3	1.8%
City of Bath College	3	3.7%
Bishop Grosseteste University College, Lincoln	3	0.5%
Hopwood Hall College	3	2.0%
Henley College Coventry	3	2.4%
North Nottinghamshire College	3	7.5%
Stockport College	3	0.4%
Bridgwater College	3	1.6%
Matthew Boulton College of Further and Higher Education	3	2.4%
Tyne Metropolitan College	3	1.4%
City College Plymouth	3	4.5%
South Nottingham College	3	2.6%
Lewisham College	3	10.8%
Kingston College	3	3.0%
Chichester College	3	2.0%
Tameside College	3	2.3%
RCN Institute	2	1.3%
North East Worcestershire College	2	0.8%
Leeds College of Technology	2	5.1%
Askham Bryan College	2	1.2%

<i>Institution</i>	<i>Total ELQ not exempted FTE</i>	<i>Total ELQ not exempted FTE as % total HEFCE-funded FTE</i>
Macclesfield College	2	1.6%
City College, Coventry	2	1.7%
Kensington and Chelsea College	2	4.9%
Castle College Nottingham	2	0.8%
Barnfield College	2	2.9%
Carlisle College	2	1.6%
Walsall College	1	0.8%
Harper Adams University College	1	0.1%
Royal Agricultural College	1	0.2%
Central Sussex College	1	0.7%
Stroud College in Gloucestershire	1	6.0%
North Warwickshire and Hinckley College	1	1.6%
South Downs College	1	1.4%
Sparsholt College, Hampshire	1	0.3%
Newham College of Further Education	1	2.7%
Stourbridge College	1	3.6%
City College, Birmingham	1	1.6%
Salford College	1	2.2%
West Kent College	1	3.0%
<b>Total</b>	<b>52,504</b>	<b>5.3%</b>

## Memorandum 5

### Submission from Milton Contact

RE: FUNDING FOR EQUIVALENT OR LOWER QUALIFICATIONS (ELQs)

I advocate the continued support for institutions for students taking second qualifications of an equivalent or lower level (ELQs) to their first qualifications. This is in my capacity as someone who has been an employee of a technology SME and who is now director of their own small business with a totally different portfolio to their original training; who is embedded in the business networks in Cambridgeshire; who works with international business delegations coming to the UK. I cite three reasons from my perspective:

1. The United Kingdom's international advantage due to technology, flexibility and adaptability of businesses and employees to changing circumstances is being challenged by the growth of entrepreneurs in the new EU accession countries, the Indian and Chinese economies and their increasingly educated workforces. Retraining or additional training of individuals in the workplace will be essential for us to keep ahead. Continued support for ELQs will benefit the UK internationally.

2. Due to rapidly changing markets in both the private and public sector within the UK, the demand for retraining or gaining new skills as careers change or adapt will increase. Additional qualifications needed may be in totally new areas and at an equivalent or lower level. Continued support for ELQs is integral to progressing the UK economy.

3. 67% businesses in the United Kingdom have 0-4 employees, 96.4% businesses have 49 employees or less (National Statistics 2007). Such small businesses have the greater ability to respond to changing market forces quickly. Continued support for ELQs complements the needs of the UK's micro, small and medium enterprises.

I hope this is of assistance to the committee and good luck with your deliberations!

January 2008

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## Memorandum 6

### Submission from the School of Pharmacy and Chemistry, Liverpool John Moores University

Most university students chose their disciplines when they were 17 years of age or even younger. They had very little experience of life and almost no concept of a career. The selection of a programme of study for most is not based on ambition or future goals. A small proportion subsequently discover a career pathway for which their degree subject does not qualify them. Nowhere is this more the case than it is for careers that require a professionally recognised degree qualification such as pharmacy. It is already difficult for a graduate to undertake a second degree but under the new funding proposals it will be unrealistic for all but the extremely affluent.

I am an admissions tutor for a pharmacy degree. I receive enquiries from graduates who believe that they have found a new vocation, almost daily. I am now in the position of having to explain to such graduates that such a career aspiration is probably outside their grasp.

My principal concerns of principle are two-fold.

Firstly, graduates undertaking a second degree to qualify as pharmacists are generally very able and are certainly very dedicated to their chosen profession. I believe that graduates augment the quality of the profession and its practice very substantially. It is common practice in North America, for example, where I believe the standard of pharmacy practice is extremely high, for pharmacy students to be graduates. Surely we should recognise, applaud and support graduates who want to take their studies into new arenas. My experience with graduate entrants has been universally positive. Mature students are generally far more committed to their studies and their maturity is a great asset when they are set alongside the younger members of their cohorts. I believe that it would be in everyone's interest to at least maintain the *status quo*.

Secondly, I believe that it is uncivilised and immoral to introduce a scheme which, to all practical purposes, binds the decision of a minor to be life-binding contract. Adults should not be held responsible for decisions they made as children in this way.

*December 2007*

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## Memorandum 7

### Submission from Helen Lintell, Student Services Manager, Open University in the South West

The proposed ELQ regulation would have a significant and detrimental impact on my son's career plans.

He is 25 years old and took a degree in Media Production. He found the precarious employment associated with the film industry unsatisfactory and became interested in secondary school teaching, offering Media and English. He has been advised by the HEI under which he will take his PGCE or GTP that he needs to include more English courses as part of his undergraduate profile. Accordingly he is currently taking a second level English Literature course with the Open University, approved by his teacher training HEI.

Meanwhile my son is working as a Teaching Assistant as part of his preparation for teaching and thus his income is modest. Any large increase in the cost of such courses for people like my son would make it very difficult for them to make this kind of career change. Any consideration of this his intentions would see them as having social utility and any measures which thwarted them can only be seen as disadvantageous both to him and society generally.

My son would certainly be a victim of the ELQ proposals and I invite anyone to judge what would be the value of doing so.

I write both as a parent and also a staff member of the Open University where I encounter a number of people in analogous positions as my son. Overwhelmingly they are likewise going into teaching having taken degrees in non curriculum subject area. Do we really want to deter such people?

*January 2008*

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## Memorandum 8

### Submission from Million +

#### FUNDING FOR EQUIVALENT OR LOWER QUALIFICATIONS (ELQs)

##### THE DECISION

1. On 7 September 2007, the Secretary of State for DIUS wrote to the Higher Education Funding Council for England instructing the Council to withdraw a total of £100 million in public support by 2010–11, commencing in 2008–09, from the teaching of students studying for “a qualification that is equivalent to or lower than a qualification that they have already attained”. Prior to this instruction to the Funding Council, there had been no public consultation with HEIs or with other representative bodies including students, employers or professional bodies.

2. Million + (a university think-tank supported by a network of universities) welcomes this Inquiry and the opportunity to give evidence to it. This submission is based on research and evidence provided by institutions, including a significant number which appear in the top 22 of institutions identified by Hefce modelling as likely to lose funds. In total, these 22 universities currently educate £100 million “worth” of ELQ students. They do not have the characteristics of the OU and Birkbeck and this decision has wide implications for institutions which have been outstandingly successful in encouraging first generation students, employer engagement and professional and vocational higher level qualifications and supporting access by students of varying backgrounds, ages and qualifications.

##### GOVERNMENT PRIORITIES

3. In his correspondence of 7 September, the Secretary of State stated that he wished to redirect money “to fund more students through their first degrees. While there may be much benefit to an individual, or their employer, in them retraining for a second qualification at the same level, this is not, in my view, usually as high a priority for public funding as support for students who are either entering higher education for the first time, or progressing to higher qualifications. In many cases, it may be appropriate for the employer to pay at least a proportion of the costs of such re-training”.

4. In other public statements, Ministers have suggested that it was unfair to expect taxpayers to contribute to the funding of “second degrees”. At first sight, these priorities may seem non-contentious. However, the policy will increase tuition fees and will have an effect on participation. In fact, the “second degree” descriptor is a misnomer. Apart from some exemptions, all higher education students in England who are studying for “a qualification that is equivalent to or lower than a qualification that they have already attained” will lose the public funding which currently contributes towards the costs of teaching their courses. The announcement therefore affects a very wide range of students and universities, including many involved in vocational and innovative professional training. Unless students fall into an exempt category, this decision withdraws public funding from the teaching of anyone with an HE qualification who is taking a sub degree or institutional credit and will affect many part-time courses and tens of thousands of people seeking to re-skill.

##### THE COMPREHENSIVE SPENDING REVIEW AND THE “RE-TARGETING” OF ELQ FUNDING

5. The Government announced that the Comprehensive Spending Review would allow for 50,000 additional student numbers up to 2011 (a period when the number of 18 year olds will continue to increase). However, neither Hefce nor DIUS have confirmed whether the 50,000 students are really additional or whether current student categories are being substituted for student numbers associated with new initiatives, eg the Government’s strategy of encouraging the funding of higher education students by employers (co-funded student numbers) under the Leitch agenda. Employer co-funded places also have the effect of reducing the public unit of resource available for these higher education students.

6. The withdrawal of £100 million of funding from the teaching of ELQ students raises the further question as to whether the 50,000 student numbers announced in the CSR are in fact being paid for by the withdrawal of student numbers and associated public funding from ELQ students.

7. In fact overall student numbers in terms of both applications and acceptances have not yet recovered from those recorded in 2004–05 (ie prior to the introduction of variable fees in England). Overall since 2002 there has been a 10.5% reduction in the number of applications, mirrored by falls in applications from each individual socioeconomic grouping with the exception of unknowns (Appendix Table 1). Most significantly UCAS statistics confirm that acceptances fell by 21.93% between 2002 and 2006 (Appendix Table 2). While applications in March 2007 were reported by UCAS to have increased by 4.6%, this has to be compared against the significant drop in applications recorded in 2006. As these Tables suggest, each year thousands of qualified applicants, the majority of them first-time applicants, do not progress to the places for which they have been accepted in higher education institutions.

8. The Government may have decided to prioritise first-time applicants because of the CSR settlement. However, there is no evidence that ELQ students are currently substituting for first-time applicants. Indeed on the contrary, the public funding made available for the teaching of ELQ students (who do not access student financial support arrangements) supports the viability and availability of courses for first-time applicants. For first-time and ELQ students, employers and universities the “either / or” funding model which the Government has announced makes little sense either in terms of access to education or the business models which govern unit costs.

#### STUDENTS

9. Some universities have been excellent at offering new opportunities for first generation students of varying ages, with varying qualifications and from non-traditional backgrounds. Their course programmes frequently include both first-time (and often first generation students) and ELQ students. The latter are often not studying a specific course programme although where this is the case, the future viability of courses will undoubtedly be put under threat because the withdrawal of public funding will substantially increase tuition fees.

#### INCREASE IN TUITION FEES

10. Currently, home / EU ELQ students pay the same fees as their full-time or part-time equivalents—just over £3,000 a year for a full-time degree course in England. Once universities lose all public funding for these students, they will have no option but to charge them the full cost. These students will have to be treated in the same way as overseas (international) students where tuition fees start at £7,000 per annum. Fees for ELQ students will rise with the obvious risk that students who cannot afford to pay will be priced out of their studies.

11. The increase in tuition fees in England has led to a decline in both applications and acceptances and influenced cross-border applications. 11.2% fewer Welsh domiciled students now apply for higher education places in England and 5.4% fewer students normally resident in Scotland now apply to study at English institutions.

12. ELQ students or their families will have paid taxes. Many have family or care commitments. If they have accessed student support arrangements previously they are not eligible to do so again. Like other students in England, they already have to pay course fees—and in the future, increasing numbers of ELQ students may also be repaying loans from earlier HE studies.

13. An increase in tuition fees for ELQ students will have the effect of depressing the market and participation in higher education. Such increases in tuition fees for ELQ students will not be moderated by a student support finance package and these students are already providing substantial funds from their own resources towards their higher education. Many ELQ students may wish or need to access study at their local university and it not surprising that a significant cohort of higher education institutions which will lose funds, are those which have outstanding records in terms of encouraging regional and local participation.

#### HOME STUDENTS WITH ELQS FROM NON-UK INSTITUTIONS

14. The new policy affects home / EU students with ELQ qualifications from UK and non-UK institutions. There are real problems for institutions in establishing equivalences for qualifications obtained outside of the UK. Just as significant is the fact that many long-standing UK residents look to improve their lives and career prospects by taking UK degrees at an equal level to those attained prior to taking up residency in the UK. Some may have been UK residents and citizens for many years, have paid taxes but have not previously accessed higher education in the UK but have an ELQ from a non-UK institution. From 2008, these UK residents will have to be treated as overseas / international students and will be charged accordingly.

#### THE LIFELONG LEARNING AGENDA

15. Many ELQ students are engaged in specific vocational professional learning that happens to be at the same level as their first qualification. Foundation degree students will be exempt. However, there are many instances where it is necessary to study a full three year degree to achieve professional recognition. Moreover, a foundation degree is not necessarily the most appropriate or relevant form of study or qualification if the student is to enhance their skills or develop a new career path. Professional bodies determine many qualifications which do not fall into the foundation degree “category” and they were not consulted.

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## THE LEITCH REPORT

16. Lord Leitch suggested that increasingly individuals would be required to have higher level skills and to re-skill. According to his Report (accepted by the Government), 70% of the 2020 workforce are already in work. In a global economy which is constantly shifting, a qualification relevant 10 years ago may no longer be relevant. There is no good economic or social reason why individuals should be entirely reliant on self-funding or employer support to access opportunities to re-skill or to return to higher education—and no evidence base to suggest that withdrawal of public funds and reliance on student self-funding will incentivise take-up of further study or higher level skills.

17. Leitch suggested that future funding would need to be tripartite and based on contributions from individuals, employers and Government. There are question marks as to what extent this tripartite model of funding will meet the needs of those students outside of the workforce, hidden learners (ie those who do not want to tell their employers) and those who work flexibly or for employers who are reluctant to co-fund education and training. However, the DIUS announcement goes much further than Leitch by withdrawing public funding entirely from ELQ students. Lord Leitch did not refer to this as a policy or funding option.

## DIUS PUBLIC SERVICE AGREEMENT (PSA): SKILLS

18. The CSR identified a PSA target for DIUS relating to skills. It has been assumed that, in line with Leitch, this PSA target would include higher level skills and opportunities to re-skill. It is difficult to see how this policy enhances the achievement of the PSA objective unless re-skilling for higher level qualifications has been discounted by DIUS or is to be entirely funded by employers and individuals.

## PART-TIME STUDENTS

19. Modelling by Hefce and by institutions suggests that part-time students and the institutions which teach them will be badly affected. The proposition that part-time students get significant funding for fees from their employers is not borne out by current statistics or evidence. These students are not just taught in institutions which specialise in part-time provision.

20. An additional part-time premium is to be paid by the Funding Council to institutions. This is welcome but was already planned because of the additional administrative and teaching costs for part-time students. The additional part-time premium will not fully compensate for the loss of funds for ELQ students and will not be paid until 2009–10. However the withdrawal of funding from ELQ students will commence in 2008–09.

## EXEMPTIONS

21. DIUS and the Funding Council (Hefce) have suggested that there should be exemptions eg for NHS students, doctors, dentists, veterinary sciences, teacher training, architects and other strategically important or vulnerable subjects (SIVS). It is difficult to see the logic behind these exemptions. For example, these include teacher training but exclude courses leading to qualified teacher status for the FE, Lifelong Learning and Skills agenda. Many other education courses and qualifications are not exempt. It is unclear whether courses for midwives and professions allied to medicine eg radiographers, physiotherapists, occupational therapists are exempt or what the rationale and costs would be for their inclusion in the exempt category if other courses eg leading to qualifications in mental health were to lose public funding.

22. ELQ students on courses related to land management and the EU accession countries are exempt and therefore publicly funded but ELQ students on courses related to business, management, housing, charity accountancy, pharmacy and psychology (to name a few) will receive no public funding. ELQ students studying STEM subjects will be exempt but students studying, for example, biomedical science will no longer be publicly funded

23. Universities have positive duties under equalities legislation. However students of Islamic Studies will continue to be publicly funded while ELQ students on other specific religious studies courses will no longer be publicly funded.

24. While, the foundation degree exemption is helpful, it will not cover the wide range of other courses of study and the work-based provision which are delivered in small packages, especially to part-time students. The demand for this type of provision is driven as much by the individual as by the employer, especially in regions which have a predominantly SME base of employment. The withdrawal of funding is likely to undermine this provision and, as a consequence, undermine the Government's own objectives.

25. Hefce is charged with withdrawing £100 million of funding from ELQs so not all exemptions proposed by universities, however worthy, may be accepted if the Funding Council cannot identify £100 million of savings from the ELQ budget. Moreover any specific protection arrangements agreed with specialist institutions which reduce the savings achieved, have the potential to transfer additional saving requirements onto other institutions. Exemptions, although helpful, do not resolve the fundamental problem and add inevitable and huge complexities to recruitment, admissions and funding regimes.

#### FUNDING WITHDRAWN ON RETROSPECTIVE DATA

26. Funds will be withdrawn from Universities in 08–09 based on an estimate of ELQ students derived from HESA student data collected for 05–06. There was no requirement for this data to accurately record equivalent or lower qualifications. Some codes in the HESA Entry Qualifications field cover combinations of qualifications at similar levels that are not the same. For example, students who have completed a postgraduate certificate and started a diploma are counted as having an ELQ. These student returns therefore include a large number of “unknowns” in terms of previous qualifications. Universities will lose funds on the basis of retrospective student recruitment, inaccurate data and in relation to a policy of which they were entirely unaware.

#### ADMISSIONS

27. University admissions and finance officers already check residency and other requirements. They will now be expected to check whether British residents who want to better themselves by studying for a higher education qualification have been honest about or understand that they may have a previous qualification which is deemed equivalent to or “lower than” the course for which they have applied to study. Thousands of people who have left school and college do not have individual learning numbers and it is not necessarily easy to check ELQs. Students may end up being told by universities at the point of enrolment that they will not benefit from any public funding and that they will have to pay much more each year. Little consideration appears to have been given as to how the implementation of this policy can be robustly monitored—and there has been no assessment as to the impact on the online application process which universities and UCAS are promoting.

#### ADMINISTRATIVE COMPLEXITY AND REGULATORY BURDEN

28. In future, HESA student data will have to be used to determine which students are fundable (this return includes qualifications on entry and qualification aim). HESES returns will have to split students into further categories. There will have to be cross-referencing between the HESA and the HESES returns and funding returns will be even more complex. Students will face very different fee regimes according to their entry qualifications.

#### *University Case Study*

This change of policy will mean that some students on a programme are fundable while others taking the same programme are not—based entirely on entry qualifications. Universities will be faced with charging differential fees for the same programme according to whether the student is Hefce fundable or not. For example, a student enrolls on ACCA (Accountancy), having previously completed a first degree—they are potentially non-fundable. A student enrolls on ACCA, having been accepted with a HND or relevant experience—they are fundable.

#### NEW TUITION FEE SCHEDULES AND ACCESS AGREEMENTS

29. The tuition fee schedules published for potential students by universities are usually set out for “Home / EU” and “Overseas” students. In future, universities in England will have to consider setting these schedules as “Publicly Funded” and “Other”. These will not be terms readily understood by many applicants although the implications of the withdrawal of public funding will be obvious. Universities will also have to rewrite their Access agreements.

#### THE IMPACT ON THE COST BASES OF INSTITUTIONS

30. Removal of £100 million from universities in England will have an impact on the cost base and staffing of universities in spite of any transitional funding which may be available. The impact upon a University Centre for Lifelong Learning (case study below) can be replicated throughout the HEI business model.

#### *University of Sunderland Case study*

The University runs a Centre for Lifelong Learning. This is targeted at ELQ students and “hard to reach” aspiring first time HE students and offers very large numbers of evening HE level modules which could now be at risk. About 60% of the 450 FTEs are likely to fall into the ELQ category. This is 300 FTEs worth of provision. The loss of public funding from the latter will inevitably affect the cost base of the Centre. It is very unlikely that the University could successfully increase the fees for the ELQ students and retain market share.

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 IMPACT ON INSTITUTIONS

31. Hefce has published modelling, taking into account exemptions identified to date and the predicted withdrawal of funds. The first 22 universities “yield” the £100 million savings. In addition to the OU and Birkbeck, the net effect of the policy is to withdraw funding from universities which are well known for their contribution to widening participation, their innovative approach to developing courses of direct relevance to employers and for offering flexible opportunities to study. Even when the additional part-time premium is taken into account, universities will still lose significant cash sums. Other universities and colleges lose a significant percentage of their teaching funds. The reduction in teaching funding will also affect HEI capital funding.

## SUMMARY (HEFCE MODELLING)

<i>Rank</i>	<i>Institution</i>	<i>Loss/*m</i>
3	London Met	6.2
5	UEL	3.8
6	TVU	3.6
7	LSBU	3.5
10	Westminster	3.0
11	Wolverhampton	2.9
13	Beds	2.7
14	Sunderland	2.6
15	Anglia Ruskin	2.6
17	Leeds Met	2.5
18	Birmingham City	2.4
20	Coventry	2.3
21	Teesside	2.1
22	Middlesex	2.0

## EQUALITY IMPACT ASSESSMENT

32. The announcement has the potential to impact adversely on women returning to work and older men. The London institutions in the top 22 identified by Hefce as losing funding are some of the most successful in recruiting BME students. Universities have expressed concerns about the impact of the policy on disabled students. DIUS has not published an equality impact assessment (although Hefce refers to equality impact in its consultation).

## CONCLUSIONS

33. There has been no public consultation about the principle or merits of the policy which only applies to England and will create a further distinction in fee and funding regimes within the UK. The Secretary of State’s letter makes clear that the receipt of future grant by Hefce is dependent on the policy’s implementation. There is some doubt as to whether this instruction complies with Section 68<sup>20</sup> of the Further and Higher Education Act 1992. Ministers have suggested that they cannot consult on a consultation. However, Hefce’s consultation deals with the operation of the policy but not the principle or its merits.

34. The decision deregulates and will significantly increase tuition fees for a significant number of potential higher education students. DIUS has not published any research findings which assess the impact of the policy upon students, employers, the lifelong learning agenda or institutions.

35. The decision itself raises serious questions about access to higher education and higher level skills in the context of the lifelong learning agenda. Current HE students who may have anticipated undertaking a further course of study to help them in their career and to improve their life chances will be affected, as will all future ELQ students who cannot afford to pay “full cost” fees.

36. The President of the NUS, the General Secretary of UCU and the heads of 29 institutions wrote to the Guardian on 21 November 2007 calling for the policy to be referred to the 2009 Fees Commission.

If Ministers are not prepared to wait for the 2009 fees review, Million + recommends that:

- the policy is withdrawn for implementation in 2008–09

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<sup>20</sup> Grant to funding council by Secretary of State: the F & HE Act 1992 Sect 68 (3) states that “such terms and conditions may not be framed by reference to particular courses of study or programmes of research (including the contents of such courses or programmes and the manner in which they are taught, supervised or assessed) or to the criteria for the selection and appointment of academic staff and for the admission of students”.

- further discussions take place between the Department of Innovation, Universities and Skills and Hefce to consider how the funding made available through the CSR can be deployed in ways which seek to meet the Government's objectives to broaden first-time participation without damaging the opportunities which ELQ public funding provides.

*January 2008*

**Table 1**  
APPLICATION RATES BY SOCIOECONOMIC GROUP

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Higher managerial and professional	-	-	-	-	-	71,054	69,700	70,059	69,631	63,982
Lower managerial and professional	-	-	-	-	-	99,404	100,465	102,737	105,698	90,061
Intermediate occupations	-	-	-	-	-	51,002	49,803	50,500	52,423	42,215
Small employed and own account workers	-	-	-	-	-	24,535	24,616	24,663	25,394	22,715
Lower supervisory and technical	-	-	-	-	-	15,559	16,540	16,054	16,348	14,071
Semi-routine occupations	-	-	-	-	-	43,485	44,834	45,789	50,563	40,283
Routine occupations	-	-	-	-	-	19,905	19,243	19,358	20,392	17,355
Unknown	-	-	-	-	-	76,910	84,767	84,174	104,181	81,821
Grand Total	398,327	389,588	388,691	389,091	399,645	401,854	409,968	413,334	444,630	372,503

Source: UCAS.

Note: We do not provide a breakdown of applications by socioeconomic grouping between 1997 and 2001 as the classification of socioeconomic grouping changed between 2002 and 2002 making annual comparisons difficult.

**Table 2**  
ACCEPTANCES BY SOCIOECONOMIC GROUP

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Higher managerial and professional						61,419	59,472	59,679	59,670	48,529
Lower managerial and professional						83,476	83,113	84,628	87,107	66,823
Intermediate occupations						42,112	40,576	40,790	42,222	30,649
Small employed and own account workers						20,056	19,992	19,881	20,668	15,926
Lower supervisory and technical						12,830	13,457	13,114	13,454	10,030
Semi-routine occupations						34,647	35,254	35,516	38,866	29,309
Routine occupations						15,855	15,183	15,199	16,062	12,577
Unknown						61,330	66,895	65,488	82,195	75,386
Grand Total	303318	298220	303065	308718	325472	331,725	333,942	334,295	360,244	289,229
Ratio of Acceptances to Applications	0.76	0.76	0.78	0.79	0.81	0.82	0.81	0.81	0.81	0.77

Source: UCAS.

Note: We do not provide a breakdown of acceptances by socioeconomic grouping between 1997 and 2001 as the classification of socioeconomic grouping changed between 2002 and 2002 making annual comparisons difficult.

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## Memorandum 9

### Submission from the Institute of Fundraising

1. The Institute of Fundraising (registered charity number 1079573) represents fundraisers and fundraising throughout the United Kingdom. It is a membership organisation committed to the highest standards in fundraising management and practice. Members are supported through training, networking, the dissemination of best practice and representation on issues that affect the fundraising environment. With over 4500 individual members and more than 250 organisational members, the Institute of Fundraising is the largest individual representative body in the voluntary sector. Membership reflects income to the sector of some £5 billion per annum and delivers more than £12 billion service-output covering all areas of social activity. Members are drawn from all types of Voluntary and Community Organisation (VCO), from large international charities to very small voluntary and community groups.

2. The Institute of Fundraising wish to express their concern at the proposed withdrawal of funding for students studying equivalent or lesser qualifications (ELQs). This is likely to have a seriously adverse impact on the number of candidates studying for the Certificate in Fundraising Management via the distance learning route provided by the Open University in its course B625 *Winning Resources and Support* because of the reduction in funding to the Open University. The Certificate in Fundraising Management is also delivered through Cass Business School, London South Bank University, Sheffield Hallam University, University of the West of England and the University of Northampton. This adverse impact is likely to take the form of reducing the supply of qualified fundraisers, disadvantaging those wishing to pursue fundraising as a second career, as well as those who already suffer economic disadvantage—as detailed in the following paragraphs.

3. Since its launch in 2002, this course has graduated over three hundred and fifty students, many of whom are now fully certificated members of the Institute. As the professional and membership body for fundraisers, we are committed to developing, promoting and championing excellence in UK fundraising. Widening access to obtaining the Certificate in Fundraising Management has been central to this commitment by increasing the supply of skilled, qualified fundraisers to the voluntary and community sector. This not only benefits the voluntary and community sector, but also society at large because of the contribution made by a better resourced voluntary and community sector, and it benefits donors themselves because of the standards of care and ethics maintained by a properly trained and qualified fundraising workforce. While there are other paths to the Certificate in Fundraising Management, the Open University route has succeeded in reaching students in places and settings, which are inaccessible to face-to-face routes. It has proved our single most fruitful source of newly qualified fundraisers in the last five years and is thus of national importance to the sector.

4. Statistics for the most recent cohort of students on *Winning Resources and Support* suggest that 70% are graduates, and four out of five are women. These are individuals who have taken a conscious decision to acquire and demonstrate professional skills relevant to progress in, or entry to, the fundraising profession. Almost 60% of fundraisers enter the profession having begun as volunteers, meaning that the proportion of people who work in fundraising as a second career (and with a degree) is very high. It is also well evidenced that some women face significant challenges in accessing and acquiring skills that will enable them to return to gainful employment after they have taken time out from the workforce to have children and fulfil their caring responsibilities. These facts combine to make *Winning Resources and Support* a particularly unfortunate potential casualty of the proposed policy on ELQ funding.

5. Candidates study *Winning Resources and Support* in their own time, almost always at their own expense. What support their employers can offer is limited in a sector characterised by low pay and tight constraints on training budgets. Their ability to study is therefore highly sensitive to the level of fee. Due to the specialist nature of the course, the economies of scale usually associated with an Open University course are not available to it. We acknowledge that the Open University has priced the course as low as can realistically be expected, but the current fee level remains a challenge to students who are self-financing. In 2005 and 2006 the Open University itself managed to obtain funding from a charitable trust to offer scholarships to students who would have been prevented from studying on low-income grounds, but this has not been able to be maintained into the current year. Attempts to raise scholarship money are ongoing but any increase in pricing for the course as a result of the withdrawal of ELQ funding will constitute a further deterrent to students on low incomes, and a further obstacle to the access efforts of a university already struggling to find ways of increasing the affordability of its provision.

6. We would therefore urge the government to think carefully before implementing a policy which, while intended to concentrate resources more effectively towards achieving access to higher education, may have unintended and damaging effects on the ability of higher education to support the vital area of fundraising training and consequently undermine the sustainability of the voluntary and community sector on which it relies to deliver so many of its flagship public policy initiatives.

January 2008

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## Memorandum 10

### Submission from the Royal Veterinary College, University of London

#### EXECUTIVE SUMMARY

1. The Royal Veterinary College (RVC) strongly believes that it is in the public interest that government develops policies which are credible to all stakeholders in higher education. The RVC believes that the removal of funding for equivalent and lower level qualifications (ELQs) is clearly contrary to both the lifelong learning and the widening participation agenda.

2. It is essential that certain categories of students are exempt from the withdrawal of funding for ELQs. This must include students studying for a first registerable veterinary surgeon qualification.

#### ASSESSMENT OF THE POLICY

3. The RVC believes the new policy on ELQs will adversely affect students wishing to retrain and refresh their knowledge and skills at different points in their lives. It will have a damaging effect on individual students, institutions and the economy as a whole. The ELQ pronouncement is analogous to an 11-plus for widening participation candidates. It implies that they can have “one go”, and if they miss that opportunity, the government has closed the door on any others. This seems to be against natural justice and the whole widening participation agenda.

#### EXEMPTION FOR VETERINARY MEDICINE

4. In identifying students who should be exempt from the withdrawal of funding for ELQs, HEFCE has identified certain categories of student eligible for exemption in connection with the Student Fees Regulations and the Student Support Regulations. These include veterinary students. From the viewpoint of the RVC, the exemption for all students on courses leading to a first registerable veterinary surgeon qualification courses is essential. It is clearly in the public interest for these students to be exempt, given the continuing national requirement for a skilled veterinary profession and the fact that the UK remains, despite the recent expansion of undergraduate numbers, a net annual importer of qualified veterinary surgeons (source: RCVS Annual Report 2007).

5. Any failure to grant an on-going exemption to all students studying for first registerable qualifications in veterinary surgery would seriously undermine progress that has been made at the RVC, where graduate entry to our professional veterinary degree, the Bachelor of Veterinary Medicine (BVetMed), is currently approximately 35 students annually. This entry route has been running successfully since 2005 and was introduced in response to the Government’s own “Gateways to the Profession” initiative (which was welcomed by the College). It supports a much needed diversification of entry routes into the veterinary profession and provides a further opportunity for underprivileged groups who develop aspirations for professional education after a first degree.

6. If the College no longer received HEFCE funding in respect of graduate entry students, it would be unable to hold the annual fee level for this course in line with its other UG level courses, as it has chosen to do in order to support the diversification agenda. Students would be required to pay an annual tuition fee of £15,000–£20,000. Only those from very wealthy backgrounds would be able to consider graduate entry because of the resulting debt, accumulated on top of first degree debt. Of our current first year graduate entry cohort, not one has said that they could have enrolled on the course had they been required to pay full cost fees. Most found it impossible to acquire career development loans to cover the full cost fees cost of a 4 year graduate entry course. Therefore the introduction of such a policy would be likely to cause a fall in demand that could force the College to abandon the graduate programme. This would be a significant blow to efforts to broaden entry routes into the profession.

7. Furthermore graduate entry represents a relatively economical means of meeting manpower requirements in the veterinary profession, since the programme lasts only four years instead of five. It also contributes in a limited way to the Government’s priority of Widening Participation, through providing an opportunity to students unable to achieve the very high A-level entry grades required at the first attempt because of socio-economic or educational disadvantages. Graduate entry enables these students to demonstrate that they have the potential to succeed at veterinary school.

8. The RVC wishes HEFCE to ensure that all first registerable qualifications in veterinary surgery will be exempted on an continuing basis. For example, a consistent approach must be taken to courses where students intercalate and to those where they do not.

9. The College also wishes HEFCE to ensure that veterinary medicine is treated on an equivalent basis to medicine and dentistry. The professional veterinary degree is in almost all respects similar to degrees in medicine and dentistry, and produces a professional workforce of vital importance to society and the

economy. The veterinary workforce also has a vital public health function, being instrumental in protecting the food chain and working to inhibit the spread of zoonotic diseases, such as avian influenza. If medicine and dentistry are to be treated as exceptions, then so must veterinary surgery.

10. Finally, the College would also argue that the professional veterinary degree is at a level higher than that of a standard Bachelor's degree. It was recognised as effectively being at Master's level in the QAA Benchmarking statement for Veterinary Science. Thus treating it as an ELQ for students holding a first degree would be inappropriate.

#### EXEMPTION FOR FOUNDATION DEGREES

11. The RVC recognises the importance of continuing to provide public funding for foundation degrees in relation to promoting access and developing vocational skills. The RVC's FdSc Veterinary Nursing produces skilled and highly trained graduates to meet the career demands of a profession in which the demand for qualified staff significantly and consistently outstrips supply. This foundation degree regularly attracts applicants with higher qualifications who wish to retrain and enter the profession via a fast track route. For example, the current first year cohort includes a student with a degree in pharmacology.

12. The College notes, however, that there may be many other higher level training courses (indeed in line with government initiatives) that would not be covered if this exemption was applied only to foundation degrees. Therefore supporting vocational training should not necessarily be linked to a particular type of award.

#### EXEMPTION FOR EMPLOYER CO-FUNDED PLACES

13. The RVC supports HEFCE's position on the delivery and funding of co-funded numbers. However, the College believes this will be a very small element at the moment.

14. The College has recently received accreditation from the Royal College of Veterinary Surgeons (RCVS) to provide the RCVS Modular Certificate, a programme of postgraduate CPD modules that can be taken individually or to achieve the full Certificate qualification. Although it is difficult to develop co-funded numbers in a profession where small business and professional practitioners dominate, it is possible that in the future a co-funded approach could be taken towards the delivery and development of modules on this or similar programmes.

#### EXEMPTION—STRATEGICALLY IMPORTANT AND VULNERABLE SUBJECTS (SIVS)

15. Given the obvious national importance of SIVS subjects, the College believes that they should be exempt. An exemption should be introduced rather than an allocation.

16. In addition to SIVS, HEFCE should identify qualifications relating to shortage occupations, as defined under the Home Office "Work Permits (UK) Shortage Occupations" list. This includes veterinary surgeons.

#### EFFECT ON PART-TIME STUDY

17. The area of part-time study will be disproportionately affected by the removal of ELQ funding. HEFCE's proposed bridging arrangement to support part-time study is not a solution to the long term effect of making it, and especially post graduate vocational training, very expensive to the student. The College will find this damaging in respect of its part-time postgraduate courses which enable students to build up a particular specialism and thus provide added benefits to their employers and the economy. Within a profession such as veterinary medicine there is an on-going and increasing need for such post-graduate specialisation, for example in the area of veterinary epidemiology and public health.

#### SAFETY-NETTING OF INSTITUTIONAL FUNDING

18. The RVC recognises that it is essential to safety-net institutional funding to avoid large perturbations in government grant. However, such safety-netting will take no account of an institution's loss of future earnings or the fact that the implementation of the ELQ policy will seriously undermine some institutional strategic plans for course portfolio development. In addition the implementation of the ELQ policy will result in significant additional administration costs to institutions.

#### IMPACT ON DIFFERENT GROUPS OF STUDENTS

19. The RVC notes that the policy may have a particular effect on people with disabilities who may have to re-train because of this. For example, a vet who suffers a disability may wish to re-train as a statistician, but would be caught out by the ELQ rule

20. In order to adequately assess the possible differential impact of this policy, HEFCE should analyse the differential enrolments on vocational courses especially.

January 2008

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#### Memorandum 11

##### Submission from the British Association for Counselling and Psychotherapy

#### RESPONSE TO THE INNOVATION, UNIVERSITIES AND SKILLS COMMITTEE: FUNDING FOR EQUIVALENT OR LOWER QUALIFICATIONS (ELQs)

1. The British Association for Counselling and Psychotherapy (BACP) welcomes the establishment of a Select Committee to conduct an inquiry into the Government's decision to phase out support given to institutions for students taking second qualifications of an equivalent or lower level (ELQs) to their first qualifications. The BACP is recognised by legislators, national and international organisations and the public as the leading professional body and the voice of counselling and psychotherapy in the United Kingdom, with over 28,000 members working to the highest professional standards.

2. We have serious concerns about the proposals and believe that they are flawed. We feel that they have been drawn up with minimal consultation with stakeholders and that little consideration has been given to the consequences of the proposals on other government policies and initiatives. For example, the policy contradicts the Leitch Review and the idea of reskilling the population to meet the needs of modern labour market.

3. It is also in conflict with the DH emphasis on continuing professional development and skills acquisition to transfer across levels in the workforce and the requirements of the Regulatory Councils for continuing professional development and revalidation. The proposals are also likely to affect the strength of cpd as a workforce change tool by limiting possibilities for essential education and training within professions; it is important to remember that much of the education is likely to be carried out through short and part-time courses and consideration needs to be given to how to protect these too.

4. In a previous membership survey, we found that 65% of the membership applying for accreditation as counsellors or psychotherapists were already graduates in non-counselling/psychotherapy disciplines. It is, therefore, of particular concern to the Association that no consideration has been given to the exemptions for routes into counselling and psychotherapy and other training courses in psychological therapy and mental health. Counselling and psychotherapy is a second profession for many, who enter the field already holding high level qualifications in their first professions, such as teaching, social work and nursing. This proposal would have a negative impact on those individuals and would deter such people from re-training.

5. From the wider government mental health agenda, this is particularly significant with regard to the training of counsellors and psychotherapists to meet the demands of the "*Improving Access to Psychological Therapies*" strategy and we urge that training in all areas of psychological therapies be exempt from such proposals. It is important to recognise that successful delivery of the strategy will depend upon the retraining of a large number of professionals—by 2011, the service will be employing some 3,500. (The use of the 2005–06 HESA report would be an inadequate basis for consideration of training in psychological therapies as this national priority was only recognised by government in the 2005 IAPT programme.)

6. Whilst it has been argued that the plans will broaden access to higher education, they do so at the expense of the institutions that focus on part-time studies and these institutions provide the best route to widen access. In addition, the risks to part-time education are considerable because of the significant number of those undertaking ELQs will be doing so part-time. This will affect the very providers, such as FE institutions, who have done most to widen participation and reach mature students. This will also affect certain subject areas disproportionately and such courses may cease to be viable. For example, the change of policy will have a devastating effect on the Relate Institute, which has been newly established by Relate, the UK's largest provider of relationship counselling and sex therapy. About 70% of the students who are studying on the Relate Institute's entry level training (called a University Advanced Diploma and equivalent to half of a third year undergraduate degree course) would be deemed ineligible. Not only will this have a negative impact on the future of the Relate Institute, but it will also damage service delivery.

7. The suggested strategy will discriminate against older participants and those without employer support, in addition to those who wish to choose their own learning pathways. It is important to acknowledge that a particular level of qualification does not always indicate its worth in employment terms

and those needing to reskill will be severely disadvantaged. This proposal would discriminate against mature students and women and anyone wishing to retrain while continuing to work. We would be very interested to see the results of any Equality Impact Assessment that has been carried out.

8. Finally, we wish to emphasise implications for the UK economy as a whole. If businesses are unable to find the skills that they need from the UK education system, then the likelihood will be that the workforce is sourced from elsewhere or that, where possible, affected activities will cease to be located in the UK.

*December 2007*

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## Memorandum 12

### Submission from City of Westminster College

#### SUBMISSION TO THE SELECT COMMITTEE ON WITHDRAWAL OF FUNDING FOR EQUIVALENT OR LOWER QUALIFICATIONS (ELQs) BY HEFCE<sup>21</sup>

##### EXEMPTION OF CLINICAL PHYSIOLOGY

City of Westminster College agrees that specific categories of students identified by HEFCE should be exempt from the proposals on ELQs. We would argue, however, that the rules for exemptions should be applied evenly across the board to include all students on courses that are covered by the criteria. This would ensure the maintenance and development of opportunities for individuals in re-training to allow vocational progression in accord with the life long learning agenda.

City of Westminster College runs a degree course in Clinical Physiology that serves a niche vocational market supplying clinical technicians for the NHS across the South of England. This is a highly successful programme meets the needs of 140 students per year. These students are all employed by the NHS and undertake a block release programme to train as scientific medical professionals. There are skills shortages in these areas with some NHS Trusts having to recruit overseas. The age demographic of the profession is biased towards those approaching retirement and there is also a need to train students to fill senior posts. All of the students on this course are employed by the National Health Service at the start of the course and 40% of the students are in the ELQ category.

Students attend college for two week blocks followed by development of practical skills in the workplace. Assessment involves formal examinations as well as monitoring the development of practical skills in the workplace.

Vocational bodies (Society of Cardiological Science and Technology, Electrophysiological and Technologists Association, Association of Respiratory Technologists and Physiologists, Society for Critical Care Technicians) and representatives of the NHS have been involved in the development of the course and these partnerships have evolved as the course has developed to include five clinical pathways.

The courses are co-funded and offer part time retraining/reskilling in a specialist market for which there is a proven demand.

The degree course in Clinical Physiology at City of Westminster College is in the public interest in that it ensures that there is a good supply of graduates with practical and clinical expertise available to fill vacancies with the NHS.

This course has, therefore, all the characteristics required to be counted and should be counted as a strategically important and vulnerable subject (SIV).

It is our view that the policy is likely to have a more marked effect on women, older learners and migrant communities. Students from these groups are more likely to be involved in retraining/reskilling following on from an earlier educational experience or time out of the employment market and this will be balanced by a minor gain in employer involvement on vocational programmes. An increase in fees on the course would have to be passed onto the student and employer. This would have the effect of reducing student numbers and could lead to the closure of the course. Hence the policy undermines the principals of Life Long Learning and the Leitch recommendations.

The programmes that have been exempted from ELQ rules are those that the government have identified as being high priority/risk areas. These programmes were identified using JACS code (table 4 in the explanatory notes on modelling of the withdrawal of funding for ELQs).

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<sup>21</sup> See consultation document at [http://www.hefce.ac.uk/pubs/hefce/2007/07\\_27/](http://www.hefce.ac.uk/pubs/hefce/2007/07_27/)

There is no specific JACS code for Clinical Physiology and hence this subject area has been left out of the list of exemptions.

The course at City of Westminster College is validated by Middlesex University and on annual returns to HESA appears to have been allocated a generic JACS code which is illustrated by the use of Bioscience benchmarks to judge the quality of the course by QAA.

City of Westminster College recommends that the course in Clinical Physiology should be exempt from the proposed changes to ELQs since it retrains students to fill the skills gap within the medical professions.

*December 2007*

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### **Memorandum 13**

#### **Submission from the Council of University Classical Departments**

##### **SUMMARY:**

CUCD argues that removing funding from ELQs (a) misunderstands the nature of an education in a particular discipline; (b) overlooks the role of fellow students in enhancing educational experience; (c) is financial misguided.

1. I write on behalf of the Council of University Classical Departments
2. We wish to offer three arguments to show that the decision to withdraw HEFCE funding from those doing ELQs is misguided.
  3. (a) Students read for degree courses in a very wide range of subjects. Those degree courses offer very particular training, not simply in terms of the data which their students handle but more particularly in the types of intellectual skills which are required to handle those data. Those doing degrees in English acquire skills in textual analysis quite different from the skills of textual analysis given by a degree in Philosophy or History. Some degrees, and Classics would be one of these, aim to provide a wide range of analytical skills—literary, philosophical, historical, visual. But while Classics graduates should be better placed to develop further their skills in any of these areas, they will not have such highly developed philosophical skills as those who have read a degree in Philosophy or such highly developed historical skills as those who read a degree in History.
  4. All graduates find that in their careers after graduation they require skills and knowledge in addition to those primarily developed by their university first degree. In some cases these further skills and knowledge are provided by courses organised by their employer or can be acquired by independent study. But for many the most efficient and effective way of acquiring further skills and knowledge is to embark upon a further degree course, which has been designed to develop those skills. Such training can of course be either a “postgraduate” course or a second first degree, and it is foolish to apply differential criteria for funding, if one is serious about the importance of developing such skills and knowledge. Not to support such attempts by graduates the better to equip themselves for the wide ranging demands of their employment is to foster a workforce deficient in the skills and knowledge base required for effective and competitive operation. It makes a nonsense of the notion of lifelong learning on which there has rightly been much governmental emphasis. We can point to particular examples of students who have taken ELQ Classics degrees and proceeded to doctoral work thereafter and in at least one case (Dr Janett Morgan, RHUL) to a University Lectureship.
  5. (b) Students learn as much from each other as they learn from their teachers. The performance of a whole cohort of students can be transformed if they engage with one another in discussions of their academic work, and not simply engage, for the duration of lecture or class with one another. Those who already have study skills play a very large part in training those without with whom they have contact, and the enthusiasm of ELQ students, who are highly motivated, is infectious, bringing out the best in their teachers as well as in fellow learners.
  6. (c) The claim that it costs more to educate people for a second degree is simplistic. It only costs more if those who receive second degrees at an equal or lower level do not go on to enhance their salaries, and hence their tax payments. For the financial argument to fly it needs to be shown that those with second degrees of this sort fail, through subsequent higher earnings, to pay back the cost of those degrees.

*December 2007*

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## Memorandum 14

### Submission from the Office of the City Remembrancer

I am writing following the Committee's announcement at the beginning of this month to conduct an inquiry into the Government's decision to phase out financial support given to institutions for equivalent or lower qualifications.

As you may know, the City of London Corporation manages the Guildhall School of Music & Drama, one of Europe's leading conservatoires, offering musicians, actors, stage managers and theatre technicians an environment in which to develop as artists and professionals. The City Corporation intends to submit written evidence to the Committee on behalf of the School in the new year but in the meantime, and whilst the Committee is considering who to invite to provide oral evidence, it is worthwhile pointing out that the School believes the Government's proposals will disproportionately affect music conservatoires and drama schools. If an institution is faced with the prospect of teaching students at the regulated fee level but with no teaching grant, it either has to suffer the considerable financial disadvantage or discriminate against students by not admitting them. This is a particular issue for music conservatoires and drama schools where the cost of providing highly specialised one-to-one tuition is considerable.

A further consequence of the current proposals which would adversely affect the School and other conservatoires relates to students from a number of EU countries (notably Italy, Greece and Spain) whose qualifications can easily be misinterpreted as having equivalence to UK qualifications when in fact they do not fall within the formal recognised "Bologna" type qualifications. This has knock on consequences which the School would be happy to explain.

I believe that the Committee has scheduled to hear oral evidence from the Open University and Birkbeck College early in the new year and whilst I am sure they will share some concerns with GSMD, I would not expect the particular impact on conservatoires to be covered. GSMD would therefore be very happy to appear before the Committee to detail its concerns if that were considered helpful.

*December 2007*

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## Memorandum 15

### Submission from Y Action

1. I am writing on behalf of Y action a small youth and community group in Winsford, Cheshire. Y action was established in 2001 and currently has  $\approx$  150 members. The group is wholly run by unpaid workers and promotes life long learning in a socially deprived community based on an ex-council estate (eg via a youth club and after school education class). We believe that the planned proposal will have a negative impact on the group and the local community in the following ways:

2. A number of volunteers are planning to do courses relating to their unpaid work so that they can deliver a high quality service. Under the new proposals some volunteers will be classed as ELQs students. Given that this relates to unpaid work and not their current paid occupation and some volunteers are self-funding we believe that volunteers are less likely to do this type of training in the future. This means that the quality of service provided may reduce over time and that the group will be unable to expand its service into some areas due to lack of high quality training/education of volunteers.

3. A number of members have asked Y action to point out that in their paid employment there is an employment need to train for another degree at the same level. For example, John Baker (the correspondent for this letter) will be self funding a first degree in Dementia Studies in 2008 relating to his job as a general nurse in a private nursing home. This is because he is unable to get promoted in his current company without it. John fears that if the company is sold at some point then he will be made unemployed because he does not have any specific qualifications in dementia care. This is not an unfounded position (eg his company is now not hiring nurses without this qualification if they are general nurses and in the ten years he as worked as a nurse in various nursing homes three homes have been sold to new companies. He was unable to go on the MSc because the course fees are much higher and he can not afford to pay for that course.

4. One Y action member recently retrained due to having a disability and was a ELQs student while retraining. Without this training she would have become unemployed.

5. Y action promotes community harmony and ethnic tolerance and participation. We thus believe that having an unequal funding situation in the UK will make it harder to do this eg their may develop an anti-Welsh feeling due to inequality of funding and other funding policies. This is partially important in an area such as Winsford that is close to the Welsh border.

*January 2008*

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## Memorandum 16

### Submission from the Association of Chartered Certified Accountants

#### INTRODUCTION

ACCA (the Association of Chartered Certified Accountants) welcomes the inquiry into the Funding for Equivalent or Lower Qualifications (ELQs) and for the opportunity to submit written evidence. ACCA would be delighted to provide oral evidence into this inquiry.

#### EXECUTIVE SUMMARY

- Current proposed exemptions to the ELQ policy proposed by the Government should be widened to include those qualifications which are designed to give students access to professions with established demand in the UK economy.
- Specifically, there should be an exemption for the study of accountancy given the skills shortage in this area and its importance to the economy and wider society.
- The effect on accountancy training if the funding for ELQs are withdrawn will be potentially significant—it will impact on the number of mature students obtaining a qualification which enables them to contribute positively to the UK economy.
- To help address the specific impact on mature students, there should be an extension to the exemption for students who received their awards more than five years ago and part-time students.

#### ABOUT ACCA

1.1 ACCA (the Association of Chartered Certified Accountants) is the largest and fastest-growing international accountancy body with 296,000 students and 115,000 members in 170 countries. We work to achieve and promote the highest professional, ethical and governance standards and advance the public interest.

1.2 ACCA provides qualifications to people pursuing careers in accountancy, finance and management. We do this in partnership with many organisations and support students and members throughout their careers. Our mission is to provide opportunity and access to people of ability around the world and to support our members throughout their careers in accounting, business and finance.

1.3 ACCA has recently won its fourth Queen's Award for Enterprise, this time in the category of International Trade, in recognition of its significant contribution to global business.

#### EXEMPTION FOR ACCOUNTANCY

##### *Access to the professions*

2.1 ACCA understands the Government's goal to withdraw funding for ELQs which do not add to the overall skills base of the UK. However, ACCA believes that sector and role specific degrees, such as accountancy, which lead directly to employment within the professions should be made exempt from the ELQ funding proposal.

2.2 Current proposed exemptions to the ELQ policy by the Higher Education Funding Council for England (HEFCE) cover subject areas such as undergraduate medicine and dentistry, social work and teacher training. These degrees all lead to professional occupations. These exemptions should be widened to all sector and role specific degrees which lead to professional occupations where there is a demonstrable skills shortage and/ or societal need. Accountancy qualifications are one such example of this type degree and a skills shortage has been identified (see section 4). Therefore, an exemption for accountancy should be made.

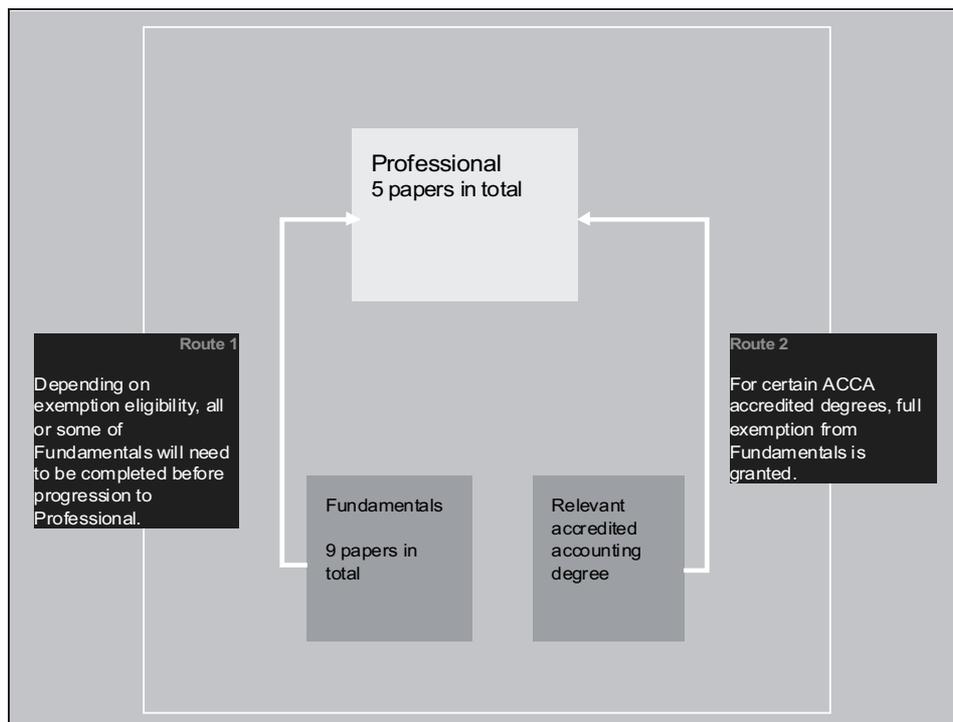
##### *ACCA Qualification*

3.1 As highlighted in the Leitch Review of Skills in England, bridging the gap between vocational and academic learning, engaging employers with learning and providing qualifications for competence in the workplace must all be addressed. The accountancy profession, and ACCA in particular with its integral links to employers, is meeting these challenges and providing a bridge between universities and employers.

3.2 To qualify as a professional accountant with ACCA, students must, in addition to passing 14 exams and completing a Professional Ethics module, undertake relevant practical experience over a minimum of three years. Therefore, a key component of the ACCA Qualification is gaining relevant practical experience. The ACCA Qualification will prepare individuals for a challenging and demanding career as a professional accountant and, like all professions, it is not sufficient to solely rely on theoretical knowledge developed

through an exam process to help achieve this. The ACCA Qualification is designed by and for accountants to provide the accounting knowledge, skills and professional values which will deliver finance professionals who are capable working across all sectors, industries and services.

3.3 ACCA works closely with UK universities to ensure there is close articulation between the accountancy degrees and the professional qualification. There are 48 Universities in the UK which have designed their accountancy qualification to meet the needs of the accounting profession and are awarded maximum exemption from the ACCA examinations. This means that of the 14 examinations students are required to pass in order to become a professional accountant, nine can be satisfied by a first degree in accounting from one of these Universities. The diagram below illustrates this relationship between the UK Universities and ACCA. A further 10 UK Universities also teach students directly for the ACCA Professional level examinations.



#### *Skills shortage in accountancy*

4.1 There is a skills shortage in accountancy. The Big Four accounting firms are recruiting internationally to meet their staffing demands, despite the fact that almost 34,000 professional accountants qualified between 2000–5 in the UK<sup>22</sup>. The Association of Graduate Recruiters reported in their winter survey 2006 that despite increased numbers of graduates in the UK, there were significant skills shortages in certain sectors and therefore employers were facing difficulties filling vacancies—with one in four vacancies in accountancy and professional services<sup>23</sup>.

4.2 In March 2006 the Financial Reporting Council in the UK issued a report titled “Review Of How Accountants Support The Needs Of Small And Medium-Sized Companies And Their Stakeholders”. This identified that some accountants, particularly those in smaller practices, reported a shortage of “good quality” bookkeepers. “Good quality” was defined as having appropriate skills in accountancy and bookkeeping systems together with a basic level of business acumen. If businesses are forced to employ the services of unskilled finance staff, the quality and integrity of financial information relied upon by investors may be jeopardised, which will have a significant negative impact on UK PLC.

4.3 Looking globally, the skills shortage in accountancy is a result of a number of factors which includes increases in world trade and regulation; employee mobility and the emergence of new economic markets such as Brazil, Russia, India and China; and the need to handle increased risk, scrutiny and compliance within business has created demand for professionally qualified accountants. Supply has not met the demand and this has led to a shortage of finance professionals required to support the growth of the world’s major economies. This issue is likely to continue for some time and will be exacerbated by the impact of an age demographic across most developed economies, leading to further skills shortages.

<sup>22</sup> Professional Oversight Board, *Key fact and trends in the accountancy profession*, November 2006

<sup>23</sup> AGR Winter Survey 2007 <http://www.agr.org.uk/>

*Possible effect on accountancy if funding for ELQs are withdrawn*

5.1 Accountancy skills are vital for the growth of the economy. ACCA believes that the withdrawal of funding of ELQs will have a negative effect on the number of students who will study for accountancy unless an exemption is made. This is because accountancy has proved a particularly attractive choice for mature students. In the UK, ACCA has 71,000 students. 76% of ACCA's students are over 25 years old and 45% are over 30 years old.

5.2 Withdrawal of funding creates a further obstacle to prevent mature students from obtaining a qualification which will enable them to contribute positively to the UK economy. An extension of the exemption to students who received their awards more than five years ago and part-time students would help to mitigate the impact on this group.

5.3 ACCA has not been able to undertake full research on the probable effect of the withdrawal of funding for ELQs. However, there are some key facts which indicate the effect that possible withdrawal of funding for ELQs will have on accountancy in the UK. Research by the Professional Oversight Board<sup>24</sup> in 2006 provides figures of graduate entrants to training with the six Chartered Accountancy bodies in the UK, and breaks this figure into the number of students holding a degree and those holding a "relevant" accounting degree (as defined by the accountancy bodies). Using ACCA as an example, from an intake of almost 60% of students held a degree with nearly 40% holding an accounting degree.

5.4 ACCA has to date been contacted by Manchester Metropolitan University, Northampton University and The Open University who all expressed concern at the possible effect of the withdrawal of funding for ELQs on accountancy training. ACCA can commit to undertake full research on this issue should this be requested.

## RECOMMENDATIONS

- Current proposed exemptions should be widened to include qualifications which are designed to give access to professions with established demand in the UK economy.
- There should be a specific exemption for accountancy given that the skills shortage in this area and the importance to the economy and wider society.
- There should be an extension to the exemption to students who received their awards more than five years ago and part-time students.

January 2007

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**Memorandum 17**
**Submission from the Council for Industry and Higher Education (CIHE)**
**WITHDRAWAL OF FUNDING FOR EQUIVALENT OR LOWER QUALIFICATIONS (ELQs)**

## ABOUT CIHE

1. The CIHE is a unique high-level partnership between leaders from businesses, universities and colleges. Our aim is to foster close working and understanding between business and higher education. We want world-class learning and research to improve the international competitiveness of both sectors and the capabilities of graduates and those already in the workforce.

2. We have undertaken research in the area of workforce development to examine and determine how best the recommendations of the Leitch review can be implemented. Our recent reports include *Workforce Development: how much engagement do employers have with higher education?*<sup>25</sup> and *Workforce Development: What works and why?*<sup>26</sup>.

## EXECUTIVE SUMMARY

3. In light of the Government's commitment to providing education and training to up-skilling the UK workforce thus becoming "world leaders in skill by 2020"<sup>27</sup>; the CIHE and its Trustees feel it is imperative to voice concern at the proposed decision to phase out support for institutions facilitating ELQ learning. We are thus pleased to make this submission to the Select Committee on behalf of our Trustees and members:

<sup>24</sup> Professional Oversight Board, *Key fact and trends in the accountancy profession*, November 2006

<sup>25</sup> *Workforce Development: how much engagement do employers have with higher education?* Madeleine King, CIHE, March 2007. ISBN 1 874223 61 0

<sup>26</sup> *Workforce Development: what works and why?* Helen Connor CIHE, July 2007, ISBN 1 874223 65 3

<sup>27</sup> Comments from Lord Leitch, DIUS 18 July 2007 Press Release The power to change lives: Government publishes new skills ambitions.

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**BACKGROUND**

4. In the rush to settle the Comprehensive Spending Review (CSR) the Treasury had sought offsetting “efficiency” savings and that DIUS had offered the sought £100 million in the form of removing institutional funding for students undertaking ELQs. The Government states that it had taken this decision because it believes that teaching such students “is not . . . usually as high a priority for public funding as support for students who are either entering higher education for the first time, or progressing to higher qualifications”.<sup>28</sup>

**OUR RESPONSE**

5. We make the following observations:

- (a) It is unfortunate that such an important decision was taken without wide consultation and in such haste. This can only lead to inconsistencies in policy, unintended consequences and, in this case, the widespread condemnation of what many consider to be an ill thought through policy.
- (b) It is particularly unfortunate that this policy appears to fly in the face of the Government’s aim to up-skill the workforce, implement the challenging targets in the report on skills by Lord Leitch<sup>29</sup> and encourage greater engagement on continuing professional development (CPD) between universities, colleges, businesses and individual learners. The international competitiveness of the UK rests on the pillars of greater innovation, more higher value adding businesses and a more highly skilled workforce<sup>30</sup>. The Government needs to have consistent policies to achieve this.
- (c) We appreciate that the case for supporting out of the public purse those who already have a full degree is less strong than supporting those who have no experience of higher education. However continued support should be provided to those who need to top up their award to ensure they have the skills needed in the workplace. For example, graduates in the creative industries may need an additional module to help them start a business while some students may need to augment their IT skills to get a job. It would not serve the public interest if the ELQ policy deprived students from adding the capabilities they found they needed to get a job.

6. We make the following suggestions:

- (a) HEFCE should confirm that the exemption on co-funding applies also to total employer funding of students. They are proposing to exempt co-funding but should also exempt individuals who are having their full fees paid by employers.
- (b) An additional exemption should be made for those students undertaking a top-up module such as in business skills, self-employment or IT where the student can show this will reinforce their employability skills.
- (c) Longer-term safeguards than those proposed should be made for those institutions such as the Open University, Birkbeck University of London and some specialist institutions that will be particularly badly affected by this policy.

We hope this is helpful to the Committee in reflecting a partnership view from academia and business.

January 2008

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**Memorandum 18**
**Submission from the Chartered Management Institute**
**1. SUMMARY**

1.1 The Chartered Management Institute welcomes the opportunity to submit brief written evidence to the Innovation, Universities and Skills Select Committee as part of its inquiry into Funding for Equivalent or Lower Qualifications (ELQs).

1.2 Analysis shows that the proposed ELQ funding changes will disproportionately affect those studying management on a part-time basis. This is particularly disappointing given that the previous Education and Skills Committee’s report on Post-16 Skills had highlighted how a stronger focus is needed on developing management skills per se—an area identified as particularly weak in the UK and largely neglected to date in policy (Volume 1, para 8).

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<sup>28</sup> Letter from John Denham, Secretary of State for Innovation, Universities and Skills, dated 7 September 2007

<sup>29</sup> Leitch Review of Skills: prosperity for all in the global economy; HM Treasury, 2006

<sup>30</sup> See eg Lord Sainsbury, *The Race to the Top*, HM Treasury, October 2007 and *International Competitiveness; businesses working with UK universities*, CIHE, 2006

1.3 These policy proposals do not appear to recognise that management is often a secondary discipline that experienced employees will study on a part-time basis, at an equivalent level to their initial specialist subject area, having been promoted into a position where they take on new management responsibilities.

1.4 It is an established route of career progression for individuals to take a management degree as a second degree, at both Undergraduate and Postgraduate levels. In many cases employers are already providing support in terms of granting time off for study leave, rather than by direct funding.

1.5 It is a key concern that many of the institutions who have done the most to widen participation to those already in the workplace, in terms of part-time courses, are likely to be hit hardest by the ELQ funding reforms. As the leading professional body for management and leadership, the Institute works closely with 200 universities and FE colleges in the UK to help deliver high quality management education, and many of these educational partners are likely to be affected.

1.6 We believe that it should continue to be a high priority for public funding to help support and encourage those seeking higher level management skills that are of critical importance in driving UK's competitiveness.

## 2. DISPROPORTIONATE IMPACT ON PART-TIME MANAGEMENT STUDIES

2.1 The HEFCE modelling of the withdrawal of funding for ELQs by subject, mode and level clearly demonstrates the impact on management qualifications. Table 1 of this modelling shows that of the overall 52,504 students to be negatively affected by the proposed changes, 9,776 (19%) will be those studying business and administration. The more detailed breakdown by level indicates that of the 9,776, the majority of those affected will be those studying on a part-time basis (7,211 students). This is a disproportionate number compared to any other subject listed.

## 3. FAILURE TO RECOGNISE MANAGEMENT AS A "STRATEGICALLY IMPORTANT AND VULNERABLE SUBJECT"

3.1 The Chartered Management Institute welcomed the Leitch recommendations and the Government's Leitch implementation plan "World Class Skills" for a much greater focus on higher-level "economically valuable skills". The Leitch Report recognised the high levels of demand for management skills and the growing evidence base demonstrating the strong links between the impact of management skills and increased national competitiveness. The productivity gap between the UK and other leading nations has proved an intractable issue for successive governments. The Leitch Report suggested that up to 20% of that gap is now attributed to skills provision and up to 15% to management practices.

3.2 We believe that the Government must continue to focus on higher level professional skills, which in their practical application will have the greatest impact on both performance, and also on leveraging the rest of the skills agenda. Professional managers play an essential role in developing strategies for workforce development. A greater number of highly qualified managers are more likely to ensure that their teams are adequately trained and can help to embed a culture of learning and development that helps drive performance.

## 4. NEED TO ADDRESS LOW NATIONAL LEVELS OF MANAGEMENT SKILLS

4.1 Given this strategic importance of management skills recognised by the Leitch Review of Skills, the UK's management population is significantly under qualified: "41% of managers hold below a Level 2 qualification" (Box 5.1). Furthermore, Labour Force Survey data (March-May 2002) indicates that just 38.5% of managers and senior officials are qualified at NVQ level 4 or above compared to 80.9% of those in other professional occupations. (Leitch's Interim Report). This level should be viewed as untenable given the UK's ambition to shift to a high skills, high added-value economy.

4.2 However, the Leitch analysis did not go on to identify the additional point that most managers lack qualifications related to their profession as managers. Too many remain what can be termed "accidental managers"—highly skilled specialists or technicians who are promoted to management positions on the basis of their technical or specialist skills, not because of their suitability for a management role.

4.3 The Final Report of the Council for Excellence in Management and Leadership (2001) concluded that on a "rough estimate . . . the proportion of managers with management related qualifications will not get much above 20% in the longer term". This estimated level of only 20% of managers being qualified is unacceptable given that it already takes into account both a strong growth in specific management qualifications, such as a 20% growth in first degrees in business and management studies, and also the fact that the number of management NVQs has remained fairly static.

## 5. ELQ POLICY RUNNING COUNTER TO DEMOGRAPHIC TRENDS

5.1 There are currently 4.6 million managers in the UK (*Working Futures 2004–2014*). This is a higher number than previously estimated, indicating a larger employment share for managers and senior officials—of 15.3%. They now comprise the largest occupational group in the working population, and the management population is forecast to grow by a further 617,000 by 2014 alone. Given the growing recognition of the need for skilled managers and leaders, this growth is expected to be at a greater rate than previously anticipated. Leitch's Report's acknowledged this trend, yet future skills funding does not appear to take account of this.

5.2 As explored by the Leitch Review in Chapter 3 of the Interim Report, the UK's management population will face major replacement demands due to demographic change. This makes it imperative that skills policy helps develop workplace skills throughout working life. Since around 70% of the workforce of 2020 has already completed compulsory education, and high exit levels will be experienced due to factors such as retirement, it is important that people already in employment or in junior management posts are supported to develop their skills and competencies, so that they can progress their management careers.

5.3 The impact of the proposed withdrawal of ELQ funding for those studying management runs counter to encouraging a growing sector of the working population to develop the specific work-oriented management skills necessary for success.

January 2008

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### Memorandum 19

#### Submission from the Institute of Ecology and Environmental Management (IEEM)

##### FUNDING FOR EQUIVALENT OR LOWER QUALIFICATIONS (ELQs)

I am writing to express concern about the proposal to phase out support given to institutions for students taking second qualifications of an equivalent or lower level (ELQs) to their first qualifications. IEEM believes that this would have a particular impact on students wishing to enter the environmental profession. These courses attract a significant number of mature students who are looking to change direction in their careers. Such students are often able to make a valuable contribution through the combination of their past experiences combined with the knowledge and skills acquired through an environmental degree.

Any reduction in the number of students wishing to take environmental degrees is of particular concern at present due to the prominence of environmental concerns. In addition, the growth of environmental legislation is increasing the need for qualified environmental professionals to advise industry and governments.

Despite this growth in the sector, recruitment to environmental courses is currently not strong. This has led to serious concerns within the industry about a shortage of appropriately qualified graduates wishing to enter the environmental sector. It seems likely that the removal of funding for applicants with ELQs will make it impossible for some potential students to developing a career in the environmental field because of the financial commitment of taking a full-cost degree. This will further exacerbate the skills shortage as well as denying these people the opportunity to continue lifelong learning.

IEEM has only just been made aware of the Government's decision to phase out support given to institutions for students taking second qualifications of an equivalent or lower level (ELQs) to their first qualifications and this letter should be regarded as an initial response. Further information on the career paths of IEEM members and the significant diversity of backgrounds in this profession can be supplied if required

January 2008

##### IEEM BACKGROUND

IEEM is the professional Institute supporting professionals in the fields of ecology and environmental management. The Institute was established in 1991 and currently has over 3,200 members drawn from local authorities, government agencies, industry, environmental consultancy, teaching/research, and voluntary environmental organisations.

The objectives of the Institute are:

- to advance the science, practice and understanding of ecology and environmental management for the public benefit in the United Kingdom and internationally;
- to further the conservation and enhancement of biodiversity and maintenance of ecological processes and life support systems essential to a fully functional biosphere;
- to further environmentally sustainable management and development;

- to promote and encourage education, training, study and research in the science and practice of ecology, environmental management and sustainable development; and
- to establish, uphold and advance the standards of education, qualification, competence and conduct of those who practise ecology and environmental management as a profession and for the benefit of the public.

IEEM is a member of SocEnv (The Society for the Environment), EFAEP (The European Federation of Associations of Environmental Professionals) and IUCN (The World Conservation Union). IEEM has also signed up to the Countdown 2010 agreement to halt the loss of biodiversity.

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## Memorandum 20

### Submission from the Open University Students Association

#### EXECUTIVE SUMMARY

1. I have found it very difficult to do this matter justice in relation to the word limit, the timing and the reduced timescale. This has been exacerbated by the rule on “original work” since it is only very recently that I compiled our submission for the HEFCE consultation. Despite HEFCE having indicated that they were addressing the question of “how” not “if”, since it looked as if there was going to be no other opportunity to express our views, I said much in that submission that I now would have preferred to have included here.

2. On the positive side, I very much welcome this Inquiry and particularly the specific areas identified by members of the Select Committee as their focus. However, notwithstanding the importance to OU students of their University, and especially in view of the restrictions, I must make it plain that my evidence is entirely centred on the impact of this policy for students—as individuals, as a body, and most of all, as potential students in the future.

3. My evidence is that there is no merit whatsoever in applying the ELQ policy to part time students; that it is in fundamental opposition to any notion of lifelong learning; that it will do huge damage to the prospects of thousands of adults in this country and therefore also to the economy, the not for profit and voluntary sectors; and the quality of citizenship. It is fundamentally biased in as much as it affects 10 part time students for every full time student. That overarching bias unsurprisingly subsumes a range of other categories and groups of students who will feel the impact disproportionately—the most obvious being women returners, those displaced or made redundant and being forced to retrain without employer support, older workers, disabled people (whether economically active and not), and retired people. Almost without exception, all those students who are going to be subject to the ELQ policy are students who have made a decision to invest both their own time and money in their education. These are exactly the sort of people who should be encouraged and supported rather than having what for many will be insurmountable obstacles put in their way.

4. Given the limitations on the submission of evidence, as a President representing an incredibly large and diverse body of students, I have decided to honour my Association’s traditions and try as far as possible to enable those students to speak for themselves. The bulk of my evidence consists of a number of brief case studies. These are statements provided to me by real, existing students who, if this policy was already in operation would be subject to the ELQ provisions. I realise that there is a limit to the level of detail that the Select Committee can realistically hope to consider so I have tried to select a small number of cases which are illustrative of the wide range of ramifications.

#### ABOUT ME

5. I live and work in Belfast in the aerospace industry. I have been an OU student since 2002 and am studying towards a BSc honours degree, predominately in the area of computing. I became OUSA President in June 2007 and head an organisation of around 180,000 part time students the overwhelming majority of whom are UK citizens. As well as advancing the interests of current students I see it as a fundamental part of my role to safeguard and wherever possible extend the opportunities for those who we hope will come after us.

#### FACTUAL INFORMATION

6. The following evidence comes from real students and is in their own words. I have done a minimum of editing solely aimed at keeping the submissions brief. We have deliberately not sought to over personalise the information but rather to attempt to paint a picture of the types of students, the situations and circumstances in which they will be affected and the wider implications. I asked students to provide me with

this information on the basis that their names would not be published in any submission we made. I hope that these will be accepted on my guarantee but I could provide verification in confidence to the Committee should it be necessary to do so.

#### 7. *Student LB*

I am currently studying for a BSc in Geosciences, this is due to realisation in my mid 30s that this was my true passion, and the possible direction I want to go in professionally. I hope to go on and study a MSc when I've completed it.

However, I already have a BA in Philosophy and Politics which I undertook when I left school, nearly 20 years ago. I feel that losing out on the support for the new degree would be punishing me for a decision I made aged 17 before I had any clear idea of what I wanted to do with my life.

Whilst I understand that I will probably continue to receive support, as I have already started, I am concerned that other people in my position will now be put off studying.

Before signing up, I calculated how much the whole course would cost me. I work full time in the voluntary sector, and the course fees take all my spare funds, any increase would make it prohibitively expensive.

#### 8. *Student JH*

First degree was in history and philosophy; studied systems with the OU and obtained a Masters at Lancaster University; want to do a Doctorate but need to improve my maths; so I am studying OU maths courses to enable me to undertake a Doctorate.

#### 9. *Student PP*

I re-started studying with the OU four years ago when I was 56; initially for interest and as a stimulus for my brain. I already had a B.Ed and M.A in Education. The B.Ed was only an ordinary degree. In the last three years with the courses I have studied plus studies in education that I did in the late 70's and early 80's I have gained a 2.1 Honours degree of which I am immensely proud. I am now following A173, Starting to Write Family History.

Clearly the new measures will have an adverse effect. At the current prices I think the OU courses represent good value for money. I do not know whether I would be able to study if the costs were much higher. Yet as we grow older we need to keep our minds alive. My mother had late onset Alzheimers. This spectre hangs over me and I feel the OU can play a part staving off this awful disease. It will represent a saving to the National Health Service if I can keep exercising my brain. To me, study with the OU is far more stimulating than the brain games that are advertised on TV today.

Many pensioners already have qualifications but want to continue to learn for interest and stimulation. It is typical of this government that those of us who have paid through our taxes are denied a return on our investment!

#### 10. *Student BD*

I am probably one of those whom the ELQ changes are aimed at. I gained a degree and a PhD in engineering in the 1970's, but just as I came out of university manufacturing industry began a rapid decline and after five years working as a research scientist I was faced with the business I was working in being wound up and decided to switch career into the then new world of IT. I then spent 25 successful years in IT without a work related degree, as did all of my colleagues who joined the industry in the late 1970's, paying taxes, supporting British industry and not placing any burdens on government budgets.

Towards the end of my career I was not fortunate enough to be blessed with an intellectually challenging job and to make up for this I began a Humanities degree with the OU specialising in Art History and Philosophy. My studies kept my mind fresh and able to deal with a relatively mundane, but productive job. My work was subsequently off-shored to India and therefore I retired early and now plan to complete my degree and begin another in Mathematics.

My experience has shown me that the benefit of higher education is to maintain a high level of intellectual capability and not for work based training, which soon loses relevance. As an early retiree I now undertake voluntary work with a number of bodies, have a fledgling small business and want to be a productive member of society for many years to come. Studying with the OU is central to that aim. Restricting government support to career based education for young people strikes me as being both unfair and not thought through.

### 11. *Student SH*

I qualified as a teacher in 1991, but found that it wasn't a career that I was well suited to. I left teaching shortly after this and dedicated my time supporting people with mental health problems first as a volunteer then as a paid worker. My jobs have not earned me great salaries (sometimes not any salary) but I enjoy doing such worthwhile work.

To gain work-based skills and qualifications to ensure that I offer a high quality of support to some of the most vulnerable members of society, I have benefited from doing distance learning with the Open University. The charities that I have worked for have very little money and can often not afford to contribute to my studies.

I pay the full fee myself, which, as I value education, I am happy to do, but can only afford to do this because of the government subsidy.

The Open University allows me to study, gain work-based skills while still working; I can not afford to study any other way. It is helping me to progress in my career within the voluntary sector and consider being a manager.

Funding for the charity I currently work for faces cuts and it is likely that I will lose my job. The Open University has enabled me to gain business skills to give me a competitive edge within the job market.

Ultimately, business skills will enable me to apply business practice to the voluntary sector organisation I am likely to work in, helping me to ensure that public funds are used efficiently.

I want very much to be a skilled member of the workforce and put back what I learn into society, but will struggle to do this without this government subsidy for continuing education, as my first degree has not been a gateway to a high salary.

### 12. *Student MN*

Having left school with little or no formal certificates, my work skills in the 1970's became unmarketable because I could not provide "bits of paper". Worried that I would become redundant and unemployable, I decided to do re-training. I now have two OU degrees which I have had to pay for as I could not get any student grants from banks nor did I receive any support, financial or otherwise, from any of my employers.

I have now retired so studying is not going to achieve any career development. However, as a Citizens Advice Bureau volunteer, because we deal with a lot of debt and/or state benefit cases, this year I studied "Personal Finance: You and Your money" as the course was at an affordable cost as well as being informative.

### 13. *Student AJ*

I obtained a B.A degree from another university in 1998. I have been diagnosed with a psychiatric disorder called Bipolar. I find since I have been studying short courses I have motivation. My medical team support me. Although, it seems impossible for me to work I hope to further my studies by getting novels published. My confidence would be low without the help the O.U gives me.

### 14. *Student KG*

I already have a BSc in Crop Science and an MPhil in Plant Breeding, which I obtained about 25 years ago. However, I always struggled to find work and job opportunities were limited. This was no fault of mine.

My education was designed for someone entering agricultural research but government cutbacks and privatisations, which started in the late 1970s, meant that the work prospects were very limited in this area when I first left university in the early 1980s. Also, there are far fewer people employed in the agricultural sector now as a whole. However, I used these degrees and worked in the agricultural sector for 15 years.

But when I had children and was forced to take a career break, I decided to change direction to make the return to work easier when my children were older. As there seemed to be a shortage of people going to university to study maths, I choose that direction. I've just completed the OU's BSc degree in Mathematical Sciences and am awaiting my final results.

I have studied for an ELQ. In doing so I am responding to demand in the workplace. When you first make decisions at 18 about what you study, you do not know what the future holds. Economic changes happened that were outside my control.

I have never been a high earner and while I have been studying for my OU degree I have been in a part-time job on little more than minimum wages. I could not have afforded to study if the fees had been higher. I hope that now I am returning to the workplace with a degree in a subject that is in a shortage area and that is in demand by employers.

15. *Student JD*

I obtained my degree (Combined Arts) from Leicester University in 1979, then went on to do a Post Graduate Certificate in Education. After many years of teaching in a Primary school and becoming the “Music Specialist”, because I can play the piano and sing, I thought it was about time I made it official. So in 2006 I started my Music Diploma course: A214 followed by AA314 this year. I have yet to get my results, but whatever the outcome, of one thing I am certain, it has given me confidence and a feeling of authority over the subject that I didn’t have before.

The two years were expensive costing about £1,400 in all and a diploma is a lesser qualification than a degree. However, now I feel I can legitimately claim to be a “Music Specialist” in the Primary sector.

My next project is going to be learning to speak and write French.

This continual acquisition of new knowledge and skills has got to be the way forward in life long education. It cannot and must not be, only for those who can afford it and only in computer and business studies. Taking a sideways step to new skills is just as important as going ever upward with the same skill. There is a big wide world out there which needs filling with a multitude of skilled people from ALL walks of life and ALL ages.

16. *Student LS*

In 1982, at the age of 21, I completed an ordinary BA degree in French and Science in Society (yes I know it’s a strange combination!). I didn’t really know what I wanted to do with my life at the time, and ended up doing a secretarial course, after which I worked as a secretary for 19 years.

I had felt rather discontent with secretarial work for some time—it can be a good career but I didn’t really feel it was for me. In 1999, one of my friends got hold of an OU prospectus. I decided it sounded very interesting so I enrolled on the course MST121, Using Mathematics, after which I switched to computing courses.

In 2002, when I was about half way through my OU degree, I was made redundant from my secretarial job. By then I felt I wanted to work in IT and started to work as an IT Volunteer at Victim Support, the charity that supports victims of crime, in order to gain some experience. About a year later, I was employed by them on a fixed-term contract, and eventually on a permanent contract. I therefore started my first IT job at the age of 41, and am still working on their IT Service Desk.

In 2006 I completed the named BSc in Computing and gained a First.

Regarding funding, I doubt I would have studied with the OU if the fees had been a lot higher, and would probably still be doing secretarial work or something similar.

## RECOMMENDATIONS

17. I would like the Committee to consider including the following recommendations in its report:

- (a) that the policy should not be applied to part time HE students
- (b) that the policy should not be applied to part time students until there has been a thorough analysis of its impact on such students with particular reference to the impact on various groups of students which may be incompatible with legislation aimed at ending various forms of discrimination
- (c) that the policy should not be applied to part time students until the results of the review of fees and funding in 2009
- (d) that the policy should not be applied to students of the Open University in Northern Ireland
- (e) that existing ELQ students should not have any time limit applied to the completion of their current award
- (f) that there should be the widest possible use of exemptions for part time students and particularly that exemptions should apply to all vocational and professional development courses, all strategically important and vulnerable subjects, including ICT, all students whose previous qualifications are more than 5 years old, and all students doing EQL courses as preparation for a higher qualification.

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## Memorandum 21

### Submission from King's College London

#### SUMMARY:

King's College London is one of those institutions significantly affected by the proposed ELQ policy. Such institutions extend beyond the two hardest hit, Birkbeck and the OU, and are by no means confined to "less research intensive institutions". Below is our response to the HEFCE consultation. In particular we have requested that the list of exemptions be extended and that there be a wide definition of new first learner priorities. We also request that a chance be given to all affected institutions to have at least first refusal on the redistributed funds especially as the policy amounts to a withdrawal of funded HEFCE places—the key currency of English HE—based on a retrospective count of a type of student who at the time in question were enrolled in full accordance with existing HEFCE and Government policy.

#### 1. CONSULTATION QUESTION 1:

*Have we responded appropriately to the Government's instruction that certain categories of students should be exempt in the light of the Student Fees (Qualifying Courses and Persons)(England) Regulations and Education (Student Support) Regulations?*

2. Though there are doubts as to whether the Secretary of State has acted within the provisions of the Higher Education Act, the College is broadly satisfied that there is an acceptable rationale for what is being proposed.

#### 3. CONSULTATION QUESTION 2:

*Do you agree with our proposal to continuing providing public funding for students studying for foundation degrees as an equivalent or lower qualification (ELQ)?*

4. The delivery of the skills agenda provides the opportunity for universities to engage with employers in order to understand their needs, to work with them on the design and delivery of programmes and to use their joint success as a platform for the development of long-lasting symbiotic working relationships. Given the breadth of the skills agenda individual university institutions can identify the level at which they can engage. At King's which is one of the UK's leading universities, there has been a strenuous engagement with the delivery of the skills agenda, especially through its health-related Schools. Through working in tandem with its partner Foundation Trust hospitals, namely, Guy's and St.Thomas', King's College and South London and Maudsley, the College has developed a series of programmes, at a variety of levels, to address the continuing need for enhanced professional skills within the National Health Service. The emergence of the ELQ proposals which is predominantly targeted at the lower end of the skills agenda, has placed under threat these programmes. This short-sighted approach not only leaves the College exposed to significant disadvantage through reduced funding for teaching but also jeopardises the delivery of higher skills to an NHS which is under pressure to meet the health needs of the public. Surely such an outcome was unintended and therefore needs to be addressed as a matter of urgency.

5. The ELQ proposal runs directly counter to the Government-supported Layard proposals for increasing access to specialist therapies such as Cognitive Behaviour Therapy (CBT), as the postgraduate diplomas which are under threat enable individuals not only to offer these skills clinically, but to offer specialist supervision to maintain skills in the wider workforce, and to ensure high quality therapy is delivered. Similarly, workforce modelling indicates that over the next decade pharmacist numbers will need to grow by 5% per annum. The ELQ policy will severely hamper such growth and, combined with age demographics over the next 20 years, means that demand will outstrip supply. The inability of graduates to retrain as pharmacists will place a serious constraint on health worker development across the NHS. The current proposal makes it extremely unlikely that a graduate entry programme into Pharmacy will be developed, such schemes already operate with great success in Medicine and Dentistry.

6. Clearly there is a need for a more balanced approach here. HEFCE are encouraged to recognise the potential disruption the ELQ proposals will bring to the wider skills agenda and to take action to avoid so doing. At a minimum it should consider extending the exempt subjects so as not to disrupt other government-sponsored initiatives and/or to demonstrate its support for well-established manpower planning mechanisms.

## 7. CONSULTATION QUESTION 3:

*Do you agree with our proposal to allow students studying for an ELQ to count towards the delivery of separately monitored co-funded additional student numbers?*

8. Employer engagement represents a significant challenge, more so if the desired outcome is to encourage co-funding of provision, and therefore any attempt to limit the negative impact of the ELQ proposal is welcome. However, it is disappointing that HEFCE is only addressing a limited aspect of employer engagement, namely the lower level at which foundation degrees are targeted. The Government's and HEFCE's desire to see greater employer contribution towards the cost of developing and delivering programmes does not seem to extend to those employer organisations which are primarily funded through the public purse. It is interesting to note that were, say, the NHS to engage in such an enterprise then that would fall foul of the ELQ proposals, no doubt to the embarrassment of all concerned. There seems to be an unhealthy fixation with the promotion of "pet policies" rather than taking a more holistic approach which would include security of long-term funding for AimHigher and Lifelong Learning Networks. Such an approach would lead to the development of opportunities for entry into Higher Education which are sustainable and which will lead to those first-time entrants joining institutions with both the skills and the confidence to succeed.

## 9. CONSULTATION QUESTION 4:

*Do you agree with the proposal to introduce an allocation for strategically important and vulnerable subjects (SIVS), calculated on the basis of ELQ numbers studying SIVS?*

10. The proposal to support SIVS is generally welcomed though there are opportunities here to improve the nature of the support. It would be timely for a review of the academic disciplines to be included in the definition of SIVS as there are compelling cases for expansion. One such example is the Cultural and Creative Industries which is of strategic importance to the UK generally and London in particular. Given that London is disproportionately affected by the ELQ proposal (see later) this would be one way of mitigating that effect. Also, the introduction of an allocation which is based on historical data does not offer any scope for expansion, if these subjects are strategically important what then is the rationale for restricting the support?

## 11. CONSULTATION QUESTION 5:

*Do you agree that we should provide a supplement to the part-time allocation?*

12. While the provision of supplemental support for part-time study is to be welcomed it is, at the same time, disappointing that such support is transitional. This is another illustration that HEFCE is focusing on the lower levels no doubt with the intention of securing the outcome of greater numbers entering Higher Education. While such an outcome would attract broad support the concern is that this will be achieved at the expense of a loss of skills training and professional development in other, higher areas. This remains a fundamental flaw in the ELQ proposals and as such needs to be addressed.

## 13. CONSULTATION QUESTION 6:

*Do you agree with our proposal to provide "safety net" funding to maintain each institution's grant at a comparable 2007–08 level in cash terms?*

14. The safety net proposal seems reasonable. However, due to the fact that institutions will be affected to varying extents under the proposed new policy and because of the fact that the permanent removal of student numbers is based on an historic position that institutions have not been given the opportunity to rectify, we propose that those institutions most affected by the loss of funding are given the opportunity to bid for new places before the numbers are put into the general pot to be made available to the sector as a whole. In doing so, HEFCE should take due notice of the nature and stated mission of the individual institutions rather than restrict any reinvestment funding to ASNs which are linked only to Foundation Degrees or strictly defined employer co-funding. The lack of a flexible approach here has the potential to seriously damage the funding base for teaching in certain institutions of which King's would be one.

## 15. CONSULTATION QUESTION 7:

*Do you consider that the ELQ policy outlined in this document is likely to have a differential affect on students, depending on their gender, race, whether they have a disability, or any other extraneous factors? If so, how might this be mitigated?*

16. Although no formal impact analysis has been undertaken there is a view that the proposal will impact negatively on certain ethnic groups who are apply in larger proportions for those programmes which are vocationally or professionally orientated. HEFCE has acknowledged the negative impact on part-time students.

## 17. CONSULTATION QUESTION 8:

*Do you have any further comments?*

## 18. The College wishes to comment further thus:

- it shares the general disappointment that the Government chose to impose this policy without any form of consultation with the Higher Education sector. This disappointment is compounded by the proposed HEFCE approach which it believes lacks balance and in some respects is poorly framed. The College would prefer to see a more holistic approach which recognises and protects the contribution made by universities to the higher levels of the skills agenda. The effect of the policy on the development of higher professional skills and their delivery for the general good should not be misunderstood or worse ignored;
- the proposed policy will have a disproportionate effect on London—data produced by London Higher shows that the London region bears the brunt of the policy. This reflects the national role played by London in not only developing the skills agenda but also providing skilled personnel for the country as a whole. The policy will reduce London’s capacity to provide these skills and while this will have a negative impact locally, it will also impact nationally. London is the driving force behind the nation’s economy—especially *vis-à-vis* international competitiveness—and the policy should recognise this;
- there is a urgent need to consider extending the list of exempt subjects in order to protect the skills base and to support manpower planning in major organisations such as the NHS. In particular, consideration needs to be given to the inclusion of Pharmacy and Clinical Psychology as well as the clinical aspects of certain subjects which have been included in the exempt list such as Nursing, Medicine and Dentistry. HEFCE should be encouraged to model the impact of the proposed policy on these subjects and evaluate them in consultation with key stakeholders such as the Department of Health and the strategic arm of the NHS. In delivering its intended outcomes the ELQ policy should not impact adversely on others;
- having withdrawn a substantial tranche of funding from institutions, due care needs to be given to how those institutions might be financially compensated. As stated above, to place the reallocated resource only into the funding of existing policies such as co-funding with employers and Foundation Degrees is somewhat short-sighted in that it does not reflect the core missions of some of those institutions which have been significantly affected. The lack of engagement with these areas should not be misinterpreted as a failure on the part of institutions to involve themselves with the widening participation agenda. Indeed the College is proud of its continuing and developing engagement in this area and can demonstrated a broad and diverse portfolio of activities which including leading an LLN, the “Access to Medicine” programme and City Academies. Indeed, amongst the Russell Group of institutions King’s can demonstrate the most comprehensive and diverse widening participation portfolio. It is the College’s expectation that the nature of any additional funding will be based on discussions with HEFCE rather than some preferential treatment for existing policies;
- the proposed policy is framed in too blunt a fashion and would benefit from a more detailed exposition. For instance, rather than excluded those whose studying and thus engagement with ELQs is a continuum, introduce restrictions which would apply for a limited time period, say five years. This would allow individuals to plan their career development as well as not unnecessarily preventing those who wish to return to learning.
- the bundling together of postgraduate certificates, diplomas and masters qualifications shows some misunderstanding of or disregard for the qualifications framework on the part of HEFCE. There are clear and demonstrable distinctions between this trio of qualifications which can be demonstrated in both curricula and credit terms. For instance, in order to encourage engagement from busy practitioners a “nested series of programmes” at postgraduate certificate, diploma and masters levels in Gerontology has been designed to promote their continuing professional development. Under the ELQ proposals there is now a significant financial disincentive for these practitioners to engage with this initiative.

19. The College hopes that HEFCE finds these additional comments welcome and would be happy to engage in a dialogue to discuss the details.

January 2008

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## Memorandum 22

### Submission from the British Society for Immunology

I am writing in my capacity as the education secretary and Trustee of the British Society for Immunology. I, together with the trustees and a significant proportion of the membership would like to raise concerns regarding the proposed HEFC cut relating to support for students who have equivalent level qualifications (ELQs). We understand that if a person has already got a degree at a particular level (eg 1st degree) they will receive no further funding for taking courses at this level, even if it is in order to retrain or update skills.

We and others are concerned that this is in direct contradiction to the government's stated aims of promoting lifelong learning, and keeping skills up to date.

More importantly, biomedical science, to name one discipline is a subject that moves on so quickly that, skills learnt 15–20 years ago are almost completely redundant now. It is therefore common for students, including immunologists and cell biologists, who have a bioscience degree from some years ago to take level 3 courses in order to update their knowledge and skills. They have no desire to undertake a whole degree, just to keep their science current. It would appear that the fees for such students will treble if the proposals are enacted; a powerful disincentive.

The British Society for Immunology is concerned about this policy because it will lead to progressive loss of scientific currency. Moreover, it is often senior scientists who are involved in teaching the next generation, so failure to maintain currency has a knock-on effect. Major funding bodies including the Wellcome Trust and the Medical Research Council recognise the scientific impact also of discipline hopping enabling physicists to apply their skills to biological phenomena; this leads to innovative and multidisciplinary research of the highest impact world wide and often requires re-training.

We would therefore ask you to consider our concerns about a strategy that seems to undermine the maintenance and development of professional skills.

*January 2008*

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## Memorandum 23

### Submission from Skill: National Bureau for Students with Disabilities

1. Skill: National Bureau for Students with Disabilities is a national voluntary organisation that promotes opportunities to empower young people and adults with any kind of disability to realise their potential in further, continuing and higher education, training and employment throughout the United Kingdom. Skill works by providing information and advice to individuals, promoting good practice and influencing policy in partnership with disabled people, service providers and policy makers. As such, Skill is only responding to those questions that may directly affect disabled students.

2. Skill would like to make it clear from the outset that we strongly disagreed with changes to policy made by the Department of Industry, Universities and Skills (DIUS) to withdraw funding for Equivalent and Lower Qualifications (ELQ) without having:

- appropriate consultation on equality and diversity issues
- an impact assessment exercise, as required by the Disability Equality Duty (DED)
- the true involvement of disabled people as required by the DED.

3. It is not in the spirit nor, we believe, in the letter of the law to announce policy changes with a view to conducting a future assessment as part of the comprehensive spending review. The Disability Discrimination Act (2005) clearly states that new policies have to have an impact assessment and that this impact assessment must involve disabled people. The HEFCE modelling, accompanying the HEFCE consultation on this issue, did not include a breakdown of numbers by equality strands such as by gender, ethnicity or disability and, without this information, it is unclear how general statements about how there will be no differential impact on equality groups can be made.

4. Skill is opposed to the withdrawal of ELQ as we are very concerned about the impact that these proposals will have on disabled people who either become disabled after finishing their degree, or whose impairment or condition deteriorates to such an extent that they can no longer pursue their original career. Such students may wish to undertake further training in order to retrain to find alternative or better employment. People with mental health difficulties may be at a particular disadvantage as they may be barred from their first vocational employment because of their illness and need to re-skill to return to the professional labour force. Returning to study part-time can often be part of their progress to better health and employment. Many disabled people with mental health difficulties go on to study for counselling diplomas in HE and many have first degrees earlier in their lives. As unemployed people, they would never be able to afford full cost recovery fees for these diplomas. Whilst institutions will still have obligations to such students under the DDA, they will no longer have the public funding to support these students and this may lead to a reduction in the quality of support that is available to them.

5. In addition, and perhaps more importantly, such students would have to pay the full costs of being taught for these degrees and this may deter them from further study, which will then limit their employment prospects and life chances. It is well known that disabled people are less likely to be in work, and even where they are at work, are more likely to be in lower paid and lower grade employment and are therefore less likely to be able to afford the cost of retraining if this funding is withdrawn. This directly contradicts the Government policy of encouraging more disabled people into employment and directly contradicts the Government policy and legislation to ensure a more inclusive society.

6. Finally, whilst HEFCE proposes to instigate a part-time supplement in the short-term, Skill believes that the potential impact of removing ELQ for part-time degrees, in the future, will be enormous and it may have a particularly negative effect on disabled people who may choose to go back to study part-time due to the daily demands of their impairment or condition. Removing the part-time supplement will also prevent disabled adults who acquire a disability from having the choice of part-time distance study as an option where they may need to make career changes, re-skill and even take a completely new course of study, for example where their impairment prevents them from pursuing their original professional career. Skill is extremely concerned that institutions face the prospect of having to rationalise part-time courses from 2011–12 when the funding stream for this is reviewed.

January 2008

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## Memorandum 24

### Submission from Microsoft

1. Summary: The IT industry is a significant contributor to the UK and faces the same skills shortage issues as other STEM related industries. Despite the growing skills gap, ICT & computing are excluded from most STEM initiatives, including ELQ allocations, as IT & computing is not considered by Hefce to be Strategic, Important and Vulnerable (SIV). This is not in the economic interests of the UK as it constrains the growth of the UK IT industry and other industries dependent on IT for increased productivity and should be reviewed by Hefce in the light of current market and student number data.

2. The IT industry is a significant contributor to the UK economy. It employs 1.4 million people and represents 7% of GDP. Furthermore it is expected to grow by 140,000 people and create 4,600 new businesses by 2011.<sup>31</sup> In addition to its direct impact, the use of IT by other organisations increases their productivity, indeed the EU estimates that 50% of potential productivity gains come through the use of IT in the workplace.<sup>32</sup> Microsoft employs only 2,500 people in the UK, yet over 500,000 people in this country are employed in developing, delivering and supporting Microsoft based solutions.<sup>33</sup>

3. However, there is a chronic shortage of skills in the IT industry which acts as a potential brake on growth. At the same time that the industry is growing steadily, the numbers of students starting undergraduate courses in computing and IT has fallen by around 9% per year.<sup>34</sup> Microsoft's network of 15,000 IT delivery partners are also reporting increasing difficulty in recruiting qualified staff.

4. Yet despite this, computing & IT is not considered by Hefce to be a strategic, important & vulnerable subject (SIV). Whilst STEM subjects, from which the IT industry draws heavily, were classified as SIVs in general, "e-skills" were specifically excluded on the basis that Hefce had not seen evidence of vulnerability.

5. SIVs are given a specific allocation of places on ELQ courses in order to provide a degree of protection but computing and IT therefore receives no such protection. As the IT industry is a young industry, the retraining of people with older qualifications is an important route through which new talent is brought in. We accept the principle that the government should not in general be supporting serial graduates, such as a graduate historian studying for a classics degree, on the grounds that there is little economic impact. However, we find it difficult to understand why a graduate studying for a biology degree leading into the pharmaceutical industry should be supported when a graduate studying computing or ICT leading into the IT industry should not.

6. Of course, employer co-funded courses would still be eligible for support and we encourage their uptake within the industry. However, if they were the solution to skills gap issues then we would expect the same approach to apply to other STEM subjects.

7. The exclusion of IT related subjects from the SIV classification leads to a number of other damaging consequences for student funding and many STEM related initiatives. However, the limitation on the retraining of graduates into the UK IT industry that is short of skills when IT is geographically mobile and particularly vulnerable to overseas competition is a particular threat.

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<sup>31</sup> IDC (2007)

<sup>32</sup> EU e-skills study

<sup>33</sup> IDC (2007)

<sup>34</sup> Hefce data (2002/3–2004/5)

8. Microsoft proposes that the Select Committee asks Hefce to review the exclusion of ICT & computing from the SIV classification in the light of recent student information and market data. This would then allow IT & computing to benefit from the same status as other STEM subjects within ELQ and other policies and initiatives to protect the UK's STEM base.

January 2008

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## Memorandum 25

### Submission from the University of East London

#### EXECUTIVE SUMMARY

- The implementation of this policy may contravene provisions in the 1992 Act which were designed to preserve the academic freedom of British universities;
- Based on University of East London data, it seems that funding is being withdrawn disproportionately for collaborative, employer-focused provision;
- Publicly-available data shows that the worst-affected institutions are disproportionately London-based universities with a WP mission;
- The policy would seem to have a discriminatory effect against women, older learners and migrant communities, and perhaps against Black & Minority Ethnic students more broadly.

#### 1. THE DECISION TO PHASE OUT SUPPORT FOR ELQS

1.1. The Government's decision seems to be in conflict at very least with the spirit of the Further & Higher Education Act. The 1992 Act clearly and explicitly forbids the Secretary of State from imposing terms and conditions [on grants] . . . framed by reference to particular courses of study or programmes of research (including the contents of such courses or programmes and the manner in which they are taught, supervised or assessed) or to the criteria for the selection and appointment of academic staff and for the admission of students.

Students' entry qualifications are normally considered among the criteria for their admission.

1.2. HEFCE have been very clear that the decision to withdraw funding from ELQs is the Secretary of State's decision, and they have consulted only on the implementation of that decision, whilst the Secretary of State has not consulted at all. We therefore welcome the Committee's inquiry into the arguments for and against the decision.

1.3. It is clear from our analysis of the UEL data that the ELQ policy withdraws funding disproportionately from collaborative, employer-focussed provision. As examples, the ELQ policy will cost UEL:

- £612,000 for postgraduate programmes delivered to highly-skilled mental health workers in collaboration with the Tavistock & Portman NHS Trust, and other NHS organisations;
- £240,000 for postgraduate programmes in Clinical Psychology, Educational Psychology, Counselling and Occupational Psychology delivered in partnership with LEAs, NHS Trusts and other employers;
- £62,000 for Biomedical Science at postgraduate and undergraduate levels, although this provision is solely focussed on providing laboratory scientists for NHS employment.

Perhaps we will be able to bid back for these as co-funded numbers, but smaller sums of money will still have negative impacts on specific employer-related projects which we have previously managed within our contract range. For instance 57% of the learners on our MBA (Public Services) with London Borough of Tower Hamlets and 35% of learners on our Masters in Health Services Management are negatively affected by the proposed ELQ policy. The impact here will be to make similar provision unviable in future unless we are able first to secure greater contributions (and longer term commitments) from employers and then win co-funded Additional Student Numbers (ASNs) from HEFCE. For most programmes at the PG level the effort involved will be disproportionate, in particular where the provision currently supports SMEs or professionals with portfolio careers, who will not be able to make the commitments implied by co-financing. Even where co-financing is agreed, the growth of successful programmes will be constrained by the availability of Additional Student Numbers as we will have lost the flexibility to accommodate such numbers within our contract range.

1.4. If the Government's intention is to redirect this funding into Widening Participation by allowing more students to have a first experience of Higher Education, it is surprising that the funding is being withdrawn so disproportionately from institutions with a WP mission. The "top ten" losers are as follows:

<i>Institution</i>	<i>ELQ funding to be phased out</i>
Open University	31,628,519
Birkbeck College	7,866,367
London Metropolitan	6,191,987
University of Oxford	4,151,668
University of East London	3,774,215
Thames Valley University	3,630,467
London South Bank	3,476,541
City University, London	3,191,136
University of the Arts London	3,122,340
University of Westminster	2,966,099

1.5. The majority of these (certainly including UEL) could reasonably claim to be among the sector leaders for WP activity. The London institutions in this group are particularly important for their contribution to ethnic minority participation in HE.

1.6. The government claims that the money saved would be directed towards supplying 20,000 additional student places. There is no evidence that the demand is there from students nor that the ELQ students are taking places that would otherwise have gone to first time entrants.

## 2. THE TIMING AND IMPLEMENTATION OF THE DECISION

2.1. The decision of the Secretary of State was announced on 7 September, a consultation was launched on 27 September to close on 7 December (although data on the technical definition of ELQs, allowing the policy impact at individual student and institutional level to be understood, was only made available in mid-October), and decisions will be taken by the HEFCE Board in February. Implementation of the policy will then be phased in over six years. It might make more sense to think for longer and then act more quickly.

2.2. The haste to begin implementation has meant, for instance, that HEFCE are using 2005–6 Higher Educational Statistics Agency (HESA) data to calculate the funding to withdraw, although the data collected was not designed for this purpose, and doesn't allow the level of input and output qualifications to be compared without a whole set of assumptions and approximations by HEFCE. HESA will collect data on the level of courses in a new and much more detailed way this year, but that data will be too late for use in the current timetable.

## 3. EXEMPTIONS PROPOSED BY HEFCE

3.1. The exemptions proposed by HEFCE seem to be a bit of a grab-bag of their existing initiatives. Much of our employer-related provision will be badly affected, and from the employers' perspective they will either have to change their skills needs (so that we can provide a Foundation Degree instead of what they really need) or pass through a HEFCE bidding process to get the Employer Engagement exemption (which also implies a lower grant rate than previously). It will surprise employers that we are implementing Leitch by giving them more bureaucratic hurdles, and less money.

3.2. An example is our Primary Classroom Support for Teaching Assistants programme delivered in partnership with the Centre for Literacy in Primary Education, local FE colleges and Newham Local Authority. It is a 2-term "Other UG" programme. Would it really help employers to withdraw this provision we have developed in collaboration with them and offer only 2-year Foundation Degrees? Yet 55% of the learners are affected by the ELQ policy, either because they are qualified to UG level already, or because they have qualifications treated by HEFCE as "unknown".

## 4. IMPACT ON STUDENTS

4.1. About 2,000 of our students (roughly one in six of all HEFCE fundable students) will fall under the ELQs regulations, although some will be covered by exemptions. Not all the exemptions cover individual students. For instance the "exemption" for Strategically Important and Vulnerable Subjects (SIVS) actually takes the form of an additional cash grant to UEL. The individual students we recruit to SIVS subjects in future will still be unfundable

4.2. The policy can be expected to have a negative impact on women, older learners and some migrant communities, and may have a negative impact on ethnic minority students more broadly.

4.3. Our analysis of UEL data shows that both the ELQ policy and the proposed exemptions have an apparent discriminatory effect against women. This is to be expected as women are more likely to return to the workforce after a prolonged career break, and will accordingly often need to retrain at an equivalent

level in order to refresh skills, or enter a professional area more appropriate to their changed circumstances. It would therefore be surprising if the policy did not discriminate against women across the sector as a whole. There will be an obvious impact on older learners wishing to retrain in a new area, since they will be penalised for possession of HE qualifications which may be very old and of little relevance to the workplace.

4.4. Migrant communities are likely to be negatively affected because of the discriminatory treatment accorded to overseas qualifications. HEFCE are treating overseas degrees as ELQs even though this is not the way they are treated in the Fees Regulations, and many overseas degrees are not truly equivalent to a UK degree. Treating “other non-UK” qualifications as of unknown level also results in withdrawal of funding for many of these students too.

4.5. Given the disproportionate impact of the policy on London overall, and the fact that ethnic minority students are more likely to pursue further study to help overcome the discrimination they experience in the workplace, we feel that it is likely that the policy will impact unfairly on BAME students. HEFCE has the data to confirm the impact for the sector as a whole and we would be glad to see an analysis of the data published before the policy is implemented.

## 5. IMPACT ON INSTITUTIONS

5.1. The financial impact on institutions such as UEL is large. We have not yet had an opportunity to consider our strategic response in detail: like many institutions we will wait the final HEFCE announcement before we do so, however all institutions will feel pressure to take a number of steps:

- Withdrawing from lifelong learning activity, since many learners on such provision will cease to be fundable, whilst no learners on provision aimed at school-leavers will;
- Withdraw from PT provision, since this is disproportionately affected by ELQs and in any case much less well funded under the current fee arrangements;
- Withdraw (or downsize) professionally-accredited provision (such as in Psychology or Law) where a significant proportion of entrants already have a degree without professional recognition;
- Reduce employer engagement, since the opportunity to manage small projects within the contract range has gone, and the grant rate for HEFCE “Employer Engagement” numbers is lower than for other numbers.

## 6. CASE STUDIES

6.1. Students undertaking ELQs do so for a variety of reasons but at UEL it is most commonly linked with gaining employment. Below are three case studies which are in many ways typical.

- X came to us in 2003 with a degree in English at Oxford and many years in and out of work. She was determined to retrain as clinical psychologist, joined our Graduate Diploma in Psychology and is now in the final year of her clinical doctorate, treating patients at hospitals in London and Bristol.
- Y graduated this year with first-class honours from his BSc (Hons) degree in Physiotherapy at UEL and is now working as a Junior Physiotherapist at Addenbrooke Hospital in Cambridge. Y won the London Region and Ian Ramsden prizes for best Physiotherapy project and presentation. He had previously completed a degree in Sports Science at a different university, but wanted to retrain as a Physiotherapist to work in healthcare. It is very unlikely he would have been able to do so without funding.
- Z a welfare adviser at our Students’ Union, is completing his LLB Honours degree in Law this year. Leaving school at 17 with unidentified dyslexia and bare minimum GCSEs, he joined the army and served 5 years as a plant operator mechanic in Royal Engineers. Here he suffered a fractured spine and was left physically unable to work. He decided that rather than rely on his disability pension, he would retrain: at his local FE college he studied for his HNC in IT, followed by a degree in E-commerce. However, this did not lead to employment as he had hoped, so he came to UEL to study Law. He is now no longer claiming incapacity benefits and is in work. Z could never have afforded to do this under the proposed regime. Without the opportunities provided by university education, he believes he would still be on benefits—a drain on the taxpayer, rather than a skilled and valuable member of our community.

6.2. And there are thousands more, each with their own story to tell and each demonstrating that education is not some linear route as the Government has suggested but one which does and should offer opportunities to re-skill, progress and make something more of your life.

## Memorandum 26

### Submission from the WEA Maidenhead Branch

#### 1. EXECUTIVE SUMMARY

1.1 We, as volunteers, organise part time courses in our local town, Maidenhead, with tutors from Oxford University Department for Continuing Education (OUDCE). Oxford University is taking the fourth largest loss of grant (£4.1 million) as a result of the ELQ policy, and three-quarters of that loss is in respect of its continuing education programme. Faced with the magnitude and timing of the proposed funding reductions, OUDCE tell us they will have to reduce their staff and cut back on the range of courses they offer. They may even have to withdraw from offering courses outside Oxford altogether—but if they continued, they may have to charge a fee which was so high we would be unable to attract sufficient students to make the course viable.

1.2 Although purporting to phase out support for students taking ELQs, the effect is to reduce the educational opportunities for all adult students.

#### 2. DETAIL

2.1 This year we have offered OUDCE courses in Latin, Ancient Greek, two parallel neuroscience courses (The Brain and Human Behaviour), two history courses (Makers of Modern Europe and Irish history) and a course on Greek Myths. All the courses are full with a waiting list. Most of the students, if they have a degree at all, obtained it over 40 years ago but we do attract younger students as well. As far as we know, most of our students with degrees have worked all their lives and paid taxes, the government funding that went into their degrees thus having been paid back many times.

2.2 Everyone is expected to do some written work and students get very enthusiastic about their chosen subjects. The knowledge they gain feeds back to family and friends. A very small proportion of our students go on to get a qualification but most do it for the pleasure of learning and to keep their minds active. Some are broadening and updating their knowledge of subjects which they studied as a student; others do not have a degree or are studying a subject which they dropped early in the school days through specialising, for example, in science. This is lifelong learning in practice and, if the government funding cuts proceed, they will destroy it.

2.3 It will be administratively burdensome for universities to distinguish between students with and without degrees. There is no database of degrees but even if there were, women who have married will have changed their names and it would be of little value. In any case, as we understand it, the funding allocation will be based on a historic estimate of students with and without degrees in 2005—which undermines the notion that this funding change is aimed at encouraging institutions to attract more non graduate students.

2.4 OUDCE estimate that next year students will have to pay a premium of about £20 over the current price (currently £85 for 20 hours tuition)—and it will be higher in future years. We cannot run a course with fewer than 11 students and if we don't get this number, students without a degree will not even have the opportunity to start learning in a friendly, local environment. For a paltry saving (in the overall education budget) of £100 million, courses run by university continuing education departments across the country will be cut and a valued resource will be lost. Who knows how much NHS money is saved by the social and mind-enhancing aspects of these courses.

2.5 The fees the students pay now meet all the direct costs of the course (the tutor, the room, the equipment and local administration). Provided we get 15 or so students (and some courses attract up to 25), the extra fees contribute to the running of the central OUDCE organisation. However without government or other subsidy, the central management structure could not exist.

#### 3. CONCLUSION

3.1 We are continually amazed at the demand for these more intellectually demanding courses and how much our students get out of them. As organisers, we gain great satisfaction from providing these opportunities locally. We are astonished that the government is considering such a short sighted view of the value of education and is not prepared to support the infrastructure which makes the talents of Oxford University available to a wide range of adults.

*January 2008*

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### **Memorandum 27**

#### **Submission from the Institute of Psychiatry, Kings College London**

I am responding to the invitation to comment on these proposals in my capacity as programme Leader for a range of family therapy training courses at the Institute of Psychiatry (Kings College London). I am also chair of the Registration Committee for the Association for Family Therapy.

In the psychotherapy and counselling fields there is a great deal of concern about the current proposals. Whilst respecting the wish to ensure that funds for education are fairly targeted, our view is that these current proposals could have a serious effect on the opportunities for training in therapy and counselling and on the quality of the workforce. In our field of family therapy we expect candidates for training to have a prior degree and professional training. On application to the Diploma and MSc programmes (the recognised training in family therapy) they will frequently have a higher or equivalent qualification to the one they wishing to study. This previous study and experience is a requirement as a platform for the psychotherapy studies.

If they are not exempted it will have a serious effect on courses ability to offer affordable courses and therefore impact on the workforce which is dedicated to one of the governments priorities of working with children and families. Family therapists undertake this work at a complex level. It will make it difficult to attract the best professionals into courses and also severely affect the diversity of students and in consequence the diversity of the workforce. This would seem to be contradictory to many aspects of government policy and good practice.

I would urge the committee to ensure that family therapy is made an exemption from this proposed policy.

*January 2008*

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### **Memorandum 28**

#### **Submission from the Community and Youth Work Training Agencies Group (TAG)**

I am writing on behalf of the Community and Youth Work Training Agencies Group (TAG), the professional association for lecturers in youth and community work education in England, Wales, Scotland, N. Ireland and Eire, to express our concern about the changes to HEFCE funding recently announced by John Denham, Minister for Innovation, Universities and Skills. The changes will mean that universities will no longer receive HEFCE funding for students embarking on a second programme of Undergraduate study, where the second Award is of the same or a lesser level of study than the first.

We fear that this change will impact significantly on the recruitment and retention of youth workers, as there is a lack of awareness amongst young people / the general public of youth work as a career, and this means that people often complete their first degree and subsequently discover where their interest lies. Their work experience, or voluntary work, frequently kindles this interest but in the initial stages, practitioners are seldom in positions where they are well paid.

As you may know, to qualify as professional youth and community workers, practitioners need to undertake a course of Higher Education study leading to a professionally recognised (JNC) qualification. Most of the courses on offer are undergraduate courses. Consequently, many of these “career-changers” enrol on Diplomas of Higher Education, Foundation Degrees, Honours Degrees or Graduate Diplomas. Currently these students attract HEFCE funding and this is reflected in the fee charged to the individual student. It is, as yet, too early to say how individual HE institutions will respond to the HEFCE change of priorities, however, it is likely that it will lead to students needing to meet the full cost of their study—either as individuals or through sponsors. Alternatively, students may enrol for Masters or other Post Graduate courses as these may better suit their needs, but this, again, can be an expensive and more lengthy option for practitioners and sponsoring bodies.

We are aware through the recently published 10-year strategy, *Aiming High*, that the government wishes to encourage high quality candidates into the youth workforce and is concerned about recruitment and retention within the profession. Any policy that makes it more expensive for practitioners to qualify (as opposed to providing incentives as occurs within some other professions such as teaching or social work) seems to work against the spirit of the vision as described within *Aiming High*. We also note that the recently announced Comprehensive Spending Review includes funding to support Higher Education and a commitment to “explore new ways of delivering higher-level skills in the workplace”, we hope that this commitment might extend to professional qualifications for this important sector of the children and young people’s workforce, as this will help to ensure high quality provision for young people.

We would therefore ask you to raise this issue through appropriate channels, as we believe that this policy may have an impact that is in direct contradiction to the government’s aspirations as expressed within its 10-year strategy. We hope that you are able to take this matter forward and would also welcome any opportunity for further discussion that might support the vision of *Aiming High*.

*January 2008*

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## Memorandum 29

### Submission from the Education Sub-Committee of the Geological Society of London

1. The Geological Society of London is concerned about the proposal to remove funding altogether for Earth science students studying for Equivalent or Lower Qualifications (ELQs).
2. The Earth sciences are central to many aspects of modern life, including:
  - (a) sustainable development and extraction of resources;
  - (b) meeting increased energy demands;
  - (c) developing a fuller understanding of the causes and effects of climate change;
  - (d) protection and development of groundwater resources;
  - (e) understanding and planning for new housing and transport development; and
  - (f) dealing with waste disposal eg nuclear waste.
3. Earth science has a low visibility in relation to other sciences (eg Physics, Chemistry), and is declining as a subject in Secondary schools. The country currently only produces about 1,000 Earth science graduates per year, and the number of universities offering undergraduate degree courses has declined by over 30% in the past 20 years with an accompanying reduction in the number of applicants. There is a large demand for Earth science graduates in many areas that is not being satisfied and the inexorable rise in commodity prices and environmental issues will ensure that this demand will continue to increase. There are already serious resulting skills shortages in key areas such as hydrogeology, geophysics, resource extraction, engineering geology and environmental geoscience that are unlikely to be met in the short term by increased undergraduate recruitment and graduate numbers.
4. The low visibility of Earth science in schools means that interest in this subject is often kindled later in life. An increasing number of people who are already qualified in another field wish to re-train as Earth scientists. They will be discouraged by the removal of funding for ELQs and the nation will be denied the benefits of their accumulated skills. This is a small, but increasingly important, problem to most universities. It is, however, an extremely important one in institutions such as the Open University and Birkbeck College, where considerable numbers are retrained to provide enhancement and re-direction of the nation's skills-base.
5. The Society urges those concerned in the debate to review the proposal to remove ELQ funding from future Earth science students, since this would potentially damage both their future prospects and those of the UK economy.

January 2008

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## Memorandum 30

### Submission from the the British Computer Society

#### EXECUTIVE SUMMARY

1. BCS warns that there is a growing skills shortage in IT at a time when the UK economy is increasingly dependent on both the revenue earned by the "knowledge economy" and on the IT infrastructure which is key to efficient public sector service delivery.
2. BCS urges the government to include those subjects that are essential to an individual's career development, such as Computer Science/Computing and IT, to be regarded as having SIVS (Strategically Important and Vulnerable Status) and thus exempt from the ELQ policy.
3. Exemption of Computer Science/Computing and IT from ELQs would enable the already disadvantaged groups in society to help themselves out of low income occupations or unemployment by re-skilling in order to contribute to the UK economy thereby also addressing the IT skills shortage.

#### ARGUMENTS FOR AND AGAINST THE GOVERNMENT'S DECISION TO PHASE OUT SUPPORT TO INSTITUTIONS FOR STUDENTS STUDYING ELQs

4. BCS set up the "Professionalism in IT" programme in 2005 with the stated intent of building IT professionalism to the level at which it is seen to exist in other areas of professional activity. Within this programme an IT professional is defined as a practitioner who has specific skills rooted in a broad base, has appropriate qualifications from a recognised body, undergoes continuous development and operates to a code of conduct. For the IT sector in the UK a highly skilled, educated and competent workforce is essential if it is to satisfy the demand from government and commercial organisations for evermore secure and complex systems.

5. There are many varied routes by which IT professionals gain training and qualifications; although 45% of IT professionals hold a degree or equivalent qualification, compared with 20 % of the workforce as a whole<sup>35</sup>, the majority do not hold a first degree in Computer Science/Computing and IT, or a related discipline.

6. Since a peak of around 29,000 students entering computing courses in 2001, the number has fallen to around 17,000 in 2006<sup>36</sup>. Even at its peak, the numbers graduating were unable to cover attrition rates on this workforce. The IT sector has grown so rapidly that education is unable to keep pace. The result is that most IT practitioners do not have an educational background in Computer Science /Computing and IT. With sector growth continuing to outpace the national average, the majority of those starting work in the sector will not have their primary qualifications in Computer Science/Computing and IT. As the UK continues its rapid transition to a knowledge economy, the IT sector will require even more workers, and other sectors will increase their reliance on IT.

7. This lack of specific education has to be set against the impact of the UK ICT sector on the economy as a whole. As noted by Lord Jones of Birmingham, the IT industry is one of the UK success stories:

“More than a million UK jobs depend on the success of the ICT sector which generates more than six per cent of GDP. Its importance to our economy is unquestionable.”<sup>37</sup>

8. The IT sector contributes 6.4% of GDP<sup>38</sup> and employs approximately 1.2 million people<sup>39</sup>. This includes those employed to support other important UK commercial assets, such as the financial services sector, which is the largest contributor to UK balance of payments, GDP and employment and is also the leading application market for ICT<sup>40</sup>.

9. It is in the public interest to pay for students to take a second qualification if it can be demonstrated to contribute to a national need. Those national needs might be:

- (i) to provide general education in an academic area that has moved on rapidly
- (ii) to educate people to move from an employment area that is making a low contribution to UK GVA to one that is making a high contribution to UK GVA.

10. DBERR is promoting the UK as a place for inward investment based on the UK’s capacity to deliver high-quality IT systems. Support for this initiative has to be publicly funded because education, rather than short-term skills, is being provided, and individuals in the IT sector are just as likely to work in a myriad of SMEs rather than a large conglomerate (which might have more funds to deploy on education). Small companies need to be able to recruit trained individuals to compete in an international market. The Leitch report pointed to the rising demand from businesses for well-educated students with Computer Science / Computing and IT qualifications and the Sainsbury Review emphasised the idea of the education system responding to employer demand.

11. UK employers are already particularly generous in their IT training provision. A review by eSkills UK discovered that:

“All indicators considered, there is a higher than average propensity for employers to train and develop their IT workforce”<sup>41</sup>

And that

“The IT industry invests significantly more on training than the average for all industries, spending £668 on training per employee per year”<sup>42</sup>

Thus UK employers are already shouldering a major part of the cost to educate IT professionals. However the money spent is not directed at education but on specific needs.

12. For businesses, training needs tend to be short term and project-focussed. For example, a need for skills in a new programming language can be met through short term training, without adding higher level skills to an individual. However, a need for a software engineer can only be met by hiring rather than by taking unqualified staff and investing years in qualifications and subsequent experience. In the scale of education, 3 years is short term; but in the IT industry, 3 years is beyond the horizon. This mis-match is fatal for business cases advocating investment in qualifications.

13. The need for professionals qualified to honours degree level in computing and IT is vital to the nation’s needs, to provide security services and banking services which cannot easily be placed off-shore without risk. These are the types of graduates whose numbers have been decreasing drastically over the last six years. We should be encouraging those people who are willing to re-train to full degree level in IT, not discouraging them.

<sup>35</sup> eSkills UK.

<sup>36</sup> UCAS.

<sup>37</sup> Minister of State for Trade & Investment, Digby, Lord Jones of Birmingham.

<sup>38</sup> Gartner.

<sup>39</sup> eSkills UK.

<sup>40</sup> Gartner.

<sup>41</sup> eSkills UK.

<sup>42</sup> eSkills UK.

14. IT is particularly vulnerable to a change in ELQ funding because of the small relative numbers inside the industry with existing qualifications, and the high growth rates. In some areas it is easier to be accepted for a higher level course. Because of issues with so-called ‘conversion masters’ qualifications, those who do not have a first degree in IT may not be able to use this qualification to apply for a masters in IT. In this case, their only option is to take a qualification at the same level as their existing one, which is of course affected by this funding decision. This will deter graduates in other disciplines from making a switch in to an IT career.

THE EXEMPTIONS FROM THE WITHDRAWAL OF FUNDING PROPOSED BY THE HIGHER EDUCATION FUNDING COUNCIL FOR ENGLAND

15. For reasons identified earlier in this response, BCS urges government to include Computer Science/ Computing and IT in the group of subjects which have Strategically Important and Vulnerable Status (SIVS) so that they are exempt from ELQ funding cuts.

THE IMPACT UPON STUDENTS, INCLUDING WHETHER THE CHANGE WILL AFFECT SOME GROUPS OF STUDENTS MORE THAN OTHERS

16. The following groups will be particularly badly affected by the withdrawal of ELQ funding:

- Women returners—ie those trying to reskill to return to the workforce after raising a family. This group forms the majority of part-time learners studying for second degrees.<sup>43</sup> Women are a minority in the IT industry and BCS, in partnership with other organisations, is trying to redress the balance.
- Students trying to reskill when disability makes their current job impossible.
- Students already within the IT industry undertaking professional training for chartered status and CPD (continuing professional development). For example even if they do a single module of an ELQ they will be affected. BCS requires its members to undergo CPD in order to maintain professional competence. BCS believes that professionally qualified IT practitioners would reduce the likelihood of IT project failure.
- Students in low-income occupations who are working hard to improve their career prospects.

17. Clearly, the ELQ withdrawal of funding affects everyone, whether outside the IT sector and wishing to get in, or those who wish to keep up with the technological changes in IT and remain in this globally competitive market. At a time when the economy requires people to be flexible in their career, it is important to be able to reskill throughout a working life. There are no longer jobs for life, and employees need to be able to change direction as, and when, opportunities present themselves or when redundancy or disability hits. It seems counterproductive to place barriers against those people who wish to make a contribution to the economy, particularly when their contribution will be in the strategically important IT sector.

January 2008

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**Memorandum 31**

**Submission from the Institute for Orthodox Christian Studies, Cambridge**

EXECUTIVE SUMMARY

The Institute for Orthodox Christian Studies advises that the proposed change to government funding for so-called “second first degrees” would have most destructive consequences for its educational programmes for clergy and lay-leaders, and might well lead to the collapse of the only higher education body dedicated to serving the Orthodox Churches here and to the loss of a major educational opportunity in English for the ever-growing Orthodox ethnic minorities. The proposal also runs counter to government policies that aim to assist ethnic communities to integrate into mainstream British culture and to encourage church communities to take on a wider social role.

1. I write as Principal of the Institute for Orthodox Christian Studies, which is a member of the Cambridge Theological Federation, but also the only institution teaching Orthodox Christian Studies in English in the whole of western Europe. We are a pan-Orthodox body providing theological and pastoral education both to British-born Orthodox and to the substantial and fast-growing Orthodox ethnic communities in this country from Greece, Cyprus, Russia, the former countries of the Soviet Union, Romania, Bulgaria, Serbia and eastern Europe, Lebanon, Syria and the Middle East. We train clergy and laity in a situation where there is no functioning Orthodox seminary in the British Isles.

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<sup>43</sup> UKRC for Women in SET.

2. The impact of the directive from John Denham to the Higher Education Funding Council for England to deny funding for courses deemed “a second first degree” would be disastrous, not just for the educational work of the established theological colleges of the Cambridge Federation but also for our own nascent body. It would mean closure of most of our educational programmes and would probably entail collapse of the Institute itself, thus setting back education in Orthodox Christianity for a generation. What seems primarily to have been a cost-cutting exercise, whose wider implications went unconsidered, runs quite counter to other government policies that aim to support and integrate ethnic minorities and to encourage and equip religious communities to play a more substantial role in the life of the nation. The training programmes of a whole range of church bodies would be undermined: not just those of Anglicans and Roman Catholics who have had wind of what is contemplated but also the wide spectrum of Caribbean, Pentecostal and ethnic Churches who as yet have little understanding of the problems that will confront them.

3. For the small numbers of our clergy and lay-workers who currently seek qualifications such as the Bachelor of Theology and the like, training costs would triple and be beyond the pockets of almost all, since most of our students already have a first degree. The bulk of our students, those who undertake Certificate, Diploma and Advanced Diploma course at undergraduate level yet also hold first degrees, stand to lose their educational opportunities entirely, since universities are unlikely to accredit courses for which no funding is available. The result would be to trap the Orthodox Churches again in ethnic ghettos, staffed commonly by ill-equipped imports from overseas who have little or no English, and with a laity to whom religious education in the language of their adopted country is largely denied.

4. The Institute’s undergraduate-level courses have been accredited since inception by the Cambridge University Institute for Continuing Education, and we are aware of the negative impact of the proposed changes on the work of that body and also on educational and re-training opportunities for mature students across a wide spectrum. The proposed policy would once again seem to restrict educational opportunities for the less well-off, whether recent migrants, one-parent families, or those who can only re-train in their spare time. Its impact is socially regressive.

5. The Institute, along with similar theological foundations, and in parallel with other socially effective groups such as doctors and teachers, seeks exemption from the proposed restrictions on funding of “second first-degree” qualifications. We hear that Muslims have been assured that the religious training of imams will not be affected. Given the background of many of our students, it would be dynamite if the training of Christian ministers and lay staff were to be discriminated against, and we presume that a similar exemption as that accorded to the Muslims would be extended to us.

6. Last, the Institute regrets that this radical proposal has been made without consultation, or (at the least) that news of it reached us only in early December and has not yet permeated to some of our Christian brothers and sisters. Good government requires adequate consultation if mistakes (and in this case very serious mistakes) are to be avoided.

*January 2008*

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## Memorandum 32

### Submission from Conservatoires UK (CUK)

#### EXECUTIVE SUMMARY

This submission raises concerns about the damage that will be inflicted on UK Higher Education in the performing arts, and the serious and disproportionate damage to small and specialist vocational institutions such as the UK’s leading music conservatoires. The training process for performers at the highest level typically requires several years of increasingly specialist postgraduate study, and because the professions these students enter are supported by public subsidy, co-funding from these employers is unrealistic. One consequence of the ELQ policy is that the “best” students will seek more affordable training outside the UK, thus undermining the substantial reputation of UK Higher Education in these areas.

The small specialist performing arts institutions also depend on the recruitment of a “critical mass” of students across a range of disciplines to support their larger, corporate activities (operas, large ensembles, etc.) such that an inability to recruit the best students who are nearing the completion of postgraduate, pre-professional studies will also impact negatively on the rest of the student body. The proposed timescale for implementation is problematic, not merely in financial terms, but also in relation to the recruitment of students which, for 2008, is now all but completed within our sector.

We urge very careful reconsideration of the proposals in light of the damage they will undoubtedly cause in our sector and, if it is decided to progress the policy, we respectfully request a delay in implementation to enable the small specialist institutions to plan strategically with HEFCE for the way ahead.

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SUBMISSION: Text of letter to Rt Hon John Denham MP (4 December 2007)

1. I am writing, as Chair of Conservatoires UK (CUK)—the umbrella organisation representing the UK conservatoires<sup>44</sup>—to draw your attention to the serious damage that the changes proposed in your letter of 7 September 2007, to the Chairman of HEFCE, David Young, will inflict on the institutions in membership of CUK.

2. I have, on behalf of CUK, submitted our response to the HEFCE consultation on these proposals, but I am mindful that the consultation focuses on issues of implementation, not on matters of policy or principle. It is with this in mind that I would like to draw your attention to a number of issues which I and my fellow CUK Principals and Directors regard with the gravest concern. You will note from the points I raise below that our focus is not merely one of financially-driven self-interest, but rather rooted in a concern for the damage that will inevitably be inflicted on performing arts education at the highest levels within UK Higher Education.

3. It is, for instance, our belief that the proposed implementation of the ELQ policy will cause seriously destabilising and disproportionate damage to the small and specialist institutions whose primary focus is rooted in vocational training in the performing arts—in the case of the institutions in membership of CUK particularly, in music, drama and dance. It is a specific feature of the programmes offered by these institutions that they are driven by employer engagement, and are highly vocationally orientated in order to meet the training needs of the sectors they serve. The notion of co-funding from these employers, virtually all of whom are themselves in receipt of public subsidy for their existence, is unrealistic.

4. The training of performing artists at the highest level is a process that cannot be hurried. In the case of singers, for instance, the acquisition of the broad range of skills required for a successful professional career also requires a physical maturity—the voice is, in effect, the “instrument”—meaning that often the training will begin at a later stage: eg after an undergraduate course in a complementary discipline such as a modern language, or indeed music in a university context, both areas which can inform the necessary preparation for a high-level “gear-change” to become a successful professional singer. At postgraduate level, several years are commonly required to reach the level necessary for a realistic career in a highly competitive profession—often a journey from Postgraduate Diploma level to Masters level and beyond. The ELQ proposals in relation to this level of training for such students will hit hardest in the UK’s front rank conservatoires, whose track record in producing graduates who have subsequently reached the highest levels in their chosen profession is internationally acknowledged. The inevitable danger is that those seeking the very best vocational education and training for the music profession will seek more affordable alternative training in institutions outside the UK.

5. The “corporate” aspects of the training process within our sector also create certain demands in relation to issues of critical mass. Thus, for example, orchestras, brass bands, jazz ensembles and the like, depend upon the availability of a mix of the right individual disciplines in order to be able to function properly. An inability to balance the recruitment of an appropriate “mix” at the highest levels of professional performance training will impact not only on those unable to afford the inevitably higher ELQ fee level, but will also impact upon the “non-ELQ” students whose training will be limited by the lack of appropriate critical mass at a high professional level.

6. The proposed timescale for implementing these proposals intensifies the already destabilising impact of ELQs on HE in a general sense, where there are already huge uncertainties within the sector with regard to the future arrangements for the funding for teaching.

7. Furthermore, the institutions represented by CUK have, without exception, already begun their recruitment processes on the basis of student number planning undertaken immediately following the September registration period. Unlike university music departments, the conservatoires plan their student numbers and the balance and mix of disciplines needed for recruitment purposes much further ahead due to a range of issues, including critical mass for particular discipline streams (as referred to above) and because of the relatively small “window” of student numbers within which they work. To impose the further uncertainties of the ELQ proposals at (for us) this late stage will present—funding issues notwithstanding—huge logistical problems for CUK institutions. For us, the vast bulk of auditions will be completed well before the outcome of the ELQ consultation is made known.

8. In terms of the “student experience”, this makes it impossible for us to offer advice to potential students about fees, and invalidates much of the detailed information that has already been made public through our prospectuses, etc. about the likely fee levels for 2008 entry. In this sense, the proposed time-scale for the implementation of ELQ will force us into a position where we will be in breach of the principles of good practice expected within the sector for strategic planning processes.

9. The sweeping proposals of the ELQ policy also pose particular problems for the small specialist institutions as a result of the very narrow tolerance bands within which we all operate. The academic and financial structure and success of our operations is premised on a highly precise distribution of limited funded student numbers across a very small range of professional training programmes in order to achieve

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<sup>44</sup> Birmingham Conservatoire, Guildhall School of Music and Drama, Leeds College of Music, Royal Academy of Music, Royal College of Music, Royal Northern College of Music, Royal Scottish College of Music and Drama, Royal Welsh College of Music and Drama, Trinity Laban.

optimum efficiency. Unlike larger multi-faculty HEIs, we have little or no ability to adjust numbers at the margin, given our particular combination of fixed infrastructure and semi-variable teaching costs; even a single figure reduction in cohort size will significantly compromise both the student experience and the financial viability of our courses. Potentially, this will put at risk high quality provision which has been consistently demonstrated to meet employer needs, to the detriment of all students, not just those studying for an ELQ.

10. In summary, the ELQ proposals will have the effect of destroying our current competitive edge in an international marketplace, which is based on the quality and depth of our provision, and will diminish the standing of UK higher education in the performing arts. The financial gain to HEFCE of implementing these proposals for our sector will be relatively small: the impact on the most talented students who inhabit the small number of specialist performing arts institutions affected by these proposals, and indeed, the impact on the professional world of music, is huge. For these reasons, CUK would ask that, as an ideal, the performing arts be granted a general exemption from the ELQ proposals as set out. Should this prove impossible, then we would respectfully request a full and detailed assessment of the implications of the ELQ proposals as they will affect the institutions in membership of CUK, even at a purely operational level, through a joint endeavour with HEFCE, aimed at finding a solution which avoids permanent damage not only to whole areas of provision, but also to the international standing of English conservatoires. In the meantime, we would request a delay to the implementation of the policy for these institutions for a minimum of two years. This should enable our members, with HEFCE, to plan strategically for the way ahead, particularly for instance, with regard to preserving the broader viability of our training programmes in terms of instrumental and vocal balance, or “critical mass”, and thereby minimise the potentially catastrophic consequences of premature implementation.

*January 2008*

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### **Memorandum 33**

#### **Submission from the English Association**

The English Association (EA) wishes to express deep concern at the Government’s refusal to reconsider its decision to withdraw funding from qualified students who choose to take additional Higher Education courses that lead to equivalent or lower qualifications (ELQs).

1. This decision, the impact of which will start to be felt almost at once, threatens to undermine the whole structure of part-time higher education in England and Wales. Its effects will be damaging across the sector. While the threats to institutions such as The Open University and Birkbeck College have been clearly signalled, other universities who provide pathways into HE for adult learners and returners will also be badly affected and the proposed transitional funding support will be quite insufficient to prevent this damage.

2. The survival of Institutes and Departments of Continuing Education across the country is now in question; so is the survival of the local centres these Institutes and Departments support in the regions they serve. Such centres are often in areas of social or urban deprivation and their students are frequently vulnerable: the loss of these centres will make it even harder for students to gain first-time access to higher education—the very principle used by Ministers to justify their decision to divert £100 million of funding away from ELQ courses.

3. Damage on this scale to the infrastructure of part-time higher education will have serious implications for the Arts and Humanities in general and for English in particular. Studying subject areas which are not directly vocational can be too easily and cynically dismissed as a leisure activity or “lifestyle learning”. However, enabling students of all ages and circumstances to develop greater cultural, social and linguistic awareness benefits everyone in ways well understood by the public but apparently undervalued by the Government.

4. Indeed, the impact of this new policy on the teaching of English will also be felt more widely than in the higher education sector itself. While the degree study of English is not a professional qualification in its own right, it attracts a significant number of mature students who wish to acquire new discipline knowledge and then retrain to enter the teaching profession. The nation recognizes the importance of encouraging knowledgeable teachers of English with a sound basis in the subject, not just in pedagogical practice. The Association deplores a policy which works against this principle. The new plan seems set to exclude mature students—and particularly women who often select English as their subject base when planning to enter teaching after a career break—from one of the most important disciplines in the curriculum at every educational level. The decision of the Government about ELQs contradicts other government policies and initiatives that underline the importance of English and that specifically encourage individuals to retrain and become part of a highly qualified and enthusiastic teaching profession that can make a real difference to future generations.

5. The English Association counsels the Government not to assume that the outcome of the Commons Debate of 8th January means it has won the argument about ELQs. The EA joins other professional associations in urging Ministers to admit the damaging, unintended consequences of this policy decision, announced without any prior consultation. It asks the Department for Innovation, Universities and Skills to demonstrate a renewed commitment to providing opportunities for part-time teaching and learning in the HE sector, and to reassert the importance of education in the arts and humanities for society as a whole.

*Professor Maureen Moran,*  
Brunel University, Chair, English Association Board of Trustees

*Professor Peter J. Kitson,*  
University of Dundee, President, English Association

*Professor Norman Vance,*  
University of Sussex, Chair, English Association Higher Education Committee

*Adrian Barlow,*  
Madingley Hall, Cambridge, Member, English Association Board of Trustees

*Helen Lucas,*  
Chief Executive

The English Association was founded in 1906 to further knowledge, understanding and enjoyment of the English language and its literatures and to foster good practice in its teaching and learning at all levels. It is incorporated by Royal Charter and is a registered Charity.

January 2008

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#### Memorandum 34

#### Submission from the Rt Revd Graham James<sup>45</sup>, Lord Bishop of Norwich and Chairman of the Ministry Division of the Archbishops Council

##### “FUNDING FOR THE EQUIVALENT OR LOWER QUALIFICATIONS”

The Ministry Division of the Archbishops Council is responsible to the House of Bishops and the General Synod of the Church of England for the theological education and training of ordinands for the Church of England. Currently there are approximately 1,500 students in training in its associated training institutions pursuing academic study validated by Higher Education Institutions. The cost of this training is approximately £14.5 million per annum raised entirely from the voluntary donations of parishioners.

##### EXECUTIVE SUMMARY

- The House of Bishops has expressed its concern about the adverse impact these proposals will have upon lifelong learning, professional development, and the acquisition of new skills by many people in our fast changing society.
- The House of Bishops is especially concerned about the effect that the change will have upon the education and training of ordinands and the relationships built up with the Higher Education Institutions over recent decades.
- Clergy and other ministers of religion contribute massively to civil society and community life and we believe those in training for such ministry should be included among those given exemption.
- The Church of England therefore asks that an exemption from the proposed changes should include those studying for ordained ministry in the Church of England and other recognised denominations and faiths.

##### Submission

1. The Church of England supports a network of 16,000 parishes across the country led by an ordained minister specifically trained for community ministry. In some parishes (especially in the inner city or outer housing estates) these ministers are often the only professional person working in the community also resident within it. They provide an important social and religious focus through pastoral care and community leadership.

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<sup>45</sup> The Rt Revd Graham James is Lord Bishop of Norwich. After ordination in 1975 he served in parish ministry until 1983 when he was appointed Senior Selection Secretary for the Advisory Council for Church's Ministry. He served as Chaplain to the Archbishop of Canterbury from 1987 to 1993 when he was consecrated Bishop of St Germans becoming Bishop of Norwich in 1999. In 2006 he was elected to the Archbishops' Council and became Chairman of the Ministry Division.

2. The Government has increasingly sought partnerships and cooperation from faith communities and their leaders to share in the challenges of community development and community cohesion. Government sees faith communities as increasingly crucial to welfare provision, able to reach individuals and groups not reached by other agencies, especially in inner city and rural areas. Lord Griffiths of Burry Port made the point in debate in the House of Lords that the clergy are often 'the cheapest and most effective social workers and contributors to social cohesion in the country.'

3. Those training for ordination in the Church of England generally follow either a two or three year residential full-time route in a theological college or three years on a part time course. The great majority of these routes are either university degree courses or validated by a partner higher education institution.

4. The great achievement of recent decades has been the development of a much stronger partnership between the training provision of the Church of England and the Higher Education Institutions. This is now under threat. The partnership between the Church and the HEIs has helped to provide quality assurance to our training. More than that, the engagement of those in training for ordination with others of all faiths and none is significant for the character of their future work. Our clergy have frequently taken a lead in inter-faith work locally and regionally. Isolating our clergy in training from wider learning communities would do no service to social inclusion.

5. The ability of those studying for theological degrees to learn within the Higher Education Institutions benefits both themselves and other students by exposing both to a range of opinion and learning that they might not otherwise encounter. This enriches the experience of both communities of learning.

6. The Government has recognised the value of theological and faith based studies through the exemption given to Islamic Studies. The Church of England supports this and hopes to see the Christian, Jewish, Hindu and major faith studies also included within the list of exemptions. We need equally trained and educated leaders in a multi-faith society if a constructive exchange of ideas is to take place.

7. The Church of England currently pays £14.5 million per annum to train its ordinands. For the year ended 31st December 2007 £435,000 was paid directly to the Universities for tuition and validation fees. Substantial additional amounts are given through shared teaching and other support.

8. The Church of England is particularly concerned that universities would seek to charge significantly higher fees for our students. It is therefore concerned that the proposed changes by HEFCE will have a detrimental effect on the provision that it makes to train its future ministers. The present £14.5 million per annum for training comes entirely from the voluntary donations of parishioners.

9. If Universities seek to charge the equivalent of the overseas student rate for UK students as reflecting the full cost of university study for our ordinands, the increased cost would be prohibitive. Some HEI suffering from a reduction in income may well also look to charge higher fees for validation work and the use of University facilities as a way of recouping lost revenue. The overall impact of this change could alter the whole provision of theological education.

10. If all universities were to seek to charge the full cost for Church of England ordinands we estimate that the Church would need to find around a further £1.5 million from its parishioners. This may not be easy to achieve whilst maintaining the provision of clergy in inner city and rural areas.

11. Many students for the ordained ministry enter into training as mature students having already pursued other careers. Approximately 75% of those in training hold equivalent or higher degrees already. The proposals put forward by HEFCE to restrict the funding of equivalent or lower degrees would have an adverse effect upon our ablest students, but also more generally.

12. The withdrawal into faith based seminary type education could result. This would weaken the long tradition of university-educated clergy, and narrow their experience at a formative time.

13. The Church of England asks that the exemptions from the proposed changes should include those studying for ordained ministry in the Church of England and other recognised denominations and faiths.

*January 2008*

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## Memorandum 35

### Submission from the Cambridge Theological Federation

#### SUMMARY

- The HEFCE funding cuts for ELQs threatens the existence of the BA and BTh training route from the University of Cambridge, and therefore the connection with that University, for those training for ordained and lay ministry in the institutions of the Cambridge Theological Federation.
- The cuts threaten the BA course in Christian Theology validated by Anglia Ruskin University, and so the relationship with that University.

- The cuts will therefore drastically reduce the range and quality of the courses the Federation is able to offer and this will deter students.
- In turn we anticipate this will result in the closure of some of the training institutions and this will be the result elsewhere in the country too and will lead to more inward looking and less publicly accountable ministry training.
- This is happening at a time when the range and quality of training for ministry is crucial for clergy and lay ministers to meet the expectations of local communities and Government for leading churches in serving the public good through the building of social cohesion, neighbourhood regeneration, protection of the vulnerable and, increasingly, welfare provision.

#### ABOUT US

1. The Cambridge Theological Federation comprises seven full member institutions and four associate member institutions providing clergy and lay ministry training, both full-time and part-time. Together there are a total of about 450 students, about 200 of whom are members of residential training institutions in Cambridge and 250 are members of non-residential part-time training courses across East Anglia and independent students doing post-graduate courses.

2. The member institutions represent a range of Christian denominations and faiths. The full Members are Ridley Hall and Westcott House (Church of England residential training colleges), Wesley House (Methodist residential training college), Westminster College (United Reformed Church residential training college), Institute for Orthodox Christian Studies (residential and non-residential Orthodox programme), the Margaret Beaufort Institute of Theology (residential Roman Catholic institute for lay women) and the Eastern Region Ministry Course (part-time Church of England, Methodist and United Reformed Church non-residential training course serving East Anglia). The Associate Members are the Norwich Diocesan Ministry Course and the St Edmundsbury and Ipswich Diocesan Ministry Course (part-time, non-residential Church of England training courses for ordained and lay ministry in Norfolk and Suffolk), The Woolf Institute for the Study of Abrahamic Religions (providing Christian-Jewish and Jewish-Muslim interfaith programmes) and The Henry Martyn Centre for the Study of Mission and World Christianity (providing courses with mission and global dimensions).

3. While ordinands and lay ministry students belong to specific institutions, much of the teaching, particularly for the residential students, is provided centrally, drawing on a combined teaching faculty of nearly 40 full and part-time staff, as well as on the Divinity Faculty at the University of Cambridge. This enables the Federation to provide a particularly high quality and breadth of training for ministry.

4. The Federation has partnerships with both Cambridge University and Anglia Ruskin University. These two relationships enable students to study for a number of different theology and theology for ministry degree programmes to prepare them for ordained or lay ministry.

#### IMPACT OF FUNDING CHANGES

5. Across the Federation about 60% of students have first or higher degrees in a subject other than theology and a further 20% have a degree in theology (a total of nearly 80% with first degrees). This second group generally study for a higher degree. Just 20% of our students do not have a first degree. While neither of these last two groups (those with a theology degree and those with no first degree) is directly affected by the cuts, the institutions they belong to are, in terms of both educational and financial viability.

6. Within the residential theological colleges about 25% take the Cambridge University Theology Tripos (BA) or the Cambridge University Bachelor in Theology for Ministry (BTh) degrees. All Tripos students and the majority of the BTh students have good or very good first degrees in another subject and complete the Cambridge programmes in two years. The removal of HEFCE funding for these students will more than double the course fee payable to Cambridge University, from £3,070 per head to a figure to be decided likely to be between £6,300 and £9,000. On the funding the different Churches are able to provide for these courses this would reduce the cohorts from the current 60 to 20–30, which spread across the different church colleges will produce educationally unviable groups. The effect will also be drastically to reduce access to these academic courses, having a further impact on the range of leadership for which the Churches are able to train.

7. We believe there are two further impacts consequent upon the loss of HEFCE funding for these Cambridge courses. First, the numbers are likely to reduce to a point that the BTh becomes unviable. The loss of this course could so reduce the connection with the Divinity Faculty as to end it, thus terminating a training relationship that has been vital for churches for the past 100 years. Secondly, if the churches cannot offer this level of academic theology programmes for those able to benefit from them, then we anticipate a downturn (while there is currently an upturn) in the numbers of such people offering for ordination training.

8. The second relationship, that with Anglia Ruskin University, is as drastically affected. The Federation teaches a BA in Christian Theology validated by Anglia Ruskin. This is available full-time and part-time (and so it is the course taken across the East Anglia region) and is suited to those without a first degree but also for substantial numbers with a first degree. The Federation receives HEFCE money indirectly from

Anglia Ruskin according to a formula negotiated between the Federation and Anglia Ruskin. The loss of HEFCE funding for those with first degrees will result in a direct loss of income to the Federation of £120,000 pa as well as of the use of facilities. This will result in a substantial reduction in teaching provision and services that will seriously damage the breadth and quality of the course.

9. The overall impact of the changes in funding will be to reduce the range and quality of courses which in turn will threaten HEI partnerships and individual theological training institution viability. This could result in the complete collapse of residential ministry training in Cambridge, the loss of nearly 40 theological educators not just to Cambridge but nationally. This would come at a time when the possibility of a Muslim training college is about to be realised, and students from the Christian colleges and courses would be deprived of benefiting for their future ministries from this invaluable opportunity.

#### FURTHER AND SPECIFIC ARGUMENTS AGAINST CUTTING FUNDS TO THEOLOGICAL TRAINING

10. The implications for theological training of the planned funding changes do not seem to have been realised or thought through. When we contacted HEFCE in September to see if this impact had been considered, the HEFCE staff member wrote back, "I'm afraid that I am ignorant about the training routes followed by people entering the church". Similarly, following the House of Lords debate on December 3rd, we contacted Lord Triesman who indicated in the debate that he would follow up on the matter of clergy training. He responded by asking us to submit information on how the cuts would affect such training.

11. We recognise that the funding changes, while a cut for ELQs, enable a reallocation to other areas of higher education, and that HEIs who suffer from the cuts are likely also to benefit from the reallocation. However this will not apply to theological colleges and courses. We are independent, small institutions or, in our case, a group of institutions, with a necessarily specific and limited purpose that will not attract reallocated funds. While those funds may benefit our partner universities we will not be able to benefit in turn, because of the nature of our remit.

12. Clergy and lay ministers of the main churches have traditionally performed a public service role in a variety of ways, both in the pastoral care of individuals regardless of faith, and in the care of communities. In recent years this public role has been particularly identified by the Government as a crucial element of the development of the Third Sector. Clergy and other faith leaders—appropriately trained—contribute to the building of social cohesion, neighbourhood regeneration, protection of the vulnerable and, increasingly, welfare provision. This view of the role of faith communities, and implicitly or explicitly their leaders, has been expressed in documents from the former DETR, the DWP, DCLG, and the Treasury.

13. We believe it is vital that clergy and lay ministers receive the best training possible for their public community role and exercise it with breadth and skill in a non-sectarian or divisive way. The HEFCE cuts could well push training back from the publicly accredited university trained routes into narrowly faith-based programmes. The current support through the provision of HEFCE funds towards the training ministry, including for those with first degrees, implies an expectation that such training will be for the public good. It is important that that expectation is retained, through this limited provision of public funds.

14. The Church of England, as an example, currently pays a total of £14.5 million per annum to train its clergy, and these funds now are provided through the giving of congregations. The HEFCE cuts would add about £1.5 million to that sum in increased university course and validation fees. This is an unsustainable increase in congregational giving, already challenged by the demands of pension and other rising costs.

#### RECOMMENDATION

15. We recommend that theology and theology for ministry courses be added to those exempted from the ELQ cuts. We believe this will involve a relatively modest cost in public funds for a considerable return for the public and community good.

*January 2008*

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### Memorandum 36

#### Submission from the University of Oxford

#### EXECUTIVE SUMMARY

The University of Oxford submits that the Government's recently announced ELQ policy and HEFCE's proposals for its implementation are seriously flawed, and will not only damage lifelong learning in general, but also run counter to other Government initiatives in specific areas of continuing professional development. They ignore the general benefits to the health of civil society of a widespread provision of lifelong learning opportunities. They may additionally impact heavily on training for Christian ministry.

## SPECIFIC POINTS

1. The University of Oxford is extremely concerned about the likely impact on it of the ELQ policy. According to HEFCE's figures, the University will suffer the fourth largest (£4.1 million) withholding of grant as a result of the policy. Three-quarters of that sum is in respect of students in the Department for Continuing Education, which represents a loss of 70% of its HEFCE funding. This is a catastrophic cut in funding for a department which was a pioneer of the university extension movement in the late nineteenth century.

2. Our analysis of HEFCE's calculation of the withheld grant demonstrates the inherent danger of using historical data, which were never intended for this purpose, to underpin the ELQ policy. We believe that HEFCE has made a number of assumptions in its analysis of the data which overstate the amount to be withheld. We have raised this separately with the Funding Council, as it involves various technical details: together they concern almost £1 million of funding.

3. The Government introduced the ELQ policy without prior consultation with the higher education sector. The policy is, inevitably, beset with unintended consequences. In its consultative document on the implementation of the policy, HEFCE attempts some amelioration and argues that there are certain areas of activity which ought either to be exempt from the withdrawal of public funding, or for which special provision should be made. The University suggests to the Committee that the areas so designated by HEFCE are helpful but have not captured the full picture. In addition to the "excluded" subjects, including those for which the Secretary of State has requested exemption and those which have been formally defined as strategically important and vulnerable subjects (SIVS), there are many others which have an importance either to the economy or to the welfare of society, including those in which there are independent Government initiatives, where provision will now be put at serious risk unless they, too, are exempt.

4. There are two groups of courses where Oxford considers that modifications to the exclusion proposals are needed, viz Health-related subjects, and Theology.

5. Oxford offers Continuing Professional Development courses at postgraduate level in Evidence-Based Health Care, Experimental Therapeutics, Cognitive Therapy, Healthcare for the Homeless, and Paediatric Infectious Diseases. None of these are included within the exemptions or, perhaps more appropriately, the current list of SIVS. Many of our students on these postgraduate courses have a prior equivalent or higher qualification, but are maintaining and developing their professional relevance and competence and/ or training in specific and often interdisciplinary subjects to underpin their career development, while fulfilling Government's demands for capacity building. Whilst we acknowledge the role that employer funding can, and should, play in some areas of CPD, neither individual students nor, where relevant, the NHS, are likely to be able to afford full cost fees for these vital professional development programmes.

6. As the SIVS are currently defined, Cognitive Therapy is a specific example that will be extremely hard hit. Students are required to be qualified clinicians in order to undertake our postgraduate courses, which lead towards professional accreditation, and most are employed by the NHS. It seems particularly ironic that Cognitive Therapy has not been categorized as a SIVS in the light of the Government's announcement in October 2007 pledging support for training of 3600 extra cognitive therapists to meet the current shortfall. The economic analysis (by Lord Layard), which underpins this training plan, showed that, as a result of the effectiveness of cognitive therapy, there would be no real cost to Government since there would be consequent savings in sick pay and benefits. Any withdrawal of funding for Cognitive Therapy training will, therefore, run directly counter to the Government's ambitions to build capacity in the area of evidence-based psychological treatment. If the ELQ policy is implemented, it is highly likely that these cognitive therapy courses will close.

7. Oxford has a long tradition of working with the various theological training colleges to provide advanced academic, yet practical, theological courses, namely the B.Th. and M.Th. These vocational courses involve skills not normally part of a Theology BA, and the vast majority of students are ordinands who already hold an undergraduate or postgraduate degree in another subject. The churches are unlikely to be able meet the significant increase in sponsoring costs, and salaries in the churches are not at a level where such students could possibly afford full-cost fees themselves. If the ELQ policy is implemented, it is highly likely that these courses will close. We believe this is an entirely unforeseen and unintended consequence of the policy, and would ask that the advanced theological training courses are excluded from the withdrawal of funding.

8. In addition to these unforeseen consequences for provision in specific subjects, and for up-skilling, there is also a severe risk of a reduction in the opportunities for re-skilling. The impact of the ELQ policy is likely to take two forms—the cessation of provision, as courses become uneconomic, and the raising of fees to levels that will exclude large parts of society, to the detriment of the UK. Examples of the latter would include women (with degrees from the past) seeking to return to work and needing to re-skill, graduates on low incomes looking to change career, people facing life changes through accident or illness who require new skills, and employees in the public/ voluntary sector.

9. A major casualty of the policy is likely to be our public engagement programme—the lifelong learning short course provision which benefits individuals but contributes to the well-being of civil society as a whole. Such provision is founded on the principle of open access, and if it is not to be socially exclusive, costs need to be kept low through public subsidy. The removal of that subsidy will force either the ending of such

provision, which could well impact more on those who are “non-ELQ”, or the destruction of open access and its replacement with ELQ policing, means-testing or other intrusive and burdensome bureaucracy. In this context, it is perhaps worth noting that, speaking at the Open University on 13 December 2007, the Secretary of State (John Denham) made reference to how best to promote such “informal education” in the 21st century. The withdrawal of public subsidy seems a contrary first step of promotion.

#### CONCLUSION

The University of Oxford understands the Government’s position that support for those who have not had the opportunity to benefit from higher education is a greater priority for public funding than further support for those who have. But amongst the latter are many seeking to return to the labour market, or to re-skill for alternative careers, together with those seeking to up-skill, and we suggest that to put such flexibility in the UK employment arena at risk is unwise. It would appear that many of our concerns arise not from the principles underlying the policy, but from a failure to analyse its consequences. We would ask the Committee to enquire whether, at the very least, a delay to allow mature reflection is not necessary.

*January 2008*

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### Memorandum 37

#### Submission from the Heads of Department of Mathematical Sciences

#### INQUIRY ON FUNDING FOR EQUIVALENT OR LOWER QUALIFICATIONS

HoDoMS is the body that represents UK departments of Mathematics and Statistics by co-ordinating senior members of these departments.

#### EXECUTIVE SUMMARY

The HEFCE proposals would, through its effect on the funding of part-time education, be likely to stem the improvement of mathematical knowledge and skills at HE level in the adult working population of England, running counter to Government policies on up-skilling the workforce and the Leitch agenda. This in turn would have a negative impact both on solving the problem of inadequate mathematics teaching in schools and on the competitiveness of English business and industry.

We would recommend that HEFCE should fund ELQ students on all mathematics and statistics HE modules, not just those on substantially mathematical degrees. We also recommend that funding of mathematics and statistics as a strategically important and vulnerable subject is assured beyond 2011.

Moreover the proposed static targeting of allocations to SIVS would appear to run contrary to the Government’s policy of growing these areas. We thus recommend the proposal that inhibits growth be removed.

#### ARGUMENTS AGAINST THE GOVERNMENT’S DECISION TO PHASE OUT SUPPORT TO INSTITUTIONS FOR STUDENTS STUDYING ELQS

1. The HEFCE proposals and Secretary of State John Denham make it clear that the principal effect of ELQ proposals will be on the provision of part-time education. We in the mathematical community are concerned that this will have a detrimental effect on the efforts of those in employment, for most of whom part-time study alongside their job is the only realistic study option, to improve their mathematical knowledge and skills, which have been a continuing and major concern of employers and government for many years. This is incompatible with the Government’s laudable commitment to up-skilling the workforce and the Leitch skills agenda.

2. A principal cause of this knowledge and skill deficit has for some time been recognised as being the shortage of suitably mathematically qualified schoolteachers. The Government, through its departments of state and agencies such as the Training and Development Agency for Schools and HEFCE, has made helpful attempts to address this problem. For instance: improved financial incentives to train as a mathematics teacher; establishing the National Centre for Excellence in the Teaching of Mathematics (NCETM); and sponsoring the More Maths Graduates project to try to reverse the serious drop seven years ago in the number of school pupils studying A Level mathematics (an undesired consequence of Curriculum 2000). However, these valuable initiatives do not touch the problem of the inadequate mathematical knowledge of many generations of adults in the workplace caused by the long-standing problems with mathematics in schools. And the ELQ proposals will seriously undermine the efforts of those HE institutions which have for years had a beneficial effect on rectifying these deficiencies.

3. The HEFCE proposals do to some extent recognise the special national need for mathematics by suggesting that ELQ students studying a degree with at least 50% mathematical content will remain eligible for funding until 2011. We welcome this, although we would be very concerned if this arrangement were to lapse in 2011, as compensating for the deficiencies of the past will take many years to remedy, so that this element of funding can be built into budgets well beyond 2011. We recommend that funding of mathematics and statistics as a strategically important and vulnerable subject is assured beyond 2011.

4. However, even for the period until 2011, couching the budgetary amelioration in terms of degrees fails to recognise that a significant number of part-time ELQ students are not necessarily studying for a whole degree, but are nevertheless studying sufficient mathematics modules at an appropriate level to provide major benefits both in the workplace and to society more widely through their new knowledge and skills. The major provider of part-time mathematics and statistics higher education to adults is the Open University, which has around 75% of the part-time HE mathematics and statistics students in terms of Full Time Equivalents (approx 3250), with about 12,000 individuals studying about 15,000 student courses (that is, 30 or 60 CATs point modules) each year. Around half of these student courses are being taken by ELQ students. A proportion of these students do intend to complete a degree (in 6 to 8 years of part-time study) with a high enough mathematical content to be funded under HEFCE's proposals. But a greater proportion only want a smaller number of mathematics and statistics modules, sufficient either for direct application to their work or to improve their ability to contribute at work. An important example of this latter group is given by graduates contemplating a career change or a return to work after a career break, into mathematics school teaching. For this purpose, where they are so desperately needed to help solve the problem of mathematics in schools, they need only study modules up to HE Level 2 to have the mathematical insights, at a high enough level beyond the material being taught, to be very effective at teaching A levels. Likewise, those wanting to teach mathematics effectively to ages up to 16 could reap the required benefit by studying only one or two modules at HE Level 1, alongside modules improving their mathematical pedagogy. The effect of the HEFCE proposals as they stand will be that such students would be unfunded. We recommend that HEFCE should fund ELQ students on all mathematics and statistics HE modules, not just those on substantially mathematical degrees.

5. Whilst adamant that SIVSs need protecting, we are not convinced that this should be done by means of a targeted allocation as proposed by HEFCE: "... our aim in this allocation is to protect existing SIVS provision, rather than incentivise future growth." In particular, for mathematics, because of the adverse effects Curriculum 2000 (as alluded to in paragraph 2 above) there will be several cohorts of non-mathematics graduates who might otherwise have taken mathematics degrees and who will now be well-placed to do so. For this reason, whilst the protection of existing SIVS provision is clearly vital, the use of historical data to fix allocations would appear to run counter to the Government's desire to improve this area and that future growth should indeed be incentivised. We recommend that HEFCE should be more flexible in its funding allocations for ELQ students in SIVSs, and in particular not limit numbers based on historical data.

6. For any HE mathematics department, one course of action to be able to continue teaching such students would be to increase their fees by a factor of about 4; and it has long been known how sensitive the part-time sector is to fee increases even just a bit over inflation, so that fewer adults (into the 1000s allowing for the large numbers studying at the OU alone) would then take the opportunity of improving their mathematics. If fees were not raised, there would be an inevitable substantial drop in the quality of support to students, which would of course impact on all students, including those without conventional university entrance requirements who, in the case of the OU, remain at the heart of the OU's mission and are the supposed beneficiaries of the proposed HEFCE funding changes. Both courses of action would thus damage the mathematical up-skilling of the adult workforce which is desired by Government and business.

7. It is not at all clear that employers of ELQ mathematics students would fill the financial breach left by the withdrawal of funds. If this gap was to be filled by raising fees, those employers who already help students with course fees might not feel inclined to pay the higher fees.

8. In summary, the HEFCE proposals would be likely to stem the improvement of mathematical knowledge and skills at HE level amongst adults which is a vital national need. This in turn would have a negative impact both on solving the problem of inadequate mathematics teaching in schools and on the competitiveness of English business and industry. This can only be avoided by HEFCE funding all, including ELQ students, on all mathematics and statistics HE modules, not just those on substantially mathematical degrees.

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## Memorandum 38

### Submission from the Public and Commercial Services Trade Union

#### EXECUTIVE SUMMARY

The Public and Commercial Services trade union (PCS) represents workers in the Government sector, where, in common with other parts of the public sector, the workforce contains a high number of women and older staff. These groups are likely to be particularly disadvantaged by a decision to reduce funding for Equivalent or Lower Qualifications (ELQs) and we believe that there needs to be a flexible approach to policy on this issue.

As the Leitch report pointed out, the 2020 workforce will consist largely of people who are already in work now, but these workers will be required to maintain and improve their skills and move between different sectors and employers during their working lives.

Whilst understanding the Government's desire to give particular help to those with no previous qualifications and to assist those with lower level qualifications to progress, PCS believes that withdrawing funding for those undertaking ELQs which will maintain their employability or enable them to take up new work would be short-sighted. We are concerned that such a decision would cause particular detriment to those groups who may have particular need to update their skills after taking time away from employment to carry out caring responsibilities or because of illness or disability.

The programme of efficiency and 70,000 job cuts in the civil service in the last four years has resulted in many PCS members being forced to change their jobs or employers. In these types of situations the ability to access the whole range of options for re-training and updating qualifications is crucial. Many PCS members who have been put into this position have been older workers who may have relatively high level but out-of-date qualifications.

We therefore urge the Select Committee to examine carefully the impacts of a decision to withdraw financial support for ELQs.

#### 1. ABOUT PCS

1.1. PCS represents over 300,000 members who work in government departments, agencies, public bodies and in a number of private companies delivering government services. PCS organises throughout the UK at all levels up to and including the Senior Civil Service except for specialist professional grades. The diversity of our members, both in terms of their individual and social characteristics, and in terms of the wide range of jobs they are employed to carry out, gives us particular insight into the importance of making learning opportunities available to all and of the importance of re-skilling throughout life.

1.2. Learning has been a major focus for PCS in recent years. Our expertise and understanding has been built up in a number of ways:

- 1.2.1. Negotiating on training and career development from workplace to national level
- 1.2.2. Developing learning structures and provision for members, with particular success in setting up a network of union learning reps, negotiating learning agreements and providing learning through our learning centres
- 1.2.3. In conjunction with our sister unions in the Council for Civil Service Unions (CCSU), contributing to the development of policy and priorities by the Government Skills and Skills for Justice sector skills councils
- 1.2.4. Participating fully in TUC and unionlearn initiatives.

1.3. Trade unions have a keen interest in promoting learning and skills on three levels:

- 1.3.1. to benefit individual members as learners
- 1.3.2. to support workforce development, productivity and well-being
- 1.3.3. to reduce social exclusion and raise employment levels through increasing the skills base.

1.4. Through the development of our network of union learning reps (ULRs), PCS has enhanced its awareness of how learning is perceived and accessed by our individual members across the union. This has confirmed our belief that there are high levels of aspiration and untapped potential amongst our membership and an appetite for learning at all levels. It has also given us a greater understanding of the barriers and difficulties that they face in accessing appropriate learning opportunities.

## 2. DEVELOPING WORKFORCE SKILLS

2.1. The House of Commons Public Administration Select Committee carried out an Inquiry into Skills for Government in 2006 and PCS, in conjunction with other civil service trade unions, presented both written and oral evidence. Some of the points that we put forward there underpin our concerns that removing funding for ELQs would be detrimental to the government's wish to enhance the skills of the UK workforce:

- 2.1.1. a massive untapped potential exists amongst staff at lower grades which should be developed in order to widen the skills pool available and help address the diversity gap at senior levels, since women, BME and disabled staff tend to be employed in lower grades
- 2.1.2. structures should be developed to provide a ladder for learning, development and promotion extending from the bottom to the top of organisations
- 2.1.3. systems must be developed to identify and encourage staff with potential and to support them to take up appropriate learning opportunities
- 2.1.4. training and development at every level should be valued
- 2.1.5. emphasis on transferable skills and qualifications (including accrediting prior learning and experience) would better enable staff in lower grades to pursue career development and progression.

## 3. CONCLUSION

3.1. Promoting the learning culture that the Government wishes to establish in UK workforces is dependent on engaging the workforce, demonstrating that all learning is valued and ensuring that appropriate learning opportunities are available when workers need to access them. In the context of an ageing and increasingly diverse workforce, the ability to maintain and update qualifications will be vital. Removing funding from ELQs would undermine the message that continuing learning throughout the life course is valued, when in fact that message should be reinforced.

*January 2008*

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### Memorandum 39

#### Submission from the Council for the Mathematical Sciences

The Council for the Mathematical Sciences (CMS), comprising the Institute of Mathematics and its Applications, the London Mathematical Society, the Royal Statistical Society, the Edinburgh Mathematical Society and the Operational Research Society, is pleased present its evidence to the Innovation, Universities and Skills Select Committee Inquiry on Funding for Equivalent or Lower Qualifications.

The CMS aims to provide an authoritative and objective body able to speak on the role of the mathematical sciences in UK higher education, research, business, industry and the public sector, and to engage with and respond to policy decisions that affect the mathematical sciences in these areas.

This submission has been prepared on behalf of the CMS via a working group comprising representatives of the five mathematical sciences bodies named above and approved by the Chair, Professor Sir David Wallace.

#### EXECUTIVE SUMMARY

- Phasing out support for ELQ students would run counter to the Leitch agenda on skills and lifelong learning policies
- Specifically, we are concerned that the policy would work against the government's targets for increasing the number of specialist teachers in strategically important subjects by introducing disincentives to retraining or upskilling in these areas
- HEFCE's proposals for protection for strategically important and vulnerable subjects (SIVS) are not dynamic, and fail to recognise the significance of encouraging the study of even a small number of Higher Education mathematics and statistics modules
- The concept of qualifications being at an "equivalent level" is not well-defined in relation to integrated masters courses and free-standing masters qualifications and could be problematic.

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## ARGUMENTS FOR AND AGAINST THE GOVERNMENT'S DECISION TO PHASE OUT SUPPORT TO INSTITUTIONS FOR STUDENTS STUDYING ELQS

1. The need for retraining and upskilling in mathematical sciences is well recognised—it is vital to the health of the economy and is a key part of government policy and the Leitch agenda on skills and “lifelong learning”.

2. The need for suitably-qualified mathematics teachers has also been recognised.<sup>46</sup> Phasing out support for students studying ELQs works counter to the government's targets by placing financial barriers between qualified teachers and opportunities to improve their knowledge with HE mathematics modules.

3. The most realistic way in which this upskilling of the workforce can be achieved is by part-time study, and it is vital therefore that changes to funding do not discourage this. However, HEFCE's consultation acknowledges that part-time study will be the hardest hit by the withdrawal of funding for ELQ students.

4. To quote from a recent White Paper on Higher Education:<sup>47</sup> “This is truly an era of lifelong learning. Today's generation of students will need to return to learning—full-time or part-time—on more than one occasion across their lifetime in order to refresh their knowledge, upgrade their skills and sustain their employability.” A review of the funding of part-time education was promised during the implementation of this Paper; we would urge that any implementation of such a policy should be done only alongside such a review.

### THE TIMING OF THE DECISION AND OF THE IMPLEMENTATION OF THE CHANGE

5. The implementation of the policy relies on the ability to determine which qualifications are at an equivalent “level”. It is not clear from the Government's proposal or HEFCE's consultation paper that a student with an integrated master's qualification (referred to as MMath below, but including MPhys, MSci etc) could still receive HEFCE funding for an MSc course, given that both qualifications would be at the “second cycle” level in terms of the Bologna Process. It is important to realise the different purposes that MMath and MSc courses can serve. Many mathematical MScs act as a “conversion” for specialism in an area useful for employment—such specialism would not normally be available on an MMath course. The suggestion that completing an MMath course would disqualify a student from funding for a more specialist MSc course would be very unfortunate and damaging. MSc courses can also serve as training for those who are returning to the discipline after a period in employment and who would be using the course as a route to a PhD or another career.

### THE EXEMPTIONS FROM THE WITHDRAWAL OF FUNDING PROPOSED BY HEFCE

6. HEFCE's proposals include some welcome protection for the funding of current levels of students classified as studying a Strategically Important and Vulnerable Subject (SIVS), but the methods for the “targeted allocation” proposed are not dynamic and would prevent the UK from responding to changes in national needs. HEFCE states that the proposals have not been developed in order to incentivise growth, but it is precisely the strategically important and vulnerable subjects that need to be grown beyond current levels—this has been acknowledged by the Government and HEFCE.

7. The mathematical sciences community is grateful for HEFCE's support for projects such as more maths grads,<sup>48</sup> and for the government's recognition of the shortage of suitably qualified specialist mathematics teachers. It is hard to see any coherence in policy in trying to encourage more graduates and promote growth in this strategically important area while simultaneously removing the funding that would allow more people to improve their skills or change their career paths appropriately.

8. If the policy is to be implemented, we would strongly recommend that support for mathematical sciences is in the form of a complete exemption from the ELQ policy, rather than via the targeted allocation that HEFCE proposes.

9. We also have serious reservations over the criterion suggested by HEFCE for deciding which students would be classified as studying a SIVS, as we believe that the ability to acquire even relatively small amounts of mathematical sciences training is of disproportionate benefit and must not be hindered.

10. ELQ students contemplating a career change into school mathematics teaching or those already teaching and wishing to enhance their teaching of mathematics will often derive the relevant knowledge and skills from just a few mathematical sciences modules, and this needs to be recognised by the policy. Likewise, many other graduates in employment become better equipped to contribute effectively within their jobs through study of a relatively small amount of mathematics, compensating for the shortcomings of school mathematical education over so many years. The need to be enrolled on a full degree programme with more than 50% based in a strategically important subject in order to qualify for the proposed support indicates that HEFCE has not recognised this.

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<sup>46</sup> For instance, paragraph 7.7 (and elsewhere) in *The Race to the top: A review of Government's science and innovation policies* (Lord Sainsbury of Turville, October 2007).

<sup>47</sup> *The Future of Higher Education* (Department for Education and Skills, 2003).

<sup>48</sup> See [www.hefce.ac.uk/aboutus/sis/stemprojs/moremath.htm](http://www.hefce.ac.uk/aboutus/sis/stemprojs/moremath.htm) and [www.moremathsgrads.org.uk](http://www.moremathsgrads.org.uk) for further information.

11. National needs would be best met by regarding a much greater number of part-time mathematics ELQ students as exempt (or at least eligible for some degree of support) than just those studying for a full degree programme with “substantial” mathematical content. The sums involved would be very small as a proportion of the total mathematics spend, but would have a substantial impact on take-up of the opportunities for valuable retraining and upskilling.

12. “Mathematics” is listed as a SIVS in Annex C of the HEFCE consultation document. We would expect HEFCE to interpret “mathematics” in this context as including pure and applied mathematics, statistics and operational research (ie the “mathematical sciences”) when considering support for SIVS.

THE IMPACT UPON STUDENTS, INCLUDING WHETHER THE CHANGE WILL AFFECT SOME GROUPS OF STUDENTS MORE THAN OTHERS

13. HEFCE’s consultation recognises that the policy will hit part-time learners the hardest, and it is reasonable to conclude that a substantial proportion of these will be women wanting to retrain before returning to work after a career break.

THE IMPACT OF THE CHANGE UPON INSTITUTIONS, WITH PARTICULAR REFERENCE TO THE LONG-TERM IMPLICATIONS FOR SPECIALISED INSTITUTIONS SUCH AS THE *Open University and Birkbeck College London*

14. It seems likely that only near-market disciplines would be able to attract funding from employers to support ELQ students, despite what HEFCE suggests. We understand that take-up of part-time study is very sensitive to price changes, and that the increases in fees required would dissuade huge numbers from enrolling. Conversely, if fees are not raised the withdrawal of funds would undermine the quality of support for all students, including those entering HE for the first time. Either way the policy appears to threaten the viability of the major providers of part-time Higher Education courses.

January 2008

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**Memorandum 40**

**Submission from Heythrop College,<sup>49</sup> University of London**

1. ARGUMENTS FOR AND AGAINST THE GOVERNMENT’S DECISION TO PHASE OUT SUPPORT TO INSTITUTIONS FOR STUDENTS STUDYING ELQS:

There is a superficial attractiveness in the argument that the public purse should not support students at University studying for a qualification which is equivalent to or at a lower level than a qualification which they have already achieved. It seems equitable that everyone should get one bite at the cherry and no more. However, English Higher Education is a large, diverse and complex system; applying to it apparently simple and straightforward principles can often have deeply undesirable effects, and this is a case in point. The effect of the Government’s decision is to withdraw support from a large number of mature adults who have made the decision to pursue (usually while maintaining a full-time demanding career) arduous high-level study partly for the sake of their own intellectual development but also for the sake of their employers, the organisations they support on a voluntary basis, and society at large. The fact that the Government and the HEFCE have together drawn up such a long list of exemptions from the policy should in itself be seen to be clear evidence of the fundamentally flawed nature of the policy.

It is not as if the funding at stake here, in a national context, is very large. In that context the net sums which will be released are in fact small. These sums will, it is said, be used to support students entering HE for the first time or pursuing a higher qualification, but there is no evidence that students who wish to enter HE and are qualified to do so are unable to do so though lack of funded places: rather most evidence suggests that many HEIs have difficulty meeting recruitment targets. There is no queue or backlog of would-be students being kept out of HE by the funding supporting ELQ students.

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<sup>49</sup> Heythrop College is a Jesuit foundation tracing its origins to 1614. It is now an autonomous College within the federal University of London, with its own Royal Charter, located in Kensington Square, London. It specialises in the teaching of Philosophy and Theology and is open to students and staff of all faiths and none. It has about 350 undergraduate students and 300 part-time postgraduate students, and in 2007 began a unique BA course in Abrahamic religions. This is the only course in the UK which focuses attention on Islam, Christianity and Judaism and the relations between them.

## 2. THE TIMING AND IMPLEMENTATION OF THE CHANGE:

The timing of the change is dreadful. HEIs drew up publicity material for their courses commencing in September/October 2008, which of course includes material on costs and fees, many months ago. Formal offers have been made and accepted for entry in 2008 by this institution and by most HEIs. The changes made by the Government mean that in relation to these students we must honour our contracts but at a significant financial loss, or breach our contracts with them. Neither prospect is acceptable. The time for “managing this change smoothly” (as Mr Denham puts it in his letter to the HEFCE) was 12 months ago: now is a year too late.

## 3. EXEMPTIONS FROM THE WITHDRAWAL OF FUNDING PROPOSED BY THE HEFCE:

We have no specific observations, other than to repeat that the wide extent of these exemptions is a powerful argument against the policy itself, and to note that by the HEFCE’s own calculations the greater part of the brunt of the policy will be felt by Philosophy and Theology students. These are of course the subjects in which Heythrop College specialises.

## 4. THE IMPACT UPON STUDENTS:

In the case of the College the students adversely affected by this change will typically be mature in years (usually 30 plus) who are already graduates and who work in the not-for-profit sector or have a substantial voluntary commitment to that sector. They will have taken on or be preparing to take on leadership roles in voluntary community groups which are often but not always faith-based in character. These are precisely the groups which the Government rightly hopes will be able to deliver a substantial part of its ambitious agenda in relation to social development and social exclusion. Some of these groups specialise in inter-faith work.. The groups are mostly small and financially fragile, without the resources needed to meet the full costs of the courses under discussion. For this target group, foundation degrees are inappropriate both intellectually and professionally. If the policy is implemented as at present proposed, the students affected will simply lose the opportunity to study at the College.

## 5. THE IMPACT ON HEYTHROP COLLEGE

Our best estimate of the immediate impact of the change on Heythrop College is that from 2008 we will lose 20% of our part-time taught postgraduate student population (about 40 students) and 5% of our full-time undergraduate population (about 15 students).

*January 2008*

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### Memorandum 41

#### Submission from the Relate Institute

#### EXECUTIVE SUMMARY

1. The Relate Institute provides training in relationship counselling and therapy for approximately 350 learners a year. The vast majority go on to work for Relate. Withdrawal of HEFCE ELQ funding will seriously threaten the future of the Relate Institute, publicly launched only last year by Alan Johnson, then Secretary of State for Education and Skills. This in turn will threaten the work of the entire Relate Federation which provides crucial relationship support for couples, families and young people, at reduced, or no cost.

2. Moreover, the speed of the introduction of the change in funding will have a considerable, disproportionate and, no doubt unintended, impact on the Relate Institute from January 2008. Because of the flexible way that the Relate Institute delivers its programmes students are able to embark on their training in January and May as well as in September.

3. We believe learners studying for an ELQ in counselling or therapy at the Relate Institute should be exempt from the funding withdrawal for the following reasons:

- This major financial disincentive to learners in this field will undermine government efforts to extend the provision of talking therapies on the NHS, and family and relationship support as set out in the recently published Children’s Plan.
- Coming regulation of counsellors and psychotherapists by the Health Professions Council will place our students within the grounds for exemptions as laid out in Annexe B of the HEFCE consultation document<sup>50</sup>

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<sup>50</sup> Withdrawal of funding for equivalent or lower qualifications (ELQs), Sept 2007.

- Maturity and life experience, which may include a previous qualification, are highly desirable attributes for a counsellor or psychotherapist; learners hoping to join these professions will be disproportionately affected by the funding withdrawal.

#### ABOUT THE SUBMITTER

4. This submission is being made by Claire Tyler, the Chief Executive of Relate. Relate has over 60 years' experience of being the largest provider of relationship support in the UK. It delivers relationship counselling, education and sex therapy to individuals, couples and families in over 600 locations nationwide as well as by phone and online. Relate works with 150,000 people a year, including 9,000 families, and 22,000 children and young people. Relate works preventively with Children's Centres, schools, GP's surgeries, prisons and our local Centres.

5. The Relate Institute is the training arm of Relate, and was founded in 2006. The Relate Institute is a faculty of Doncaster College, and provides research and relationship counsellor training at undergraduate and post-graduate degree levels. Each of these Higher Education Programmes is validated by the University of Hull.

#### INFORMATION

6. The entry level programme in the portfolio is the University Advanced Diploma: Introduction to Couple Counselling, a part-time Level 6 qualification that lasts for one year. There is progression from this to the part-time Postgraduate Diploma, at which point students have the choice of pursuing one of four specialist areas within Relationship Therapy. There is then further progression on to the MSc in Relationship Therapy.

7. Relate Institute graduates invariably go on to work within Relationship Counselling, almost always within local Relate Centres. In order to work for Relate, they must have at least the University Advanced Diploma. The progression rate from the level 6 Diploma on to the Level 7 Postgraduate Diploma is 23%.

8. The vast majority of learners on the University Advanced Diploma course are over 25:

Age range of students in 06–07	< 25	=	1
	25-40	=	55 (35%)
	41-60	=	99 (63%)
	> 60	=	4 (2%)

9. The withdrawal of funding would have a considerable effect on our income, and ability to operate.

#### FORECAST IMPACT ON YEAR 2008—09

<i>UAD</i>		<i>PGDip</i>	
Number of Students	225	Number of Students	193
Loss 100% ELQ	£472,500	Loss 60% ELQ	£92,640
Loss 90% ELQ	£425,250	Loss 50% ELQ	£77,200
Loss 80% ELQ	£378,000	Loss 40% ELQ	£61,760
Loss 70% ELQ	£330,750	Loss 30% ELQ	£46,320
Loss 60% ELQ	£283,500	Loss 20% ELQ	£30,880
Loss 50% ELQ	£236,250	Loss 10% ELQ	£15,440

10. On the basis of the current profile of students at the Relate Institute, it is expected that in 08—09 there will be 70% ELQs on the University Advanced Diploma and 30% on PGDip. The consequent reduction in HEFCE funding is circa £375,000 (the sum of the emboldened rows above). The figure represents approximately a quarter of the full income to the Relate Institute and would result in the Relate Institute running at a substantial and unsustainable loss.

11. Not only would this reduction in income lead to severe financial difficulties for the Relate Institute, it would also have major repercussions for the service delivery of Relate. Without a flow of qualified counsellors, Relate cannot maintain the existing level of services, let alone grow to meet increasing need. A knock-on effect will be fewer newly trained counsellors going on to take post-graduate qualifications: these allow them to do more specialist work, particularly with children and families.

12. Moreover, we are very surprised by the retrospective nature of this change about which we had no forewarning. The Relate Institute will actually be affected by this policy before the start of the 08/09 academic year. Recent changes in the way that HEFCE funding is calculated will mean that any students starting their programme of study in January and May 2008 will be treated as though they are enrolled from September 2008, so HEFCE funding will be lost for these students as well. The cost of this change will result in a further reduction in HEFCE funding of about £80,000 in both 07/08 and 08/09, a loss of income over and above the reduction of funding of £375,000 already referred to above.

13. This retrospective introduction without any forewarning does not follow the principles of good public administration in terms of allowing proper planning and transitional arrangements.

14. We understand, and support, the notion that savings must be made in order to increase participation in Higher Education. 30% of learners studying for a University Advanced Diploma do not have an ELQ, and we are keen to increase this proportion. But we believe, as we know HEFCE does, that certain learners should be exempt for strategic, social and economic reasons. We believe that Relate's learners fall into this category because:

- Such a major disincentive to students of the Relate Institute will undermine the government's stated aim of making talking therapies more accessible via the NHS. All three of the Relate Institute's therapeutic models—systemic, psychodynamic, and cognitive behavioural—are recommended by NICE as approved interventions. The Department of Health wants to provide 900,000 extra patients with such interventions by 2010–2011. A barrier to this aim is a lack of trained practitioners. By extending our existing contracting with Primary Care Trusts we are able to help them meet the shortfall by training 350 practitioners a year within the Relate Institute.
- This disincentive to students will undermine government efforts to provide preventive interventions to families. The Government's new Children's Plan states that "an effective family policy must start with supporting strong couple relationships and stable, positive relationships within families", and that Children's Centres and other services must be able to signpost families to relationship support. We already work in this way but need to extend services so that they reach all parents—and children—in need. This work depends on a supply of qualified counsellors, and reducing learner numbers will jeopardise this.
- We note that, in Annex B of the consultation document, it is stated that students on courses leading to qualification "to practise as a nurse, midwife, social worker, or in other related healthcare professions" should be exempted from the general policy on ELQ. Counselling and psychotherapy will shortly be regulated by the Health Professions Council, and this will include Relate practitioners.

15. It is also important to note that not only are Relate students more likely to be mature students, it is an advantage that they are, and this enables them to engage with a client group that itself has a wide range of work and life experiences. The training of practitioners in counselling and psychotherapy rarely follows standard routes. Entry into this field is by people who typically have previous life experience and who have very likely already developed a career in a related social care field such as teaching and health care. There is also a significant intake of people from other backgrounds who bring a broad range of work, and other, experience with them.

16. Indeed, Relate prides itself on having attracted a wide and diverse range of people to train as practitioners—increasingly such people will already have studied at HE level. Such people are uniquely suited to satisfy the growing need for a workforce with the skills required by the NHS, and other partners. Such a workforce is also mature enough to meet the needs of the client group, and academically and professionally adaptable enough to be able to take on board new knowledge and a new range of skills.

#### RECOMMENDATIONS FOR ACTION BY GOVERNMENT

17. Relate recommends that government grants an exemption to students of the Relate Institute, and to learners across the "talking therapy" field, given the social, economic and strategic importance of these professions.

*January 2008*

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### Memorandum 42

#### Submission from the London Chamber of Commerce and Industry

The London Chamber of Commerce and Industry (LCCI) welcome the opportunity to make its views clear on funding for Equivalent or Lower Qualifications (ELQs).

Our organisation represents 3,000 businesses across London including a wide range of higher education institutions. We run a proactive Skills and Employment Forum that meets quarterly to decide all aspects of LCCI educational policy and therefore we feel that we are well placed to comment on the government's proposed funding changes for ELQs.

We are concerned that the phasing out of support for ELQs will adversely affect all higher education institutions within our membership and Birkbeck, University of London, in particular. These institutions will now be forced to provide far less flexibility and choice to their students, and in many cases, education providers will have to cope with a direct cut in their operating budgets.

Beyond the adverse affects on educational institutions, the changes in support for ELQs will have a negative impact on London's businesses. LCCI members continually tell us that one of the biggest problems they face running their business is trying to find people with the right skills and qualifications. Reducing support for ELQs will inevitably discourage people from re-skilling or seeking additional qualifications

because of this further barrier to learning new skills. This will mean that London's workforce will be less responsive to the demands of employers which will in turn exacerbate skills shortages and will make for less productive businesses in the capital.

The LCCI has been broadly supportive of the government's skills agenda but the reform of ELQs as proposed, will cause us to question the government's commitment to making the UK a leader in world class skills. ELQs are exactly the kind of courses that the government should be actively encouraging as one of a number of avenues for upskilling the UK workforce. We urge the government to rethink its reform of ELQs and drop the plans to reduce support for it. As a bare minimum the government must delay the implementation of the policy until the full repercussions can be considered. If however the government insists on pressing ahead with these changes, we think certain key vocational subjects such as IT, Economics, Management and Law must be from exempt ELQ policy.

We appreciate the Innovation, Universities and Skills Committee conducting an enquiry into the reform of ELQs and we would be happy to provide further evidence should you require it.

January 2008

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### Memorandum 43

#### Submission from the University of Kent

Thank you for the opportunity to comment on the Government's proposal to withdraw funding for students undertaking equivalent or lower qualifications to those they already hold.

We have structured our comments according to the key focuses of the enquiry, but would particularly draw your attention to Section 5 where we articulate the impact of the change on institutions.

#### 1. ARGUMENTS FOR AND AGAINST THE GOVERNMENT'S DECISION TO PHASE OUT SUPPORT TO INSTITUTIONS FOR STUDENTS STUDYING ELQs

(a) We are baffled by the both the thrust of this directive which appears to have been taken in isolation without thought for the impact on, or implications for, other Government agendas, namely Life Long Learning (LLL) and Widening Participation (WP).

(b) We believe that these proposals will act as a barrier to LLL since the cost of further study for ELQ students will be prohibitive. This will hinder the re-skilling of the work force and result in a less flexible working body unable to adapt to the needs of the nation.

(c) This initiative will have serious unforeseen consequences for widening participation, reversing the progress made by the sector in recent years. The closure of swathes of part time provision is inevitable because the removal of ELQ students (who will not pay the increased tuition fees necessary for universities to cover their costs) will render programmes non viable. Non ELQ students and local community work will suffer.

(d) We are extremely concerned that the current proposals for withdrawing and re-distributing £100 million of funding will lead to serious de-stabilisation of the sector. This will fall at a time when the introduction of the new Teaching funding methodology by HEFCE is already causing instability, with more targets to achieve to retain existing funding. Many institutions will be seriously affected by both the claw back of grant and the costs of the additional bureaucracy of identifying and correctly invoicing ELQ students.

(e) Institutions will be placed in the front line in terms of justifying the fee differentials and inequality claims between ELQ and non ELQ students.

(f) We believe these ELQ proposals "fail the test" in that they are not in the public interest and will impose significant additional administrative burdens both during implementation (bidding for replacement numbers/provision of information) and longer term in identifying, invoicing and processing ELQ students.

#### 2. THE TIMING OF THE DECISION AND THE IMPLEMENTATION OF THE CHANGE

(a) By the time the ELQ decision was announced, the admissions process for 2008 was already in full swing. Institutions do not necessarily have the data to hand to identify ELQ students prior to making an offer of admission, nor do they have the appropriate process and external interfaces in place to collect this data. Identifying ELQ students, for the purpose of fee billing prior to students' arrival on course, will be problematic. Any system would rely heavily on the honesty of individuals who have an incentive to withhold information. The existence of previous qualifications may only come to light retrospectively through HEFCE monitoring of HESA data. Retrospective exclusion of students from funding would leave institutions to recover fees.

(b) HEIs manage on tight surplus/deficits and, though from a HEFCE point of view this figure represents a small percentage of its allocations, for individual institutions, this reduction in funding will have an amplified marginal impact and may well turn narrow net surplus positions into deficits. The short timescale for implementation (notification of the financial position to institutions in March 2008 well after the UCAS applications deadline for the following September entry) means that there will be little practical mitigation possible for 2008–09.

(c) There remains a large exercise with other Government departments (to include LEAs) and bodies within education (including UCAS) to co-ordinate the publicity, explanation and system modifications needed to introduce this directive. The window of opportunity for 2008–9 entry has in many cases already passed. It is highly unlikely that HEIs will offer bursaries to ELQ students—they are not a priority group and it would add a net cost of operation at a time of tightening budgets due to the introduction of the national pay framework and reduction in the opportunity to acquire ASNs.

### 3. THE EXEMPTIONS FROM THE WITHDRAWAL OF FUNDING PROPOSED BY HEFCE

(a) We do not believe that sufficient exemptions have been granted, both in terms of type of provision and specific subject areas. The SIVS concession is not sufficiently broad enough to encompass medically related activity such as Pharmacy where there are major shortages of practitioners

(b) The proposals hit subjects that involve retraining in a disproportional way. Such subjects include Law, Theology and Education. The latter is protected at the school level but not the training of our own lecturing staff to ensure maximum efficiency in the teaching function of the University!

### (4) THE IMPACT UPON STUDENTS, INCLUDING WHETHER THE CHANGE WILL AFFECT SOME GROUPS MORE THAN OTHERS

(a) There is a real danger that PT provision will see a significant reduction as a result of the ELQ directive. The £20 million available across the sector is unlikely to effect what we believe are the inevitable consequences of this directive—namely the closure of swathes of PT provision (particularly those addressing the needs of Adult learners) and with it opportunities for flexible learning. There will be knock on effects for local communities and non-ELQ students. The theory of levying higher fees at this group will not match the reality of students' ability to pay which is already constrained at current fee levels. This is likely to have ramifications for both the LLNs and WP agendas.

(b) We are surprised that those holding Professional qualifications, but not through publicly funded study, should not be exempted from this policy. Many of those who study for professional qualifications without having a degree first are often those who have left school early and have later funded their own up—skilling or received employer support. If they choose to take a degree after this study they will not be supported by the state but if they follow a traditional route and study for an HE qualification first, they will receive funding. This seems illogical and unfair on those from non-traditional backgrounds. In addition there is the practical difficulty of equating professional qualifications to HE qualification levels.

(c) Postgraduate taught study (PGT) is particularly affected by this directive because of the lack of articulated progression. All PGT repeat study falls within the definition of EQL whether at a higher level or not (eg Diploma—Masters).

(d) Women returning to work are a group that will be affected, with little prospect of finding employers willing to sponsor retraining.

### 5. THE IMPACT OF CHANGE ON INSTITUTIONS

(a) Should the ELQ directive go ahead, then we believe that the effect on most institutions could be minimised by an alternative approach that withdraws funding for new entry ELQ students from 2008–9 but allows institutions the opportunity to substitute replacement non-ELQ numbers. The university sector is well aware of Government priorities and can be trusted to deliver against these. The University of Kent in particular has delivered substantially against these priorities, and will continue to do so.

(b) Key advantages are that institutions remain in charge of their own destiny without the uncertainty of a costly and late student number bidding process to try and recoup the loss of income stream. Bureaucracy is minimised for an initiative that represents savings of just 1% p.a. of HEFCEs total annual teaching grant, yet threatens to consume a considerable amount in implementation.

(c) The long term effect of this initiative will not just affect big specialist institutions. It is likely to lead to the general withdrawal of PT programmes, thereby negating much of the work undertaken over the last 10 years that was specifically aimed at the WP agenda. The University of Kent is seriously considering the future of our part-time provision.

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**Memorandum 44**
**Submission from the University of Cumbria**
**1. SUMMARY OF MAIN POINTS**

The University of Cumbria strongly argues for:

- A delay in the introduction of this policy until the commencement of the academic year 2008–9.
- An increase in the number of subjects exempted from the policy to include courses relating to child workforce, health care and all teaching qualifications.
- Recognition of the different levels of progression at postgraduate level study (from Certificate to Diploma to Masters).

**2. ABOUT US**

The University of Cumbria was formed on 1st August 2007 formally, from an amalgamation of St Martin's College, Cumbria Institute of the Arts, and the Cumbrian campuses of the University of Central Lancashire. The University has campuses in Carlisle, Newton Rigg, Penrith, Ambleside and Lancaster and a specialist teacher-education centre in London. The University also has strong links and close partnership working with the four FE Colleges in Cumbria (Lakes Colleges, Furness College, Carlisle College and Kendal College) to enable HE delivery locally across the county. In addition, the University is the lead institution of Cumbria Higher Learning, a Distributed Learning Network for Cumbria.

**3. FACTUAL INFORMATION**

3.1 According to the calculations published by HEFCE, which were based on the 2005–6 HESA return, the policy will disproportionately affect older students at the University of Cumbria as is shown by the following table which looks at students who are identified as an ELQ from a known level entry qualification.

<i>Age</i>	<i>Total No ELQ</i>	<i>% ELQ</i>	<i>% of total student population</i>
Under 21	2	0.28%	14.99%
21–23	30	4.24%	20.10%
24–30	153	21.61%	19.20%
31–40	145	20.48%	19.95%
41–50	187	26.41%	16.43%
Over 50	144	20.34%	6.19%
No age on file	47	6.64%	3.13%

The table shows that in the 21–23 age bracket only 4.24% of students are potentially affected by the ELQ proposals, while this age group makes up 20.10% of the total student population. For the 41–50 age bracket however 26.41% of students are affected by the proposals which compares unfavourably to the figure of 16.43% that this age group represents of all students at the University. Therefore there is a disproportionate affect on the over 40s, especially when compared to the under 24s. With 80% of the workforce for 2020 having already left compulsory education it is the University's opinion that the disproportionate affect on older students will have a negative impact on re-skilling and those wishing to return to the workforce. It will also undermine the lifelong learning agenda, as well as the ambitions outlined in the Leitch review which the government supports.

3.2 The proposed policy on withdrawal of funding for ELQs also hugely impacts upon part time students at the University as the following table clearly demonstrates:

<i>Mode</i>	<i>Total No ELQs</i>	<i>% ELQ</i>	<i>% of total student population</i>
Full Time	18	2.54%	45.22%
Part Time	690	97.46%	54.78%

While nearly 55% of the student population is part time, an overwhelming 97% of those potentially affected are part time students, demonstrating the disproportionate affect on this type of student. It is a concern of the University that if part time students were to diminish, this could undermine the provision of certain courses that, by their nature (eg short modular qualifications), are part time.

#### 4. RECOMMENDATIONS

The University has the following recommendations to make:

4.1 The University believes that the proposal to introduce this policy from the start of academic year 2008–9 is unworkable. The UCAS deadline for applications (15th Jan) will have passed, therefore students who have applied for 2008–9 entry may suddenly find themselves subject to changed circumstances of which they would have been previously unaware. This would prove to be unfair on students (if they were suddenly presented with higher fees) and the institutions themselves (if they were to absorb the cost). The University therefore proposes that any implementation of this policy should be postponed to the 2009–10 academic year which would allow for communication of the policy, and advice to be given, to prospective students. It would also allow more time for institutions to examine, and if necessary reposition, their academic portfolio in the light of losses incurred owing to the withdrawal of funding for ELQs and would enable the issue to be taken into account in future curriculum planning (in which the University is heavily engaged at the moment).

4.2 The list of exempt subjects is welcomed, but these should be expanded to include all professionally relevant qualifications, in particular:

- An expansion of the exemption to include all teacher education. This can often take the form of stand alone modules (for example in the areas of Child Protection and Every Child Matters). Such programmes have a positive impact on the commitment and capability of teaching professionals.
- A significant proportion of child workforce related areas of study such as Child Care; Early Years; Community Work and Youth Work are also not currently covered by exemption. This runs counter to the current government focus on children’s workforce reform, and therefore the University would argue that these subject areas should also be exempt.
- Health related subjects not already covered in the student support regulations. A significant proportion of the University’s Health Care provision is delivered as stand alone modules which support continuing professional development mainly to Health Care professionals in the NHS. The concern is that higher fees in this area might deter individuals or lead to a reduction in NHS Trust budgets.
- Those training for the Ministry often do so as a second career choice, and the Church Certificates that the University offers are also almost exclusively taken by students who already hold a degree. Training costs for the Church of England will undoubtedly increase as a result of this proposed policy, and there may be a detrimental impact on attracting people to the Ministry.

4.3 Currently there is also no differentiation between levels within postgraduate study, and the University has many examples where students will enrol on a Postgraduate Certificate and then return to complete a Postgraduate Diploma and then a Masters with a break in between each level. Students would therefore fall foul of the ELQ ruling owing to the single HESA code of 02 for this level of qualification, and the University would strongly suggest that a way to make such a differentiation is found. Many students would be deterred if it was necessary to commit to a Master’s Programme at the outset. This lack of differentiation is also found at undergraduate Certificate/Diploma level with HESA code 23 and differentiation also needs to be made for these cases to recognise vertical progression within HE.

*January 2008*

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### Memorandum 45

#### Submission from Campaign for Learning

##### EXECUTIVE SUMMARY

The Campaign for Learning welcome and support the governments commitment to lifelong learning but wish to express concern at the implications of the proposed cuts to funding for equivalent and lower qualifications. We would like to highlight the importance of up-skilling those with low qualifications and prospects and urge that funding is effectively directed towards meeting the skills level required for Leitch. We do however wish to highlight that learning is not just for the workplace and we explore reasons why removing funding for ELQ may have wider impacts on learners both in and out of the workforce.

##### THE CAMPAIGN FOR LEARNING

The Campaign for Learning is a national lifelong learning charity, set up 10 years ago by the Royal Society of Arts to champion social inclusion and cohesion through learning. Our mission is to stimulate a love of learning that will sustain people for life. We are working for a society in which everyone has the right to learn, everyone understands and values learning, and everyone has chances to learn throughout their lives.

## THE GOVERNMENT'S ADULT LEARNING AND SKILLS AGENDA

The Prime Minister, Gordon Brown, committed the Government recently to providing “not one chance but second, third, fourth and lifelong chances” in a society that places “the highest possible cultural value upon learning”. We at the Campaign for Learning strongly welcome and support this commitment. The learning and skills field has seen a great deal of change over the past two years, much of it welcome but some appearing to run counter to the Prime Minister’s stated commitment. We are greatly encouraged, for example, to note the first ever statutory learning entitlement for adults proposed in the current Learning & Skills Bill, and after ten years’ work in workplace learning are pleased at the high profile the workplace has now assumed as a context where adults can take their learning forward in relevant, appropriate ways.

On the other hand, we were amongst the signatories of the Open Letter Mr Brown received just over a year ago from a list of organisations in the sector, urging him to avoid too narrow an adoption of Lord Leitch’s recommendations on skills. Since then, however, we have continued to see a sharp refocusing of funding into certain types and levels of qualifications delivered in specific contexts only—primarily full Level Two qualifications for people who do not already have these, delivered in the workplace. While we welcome the extension of free provision for eligible learners, the policy to focus funding here to the detriment of much other provision appears to ignore the obvious question of progression routes—how learners find their way into and on from the courses. If the stepping stones into full Level Two provision are dismantled because funding has gone elsewhere, there will be ever fewer opportunities for learners to move upwards into this provision from a position of lower levels of skill. The logical extension of this is that the only learners available to help meet Government targets will eventually be those who were already close to the standard but had not obtained the formal qualification—which meets the letter but not, we feel, the spirit of the Government’s upskilling agenda, and certainly will not achieve the step change in actual skills levels required by Leitch.

We are also concerned about other aspects of the current Government’s approach to adult learning & skills—for example, that some of the most needy potential learners are those outside the workplace who are excluded from Train to Gain provision, into which the bulk of available funding is being poured. Similarly, we are worried that making only full qualifications eligible for funding may limit the chances for learners in need of the most support to get the best out of the opportunities available to them. A more flexible approach might bring dividends in encouraging the least confident—who may be daunted by signing up for a full qualification initially—to dip their toes into the water.

From a social justice point of view, the Campaign, as an organisation championing inclusion, supports the Government’s approach that the priority must be those individuals who do not already have Level Two qualifications, but is concerned that at times this will inevitably lead to perverse results—for example, where traditional industries collapse and whole cohorts of adults in particular areas need to reskill or watch their communities die. Greater flexibility in the operation of the policy would be our watchword, therefore, while supporting in general the Government’s principle that it is those who missed out on opportunities the first time round who should be first in the queue when Government funding is being made available for adults.

## THE ELQ DEBATE

We find ourselves in a somewhat anomalous position, therefore, when commenting on announcement by John Denham that, from 2008–09, funding will be phased out for the majority of HE students in England and Northern Ireland who are studying for a qualification that is equivalent to, or lower than, a qualification that they already hold. On the one hand, we do not agree that HE is a special case—indeed, we would be in favour of much more of the protected funding which now finds its way into HE being made available in Further and Adult Education for the benefit of those who did not have opportunities to gain anything approaching HE entry qualifications. We support the principle of firstness for qualifications to obtain funding support, with the reservations mentioned above.

On the other hand, we would wish to see adults who need to retrain to be supported, just as we would wish learners from redundant industries to be helped to study for a second NVQ Level Two. We support the principle of making more training and qualifications available to those without skills as we believe this to be an essential element of improving social inclusion. However, to make such massive changes through proposed costs to ELQ funding may be short sighted as the future economy will require continuous skilling, upskilling and reskilling. It is a frequently-quoted statistic that 70% of the 2020 workforce is already in the workforce now, so we need to look closely at the learning and development needs of these people over time. Taking away the ELQ provision potentially removes a substantial amount of the flexibility required to adapt our society to the demands of a knowledge economy in future.

## THE IMPACT ON INSTITUTIONS

Moreover, other specific concerns about this decision are worth considering further. The fact that 180 MP’s signed the early day motion might indicate that there is cause for concern—although we would feel happier if these concerned Members had expressed similar worries about the parallel issue at FE level! Some institutions—particularly those which have most championed the rights of everyone to study at HE level and offered the greatest support and flexibility, such as Birkbeck College of the University of London and

the Open University—will be disproportionately affected and may find themselves destabilised as a result, with a knock-on effect not only on the learners who may miss out on funding but on other learners too. FE institutions, fresh from Leitch’s recommendations that they should be awarded degree-conferring powers but already reeling from the effects of dramatic refocusing of lower-level funding, may reconsider in the context of the likely demographic of their learners.

We are, however, more concerned about the impact this decision may have on the individual learner, and crucially on the positive entitlement to lifelong learning that so many organisations have worked to create. This ruling will impact disproportionately on adults studying part-time, many of whom may be working, have caring responsibilities or be retired and on fixed budgets—all factors which may limit their ability to take on increased fees. For this reason we have taken a case study approach to submitting our evidence below.

#### THE ROLE OF EMPLOYERS

The Government’s position is founded on the belief that employers and individuals should be willing to contribute financially to learning which benefits them, and the Campaign broadly supports this position. We are aware that the Government is working hard to convince employers—through everything from the Skills Pledge promotion to Train to Gain TV advertising—that they need to invest in skills. However, despite all our best efforts in making the business case, we know from our own experience of working in workplace learning over the years that the assumption that employers will take financial responsibility for training and re-skilling their workforce does not necessarily hold true. Aside from the argument that many employees upskill because they wish to change roles or leave an employer, much of our future innovation and wealth will come from small to medium enterprises (SMEs) who often struggle to find the funds to pay for their employees’ development. Our recent research for DIUS on the impact of ESOL needs in the workplace indicated that few small employers see the immediate benefits of paying for upskilling and those that can may feel they are unable to do so due to cost limitations. Given that employer funding for skills development is still voluntary, this leaves the learner between “a rock and a hard place” if their development is not subsidised. Even employed learners on steady salaries may find it very difficult to afford the full cost of an advanced programme without financial support from employer or Government.

#### *Case Study: The New Glass Ceiling*

Lisa started her MBA in 2003. It took over four years to complete at a cost to her of £10,000, all of which she paid herself. “I work in the not for profit sector. My employer cannot afford to subsidise my studies and my salary doesn’t compare with the earnings of senior managers and MBA graduates in the business sector. I already have an MA so a second master’s degree would not be allowed under the ELQ rule. It seems a shame that this will increase the costs of an MBA, denying other women like me this opportunity and denying opportunities to develop high-level managerial skills to the not for profit sector as a whole”.

#### EXEMPTIONS

There is a list of exemptions to the rule, which perhaps indicates that there may be some complexity in enforcing the idea of ELQ. However, there are some serious omissions to the list of exemptions: perhaps the most crucial one being that of Information Technology. Although the Leitch Review of Skills does address the issue of reskilling rather than upskilling, its primary focus is on preparing the workforce to be competitive in the future. IT is an essential element of this progress and more toward competitiveness. Skills in the IT industry move so quickly that the subjects taught during a degree soon become obsolete.

#### *Case Study: Specialist Experience Makes Qualifications Obsolete*

Andrew is currently unemployed. He was made redundant when his company relocated, and having worked in a very specialised IT field for over seven years found his more generic IT skills irrelevant in finding a job. “Software advances very quickly. My degree in Mathematics with Computing is pretty much redundant. I finished in July 1998; looking back at the software we used, we have had many versions of Windows since then! If you only had experience in Windows 98 on your CV people would laugh at you! Programming languages have all moved on since then too, to be compatible with the operating systems. If you are not using these regularly you will be left behind”.

#### WORKPLACE RETURNEES

We are concerned with the impact that this will have on adults—and these still tend to be mainly women—returning to the workplace after a period of time bringing up a family, or those returning to work after time as a carer for a disabled relative. Like Andrew, they may find that the qualifications they did are now out of date and they have missed opportunities to develop in the workplace. Not only may they need to reskill

at the same level but also they may need to re-enter education at a lower level in order to prepare themselves for a new qualification. We are concerned that the ELQ ruling may thus have the perverse result of working against equality of opportunity in this context, just as it is already doing in Further and Adult Education.

#### LEARNING FOR LIFE

A fundamental issue the Government needs to consider is whether it believes adult learning is valuable for itself, or for the other benefits it confers—in health, citizenship, community development and cohesion, for example,—or whether it holds that a Government’s exclusive focus should be the economic benefits of learning. The ELQ rule will mean that older people who already have a degree cannot study for another in their retirement unless they are well-off enough to pay the whole cost themselves, even though there is an increasing body of evidence to suggest learning in later life is a significant part of well-being. Research demonstrates the benefits of an active mind and engagement with other people in extending civic involvement, preserving physical and mental health and staving off a variety of ills from depression to Alzheimer’s. Quite apart from the implications of this for quality of life, even on a purely economic analysis, therefore, we might wish to consider in joined-up fashion the savings to the health and citizenship budgets potentially generated by a slightly higher level of investment in education. Again, we would stress that this principle applies equally at Further and Adult Education level.

#### INVESTMENT IN LEARNING AND SKILLS

Finally, without wishing to appear unduly cynical, we would hope to see clear evidence that, if this proposal does go ahead, the whole of the £100 million the Government is expecting to save through this measure is reinvested directly in adult learning, and in particular in ensuring that chances for lifelong learning are extended to the most vulnerable and excluded learners. While we do have concerns about the impact of these proposals at HE level, it is at pre-University level that much damage has already been done by an excessively narrow focus on skills, to the exclusion of ineligible learners and of support into and on from such provision.

We greatly welcome John Denham’s new consultation on informal learning, and are delighted to be a key partner in this. Informal routes into learning are often the ones preferred by the most vulnerable learners who will require the most support to progress on to full qualification-based courses, but too often funding for these has suffered in favour of formal, easy to quantify qualification courses. We hope this new development indicates willingness on the part of Government to reconsider and look more flexibly at funding and support for adult learning to ensure that all benefit. If it is wise, the Government should honour Gordon Brown’s commitment and commit its funds in ways that use the power of learning as a force for health, regeneration and social justice as well as for economic transformation.

*January 2008*

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### Memorandum 46

#### Submission from the UKRC for Women in Science, Engineering and Technology

##### 1. SUMMARY

1. The UKRC for Women in SET is concerned about the detrimental impact the change in institutional funding for ELQ’s may have on women returning and reskilling for SET.

2. The UKRC points out that such changes could undermine the government’s strategy for women in SET.

3. The UKRC would prefer a full review of funding and fees to take account of the impacts on women, on reskilling and on STEM issues. Failing that, we argue that all kinds of courses designed to enable returners back into the workforce, particularly those associated with STEM related employment should be exempted from the new ELQ rules. These are recommendations for the committee to consider.

4. The UKRC in partnership with the OU has established a very successful course designed to assist women’s return to SET and offered in conjunction with a comprehensive package of support services for returners to SET.

5. Five case studies illustrate the way this course and the package of services have been effective.

## 2. ABOUT THE UKRC

Established in 2004 to support the Government's 10-year strategy for Science and Innovation, the UKRC works to improve the participation and position of women in SET across industry, academia and public services in the UK. Funded by the DIUS, it provides advice and consultancy on gender equality to employers in industry and academia, professional institutes, education and Research Councils. The UKRC also helps women entering into and progressing within SET careers, through advice and support at all career stages, training, mentoring and networking opportunities.

## 3. UKRC'S CONCERNS ABOUT THE WITHDRAWAL OF INSTITUTIONAL FUNDING FOR ELQ STUDENTS

The UK Resource Centre for Women in Science, Engineering and Technology (UKRC) wishes to alert the committee to its concerns about the Government decision to withdraw funding for ELQ students, with particular reference to women returning to science, engineering and technology (SET—also known as STEM).

We believe that the decision will:

- Be detrimental to returners (often women) in general and returners to SET in particular.
- Deter people (mostly women) who have had a career break (often for caring reasons) or have followed unconventional career paths, from undertaking reskilling activities.
- Disproportionately impact on women as part time learners, and students of second/ELQ degrees for economic and social reasons. This is because women as a group earn less (as evidenced by the gender pay gap—and therefore are less likely to be able to afford to fund their learning) or have less access to financial support, for variety of reasons.
- Undermine programmes and courses including those specifically for returners, which focus on current employability.
- Undermine the supply of people with current employability through the use of their (updated) qualifications in strategically important subjects like STEM, widely defined.
- Ignore the circumstances of potential learners who are *at a distance* from the current (SET related) labour market, or may be working in other sectors. They are often in part-time jobs that do not utilise their technical qualifications. *As such, employer support for their reskilling is not a realistic option.*
- Work against government strategy and funding in relation to women in SET.

### *Recommendation*

We would prefer a broader review of funding and fees that takes full account of the impacts on women, on reskilling and STEM issues. But, if this policy is to go ahead, as we have argued in our letter to the Minister, Bill Rammell MP we would like to see courses of all kinds for returners, including those in STEM widely defined, clearly exempt from the ELQ decision.

## 4. BACKGROUND

UKRC's RETURN Programme is fulfilling a key government priority in relation to its strategy for women in science, engineering and technology. Returners are identified as a critical target group, in terms of maximising human potential, meeting economic and skills needs and avoiding the waste of earlier investment in their training and education.

By definition, this target group are *at a distance* from the current labour market, or may be working in other sectors. They are often in part-time jobs that do not utilise their technical qualifications. *As such, employer support for their reskilling is not a realistic option.* While we are doing all we can to persuade their target employers of the value of investing in their skills and potential, this is not easily achieved. In any case, an initial short programme with ELQ status is a vital catalyst to bring women to the level at which they can approach employers with confidence and credibility.

It will be counter-productive if these learners—Returners to SET—are to be deterred or excluded from returning to work in SET due to the prohibitive costs of part-time study.

We recognise also that this concern applies widely and significantly to many other adult learners wishing to change careers and enhance their skills. However, women part-time learners are likely to be most severely affected by this decision, should it be implemented. This is because of their labour market position and pay levels, and their reduced likelihood of employer support for reskilling and broader career development.

## 5. THE UKRC OPEN UNIVERSITY PARTNERSHIP

The UKRC works in partnership with the OU to create opportunities for women returners with previous levels of Science, Engineering and Technology (SET) qualification who now wish to return to their SET career path. They have most frequently spent time away from their SET career due to childcare, eldercare or other domestic responsibilities.

The OU runs the T160/1 course as part of our RETURN programme, which has been funded by DIUS and the European Social Fund. The course offers a supportive environment to help returners realise their ambitions. Through a series of online activities including interactive lectures and discussions, they analyse their previous experience; identify opportunities; and develop a realistic and powerful action plan to enable them to find a job that will fulfil their aspirations and suit their lifestyle. As well as developing their skills and confidence, the course includes the chance to meet potential employers, role models, and mentors in the world of SET.

Over the past two years, T160 has proved extremely successful in reaching and engaging these women who have extensive skills and experience, but who need to develop up to date employability skills, confidence, industry knowledge and contacts in order to re-engage. We have seen significant levels of participation in the programme—over 700 women—and equally significant levels of success in outcomes, with more than 50% either back in SET employment, or actively engaged in further training, or taking steps towards SET work.

The decision to withdraw institutional funding from T160/1 and similar courses designed to bring women back into a critical sector, the strategically important knowledge economy, will severely undermine our work and government supported targets for returners to SET.

## 5. CASE STUDIES

We illustrate the role and the effectiveness of the T160 course which is a part of a package of UKRC services through five case studies which are all to be found on the UKRC website along with others about women in SET: [www.ukrc4setwomen.org](http://www.ukrc4setwomen.org)

### *Case Study 1—From research science to public policy on science*

With assistance from the Open University T160 course for women looking to return to work in science, engineering and technology, research scientist Hilary Leever used a career break to redirect her vocation from academic research towards a campaigning position influencing public policy on science.

With a degree from Cambridge University and doctorate from Oxford, Hilary was a well-established scientist with extensive experience in neuroscience research, child development and disabilities. On a six year career break to have her three children, she undertook minimal work as a Developmental Research Consultant, but Hilary's longer term career goal was to return to a position that was commensurate with her extensive experience and skills, but critically, on a part time basis.

Participating in the T160 was to prove a turning point in her quest to find a position to suit both her abilities and her desired work/life balance. She explains:

“Without a doubt the T160 course made me create time to work out what sort of job I wanted, it made me review my skills and put together a much more impressive CV”.

Having concluded that returning to research might not be her first choice, Hilary started to cast her net for other career opportunities. With her CV focused and targeted, and interview skills up to scratch, Hilary's thorough preparation gave her the impetus to go for her goal when she saw the position advertised for Assistant Director/Research Officer for the Campaign for Science & Engineering (CaSE), a parliamentary pressure organisation promoting the cause of science and engineering.

“No way would I have got this job or been in a position to get it without the things that were covered on T160. It gave me the confidence to promote myself appropriately in a covering letter, without which I wouldn't have got the interview. I did a lot of guided interview preparation, practised out loud until I was fluent talking about work matters. I just wouldn't have achieved the level of confidence that I needed”.

Despite not having a policy background, Hilary was successful not just in communicating how her skills could transfer to a new arena of parliamentary campaigning, but in securing her employment at the strategic Assistant Director level at CaSE, and most importantly on a part time basis. She urges:

“I went through the website, persuaded myself that I could do the job, that all the doubts were in my mind. Your skills and how you fit are much more important than how many hours you can work.

“I am so pleased that I tried for a job at this level part time. CaSE were pleased to be able to appoint at my level in a part time position. These jobs are out there!”

*Case Study 2—Returning to engineering*

Launching a career in engineering only became a tangible possibility for Andrea Davies when she embarked upon the Open University T160 course for women looking to return to work in science, engineering and technology.

Despite graduating in 1998 with a Masters in Mechanical Engineering, Andrea had not progressed her engineering career, having been deterred by a number of negative interview experiences.

Instead she opted for a position in the IT Department at Estee Lauder Companies Ltd, based in Fareham, providing helpdesk support services across the company's UK and European operations. After a number of years, however, she had become keen to explore other career options with a view to making a return to engineering:

“I wanted a change of career, to make use of the engineering knowledge and skills I have, which prompted me to do the T160 course”.

With its practical and relevant challenges, the course proved to be an important motivator for Andrea to make the changes she sought:

“From writing a CV, to advice on interview technique and how to find a job to suit your particular skills, it has brought everything together. I needed to kick myself into doing it, but it gave me targets, research to complete, it made me focus . . .”

As part of RETURN services, Andrea was also provided with a mentor who helped her identify project engineering as an area that would satisfy her organisational aptitude, whilst making full use of her engineering knowledge and skills. Fortified with this target, Andrea had a new impetus to begin to make her career transition.

“Following the mentoring I applied for and was successful in getting a job in the area of software testing here at Estee Lauder. The new job is a definite step in the right direction, a way to develop my skills so that I can better equip myself to return to engineering.

“I'm also looking at distance learning in order to bring my degree up to date”.

Andrea asserts that her experiences of the various RETURN services provided her with a clearer insight into what she wanted to do, and equipped her with the tools and self assurance to begin to realise her ambitions. She found the UKRC's Network Back to SET work workshop very helpful, and plans to join a mentoring circle. She concludes:

“It really made me think about what I'm like as a person, and what I should emphasise. Without this input I wouldn't have had the confidence to apply for the job I've just got”.

*Case Study 3—Returning to engineering*

After a career break to have children, Jackie Roberts undertook a series of part time positions, unrelated to her engineering expertise but which fitted with family life. Having made a decision to return to engineering, she accessed a range of RETURN related services to maximise her skills, boost her confidence and make the move from just earning money to the rewards of a career.

Jackie qualified with an engineering degree from Oxford University and held a number of positions in her nine year career at British Gas, the last being a Senior Officer in an IT section of the Gas Distribution Department, where she won a national, prestigious IT Award.

She left to have the first of three children in 1990, and over the course of the next 16 years held a series of part time positions, which included setting up and running administration systems and accounts for a wide variety of businesses. However, with a keen ambition to return to engineering, Jackie stopped working completely in 2006 in order to focus her efforts on getting back to her career, albeit with reassessed priorities. She explains:

“I do want it all. I want a SET career, not a job, but I also want to be there for my children when they need me. Longer term I will work full time, but in the short term, part time working will give me the flexibility to shuffle commitments if and when I need to”.

Since attending the T160 RETURN to SETwork course, Jackie has benefited from training workshops covering personal development, CV writing, interview techniques and work/life balance. She has attended networking events, become involved in mentoring through JIVE and Equalitec, and recently successfully completed Prince2 Practitioner project management certification, funded by Equalitec.

She is a member of the JIVE mentoring circle in Cambridge and having been accepted for a work placement by the Daphne Jackson Trust, is now actively seeking a position. Meanwhile Jackie works part time for two small start up companies. With so many competing demands on her time, Jackie acknowledges that outside support is key to staying on track:

“The mentoring has been very helpful in keeping me focused on what I want to do and in getting me to do it. It’s easy to get swamped. The whole process definitely builds your confidence about getting back to a career. When you’ve not been using your skills, it’s very easy to underrate them and to forget just what you are capable of. You don’t realise how much confidence you lose by not doing things”.

Having immersed herself in the resources available from organizations like the UKRC, and become involved in the Cambridge AWiSE Steering Group (where her expertise in obtaining charity status is being called upon), Jackie has significantly enhanced her skills and marketability, but more importantly, reacquainted herself with her own abilities and capabilities:

“Now I am thinking in terms of career. Rather than just earning money, now it’s about self esteem and self efficacy”.

#### *Case Study 4—Planning for return*

Since leaving her role as Production Manager for a global chemical company, Chartered Chemical Engineer, Kat Richardson has been on a five year career break to focus on her young family. During this time she has used RETURN services to develop her training and career action plan, with a view to fulfilling her environmental ambitions when she eventually returns to work.

Despite being a full time mother to two children, Kat has found both the time and energy to form a co-owned environmentally friendly party planning and delivery business, and complete an MBA with the Open University, whilst at home. However, her long term goal had always been to return to work and make use of her engineering skills.

Although she was certain that with her changed circumstances she didn’t want to return to 60 plus hours a week as a production manager, Kat hadn’t identified exactly what she did want until she embarked upon the T160 RETURN to SETwork course. She explains:

“I was always very worried that where we live was wrong for returning to engineering, that we would have to move. However, RETURN services have helped me refocus and look at other alternatives where I can use my engineering skills, but in an area I am passionate about”.

Prompted by the T160, Kat has begun an OU course, Energy for a Sustainable Future, with a view to updating her engineering skills to work in an environmental arena.

“Completing the T160 definitely made me think about my goals, the direction I wanted to take, and made me write an action plan. I was a bit lost. Although my plan has changed since then, it helped me more than I realized at the time”.

Focused and determined, Kat has used her time at home to take real steps in establishing the direction of her future career:

“Possibly next year, when my youngest child is settled in nursery, I plan to pick up some work in energy consultancy. It’s amazing how much help is out there! It’s been really useful”.

#### *Case Study 5—Transferring skills and experience*

When IT consultant Nada Johnn was made redundant in 2005, with more than 29 years’ industry experience behind her she confidently looked forward to a short break and subsequent re-employment. But after more than 12 frustrating months of trying to re-enter her profession, she realised things were not going to be straightforward. Support and advice from the UKRC proved critical in recharging her enthusiasm, refocusing her approach and helping her get back to work.

In her former role for Sapiens IT Consultancy Nada had managed a team of ten, delivering IT solutions for a range of clients, but as her time out of work increased, her self confidence took a nose dive.

“I began to feel that my age was working against me and it was a Catch 22 situation. You go for IT jobs below your capabilities with a view to getting back in and working your way back up, but employers look at your CV and say you are going to be bored at the level for which you are applying and you cannot convince them otherwise”, Nada explains.

Working closely with her local UKRC hub in the South East, Nada embarked upon a series of initiatives, including the T160 Return to SET work course, mentoring, and interview skills workshops. As she built her interview techniques and confidence, she also began to appreciate what she had achieved in her IT career and what she was still capable of.

“Like many women I tended to think that anyone could do what I did. I realised that I’m too modest.”

Nada particularly benefited from the personal approach provided by her local UKRC hub, greatly valuing the support and encouragement when her enthusiasm began to flag, and when she felt the familiar isolation that results from periods away from the workplace:

“Veronica Benson was fantastic. She looked at my CV and gave me comments. I met her at workshops. She always had the time, gave me coaching, encouraged me, kept me focused and urged me to keep driving towards my goal of returning to IT”.

But in light of the difficulties she had already experienced, Nada made the decision to consider how she might utilise her talents in other SET careers:

“I began to realise that there was something apart from IT I could do. The skills I have can be used for something else, something important and worthwhile, but still relating to my SET background”.

Employing the range of skills and techniques she had learnt, she successfully applied for a full time position as programme assistant at the Engineering Development Trust (EDT). Here Nada is helping to deliver an initiative to encourage wider participation of able students from under-represented backgrounds into the engineering professions.

Keen to give something back to the world of SET she has also applied to be a SET ambassador for schools in the Northampton area, and in the longer term predicts that her people skills will play an even more influential role in developing her career.

January 2008

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## Memorandum 47

### Submission from the Tavistock and Portman NHS Foundation Trust

#### 1. INTRODUCTION AND PRELIMINARY COMMENTS ON THE GOVERNMENT’S DECISION TO PHASE OUT SUPPORT FOR STUDENTS STUDYING FOR ELQs

1.1 The Tavistock and Portman NHS Foundation Trust is a multidisciplinary mental health clinical, training and research institution which collaborates with three academic partners to deliver university-validated courses.

1.2 Its students are mainly already employed in health, social care, education or the forensic sector. They are largely public and voluntary sector employees, mature learners and mainly women.

1.3 The organisation is known for the high quality of its training and for its commitment to raising standards in training and professional development across the sector, in line with the government’s own workforce development agenda.

1.4 The Trust is concerned at the government’s decision to phase out support for student studying ELQs. The decision seems likely to affect 50% of the students on validated programmes (approximately 800 to 1000 students per annum, many of whom are not offered clinical or practice based supervision or support in their workplace. Others, on our professional training programmes are seeking to make a mid-life career change and will be penalised unless they seek a higher level of qualification, at a time when the government is expressly seeking to improve the skills and competencies of the great majority of workers in mental health in particular, and is seeking to improve access to the psychological therapies with an appropriate foundation level training for many in the mental health workforce. In many cases, these students are not funded by their current employer, but pay their own fees funding in order to develop their skills and move on in their careers.

1.5 The government’s decision is likely, inadvertently, to penalise workers who have already studied for ELQs in their original training or to penalise those who have worked for a quite a number of years since obtaining their first qualification.

1.6 The government should take account of the number of people who are seeking further training or new professional qualifications, particularly women, members of minority ethnic groups and late learners who are frequently in the lower income groups who could not pay significantly increased fees for their education, and whose employers are unlikely to be able to provide adequate financial support.

#### 2. TIMING OF THE DECISION AND THE IMPLEMENTATION

2.1 Overall this Trust feels that consultation on the proposal was sought late on in the development process.

2.2 There is insufficient time to be able to plan for implementation in 2008 without serious difficulty for specialised institutions, such as the Tavistock and Portman NHS Foundation Trust, as well as universities (such as Birkbeck College, University of London, and the Open University) which specialise in part-time training for mature learners.

### 3. EXEMPTIONS FROM THE WITHDRAWAL OF FUNDING PROPOSED BY HEFCE

3.1 It is essential that if this withdrawal of funding is approved, the number of public sector-related exemptions is increased to include:

- 3.1.1 Preparatory courses for mental health professional qualifying programmes (at doctoral level requiring Master's level for entry).
- 3.1.2 All social care and health practitioner qualifying programmes.
- 3.1.3 All Continuing Professional Development programmes for public sector employees.
- 3.1.4 Students returning to study an ELQ related to work more than five years qualification at the same level after undertaking the first.

### 4. IMPACT UPON STUDENTS AND WHETHER THERE IS A DISPROPORTIONATE IMPACT FOR SOME GROUPS

The Trust believes there will be a disproportionate impact on:

- 4.1 Women, including those who have taken time out to have children since taking their first qualification.
- 4.2 People making career changes and seeking continuing professional development or skill changes in line with workforce development priorities.
- 4.3 Low paid workers seeking higher education with possible disproportionate impact on members of black, Asian and other ethnic minority groups.

### 5. CONTRADICTIONS WITH PUBLIC SECTOR WORKFORCE PRIORITIES

5.1 It is evident from the consultation documentation that some public sector career programmes are exempt, but it is not clear quite to what extent. Nurse qualifying courses are specified, however continuing professional development programmes for all mental-health professionals—including post-registration nurses—are not referred to.

5.2 Employers do pay for CPD to some extent, but funding for education and training in the NHS has been cut significantly over the past two years, funding to cover programmes in full is simply not available within NHS training budgets. We are very concerned that this change in the funding structure contradicts other workforce development priorities (such as the NHS Knowledge and Skills Framework and General Social Care Council (GSCC) registration and CPD).

5.3 There is a clear government agenda to increase people's skills and competencies through continuing education, and a vast amount of this work is taking place through health/higher-education partnerships. Removing HEFCE funding for these programmes contradicts the overall strategy for Continuing Professional Development in health and social care. The current HEFCE funding helps significantly to encourage individuals to undertake the further education needed to fulfill these strategies.

### 6. IMPACT UPON SPECIALISED INSTITUTIONS SUCH AS THE TAVISTOCK AND PORTMAN NHS FOUNDATION TRUST

6.1 The Tavistock and Portman NHS Foundation Trust as a public sector (NHS) organisation delivering training programmes to all mental health professionals. Its specialised nature means it is an institution sought out by education commissioners, because it so clearly understands and is embedded in the NHS and public and voluntary sector professional development. It has a high proportion of ELQ students since they are often seeking different kinds of courses to further their own professional and career development. Most of these workers have access to relatively small amounts of funding for their training and they, and this institution will be jeopardised if there is no exemption for NHS and public sector workforce and continuing professional development courses at ELQ.

6.2 As the learning provider we receive the HEFCE funding to provide teaching for students through the accrediting University. Since all of our students (except a small number of nurses on one advanced diploma course) are studying at a post-graduate level this withdrawal of funding will affect us disproportionately and will have serious financial implications for our training delivery. Initial analysis suggests that this withdrawal of funding will affect 50% of our University accredited student places, which equates to a projected loss of approximately £200,000 per academic year. This is surely an unintended consequence of the proposal.

6.3 In addition to this financial threat there is a further concern about the future of this Trust's collaborative partnerships with universities. This funding change will influence their strategic planning, and while we all support the concept of increasing access to foundation-level programmes, many professions across the public sector rely on existing collaborative programmes for the quality-assured career development of their workforce in health, social care and education.

## 7. RECOMMENDATIONS

- (a) The Government should re-think the exemptions and increase them as detailed in section 3 of this submission.
- (b) Redefinition of ELQs is needed to separate the levels of PG Cert, PG Diploma and Master's level (currently a student with a Postgraduate Certificate would not qualify for further "M" level HEFCE funding such as for Postgraduate Diploma or Master's level study).
- (c) A longer implementation period is needed to allow for essential strategic planning.
- (d) An audit of the impact of the plan on women, low paid workers, and black and ethnic minority students is necessary to ensure the policy is equitable.
- (e) A further audit across government departments is necessary to analyse the impact of this policy on the development of new competencies and skills across the public sector workforce.

January 2008

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### Memorandum 48

#### Submission from the Guildhall School of Music & Drama

##### INTRODUCTION

1. The Guildhall School of Music & Drama, managed by the City of London Corporation, is one of Europe's leading conservatoires, offering musicians, actors, stage managers and theatre technicians an environment in which to develop as artists and professionals. The School has concerns with the Government's proposals to phase out support given to phase out support given to institutions for students taking second qualifications of an equivalent or lower level (ELQs) to their first qualifications and believes that they will disproportionately affect music conservatoires and drama schools.

2. The School believes that the proposals will have unintended consequences which will far outweigh the benefits of redirecting funding towards widening participation. Any mitigating action taken by institutions as a result of the plans will consequently distort patterns of provision and defeat the objective of releasing £100 million for redirection. It is the School's view that a better and less disruptive outcome could have been achieved by respecting the long tradition of joint working between Government, the funding council and institutions. These concerns are set out in more detail in the following paragraphs.

##### POTENTIAL UNINTENDED CONSEQUENCES

3. The proposal to withdraw funding from institutions in respect of ELQ students will have a disproportionate impact on conservatoires and drama schools in general, and on the Guildhall School of Music & Drama in particular. Performing arts institutions make a major contribution to the national skills agenda and to the economic benefits of the creative industries. They are likely to be among the hardest hit of the small, specialist and largely single-discipline institutions, and the financial consequences of the Government's plans could put their medium to long-term survival in question.

4. The Guildhall School currently has 112 students in this category. Withdrawal of funding for those students would result in a reduction in HEFCE Teaching grant (T-grant) of up to £485,549 (17% of total T grant) by 2011–12.

5. The largest numbers of ELQ students at the School are in two areas: acting (30.16% of the total student population) and singing (24.5%). There is a good reason for this pattern, which is typical of conservatoires and drama schools across the country: actors and singers mature later than other students and it is normal for them to progress to their vocational training after a first degree in a related subject. The demands placed upon the voice to be a successful singer require a physical maturity that is not yet reached at the normal undergraduate entry age of 18 or 19. Even at postgraduate level, several years are commonly required for musicians to reach the level necessary for a professional career in a highly competitive field. Such a pattern of general education followed by specialised vocational training is common in medical and dental education, for example, although the programme structures are different.

##### MITIGATING ACTIONS

6. There are a number of mitigating actions that institutions may wish to take if faced with withdrawal of funding for this category of students. Three are proposed below but the list is not exhaustive:

- (a) Institutions could choose not to admit them. This would, in essence, mean that financial considerations would dictate selection criteria which is wholly inimical to the principles of admission on grounds of achievement and potential. Besides, there is no evidence to suggest that,

at least in the case of conservatoires and drama schools, for every talented actor or musician that is turned away because they cannot be funded, there is another one who has been denied the opportunity to enter higher education as the Secretary of State surmises.

- (b) Institutions could choose to charge them the full economic cost of their tuition. In the performing arts, unit costs are extremely high by virtue of the intensive nature of the training. Unit costs at the Guildhall School are in excess of £15,000 per student per annum, comparable with those of medical and dental education, and would be outside the capacity of the majority of students to afford. Higher fees will simply serve to put more strain on institutions' scholarship funds (most talented non-EU students already have to be supported through scholarships and bursaries to meet the high costs of training in the UK).
- (c) Institutions could choose to re-design the degree programmes to make ELQ students fundable. It would, in principle, be possible to move ELQ students from non-fundable to fundable status by treating them all as postgraduate students. However, since the length of their training cannot be shortened, the result would be a flood of high-volume (three- or four-year) postgraduate courses which would distort the pattern of provision in other areas.

7. Moving ELQ students from non-fundable to fundable status would defeat the underlying reasoning for the Government's proposals since they would no longer release funding to be redirected in the desired way. Moreover, although it is perfectly possible, in time, to create more postgraduate programmes, this will require hundreds of hours of additional work in programme design and validation. Institutions are not so well funded that they can afford to waste considerable resources on mitigating the effects of the Government's policy on ELQs.

#### BETTER PROCESS

8. There is a long and successful record of cooperation between Government, the funding council and institutions which has transformed the scale and culture of higher education in this country. Institutions have never failed to assist Government in bringing about successful long-term change in the sector, to the benefit of all stakeholders. The weight of protest about these proposals should give Ministers cause to consider whether any there are any more desirable alternatives available.

9. If the objective were to re-direct £100 million of public money in support of a policy initiative, it might have been better to ask the funding council and institutions for their advice on how best to do this. This would have avoided putting the future of small and specialist providers unnecessarily at risk in the way that this announcement has. In any event the School has, in common with other institutions in the sector, already made the majority of its offers to students for the 2008–09 session and it has had to do this in the absence of any clear indication of whether the School will be able to afford to teach them. This is a most unsatisfactory position in which to be.

10. In the case of the Guildhall School, this is the second time in three years that the future of the School has been put at risk by the unintended consequences of Ministerial decisions. In 2005, a decision to withdraw fees support for Guildhall students led to a prolonged negotiation with HEFCE and, ultimately, a successful application for designated status. Having completed those negotiations satisfactorily, the School is now, just over two years later, facing the prospect of losing up to 17% of the newly-won funding. The alternatives of radically distorting admissions procedures, or pattern of provision, or both, are themselves not attractive solutions.

*January 2008*

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#### Memorandum 49

#### Submission from Merseytravel

#### SUMMARY

1. Merseytravel is comprised of the Merseyside Passenger Transport Authority (MPTA) and Executive (MPTE) acting together with the overall aim to promote an integrated transport network which is accessible to all to improve the quality of life on Merseyside. Merseytravel also own and operate Mersey Tunnels and Mersey Ferries.

2. Merseytravel is an organisation committed to staff learning and development sponsoring approx ten to twenty higher-level qualifications each year for members of its workforce, a third of which would fall into the category of an ELQ. Merseylearn, the learning and development arm of Merseytravel, also support upskilling in the wider transport sector within Merseyside.

3. It is the view of Merseytravel that the proposals regarding funding of ELQs would have a negative impact of achieving the Leitch Targets of 40% of the workforce to have a higher education qualification by 2020. This would be in the main due to a reduction in workers not sponsored undertaking higher level vocational qualifications and a reduction in number of part time vocational qualification programmes due to falling student numbers because of an increase in fees for students who are studying an ELQ.

4. The exemptions for foundation degrees are pleasing. Merseytravel however is concerned that these proposals are to be implemented at a time when foundation degrees are still in their infancy and are being developed in sectors such as transport with no consideration of the need to exempt other higher level vocational qualifications (particularly in areas where foundation degrees do not exist). A lack of clarity remains in relation to co-funding for employer training, however it is likely that the changes proposed may have an impact on employers sponsoring higher level qualifications.

5. The inclusion of Engineering in the category of strategically important and vulnerable subjects is welcomed but Merseytravel is concerned that leadership and management, which is a transport sector priority, has not been included. This is particularly surprising when considering such qualifications do often fall into the category of an ELQ and are critical to the future competitiveness of the UK economy.

6. Merseytravel uses the Open University for some of its degree provision. The impact and potentially destabilisation of this university, which has been pioneering in its approach to reaching out to non-traditional learners is a major cause for concern particularly when considering the important work this University is now undertaking in reaching out to learners who have never considered higher education as an option.

#### FUNDING FOR EQUIVALENT OR LOWER QUALIFICATIONS (ELQs)

##### *Submission*

1. Merseytravel is the operating name for the Merseyside Passenger Transport Authority and Executive overseeing passenger transport provision as well as owning and operating the Mersey Tunnels and Mersey Ferries.

2. The organisation employs over 940 staff employed in diverse occupations.

3. The Chief Executive of the organisation Neil Scales OBE is committed to providing learning opportunities to all staff and developed Merseylearn, the learning and development arm of the organisation, working in partnership with Unionlearn and its trade unions. Other partners to Merseylearn include LSC, Go Skills the Sector Skills Council in passenger transport, Connexions Nextsteps and Ufi (learndirect).

4. Based on a learning strategy launched four years ago over 90% of staff now possess a level two qualification. A whole organisational approach to skills for life has been adopted within the organisation. Merseytravel was one of the first organisations to sign the skills pledge and is currently encouraging all its suppliers to do likewise.

5. Staff are encouraged to progress their levels of qualifications. Significant numbers progressing on to level 3 qualifications. In the last three years over 75 staff have enrolled/and or achieved a level 4 or above qualification. Merseylearn in the last 18 months has also expanded its remit to working within the wider transport sector of Merseyside encouraging transport employers to upskill their workforce. This has involved working to date with Merseyrail, bus operators and the Merseyside taxi community, where traditionally higher level qualifications of this nature have not been a priority.

6. In relation to its approach to skills Merseytravel, is seen by many as a model employer. Indeed over the last two years it has been recognised as an Investor in People champion organisation, been awarded a National Training Award, received the National Learndirect Working with Employers Award and the Go Award (skills for life award in local government). Merseytravel is often used by unionlearn as an example of how an employer and trade unions can work together on the skills agenda and as such appears as a short case study within the Leitch Implementation Plan.

7. Merseytravel fully understands the need for the Government, in view of the ambitious priorities in relation to the skills agenda, highlighted by the Leitch review, to consider how funding for higher education is best utilised to ensure economic success. Merseytravel also understands that these proposals focus on the need to target funding on the upskilling of workers in to higher education provision for the first time.

8. That being so having reviewed the proposals for the changes to the funding to be received concerning Equivalent or Lower Qualifications (ELQs) a number of concerns have emerged many of which are due to the speed of implementation with apparent insufficient thought and planning given to the potential for unforeseen impact.

9. Merseytravel is particularly concerned of the potential unintended impact these proposals could have to achieving the aims of the Leitch Implementation Plan for 40% of the workforce to have higher education qualifications by 2020.

10. Merseytravel financially sponsors 10 to 20 students each year for staff to progress on to higher education qualifications with in the vast majority of instances staff undertaking some or all of their studying in their own time. Due to the current shortage of specific related qualifications these are often broad based qualifications. Whilst for a significant number of staff this will be the first opportunity to progress into higher education, there remains a substantial number who will fall into the category of undertaking an ELQ.

11. This is often where staff have undertaken a generic degree, eg social science have obtained employment and now wish to develop a career onto a more vocationally related course. (Anecdotal evidence would appear to indicate many of these staff “drifted” onto degree programmes not quite sure what they could achieve, often being the first person in their family to progress into higher education). It must also be remembered that due to the poorly perceived image of the transport sector, working in this area is often not a first career choice. It is only recently with the work of GoSkills that specific and bespoke higher-level qualifications have started to be developed. This means disproportionately there will be a greater number of learners who will need to study an ELQ within the transport sector as it is often not a first choice career.

12. Other learners may have undertaken their first degree 20 or 30 years ago, have not kept updated with latest developments and as such the degree has no benefit or currency in the modern workplace.

13. Reading the information relating to ELQs there would appear to be a lack of clarity in relation to learners’ sponsored by their employers. Foundation degrees with their vocational focus, which are exempt from the proposals relating to ELQs, have much to commend them, however they are still very much in their infancy within the area of transport. Only a limited number of options currently exist within the North West. Merseytravel has not been approached to participate in any co-funding activities with higher education institutions but as a responsible employer in relation to training, is currently involved working with GoSkills in the further development of foundation degrees for the sector. There are however a large number of valid HNCs/HNDs/degrees/master degrees with a strong vocational content that are relevant and popular. That foundation degree would be exempt and that these qualifications would not, at a time when the full range of foundation degrees have not been developed is not logical and would appear to restrict employer choice; again something that would appear to go against the Leitch proposals.

14. Whilst responsible employers like Merseytravel will continue to sponsor students for higher qualifications, as within any organisation, even one that is so committed to training, there is only a predefined financial resource. Increase in fees for programmes that are not deemed to be exempt from ELQs will therefore mean that less staff will be able to be funded.

15. When considering exemptions for ELQs, whilst pleasing to note that Engineering (which in part links to Transport) falls into the category of a strategically important and vulnerable subject it is also surprising the business/management and leadership qualifications have not been considered as falling into this category also. This has been identified as a priority by GoSkills (Passenger Transport Sector Skill Council) within its Sector skills needs assessment as a priority and of course by the Leitch review. The UK in general and the transport sector in particular needs to encourage more employees to undertake these qualifications. Within Merseytravel significant numbers of staff undertaking management qualifications fall into the category of ELQ, which within the wider business world would also be the case.

16. Business/management programmes are particularly critical when the link between these programmes and productivity/competitiveness of the UK economy is considered. It is therefore somewhat surprising it has not been considered as a strategically important and vulnerable subject requiring a different approach.

17. Merseylearn is unusual in that as a matrix accredited project (working with Unionlearn and it ULRs supported by next steps and learndirect) in that it provides learner support (ie information, advice and guidance—IAG) to transport workers (including its own staff) who wish to undertake learning outside of their current vocational areas. These may be workers who wish to career change and follow their own learning pathway, recognising perhaps where their true interests lie or perhaps recognising their first academic degree does not support their vocational calling. Ensuring such workers get access to high quality IAG, as of course with all learners, is critical if funding is not to be wasted. Enabling such workers to undertake a second degree or above level qualification often does means that ultimately they are able to reach their true potential and contribute to the success of the UK economy.

18. Whilst such individuals recognise they will be responsible for having to fund themselves and study part time the proposed changes for all learners affected by ELQ will have an adverse effect on such independent learners choosing to have a “second chance” at education. Such learners often have to pay their course fees up front” and for transport workers, who are often not on huge earnings (*Circa* £21,000), even with a first degree, any increase in fees will place their ambitions out of their reach meaning they will be unable to choose to follow their own career pathway which ultimately have an impact on the UK.

19. The Chief Executive of Merseytravel is often called upon to speak to other employers to persuade them of the benefits of workforce development linked to skills. What has sadly become clear is that whilst more and more employers are becoming switched on to the importance of workforce development, very few appear are willing to sponsor higher education programmes arguing that the programmes are too wide ranging for a “a return on investment” to be achieved for the organisation and still therefore expect individuals to fully pay for themselves.

20. Merseylearn, again with its partners, provides advice and guidance to learners employed in the Merseyside transport sector (but not by Merseytravel) who wish to undertake higher education within the transport vocational area; a smaller number of whom will have a degree or higher level qualification at the same level. The vast majority of such workers are not sponsored or financially supported in any way by their employer. Again these workers, many of whom will be developing skills where there is an economic/sector need will be affected by the proposed changes having to pay the burden of increased fees with no employer support. To expect or hope more employers to sponsor more higher level qualifications at what may be a higher cost with the proposed changes is too ambitious. Again this will unintentionally work against the Leitch proposals. There is no doubt that any increase in fees will reduce un-sponsored employed learners wishing to return to learning to undertake an ELQ being able to do so.

21. This obviously leads to concerns that with falling numbers of learners, the breadth of part time degree courses will be affected. Obtaining sufficient numbers for part time vocational qualifications at the best of times can be difficult; any fall in numbers could therefore have a disastrous and unintended impact in providing employer responsive programmes. As well as effecting learners who are undertaking ELQs this will also mean that the choice available for those very learners the Government want to support, ie first time workforce entrants to higher education will be adversely affected.

22. Merseylearn, as well as working with Merseyside based education providers has found the Open University to be an excellent provider. Working in an operationally demanding arena like public transport, with parts of the organisation operating 24/7, the Open University with its diversity of courses and flexibility of delivery style has been at the forefront of ensuring that part time students have access to high quality learning; meeting their needs as working students. It is for this reason over recent years Merseytravel has sponsored workers and managers within the organisation to complete graduate and postgraduate degrees eg MBAs, for some their second degree at this level.

23. The Open University has also formed strong links with Unionlearn often, attracting first time learners to higher education through special deals and offers. Merseytravel are of the view that the Open University has a critical role, as historically it always has, in widening participation in higher education. The concern must be as many of the Open University's students fall into the category of undertaking ELQs, there will be a potentially large loss of grant due to funding changes for ELQs that will have a destabilising effect on the institution not only effecting students studying ELQs but also the wider engagement of non-traditional learners into higher education.

24. Merseytravel accepts that the current funding system for ELQs, with the challenges regarding funding to meet the important Leitch targets a priority, but would make the following recommendations.

## 25. RECOMMENDATIONS

- For the proposals to be further reviewed, to enable greater consideration to be given and a way forward identified to overcome the unintentional negative impact they may have on the development of higher-level skills within the workforce.
- Delay implementation of any changes to enable the further development of initiatives within the Leitch Implementation Plan between higher education and employers; this will allow the further expansion and acceptance of foundation degrees and the specific identification of initiatives to encourage employers to engage in co-financing of higher level qualifications for their workforce. This would ensure that any future changes to ELQs effect negatively a smaller proportion of the workforce.
- To review categories of programmes that fall within strategically important and vulnerable subject with a view to incorporate business and management programmes.
- For a bespoke and specific solution to be implemented for the Open University due to the large numbers of learners who fall into the ELQ category and the potential for destabilising of this important institution.

*January 2008*

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## Memorandum 50

### Submission from Portia

#### 1. ARGUMENTS AGAINST THE GOVERNMENT'S DECISION TO PHASE OUT SUPPORT TO INSTITUTIONS FOR STUDENTS STUDYING ELQs

The decision will have negative impact in terms of exclusion from valuable re-training opportunities of the following citizen groups:

- Women (who did attain a university degree in the past) requiring retraining at higher skills level in order to be able to compete effectively in the labour market after a career break.

- Experienced mature and older people who wish to engage in lifelong learning for socio-economic reasons.
- Women and men in early and mid-careers who wish to change career direction to areas more in line with the demands of a knowledge-based economy and a digital future.

Evidence of demand:

Professor Daphne Jackson, who set up in 1985 the first (and still the only) retraining initiative to help women scientists return to research after a career break summarised the issue of women returners most succinctly by saying “Imagine a society that would allow Marie Curie to stack shelves in a supermarket simply because she took a career break for family reasons”. The Daphne Jackson Trust has dealt with over 2000 inquiries since then and has helped over 150 women to retrain and become economically active again through its fellowship scheme. There should be support available for others, which do not meet the criteria of the scheme, however.

The UK Resource Centre for Women in SET, set up in 2005 in collaboration with the Open University (and European funding) a course to help women returners with a background in SET to re-establish their career directions and aspirations. This course attracted over 100 women each time it was advertised.

Equalitec, which targets women and opportunities in Information Technology, Electronics and Communications, has with the assistance of European funding identified a variety of pathways from retraining to employment. In areas of emerging importance, such as e-security, e-Health, Internet Computing, Sustainable Engineering, the best and the most cost-effective retraining was found at higher education institutions. This gives individuals up-to-date knowledge and skills and a recognised professional status.

Research by Cambridge University reported in 2005 that between 1997 and 2001 nearly 50,000 women IT professionals were lost from the IT labour market. Without suitable retraining, they will never come back.

Many girls avoid choosing science or engineering subject at GCSE or Advanced school level but have the required aptitudes for these subjects. They should be encouraged and supported in changing their career direction later in life to take advantage of the opportunities created by technology-driven transformations. This is one way that more women can be brought into the industry.

“Women are also severely under-represented in ITEC jobs in all countries and their participation in recent years has been decreasing across the whole sample. In the UK in 2000 only 13% of women were working in ITEC jobs across the whole economy, down from 16% in 1999”. (Women & Equality Unit, 2001)

## 2. TIMING OF THE DECISION AND OF THE IMPLEMENTATION OF THE CHANGE

The timing and implementation contradicts the growing importance of knowledge based industries, which employ half of the UK workforce (ESRC, Knowledge Economy in the UK Fact Sheet, 2007).

The August 2006 issue of *Computer Weekly* pointed out some stark realities of the UK IT labour market, based on research conducted by e-Skills UK:

“The outsourcing of IT jobs overseas appears to be having a major impact on the employment market in the UK”.

“Jobs for lower-paid professions such as helpdesk and operations staff are in decline, with many companies finding it cheaper to outsource day-to-day operations to the developing world in India and the Far East”.

“We are finding that the number of higher-end jobs is increasing”.

“Individuals need to ensure that the training and experience they get benefits future career prospects, rather than merely providing a short term fix”.

“Forty per cent of business requirements are for skills at advanced levels. The challenge intensifies when you consider that, with the continued gender imbalance in the IT workforce, just one in five technology workers is female”.

“The skills required are constantly increasing in depth and breadth. Many entry-level jobs are now being sourced from abroad, and the growth in the UK is predominantly in high-level roles, which demand sophisticated skills in business, client relationship and project management, alongside technical competencies”.

Furthermore, in contrast to the Government’s current strategy for skills, which targets lower level skills up to NVQ 2, the European Commission, and in particular the Information Society and Media Directorate sees higher skills, level 5 and above, as critical to the future of European industry (presented by Nancy Pascal at the Knowledge and Skills for a Digital Future Conference at the Institution of Engineering and Technology, September 2007). The following quote helps to summarise this position:

The IT, telecommunications and audiovisual industries “are converging with century-old barriers disappearing between content and service, and between telephone and TV. New opportunities in areas as diverse as culture and healthcare can flourish in this rapidly changing environment. The rules of the game have certainly changed when you can make a film and distribute it worldwide with your mobile phone, or when super-powerful ‘Grid’ computing allows medical researchers to improve drug design”.

Viviane Reding, European Commissioner for Information Society and Media

### 3. THE IMPACT UPON STUDENTS, INCLUDING WHETHER THE CHANGE WILL AFFECT SOME GROUPS OF STUDENTS MORE THAN OTHERS

There will be negative impact on the take up of courses by mothers returning to work and older people seeking new employment opportunities, who have less disposable income and greater financial commitments than young people participating in higher education for the first time.

The following quotes summarise the position of mothers returning to work.

“43% women who have children take a voluntary career break. Only 74% of those who want to rejoin the ranks of the employed manage to do so, and among these only 40% manage to return to full time, professional jobs”.

(Sylvia Ann Hewlett & Carolyn Buck Luce, *Off-Ramps and On-Ramps*, *Harvard Business Review*, 2005)

“Mothers face greater discrimination in finding a job than disabled people, Asian women and the elderly . . . women returning to work after starting a family face the highest ‘personal employment penalty’ of any group in society—they are around 40% less likely than the average white, able-bodied man to be offered a post”.

(Richard Berthoud & Morten Blekesaune, *Persistent Employment Disadvantage, 1974–2003*, Institute for Social & Economic Research, Essex University, 2007)

For older people, the *Guardian* reported in May 2006 that the number of people signing up for further education colleges has plummeted following increases in fees and the reduction in courses. Between October 2004 and 2005, the number of over 60s dropped by 25%, the number of 55–59-year-olds dropped by 18.4%, and 45–49-year-olds declined by 16%.

January 2008

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## Memorandum 51

### Submission from the Society of St Thomas & St Augustine

We, the Society of St Thomas & St Augustine, are interested in Christian education and training. We understand that John Denham, Secretary of State, has issued a directive not to provide funds to enable universities to “subsidise” students reading for a second “first” degree. We also understand that Muslims have been assured that the training for imams will not be affected.

We submit that Christians should be treated on the same basis as Muslims, as those Christian candidates who propose to take a second “first” degree intend to work as Ministers and would be doing pastoral work like the Muslim Imams. Otherwise those who want to serve the Christian Churches would be placed under serious financial burden and handicap, which will be not fair or equitable.

You will thus see that we are not asking you to place Muslim education under a handicap but that we are pleading to place Christian education on the same footing as Muslim education.

January 2008

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## Memorandum 52

### Submission from the Council of University Heads of Pharmacy

A response to the Innovation, Universities and Skills Committee inquiry into the Government’s decision to phase out support given to institutions for students taking second qualifications of an equivalent or lower level (ELQs) to their first qualifications made by the Council of University Heads of Pharmacy.

## EXECUTIVE SUMMARY

1. The Council of University Heads of Pharmacy proposes that pharmacy must be included in the list of exempt subjects. It is a recognised UK Skills shortage subject.

2. Planned post-graduate professional development courses, based on a progression of post-graduate Certificate, Diploma and Masters qualifications should be exempted from the ELQ proposals. They are clearly different from unrelated postgraduate programmes being chosen “at random”.

## BACKGROUND

1. Pharmacy is being increasingly expected by the public, by policy makers and by members of other professions to extend its contribution to effective medicines use and the achievement of better health outcomes envisaged in *Our Health, Our Care, Our Say and Our NHS, Our Future*.

2. As community-based medical and nursing care becomes more focused on supporting people with complex needs, pharmacies will with growing frequency be able to serve as direct health care access points for the majority of the population. Indeed the success of the proposed primary care reform by Lord Ara Darzi will substantially depend on pharmacists being able to take on some of the work presently done by GPs as the latter move into larger centres and take on some tasks traditionally carried on by secondary healthcare institutions. To achieve this, pharmacists must continuously enhance their skills.

3. The pharmacy profession must attract individuals not only with high intelligence and the ability to excel in the pharmaceutical sciences, but also the experience and personalities required for the support of appropriate medicines-taking and health-related behaviour changes.

4. Once qualified, pharmacists will need access to sophisticated resources that will help them to go on building the competencies required by fast changing societies with rising health expectations.

## EXEMPTION FOR THE ENTRY QUALIFICATION INTO PHARMACY: THE MASTER OF PHARMACY DEGREE

5. The 4-year undergraduate Master of Pharmacy degree qualification, followed by 1-year’s pre-registration training and the registration examination, is the only route to registering with the regulator for pharmacy, the Royal Pharmaceutical Society of Great Britain.

6. Pharmacy is a vocational healthcare profession and should be treated no differently from all other medical, dental and allied health professions.

7. Pharmacists are on the UK Skills Shortage Occupations List.

8. The shortage of pharmacists is recognised elsewhere—in a 2006 survey 6.5% of junior pharmacist posts in the NHS were vacant ([www.nhspecd.nhs.uk/pdf/Report%202006.pdf](http://www.nhspecd.nhs.uk/pdf/Report%202006.pdf)).

9. Greater than 95% of students reading for the MPharm qualification proceed to register and practise as pharmacists (Willis *et al Pharm J* 2006:277,137–138).

10. Workforce modelling commissioned by the Royal Pharmaceutical Society, in partnership with the Department of Health and the Welsh Assembly Government indicates that over the next 10 years pharmacist numbers will need to grow by 5% per annum. Even with greater efforts to increase retention and participation rates in employment a significant increase in the volume of the training pipeline is indicated.

11. This increased demand for new pharmacy undergraduates combined with the 18–30 year old demographic profile between 2006–07 and 2026–27 means that demand for pharmacy undergraduates will exceed supply in the traditional recruitment pools. The inability of graduates to re-train as pharmacists will place a serious constraint on healthworker development across the NHS and run counter to the government’s goal of getting patient care closer to patients.

12. If workforce demand is to be met substantially by new graduates (in addition to retention and increasing participation rates) then pharmacy will need to look to non-traditional recruitment pools to meet employer-led demand—any barriers to for example graduates re-training as pharmacists will place a serious constraint on development of the pharmacy workforce and more generally across the NHS and run counter to the government’s goal of getting patient care closer to patients.

13. A number of students highlighted as ELQ in the schools of pharmacy have “first” qualifications in the pharmaceutical area, but as stated above the MPharm is the only vocational qualification leading to registration as a pharmacist. First degrees in chemistry, medicinal or pharmaceutical chemistry, pharmacology or related biomedical science predominate.

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## THE IMPACT ON STUDENTS

14. The current proposal makes it extremely unlikely that a graduate entry route into pharmacy, which has been so successful in medicine, will be a meaningful option.

15. It seems inevitable that those from minorities who have managed to acquire a qualification but then wish to re-skill for another vocation, such as pharmacy, will be least able to do so and be hardest hit by these proposals.

16. Higher education institutions in London are particularly affected by the ELQ proposals. At the School of Pharmacy, a college of the University of London, 20% of the undergraduate student numbers affected by the ELQ proposals relate to graduates from Iran, Uganda, Ethiopia, Afghanistan and Iraq. These students have either been granted British citizenship, refugee status or indefinite/exceptional leave to remain. Seventy of these students are women who for religious and cultural reasons would not be permitted to study away from home.

17. The pharmacy sector has a very strong track record in recruiting and training substantial numbers of students from ethnic minority backgrounds. In 2006–07 some 40% of new registrants with the Royal Pharmaceutical Society of Great Britain were from ethnic minority backgrounds.

## EXEMPTION FOR POST-GRADUATE QUALIFICATIONS LINKED WITH CONTINUING PROFESSIONAL DEVELOPMENT

18. The ELQ proposals run completely counter to continuing professional development, life-long learning and skills development, including that envisaged by Lord Leitch. Foundation degrees are not an option since they cannot provide the content, experience etc to satisfy professional requirements.

19. Within the NHS, the Agenda for Change career framework is based on escalating post-graduate qualifications (the Knowledge and Skills Framework).

20. Extensive use is made of a tiered approach involving PG Certificate, Diploma and Masters qualifications in pharmacy to support NHS workforce development and enable the delivery of important aspects of health policy. This is a clear example of academic progression and not equivalence.

21. Practitioners should not be denied the opportunity to build up their qualifications and competencies. Clearly this is relevant not only to pharmacy, but also to other health professions and teaching.

22. It is strongly recommended that planned post-graduate professional development programmes be exempted from the proposals to withdraw funding for ELQs.

January 2008

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## Memorandum 53

### Submission from the National Institute of Adult Continuing Education

1. The National Institute of Adult Continuing Education (NIACE) is an independent non-governmental organisation and charity. Its corporate and individual members come from a range of places where adults learn: in further education colleges and local community settings; in universities, workplaces and prisons as well as in their homes through the media and information technology. NIACE's work is supported by a wide range of bodies including the DIUS (with which it has a formal voluntary sector compact) and other departments of state, by the Local Government Association and by the Learning and Skills Council. The ends to which NIACE activities are directed can be summarised as being to secure more, different and better opportunities for adult learners, especially those who benefited least from their initial education.

2. The ends described above mean that we have some sympathy with the DIUS Minister of State's assertion that "For the taxpayer, funding people for a first degree has to be a higher priority than supporting those studying for a second degree".<sup>51</sup> We believe however that the Government's proposals, set out by the Secretary of State in September 2007, are flawed and potentially dysfunctional in that they may reduce rather than expand participation in higher education.

3. NIACE supports wholeheartedly the re-prioritisation of resources within the English higher education system so that it can better widen access and participation, maintain quality and become more equitable. The Government's proposals are deeply depressing because, of all the ways it might have found £100 million for re-prioritisation, they focus on a relatively small, apparently marginal and weak, soft target (ELQ study) and failed to address the far greater inequalities in the system which systematically privilege full-time students extending their initial education at the expense of part-time students and which could have freed up far greater sums. These larger inequalities were considered by the former House of Commons Committee for Education and Skills which, in its final report<sup>52</sup> stated (page 14): "The distinction between part time and full time students for the purpose of fee and income support is now so blurred as to be no longer sustainable.

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<sup>51</sup> Bill Rammell MP quoted by the BBC at <http://news.bbc.co.uk/1/hi/education/7164699.stm> [accessed 03/01/08].

<sup>52</sup> Select Committee for Education and Skills, *The future sustainability of the higher education sector: international aspects* (HC 285-I) 5 August 2007.

We recommend that the Government reviews as a matter of urgency the current arrangements for fee support". The Government's timidity in this respect is a real wasted opportunity for serious and necessary reform.

4. The Government claims that funding saved from supporting institutions to teach ELQs can be better spent on providing places for 20,000 "first-time" HE students over the coming three years yet has offered little convincing evidence of the source of such students. Already almost all school and college leavers completing initial education and qualified for higher education go on to it—and the size of this cohort will shortly decline year-on-year for the next decade. Neither is it likely that, without considerable additional public support, high numbers of people will sign up for part-time higher education. Thirdly, even if UK businesses were to embrace the Government's proposals for cofunding HE, this would not be of help to people outside the labour market, such as women returners, nor to people with career aspirations beyond those of their existing employer.

5. In November 2007, the Government announced changes to its flagship "Train to Gain" programme. These included greater levels of flexibility for eligibility for public support:

"People from priority unemployed groups who are recruited by an employer will be eligible for a second full level 2 qualification where they need retraining"<sup>53</sup> and "Funding to give a second Level 2 or 3 programme, in specified circumstances".

NIACE urges the Committee to ask Government why a similar degree of partial subsidy rather than the current "all or nothing" approach would not be appropriate to ELQs in higher education. There is a real need for the Government's re-skilling policy to be as sophisticated as its up-skilling policy.

6. Part-time students already pay unregulated fees upfront and a whole educational ecology will be destabilised. If fees rise to full-cost levels (as for overseas students), potential students will vote with their feet. Without teaching funding and fees from ELQ students, courses (full-time as well as part-time) will cease to be economically viable for institutions to run. Franchised HE courses run in FE colleges (making them more locally accessible) will be especially vulnerable as the unit of resource is generally lower anyway.

7. In addition the proposals will jeopardise the provision of shorter continuing education courses undertaken for smaller volumes of academic credit. As well as having an intrinsic public value deserving of modest support, such courses offer people opportunity to try-out a subject before committing to more expensive and intensive study.

8. It would appear that those providers which have done most to widen participation and to reach mature students are more likely to be adversely affected whilst, (with some exceptions), institutions that have done less to adapt to a socially inclusive and modern mission for higher education face less disruption.

9. NIACE, has in earlier briefings, warned that the proposals risk harming, among others:

- "First generation" HE students who may have had less good advice on the appropriateness and utility of their first degree.
- Ex-offenders who may be legally prevented from returning to a former occupation.
- Women returners to the labour market after years of child or eldercare responsibility during which the value of their initial qualification has decayed.
- Older people displaced in the labour market in mid to late career.

10. Rather than the current "all or nothing" proposals, NIACE urges the Select Committee to consider whether other approaches might deliver the results the Government wants in less painful ways. In particular we recommend two ideas:

- exempting those with qualifications obtained some considerable time ago (for example 10 years) from the proposals; and
- introducing tapering levels of public support to indicate the government's priorities.

11. Part-time students working toward equivalent or lower qualifications are not fat-cats with their noses in the public spending trough, denying places to others. They are voters seeking to improve the quality of their private lives (and sometimes their economic position) as well as making the UK's public culture more civilised, informed and reflective. NIACE hopes that the Select Committee will urge the Government to amend its approach.

12. We would be happy to supply further information and analysis to Members on request. In the first instance please contact Alastair Thomson.

January 2008

<sup>53</sup> "Train to Gain—a plan for growth November 2007 to July 2001". Learning and Skills Council, Coventry 2007. page 7.

## Memorandum 54

### Submission from the School of Pharmacy, University of London

A response to the Innovation, Universities and Skills Committee inquiry into the Government's decision to phase out support given to institutions for students taking second qualifications of an equivalent or lower level (ELQs) to their first qualifications made by the School of Pharmacy, University of London.

#### EXECUTIVE SUMMARY

1. The School of Pharmacy, University of London, proposes that pharmacy must be included in the list of exempt subjects.
2. Planned post-graduate professional development courses, based on a progression of post-graduate Certificate, Diploma and Masters qualifications should be exempted from the ELQ proposals.

#### BACKGROUND

1. The School of Pharmacy was established in 1842 by the (then) Pharmaceutical Society of Great Britain. It became part of the University of London in 1925 and received its Royal Charter in 1952.
2. The School of Pharmacy is the only specialist education institution dedicated to pharmacy. Its mission is to lead in the provision of education and research in pharmacy and the pharmaceutical sciences relevant to patients and healthcare practice, medicines discovery and development, and society. The School has an outstanding track record in education, being the only school of pharmacy to have achieved professional accreditation with the Royal Pharmaceutical Society without conditions, and has been top-rated for research in all research assessment exercises. It has embraced widening participation and has been particularly successful in meeting the needs of students in London and the South East.
3. Under the ELQ proposals the School of Pharmacy is ranked 4th in the proportion (15.3%) of mainstream teaching funding to be withdrawn. It is exceeded only by Birkbeck College, London Business School and The Open University in institutional financial impact.

#### EXEMPTION FOR THE ENTRY QUALIFICATION INTO PHARMACY: THE MASTER OF PHARMACY DEGREE AND POST-GRADUATE PROFESSIONAL DEVELOPMENT PROGRAMMES

4. The case for exemption for pharmacy and post-graduate professional development programmes has been put forward by the Council of University Heads of Pharmacy. We strongly support this case and in this submission make additional points relevant to our institution.

#### ISSUES FACED BY THE SCHOOL OF PHARMACY, UNIVERSITY OF LONDON AND STUDENTS WISHING TO STUDY THERE

5. The School of Pharmacy strongly agrees with the views put forward by Universities UK to the HEFCE consultation about the lack of prior consultation with the sector, the "fining" of institutions for decisions they made legitimately and in good faith, and the serious destabilising effect on specialist institutions including the School of Pharmacy, Birkbeck College, the Open University, the London School of Hygiene and Tropical Medicine and the Institute of Education.
6. The anomaly of pharmacy not being included in the list of exempt subjects along with all the other health professions has been articulated by the Council of University Heads of Pharmacy. Exemption of pharmacy (the MPharm entry qualification) would mitigate about 60% of the financial impact on the School of Pharmacy.
7. As a specialist institution dedicated to pharmacy, there are only limited options available to the School of Pharmacy to make good the lost income from the withdrawal of ELQ funding. As noted in the House of Lords debate on 3 December (*Hansard* 696(17),1568), the School's financial structure will be seriously destabilised by the loss of income which can only have a negative impact on its ability to continue to contribute at the highest levels to UK Health Services research and teaching.
8. Pharmacy is a vocational healthcare profession and the 4-year undergraduate Master of Pharmacy degree qualification is the only route to registering with the regulator for pharmacy, the Royal Pharmaceutical Society of Great Britain. Pharmacists are on the UK Skills Shortage Occupations List and the shortage of pharmacists, not least in the hospital sector, is widely recognised.
9. Many of the students highlighted as ELQ at the School of Pharmacy have "first" qualifications in the pharmaceutical area, but the MPharm is the only qualification leading to registration as a pharmacist. First degrees in chemistry, medicinal or pharmaceutical chemistry, pharmacology or related biomedical science predominate.

10. As an institution in London, the School of Pharmacy forms part of disproportionate “London and South East effect” whereby more than 40% of ELQs are in this region. We believe this reflects the diversity of the region. Twenty per cent of the undergraduate student numbers affected by the ELQ proposals relate to graduates from Iran, Uganda, Ethiopia, Afghanistan and Iraq. These students have either been granted British citizenship, refugee status or indefinite/exceptional leave to remain. Seventy per cent of these students are women who for religious and cultural reasons would not be permitted to study away from home.

11. Approximately 40% of the proposed withdraw of funding relates to the School’s work, in partnership with the NHS, on the post-registration professional development of pharmacists. Here the ELQ proposals run completely counter to Government policy on skills, professional development and life-long learning. Within the NHS, the Agenda for Change career framework is based on escalating post-graduate qualifications (the Knowledge and Skills Framework). Under the current proposals, PG Certificates, Diplomas and Masters are bundled together as equivalent. However, in the context of planned professional development programmes there is very clear academic progression between each award and for this reason they must be exempted. A practitioner (not just in pharmacy) has to be able to develop from a PG Certificate to a Diploma and then to a Masters.

12. The work that the School of Pharmacy is leading, in partnership with other higher education institutions and the NHS, has been mapped on to all Government policies on health and clearly supports the “employer engagement” agenda, yet stands to be undermined by the ELQ proposal.

*January 2008*

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## Memorandum 55

### Submission from Prospect

#### INTRODUCTION

1. Prospect is a trade union representing 102,000 professionals, managers and specialists across the public and private sectors. Our members are professionals, managers and specialists across a diverse range of areas, including agriculture, defence, energy, environment, heritage, justice and transport.

2. We are concerned that the Government’s decision to withdraw funding for Equivalent or Lower Qualifications (ELQs) will have a detrimental impact on our members and the organisations they work for.

3. Many of our members are degree qualified at the start of their careers but are required to update their qualifications as they move through their employment. They do this either to keep abreast of new technology and discoveries or to acquire new skills in leadership and management. Whilst these activities are important for personal development, they are not simply “nice to have”. In many professions, and in particular those that are science and technology based, constant updating is essential to ensure continued proficiency. Individuals cannot rely on the currency of academic qualifications undertaken several or, in some cases—many—years ago.

4. For example Prospect has members, currently in their early 50s, who studied first degrees in engineering in the early 1970s. If they hadn’t had the opportunity to study ELQs in the intervening years their knowledge of, for example, semiconductor devices would still be at the tail end of the valve era and at the early attempts to create integrated circuit chips of comparatively low complexity in today’s terms. Technological change is continuing apace and the country’s ability to produce a workforce capable of keeping up with these changes, and to manage programmes producing new innovations, will be adversely affected by the implementation of the decision to remove funding for ELQs.

5. In addition, our experience clearly demonstrates that an academic or professional qualification provides no guarantee of job security. Thousands of Prospect members are currently facing an uncertain or insecure future with their current employer. In these circumstances, they need to update their skills to ensure continued employability—either in their existing organisation or with a new employer. Institutions like the Open University provide our members with an ideal opportunity to study while remaining in full time employment, or to take short CPD courses between contracts to improve their employability. The majority of these courses will be at equal or lower levels to the degree they already possess in their core specialisation, but they are essential if individuals are to maintain their skill and knowledge levels in a rapidly changing environment.

6. We are also concerned about the equalities implications of the Government’s decision. We believe that it will deter individuals—mostly women—who have taken a career break or have followed unconventional career paths from undertaking reskilling activities. It is notable that women constitute the majority of part-time learners, including those undertaking second degrees. It also ignores the circumstances of potential learners currently at a distance from the labour market or working in jobs below their potential. For example, many women are in part-time jobs that do not utilise their technical qualifications. They may well be at a stage in their lives where they have accumulated the personal confidence to take on a more challenging role but have no realistic prospect of accessing support for reskilling from their current employer.

7. If the Government proceeds with its proposals to withdraw funding, especially to institutions like the OU and Birkbeck College (which are very supportive of part time students combining work and study), this will act as a disincentive to organisations and individuals to follow these routes to development. This contradicts the Government's espoused commitment to lifelong learning and will militate against aspirations to reskill the nation's workforce and to develop a high skilled economy. Prospect therefore urges the Government to reconsider its position.

January 2008

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## Memorandum 56

### Submission from the Churches Main Committee

#### WHO WE ARE

1. The Churches Main Committee is an ecumenical body that brings together all the major churches in the United Kingdom (and, because Churches Together in England is a member, many of the smaller churches in England as well), together with the United Synagogue: a note of our membership in England is annexed.

#### THE PROBLEM

2. HEFCE's proposals to cease funding for those undertaking training for a qualification equivalent to or lower than one that they already hold presents particular problems for theological education—as the Chairman of the Committee himself implied during the recent debate on the proposals: see HC Deb (2007–08) 8 January 2008 c 252.

3. The problem is that, increasingly, people feel a call to ministry in mid-life after professional careers in very diverse fields, with the result that a high proportion of them will already have at least a first degree before beginning training. The consequence is that, according to the best information that we have, approximately 75% of those currently training in Church of England colleges hold degrees equivalent to or higher than those for which they are studying in order to qualify them for ordination. For the Methodist Church the figure is approximately 40%; and it is likely that that experience is replicated across the major churches. Moreover, those proportions are likely to rise in future as the effects of earlier expansions of higher education work through the system: there are now more graduates in their 30s than there were 20 years ago simply because there were more undergraduate university places in the 1990s than in the 1970s.

#### WHY EXEMPT TRAINING FOR THE MINISTRY?

4. HEFCE's proposals envisage exemption for studies preparing people for socially-desirable occupations and especially for studies that help to build social cohesion. The Churches Main Committee would contend very strongly that training for ministry, whether lay or ordained, should qualify for such an exemption for various reasons.

5. First, good mutual understanding between faiths is a crucial element in building social cohesion. This has been recognised in a number of recent Government initiatives, including the recent proposal for a national framework for teaching religious education in schools, the announcement of the establishment under the auspices of the Department of Communities and Local Government of the Faith Communities Consultative Council, and the establishment of the new Faith and Social Cohesion Unit by the Charity Commission. We would argue that understanding between faiths can only be built up by contacts and discussions between people who have been properly educated in the faiths that they profess. A dialogue of the ignorant will help no-one—and that implies even greater efforts than at present towards high-quality theological education both for clergy and laity.

6. Secondly, the vast majority of training for the ministries of the Christian churches in England is carried out in colleges that are associated with universities. This, in our view, has two mutual benefits. Academic departments of religious studies are able to draw on the particular expertise of staff in their associated theological colleges to teach some of their degree modules, particularly in specialist areas such as pastoral studies and liturgy. In addition, the fact of studying within the wider context of a secular university helps the rounded formation of the candidates themselves, exposing them to the views of others—of all faiths and none—and preventing them from concentrating too narrowly on the purely “professional” side of their training. It also means that they benefit from a wider range of teachers with a wider range of expertise—and a wider range of views. We would agree entirely with the House of Bishops of the Church of England that to isolate candidates for ministerial training into narrowly-focused seminaries would do no service at all to social cohesion.

7. Thirdly, ministers of religion who are doing their jobs conscientiously are themselves agents of social cohesion. Unlike most professional people they almost invariably live where they are called to serve. The result of this is that in deprived inner-city areas the local clergy (of whatever denomination) may be the only educated professionals living in the locality; and that, in itself, gives them an important social role quite separate from their religious one.

#### CONCLUSION

8. If as a result of HEFCE's proposals universities seek to charge higher university fees for ministerial students, the impact of the change on ministerial training is going to be quite considerable and felt right across the denominations. For the reasons set out above we would ask that ministerial training should be exempted from the proposed changes.

*January 2008*

**Annex**

#### MEMBERSHIP IN ENGLAND OF THE CHURCHES MAIN COMMITTEE

Apostolic Church  
Assemblies of God in Great Britain and Ireland  
Association of Grace Baptist Churches (SE)  
Baptist Union of Great Britain  
Church of Christ Scientist  
Church of England  
Churches Together in England  
Congregational Federation  
Elim Foursquare Gospel Alliance  
Evangelical Alliance  
Fellowship of Independent Evangelical Churches  
Free Churches Group  
General Assembly of Unitarian and Free Christian Churches  
Greek Orthodox Archdiocese of Thyateira and Great Britain  
Independent Methodist Churches  
London City Mission  
Lutheran Council of Great Britain  
Methodist Church  
Moravian Church  
Religious Society of Friends (Quakers)  
Roman Catholic Church in England and Wales  
Salvation Army  
Seventh-Day Adventist Church  
United Reformed Church  
United Synagogue

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#### Memorandum 57

#### Submission from the Association of Colleges

#### THE ENQUIRY

1. The Association of Colleges (AoC) welcomes the opportunity to comment on the issue of funding for equivalent or lower qualifications (ELQ). AoC is the representative body for the 400 further education colleges in England, Wales and Northern Ireland.

2. Further education colleges have a significant role in higher education:

- colleges provide 46% of entrants to higher education;
- colleges account for 200,000 higher education students, including 54% of foundation degree students and 86% of those taking higher national certificates; and
- 37 mixed-economy colleges have more than 500 full-time equivalent students each (ie more students than the average Oxbridge Colleges).

3. AoC's response to this enquiry focuses on the specific issues relating to the funding of students taking equivalent or lower qualifications (ELQ). We also identify some issues of principle and general lines of enquiry which we encourage the new Committee to follow up.

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 ARGUMENTS FOR AND AGAINST THE DECISION TO PHASE OUT SUPPORT FOR ELQs

4. AoC has no specific comment on the desire by Ministers to make savings of £100 million in the £7 billion higher education teaching budget. Colleges support many of the Government's aims for higher education, for example:

- to make the higher education system more responsive to economic needs;
- to make higher education courses more flexible and accessible to those in work;
- to promote diversity and choice for students; and
- to improve access by people from families on low incomes or no history of higher education study.

5. If the ELQ decision is the only way to release funds for these national objectives, then colleges will understand and accept the right of Ministers and Parliament to make that decision.

6. AoC does, however, have the following concerns about the decision to make this saving by cutting grant funding for students taking equivalent or lower qualifications:

- it will be more difficult for middle-aged and older people to reskill;
- the cut will mainly affect Government funding for part-time higher education. This will further weight HEFCE's budget even more in favour of full-time residential higher education taken by the young;
- it is administratively complicated to ration education funding by the prior qualification of the student. As the committee may be aware, the Learning and Skills Council prioritises funds for first level 2 and 3 qualifications but it does not withdraw all funds for those taking second qualification at this level—partly because of the difficulties involved in collecting wholly reliable data on prior qualifications; and
- some colleges will lose significant funding from the change but may not be able to access the £100 million because of the restrictive ways in which HEFCE allocates funds. Much of the £1 + billion HEFCE funding for initiatives can only be claimed by universities because of the priority placed on stability over competition. Universities have been given the first call on funds for work with employers despite the longer track record of many colleges in this type of course.

7. AoC understands that HEFCE presented as many as five options for making the £100 million saving in its discussions with Ministers over the 2007 spending review. The other options might have been less damaging to the Government's overall objectives.

8. In the House of Commons debate on 8 January 2007, there was some debate over the impact of redistributing £100 million in higher education funding between 2008–09 and 2010–11. The Committee may be interested to note that the redistribution is relatively small compared to the changes that will be made in adult learning funding over the same period. The following facts illustrate this point:

- The November 2007 grant letter to the Learning and Skills Council (LSC) requires it to cut funding for developmental learning from £400 million to £100 million between 2008/09 and 2010/11. Developmental learning covers adult learning courses which do not lead to level 3, level 2 or skills for life qualifications. This £300 million funding cut will release funds for priority qualifications but is likely to significantly reduce LSC funding for level 4 qualifications.
- This LSC redistribution comes on top of a similar change between 2005 and 2008. Over a six year period—from 2004–05 to 2010–11—the LSC will increase the share of adult learning funding spent on priority qualifications from 45% to 95%. AoC estimates that this represents a redistribution of £1 billion, ie ten times the size of the ELQ change.
- The changes in adult learning funding has created difficult challenges for colleges because the LSC used competitive methods to allocate the redistributed funds and has acted under Government instructions to encourage new providers.
- Colleges respect the right of Ministers and Parliament to set policy. They have responded effectively to the new priorities outlined in the Government's skills strategy. Nevertheless the redistribution of funds has not been without cost. The number of adult learners funded by the LSC in further education fell by 1.4 million between 2004–05 and 2006–07.

9. Many of the differences in Government policy towards higher and further education can be explained by history or by the existence of different policy-making silos. It is not clear why part-time adult learners in further education should bear the brunt of funding reductions while full-time higher education students should receive such a large share of DIUS funds. It is not obvious why HEFCE does so little to link funding to priorities while the LSC should do so much. Ministers have had to make a tough decision on ELQs because they have so little room for manoeuvre in reshaping the existing higher education budget.

10. The new department, DIUS, has an opportunity to take a more coherent approach to the funding of post-compulsory learning. AoC encourages the Committee to address this issue as a priority.

#### THE TIMING AND THE IMPLEMENTATION

11. There has been a lot of public comment on the timing of the decision and the amount of consultation. AoC would like to add the following points to those that have already been made:

- the Government operates on a three year spending cycle. Budgets have been set for a period running from 2008–09 to 2010–11. Given this, it is reasonable for Government to make decisions which take effect from 2008–09. The fact that there will be review of the regulated fees system in 2009 is only marginally relevant;
- having said this, the timing of the decision has left very little time for institutions and students to make proper choices about 2008–09. Our guess is that delays in finalising the 2007 spending review and disruption caused by the Machinery of Government changes explains the timing;
- further delays in resolving the position for 2008–09 would be undesirable; and
- the lack of consultation about the decision made in September 2007 is also undesirable but it is not unprecedented. Ministers made a decision on the funding for English for Speakers of Other Languages (ESOL) in October 2006 that had equally far-reaching ramifications. The question is whether better consultation makes better policy. In AoC's view, earlier and fuller consultation on this issue would have resulted in better policy.

#### THE EXEMPTIONS FROM THE WITHDRAWAL OF FUNDING PROPOSED BY HEFCE

12. HEFCE has set out a number of measures to alleviate the impact of the decision, including a list of subject exemptions, a safety net and an increase in the part-time allocation. These measures will help universities and colleges adjust to the change and are welcome for those reasons. AoC particularly appreciate the plan to protect funding for students taking foundation degrees which will help institutions develop courses to meet economic needs.

13. Our main concern is that the list of exemptions proposed by HEFCE is too narrow and does not include some valuable qualifications, for example the BSc in Clinical Physiology offered by City of Westminster College. It is also perverse for the Government to provide full grant and loan funding for individuals wanting to take PGCEs (Schools) as their second qualification but no funding at all if the individual wants to take a PGCE (Further Education).

14. We also have one detailed issue of concern which is the reliability of the data used by HEFCE to make the funding adjustments. HEFCE plans to use entry qualification data from 2005–06 to make adjustments but there are difficulties associated with the data obtained from colleges. AoC has taken this issue up with HEFCE and hope that it can be resolved.

#### THE IMPACT UPON STUDENTS

15. The Committee has received many submissions on the impact of the changes on students. In the interests of brevity, we have nothing to add to these points.

#### THE IMPACT UPON INSTITUTIONS

16. Subject to concerns about the data mentioned above, the impact on the average college is similar to the impact on the average university. HEFCE modelling shows that the decision will redistribute 4% of the funding of the average institution. A number of colleges are affected disproportionately, including some colleges in London who could lose up to 40% of their HEFCE teaching funding. The full impact on colleges is unclear because the position is obscured by franchising. More than half of the higher education students in colleges study under franchising arrangements with universities.

17. The measures taken by HEFCE to alleviate the impact of the decision will help colleges adjust to the new priorities. The key question for colleges will be whether they can access the redistributed £100 million on fair terms with universities.

## Memorandum 58

### Submission from e-skills UK

#### E-SKILLS UK OVERVIEW

e-skills UK is the Sector Skills Council for IT and Telecoms and has responsibility for ensuring that the UK has the technology-related skills pool to succeed in the global economy.

We do this by focusing on the skills development needs of three related communities:

- The IT & Telecoms workforce: almost 1.2 million people in the IT workforce (600,000 people in the IT industry itself and 570,000 IT professionals working in other industries), and approximately 321,000 people in the Telecoms workforce. These are the professionals and others in supporting occupations who design, implement and run the technology systems on which all companies and the public sector depend.
- IT users: the estimated 21 million individuals who need to use IT for their day to day work.
- Business managers and leaders: the estimated 4 million people performing business management and leadership roles in the UK, who need to be able to understand and exploit the power of IT in driving competitiveness and productivity.

We believe that IT skills are vital to the future competitiveness of the UK economy, as technology continues to pervade all sectors and is increasingly central to businesses. We also believe that the new ELQ policy will adversely affect our nation's ability to achieve the necessary levels of technology-related skills to succeed. This applies in particular to the IT and Telecoms workforce including IT and Telecoms professionals and which is the main area of focus of our submission.

The IT & Telecoms professional workforce has grown continually since 1994, nearly doubling in size by 2006. 1,286,000 people are now employed in IT & telecoms professional roles in the UK. Recent research for e-skills UK conducted by Experian shows that employment in the IT and Telecoms professional workforce is forecast to continue to grow, at a rate of 1.6% per annum to reach 1,510,000 jobs by 2016. (By comparison, it is estimated that employment in the UK across all industries will increase by just 0.5 % per annum over the 10 year period).

To support this growth and the replacement demand (for those leaving the sector), 141,000 new entrants per year are required into the IT & Telecoms professional workforce.

Looking further into workforce dynamics, there is a significant shift in the sector into increasingly highly skilled roles. The following table shows the split of roles in today's workforce, and the forecast for 2016.

**Table 3.2**

#### ANNUAL GROWTH RATES, EMPLOYMENT, 2006 TO 2016

	<i>Growth</i>	<i>Employment</i> 2006	<i>Employment</i> 2016	<i>Change</i>
ICT Managers	1.4%	335,180	384,250	49,070
IT Strategy & Planning	2.6%	166,720	216,420	49,700
IT Software Professionals	2.7%	389,670	510,390	120,720
IT Operations Technicians	0.8%	138,910	150,220	11,310
IT User Support	0.7%	74,580	80,310	5,730
Database Clerks	-0.8%	76,790	70,890	-5,900
Computer Engineers	-0.6%	36,510	34,490	-2,020
Telecom Engineers	-0.6%	56,020	52,790	-3,230
Line repairers/Cable jointers	-0.6%	11,180	10,550	-630
Total	1.6%	1,285,560	1,510,310	224,750

IT Software professionals and IT Strategy & planning are the highest growth occupations with the forecast growth of 2.7% and 2.6% respectively whilst the lower skills occupations such as database clerks are set to decline.

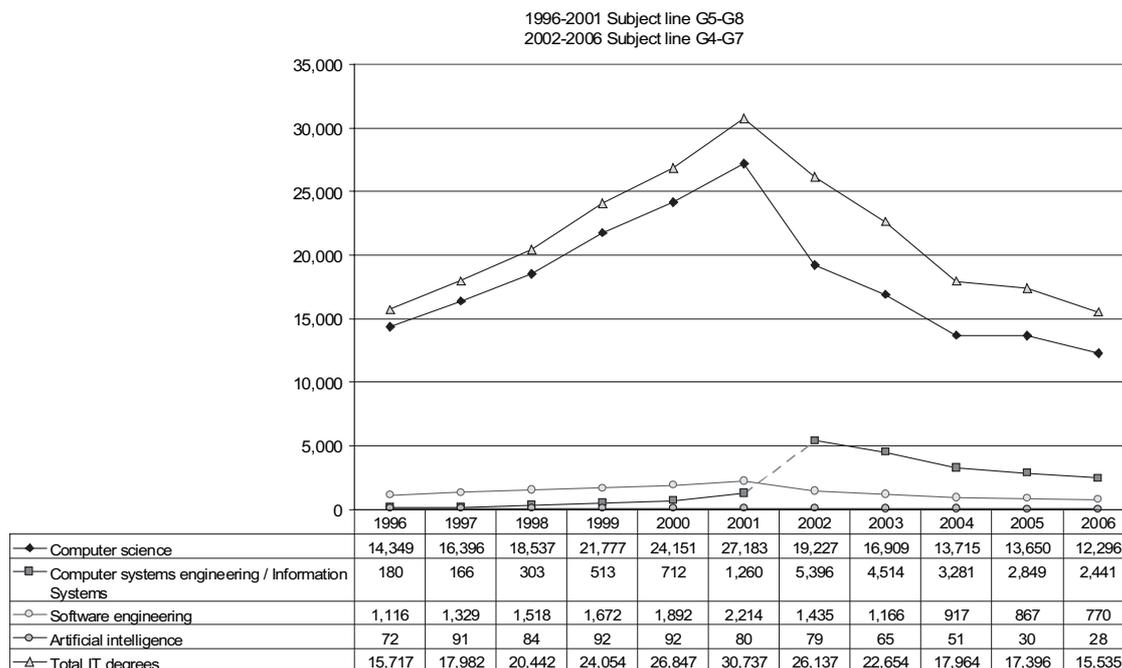
Of the 141,000 new entrants to the IT and Telecoms professional workforce, only about 26,700 per annum of these are expected to come directly from education so that in consequence e-skills UK is engaging in a major development of our strategic planning to find new ways of encouraging more people already in the workforce to consider entering IT and Telecoms professions. This will include attracting many more women—as currently females make up just 18% of the IT and Telecoms professional workforce compared to 47% of the UK workforce as a whole.

The ICT workforce is highly qualified: 55% have a level 4 or 5 qualification compared to 28% of the UK workforce as a whole. Yet the number of applicants to IT degree courses has been declining from a peak of 31,000 in 2001 to under 16,000 in 2006, similar to the level seen in 1996 and a decrease of 49% over five years.

Mathematical and Computer Sciences is the only subject area (of 26) to have had four successive years of decreases in the number of applicants, largely due to the effect of IT degrees within this group, and applicants to IT degree courses now make up only 3.1% of all degree applicants, a fall from 5.7% in 2002.

Analysis of applicant data also indicates a worsening gender balance with females comprising 15% of applicants to IT degrees in 2006 compared to 18% in 2001.

**Applicants to Computer Science Courses - Subject Line 1996-2006**



Source: e-skills analysis of UCAS data

**CONCLUDING POSITION**

The UK’s future competitiveness increasingly depends on the ability to exploit IT and Communications technologies and consequently on the presence of a suitably skilled and qualified IT and Telecoms professional workforce. The significant and sustained growth in the IT and Telecoms workforce with a need for 141,000 new entrants per annum cannot be met by new entrants from education (forecast at 26,700 per annum) and must be met largely through reskilling members of the existing workforce and those re entering employment after a career break, particularly women, who are seriously underrepresented in the industry.

Given the continuing high level of growth in the IT and Telecoms professional workforce and the decline in take up of IT related subjects in HE, there is a pressing need to address the issue of how to meet the growth in demand, if UK technology related productivity is not to be compromised.

We are concerned that the ELQ policy affects mainly part time students whose ability to pay is very limited but who are a key part of the target market we need to attract into IT careers if future demand for IT and Telecoms professionals is to be met, eg women returners. We would also point out that, with increasing off shoring of traditional entry level jobs into IT and the growth in small company employment in the industry, the traditional professional development routes provided by large corporate companies may be less able to plug the education and training gap in future.

We note the safety net approach to funding SIVs and the intention to phase this out over time which we would be extremely concerned about. If such qualifications are strategically important and vulnerable, we would suggest that they will continue to be so for the foreseeable future, particularly given the decline in take up that we have already highlighted.

We also note that SIVs can be fully exempt from the ELQ funding cuts if the level of provision falls short of demand from employers but that IT and Computing subjects have yet to be awarded this status. We call for this situation to be reviewed urgently, as the current level of provision and supply of IT and Computing graduates is clearly insufficient to meet existing and future demand for IT and Telecoms professionals.

We welcome the exemption of foundation degrees which we believe have an important role to play but are concerned to note that this exemption is also of a temporary nature.

## RECOMMENDATION

In the light of this we urge Government to review its ELQ policy to ensure that IT and Computing subjects are fully exempt from funding cuts and we also strongly recommend that these subjects are given full SIV status.

January 2008

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**Memorandum 59**
**Submission from London Higher**

## INQUIRY ON ELQ FUNDING

## EXECUTIVE SUMMARY

1. London Higher contends that the proposed withdrawal of support for ELQs is a policy change based on no evidence and rushed through with minimal consultation. Little thought appears to have been given on the ramifications for individuals and institutions.

2. There are regional aspects to the ELQ proposal which have seemingly not been considered. The proposal will have a disproportionate impact on London, with unintended social consequences especially for ethnic minority, refugee communities and for women HE students. Through knock-on effects, the ELQ changes will undermine London's role in driving the national economy, reducing its status as a world capital city.

3. We strongly urge the Secretary of State to defer implementation of the ELQ proposal until such time as a full, comprehensive study has been carried out with the involvement of the HE sector and institutions have had time to develop appropriate and sustainable adjustments.

## INTRODUCTION TO LONDON HIGHER

4. London Higher is the Higher Education Regional Association (HERA) for London and represents over 40 London universities and specialist colleges.

5. Our remit includes promoting London's universities and colleges, coordinating strategic London higher education (HE) campaigns and disseminating information.

## FACTUAL INFORMATION

6. Overall, the ELQ proposal threatens to undermine vitally important parts of the London economy and skills base. By diverting resources to lower level skills (Foundations Degrees) rather than higher level skills—which are already in critical demand in London's economy—the changes will effectively devalue London's workforce. This will both make the capital less competitive in the world economy and will result in equally detrimental social impacts. The economy of London is the powerhouse behind that of the UK; damage to the former will adversely affect the latter.

7. Career progression in many professions is highly fluid but the ELQ proposal views it as rigidly linear. Recent surveys indicate that 43% of jobs in London require higher level skills (HLS), compared to just 30% in the rest of England and Wales. The HLS requirement in London is projected to increase to around 50% in 2020, higher than the expected 42% average across the UK. ELQs are vitally important for acquiring HLS, for example by graduates who may have completed a degree 5–10 years previously and wish to obtain a vocational skill but not at Masters or PhD level.

8. ELQs are also highly necessary for updating skills in many sectors as new practices or processes are introduced, eg health, teaching, business. Continuous Professional Development needs to occur for all levels of qualifications. London is a centre for professional specialist and postgraduate training, much of it based around the world class research infrastructure that exists in the capital. Analysis of the limited data available indicates subjects with a strong tradition in these areas, for example several subjects allied to medicine and in education, will be markedly affected to the detriment of the individuals concerned.

9. There is no substantive evidence to prove the so called “build-back” from Foundation Degrees and employer co-funding will succeed. For example, in London's creative sector—the second largest sector in the capital—businesses lack the capacity to co-fund. Eight of the top 20 London HEIs affected by the proposals are creative arts institutions. In addition, it is doubtful that large companies in London will invest in higher education, since the economic and cultural benefits of working in the capital mean that recruitment is often global. Hence there is little incentive for employers to upskill/retrain staff as opposed to seeking overseas candidates with appropriate higher level skills, to the detriment of London's work force.

10. The introduction of these proposals, without previous comprehensive impact analyses will risk unintended consequences for London's large ethnic minority and refugee communities as well as a likely disproportionate impact on women students. Many refugees arrive with degrees but need to retrain at lower levels, for example in health (eg pharmacy, nursing) or education. Furthermore, shared teaching on some courses may mean that the reduction of ELQs in one subject area leads indirectly to possible course closures in related subjects, undermining the core missions of several London HE institutions. HEFCE are due to report on an impact analysis this month (January 2008) but it remains to be seen what concessions will be made. Why were these analyses not done before the policy change was announced rather than during the very brief consultation period?

11. Based on HEFCE data, London HE institutions will lose £54 million at ELQ level, a third of all national losses. Besides Birkbeck and Open University in London, other London HEIs severely affected (> 10% ELQ loss) include Conservatoire for Dance and Drama (26%), London Business School (25%), School of Pharmacy (15%), London School of Hygiene & Tropical Medicine (14%), Thames Valley University (13%), City University (13%) and University of East London (11%).

12. Overall, 54,504 students will be affected nationally by these changes, based on HEFCE data. DIUS claims 20,000 new students will benefit from ELQ changes. Besides asking how precisely the latter figure has been determined, this does not seem to be a reasonable balance in provision of funding resources.

13. Finally, little mention has been made so far on how qualifications will be recorded and verified. Is a secure national database required and how retrospective will the data collection be?

#### RECOMMENDATIONS FOR ACTION

14. We strongly urge that implementation of this policy should be deferred until questions are resolved on issues such as effects on students (especially women and ethnic minorities) and financial adjustments by HE institutions.

15. We believe that the proposals have been formulated without sufficient regard to the likely impacts across a range of areas and are detrimental to a number of longstanding Government and national as well as regional interests. The proposals clearly impact disproportionately on London and on London's HE sector. They have also been introduced with undue haste and are being pushed through far too quickly for institutions to adapt to them without unnecessary risk.

*January 2008*

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### Memorandum 60

#### Submission from Bradford College

#### EXECUTIVE SUMMARY

1. While sympathetic to the government's motives, the College believes that the ELQ policy introduces a perverse and irrational series of consequences that will particularly impact upon FE colleges and other institutions with a commitment to lifelong learning. The exemptions policy excludes a number of key areas, particularly BTEC HNC/Ds, youth work and counselling qualifications. The College believes the administrative burden will be great and that the checking of prior qualifications is unenforceable. The College would support a postponement of the implementation pending further analysis and development of the policy into a more workable solution.

#### BACKGROUND OF THE COLLEGE

2. Bradford College is a large general FE sector college with a substantial range of HE programmes. The College receives the largest funding of all FE Colleges from HEFCE and is the only one with a substantial contract from the TDA. The College's HE provision dates back over 30 years and the College currently has around 3,500 HE students on awards ranging from BTEC HNC/D, through Foundation Degree, DipHE and bachelor's degree awards to PGCE, professional and Masters level. A majority of students are full time and the College's focus is on Skills and Widening Participation, with a substantial number of students from disadvantaged backgrounds and minority ethnic groups, drawn from Bradford and beyond. The College's degree courses are currently awarded by Leeds Metropolitan University, but the College is well-advanced to apply for Taught Degree Awarding Powers in its own right.

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THE ARGUMENTS FOR AND AGAINST THE GOVERNMENT'S DECISION TO PHASE OUT SUPPORT TO INSTITUTIONS FOR STUDENTS STUDYING ELQS

3. The College supports the government's desire to focus on attracting first time learners but believes that the decision to phase out support for students studying ELQs will produce a series of perverse and unintended consequences and is therefore misguided and wrong.

4. Lifelong Learning involves a series of ladders and bridges, using qualifications to improve skills and support economic development of both individuals and benefit wider society. Learners are increasingly traversing these ladders and bridges in complex ways and to suit the needs of localities. The ELQ policy, as currently formulated, will create a series of obstacles to the development of skills. Additionally the policy will add an administrative burden to institutions, particularly those most heavily engaged in widening participation and lifelong learning such as FE Colleges.

5. Ultimately the policy is unenforceable, as ELQ students who will be expected to pay higher fees will be required to prove they have the higher qualifications, whereas those paying lower fees can do so by simply denying to colleges and universities that they have anything higher. While most students studying in Higher Education are honest about their prior qualifications, institutions have no sanction if they claim not to have a prior qualification. This will be a particular issue for those institutions with mature students and those from diverse backgrounds.

6. The rapid increase of immigrants will lead to a much larger group of learners for whom equivalence is a complex issue anyway, due to the language barriers. Newly arrived workers from places such as Poland will have qualifications delivered and certificated in other languages that will often be unknown in the UK context. Employers will wish them to obtain UK recognised qualifications but the burden of determining their prior qualifications will fall upon the College or University. At the higher levels this may be easier, but at technician and professional levels that are mainly delivered in FE this will be a significant additional burden.

7. The College believes that the decision has been too rushed and the consultation period inadequate for detailed consideration of the perversity of some of the consequences. The College would support a deferral of the decision pending the review of fee levels and a separate look at part time and mixed mode study. For FE Colleges the timing also comes on the back of the proposed changes to FE funding and the creation of separate ministries. The College will soon find its funding split across four agencies reporting to two different government departments (DSCF—14–19 and TDA, DIUS—HEFCE and LSC). The governments laudable aims of reducing unnecessary bureaucracy do not appear to be thought through in relation to this policy.

THE EXEMPTIONS FROM THE WITHDRAWAL OF FUNDING PROPOSED BY HEFCE

8. The exemptions do not include BTEC Higher National Certificates and Diplomas. These are very significant vocational qualifications in FE institutions funded by HEFCE, including Bradford College. While there has been a slow historic decline in enrolments to BTEC awards, they have the advantage of being well-recognised and enable FE Colleges to develop HE offerings to meet local needs in a speedy and responsive way. FE Colleges are developing Foundation Degrees, but HNC/D still remain important awards. An advantage of the HNC in particular is that students can obtain a well-recognised national qualification in only two years of part time study, whereas a Foundation Degree will take at least three years. Since Foundation Degrees will be exempt but HNC/Ds will not, an unintended consequence of the policy will be to encourage FE Colleges to abandon HNC/D in favour of Foundation Degrees, regardless as to the merits of the situation. This may suit the government as a vehicle for enforcing the take-up of Foundation Degrees, but one has to question whether it will deny learners a choice. An example at Bradford College is the HNC in Textile Design. This two year part time course is well reputed and popular with students who have already undertaken HE study, often several decades ago in subject areas in which they are unable to gain employment locally due to industrial decline. Students on the course wish to gain employment in a still important local industry and regional speciality, often as self-employed designers. Fees are currently £800 per year, but a fee of £3,000 would exclude all but the most wealthy from the course.

9. The College is active in a number of vocational areas that are exempted from the policy—social work and teacher training in particular. However a number of important related areas are not exempted—including the training of youth and community workers and the training of qualified counsellors. For these two professions the possession of an accredited “Diploma” qualification is essential (DipHE, typically taken full time). Many of the students attracted to these courses already have significant life experience and have completed higher education study. The Youth and Community Services are desperate to attract such people into the profession, but withdrawal of funding and a tuition fee of £6–7,000 per year will make the course prohibitively expensive.

10. The College is anxious to improve the uptake of Science, Technology, Engineering and Mathematics (STEM) subjects, part of the Strategically Important and Vulnerable Subjects area proposed by HEFCE. Numbers of ELQ funded students on these courses will be pegged at 2005–06 levels. This allows very little flexibility to expand STEM provision particularly through HNC/D and BSc courses. It is not clear how

Colleges are expected to allocate their protected ELQ numbers and invidious to determine that students on one course are more deserving of ELQ funding than others. In a large HEI this might be more manageable but for smaller providers the system proposed by HEFCE will be very difficult to operate.

11. The SIVS exemption appears to many in the FE sector to be counter-intuitive. Traditional degree courses in minority languages, often in elite institutions dominated by middle class students, to meet the needs of the Foreign and Commonwealth Office are exempted. Whereas students on HNC/D courses in FE Colleges trying to meet local economic need and regeneration in disadvantaged working class areas are not exempted. This seems a perverse outcome of different government policies conflicting.

#### THE IMPACT OF THE CHANGE UPON STUDENTS, INCLUDING WHETHER THE CHANGE WILL AFFECT SOME GROUPS OF STUDENTS MORE THAN OTHERS

12. All the evidence is that the ELQ policy will affect the following groups more:

- (a) Part time learners.
- (b) Women returners.
- (c) Learners on non-exempted professional training particularly in the public sector, such as youth work, where future financial benefits are not great.
- (d) Learners from deprived and disadvantaged areas with declining industries where new skills are needed.

However this is not easy to quantify or produce evidence on. Therefore, before embarking on such a radical change of policy a full equality and diversity impact analysis should be carried out by the government.

#### THE IMPACT OF THE CHANGE UPON INSTITUTIONS

13. As a comprehensive institution offering wide range of both FE and HE skills-based provision, the ELQ policy will be very difficult for Bradford College to operate and advise potential students. A student who has PhD can take an A level course at the College and be eligible for funding by the LSC, whereas a student who went to university for just one year 20 years ago (if they tell the college) is not funded on a vocationally relevant HNC course and would be expected to pay over £3,000 per year. A student who already has a degree who wishes to study for a three year BA in Social Work is fundable, but a student who has an HNC in Business Studies taken part time and 20 years work experience, who wishes to study for a two year full time Diploma to become a Youth Worker is not fundable in the first year and will have to pay £6–7,000 in fees.

14. Bradford College, along with other FE colleges, will have to devote more resources to monitoring entry qualifications more closely (with no sanctions for non-declaration), monitor HEFCE contracts (and their audits) more closely and advise potential students through the labyrinth of exemptions in an already over complex system. The ELQ policy will therefore particularly hit most those institutions who are trying to do most to deliver the government's skills and widening participation agenda.

January 2008

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### Memorandum 61

#### Submission from the Council of Professors and Heads of Computing

##### SUMMARY

1. The Council of Professors and Heads of Computing (CPHC) is the Computing academic subject body and represents the Computing and IT Departments in UK Higher Education Institutions. Our undergraduate and postgraduate teaching makes a strategic contribution to the UK economy in three specific ways:

- (a) we deliver technically qualified Computing and IT graduates;
- (b) we provide opportunities for up-skilling IT professionals working in a sector characterised by a high rate of change; and
- (c) we provide extensive opportunities for re-skilling graduates from other disciplines who take up IT jobs.

Many of our departments play a key role in R&D and innovation across the ICT<sup>54</sup> sectors, keeping the UK at the forefront of technology driven innovation [1].

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<sup>54</sup> The boundaries and differences between ICT, Computing and IT are subtle. For this document, an agreement that ICT includes Computing and IT as inseparable enabling technologies will suffice.

2. CPHC believes that the ELQ policy will have a disproportionate impact on subjects with a high vocational relevance that are making a significant contribution to the Government's Life-long Learning and Widening Participation agendas.

3. The impact is particularly disproportionate for Computing and IT, a sector of strategic importance, at the heart of, *i.a.*, the global UK Trade and Investment Marketing Plan announced in November [1]. CPHC believes that the impact of ELQs on the IT sector, and on the UK's ability to close the IT skills gap across all areas of the UK economy, will undermine the UK's global competitive advantage.

4. Short term exemptions to the policy, and large scale reliance on employer support are inappropriate mechanism for delivering sustainable solutions to addressing the IT skills gap on the required scale.

5. The ELQ policy was introduced at short notice, without appropriate consultation either of HEI, or of employer sectors that rely heavily on professional and vocational subjects for recruitment, for re-skilling and for up-skilling.

#### CONTEXT: THE IT SKILLS GAP

6. The UK's competitiveness rests on inventiveness and the ability to add value to business through IT [1, 2, 6]. The UK IT sector is a key global player, attracting significant inward investment [1, 2, 5], and an integral part of the ICT area, which is subject to a business and government led strategic marketing initiative announced by UK Trade & Investment Office in November 2007.

7. In the UK, e-skills estimates that 120,000 new IT related jobs are advertised each year. Technically qualified graduates with Computing and IT qualifications make up just 17% of the IT workforce [13]. This large mismatch between supply and demand, and the need to deliver a workforce with relevant, up to date IT skills is known as the IT skills gap. The IT skills gap affects all business areas, as well as the IT sector itself.

8. In the IT sector, the demand for a healthy supply of technically skilled Computing and IT graduates remains high. The relationship between CPHC departments and employers is strong. CPHC data show that employers' demand for Computing & IT students to fill placements outstrips the number of students we have available for such schemes. HESA data show that the take-up of sandwich programmes in Computer Science (18,660 students in 2005–6, or 19.4% of all Computer Science undergraduates) is second in numbers only to that of Business and Administrative Studies (36,250 students in 2005–06, or 18.8% of undergraduates), and higher in percentage points. For comparison, the HE sector average is 6.6% for 2005–06. [3]

9. Of all skills sectors, the IT sector is by far the highest employer of graduates, the overwhelming majority of which have no computing or IT related qualifications [13]. The pace of change is high, with an accelerated development profile when compared to other sectors. New technology is produced at a cycle of approximately 18 months [2]. As a consequence, the IT sector is disproportionately affected by the ELQ policy because there is an endemic need both for up-skilling existing Computing and IT graduates, and for re-skilling graduates from other disciplines.

10. The gap between employer demand and the supply of technically skilled employees will grow for the foreseeable future. The proportion of UK advertised jobs that carry a skilled IT component rose from 60% in 2005, to 72% in 2006 [13]. This trend is also noted in the Gartner [10] and Leitch reports [8]. In contrast, there was a 42% drop in students entering Computing and IT degrees through UCAS between 2001 and 2006 [4, 7]. Since 76% of Computing and IT students take three years, and 24% take four years to graduate [3], the decline will affect the supply of graduates at least until 2010. The supply of applicants to Computing and IT degrees is unlikely to increase as long as perceptions of ICT at secondary school continue to turn students away from considering a career in Computing and IT [7].

#### BRIDGING THE IT SKILLS GAP

11. This combination—of increased demand for IT skills in the workforce, coupled with a decline in Computing graduates for the foreseeable future—means that the need to address the IT skills gap by re-skilling of graduates from other disciplines will inevitably increase [14]. In sharp contrast, the ELQ policy has a detrimental effect particularly on those who engage with education on a part time basis, because it removes funding for all students (not just those registered for a second, full degree), including those studying a single course module as part of professional development (such as working towards chartered status or for CPD).

12. The effects of the ELQ policy cannot be absorbed by offering re-skilling opportunities at post-graduate level in Computing and IT, which are technical subjects, building knowledge and skills progressively. Our provision needs to meet professional accreditation frameworks established, for instance, by the British Computing Society and the Institute for Engineering and Technology. Benchmarks are cross-referenced internationally. The National Qualifications Frameworks limit the amount of undergraduate material that can be taught in a post-graduate qualification. Like other professionally oriented subjects, Computing and IT departments have limited scope to avoid the impact of ELQs without endangering academic and professional standards.

13. CPHC concludes that the impact of the ELQ policy has a disproportionately severe effect on the IT sector and the UK's ability to address the IT skills gap. It curtails the role that universities and Computing and IT departments can play in supporting the economy and the workforce through up-skilling IT workers in a professional context, and in re-skilling graduates from other disciplines to allow them to take up IT related employment.

14. Sustainable access to skilled people and high quality R&D are essential for the UK to remain attractive to inward investment for the ICT sector [1, 2]. Yet, employers are unlikely to be in a position to bridge the IT skills gap by funding the loss of support created by the ELQ policy, for a number of reasons:

- (a) Employers are likely to address any increased skills shortages through off-shoring and immigration [12]. Between 2001 and 2004, 20% of the total work permits issued (110,000) were for IT occupations, though these represent only 3.5% of the workforce [2].
- (b) The IT industry is structured so that it will not be able to meet the funding gap created by the withdrawal of support for ELQs on the required scale and in a sustainable way. NCC data [15] show that the sector is populated by a relatively small number of large corporates capable of investing in education, a shrinking number of medium sized companies, and a rising proportion of SMEs, whose capability to fund education and training is very limited.
- (c) Finally, the extent to which employers in all sectors invest in IT and IT training is known to be particularly sensitive to economic fluctuations. Even if willing to engage with education by direct funding of places, employers' ability to do so depends primarily on other (possibly very short term) factors affecting the business, its profitability and the management's accountability.

15. In Computing and IT also, the ELQ policy affects mainly part time students, whose ability to pay is very limited [12].

16. CPHC concludes that it is unlikely that either employers or students will be able to find additional resource to absorb loss of ELQ funding with respect to bridging the IT skills gap.

17. Employers will be unable to address the IT skills gap by immigrating skilled workers from the European Union, which faces a significant IT skills gap in its own right [16].

#### IMPLEMENTATION AND EXEMPTIONS

18. The ELQ policy makes provision for exemptions. Most of these are temporary and will be phased out over three years, hence exemptions are not suited to delivering long term sustainable solutions to problems specifically created by the withdrawal of ELQ funding. Within these limitations, CPHC has several comments.

19. Computing and IT are fast changing subjects (paragraph 9): students taking Computing and IT courses should be exempt, certainly where their degree was obtained more than five years ago.

20. The policy exempts Initial Teacher Training courses, but does not cover up-skilling of teachers. A recent Microsoft report [2] noted the lack of coordination between school and University curriculum, and industry needs. There is a lack of suitably qualified Computing and IT teachers in secondary education, and at Key Stage 4 in particular, which undermines our ability to attract high quality applicants [7]. There are insufficient Computing and IT graduates to address this problem by attracting such graduates to teaching careers. The problem can be addressed by developing high quality CPD courses for existing teachers, and for teachers who wish to move to ICT teaching on the basis of non-Computing/IT qualifications.

21. The HEFCE consultation document states that STEM subjects (including Technology) are exempt from the ELQ policy. Although Computing is nominally a STEM subject, it is not included in any funding initiatives directed at STEM subjects, because it is considered as a strategic, but not a vulnerable subject. Under the current proposal, Strategically Important and Vulnerable Subjects (SIVS) are exempt, but this does not include Computing and IT departments, who will bear full impact of the funding shift in spite of the extensive need for re-skilling and up-skilling of graduates.

22. The HEFCE ELQ consultation states that STEM subjects are exempt, and SIVS status is appropriate if "level of provision falls short of demand from employers". This definition of a SIVS would be in line with recommendations of the Sainsbury report [17]. However, to date the substantial gap between supply of graduates and employer demand has not been taken into account when determining SIVS status in the case of Computing and IT. The implication for the ELQ policy would appear to be that in the UK economy, there is a gap between supply and demand to warrant support for students pursuing entire second degrees in veterinary sciences or languages (which are exempt), but not for adjusting the skills basis of the workforce to address the IT skills gap even for students taking a single CPD course.

23. CPHC believes the policy will widen the IT skills gap, and will affect the UK's ability to innovate and hence to compete globally. For these reasons, CPHC argues that a permanent exemption for Computing and IT is justified and in line with the intended effects of exemptions in addressing skills gaps in the UK workforce.

24. Again within the limitations of a temporary exemption based policy, CPHC welcomes the proposal to continue public funding for foundation degrees to ELQ students, because they are important qualifications that address employer needs. However, the same reasons as stated in the consultation document apply to other qualifications that are equally important in meeting employers needs, such as HNDs, HNCs and other vocationally oriented computing and IT qualifications and diplomas, and honours degrees with placements and work-related components, which CPHC argues should equally be exempt.

25. The proposed implementation makes provision for universities to bid for additional student numbers building on employer investment. However, the profile of the IT industry (paragraphs 9 and 14) shows there is limited scope for the direct funding of places. Furthermore, CPHC departments already have a strong relationship with employers, building on in-kind contributions and exchanges, as well as through direct funding. There is a regional dimension to employer contributions, for instance due to specialised clusters (such as games companies in Scotland, and media related applications in the South-East). It is therefore important that Universities have flexibility in articulating how the co-funded aspect of the employer contributions is constituted.

#### IMPACT ON GROUPS

26. The ELQ policy has detrimental effects on students holding professional qualifications and on women wishing to take up IT careers.

27. Those holding professional qualifications through non-publicly funded study routes should not be included in this policy. Those studying for such qualifications without having a degree first are often those who have left school early, and have later funded their own up-skilling or received employer support. If they choose to take a degree after such study, they will not be supported by the state, unlike those who follow a traditional route and study for an HE qualification first.

28. The ELQ policy will have a discriminatory effect on women wishing to qualify for employment in Computing and IT. Currently only 20% of IT sector workers are women [2]. The proportion of female UK students pursuing Computing/IT as their first degree on a full-time basis is the second lowest across all subjects (17.11% in 2006—only slightly better than Engineering and Technology [3]) and so for women, the proportion who take up a career in Computing/IT as graduates of another discipline will be higher than for men. This is reflected in the higher proportion of women who take up Computing and IT qualifications on a part-time basis (36.94%) [3]. Also, more women than men move to Computing/IT after a career break. Employers invest far less in women, whilst women are less able than men to fund their own training and professional development [18], which makes them more vulnerable than men to the ELQ policy. The proposed policy and exemptions would direct women to re-skilling into the health area (which is exempt), further undermining the supply of women into Computing and IT careers, and aggravating the gender imbalance in the IT sector. Effects on women returners in particular would be lessened if the ELQ policy was applied only to those with qualifications obtained less than five years ago.

#### IMPACT ON INNOVATION, R&D

29. A sustainable supply of skilled workers and access to high quality R&D are important to attract inward investment and support innovation [1]. The drop in undergraduate student numbers, and the high demand for Computing and IT graduates are affecting the supply of a healthy cohort of home postgraduate students. Currently, home students are not taking up postgraduate places [3] and at most half the postgraduate ICT student population are home students. This means the UK are training our competitors in the high level skills which are believed to represent the future market for UK industry [1, 2, 10]. This knowledge export positions overseas competitors favourably when attracting business through off-shoring, as they build up a substantial volume of expert knowledge, putting pressure on the UK's ability to add value. For instance, Indian companies are likely to be responsible for around 20% of the UK IT services market by revenues in 2020. Up to 40% of the UK IT services sector by revenue, and maybe as much as 60% by staff numbers, could be delivered offshore by 2020 [19].

30. CPHC concludes on the basis of the evidence available to it in the public domain, that the ELQ policy will widen the IT skills gap, and undermine the UK's capability for innovation through IT added value, and hence the UK's global competitiveness. The policy and its implementation plan are in direct contradiction to other government initiatives and policies, including the UK TI Marketing Strategy for ICT.

31. CPHC recommends that the policy should be abandoned, or that Computing and IT should be granted permanent exemption. At the very least, the policy should not apply to those who graduated more than five years ago.

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**Memorandum 62**
**Submission from GuildHE**

## EXECUTIVE SUMMARY

1. GuildHE broadly supports the policy proposal on ELQs, recognising the need to prioritise spending in a financially constrained environment. It is important to encourage more first time entrants into higher education and to support this through incentives for educational providers to respond to their needs through both subject provision and mode of study. In order to support those students who will be facing an increased financial burden, a national loan scheme or similar should be considered.

2. We support the public interest argument of protecting certain subject areas but would ask that the exemptions framework be reviewed to ensure that there is consistency across a range of policy initiatives, including those from outside of DIUS, particularly DCSF, DoH and DCMS.

3. We are also concerned that a consequence of the policy may be for foundation degree places to be filled by displaced ELQ students on financial grounds. Similarly, there are likely to be repercussions for postgraduate registrations if all taught postgraduate provision is considered as of an equivalent level.

4. Support for employer co-funded arrangements is welcomed but it should be noted that the ability of employers to contribute to collaborative arrangements varies considerably and an institution's capacity to benefit from these initiatives will very much depend upon their geographical location, regional priorities, current portfolio and institutional mission.

5. We would ask that consideration be given to delaying implementation for 12 months to enable institutions to properly assess the impact of the proposals and to plan appropriately, minimising instability within the sector. Similarly, we would argue that safety net funding should apply to all affected institutions with support for an extended period for those particularly impacted.

6. Differential impact on particular student groups is inevitable and future provision for mature and part-time students will be very important. In particular, the funding of part-time students needs to be adequate to support this mode of study. ASNs should be directed towards those institutions with genuine widening access initiatives as well as for employer co-funded courses and not just those who are likely to suffer the most under this policy. The Open University and Birkbeck College lead the field in provision for mature and part-time learners and should be in a good position to benefit from the redirection of funding.

## INTRODUCTION

1. GuildHE is one of the two recognised representative organisations within the higher education sector and the key advocate for the importance of institutional diversity. GuildHE is an inclusive body, with members across universities, university colleges and specialist institutions. Other key characteristics are briefly set out below:

- most member HEIs are smaller than the average university;
- they include major and world-class providers in art and design, music and the performing arts, agriculture, education and the health professions (for example, the specialist HEIs provide 28.8% of all Agricultural Sciences students, 21.3% of all Creative Arts students and 12.5% of all Education students);
- they embody communities of practice, with a clear commitment to high quality teaching enriched by research and knowledge exchange; and
- they make a particular contribution to local community capacity-building thus contributing to social and economic regeneration.

2. GuildHE welcomes the opportunity to contribute to the Innovation, Universities and Skills Committee's inquiry into the proposed withdrawal of funding for equivalent or lower level qualifications (ELQs). It should be noted that we have used the consultation period set by the Funding Council to raise issues and expect to work with colleagues at both HEFCE and the Department for Innovation, Universities and Skills to find appropriate solutions, as they respond to the points raised.

## ARGUMENTS FOR AND AGAINST THE GOVERNMENT'S DECISION TO PHASE OUT SUPPORT TO INSTITUTIONS FOR STUDENTS STUDYING ELQS

3. GuildHE broadly supports the decision on ELQs. We have a vision for higher education in which a sustainable, diverse and dynamic higher education sector plays a full part in the development of a well-educated and socially inclusive nation, enhances the UK's economic competitiveness, and fosters cultural engagement, knowledge creation and exchange in a global context.

4. We appreciate the scale of the CSR settlement and recognise that, in an environment of increasing competition for Government funding, it is necessary to prioritise spending in order to meet particular objectives. Given these constraints, we endorse the underlying position of the policy ie that those who have already received public funding to gain a particular level of qualification should not expect further support but rather should pay the full price of their studies themselves or via their employers. The redirection of the funds saved towards those who have not yet had a chance at gaining higher level skills will help the widening participation objectives of GuildHE members. Our HEIs are already successful in delivering to this group of students. We are confident that DIUS plans mean no reduction on the total funds being spent, rather a change in emphasis of who will benefit.

5. It is probable that fee levels in the region of £5k–£10k for ELQ students will result from this policy. Those studying for an ELQ are already largely ineligible for student support and are now likely to face an additional financial burden. The majority of those affected are unlikely to be able to afford the increased costs unless some form of financial support mechanism is put in place. The provision of a student loan facility to this group of students, perhaps sourced through the private sector but nationally managed, may help to alleviate this. Taking a positive interpretation, if places vacated by ELQ students are filled by those "First to go" students and a large proportion of ELQ students can find a way to fund themselves, in fact there will be more income to the HE sector.

6. The DIUS proposals support the objective of promoting employer engagement and co-funding. For these courses they place no greater burden on the ELQ participant than the first time qualifier. GuildHE recognises the argument that employers are currently spending a significant amount on training but are not spending it with higher education providers. The challenge to our members is to develop education in a demand led context. It is essential that employers are able to maintain confidence in the relationships that have already been built with the sector. Our concerns relate more fundamentally to the challenges of employer co-funding, not least because employers are not a homogenous group and their ability to contribute to collaborative arrangements varies considerably.

#### THE TIMING OF THE DECISION AND OF THE IMPLEMENTATION OF THE CHANGE

7. GuildHE recognises the importance of acting quickly to implement any changes and our members have not indicated any particular difficulty with the timescales. However, in order to protect the reputation of the sector, we suggest that consideration be given to delaying this for 12 months to allow time to plan appropriately and for further work to be carried out on the data management and impact assessment. There is also a question whether information given to students for admission in 2008 can be withdrawn or altered so significantly without falling foul of some legal challenge. Particularly for mature students, there may be a wider family impact.

8. The implementation of this policy will rely heavily on the gathering and monitoring of data and we are concerned that the data on which the assumptions are based is not sufficiently robust. It should also be noted that the definition of a student as an ELQ is dependent upon the accuracy of the data the student provides, when it is clearly not in their financial interest to do so, and there is no easy means of verification. HEIs potentially face a heavy additional burden in verification of previous qualifications and determining equivalence and this impact is worse for HEIs where students have studied overseas. There could also be a public interest argument that some workers from abroad are required to undertake further training as their existing qualifications do not enable them to practise fully in the UK. This is often more significant in the case of refugees and migrant workers.

9. It appears that all postgraduate taught provision is being regarded as at an equivalent level for the purposes of this policy when the reality is that students are often only prepared to commit to a certificate programme on the basis that they can then progress to a diploma and then a master's degree, particularly in the case of part-time students. These students would be classed as ELQs whereas those who register initially for the masters degree may follow the same path but would not be ELQs. Any solution needs to limit game playing.

#### THE EXEMPTIONS FROM THE WITHDRAWAL OF FUNDING PROPOSED BY THE HIGHER EDUCATION FUNDING COUNCIL FOR ENGLAND

10. In general terms GuildHE supports the list of exemptions within the proposals but offers the following comments on specific areas:

##### 11. *Teacher Training and Development*

We believe the exemptions should be extended to include all teacher training in order to support the aim of professionalising teaching staff at all levels of education; many of whom would be classed as ELQs. Excluding CPD qualifications would seem to run counter to DCSF policies such as the recent Children's Plan, 14–19 changes and the raising of the participation age, all of which have implications for post-professional development. There are also a number of HEFCE funded professional qualifications which underpin the development of integrated teaching and education support services.

##### 12. *Health Education*

12.1 We welcome the support for nursing and other health professions but believe that the exemption should also extend to other health care professionals training in those disciplines that are presently regulated by statute, which includes the chiropractic and osteopathy professions. This should ensure that they are in an equitable position that will attract the best quality entrants into our healthcare professions.

12.2 The inclusion of exemptions for medicine, dentistry, veterinary surgeons and other similar training where there is a quota and demand exceeds supply, may need to be revisited. It could be argued that an ELQ student on one of these courses is taking the place of a student entering higher education for the first time and in an area where the opportunities for widening participation students are already constrained due to the very high entry requirements.

### 13. *Creative Industries*

The emphasis on employer funding as the alternative source of finance is problematic for the creative industries where there are many SME's and concept of the "employer" is different to many other sectors and it will be important that this policy does not run counter to the work being done by DCMS to preserve and build upon excellence in this sector.

### 14. *Foundation Degrees*

14.1 The development of foundation degrees is a key element in the building of relationships between HEIs and business and industry to deliver more vocationally oriented training. Many of these relationships are still at an early stage and GuildHE welcomes the proposal to protect funding for these courses. These types of programmes are likely to become a core component of the upskilling/reskilling agenda and need to be supported if they are to succeed and become embedded in the higher education and training landscape. We hope that some of the funding released through this policy change may be directed towards ASNs for foundation degrees, especially in areas with high SME economic activity or in third sector environments where the capacity for employer co-funded development may be limited.

14.2 It is a concern that an unintended consequence of the exemption for foundation degrees may see displaced ELQ students filling up places on foundation degrees at the expense of widening participation students and other, more appropriate first-time entrants to higher education. It should also be noted that foundation degrees are not the only programmes that offer the skills demanded by employers and they will not always be the most appropriate choice for all students, particularly those returning to work after a career break or needing to retrain to accommodate changed circumstances. It would be unfortunate if the withdrawal of funding encouraged students to enrol on courses for primarily financial rather than educational reasons.

14.3 There will be a number of ELQ students currently working towards Foundation Degrees who were recruited on the basis that they would be able to progress to an honours degree that will find themselves without funding for the "top up" course as a consequence of these proposals. Consideration should be given to honouring the promises made to this group through exemption for those directly progressing at the end of their initial course.

### 15. *Strategically important and vulnerable subjects*

GuildHE welcomes the exemption for SIVS but acknowledges that a number of other subjects may also be at risk. In this context, we would ask that a clearer mechanism should be developed to ensure that over time new SIVS can be identified and supported and that those subjects that are successfully "rescued" are then treated equally with mainstream courses.

Similarly, it will also be important to protect new and emerging subjects and a mechanism is needed to ensure that these can also be identified and supported appropriately. Indeed it is likely that some prospective students for these subjects will be ELQs as these subjects were not on offer when they were studying first time around. Funding for new and emerging subjects could be provided through specialist premia for HEIs supporting certain subjects.

### THE IMPACT UPON STUDENTS, INCLUDING WHETHER THE CHANGE WILL AFFECT SOME GROUPS OF STUDENTS MORE THAN OTHERS

16. GuildHE is committed to the principle of opportunity for all. We accept that this policy change is likely to have a differential impact and that further work is necessary to understand how this will manifest itself and the steps needed to mitigate this where desirable.

17. The most obvious group to be affected is mature students who are wishing to change career direction, where current employers would have no reason to give them financial support. They may be those most likely to hold a previous award; however, unlike today's graduates, they may not have been expected to contribute to the cost of their initial award. The differential impact on these mature students creates an inevitable tension between the proposals and the priorities of lifelong learning.

18. We believe that the position for middle-aged and older people will only be partially offset by the current proposals for exemptions and targeted funding. To address these concerns, we propose that a time limit be set on the previous qualifications whereby, for the purposes of this policy, those that were obtained some time ago (say 15 or 20 years) would be disregarded. This would support the Leitch Skills agenda and recognise lifelong learning objectives, enabling the workforce to respond to a changing employment landscape.

19. Education is often used by elderly people and those with disabilities that prevent them from working as a means of keeping themselves mentally and socially active. The ELQ proposals could impact adversely on this group and have consequences for other policy areas eg additional burdens on health budgets. Consideration should be given to exempting these groups.

20. The proposed support for part-time students is welcomed by GuildHE, in line with its commitment to diversity and student-centred learning, but it is important that the amount reflects the potential impact of the policy change on part-time study. We hope that the relative costs of part-time versus full-time provision will be addressed in the forthcoming fees review. This mode of study is used to deliver most CPD and vocational training and provides a route of access to higher education for many widening participation students. Short courses enable many of these students to gain initial confidence in higher education. We believe that part-time study could be disproportionately affected and it is possible that some courses could be rendered unviable following the removal of funding for ELQ students if the income shortfall cannot be met through the application of higher fees.

THE IMPACT OF THE CHANGE UPON INSTITUTIONS, WITH PARTICULAR REFERENCE TO THE LONG-TERM IMPLICATIONS FOR SPECIALISED INSTITUTIONS SUCH AS THE OPEN UNIVERSITY AND BIRKBECK COLLEGE LONDON

21. Whilst most GuildHE HEIs appear not to be as seriously affected as those who have larger numbers of ELQ students, we recognise that this policy change will have a significant impact in some parts of the sector. Safety net funding will therefore be important in helping to maintain stability. In most cases, three years should be sufficient to allow HEIs to accommodate the market impact but, it may be that support for a fourth year and beyond will be necessary in some cases. This takes account of four year courses and deferred entry commitments. At the same time, in order to encourage HEIs to respond quickly and effectively to the new arrangements, any extension of transition arrangements should be applied only in exceptional circumstances.

22. The modelling included in the proposals shows that some HEIs are expected to continue without safety net funding and this will impact differently depending upon their size and capacity to benefit from additional ASNs. We would argue that the transitional support should have a lower cut off point and preferably be applied to all.

23. The ability and capacity of institutions to recover funding through ASNs will vary considerably and we would be concerned if the funding recovery process simply returned funding to those HEIs who had lost it and would rather it was used to support initiatives to recruit students from the harder to reach groups. If stability is to be achieved primarily through employer co-funded provision, this could have a particular impact on the smaller and specialist institutions who may not have the range of courses to enable them to benefit from these funding streams. This also applies to those whose employer community is largely public sector, particularly teaching and NHS.

24. We acknowledge that the Open University and Birkbeck College appear to be particularly affected but conversely they may also be best placed to benefit from the policy. Their mission and existing, flexible operating structures particularly in the areas of mature and part-time student education, where they are acknowledged as leading the field, are likely to be the focus of targeted initiatives. Whilst the objectives of lifelong learning are clearly important, the serial “hobby” learners (many of whom were fully funded and supported for their initial qualifications) should not benefit from public funding at the expense of those who have yet to access higher education.

*January 2008*

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**Memorandum 63**

**Submission from the British Psychological Society**

The British Psychological Society (the Society) welcomes the opportunity to contribute to the Committee’s inquiry into Funding for Equivalent or Lower Qualifications (ELQs).

The Society is the learned and professional body, incorporated by Royal Charter, for psychologists in the United Kingdom, has a total membership of over 45,000 and is a registered charity. The key Charter object of the Society is “to promote the advancement and diffusion of the knowledge of psychology pure and applied and especially to promote the efficiency and usefulness of members by setting up a high standard of professional education and knowledge”.

The Society is authorised under its Royal Charter to maintain the Register of Chartered Psychologists. It has a code of conduct and investigatory and disciplinary systems in place to consider complaints of professional misconduct relating to its members. The Society is an examining body granting certificates and diplomas in specialist areas of professional applied psychology. It also has in place quality assurance programmes for accrediting both undergraduate and postgraduate university degree courses.

## INTRODUCTION

The Society is strongly opposed to the general principle underlying the proposal to withdraw funding from ELQs. The opportunity to undertake retraining is an essential component of the concept of lifelong learning. Removing it would make the labour market inflexible and much less able to respond to the changing demands of the economy. This weakness in the proposals is partially recognised by the acceptance that there will have to be exemptions to the general removal of funding for ELQs.

## THE NEED FOR ADDITIONAL EXEMPTIONS

If the proposals are persisted with, then the Society is greatly concerned by the failure to consider exemptions for routes into careers in practising professional psychology. There are currently seven main areas of practising psychology: clinical psychology, counselling psychology, educational psychology, forensic psychology, health psychology, occupational psychology, or sport and exercise psychology. The largest of these routes is for clinical psychology, and other NHS-related psychology/mental health training. For the sake of brevity, we have concentrated on this particular route; however, similar cases could be made for the training routes into the other important areas of applied psychology. It is worth noting that all the above mentioned areas benefit substantially from the input of people who have had experience in other careers before coming into psychology, just the group who would be hardest hit by the removal of ELQ funding. The Society is therefore also particularly concerned about the lack of clarity in the proposals around the status of conversion awards, an important route for mature students into professional psychology, in relation to exemption. Finally, we raise briefly the need for a fully funded route for retraining those teaching psychology in schools with degrees in other areas.

### 1. *Clinical Psychology and Other NHS-related Psychology Training*

A strong case for additional exemption exists in relation to clinical and mental health training pathways; this would allow continuation of recruitment to such awards for students who have previously undertaken equivalent level qualifications, prior to embarking on psychology-related mental health training.

Many health professionals with existing degrees (eg in nursing) go on to study psychology at degree level in order to access postgraduate training in applied psychology. Frequently, entrants to Clinical Psychology doctoral programmes, some of which attract elements of HEFCE funding, already possess research doctorates; in addition, trained clinical psychologists must receive further training at equivalent level in order to qualify in Clinical Neuropsychology.

Given Department of Health developments around New Ways of Working and Continuous Professional Development, and its support for lateral transfer and re-skilling of the NHS working force in relation to mental health issues, there needs to be clarity that new courses designed to meet these needs (eg Graduate/Primary Mental Health Worker Certificates/Psychology Assistant and Associate Certificates and Diplomas/Certificates in Cognitive Behavioural Therapy) are exempt from ELQ withdrawal of funding, in order to encourage HEIs to take this forward. For example, the Minister of State for Health, the Rt Hon Alan Johnson announced in the Commons in October additional investment (£178 million) for Improving Access to Psychological Therapies which see the training of an additional 3,600 new psychological therapists. If the current proposals are implemented we believe they would seriously jeopardise the implementation of new, innovative and highly desirable initiative from the Department of Health.

We have interpreted the exemptions noted in Annex B, 2a of the proposals as not applying to the types of student referred to in the last paragraph, but suggest that consideration of recent NHS workforce training priorities must better inform policy exemptions in this area, for example by extending the exemption to students who are already healthcare professionals, as well as those studying on courses providing the primary training for healthcare professionals. Similarly we understand that these student categories do not fit current interpretations of an SIVS, despite the significant emphasis given to the teaching of quantitative research methods in psychology. With this in mind, we urge the reconsideration of SIVS priorities hinted at in Point 33 of the proposals.

### 2. *Conversion awards*

Communication with HE departments of psychology suggests there is considerable confusion about the status of conversion awards in psychology in relation to these proposals. We understand that Graduate Diplomas in Psychology are categorised as PGT by HESA, on the basis that students normally require a first degree on admission, regardless of the fact that many such awards are offered at the same level ie the defining as PGT is not determined by the level of the modules studied. This needs to be made explicit within the ELQ policy guidelines to institutions, but does not entirely resolve difficulties created by the proposals in this area, as presumably Masters degrees might then be classed as ELQs for those who had taken a conversion award? A general and related point to emerge here is the observation that the current system for recording entry qualifications for those with postgraduate qualifications (eg in HESA returns) is very crude by comparison with other levels of qualification, leading to an inability to reflect the growing differentiation of levels of PG award in the sector.

On this basis, we offer the argument below to support the case for treating conversion awards as an additional exemption:

Successful achievement of a conversion award, most typically a Graduate Diploma in Psychology, but also the Society's own Qualifying Examination, is a route to obtaining the Graduate Basis for Registration (GBR) which is followed by significant numbers of students each year—students who have a first degree in a different discipline, but who require GBR in order to pursue a career in professional psychology via postgraduate training. The award's popularity is attested to by the fact that 41 such programmes are currently accredited by the Society, with at least a further seven planned for 2007–08. The award's "efficiency" is reflected in its "fast-track" nature (typically one year's full-time study for those with the equivalent of half a year's study of psychology at degree level). Its vocational relevance is its primary *raison d'être*. It attracts highly competent and motivated students, who already make large personal sacrifices in terms of time and finance because they anticipate a more fulfilling career following graduation. Typically conversion award graduates achieve high retention rates and grades, continue into professional training, and make significant contributions to society and the UK economy.

A reduction in this category of student would be a great loss to the practice and profession of psychology, particularly at a time when other Government initiatives are supporting the expansion of trained mental health therapists (see above). Referring specifically to Point 22 of the proposals, we would argue that exempting students on conversion awards would be in line with the general approach proposed to exemptions, in that it is consistent with "the Government's intention to prioritise students progressing to a higher qualification"—such students would be debarred from progressing to a higher qualification if they could not complete a conversion award. There is also little doubt that fees for such awards would have to increase significantly, if they were to remain viable without HEFCE funding, leading to other discriminatory influences with respect to those who would be able to afford to attend.

### 3. *Retraining those teaching psychology in schools with degrees in other areas*

Psychology is now the third most popular A level subject in Britain, and the most popular science A level. It is a particularly important route into science for girls who, unusually for science, make up a substantial majority of the students. This rapid expansion has meant that it is commonly taught by staff with degrees in other areas, often in non-science disciplines. There is therefore an important need for facilitating the retraining of staff particularly through part-time degrees. The removal of ELQ would hit this group particularly hard.

#### PART-TIME STUDENTS

The Society agrees with the view accepted in the proposals that there is likely to be a differentially-marked impact (we believe this will be a discriminatory impact) on the withdrawal of funding for ELQ's for part-time students. We agree this needs to be addressed, but we are less certain that the supplement proposed will be adequate compensation.

We are concerned that a policy which creates a negative differential impact on part-time students in psychology also creates a negative differential impact on women and mature students since psychology is a very strong recruiter of these two groups. Psychology is also particularly vulnerable in terms of absolute numbers of students penalised, because of its large student body. It is a subject that many turn to later in life after pursuing other careers; again this trend increases the likelihood that the policy will impact differentially on psychology students. The long term impact of individuals remaining in employment which does not satisfy them is likely to be a workforce with lower motivation, effectiveness and efficiency.

It is ironic that the principle target of this initiative is the part-time sector, on which the Government is relying for return to work schemes, widening participation and employer engagement.

#### SUMMARY

In this submission the Society has expressed its serious concerns regarding the proposed withdrawal of funding outlined by Government, presenting clear case scenarios of how such a measure could impact on the professional future of those individuals pursuing a career in psychology. The Society firmly believes that psychology and the other science subjects should be exempted from such proposals, enabling those individuals wishing to change direction and to become psychologists, especially through conversion courses and postgraduate courses, to do so. This approach would support current widespread flexible work force notions, and truly reflect the nature of our modern world.

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## Memorandum 64

### Submission from the TUC

#### EQUIVALENT OR LOWER QUALIFICATIONS

I am writing to raise some concerns over the decision by government to withdraw funding from HE students who are studying for a qualification which is equivalent to, or at a lower level than, their existing HE qualification. I understand that funding is to be withdrawn, subject to certain exemptions, from 2008–09. This will hit some HE institutions, notably the Open University, particularly hard. It is argued that this will save some £100 million which can be reallocated towards priority HE students such as those entering HE for the first time; that in many cases employers should support ELQ students; that this policy is consistent with the similar approach towards not funding repeat qualifications at FE level; and that when funding is limited hard decisions must be made. I understand those arguments. However I would urge that this policy be reconsidered.

While it is right in principle that a similar approach should be adopted towards repeat funding in HE and FE, there are, for example, exceptions in the case of repeat Level 2 funding where a learner is unemployed or on a low-income, where they may be entitled to funding, or qualify for reduced fees, even if they already possess Level 2 qualifications.

Again, the principle that employers should pay, where appropriate, is one the TUC would support but there are considerable difficulties in applying that principle here. For example it is unclear that many ELQ students would necessarily be able to seek support from their employer. Many may be studying in order to achieve an employment or career change, rather than to enhance their skills with their current employer. Only 17% of OU students currently receive any financial help from their employer.

The general policy that funding for repeat qualifications may need to be limited when there are higher priorities, such as widening participation, is understandable but needs to be applied very sensitively and will necessarily vary according to the context. HE qualifications which are technical or highly vocational may well become outdated more quickly than other more general lower level qualifications. There may also be an impact on other priority groups if a reduction in PT HE students feeds through to a reduction in adult HE participation more generally. The saving of £100 million is a very small proportion of the total £7.1 billion HE funding but will hit part time HE students particularly hard. HEFCE modelling suggest that 20% of PT students will become unfunded as opposed to only 2% of FT students.

While there are some exemptions and some transitional safety net measures have been put in place for the OU, these too may need reconsideration. The exemptions covering teachers, nurses, social workers, foundation degrees and provision co-funded with employers will affect only 5% of OU students. The OU estimate that their estimated 25% drop in student intake and 19% drop in funding will be the most radical cut suffered by any university since the early 80's. Replacing 29,000 ELQ students by, for example, recruiting access and foundation degree students will be a major challenge.

HE fees and funding are of course to be reviewed in 2009/10 and there may well be merit in the suggestion that this funding change, or at least the PT element of this change, be deferred until then.

*January 2008*

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## Memorandum 65

### Submission from the Universities Association for Lifelong Learning

1. The Universities Association for Lifelong Learning has grave concerns not only about the underlying assumptions of the ELQs policy but also about the unintended consequences resulting from its introduction. The agenda underlying the policy, to provide for those who have not yet had the benefit of higher education study, is laudable in itself, but the proposals for implementation will impede this aim. (paragraphs 10–14)

2. The policy fails to recognise the “shelf life” or obsolescence of qualifications and the rapid changes in skills needed in an information age, depriving second time learners of opportunities to re-skill at a time when 70% of the 2020 workforce is already in employment. It is a policy which will apply to a diverse range of HE provision, including short training courses, not only second degrees. (12, 15, 28)

3. It appears to attack the long-established concept of public services provision on the basis of need, and introduces the concept of one-chance-only in relation to a crucial public good. If the policy is to limit public funding entitlement to same level HE experience then any reduction in funding should be focused on full-time study. That is where the bulk of the existing subsidy is made, through grants, loans, and funded places. (24)

4. The cost of funding a further 20,000 first degree students, will be the denial of funding for up to 200,000, mainly part-time, students, who are re-skilling or updating their qualifications in order to benefit both themselves, their families, and the economy.<sup>55</sup> (25–27)

5. Those universities which are working most effectively to implement Government agendas of lifelong learning and skills for employment will be among those most badly hit by these proposals. In practice, provision of this type attracts a mix of first time entrants and those who have already benefited from higher education, and that mix has educational benefits for the students, creates a critical mass for the programmes, and provides financial viability. (13–15, 28–29)

6. It will disproportionately increase bureaucracy. There would be administratively simpler, fairer and a more effective way to save £100 million if a simple across-the-board efficiency gain was applied to the whole of the HE sector. This would ensure that those universities which are trying to respond to Government agendas will not be disproportionately hit and would ensure that all universities will thereby contribute to the up-skilling agenda. (30–31)

7. It will be perverse in its application:

- EU students will benefit but UK ones will not.
- Wales, Scotland and Northern Ireland will not be affected but England will, increasing further the existing disparities for HE support between constituencies of the UK. (16)

8. UALL strongly recommends that the policy is: (para. 32)

- deferred until the 2009 Fees Commission review, or until the Select Committee reports;
- only applied to those whose qualifications are of less than five years standing;
- applied to same level full-time study only, and exempts part-time study; and
- funded by an across-the board HE sector efficiency gain.

## INTRODUCTION

9. The Universities Association for Lifelong Learning is a long-established organisation, dating from the early 1950s, representing academic and administrative staff who work with part-time and mature students in higher education, in over a hundred universities in the UK. The organisation has professional networks which include, *inter alia*, continuing professional development for managers, and work-based learning. Its members are opposed to the proposed policy on ELQs, as it currently stands, believing it to be flawed and restrictive, both in concept and in practical implementation.

## THE ARGUMENTS FOR AND AGAINST THE GOVERNMENT'S DECISION TO PHASE OUT SUPPORT TO INSTITUTIONS FOR STUDENTS STUDYING ELQs

10. The impact of the policy, and the unintended consequences that follow from it, fly in the face of Government policies on employability, social cohesion and civic engagement, and, most damagingly for institutions and individuals alike, the widening participation agenda. In contrast to the ELQ policy, the Prime Minister stated that the starkest challenge is to provide “not one chance but second, third, fourth and lifelong chances” in a society that places “the highest possible cultural value upon learning”.

11. Removing funding from those undertaking ELQ courses is not the solution: it will damage initiatives to improve the country's level of vocational skills, economic regeneration, and the general health and well-being of the population.

12. The policy falls into the trap of addressing up-skilling needs whilst failing to recognize the importance of re-skilling in a dynamic economy. It assumes first time learning is sufficient for life. The ELQ policy fails to recognise the “shelf life” or obsolescence of qualifications and the rapid changes in skills needed in the information age, and will deprive many second time learners of opportunities needed to re-skill at a time when 70% of the 2020 workforce is already in employment.

13. Allowing, as an exception to the ruling, those courses carrying employer co-funding is likely to have limited applicability. Employer contributions to co-funding level 3 students may work well in regions of the UK where large corporate or industrial bodies are willing, and can afford, to contribute funding to employees' education. It will not work in areas where there is a dearth of such employers, and the SMEs and micro-businesses operating in economically disadvantaged regions cannot afford contributions either in funding or in time.

14. The proposal fails to recognise the reality of people's lives in a rapidly-changing economic/ technological world. Given the diversity of motivations and circumstances under which people choose to take a second qualification, any damage done to the re-skilling and continuing professional development

<sup>55</sup> estimate based on UUK figures for 2005–06 showing the 108% increase over the previous decade of the numbers of PT students in HE as opposed to the 27% increase in FT students.

will be difficult to gauge in advance: it is likely only to become apparent some years down the line when we discover shortages in skilled personnel. Furthermore the attempt to mitigate the worst effects of the policy solely through exemptions is likely to create anomalies within a changing economy.

15. It is both commonplace and entirely proper to gain an equivalent or lower qualification. For example:

- Mid-career graduates will need, and indeed should be encouraged, to undertake intensive updating courses.
- Higher skills shortages often have to be addressed through conversion courses/programmes to enable movement into industries, eg chemical process industries, and commerce.
- Many adults are graduates seeking to re-skill themselves for a career change.
- Large numbers of retired students in University lifelong learning centres are graduates. After a lifetime of work, and paying taxes, they can seize the chance to pursue study for personal interest, but there are significant economic and community too. They will be healthier, and less likely to be a burden on health or social services budgets, more likely to work voluntarily for the public good, and to be a positive influence on younger family members' attitudes to education.

16. It should be noted that this proposal will not apply to adults in Scotland, Wales, or Northern Ireland, thereby creating further higher education inequalities between the nations which make up the United Kingdom.

#### THE TIMING OF THE DECISION

17. The Fees Commission review will scrutinise funding for HE students next year (2009). Could not this policy be deferred and included within the purview of that review? It would allow more time to appraise the likely impact of the policy and place it in the context of the totality of future funding arrangements.

18. At the very least could not the introduction of the policy be deferred until the report of the Select Committee, which could be asked to produce its deliberations as a matter of urgency?

#### THE TIMING OF THE IMPLEMENTATION OF THE CHANGE

19. The policy is being introduced as a "*fait accompli*" and the consultation relates only to its implementation. The speed with which the policy will be implemented—from Autumn 2008—means that Universities are unable to plan for it with due care. Institutions still await definitive advice as to which students will be penalized by the policy but will be expected to implement the proposal shortly.

20. The speed with which the proposal is to be implemented will cause problems for universities. The volume of employer co-funded and foundation degree programmes, which will be needed to make up for the shortfall in funding, cannot be introduced at a speed which will correlate with the timing of the introduction of this policy.

#### THE EXEMPTIONS FROM THE WITHDRAWAL OF FUNDING PROPOSED BY THE HIGHER EDUCATION FUNDING COUNCIL FOR ENGLAND

21. Statistical analysis of which academic/discipline fields will be hit show a variation between universities, but some training fields which have currently been identified are:

- some professions allied to medicine, eg pharmacy;
- business education;
- teacher training for those entering post 18 teaching;
- IT and computing;
- public sector fields, eg police force, and social work training;
- professional retraining; and
- culture and creative sector, vital for regional economic regeneration.

22. While we entirely support the notion of co-funding by employers we know that in some skill sectors and occupational fields, and some geographical areas of the country, this culture change will take time. For some areas with few large corporate employers, and many more SMEs and micro-businesses it will be difficult to generate co-funding for programmes. The voluntary and public sector will have difficulty in co-funding without additional training budgets.

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THE IMPACT UPON STUDENTS, INCLUDING WHETHER THE CHANGE WILL AFFECT SOME GROUPS OF STUDENTS MORE THAN OTHERS

23. No impact analysis of the policy appears to have been taken, although HEFCE have acknowledged that part-time students will be disproportionately affected.

24. However, the effect of the introduction of the ELQs ruling will mean that a third funding strike, or triple whammy, will disproportionately harm part-time students. Of the three areas of financial support for students—loans for fees, direct financial support, and funding—part-time students are already disadvantaged by the first two.

- (i) When the new loan support system for HE students was introduced this was restricted to full-time students only. While the government did recently introduce the welcome provision of some support for those part-timers studying 50% of a full time course, this did not affect the majority of part-time HE students.
- (ii) With the introduction of top-up fees, the fee levels for part-time students, though unregulated, inevitably have risen towards pro-rata against full-time fees, with the result that part-timers had to pay large fee increases but without access to the degree of financial support available to full-timers.
- (iii) HEFCE funding for programmes was the one leg of financial support for students which did not discriminate against part-time or lifelong learning students. With the introduction of the ELQs ruling, such funding will be removed for ELQs students, the majority of whom will be part-time.

This policy threatens 20% of part-time study compared with 2% of full-time study, but the former is the route which Leitch recognizes will spearhead growth in skills in the workforce by the 2020 target date.

25. Continuing Education departments within the pre-92 HEIs, both Russell Group and civics, and analogous units within the post-92 new universities are citing figures which indicate that anything from 25—75% of their student populations will be hit by the ELQs ruling.

26. Case studies of students from our member HEIs are already demonstrating that the following groups will be disproportionately disadvantaged:

- women returning to employment, having brought up children after graduating many years before. In a number of our member HEIs the percentage of female students who would be hit by the ELQs ruling ranges from 58–65%;
- learners in small or rural communities where the choice of provision is limited;
- the disabled;
- all those wishing to update the currency of their skills training and knowledge of developments in their vocational fields;
- older learners wishing to keep active, healthy and be contributors to their communities; and
- carers returning to the employment market;

all these stand to lose disproportionately from these proposals.

27. The potential damage to these and other cohorts of learners, and to universities and colleges providing for them, poses a very serious threat. The following examples are illustrative of the type of students who would no longer be funded to undertake HE level study, with obvious consequences for the individuals, their families and the economy.

- (i) Susan, age 39, currently unemployed single parent with two children:
  - gained a BA degree in English at 21;
  - wants to rejoin the labour market now the children are both at school;
  - wishes to study a vocational BA programme part-time at her local University.
  - **ELQ—Cannot be funded by HEFCE**
- (ii) Ian, age 51, currently working in the private sector:
  - gained a MSC in Business Management aged 35;
  - wants to “change direction” and “put something back” into the community;
  - wishes to retrain as a youth worker to work with disaffected Muslim youths.
  - **ELQ—Cannot be funded by HEFCE**
- (iii) Rita, age 47, long-term unemployed due to disability sustained in the workplace; and currently volunteering in a local voluntary organization:
  - gained a BA through the OU in her 30s;
  - would like a qualification in community development, with the aim of paid employment using the skills and knowledge gained through volunteering;
  - wishes to study for a BA in community development.
  - **ELQ—Cannot be funded by HEFCE**

- (iv) Mary, age 44, currently working in Tesco on the checkout, with a history of mental health difficulties resulting in a much disrupted experience of employment:
- gained a BA in History aged 21;
  - wants a vocational qualification in business studies to improve her employment prospects and to encourage her children to see “you don’t have to end up in Tesco’s”;
  - her employer is not interested in financing her study as she clearly wishes to improve her opportunities to leave the company.
  - **ELQ—Cannot be funded by HEFCE**
- (v) Fred, age 52, made redundant and finding it impossible to gain employment in an industry that no longer needs his skills; has lost confidence and motivation:
- gained an HND in electrical engineering aged 20;
  - wants to reskill in ICT;
  - wishes to study for a degree in computer technologies and artificial intelligence.
  - **ELQ—Cannot be funded by HEFCE**

#### THE IMPACT OF THE CHANGE UPON INSTITUTIONS

28. It is clear that those institutions which have enthusiastically embraced the Government’s agendas of lifelong learning and higher skills for employment will be among those most badly hit by this proposal, and that the provision of such opportunities will be undermined. In practice, provision of this type attracts a mix of first time entrants and those who have already benefited from higher education. If some students can no longer be funded for this provision then demand will be adversely affected and some courses will have to close because of a dearth of a critical mass of students for that course. For example, a course normally enrolling fifteen students will not run if six are unfunded owing to ELQ changes, however deserving the remaining nine learners may be. The resulting major reduction in provision will seriously damage the infrastructure necessary to a lifelong learning culture, and in particular, to part-time students. It carries too many risks both to the economic regeneration of the country and to the general well-being of the adult population.

29. While the proposals for planned allocations for part-time study are to be welcomed, the proposed re-allocation of £20 million is unlikely to be sufficient to compensate for the withdrawal of funding.

30. The practical implementation of this policy will create a major bureaucratic burden which would negate many of the benefits of reduced regulation achieved in recent years, as promoted by the Higher Education Regulations Review Group (HERRG). There will be a need to undertake further checks on the qualifications of students, beyond what is currently needed for admissions purposes, and to ensure that they are correctly interpreted and accurately recorded. In particular, we believe that:

- non-disclosure of qualifications will become a significant issue. If students choose not to disclose their previous qualification levels universities currently have no way of making them do so. institutions will need good practice guidance as to how far they are expected to probe an applicant’s entry qualifications; and
- institutions will need access to a central database of current and past qualifications and their equivalences, including European as well as UK qualifications, to enable the policy to be implemented equitably;

31. In order to raise the funding for the Government’s up-skilling agenda, it would be an administratively simpler, fairer and more effective way to save £100 million if a simple across-the-board efficiency gain was applied to the whole of the HE sector.

#### THE RECOMMENDATIONS FOR CHANGES WE WOULD WISH DIUS AND HEFCE TO INTRODUCE TO THE POLICY

32. UALL would urge the Select Committee to recommend that the policy is:
- deferred until the 2009 Fees Commission review, or at least until the Select Committee has reported on its inquiries;
  - only applied to people who are graduates of less than five years standing. It should be confined to those whose qualifications were awarded less than five years previously. After that period beyond graduation, people should be entitled to a supported PT place in HE;
  - applied to same level full-time study only, and exempts part-time study. If the policy is to limit public funding entitlement to one HE experience then this should be focused on FT. That is where the bulk of the subsidy is made, through grants, loans, funded places; and

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- funded by an across-the board HE sector efficiency gain. It disproportionately affects those universities which are succeeding in engaging employers, particularly through part-time provision. Ensure that all universities will contribute to the up-skilling of those students identified by Government.

January 2008

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## Memorandum 66

### Submission from the British Ecological Society

#### INTRODUCTION TO THE BRITISH ECOLOGICAL SOCIETY

1. The British Ecological Society is the learned society for ecology in the UK. Founded in 1913 and with over 4,000 members, the British Ecological Society supports ecologists and promotes ecology, the study of living things and their relationship with the environment in which they live.

2. The British Ecological Society is actively involved in the promotion of education in ecology at all academic levels, from primary school to postgraduate. The grant and bursary schemes which the Society runs encourage everything from field work in schools, with awards made to teachers to encourage outdoor education, to support for postdoctoral projects and public engagement with research.

3. This response is strongly supported by the Institute of Biology, the professional body for UK biologists. The Institute was founded in 1950, obtained a Royal Charter in 1979, and is a registered charity. The Institute has 14,000 members across industry, research, education and healthcare, amongst other areas. The British Ecological Society is a member of the Institute's Affiliated Societies Forum.

#### EXECUTIVE SUMMARY

4. The British Ecological Society and Institute of Biology are disappointed to see that ecology, along with its allied subjects, is not included within the list of Strategically Important and Vulnerable Subjects (SIVS) receiving a targeted allocation under proposals to remove HEFCE funding from ELQs.

5. Ecology and its allied subjects produce graduates with a thorough understanding of natural processes. The understanding of ecosystem function and the interactions between organisms, including humans, and their environment, is crucial to understanding the challenges posed by environmental change.

6. Ecology provides a holistic understanding of the natural world, which cannot be garnered from any other single subject allied to environmental science currently listed as a SIV by HEFCE.

7. Ecology should be considered as a strategically important subject in its own right and thus should be exempt from the proposed funding changes.

#### COMMENTS

##### *Ecology as a Strategically Important and Vulnerable Subject*

8. The British Ecological Society (BES) and Institute of Biology (IoB) are disappointed to see that ecology, along with its allied subjects, is not included within the list of Strategically Important and Vulnerable Subjects (SIVS) receiving a targeted allocation under proposals to remove HEFCE funding from ELQs.<sup>56</sup>

9. Although Environmental Biology (JACS Code—C150) and Mycology (C220) appear on the list of SIVS, Ecology (C180) is not considered as a SIV subject. Biology (C100) is also not considered as strategically important under these proposals.

10. The HEFCE Advisory Group on Strategically Important and Vulnerable Subjects<sup>57</sup> defined a subject as Strategically Important if it could meet the following two criteria:

- (a) Does the subject currently provide vital research and/or graduates with recognisably specialist knowledge, skills or competencies to the economy and to society?
- (b) Is there a substantiated prediction that vital research and/or graduates with recognisably specialist skills or knowledge will be required by the economy, society or Government in future?

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<sup>56</sup> Explanatory notes on the modelling of the withdrawal of funding for equivalent or lower qualifications. [http://www.hefce.ac.uk/pubs/hefce/2007/07\\_27/07\\_27t.pdf](http://www.hefce.ac.uk/pubs/hefce/2007/07_27/07_27t.pdf). Accessed 11 January 2008.

<sup>57</sup> Strategically important and vulnerable subjects. Final report of the advisory group. HEFCE, 2005.

11. The BES would argue that, now more than ever, a scientifically and environmentally aware population is vital to ensure that the UK can respond effectively to environmental change. A degree in ecology produces individuals possessing the specialist skills and knowledge needed to identify changes to natural processes. Ecologists are, and will continue to be, crucial to the identification of measures to mitigate and adapt to climate change.

12. Ecologists' ability to identify organisms is vital to an examination of the Earth's biodiversity, both absolute and genetic, and to making informed conservation decisions. An understanding of biodiversity can better allow an understanding of ecosystem function, and so of the services which ecosystems provide for human beings.<sup>58</sup> An understanding of systematics and taxonomy is crucial to the identification of species, and so to levels of biodiversity. None of the subjects defined as strategically important or vulnerable by HEFCE would provide such a grounding.

13. The BES would like to draw the attention of the Select Committee to the inquiry launched by the House of Lords Science and Technology Committee in December 2007 into the state of systematics and taxonomy research.<sup>59</sup> The BES suggests that the Select Committee examine the results of this inquiry when available to inform decisions on the importance of ecological training. This has a crucial role to play in the development of these core skills.

14. Ecologists receive unique training as holistic and systems thinkers in managing environmental change. An ability to manage complexity across a broad field is a key attribute of a trained ecologist. Such skills can be transferred effectively to broader policy making, which, in Government in particular, requires a multi-disciplinary understanding of environmental issues. Their expertise ultimately impacts on the policies adopted by society and so on the economy.<sup>60</sup>

15. DEFRA has recently launched a policy initiative aiming to embed a holistic approach to environmental decision-making across Government, the "ecosystems approach".<sup>61</sup> An assessment of the environmental costs and benefits of different policy options inherent in this approach and essential to meet DEFRA's objective to "secure a healthy natural environment", would not be possible without the expertise of trained ecologists, both carrying out research on ecosystem structure and function and providing input at the policy level.

16. Ecologists also have a key role to play in teaching the next generation, at initial, further and higher levels, to understand and respect their environment. Building environmental awareness and fostering behavioural change is crucial at a time when dangerous climate change poses a real threat to living conditions.

17. Ecologists' holistic knowledge and understanding of the environment, across the range of spheres in which this can be applied, from frontline research, to policy to educating others, is vital to a society facing unprecedented global warming and its consequent effects on water security, food availability and flood defences.

18. The BES would therefore argue that ecology meets the criteria of a strategically important subject as laid out by the HEFCE Advisory Group and should thus be exempt from the funding changes proposed.

### *Recruitment into ecology careers*

19. There are many reasons why an individual with an initial degree may choose to pursue an undergraduate course in ecology, from re-skilling and reacquainting themselves with current research in the area, to fulfilling a long standing ambition or re-training to change career. The BES supports life-long learning for all and believes that those wishing to study ecology should not be discouraged, no matter when in life this decision is taken.

20. The University of London Careers Group suggests that mature students have additional skills to offer employers, compared to those following a first degree course. Their greater experience of organisations and jobs, coupled with motivation to learn something new later in life, adds to their employability.<sup>62</sup> Such students, with a real interest and enthusiasm for the discipline, are welcome in ecology.

21. Figures from the Open University (OU) suggest that many of those students taking two degrees, BSc (Honours) in Geosciences and BSc (Honours) in Natural Sciences, both of which contain environmental courses, anticipate this experience leading to a change in career, to further professional training or study

<sup>58</sup> Ecosystem Services. Postnote, number 281. Parliamentary Office of Science and Technology, March 2007. <http://www.parliament.uk/documents/upload/postpn281.pdf>. Accessed 11 January 2008.

<sup>59</sup> House of Lords Science and Technology Select Committee: The state of systematics and taxonomy research. [http://www.parliament.uk/parliamentary\\_committees/lords\\_s\\_t\\_select/systematics.cfm](http://www.parliament.uk/parliamentary_committees/lords_s_t_select/systematics.cfm). Accessed 8 January 2008.

<sup>60</sup> See reference 3.

<sup>61</sup> Securing a healthy natural environment: An action plan for embedding an ecosystems approach. Department for Environment, Food and Rural Affairs. December 2007.

<sup>62</sup> Online Publication: Mature Students. University of London Careers Group, [http://www.careers.lon.ac.uk/files/word/CEP\\_MatureStudents.doc](http://www.careers.lon.ac.uk/files/word/CEP_MatureStudents.doc). Accessed 4 January 2008.

within the three years following their graduation. Of graduates from the BSc in Natural Sciences, 50% of those responding to an OU questionnaire stated that they hoped to move on to additional study or training in the subject area. 30% of respondees hoped to move on to a new occupation as a result of the course.<sup>63</sup>

22. The Open University report that, had the proposed funding changes been in place in 2007, 35% of those students who recently passed a particular Open University course, “The Environmental Web”, a component of the two degrees referenced above, would have been adversely affected.<sup>64</sup> This course covers the whole of environmental issues, from climate change to biodiversity.

### *Equality and Diversity*

23. 25% of all of the students registered for ecology courses at the Open University possess an ELQ and so would be negatively affected by changes to funding provision. 44% of these students are women.<sup>65</sup> The European Commission reported in 2006 that although 40% of PhD students in the natural sciences are women, this decreases to only 11.3% at higher academic levels, in professorial, research director and other senior roles.<sup>66</sup> Women should be encouraged to further develop their careers in science, engineering and technology (SET), at all stages, not dissuaded from returning to the sector due to the barrier of higher fees, a consequence of the proposed ELQ policy.

24. Courses for women returning to SET occupations, such as that run at the Open University, in conjunction with the UK Resource Centre for Women in SET, will be seriously compromised by the proposed changes to ELQ funding. The course acts to build women’s confidence and to put them in touch with role models, mentors and resources which could help them to further their careers.<sup>67</sup> Such courses are invaluable in fostering diversity within SET, recognised by the Government as contributing to the economic competitiveness of the UK.<sup>68</sup> Over 500 women have completed the course, 150 of whom have moved into employment, training or further study.<sup>69</sup>

25. Both the BES and IoB strongly urge the inclusion of pre-emptive measures to protect the Open University and Birkbeck College, University of London, from any adverse consequences of the proposed changes. Full cost fees for environmental courses at the Open University and Birkbeck would seriously damage recruitment, and so damage the plurality of provision of environmental education currently enjoyed in the UK.

### OPENNESS

26. The British Ecological Society is pleased for this response to be made publicly available and will be publishing it on our website: [www.britishecologicalsociety.org](http://www.britishecologicalsociety.org).

January 2008

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## Memorandum 67

### Submission from the Institute of Physics<sup>70</sup>

#### KEY RECOMMENDATIONS

The proposed support for strategically important subjects, including physics, is insufficient and lacks coherence with other government policies. The government should make it clear to HEFCE that a full and permanent exemption is required for all learners in these subjects.

The proposed funding withdrawal will have a disproportionate impact on the Open University (OU), which is the only UK institution offering specialist part time, distance learning physics. Further, the proposed support for strategically important subjects cannot be applied effectively to the OU, due to its unique system where students do not register for a degree programme at the start of their studies.

<sup>63</sup> IET Student Statistics Team. Open University, November 2006.

<sup>64</sup> Communication from Jonathan Silvertown, Professor of Ecology at the Open University, to the British Ecological Society, December 2008. Available upon request.

<sup>65</sup> ELQ Data, England & Northern Ireland, HESA 2006–07 (Student Instance Registrations).

<sup>66</sup> M Wutte. Closing the Gender Gap. Nature 44, 101–102, July 2007.

<sup>67</sup> Science, engineering and technology: a course for women returners. Open University. <http://www3.open.ac.uk/courses/bin/p12.dll?C02T160>. Accessed 10 January 2008.

<sup>68</sup> Science and Innovation Investment Framework 2004–2014. HM Treasury, July 2004.

<sup>69</sup> Science and Innovation Investment Framework 2004–2014: Annual Report 2007. HM Treasury and Department for Innovation, Universities and Skills, July 2007.

<sup>70</sup> The Institute of Physics is a scientific membership organisation devoted to increasing the understanding and application of physics. It has an extensive worldwide membership and is a leading communicator of physics with all audiences from specialists through government to the general public. Its publishing company, IOP Publishing, is a world leader in scientific publishing and the electronic dissemination of physics.

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## INTRODUCTION

1. The IOP is concerned at the government's proposal to withdraw funding for the majority of students in England and Northern Ireland who are studying for equivalent or lower qualifications (ELQs). We oppose the proposal for the negative impact it will have on a range of individuals, higher education institutions (HEIs) and employers. ELQ learners represent a relatively small part of the student cohort, and are already exempt from receiving statutory student financial support for their course fees and living expenses, regardless of their household income. The stated aim of the withdrawal is to raise skills and widen participation in HE, but it is difficult to see how the financial saving, amounting to 0.2% of HE funding, will actually open up new opportunities or encourage more non-ELQ learners or first-time entrants to HE.

2. There may be an argument for charging leisure learners the full cost for their education, but it is not clear that targeting those studying for an ELQ will achieve this, as there is no evidence to suggest that the majority of ELQ learners do not make use of their degrees. A better fit to the category of "leisure learners" might be found by considering programmes of study rather than individual student circumstances. Many studies have looked at the issue of "over-qualification" of graduates. For example, one study found that 23% of the 1997 graduate cohort was in jobs for which they are over-qualified, compared to only 21% of natural science graduates and 14% of mathematics and computing graduates.<sup>71</sup> Arguments have been made elsewhere for exempting programmes recognised by professional bodies from the funding withdrawal, where that body determines to some extent the course content or level. This may be a valid improvement to the current proposals, and would apply to IOP Accredited undergraduate degrees.<sup>72</sup>

3. Birkbeck University is also advocating an alternative approach to target "leisure learners" more effectively: exempting from the funding withdrawal those students returning to study an ELQ five years or more after their original qualification. This does not entirely make sense, since the earlier in an individual's career a qualification is taken, the greater potential use can be made of it. An alternative approach might be to withdraw funding from students who are currently retired, or those close to retirement age. Another alternative could be to withdraw funding only from learners who are studying at a pace slower than half that of full time students; or those taking a second, rather than a first ELQ, since these candidates may be less likely to make use of their qualification.

4. If a case could be made that a funding cut is really required, the IOP would support amendments to the funding withdrawal which would, based on clear evidence, support ELQ learning while targeting leisure learners more effectively.

## STRATEGICALLY IMPORTANT SUBJECTS

5. More specifically with relation to the physical sciences, the proposed allocation for strategically important and vulnerable subjects (SIVSs) is both quantitatively and qualitatively insufficient.

6. A number of influential meetings and reports, including the Lisbon Strategy,<sup>73</sup> the government's own Next Steps<sup>74</sup> document, the Leitch Review<sup>75</sup> and the recent Sainsbury Review<sup>76</sup> have identified the need for more physical scientists, engineers and mathematicians, as well as noting the shortage in other strategically important areas. Of particular importance is the shortage of sufficiently qualified physics specialist teachers and of people with an adequate knowledge base to train as a specialist teacher.

7. HEFCE has funded a number of programmes to encourage more HE students in SIVSs. The IOP's own Stimulating Physics<sup>77</sup> project falls into this category as do others in mathematics, engineering, chemistry and modern languages. In addition, the Open University (OU) is heavily involved with initiatives attempting to recruit more scientists and linguists. All of these projects are intended to increase, rather than maintain, student numbers, as is urgently demanded by the current UK skills shortage.

8. In response to the government's decision on ELQs, HEFCE has proposed to tackle this issue with a targeted funding allocation for SIVSs, rather than a full exemption, as is the case for courses such as teacher training or foundation degrees. This funding allocation would be based on historic student numbers, which does not allow for any organic or institution-led growth in SIVS ELQ student numbers. Further, it is not clear that HEFCE will provide this allocation on an ongoing basis; the fund is proposed only to cover the first two years of the ELQ funding withdrawal. The government should make it clear to HEFCE that a full and permanent exemption from the proposed withdrawal is required for all SIVSs.

9. The cost of such an exemption would not be that great. Other than medicine, the subject areas which would create the most substantial savings under the withdrawal are business and administrative studies and creative arts and design. Physical sciences, for example, represent only around 3% of the total cost.

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<sup>71</sup> C Smetherham 2005, reported in *Briefing Paper 3: A Review of the Literature on Graduate Employment, Underemployment and Unemployment Report for the Independent Study into the Devolution of the Student Support System and Tuition Fee Regime*, Claire Smetherham, March 2005.

<sup>72</sup> For details of IOP Accreditation, please refer to our website: [www.iop.org/activity/policy/Degree\\_Accreditation/index.html](http://www.iop.org/activity/policy/Degree_Accreditation/index.html)

<sup>73</sup> The EU's Lisbon Strategy: [http://ec.europa.eu/growthandjobs/index\\_en.htm](http://ec.europa.eu/growthandjobs/index_en.htm)

<sup>74</sup> *Science and Innovation Investment Framework 2004–2014: Next Steps*, March 2006.

<sup>75</sup> Leitch Review of Skills' final report, *Prosperity for all in the global economy: world class skills*, December 2006.

<sup>76</sup> Lord Sainsbury of Turville's *Race to the top: a review of Government's Science and Innovation Policies*, October 2007.

<sup>77</sup> see the project website for more details: [www.stimulatingphysics.org/](http://www.stimulatingphysics.org/)

## STUDENT CHOICE

10. Not only would the proposed support for SIVSs prevent growth in those subjects, but it could also prevent mature students from reskilling in those areas.

11. The proposed ELQ policy is apparently based on the assumption that the first of two “equivalent” qualifications studied by an individual is likely to be more valuable than the second. This is unlikely to be the case. One of the key recommendations of the Sainsbury Review was that STEM careers advice must be improved, and there is much evidence that careers advice is generally weak in this area. Further to this, the UK education system encourages specialisation at an earlier stage than in many other countries. Given these circumstances, the withdrawal of funding from ELQs is likely to disadvantage those subjects which are useful in society and the economy, but unpopular amongst 16–18 year olds. It removes an important opportunity for those whose needs have not yet been met by the education system.

12. The IOP’s report, *The economic benefits of Higher Education Qualifications*<sup>78</sup> showed that on average a physics degree adds 30% to an individual’s lifetime earnings, compared to other degrees including biology and history which add only 16%.

13. There is no reason to suppose that employers would be able to sponsor candidates through these qualifications, particularly when highly numerate and skilled graduates are available internationally, and the effected candidates are likely to be looking for a career change.

14. While the government cannot provide every secondary student a specialist physics teacher and accurate careers advice about the benefits of a physics education, it would be unfair to deny those who enter other areas of study the opportunity to reskill at a later stage.

15. HEFCE’s current proposals for SIVSs are aimed only at supporting provision, rather than enabling ELQ learners to study these subjects. It is explicitly stated in the implementation plan that HEIs may chose to use the SIVSs targeted funding to support new entrants to HE.

16. In contrast to this, John Denham, the Secretary of State for Innovation Universities and Skills, has implied during the recent House of Commons debate on HE, on 8 January,<sup>79</sup> that ELQ learners would be able to study science and other SIVSs; however, this is not in line with HEFCE’s proposed implementation. The IOP would support a policy which ensured every student would be funded to study a SIVS, regardless of the level of their previous qualifications.

17. The proposed support for SIVSs is clearly insufficient. It is hard to see any coherence of policy in trying to encourage more graduates in these areas, while limiting funding to allow people to change their career paths appropriately.

## SCIENCE TEACHERS

18. Perhaps the strongest case in support of a full and permanent exemption from the new ELQ policy for physics is that of the shortage of specialist teachers. While the government has requested that Initial Teacher Training (ITT) will be exempt from the funding withdrawal, any subject-related courses taken prior to, or after, ITT will not be.

19. There is an urgent need to increase not only the numbers of physics specialists embarking on ITT, but also the number of candidates eligible, or likely, to do so. The government has recognised that the shortage of physics teachers is very severe and has set in place a number of initiatives to ameliorate the situation, some of which are in partnership with the IOP. *Next Steps*<sup>80</sup> set out a target of 25% of science teachers having a physics specialism by 2014, and while DCSF is responsible for keeping annual figures on target, joined up thinking is clearly required between DIUS and DCSF in order to achieve this.

20. With fewer than 3000 UK physics graduates a year, it will not be possible to remedy the 5,000+ shortage of physics specialists via that route.<sup>81</sup> For this reason it has often been acknowledged that re-skilling of both mature candidates and new graduates in other disciplines is required.

21. This may involve qualified teachers gaining a bachelors or lower level physics qualification (anecdotally, we know of working teachers who have done this, although there is no quantitative information available), or those with related degree subjects or experience in industry boosting their physics knowledge prior to undertaking ITT. An approach which has been commended by the IOP is the OU undergraduate level Certificate in Physics which offers sufficient preparation for a candidate to enter ITT as a physics specialist; this course is being marketed accordingly. In both of these situations, studying physics either prior to or after ITT, an ELQ would be required, and these routes into physics teaching would fall foul of the current proposals, unless physics courses are given a full exemption.

<sup>78</sup> Produced jointly with the Royal Society of Chemistry by PriceWaterhouseCoopers, *The economic benefits of Higher Education Qualifications*, 2005.

<sup>79</sup> *Hansard*, volume 470, part 27, 8 Jan 2008, column 233.

<sup>80</sup> See note 4.

<sup>81</sup> Based on estimates in *Physics in schools and colleges: teacher deployment and student outcomes*, Alan Smithers and Pamela Robinson, 2005.

22. While candidates who have taken, for example, a masters' qualification, will be supported by the government in taking a PGCE, a candidate holding a PGCE would not be supported in taking a masters' degree. One strategy to aid the shortage of science teachers has been to encourage young science graduates to enter teaching for a few years on the basis that it would give them valuable experience, despite not presenting an attractive life-long career. However, if taking a PGCE would effectively rule out any post graduate scientific or business-related study, candidates would be deterred from this career path.

#### QUALIFICATION LEVEL

23. All of the above concerns raised so far would be addressed by a full and permanent exemption for physics, as a SIVS. However, the example of ELQs taken before or after ITT is representative of a wider concern, that courses may not be appropriately classified as "equivalent" for the purposes of this policy. For example, there are several qualifications which conventionally and appropriately attract high numbers of ELQ learners, including the MBA and professional IT qualifications. Likewise, while it is intended that foundation degrees prepare the learner for further study, it is not clear that those graduating from these courses under the ELQ exemption would be entitled to continue to bachelors or masters level in their new subject area. A further concern is that bachelors' students leaving their studies before completion can in many cases be offered a CertHE. Were this situation to arise for a student already holding a CertHE at the start of their bachelors course, it is not clear how the new regulations would allow that student's learning to be given credit. These issues are largely beyond the concerns of the physics community, but could potentially impact in certain cases.

24. The Open University's (currently the UK's only distance learning and specialist part-time provision for physics) unique system presents a range of difficulties. Students currently register for courses (worth 30 or 60 credit accumulation and transfer scheme (CATS) points) rather than degree programmes (360 CATS points). For this reason it will not be clear until graduation whether or not a student's programme of study can be classed as a SIVS. HEFCE's proposal, to count programmes of study as SIVSs where half of the qualification aim is in a relevant subject, will be difficult to apply in the case of the OU. Many ELQ students will be using individual modules to boost their subject knowledge, as is the case with the Certificate in Physics, learners may put these modules together to form various qualifications, or study them alone.

25. At least 20% of current OU physics students are ELQ learners.<sup>82</sup> Since a part time degree can take many years to complete, current students' exemption status must remain in place for several years, beyond HEFCE's proposed 2010–11 review of the SIVSs allocation, in order to satisfy the government's stated aim of not affecting current students.

#### PART-TIME PROVISION

26. According to HEFCE's figures, while part time students represent around 16% of the total, around 71% of ELQ learners are part-time. Any policy targeting ELQs will clearly have an impact on part time provision. By withdrawing funding from ELQ learners, important provision for non-ELQ learners will be jeopardised. These problems have been addressed more extensively by other bodies; however, the impact of this is particularly crucial in the physical sciences. Of the IOP accredited programmes, only two out of 687 specifically cater for part time students, and one of these is due to close. This will leave the OU as the only viable option for many of those who would wish to study physics part time while they are in employment. By withdrawing funding for ELQs, the government is disincentivising any potential increases in part time physics provision.

27. For some learners, part time study is their only opportunity for HE. By damaging part time study, the proposed policy will have a negative impact on mature, female returner, EU migrant worker and disabled students, and possibly other minority groups. It could also disadvantage female students overall, who are less likely than their male peers to take physics as a first degree. It is hard to see how a policy claiming to be motivated by "fairness" and widening participation could risk excluding these groups even further. While HEFCE acknowledges the importance of part-time provision in widening participation, it is disappointing that no analysis has been presented of how the policy will affect these groups. In the absence of such an impact assessment it is difficult to see how these proposals meet the legal responsibilities set out under the various equality duties for public authorities to actively promote equality.

28. The viability of part time physics provision is a crucial reason why SIVS targeted funding based on historic numbers is inadequate, and a full exemption is required.

*January 2008*

<sup>82</sup> Estimated figures from Professor Nick Braithwaite, Head of Physics and Astronomy Department, OU.

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## Memorandum 68

### Submission from the Institute of Education, University of London

The Institute of Education is a specialist institution and a world class centre of excellence for teaching, research and consultancy in education and related areas of social science and professional practice.

#### EXECUTIVE SUMMARY

Much of the public debate around this policy has focused on the impact of ELQ proposals on undergraduate provision and, in particular, on students and providers of part-time courses such as those offered at Birkbeck and the Open University. It is clear, however, that a number of other institutions will be negatively affected, such as those with specialist missions, a predominantly post-graduate focus and those offering professionally relevant qualifications. Although this may be an unintended consequence of the ELQ proposals, it is crucial, amidst the current attention to large-scale providers of part-time undergraduate degrees, that we do not lose sight of the important policy ramifications for specialist institutions.

The Institute welcomes the proposed provision of “safety net” funding to maintain each institution’s grant at a comparable cash level to that of 2007–08, but is concerned that this would, in fact, represent a reduction in institutional funding in real terms.

We have a number of further concerns about the proposals as they currently stand. In particular, there is a need to:

- Clarify the notion of “level” in the application of the policy in order to address those instances where an apparently equivalent or lower qualification represents a genuine and necessary progression from a previously held qualification.
- Clarify the status of teachers and lecturers in Further Education (FE) in terms of:
  - (a) confirmation that Initial Teacher Training (ITT) for FE teachers (whether via the PGCE or through other routes) will be covered by the exemption that is proposed for school teachers whose funding is provided by the Training and Development Agency for Schools (TDA).
  - (b) confirmation of support, equivalent to that proposed for school teachers, for qualifications that develop FE teachers’ professional understanding and skills.
- Confirm that the exemption of ITT for school teachers applies not only to entry to study for an “M” level PGCE, but also to students’ future study at “M” level in the context of a professionally relevant Master’s degree.
- Clarify whether HEFCE plans to provide an alternative funding stream to enable institutions to fund courses for university lecturers studying for ELQs which support the development of their teaching skills.

#### RESPONSES TO THE COMMITTEE’S QUESTIONS

##### 1. ARGUMENTS FOR AND AGAINST THE GOVERNMENT’S DECISION TO PHASE OUT SUPPORT TO INSTITUTIONS FOR STUDENTS STUDYING ELQS

1.1 In this submission, however, we address those issues which, in particular, affect the Institute of Education and similar institutions.

1.2 Our own concerns nevertheless reflect a more widespread unease that the Government’s decision is at odds with a broad range of national educational priorities, not least the recommendations of the Leitch Review, the need for a professionalised teaching force in the post-compulsory sector, the Government’s 14–19 agenda, and the widening participation agenda for the university sector.

##### 2. TIMING OF THE DECISION AND OF THE IMPLEMENTATION OF THE CHANGE

###### *Timing*

2.1 The Government’s decision came at extremely short notice, with the consequence that the Institute and other education providers were obliged to complete a great deal of detailed and considered work in a very short space of time. The policy process itself might have benefited from a consultation with education providers a year in advance of the decision, rather than the retrospective HEFCE consultation on the interpretation and implementation of the Government’s policy. Whilst HEFCE was able, within the limited consultation period, to carry out some analysis of the impact of their proposals on disproportionately affected students (eg in terms of gender, age, regional differences), these issues would certainly benefit from further detailed analysis.

## *Implementation*

### Safety net funding

2.2 We welcome the proposed provision of “safety net” funding to maintain each institution’s grant at a comparable 2007–08 level in cash terms. It is vital for institutional stability, and consistent with HEFCE policy, that “safety net” funding is provided. However, this “real terms” allocation would, in fact, represent a loss of institutional funding. We would also like the IUS committee to note that not all institutions have equal flexibility with regard to the re-orientation of their business over the period in which “safety net” funding is provided. Specialist institutions, in addition to being disproportionately affected by the policy, are particularly limited in this respect, and further mitigation may be required in these instances to maintain institutional stability.

### Level of qualification/progression

2.3 We are also concerned about the crude notion of “level” being employed by HEFCE in its interpretation of the proposed policy. There are clear instances where an apparently equivalent or lower qualification represents a genuine and necessary progression from a previously held qualification. The Institute believes that the definition of level being applied will prove a disincentive to institutions offering qualifications that provide a bridge between levels (eg specialist post-graduate certificates and diplomas) which aid progression and skills development. A more sophisticated model for qualifications is needed which recognises that some of the courses likely to be adversely affected by the policy as it stands actually aid the development of professional skills and understanding and thus constitute genuine progression for the individuals concerned.

## 3. EXEMPTIONS FROM THE WITHDRAWAL OF FUNDING PROPOSED BY THE HIGHER EDUCATION FUNDING COUNCIL FOR ENGLAND

3.1 This submission highlights a number of neglected issues concerning the ELQ proposals. These include the impact of the proposals on post-graduate study and the development of high level skills in general, as well as on specialist institutions pursuing the delivery of professionally relevant qualifications.

3.2 While we welcome the proposed exemptions, not least in relation to school teaching, we believe that the impact of the proposals on the sector as a whole may not be susceptible to adequate mitigation through the application of exemptions. Nevertheless, if exemptions are to provide a way forward, HEFCE should at least develop a broader set of exemptions which acknowledges that the ELQ proposals will adversely affect a wide range of public service professionals, including educational psychologists and pharmacists.

3.3 The Institute wishes to draw attention to three areas of particular concern for the education sector:

- the position of teachers and lecturers in Further Education;
- the implications for professionally relevant further academic study on the part of qualified teachers generally; and
- the professional development of university teachers.

### The impact on Further Education (FE)

3.4 FE provision constitutes a key element in the delivery of the Government’s 14–19 and skills agendas. The professionalisation of the skills workforce has been identified as a policy priority. However, in spite of a number of requests, DIUS has so far refused to confirm that Initial Teacher Training (ITT) for FE teachers (whether via the PGCE or through other routes) will be covered by the exemption that has been announced for trainee school teachers funded through the Training and Development Agency for Schools (TDA).

3.5 Furthermore, while the TDA have an identified funding stream for Post-graduate Professional Development for school teachers, which the TDA believes will be exempted from the policy, it is not clear that HEFCE will be able to fund FE teachers studying for ELQs to develop their professional understanding and skills and who would previously have taken up publicly-funded places. As a consequence, teachers in the FE sector could find themselves disadvantaged in comparison with their colleagues in statutory education, in terms of their professional standing and development, at a time when both groups are being encouraged to collaborate, eg in the development and provision of the Government’s new Diploma qualifications.

3.6 As FE providers are likely to be key partners in delivering the further widening of participation that the ELQ proposals are designed to promote, these likely impacts on FE provision appear to be a wholly counter-productive unintended consequence. As a result, the explicit exemption of ITT provision for the FE sector, together with confirmation that the professional development of FE teachers will be given equal priority to that of school teachers, are urgently needed.

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 Professionally relevant further academic study by qualified teachers

3.7 The exemption of ITT for school teachers (and hopefully for FE teachers) appears to be predicated upon the PGCE being equivalent to an undergraduate award. The exemption, therefore, applies upon entry to a PGCE course. Thus holders of undergraduate degrees who later take a PGCE will be deemed to be studying for an ELQ but subject to an exemption. Across Higher Education ITT providers, the PGCE qualification has, in most cases, recently been formally defined as an “M” level award, either in whole or in part. It is therefore vital that the exemption for ITT applies not only on entry to study for a PGCE (or other ITT qualification), but also in relation to students’ future study at “M” level, so that they can continue to be funded to complete a full Master’s degree in a professionally relevant field.

3.8 Without this exemption, the policy is likely to have negative consequences for professional progression beyond the PGCE for teachers taking courses that will develop their professional understanding. This would impact negatively upon the professionalisation and development of the compulsory and the post-compulsory teaching workforce at a time when a highly qualified teaching force has been recognised as a key element of world class education systems.

## Training for teachers in Higher Education

3.9 The logic applied to the compulsory (and hopefully the FE teaching workforce) in relation to the ELQ policy is not being applied to university teachers seeking to develop teaching skills. Under the current proposals HEFCE would not fund HE lecturers with high level qualifications in their academic subject specialisms studying for ELQs which support the development of their teaching skills. Such students would previously have taken up publicly-funded places. In the absence of alternative funding streams to support this unplanned change, this threatens the future viability of programmes supporting the development of university teachers and will thereby undermine the professional development of university teachers and lecturers, many of whom will be instrumental in the successful delivery of the Government’s skills and widening participation agendas.

## 4. IMPACT UPON STUDENTS, INCLUDING WHETHER THE CHANGE WILL AFFECT SOME GROUPS OF STUDENTS MORE THAN OTHERS

4.1 The Government’s decision is likely to affect a number of students disproportionately. In particular, there appears to be a differential impact on students studying in London. Analysis by LondonHigher shows that, of the institutions most affected (in terms of the percentage of income), eight of the top 10 and 15 of the top 20 are London institutions. In the majority of these cases, the institutions affected are also those with a specialist remit. There is thus a disproportionately negative impact on the London offer and more specifically the specialist offer. This runs contrary to the public interest as these offers provide skills for the London workforce (43% of jobs in London require higher-level skills, compared to 30% in the rest of England and Wales). As a consequence, these proposals are likely to result in a significant reduction in choice and access to appropriate level courses for London students.

4.2 Gender and age participation is also likely to be negatively affected. Female graduates re-entering the job market after raising a family and/or older graduates needing to up- or re-skill will usually not have the benefit of employer support in doing so. The impact on older students is especially relevant to this Institute. Of all our students on Master’s courses, 32% are over 40 and 12% are over 50 years of age. However, 49% of ELQ students on Master’s courses are over 40 and 18% are over 50. Consequently, our older students will be disproportionately affected by the introduction of the ELQ policy as currently defined.

## 5. IMPACT OF THE CHANGE UPON INSTITUTIONS, WITH PARTICULAR REFERENCE TO THE LONG-TERM IMPLICATIONS FOR SPECIALISED INSTITUTIONS SUCH AS THE OPEN UNIVERSITY AND BIRKBECK COLLEGE LONDON

5.1 We would like the IUS Select Committee to keep in mind that specialised institutions are diverse. Thus, an institution may have a specialism which is disciplinary and not simply related to mode of study. The ELQ proposals may have different consequences for institutions with a specialist disciplinary focus than for institutions with a specialist mode of study. The legitimate highlighting of challenges faced by institutions, such as Birkbeck and the Open University must not be allowed to divert attention from the equally important challenges faced by subject specialist institutions, such as the Institute of Education.<sup>83</sup> This is particularly important given that institutions with a disciplinary focus often serve predominantly post-graduate students, or offer post-graduate courses with professionally relevant qualifications, and as such tend to have a significant impact on the UK’s economic competitiveness.

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<sup>83</sup> In fact, some institutions, including this Institute, have both a specialist subject focus and a predominantly part-time student body and are therefore affected by the policy in both respects.

5.2 It is clear that the ELQ proposals will impact disproportionately on these specialist institutions. Specialist institutions would make up over half those institutions experiencing the largest drop in income as a result of the current proposals. The weakening of their financial sustainability would have a number of consequences for the sector and for the delivery of several Government educational priorities. The policy would undermine HEFCE's strategic aim to maintain a diverse sector. The proposals threaten the skills agenda by undermining some of the institutions most able, through their specialist missions and professional links, to contribute to its development and delivery.

5.3 Specialist institutions are not easily able to mitigate the consequences of the ELQ proposals. One option would involve developing their offer in a way that would access funding diverted from ELQ students. However, the nature of specialist institutions and their markets is inherently less flexible than that of multi-faculty providers. It has been suggested by DIUS that this Institute might develop significant undergraduate level provision in response to the ELQ policy. However, there is limited scope to develop such courses without diluting the Institute's specialist mission in a way that is unlikely to be in the public interest. Such a development is also unlikely to be cost-effective. For example, transforming the Institute's world-leading research library into an undergraduate library for a relatively small number of students would not seem a sensible use of limited resources.

January 2008

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## Memorandum 69

### Submission from Birkbeck College Student Union Council

Birkbeck College Student Union (BCSU) is an independent body, funded by Birkbeck College, to represent 19,000 Birkbeck students. We have been representing and campaigning for our members since 1904. Our advice centre is open daily. This submission is from Union Council, which is our highest governing body (excluding General Meetings).

#### (a) EXECUTIVE SUMMARY

1. The removal of ELQ funding affects non-ELQ and ELQ students in a multitude of ways.
2. It forces students to choose lower level qualifications in order to protect their future opportunities to re-skill and meet the flexible needs of the modern workplace.
3. HEFCE funds will be wasted due to high drop out rates as students are forced into inappropriate courses, and the HEFCE funds invested in students' first degrees will also be wasted where first and second degrees are incongruent.
4. Our analysis shows that already disadvantaged graduates will be disproportionately negatively impacted upon.
5. The DIUS misguided policy locks students to their first degree, but 75% of Black African origin graduates are dissatisfied with their first degree choice,<sup>84</sup> and women are more likely than men to choose a first degree that channels them into a low paid career.<sup>85</sup>
6. Disadvantaged Graduates/Postgraduates are more likely to need additional qualifications to advance in the workplace, so this ELQ policy reduces diversity in medium and high level jobs undermining the Equality Act.
7. It also undermines targets to reduce Child Poverty by attacking mothers. Many mothers have to re-skill within two years of childbirth. At least 1 in 5 women returners change career and employer,<sup>86</sup> and a huge proportion does not return to the workplace despite wanting to.
8. Birkbeck's unique cohort of older students will also be disproportionately disadvantaged by these cuts.
9. We emphatically do not agree with this DIUS policy, as it will do monumental damage.

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<sup>84</sup> *Why the Difference? A Closer Look at Higher Education Minority Ethnic Students and Graduates* (2004) Connor, H, Tyers C, and Modood T, Hillage J.

<sup>85</sup> *"Shaping a Fairer Future"*, (2005) Women and Work Commission.

<sup>86</sup> DTI, 2006.

## (b) NEGATIVE IMPACT ON NON-ELQ STUDENTS

(i) *Changes to grass roots IAG (Information, Advice, Guidance) at BCSU advice Centre*

“Aim Lower”: The ELQ cuts encourage students to take lower level qualifications and reduce their aspirations

10. Our BCSU advice centre experience is clear: lifelong learning is a workplace requirement. Rather than encouraging students to up-skill, the ELQ cuts will encourage students to embark on the lowest possible level of qualification, as this leaves open future re-skilling opportunities.

11. Disadvantaged students are the most likely to need to re-skill (28–64), and thus the ELQ cuts encourage already disadvantaged groups to “aim low”.

12. Worryingly, this course of action is likely to be particularly demotivating to BME groups, as seminal research on BME students in HE has found that:

“aspirations and expectations of the value of, and benefits from, higher qualifications is a more significant positive ‘driver’ for minority ethnic than for white students”.<sup>87</sup>

The ELQ cuts will force us to give students who withdraw from their courses advice that will make them less employable, and wastes HEFCE funds

13. If a student is unable to complete an honours or postgraduate degree, the BCSU advice centre advises students to accept a lower qualification such as a diploma or certificate, as recognition for the part of the course successfully finished.

14. This has obvious advantages for the student’s CV and confidence, and is a better investment of HEFCE funds than when a student withdraws without achieving any qualification and with a gap in their CV.

15. This is problematic if ELQ opportunities are eliminated, as after withdrawal, students often return to study a different subject at a lower level. The original course may no longer be relevant or of interest. The student’s confidence may be reduced by the withdrawal, and the reasons for withdrawal may be enduring (eg mental health, childcare, low income). Ongoing reasons such as these are most likely to be associated with disadvantaged groups. BME students have higher non-completion rates than their white peers, and so will be disproportionately affected by this problem.<sup>88</sup>

## Penalties: Blaming the victims

16. We are extremely concerned about the potential penalties for students who do not reveal previous qualifications. There has been reference to large fines and even prison.<sup>89</sup>

(ii) *Examples of other effects on non-ELQ students*

17. Course Withdrawal: There will be a reduction in the number of courses offered, as courses with high ELQ funding levels will be withdrawn.

18. Cancelled courses will lead to income loss for Postgraduate students who part finance their study through teaching (most of whom have inadequate or no funding and are already in significant student debt).

19. Peer Support: Students tend to go to class mates for help, before turning to their tutors or the SU. It is often the ELQ class mates, who have more experience of academia, that give this support.

20. All students benefit from increased lifelong learning opportunities to re-skill with additional qualifications. This flexibility is demanded by the modern workplace, as the guarantee of a “job for life” is obsolete.

21. The ELQ cuts also undermine the tremendously exciting Layard Agenda, which proposes that financial investment should support organisations that increase societal happiness and enrich life experience,<sup>90</sup> a criteria amply fulfilled by Birkbeck and BCSU. As noted elsewhere,<sup>91</sup> careers that support societal happiness and the Layard Agenda, such as the range of psychology, psychotherapy and theological courses benefit from older students with more life experience, and thus are vulnerable to course closure under the ELQ cuts.

<sup>87</sup> *Why the Difference? A Closer Look at Higher Education Minority Ethnic Students and Graduates* (2004) Connor, H, Tyers C, and Modood T, Hillage J.

<sup>88</sup> eg *Why the Difference? A Closer Look at Higher Education Minority Ethnic Students and Graduates* (2004) Connor, H, Tyers C, and Modood T, Hillage J.

<sup>89</sup> Lords Education Debate: Adult Learners, 3 Dec 2007.

<sup>90</sup> *Happiness* (2006) Layard, R.

<sup>91</sup> Lords Education Debate: Adult Learners, 3 Dec 2007.

22. The financial impact on Birkbeck will reduce BCSU's grant, reducing the services BCSU offers all students, such as representation in academic appeals, welfare advice and community building or social activities. We play a considerable role in keeping WP and other disadvantaged students in college.

23. BCSU is a centre of expertise on part time and mature student issues within the student movement. A weakening of BCSU will lead to a weaker national voice on part time and mature issues.

(c) DIUS RESPONSE TO CRITICISM

(i) *Re-skilling is not a personal luxury, and the ELQ cuts will lead to a waste of HEFCE funds*

24. HEFCE and Bill Rammel have said that if people "want" to re-skill they can take a foundation degree or train in a vulnerable area.<sup>92, 93</sup>

25. The reality is re-skilling is often not a matter of having a choice. Disadvantaged groups are more likely to need to re-skill than average (28–70). Why should already disadvantaged groups be even more penalised with the narrow and inappropriate opportunities sanctioned by the ELQ funding changes?

26. The cohort in question is graduates/postgraduates and they would be better off doing an ELQ course that works in concert with their previous qualifications. This would mean that HEFCE investment from the first degree is not wasted.

27. The inevitable outcome of being forced to do an inappropriate course is a high percentage of non-completion, and the consequential waste of HEFCE funds.

(d) ELQ AND THE EQUALITY AGENDA: THE ELQ FUNDING CHANGES HAVE A DISPROPORTIONATELY NEGATIVE IMPACT ON ALREADY DISADVANTAGED GROUPS

28. By disadvantaged groups we mean groups who are disadvantaged in relation to their peers in HE and the workplace eg such as women (to men), BME students (to white students) and students with disabilities to those without. These are very heterogeneous groups, but we have used the term "disadvantaged groups" for brevity.

(i) *The ELQ cuts destine graduates to be tied to their early degree choices, and this has a disproportionately negative impact on disadvantaged groups*

Examples include:

29. The justifications for the ELQ funding cuts rely heavily on students making "a correct" choice of first degree. However, within two years of graduation almost all White graduates are happy with their first degree choice, but over 75% of Black African origin and over 67% of Asian origin graduates regret their choice of first degree.<sup>94</sup>

30. BME groups are nearly 1.5 times more likely than White graduates to do a second honours degree/sub degree course (Black African origin graduates are nearly twice as likely to do a second honours degree).<sup>95</sup>

31. These *dramatic* differences (29–30) suggest that the proposed DIUS ELQ policy potentially discriminates on grounds of ethnicity.

32. Government commissioned research on the gender pay gap has identified that IAG given to school leavers regarding appropriate qualifications and career pathways substantially disadvantages women compared with men.<sup>96</sup> Factors including IAG channel girls into qualifications leading to lower paid career pathways than those suggested to boys. This is despite girls achieving better exam results than boys.<sup>97</sup> One major reason for this is that jobs that are stereotypically female are low paid. The report *Towards A Fairer Future*<sup>98</sup> observes:

"The occupational segregation that results makes a substantial contribution to the gender pay gap. Choices made at school can lock in differences in earning potential between men and women for the duration of their working lives".

33. The report *Shaping a Fairer Future*<sup>99</sup> specifically states in order to avoid being trapped by these early choices, a woman must have a multiplicity of opportunities to retrain and change career throughout her lifetime.

<sup>92</sup> eg DIUS Select Committee 28 Nov 2007.

<sup>93</sup> Commons debate on Higher Education 8 Jan 2008.

<sup>94</sup> *Why the Difference? A Closer Look at Higher Education Minority Ethnic Students and Graduates* (2004) Connor, H, Tyers C, and Modood T, Hillage J.

<sup>95</sup> *Ibid.*

<sup>96</sup> *Shaping a Fairer Future*, (2005) Women and Work Commission.

<sup>97</sup> *Ibid.*

<sup>98</sup> *Towards A Fairer Future*, (2007) Department for Communities and Local Government.

<sup>99</sup> *Shaping a Fairer Future*, Women and Work Commission 2005.

34. These findings (32–33) suggest that the DIUS ELQ proposals potentially discriminate on the grounds of gender.

35. The pay gap is a measurable economic index of inequality. In London, which will be worst hit by the ELQ cuts, the gender pay gap is 25%.<sup>100</sup> This is virtually equivalent to what it is was in 1976 when the Equal Pay Act was first brought in,<sup>101</sup> and is 40% higher than the national average. The UK gender pay gap is one of the worst in Europe. Government bodies have responded to recent research with a host of progressive and exciting initiatives,<sup>102</sup> but it is evident that these fledgling initiatives will be thwarted by the proposed ELQ funding cuts. BME graduates are paid on average 9% less than their white counterparts.<sup>103</sup>

(ii) *Barriers in the workplace mean graduates from disadvantaged groups are more likely than their peers to need to re-skill at an ELQ level*

36. The WP agenda helps more people to get degrees, but workplace and economic discrimination and disadvantage continue at graduate level and beyond.

37. Overall BME graduates find it harder to get employment than their white peers.<sup>104, 105</sup> BME groups are not a homogenous group. Chinese and Pakistani origin male graduates are two times more likely than average to be unemployed.<sup>106</sup> Thus, perhaps not surprisingly, these are also the two BME groups (and Bangladeshi) that are most likely to re-enter HE for additional qualifications.<sup>107</sup>

38. Economic distribution reveals graduates from disadvantaged groups disproportionately clustering in lower paid, lower prestige jobs than their peers.<sup>108, 109, 110</sup>

39. Disadvantaged groups are more likely than their peers to require additional qualifications to gain workplace recognition and promotion.<sup>111</sup> Unemployment and barriers to career progression mean career changes and sideways moves are more likely for disadvantaged groups than their peers, and the result is an increased need to re-skill.

40. Research is dense with examples of the scarcity of women, BME groups, and people with disabilities in top layer, high prestige, highly paid jobs<sup>112</sup> eg only 9% of directors of the UK's top 100 companies are women.<sup>113</sup>

41. Two recognised pathways for disadvantaged groups to top layer jobs are mentoring/role models and additional training/ qualifications.<sup>114</sup>

42. The government has committed to end the pay gap(s) and workplace inequity for all socio-economic groups with the progressive and exciting Equality Act. To tackle inequality, diversity at medium and high level jobs must also be achieved. However, the ELQ cuts eliminate one of the main accessible routes to workplace progression and promotion by limiting opportunities to re-skill and gain additional qualifications. This maintains economic disadvantage beyond graduate level for disadvantaged groups, and also reduces roles model and mentoring opportunities.

43. The DIUS proposal to take £100 million from *economically disadvantaged graduate* groups and give it to *economically disadvantaged non-graduate* groups, undermines the Equality Act and cements the Pay Gap(s).

(iii) *ELQ and Women with caring responsibilities*

44. At BCSU we believe that bringing up children is the most valuable contribution to society a person can make. However, the financial penalties for women who do so are immense.

45. There has been much concern about the effects of the ELQ cuts on women returners. In response, Bill Rammel has stated that there are 47% of women on ELQ courses and 47% of women on non-ELQ courses, and he has implied that there is not a problem.<sup>115</sup> This shows a breath-taking lack of understanding of women's lives. Women's caring status is not usually monitored by college admissions, but there is every reason to believe that the ELQ and non ELQ groups are two different cohorts of women.

<sup>100</sup> *Women in London's Economy*, (2005) GLA.

<sup>101</sup> Equal Pay Act, 1975.

<sup>102</sup> The Equality Act, "*Shaping a Fairer Future*", (2005) Women and Work Commission, "*Towards A Fairer Future*", (2007) Department for Communities and Local Government.

<sup>103</sup> NUS Black Students Campaign.

<sup>104</sup> NUS Black Students Campaign.

<sup>105</sup> *A Review of Black and Minority Ethnic Participation in Higher Education* (2006) Aim Higher.

<sup>106</sup> *A Review of Black and Minority Ethnic Participation in Higher Education* (2006) Aim Higher.

<sup>107</sup> Ibid.

<sup>108</sup> "*Shaping a Fairer Future*", (2005) Women and Work Commission.

<sup>109</sup> eg *Why the Difference? A Closer Look at Higher Education Minority Ethnic Students and Graduates* (2004) Connor, H, Tyers C, and Modood T, Hillage J.

<sup>110</sup> *Money, Money, Money. Is it still a Rich Man's World?* (2005) Fawcett Society.

<sup>111</sup> *Why the Difference? A Closer Look at Higher Education Minority Ethnic Students and Graduates* (2004) Connor, H, Tyers C, and Modood T, Hillage J.

<sup>112</sup> *Money, Money, Money. Is it still a Rich Man's World?* (2005) Fawcett Society.

<sup>113</sup> [www.fawcettsociety.org.uk](http://www.fawcettsociety.org.uk)

<sup>114</sup> eg CRE recommendations.

<sup>115</sup> Commons debate on Higher Education 8 Jan 2008.

46. A comprehensive round of research has converged to agree that women's caring responsibilities are the major reason for the gender pay gap and related economic disadvantages eg pensions.<sup>116, 117, 118</sup>

47. There seems to be a general assumption that women returners who need to re-skill are those returning to the workplace after a number of years, or decades, raising children. This is an important group. However, BCSU's experience is that many mothers and carers are forced to re-skill within roughly two years of childbirth due to the child-unfriendly nature of their pre-children careers.

48. 30,000 women are forced into resigning, redundancy, or are sacked due to their pregnancy each year in GB.<sup>119</sup> 50% of pregnant women face discrimination and disadvantage at work,<sup>120</sup> and over 70% keep silent about it.<sup>121</sup> Unsurprisingly, many women simply do not return to the workplace at all. Those that do are often forced to change career and re-skill. These are the types of women we see at BCSU advice centre. We believe that a lot more women would like to re-skill, and return to work but lack the appropriate IAG, so we have initiated an outreach programme aimed at women returners (54–56).

49. 75% of mothers who do return to the workplace, return as part-time workers<sup>122</sup> either due to lack of quality childcare or because they want to spend time looking after their children.

50. Part-time jobs are lower paid than full-time jobs (on an hourly rate comparison), and top layer jobs are rarely available part-time.<sup>123</sup>

The Women and Work Commission has found:

“Often they have to change employer and occupation and accept lower pay—to get part-time work. This means their skills are being underutilised and this represents lost productivity for the UK economy”<sup>124</sup>

51. Despite the obligation of employers to consider flexible working patterns for women returners, at least 1/5 mothers have to completely change careers<sup>125</sup> and re-skill.

52. We are particularly worried about women who have children shortly after graduation. These women will not be protected from the devastating affects of the ELQ cuts even if the suggestion of an exemption from the ELQ cuts after five years of study is accepted.

53. Our outreach programme plans to target mothers in mother/toddler groups (and possibly children's centres) promoting Birkbeck's accessible admissions policy, evening nursery, child friendly hours, BCSU's facilities and support eg our family chill-out room. We also plan to promote family-friendly legislation. There is a lack of appropriate IAG for women returners. JobCentre lone parent advisors only see lone parents who don't claim income support once (even if they are on equivalent low incomes via maintenance payments). However, despite JobCentres being an excellent resource, many women returners feel uncomfortable using them, but we feel Birkbeck is very accessible.

54. Caring for children and/or relatives is a 24 hour job. It can be both exhausting and time consuming. Post natal depression may be as widespread as 52%,<sup>126</sup> and depression is almost endemic amongst carers. These factors make up-skilling unrealistic. So, we have identified Birkbeck's practical and inspiring range of certificate and diploma courses (at all levels of the common awards scheme) as our focus. These are the courses worse hit by the ELQ cuts, and in the present uncertainty, we have frozen our outreach.

55. Because the ELQ cuts reduce mothers' chances to return to the workplace, and consequently maintain the pay gap, the effect is to undermine the Child Poverty Agenda. In Inner London, where the cuts will predominate, 51% of children live below the poverty line, which is double the national rate.<sup>127</sup>

#### (iv) *ELQ and Older Students*

56. There is a growing demographic of older people whose needs must be met.

57. Inadequate pensions and increasing retirement ages mean older people need to work longer, which necessitates a disproportionate need to re-skill in this group.

58. The courses that are particularly attractive to mature and older students will be most vulnerable to closure under ELQ cut plans. This affects ELQ and first time mature and older students.

<sup>116</sup> *Towards A Fairer Future*, Department for Communities and Local Government: London 2007.

<sup>117</sup> *Money, Money, Money. Is it still a Rich Man's World?* (2005) Fawcett Society.

<sup>118</sup> *Shaping a Fairer Future*, (2005) Women and Work Commission.

<sup>119</sup> *Greater Expectations* (2005) EOC.

<sup>120</sup> *Ibid.*

<sup>121</sup> *Ibid.*

<sup>122</sup> DTI, 2006.

<sup>123</sup> *Shaping a Fairer Future*, (2005) Women and Work Commission.

<sup>124</sup> *Ibid.*

<sup>125</sup> *Towards A Fairer Future*, (2007) Department for Communities and Local Government: London.

<sup>126</sup> www.mumsnet.co.uk

<sup>127</sup> *Parents and Work in London* (2006) GLA.

59. Many older graduates and postgraduates want to continue contributing to society through voluntary work after retirement. However, they often need to do a relevant course to make their skills, and knowledge bases, truly transferable to the voluntary sector. The voluntary sector is dependant on skilled volunteers, but lacks the funds to pay for the exponential rises in ELQs proposed. The ELQ cuts wastes the skills of older volunteers and undermines the voluntary sector.

60. Increased incidence of disability in older people results in occupational changes, and this leads to a need to re-skill to avoid substantial drops in income and dependence on benefits.

61. Depression is compounded with the onset of many age related problems. Being part of a social network, and having a sense of purpose and fulfilment are major recognised ways to combat depression. Return to study has both a preventative and therapeutic effect on depression. It also gives students access to counselling, social activities and support available at BCSU.

62. Study and mental activity is thought to have a preventative (and to some extent) therapeutic effect on cognitive deterioration associated with age onset problems such as memory loss and Alzheimer's.

63. The ELQ funding proposals systematically advantage younger students as opposed to older students, and, therefore, potentially breach the Equality Act.

64. The wealth of life and workplace experience, knowledge and historical perspective mean that older students make an irreplaceable contribution to Birkbeck's seminar groups.

(e) RECOMMENDATIONS

65. That you do not cut ELQ funding.

66. That further consideration is delayed until completion, publication and public scrutiny of an equality and diversity impact assessment.

67. We do not accept that targeted grants will eradicate potential discriminatory outcomes of this policy. Research and our experience shows that current IAG targeting disadvantaged groups is inadequate eg the low uptake of tax credits shows that people often assume that they are not entitled to support. Furthermore, targeted grants will not support workplace diversity at middle and top layer jobs.

68. Do not rely on employers to pay for re-skilling. A major reason students study at Birkbeck is to change employers. Furthermore, employees will be forced to remain with employers for the duration of their qualification (eg five years).

69. Shorter courses such as certificates and diplomas at all levels of the common awards scheme should be exempt. This would still lead to savings as these courses are shorter and cheaper. However, these courses almost always do not include a dissertation or independent research component, which is often the element resulting in the greatest student development. A dissertation topic is also often flagged up during job interviews.

70. A proposal to fund ELQ students after a five year study gap has been mooted, but we think two years is more realistic, as this would allow graduates to realistically assess what qualifications they need after a spell on the graduate job market. It would also support women who have to change occupation shortly after childbirth.

January 2008

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**Memorandum 70**

**Submission from the 1994 Group**

The 1994 Group (membership, aims and objectives detailed in Annex A attached) offers the following evidence to the Innovation, Universities and Skills Select Committee into Funding for Equivalent or Lower Qualifications.

1. The 1994 Group welcomes the invitation from the Innovation, Universities and Skills Select Committee to submit evidence to its inquiry into Funding for Equivalent or Lower Qualifications (ELQ). On behalf of our member institutions within England, we would like to highlight to the Committee our concerns with the proposal to phase out funding for ELQ students both in relation to the significant potential impact of the policy on our members and a matter of principle regarding consultation with the sector.

2. In October 2007, the 1994 Group strongly welcomed the Chancellor's announcement in the pre-budget report that, in recognition of the tremendous achievements of the Higher Education sector in the delivery of excellent research, innovation, teaching and knowledge transfer activities, the comprehensive spending review had delivered significant new investment into the sector. These achievements have been delivered, particularly in the last 10 years, in close partnership with government and the funding council. In an era of substantial policy change, shared expectations and mutual understanding between partners has been

achieved through detailed and considered consultation and debate. Difficult decisions, most notably the introduction of the new student fee and support arrangements in 2006, have been based on a shared understanding of need and impact.

3. In the light of this, we were surprised and disappointed to see confirmation in the CSR announcement that, as part of the funding package, a £100 million saving would be achieved by the immediate phasing out of funding for ELQ students. The 1994 Group understands that, in the process of a spending review, difficult decisions need to be taken regarding the overall balance of funding to Higher Education. We also understand that within a constrained environment funding needs to be directed carefully toward those students determined to be of maximum value to the delivery of the government's social and economic targets. The Higher Education sector is not, and must not be, entirely risk averse. However, if our institutions are to continue to deliver and improve upon our record of outstanding achievement, it is essential that they operate, like the most successful businesses, within a relatively stable planning environment.

4. For a stable planning environment to be maintained, substantial policy change must be debated fully with the sector in advance of implementation to ensure that the consequences are understood, alternatives explored and, at the extreme, impacts mitigated. This was simply not the case with the ELQ announcement. The immediate implementation of the withdrawal of ELQ funding will have an impact on all Higher Education institutions. For some, in order for them to remain financially viable, they will need to undergo potentially destabilising unplanned, immediate and significant shifts in their institutional strategies. Various concerns have been expressed by the sector in opposition to the ELQ policy, but the most serious is the worrying precedent that this method of announcement and implementation establishes.

5. In summary, the 1994 Group has the following detailed concerns regarding the Government's decision to withdraw funding as a matter of principle from ELQ students:

- we question the decision taken to implement the policy through phasing out a proportion of mainstream HEFCE teaching funding from all Higher Education institutions (HEIs) based upon the number of ELQ students currently registered, (with the exception of some subject areas where it is determined that funding for individual ELQ students remains in the national interest.) As institutions were previously unaware of the need to discriminate between ELQ and non-ELQ students in their admissions requirements, the permanent withdrawal of mainstream funding is, in effect, a punishment for decisions taken in good faith in previous years;
- the immediate implementation of the policy will affect all of our English members, and will require often substantial revisions of their short-term financial and strategic plans to ensure that the most exposed of these exceptionally successful institutions are not left financially vulnerable. ELQ students have tended to register at HEIs as part-time (according to UUK, 71% of student FTEs modelled as affected by the ELQ policy will be part-time) and/or postgraduate taught students (29% of student FTEs modelled as affected). The withdrawal of ELQ funding therefore has a disproportionate impact on institutions with significant proportions of these students, the most notable amongst our members being Birkbeck College, University of London. More must be done to protect these institutions from the unintended consequences of this policy;
- the decision to implement the ELQ policy immediately and retrospectively has circumvented the normal institutional planning process. In the usual planning environment, institutional Senates and Councils would evaluate a change in government policy of this nature in advance of implementation. The strategic and financial decisions agreed would then be discussed with HEFCE and any difficulties addressed. In the absence of this usual cycle, there is a danger that institutional reactions to the Government's policy decision might create potentially unacceptably high risks which could have been avoided with time for proper consideration; and, finally;
- there is a concern that the proposal is being presented as zero cost. In addition to the considerable costs to institutions associated with absorbing and addressing the implementation of the policy, as detailed above, the additional requirements to discriminate between ELQ and non-ELQ students in admissions processes and in student data reporting will constitute a considerable permanent increase in the administrative and regulatory burden. In the absence of funds to support these new requirements, institutions will divert overstretched resources from other activities.

6. For the information of the Committee, we have raised the concerns detailed in this submission in recent private meetings with both the Secretary of State, Rt Hon. John Denham, and the Minister for Higher Education, Bill Rammell. Whilst standing firm on the matter of principle, we welcomed their agreement that the potentially perverse negative effects of the ELQ recommendations on institutions must be minimised. If a decision is taken to continue the implementation of the policy as planned, we propose therefore that universities that have lost funding should be given priority status for the award of the equivalent number of additional student numbers (ASNs) in the next HEFCE bidding round. Further, in the development of criteria for the award of ASNs, HEFCE should take care to ensure that institutions affected by the withdrawal of ELQ funding are not expected to distort their established strategic missions in order to secure these additional places. The partnership so carefully established between the sector and the government is

not in danger of collapse, but, in future, we ask that when substantive policy changes are envisaged the considerable capacity of the Higher Education sector to engage in positive debate and to develop constructive solutions be recognised.

January 2008

## Annex A

### 1994 GROUP

Established in 1994, the Group brings together 19 internationally renowned, research-intensive universities. The Group provides a central vehicle to help members promote their common interests in higher education, respond efficiently to key policy issues, and share best methods and practice. Each member undertakes diverse and high-quality research, while ensuring excellent levels of teaching and student experience.

Working as a group, we respect and support our members' particular traits and traditions. We are constantly looking for ways to apply our shared and individual strengths to meet the needs of students and staff, employers and industry, research councils, government agencies and all other interested parties.

The Group's aims are:

- To secure widespread recognition and a position of strength to influence decision and policy-making groups.
- To achieve awareness and profile that underpins the ambitions of members in global markets.
- To promote the need for diverse, distributed centres of research and teaching excellence.
- To share good practice, enhancing the experience of staff and students.
- To provide services that help members respond effectively to changing market conditions.

The Group believes that:

- Members' identities and traditions can be respected while providing a basis for innovative and challenging thinking.
- Research-intensive universities should play a full role at local, regional, national and international level.
- High-quality research and teaching are mutually supportive and serve to reinforce each other.
- Students and staff from diverse backgrounds should be encouraged to realize their potential in a well-maintained environment, providing a stimulating choice of academic, cultural and social opportunities.

The members of the 1994 Group are: University of Bath, Birkbeck University of London, Durham University, University of East Anglia, University of Essex, University of Exeter, Goldsmiths University of London, Royal Holloway University of London, Lancaster University, University of Leicester, Loughborough University, Queen Mary University of London, University of Reading, University of St Andrews, School of Oriental and African Studies, University of Surrey, University of Sussex, University of Warwick and University of York.

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## Memorandum 71

### Submission from the University of Liverpool

#### EXECUTIVE SUMMARY

The submission below forms an institutional response from the University of Liverpool to the call for evidence made by the Innovation, Universities and Skills Committee, to inform the Committee's inquiry into the Government's decision to phase out support given to institutions for students taking equivalent or lower qualifications.

The submission highlights the University's views that:

- (i) The ELQ policy appears inconsistent with other stated aims for the Higher Education sector, particularly around lifelong learning and reskilling.
- (ii) The absence of consultation on the policy, other than its implementation, has been unhelpful.
- (iii) The timing of the policy's implementation will penalise institutions for strategic decisions taken in good faith prior to its announcement.
- (iv) The methodology proposed to inform this policy's implementation raises issues.
- (v) It would welcome a broadening of the range of subjects exempt from this policy.

## A. INTRODUCTION

1. The University of Liverpool is deeply concerned about the decision to withdraw the support given to institutions for students taking equivalent or lower level qualifications (ELQs) to that which they have previously attained. We consider the policy to be undesirable in itself and inconsistent with previously stated policy aims for the Higher Education sector. Moreover, the proposed methodology for its implementation raises a number of concerns.

2. Guidance notes suggest that the inquiry will focus on five key areas, which we address in turn below.

## B. ARGUMENTS FOR AND AGAINST THE POLICY

3. Whilst we can see how on the face of it this policy may look attractive, we consider it to be contrary to other goals set for the Higher Education sector by government around lifelong learning.

4. The Government, HEFCE, universities and employers have all consistently expressed their support for the concept of lifelong learning, particularly in the context of a knowledge based economy.

5. Universities have a vital role in the above, skilling and then re-skilling the workforce. Their capability to do this would be severely damaged should the policy to withdraw funding from ELQs be implemented. Almost by definition, those members of the workforce who are re-entering HE, either to requalify, or for continuing professional development purposes—that is the very same individuals that the Government is relying on to provide the flexibility and responsiveness necessary to keep the UK economy competitive—will find state support for their efforts withdrawn.

6. It has been suggested in the past that co-funding from employers may go some way to meeting this funding shortfall. However, we are still a long way from a culture where co-funding is common, and it seems unfortunate to move forward in this way before this method of funding has been more fully developed. It is also important to remember that not all students studying for an ELQ to retrain will currently be in employment and will therefore not have access to employer co-funding. We will return to matters of funding, and the impacts this will have on students and universities in sections E and F below.

## C. TIMING OF THE DECISION AND ITS IMPLEMENTATION

7. The lack of notice given prior to this policy announcement and the subsequent timescale for its implementation are problematic in the extreme. In this context, we wish to register our strong and clear objection to the fact that, until now, there has been no wider consultation with universities on the policy itself, discussion being confined to its implementation. We find this wholly unacceptable.

8. That the policy's implementation will begin in 2008 is a particular issue. The fact that the funding environment has been changed without institutions having the opportunity to realign their plans means that institutions have effectively been penalised for following strategic plans they have created and begun to implement in good faith.

9. In order to compensate for the lost income, institutions may wish to increase fee levels for ELQ students. There is only a short timescale for institutions to consider this if they are to take decisions that will inform their fees policies for 2009 entry.

10. Should the policy proceed, the way HEFCE intends to implement it also raises a number of issues.

11. HEFCE proposes to use 2005–06 HESA and ILR data to model the number of ELQ students in the system. This data is imperfect and gives rise to three key concerns:

- (i) A large number of students whose records were interrogated do not contain information on their previous qualification. This prevents an accurate set of ELQ data from being obtained. We would therefore view as essential the need to refine existing modelling. However, whilst we strongly support the need for this process to be undertaken, we are concerned about the additional administrative burden which will be placed on HEIs in clarifying these “unknowns” and that this appears to be disproportionate in the context of better regulation.
- (ii) There has been no reassurance given that sufficient analysis has been undertaken to determine that 2005–06 can be assumed to be representative of a typical year in terms of the overall proportion of students in higher education registered for ELQs.
- (iii) We would like to see clear evidence that robust trend analysis has been undertaken to determine the proportion of ELQ students registered at individual institutions. Without this, there is the potential for funding to be based on one year's data (2005–06) which represents a mid-point in a migratory trend, resulting in inappropriate levels of core T funding being withdrawn from individual institutions.

12. HEFCE proposes to provide safety net funding to ensure that institutions' funding remains at least at 2007–08 levels. We strongly support the proposal to provide safety net funding to protect universities' core income. However, we would argue that, in order to ensure existing levels of activity can be maintained, this guarantee should be provided in real terms rather than in cash terms.

13. HEFCE has yet to indicate what the resource saved through this policy will be used for. We would strongly suggest that it should be redistributed directly to the sector, and that reassurances should be provided to this effect, along with a clear indication of the areas that HEFCE would anticipate supporting. (In this context, we note that the amount of savings made through implementation of this policy will, according to HEFCE modelling, far outstrip the £100 million saving estimated by Government).

#### D. EXEMPTIONS FROM THE WITHDRAWAL OF FUNDING

14. Whilst noting that using the Student Fees Regulations to identify exemptions to the ELQ policy, as HEFCE proposes, provides at least an initial base from which to progress if the policy must be implemented, we would argue that useful consideration could be given to broadening these criteria. Given that the premise underlying exemptions is clearly concerned with the wider national interest, national infrastructure and contribution to the economy, it would seem appropriate at the very least to look at other professionally accredited subject areas. At Liverpool, for instance, provision that is fully professionally accredited, but not exempt from this policy, includes amongst others Engineering, Psychology and Archives Management. The skills with which we equip our graduates in these areas will in many cases flow directly into the relevant sectors of the workforce and the economy.

15. We would also contend that it is inconsistent to exempt Foundation Degrees as a class of award, whilst limiting other exemptions to a very limited range of subjects of study. We see little difference between an ELQ student registered on a Foundation Degree (ie one that will provide the student with a particular work-relevant set of skills) and one registered on a full degree which will also provide them with an—albeit different—set of skills to take into the workplace.

#### E. THE IMPACT OF THE CHANGE UPON STUDENTS

16. The obvious result of this policy is that, in order to make up the loss in funding, institutions will increase fees for ELQ students and that these individuals will subsequently be discouraged from applying to return to university to retrain or pursue continuing professional development. This policy would make lifelong learning an increasingly costly habit.

17. We also have a particular concern about a secondary impact of this policy—the way that it will, due to the disproportionate affect it has on part-time provision (see F below), have a differential impact on those groups of students who are only able to access higher education by this means. In this way there could conceivably be a negative impact on the widening participation cohort, and for the same reasons, we can expect this policy to have a significant gender bias. By limiting the scope for universities to offer cost-effective part-time provision, we limit access to HE for those with family and other carer responsibilities, a group that is still predominantly female.

18. We appreciate that these consequences are entirely unintended and can seem counterintuitive (particularly in respect of widening participation), but it remains the case that anything that impacts negatively on part-time provision, as is the case with this policy, will make it difficult for those students for whom the choice is between part-time study or no study at all.

#### F. THE IMPACT OF THE CHANGE UPON INSTITUTIONS

19. This policy and its implementation will have four key effects on institutions:

- (i) The policy will make it harder for them to contribute to the lifelong learning agenda:  
We believe that the case for this (discussed in B above), is self-evident, and consider this to be the key failure of this policy.
- (ii) It will force institutions to consider whether it is appropriate to charge differential fees for different categories of home student, and if so at what level:  
As previously noted, it is only to be expected that universities will seek to make up the shortfall in their income caused by this policy. (Even though, HEFCE have indicated that the savings generated by this policy will remain in the sector, there is no guarantee that institutions will have returned to them their lost funding in another form). The obvious way to do this is for institutions to charge differential fees for ELQ students. This would lead to a divisive situation whereby students would be paying different fees to undertake precisely the same programme of study.
- (iii) It will limit their capability to provide or grow cost effective part-time provision:  
The withdrawal of funding for ELQs is particularly relevant to the part-time market (approximately 70% of the number of ELQ students that the reduction of funding will be based on is part-time). In providing a supplement to core funding for teaching to support part-time provision to mitigate the effects of this policy, HEFCE has acknowledged the implementation will make it harder for universities to offer cost effective provision in this way. More worryingly, if an institution wished to grow in this area, for example to support lifelong learning or widening participation, any additional numbers would inevitably include ELQ students. As such the current proposals will require the institution in question to take a strategic decision to either subsidise any

increase in student numbers or to charge a higher, differential fee to ELQ students and risk suppressing demand, again damaging the cost effectiveness of the provision. It is also worth remembering that in the same way that students particularly associated with part-time provision will be disproportionately affected as a result of this policy, so too will those institutions that specialise in this area, Birkbeck and the Open University being the two most obvious examples. Even if money is earmarked for recycling back to these institutions through additional student numbers or any other means, presumably it will take a fundamental shift in mission for them to be able to refocus provision in a way that will qualify for state support.

- (iv) It will limit institutions' capability to grow strategically important and vulnerable subjects.

A similar logic applies to strategically important and vulnerable subjects. The supplement to core funding for teaching in respect of these subjects protects this type of provision, but masks the fact that the amount of growth available is limited. Again, if an institution wished to develop provision in one of these areas it would have to take a strategic decision to either subsidise any increase in student numbers or to charge a higher, differential fee to ELQ students and risk suppressing demand.

20. Whilst we acknowledge HEFCE's desire is to support rather than incentivise provision in both the part-time and SIV areas, the proposals as put forward limit the range of strategic options available to institutions.

## G. CONCLUDING REMARKS

21. We have included many of the remarks made above in our response to HEFCE's consultation on the policy's implementation and hope they will be considered as part of that process, but would like to record how valuable we have found this opportunity to discuss the desirability and effects of the policy itself—for the first time—as part of the Committee's work.

22. In concluding, we wish to reaffirm our strong objection to:

- (i) The policy itself and the way it makes it increasingly hard for universities to achieve their missions and the tasks required of them by government and the economy, particularly around lifelong learning and reskilling.
- (ii) The absence of any consultation on the policy, other than over its implementation, and that only months before its effects would begin to be felt.
- (iii) The questionable basis on which the policy will be implemented.
- (iv) The way it in some cases penalises strategic decisions taken in good faith by institutions prior to its announcement.
- (v) The way the policy limits the range of strategic options available to institutions.

23. We hope that the Committee finds this submission useful, and would be happy to give further information if required.

*January 2008*

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## Memorandum 72

### Submission from European Research into Consumer Affairs

Europe needs life-long learning to achieve its Lisbon vision

#### SUMMARY

Studying for an Equivalent or Lower Qualification benefits the nation because it helps individuals to match their skills to the future demands for innovation. This argues against phasing out support for ELQs.

1. The priority for the UK, as for wider Europe, is to get the economy working better. It was agreed at the Lisbon summit of 2000 that, to achieve the ambition to make the EU the most competitive and dynamic knowledge-based economy in the world by 2010, research and innovation must be boosted and made more efficient. Gordon Brown, when Britain's Chancellor of the Exchequer, wrote "Europe's investment in research and development is only 2% of gross domestic product, compared with 2.7% in the US and 3.1% in Japan". A population with ever improving skills is needed to meet this challenge.

2. So education must be a continuing part of the life of the British, and of Europeans in general. People should be encouraged to extend their education in ways that they judge to be best for their own careers. This may well include study for an Equivalent or Lower Qualification (ELQ) when needed. The government should encourage this educational provision, in particular by the pioneering Birkbeck College London and the Open University whose help is particularly important to disadvantaged and to other unusual students.

If the UK did phase out the support given to institutions for students taking second qualifications, at whatever level, this would discourage broadening skills, or changing disciplines, to fit individuals for their lives in tomorrow's rapidly evolving environment.

3. To illustrate how an equivalent or lower qualification can enhance career development let me give but two examples from my own acquaintance:

- John Maynard Smith FRS, already having a degree in aeronautical engineering and a first career designing aircraft, took an equivalent qualification in zoology. He became one of the most distinguished population geneticists in the world. When he was a student for the second time, as a bonus springing from his intellectual maturity and a mathematical ability scarce among biologists, he was an inspiration to all his fellow students and certainly enhanced our education.
- In the current issue of *Nature* (10 January 2008) an obituary relates how “one of the giants of twentieth century biology”, Seymour Benzer, having obtained a PhD in physics, “Purdue hired him as a physics professor, but almost immediately he began working in biology, taking the ‘bacteriophage course’ at Cold Spring Harbour”. This was certainly a lower qualification, but it led to great benefits for molecular biology.

4. The Lisbon agenda is already way behind schedule and may prove mere hubris unless, among other things, the European nations back students who wish to learn afresh so as to fit themselves for the new challenges that globalisation is bringing.

January 2008

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### Memorandum 73

#### Submission from Universities UK

#### EXECUTIVE SUMMARY

Universities UK welcomes the opportunity to make a submission to this Enquiry. It is clear from our member higher education institutions (HEIs) within England that these proposals have caused considerable unease.

Universities UK understands the principle behind this policy which is to provide more opportunities for students wishing to take a first degree, but we are concerned that there will be the unintended consequences in taking this approach. We are also concerned that it may damage the Government's efforts to promote lifelong learning if the change means potential students cannot afford to pay to re-skill with relevant qualifications and professional development. First time students may also be denied opportunities, as some courses may no longer be viable without funded ELQ students.

Universities UK has a number of specific concerns with this policy:

- The lack of prior consultation with the sector.
- Universities are effectively being “fined” retrospectively for decisions they made in good faith to admit ELQ students in previous years.
- The impact on (i) part-time provision, and (ii) on universities specialising in part-time provision. This is likely to have an especially disruptive effect on the Open University and Birkbeck College, but also a significant impact on a large number of other institutions.
- The adverse effect of (i) failing to exempt specific subjects and courses which are of acknowledged economic, social and cultural value to the UK, and (ii) the impact on the universities which deliver this provision.
- A potential permanent increase in the administrative and regulatory burden on universities across a range of activities, which will divert resources from other key activities.

UUK's proposals to mitigate the effects of the policy are:

- That universities that have lost ELQ student numbers and funding should be given “preferential status” to bid for an equivalent number (and value) of funded additional student numbers against the Government's re-stated priorities (when these are known). These priorities should be defined broadly (within the category of first time learners) so that a diverse range of affected HEIs have a realistic change to recoup the funded HEFCE places they are losing under this policy.
- That consideration should be given to a number of additional exemptions of subject areas that are reliant to a significant extent on ELQ recruitment, and which are of particular value to the economy, society and culture of the nation.

## INTRODUCTION

1. The university sector has a long-established, key role in supporting the Government's economic, social and cultural policies. Universities have successfully carried out this role over many years, through a process of ongoing dialogue and timely consultation with Government and its agencies. This close relationship has allowed universities to plan on an individual, autonomous and entrepreneurial basis how best to respond to Government policy objectives, given their particular profiles and missions. Universities are able to deploy effective solutions in support of Government policy, provided that institutions are consulted early and hence are able to plan their responses in an efficient and timely manner. For example, universities have developed a range of effective and flexible responses to work towards Government objectives in the areas of life-long learning, up-skilling and re-skilling of the workforce, demand in key shortage subjects, and increasing and widening participation in higher education, amongst others.

2. Universities understand the Government's stated principle of re-directing public money from funding ELQ students to those who do not have a first HE qualification. It is against this background that UUK consulted its HEI members to seek their views on the ELQ proposals. UUK's members are drawn from a diverse HE sector, and the impact of the ELQ proposals will have a similarly diverse effect right across the sector. Many universities indicated they have major issues with the proposals, such as (i) those teaching large numbers of part-time students, and (ii) those HEIs that are significant providers in the health sciences, business studies, creative & performing arts, and other areas, including highly specialist "niche" providers such as the conservatoires.

3. UUK also notes that the phasing-out of ELQ funding in England will widen still further the methodological differences between HE funding in England, Scotland, Wales and Northern Ireland.

## IMPACT OF THE WITHDRAWAL OF ELQ MAINSTREAM FUNDING

4. Whilst acknowledging the Government's intention to re-focus £100 million of mainstream funding by 2010–11, the Government's recent decision to phase-out funding to universities from 2008–09 for students pursuing ELQs could seriously hinder many universities' efforts to meet Government objectives across already established key policy areas such as:

- The life-long learning agenda.
- The skills agenda.
- Important shortage subjects.

5. Universities are concerned about the sudden and adverse impact on their strategic plans in terms of, for example:

- Admissions policies for Home/EU students.
- Course delivery and viability, particularly as regards flexible and part-time provision.
- The overall student learning experience.
- Staffing levels and infrastructure usage.
- The integrity of universities' financial and academic plans generally.

6. According to HEFCE's figures, it is clear that some universities will be more seriously affected than others, particularly those with large numbers of part-time undergraduate and (notably) postgraduate taught students. Some regions also appear to be disproportionately affected, such as universities across London and the South East.

For example, UUK understands that:

- 71% of Full Time Equivalent students modelled as affected by the ELQ policy will be part-time students.
- 29% of all student FTEs modelled as affected by this policy will be postgraduate students.
- The London and South East regions together will account for 41% of the ELQ monies to be phased-out.

7. HEFCE's proposals to apply mitigatory factors selectively across the sector are helpful as far as they go towards alleviating the impact of elements of the ELQ policy. However, these mitigatory factors appear to be limited in their scope, and consequently in their effectiveness, because of the tight financial constraints on HEFCE to deliver the £100 million target saving (Section 11, HEFCE ELQ "FAQs" <http://www.hefce.ac.uk/faq/elq.htm>). For example, although HEFCE's proposed £20 million supplement to the part-time targeted allocation is welcome, it will only partly alleviate the impact of the ELQ policy on part-time funding in HEIs.

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## KEY ISSUES AND PRINCIPLES

### *“Retrospective Fine”*

8. The Government’s decision to phase-out mainstream funding for ELQ students from HEFCE funded courses at universities sets a worrying precedent. The net effect of the policy will be to “fine” individual universities retrospectively for decisions each made legitimately and in good faith to admit ELQ students in previous years.

9. This retrospective “fine” is predicated on 2005–06 student data which lacks sufficient detail (particularly with regard to discriminating between postgraduate qualifications), is possibly unrepresentative of the current student profile (due to the subsequent introduction of variable tuition fees), and was not originally collected for the purpose to which it is now being applied. Neither the Joint Academic Coding System (JACS) for subject classification, nor Higher Education Statistic Agency (HESA) data collected for 2005–06, can necessarily be regarded as being fit for the purpose of implementing this policy.

10. The policy is being imposed on universities through a reduction in their core public funding allocation for teaching (ie “HEFCE funded places”). Without prior consultation individual universities were unable to (i) evaluate and discuss with HEFCE the impact of this policy change on their strategic plans, and (ii) raise any issues of course provision, academic planning, and financial sustainability.

### *Lifelong Learning*

11. The ELQ funding policy could run counter to the furtherance of a number of stated Government policies. The Government’s agendas to promote life-long learning and re-skilling (and in some cases up-skilling) of the workforce could be adversely affected, since the proposals will impact particularly on part-time and flexible-study students who are seeking to re-train and acquire new skills within a rapidly developing, flexible, knowledge-based economy.

12. There are several examples of particular professions of value to the economy, society and culture where recruitment will be affected by these proposals. These include pharmacy, clinical & other psychology courses, creative & performing arts, and continuing professional development for education workforce and healthcare professions. These are all courses where high proportions of students are either (i) undertaking re-training in order to embark upon a change of career (for example, many students in the performing arts in general, and actors and singers in particular, need to undergo vocational training after their first degree), or (ii) require a further qualification (for example, continuing professional development study in the education workforce and health professions, where individuals undertaking post-qualification, professional studies to enhance their expertise will no longer be eligible for public funding).

13. The consultation being conducted by HEFCE concerns only the specific proposals to implement the withdrawal of funding for ELQ students, and offers scant opportunity for the sector to offer strategies or initiatives as an alternative to HEFCE’s methodology. Universities have suggested that the implementation of the withdrawal of ELQ funding should be delayed, possibly until 2010–11, to allow institutions to manage their own transition to a new steady state. They have also suggested that withdrawal of funding should be for only five years or so after which ELQ students would become eligible for further public funding, thus limiting the impact on those in mid career or returning after raising a family.

### *Part time Students*

14. The withdrawal of ELQ funding will have (per HEFCE’s figures) a serious and disproportionate effect on part-time and flexible provision across the sector, and a particularly marked effect in universities, such as the Open University and Birkbeck College, whose mission and profile have led them to specialise in this area. The provision by HEFCE of a £20 million supplement in 2009–10 is to be welcomed, but the review of this supplement in 2011–12 introduces uncertainty, given the lead-time necessary for universities to secure other sources of income for this provision, or secure additional non-ELQ student numbers through competitive bidding.

### *Regulatory Burden and consultation*

15. Because of the lack of prior consultation, consideration of the impact of the ELQ proposals has already required much staff input in terms of time and effort over a concentrated period. The implementation of the Government’s policy will divert universities’ resources and permanently increase the administrative and regulatory burden across a range of activities, by, for example, adding further complexity to the business planning and marketing of courses, and the recruitment and enrolment of students. Further issues surround how HEFCE will address cases where a student has been admitted as a non-ELQ student eligible for public funding by a university acting in good faith and based on information available at the time, but is subsequently identified as falling within the non-fundable ELQ criteria.

16. Universities UK would encourage Government to engage constructively with the sector on all future policy proposals prior to their adoption, using established consultative mechanisms. This will enable universities to pro-actively inform policy decisions, strive to avoid any “unforeseen consequences” in their implementation, and plan to implement Government policy, in an effective, efficient, timely manner.

#### KEY MITIGATORY PROPOSALS FROM THE HE SECTOR

UUK has strongly urged HEFCE and the Government to consider adopting a number of sector-led proposals in order to ameliorate some of the most damaging aspects of the policy. These are as follows:

##### *Preferential funding*

17. Universities that have lost ELQ student numbers and funding should be given “preferential status” to bid for an equivalent number (and value) of funded additional student numbers against the Government’s re-stated priorities around widening participation and employer co-funded provision. These priorities should be defined broadly enough to allow the diverse range of HEIs affected by the ELQ policy a fair chance to bid successfully under the new priorities. This would be on the basis that only if that university’s bid were unsuccessful would numbers of additional student numbers be released into a wider “pool” open to other universities to submit competitive bids. This modification would help to reduce the relative impact of the ELQ funding decision on a given university in a proportionate manner, assist with sustainability, and enable a university to plan the re-alignment of its strategic plan with the Government’s new policy emphasis

##### *Additional Exemptions*

18. Consideration should be given to a number of additional exemptions of subject areas that are reliant to a significant extent on ELQ recruitment, and which are of particular value to the economy, society and culture of the nation. Examples of these (each supported by substantial evidence from the profession in question) include pharmacy courses, psychology courses, a range of provision across the creative & performing arts, and continuing professional development activities in the teaching and healthcare professions.

19. The exemptions for medicine, teacher training, social work and nursing identified so far must be retained, and in some cases extended, if recruitment into these professions is to be unaffected by the ELQs policy. As the Council of Deans for Health has emphasised, it is important that HEFCE make clear the full extent of the exemptions for all the health professions covered by the relevant student support regulations ie Medicine, Dentistry, Allied Health Professions, Audiology (BSc route), Chiropody (including Podiatry), Dental Hygiene, Dental Therapy, Nutrition and Dietetics, Nursing, Midwifery, Occupational Therapy, Physiotherapy, Prosthetics/Orthotics, Orthoptics, Radiography, Speech and Language Therapy. Consideration also needs to be given to adding Operating Department Practitioners as well.

20. There is a strong case for a wholesale exemption of professional courses relating to the education workforce. Although the HEFCE consultation documentation outlines that teacher training will be exempt from the withdrawal of funding for those pursuing an ELQ, there are some areas of provision that are in danger of falling outside of this category, for example:

- *Professional courses for graduates and postgraduates:* This includes conversion courses for educational psychologists or to enhance professional understanding of key policy issues (eg the nature of the social class achievement gap).
- *Training for the wider school workforce:* As part of the school workforce reform, new programmes for classroom assistants are currently developing, which may overlap with previous NVQ 4 or HNDs, and hence would be classified as “ELQ”.
- *Post-compulsory education:* It is important to ensure that training for university teachers is exempted. Almost all of these teachers will have higher level qualifications in their specialist subjects, will be able to receive funding for HEA-accredited Certificate, Diploma and Masters courses in university teaching, which are now required of new entrants to the profession.
- *Research Masters:* We are concerned that students with a taught Masters degree (MA/MSc) will not be funded for a research Masters degree (MPhil/MRes/MSc). It will also be important to ensure that the holder of a subject specific PhD will still be able to receive funding for a professionally relevant EdD or DEdPsy qualification.

*Further considerations*

21. UUK would welcome further discussion/impact analysis of the ELQ proposals before they are implemented, specifically regarding any disproportionate effects on regions, gender, age, and socio-economic groups.

22. UUK would also welcome consideration of suggestions from universities set out in paragraph 13 above that (i) the implementation of the withdrawal of ELQ funding should be delayed, possibly until 2010–11, to allow institutions to manage their own transition to a new steady state; and (ii) that a time-limit of five years or so be imposed, after which ELQ students would become eligible for further public funding.

January 2008

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**Memorandum 74**

**Submission from the Women's Budget Group**

THE WITHDRAWAL OF FUNDING FOR STUDENTS UNDERTAKING EQUIVALENT AND LOWER QUALIFICATIONS (ELQS): EVIDENCE OF THE GENDER IMPACT

*Submitted by:*

The Women's Budget Group, and  
Baroness Margaret Prosser, Chair of the Women and Work Commission  
Baroness Joyce Gould, Interim Chair, Women's National Commission  
Baroness Haleh Afshar, Professor of Politics and Women's Studies, York University, Chair of the Muslim Women's Network  
Professor Liz Kelly, Director of the Child and Woman Abuse Studies Unit London Metropolitan University, Chair of the End Violence Against Women Campaign  
Fay Mansell, Chair, National Federation of Women's Institutes  
Dr Katherine Rake, Director, Fawcett Society  
Fran Bennett, Senior Research Fellow, Department of Social Policy and Social Work, University of Oxford; UK independent expert on social inclusion for the European Commission  
Professor Claire Callender, Professor of Higher Education Studies, Birkbeck, University of London  
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Professor Heather Joshi, Institute of Education, University of London  
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Professor Ruth Lister, Professor of Social Policy, University of Loughborough  
Professor Marjorie Mayo, Director of the Centre for Lifelong Learning and Community Engagement, Goldsmiths, University of London  
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Professor Sylvia Walby, Professor of Sociology, Lancaster University

The Women's Budget Group (WBG) is a think tank dedicated to the promotion of gender equality through appropriate economic and social policy. Our primary function is to advise government and others about the gender implications of policy, particularly about the impact on gender equality of different proposals for the use of resources. We assess not only policies targeted specifically at women and girls but also those that are apparently "gender neutral", raising awareness that because of women's and men's different social and economic positioning many such policies will have a differential gender impact. Such analysis of the differing gender impacts of policies has become particularly important since the introduction of the duty on public sector bodies to promote gender equality (the "gender equality duty").

The Women's Budget Group and its members have worked with and been consulted by various departments of government including HM Treasury, the Department for Work and Pensions, Department for Business, Enterprise and Regulatory Reform, Department for Communities and Local Government.

Supporting signatories are members of the WBG or otherwise have expertise in the field of women's equality, education, employment, social care and child poverty.

The WBG would be willing to give oral evidence to the Committee.

## EXECUTIVE SUMMARY

1. The proposed withdrawal of funding for ELQ students is likely to have deleterious consequences on women (and men) seeking to retrain after a period spent out of the labour market or in part-time employment because of caring responsibilities. Such interruptions or reductions in employment can result in severe and long-term labour market disadvantage. This is an important cause of the gender pay gap which the government is committed to reducing. It is the main reason why many women work below their potential with consequent loss of productivity to the economy.

2. Taking further qualifications is one route out of this trap. People contemplating retraining to enter into employment or move out of low grade part-time employment are at a stage in their lives when they are unlikely to be in a position to pay higher fees. Reducing subsidies will therefore reduce the numbers doing such training.

3. These students are also most likely to study part-time, as are those in similar circumstances but without previous qualifications. Reducing the numbers of ELQ students will impact on the availability of part-time education for all students, including those without previous qualifications. These are the less privileged students, those from backgrounds that have not traditionally considered higher education, about whose access and opportunities the government is rightly concerned. Over three fifths of part-time students are women.

4. If access to retraining for women returners and carers is restricted or becomes unaffordable there are also likely to be deleterious effects on:

- Adults needing care.
- Children and especially those living in poverty.
- Good employers willing to provide high quality part-time employment for returners.

5. We recommend that:

- An equalities impact assessment of this policy be carried out before it is implemented.
- The results of such an assessment be assessed as part of the 2009 review of higher education funding when the funding of part-time education as a whole will be considered.
- If the policy is implemented, exemptions be given for the education of those whose employment opportunities have been reduced through taking on caring responsibilities.

## SUBMISSION

6. In December 2006 Lord Leitch published the conclusions of his review of skills in the UK economy. Lord Leitch had been tasked by the Chancellor with examining the optimal skills mix to maximise economic growth, productivity and social justice. The Leitch Review concluded that the UK should aim to be “world class” in skills by 2020 benchmarked against the top quartile of OECD countries. This implies a massive step-change in skill acquisition across all levels within the economy, more than doubling at most levels. It also places huge emphasis on qualifications as the way of measuring progress towards the ambition of world class skills. There are of course huge costs to meeting the ambition for world class skills, but these are easily outweighed by the benefits.

7. In order to deliver this ambition government policy will have to reach out to groups of individuals and employers who have not traditionally been involved in life-long learning. The decision to focus resources on first time learners and employer supported training by removing funding for students studying for an “Equivalent and Lower Qualification” (ELQ) appears to be consistent with these priorities of the Leitch agenda.

8. However, it must be remembered that the overarching goal is to maximise economic growth, productivity and social justice. The Leitch Review has been justifiably criticized for lacking systematic analysis of the impact of its recommendations by gender. In particular its focus on training in the workplace and on those without previous qualifications ignores the particular needs of women re-entering the labour market after a period of caring where re-skilling will be just as important to deliver productivity and social justice. These needs and their connection to raising women’s productivity have been clearly documented in research commissioned by the Department of Trade and Industry.<sup>128</sup>

9. Further, the Government accepted the conclusions of the Women and Work Commission that reskilling is crucial to addressing the gender pay gap. In response to their report, *Shaping a Fairer Future*,<sup>129</sup> the Chancellor announced in Budget 2006 a £40 million pilot on re-skilling women to be delivered in London and in partnership with Sector Skills Councils.

<sup>128</sup> Walby, S and Olsen, W K, 2002. *The Impact of Women’s Position in the Labour Market on Current UK Productivity and Implications for Future Productivity Growth*, Report for the Department of Trade and Industry, Women and Equality Unit. London: HMSO.

[http://www.womenandequalityunit.gov.uk/publications/weu\\_pay\\_and\\_productivity.pdf](http://www.womenandequalityunit.gov.uk/publications/weu_pay_and_productivity.pdf)

<sup>129</sup> [http://www.womenandequalityunit.gov.uk/publications/wwc\\_shaping\\_fairer\\_future06.pdf](http://www.womenandequalityunit.gov.uk/publications/wwc_shaping_fairer_future06.pdf)

10. Following the Comprehensive Spending Review the Government announced a new Public Service Agreement for Equalities (PSA15), that it would “Address the disadvantage that individuals experience because of their gender, race, disability, age, sexual orientation, religion or belief (The Equalities PSA<sup>130</sup>)” and adopted a measure of the gender pay gap “Reducing the pay gap between men and women which currently stands at 12.6%, and doing more work on understanding pay gaps for those who are disabled or from BME backgrounds” as one of the key indicators against which it will be held to account. This is the first time that a PSA has committed to reducing the gender pay gap.

11. Education later in life, often more focused than at earlier stages on particular employment related qualifications, has been of great significance in updating the skills not only of those in employment but also of those currently out of the labour force, for whom new qualifications can open up a route to productive employment and unleash individual potential. Such a route back into worthwhile employment has been of particular benefit to women and others who have taken time out of employment, or reduced their hours of work, in order to care for others. In a changing world of work, skills can rapidly deteriorate while out of employment or in jobs where they are unused. Many people with caring responsibilities, even if they remain in employment, seeking hours which are compatible with those responsibilities, take jobs where their existing skills are underused. The part-time pay penalty is notoriously high, partly for that reason.<sup>131</sup>

12. The longer-run employment and career penalties of periods out of employment are heavy. Periods of part-time work can be equally if not more damaging to long term prospects. Women who have spent just one year in part-time work, and then worked full-time, can still expect to earn up to 10% less after 15 years than those who have worked full-time for all 15 years.<sup>132</sup> Many women never return to full-time employment after a period in part-time work and many more remain trapped in jobs working below their potential as a result of periods spent out of full-time employment.<sup>133</sup> There is, of course, a long-term cost to the Exchequer, and hence to the tax payer, of the lack of access to more productive and higher paid work consequent on the loss of access to education. This is in both a loss of tax revenues and the higher cost of Pension Guarantees for women in later life who have been less able to build a decent pension.

13. Taking further qualifications is one route out of this trap. Using the NCDS survey, Jenkins found that among women not in employment in 1991, the percentage making a transition into employment by 2000 was more than double for those who had obtained a new qualification in this period.<sup>134</sup> This applies for all levels of previous qualifications, including the highest level. Interestingly only one third of those new qualifications were of a higher level than previous qualifications, so two thirds of these were students studying for an ‘Equivalent and Lower Qualification’ although not all at HE levels.

14. While some may retrain by going into full-time education, for most the same caring responsibilities that have restricted their availability for full-time employment mean that they choose to study part-time. The availability and affordability of part-time education at all levels has therefore been of crucial importance to women returners and those currently employed in jobs which do not use their potential.

15. Such people are unlikely to be in a position to pay higher fees, since this is a time at which family budgets are often at their most stretched. Institutions that specialise in part-time education are not restricted in the fees that they can charge, suggesting that their students are already paying what the market can bear. An inevitable result of raising fees for ELQ students would be to reduce the affordability and hence the demand for higher education from women returners and others not using their skills in low paid employment.

16. Reduced access to second chance education will therefore impact particularly heavily on women and others who take time out of employment, or reduce their hours of employment to care for others. In effect those with existing qualifications will be denied the choice that many now take of using higher education as a way of restarting a career after a period spent caring for others. Since degree-level technical and vocational education is increasingly required for employment, this will be a severe blow to their life chances.

17. This in turn will have knock-on effects on others:

- On adults needing care, because carers, aware that this path to return to worthwhile employment later will be closed to them in the future, may feel less able and willing to devote themselves to caring for others in the present. Given the increasing need for social care, most of which is provided unpaid, this should be of particular concern to the government at the moment. It seems perverse to worsen the potential career opportunities of carers.
- On children and especially those living in poverty. Enabling mothers as well as fathers to have reliable careers is the best route out of poverty for children. While fathers’ incomes are important, for the many children whose parents split up it is their mothers’ ability to have reasonably paid employment that is crucial to avoiding the myriad developmental disadvantages of living in poverty.

<sup>130</sup> [http://www.womenandequalityunit.gov.uk/equality\\_psa/index.htm](http://www.womenandequalityunit.gov.uk/equality_psa/index.htm)

<sup>131</sup> Manning, A and Petrongolo, B (2005) *The Part-time Pay Penalty*, London School of Economics and Women and Equality Unit, CEP Discussion Paper No 679.

<sup>132</sup> Francesconi, M and Gosling, A (2005) *Career paths of part time workers*, Manchester: EOC Working Paper Series No 19.

<sup>133</sup> Manning, A and Petrongolo, B (op cit).

<sup>134</sup> Jenkins, A, “Women, Lifelong Learning and Transitions into Employment”, *Work, Employment and Society*, 20/2, 309–328, 2006.

- On good employers willing to provide high quality part-time employment for returners. Such employment will become riskier for employers. If pre-employment education becomes unaffordable, employers will have a restricted pool of skills on which to draw and will no longer be able to rely on the signal of commitment and ability that those with previous qualifications but currently out of the labour market could give, through undertaking such education.

18. Further, cutting subsidies for ELQ students will have knock on effects on those without previous qualifications trying to use higher education as a way to re-enter employment, by reducing provision and driving up unit costs. This will be particularly true for part-time employment-related courses in higher education, for which ELQ students form a sizeable proportion of the market. The proposed policy therefore risks reducing the availability of high quality accessible part time higher education for first-time degree students while increasing its costs. Such an unintended consequence could undermine the whole purpose of the policy. For a saving of just £100 million, less than 1.4% of the total higher education budget, this is a big risk to take.

19. Any such effects on the provision and cost of part-time education will be felt most acutely by those for whom such education is their first, and often only, choice, and for whom it is particularly crucial in giving access to worthwhile employment. These are the less privileged students, such as those from disadvantaged, minority or migrant communities and from backgrounds that have not traditionally considered higher education, about whose access and opportunities the government is rightly concerned. Among these, women returners and carers figure highly. Over three-fifths of all part-time students are women.<sup>135</sup>

#### RECOMMENDATIONS

20. Before implementing any change in the funding of institutions for ELQ students the government should conduct and publish an equalities impact assessment, which takes account of the direct and indirect impacts of the proposed change on both ELQ and first-time students, paying particular attention to the interaction with the new gender pay gap target.

21. The results of such an impact assessment should be used to inform the higher education funding review due in 2009, when the funding of part-time education is to be considered. It is only in this context that the effect on part-time higher education as whole can be assessed and any deleterious effects on widening participation in the sector be compensated for.

22. If a change in funding of institutions for ELQ students goes ahead, exemptions should be given for the education of those whose employment opportunities have been reduced through taking on caring responsibilities. It is important that such exemptions include those who have taken low grade part-time employment as well as those who have been completely out of the labour force.

January 2008

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### Memorandum 75

#### Submission from the University of Teesside

##### 1. EXECUTIVE SUMMARY

1.1 The Government's proposals on the funding for Equivalent or Lower Qualifications (ELQs) will have a significant impact on part time and sub-degree study opportunities, which support the Government's policies on lifelong learning and on re-skilling and upskilling for employment.

1.2 The University of Teesside accepts that it may be reasonable to find savings of £100 million from the higher education budget to invest in new initiatives. However, we do not believe that these proposals are the best way to achieve this, as they will have significant unintended consequences particularly in inhibiting the delivery of other policies which the Government wishes to promote. They will also limit personal and professional development opportunities amongst adults and create a significant bureaucratic burden for individuals and universities.

1.3 The principal issues of concern to the University are:

- The impact on part time students, who do not benefit from deferred tuition fees or maintenance grants.
- The impact on opportunities for lifelong learning and developing skills in employment.
- The limited range of exemptions proposed.
- Implications for equal opportunities, especially for female and mature students.
- The bureaucracy required to implement the policy, and the potential for evasion and unfairness.

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<sup>135</sup> Ramsden B and Brown N (2006) *Part-time students and part-time study in higher education in the UK: A quantitative data analysis of 2003–04 HESA data*, Universities UK/Guild HE, London.

- Technical defects in HEFCE's modelling of the funding changes which are necessary to implement the policy, and their likely consequences, particularly for flexible study patterns through credit accumulation and transfer.

1.4 We believe that if the policy is to limit public funding to one experience of higher education at any one level, then this should be focused upon full time study. This is where public subsidies are already concentrated, through grants, loans and funded places. There should also be a time limit, perhaps five years after graduation, beyond which there should be an entitlement to public support for part time education at the same level, in order to facilitate reskilling. However, any review of the balance of public and private funding should wait until the review in 2009 by the Fees Commission.

1.5 We therefore urge the Committee to include recommendations which will support our proposals in its report.

## 2. ABOUT THE UNIVERSITY OF TEESSIDE

2.1 The University of Teesside, based in Middlesbrough with University centres across the Tees Valley, achieved University status in 1992, but has a history stretching back to 1930, as Constantine College of Technology and then Teesside Polytechnic. In 2006–07, the University recruited over 9,700 full time students and over 12,600 part time students.

2.2 The University has a long standing reputation in providing higher education opportunities for all those with the potential to benefit, particularly in a region with considerable educational disadvantage. It also has a strong tradition of high quality HE courses and post graduate provision relevant to professional and industry needs. In particular, teaching areas ranked as top quality include Computing, Nursing and Midwifery, Professions Allied to Medicine, Art and Design, Sport and Exercise, Electrical and Electronic Engineering, History, Social Work and Chemical Technology.

2.3 Teesside has been named as the top modern University in a new national student survey commissioned by the Times Higher Education Supplement (18th overall). It is also ranked within the top ten modern universities for graduate prospects, according to The Times Good University Guide 2008 and joint tenth in the Good University Guide produced by Mayfield University Consultants.

2.4 According to the 2007 National Student Survey, Teesside is in the top 25% of English universities for student satisfaction and is the second highest modern university.

2.5 It has a strong focus on providing accessible, relevant and flexible HE for people in work with a strong emphasis on raising skills and educational levels within the workforce. This is exemplified by many successful partnerships with employers and representative bodies such as the North East Chamber of Commerce, the North East Process Industries Cluster, Cleveland Police, West Mercia Constabulary and the Metropolitan Police, and many other companies and public bodies. Consequently, the University has a high proportion of part-time students.

## 3. BACKGROUND INFORMATION

### 3.1 *Impact on Part Time and Sub-Degree Students*

3.1.1 HEFCE's analysis has indicated that the ELQ policy will affect around 20% of current fundable part time places, compared with 1.9% of the total for full time study. The total funding to be withdrawn is equivalent to £50 million from full time study and £95 million from part time study (at 2005–06 prices and levels of activity); the total of £145 million exceeds the required net saving of £100 million because of the need to fund the targeted allocations for strategically important and vulnerable subjects (SIVS) and part time study. Only one-third of the funding withdrawn is from full-time study the area with the greatest public subsidy, in the form of grants, loans and funded places.

3.1.2 Our own information, based on 2006–07 student population, shows that there were 142 fundable full time ELQ students (2.1% out of a total of just over 6,800) and approximately 2,000 fundable part time ELQ students (21% out of nearly 10,000 students) who would not be exempt, of which 1,650 were on sub-degree programmes across all subjects.<sup>136</sup> Therefore the student groups which have not benefited from deferred tuition fees or maintenance grants will be among the worst affected.

3.1.3 Examples of groups of students who might be particularly affected include:

- Nurses, holding pre-registration qualifications, who choose programmes to enhance specific skill sets relevant to their profession, such as BSc Promoting Practice Effectiveness.
- Students undertaking a variety of Education qualifications, such as Masters degrees and Certificates in Post-Compulsory Education.
- Students with a law degree who wish to enhance their skills through the Senior Status LLB.

<sup>136</sup> Approximately half of these full time students, and one-third of the part timers, are in strategically important and vulnerable subjects (SIVS), for which HEFCE proposes to provide a targeted funding allocation.

- Graduates undertaking conversion courses to work in industries seeking specialist skills (the Process Industry is encouraging such programmes to address the shortage of engineering graduates).

3.1.4 It is clear that institutions which have enthusiastically embraced the Government's agendas of lifelong learning and increasing higher level skills for employment will be among those worst hit by these proposals, and that the provision of such opportunities will be undermined. Provision of this type generally attracts a mix of first time entrants and those who have already benefited from higher education. There are few self-contained programmes which attract only first time entrants or only returners. The danger is that, if fees have to be increased, whether for all students or differentially for ELQs, demand will be adversely affected and some courses will have to close.

3.1.5 Employer co-funding is likely to have limited applicability, at least in the North East. In our experience, employers are reluctant to contribute to the level of cost of higher education provision which the Government and HEFCE expect (up to 50%). Moreover, many of the region's larger employers are public sector, so co-funding arrangements merely transfer the burden from one public funding pocket to another.

3.1.6 Many returners to HE do not benefit from employer contributions to the cost of their HE. We keep the PT fee low to provide more learning, and often vocationally related, opportunities for individuals in the region. The removal of funding grant will require substantial increases in fees for such individuals to cover the costs of provision, and for many this will be unaffordable.

### 3.2 *Range of Exemptions*

3.2.1 The exemptions currently proposed could be considered to be somewhat arbitrary, and could lead to unintended consequences.

3.2.2 The proposed exemptions for students studying courses which are treated as special cases by the Government—medicine, teacher training, nursing and social work—does not cover other parts of the public sector. For example, police forces, other areas of education and health carers are increasingly seeking training from higher education institutions, with programmes leading to qualifications at various levels.

3.2.3 The planned exemption for students studying foundation degrees is welcome, but is likely to lead to wholesale reworking of other programmes—such as HNCs or HNDs, which continue to have a strong following—as foundation degrees, in order that all the students can continue to attract funding. The University has over 700 students on part time HNC/Ds in Engineering and Computing, across 12 programmes, some delivered in several partner FE colleges or by distance learning. Without converting to foundation degrees, the range of programmes or venues available to students and their employers might have to be curtailed. Industry would be hard pressed to understand such a switch in qualifications in order to circumvent funding policy rules.

3.2.4 The proposal to exempt co-funded students is illogical, and appears to be a matter of expediency. The planned allocations to support strategically important and vulnerable subjects (SIVS) and part time study are welcome, but we are concerned that the part time allocation of £20 million is insufficient to compensate for the withdrawal of funding, which is shown by HEFCE's own analysis to total £95 million, while the SIVS allocation will be fixed in cash terms, and so will not encourage growth in these subjects.

### 3.3 *Equal Opportunities*

3.3.1 The dataset provided to the University by HEFCE for modelling the impact of the policy suggests that there will be adverse impacts on female and mature students.

3.3.2 For example, the University's fundable student population in 2005–06 was split almost equally between male and female students by FTE (though in headcount terms, female students were in the majority). However, among students assessed as ELQ students on the basis of known qualifications, the female share of the total FTE is 58.6%, and the effect of exemptions only reduces this to 56.7% of the FTEs who would not be exempt. This is consistent with the University's own information about the proportions of part time and sub-degree students who are likely to be affected, as some of our most popular lifelong learning and continuing professional development programmes attract a majority of female students.

3.3.3 Analysis of age on entry shows that the percentage by FTE of mature students (aged 25 or over on entry) assessed as ELQ students is double the rate in the total fundable population (which is 38%), and that the exemptions have little effect.

3.3.4 The differential on race is less dramatic, but probably not negligible. The percentage of ethnic minority students by FTE among the University's fundable population in 2005/06 was 7.2%, but among those ELQ students with known qualifications and not exempt, it was 7.8%.

3.3.5 These gender and age differentials appear to be an inherent consequence of the policy as applied to part time study.

### 3.4 *Bureaucracy and Associated Problems*

3.4.1 The extra bureaucracy created by this policy will negate many of the benefits of reduced regulation achieved in recent years. Although we are as yet unable to quantify the extra staff effort required, or the risks associated with diverting effort from other tasks, we expect these to be substantial. We also expect that some resources, such as a qualifications database, will need to be provided by representative bodies on behalf of all institutions.

3.4.2 This is because of the need to check the qualifications of students, beyond what is needed for admissions purposes, and to ensure that they are correctly interpreted and accurately recorded. Effort will also be needed to ensure that the exemptions required by the Government and HEFCE are correctly applied. In particular, we believe that:

- non-disclosure of qualifications will become a significant issue;
- institutions will need good practice guidance as to how far they are expected to probe an applicant's entry qualifications; and
- institutions will need access to a central database of current and past qualifications and their equivalences, including European as well as UK qualifications, to enable the policy to be implemented equitably.

3.4.3 There appears to be potential for confusion and unfairness in relation to students who have achieved partial completion of an earlier HE programme. It appears that students who have chosen to accept an intermediate award (eg a Cert HE or Dip HE for the completed part of a first degree) could be penalised relative to those who have simply dropped out. This would be perverse.

3.4.4 Further confusion and unfairness could be created if the ELQ policy is applied only to England, and not to the other parts of the United Kingdom, as seems likely at present.

### 3.5 *Defects in HEFCE's Modelling of Funding Changes*

3.5.1 In deciding what counts as an equivalent qualification, no distinction has been made between intermediate qualifications which can either be taken as an end in themselves or successively on the way to a final qualification—eg Cert HE and Dip HE as stages of an undergraduate degree; postgraduate certificates and diplomas as stages of a masters degree.

3.5.2 This means that the proposals as they stand will inhibit much of the flexibility which institutions like ours have built into their programmes to facilitate progression through successive stages of study, to allow students to take temporary study breaks to fit their personal circumstances and to encourage mobility between institutions. The concept of Credit Accumulation and Transfer to aid such flexibility could be set back.

3.5.3 It is unsatisfactory that HEFCE have based their modelling on 2005–06 student data, and have no plans to revisit it using more recent data. Apart from not being up-to-date, this data as a whole is unlikely to be fit for the purpose for which it is being used. The HESA coding framework was not designed with this purpose in mind, so that some of the categories, such as “Open University credits”, “Other credits from UK HEIs” and “Professional qualifications”, do not distinguish between different levels of study. Also, although institutions aim to make their data as accurate as possible, it is logical for them to prioritise those items which affect their funding, and, so far, the entry qualifications of students have not been used for funding purposes. The reliability of entry qualification data could be improved significantly by 2009 (at a cost in extra resources, or diversion of effort) if there is a funding incentive.

## 4. RECOMMENDATIONS

4.1 We urge the Committee to consider including some or all of the following recommendations in its report:

- That the introduction of the ELQ policy should be deferred, and referred to the 2009 Fees Commission for proper scrutiny. This would also allow time for improvements in data quality and procedures to support the implementation of the policy.
- That the ELQ policy be restricted to full time students (for whom the principle of a single entitlement to public funding at each stage of study can be supported), and that any further savings required be secured by an across-the-board efficiency gain. This will be more equitable between different types of student and institution.
- That the ELQ policy be restricted to qualifications obtained within a defined period, such as the previous five years, and so assist necessary reskilling by qualified learners.

## Memorandum 76

### Submission from Arts Council England

#### 1. EXECUTIVE SUMMARY

1.1 Arts Council England works to get more art to more people in more places. We develop and promote the arts across England, acting as an independent body at arm's length from government.

1.2 Universities are vital in sustaining economic drivers and particularly in the creative and cultural industries. They are central to creating the arts workforce, supporting innovation and high quality arts opportunities. In the last 10 years we have invested nearly £90 million in supporting initiatives, infrastructure and projects within the sector. In 2007 we published a strategy to profile our relationship with the higher education sector.

1.3 We are concerned that the proposed changes to equivalent or lower qualifications have been created as a model to replace government funding with funding from employers. This model may work for private sector employers, but would have a detrimental impact in the cultural and creative sector, which is comprised of small to medium enterprises, social enterprises, public and not-for-profit organisations who are not capable of bridging this funding gap. This approach could therefore lead to a skills deficit in a sector that is a key contributor to the national economy.

#### 2. EVIDENCE FROM ARTS COUNCIL ENGLAND

2.1 The creative industries contribute significantly to our economy, at least 7.3% of GVA and 1.1 million jobs, with a further 800,000 in creative occupations in other sectors. Over the last ten years they have grown twice as fast as the rest of the economy (Creative Industries Economic Estimates, DCMS, 2007). The UK has the largest creative sector in the EU and in London the creative industries add £21 billion annually to London's output. The growth of this sector will be hampered if there is a decline in the number of places available to pursue a career in the arts.

2.2 In the case of the cultural and creative industries the proposal of co-funding from our sector is unrealistic and there is limited capacity or income within the sector to absorb these costs. The creative and cultural sector is constituted by a large number of freelancers and SMEs (small to medium enterprises). According to recent statistics from Creative and Cultural Skills 95% of all creative and cultural industries in England employ less than 10 people. A recent DCMS report revealed that high proportions of creative industry firms have no training plan (64%) or no training budget (70%) (An Assessment of Productivity Indicators for the Creative Industries, DCMS, August 2007). In the career paths of those employed in cultural occupations there is a greater incidence of, and a continuing movement towards self-employment. Within our industries only the larger companies have the funding or capacity to arrange staff training.

2.3 We understand the Department for Innovation, Universities and Skills' decision to reallocate public funding for higher education to support for students that are entering higher education for the first time, or progressing to higher qualifications. However, we also believe that the proposed exemptions do not take into consideration the impact of this decision on widening participation in the cultural and creative industries. Achieving greater levels of diversity in the workforce is recognised as an important factor for growth in the creative industries. Although black and ethnic minorities make up only 8% of the UK workforce they are 35% of the workforce in London where more than half the audio visual industry (Skillset, 2006) and 31% of design businesses are located (Design Council, 2006), however the number of black and ethnic minorities in the workforce are lamentably low at only 9% in new design businesses (CCSkills/Design Council, 2006) and only 7% in the audio-visual industries (Skillset, 2006). To change the make up of the creative workforce we need to ensure that opportunities are available to students at all stages.

2.4 We do agree with the Higher Education Funding Council for England's proposal to continue providing public funding for students studying for a foundation degree as an equivalent or lower qualification. However, we need to ensure that there are progression routes available for people at later stages in their careers. An increase in the proportion of older people in the population will create an increased demand for adult continuing education, particularly if more people stay in employment beyond current retirement age. UCAS figures from 2002 entry show that 54% of all applicants aged 30 and over wanted to undertake an undergraduate qualification in the art, humanities and social sciences. All these activities contribute to the nation's social and economic well-being. Continuing professional development (CPD) and life long learning should be accommodated in these proposals. We also have evidence that in regions such as London there is demand for Higher Level skills and further emphasis on Foundation Degrees without clear conversion to Level 4 qualification.

2.5 Although we agree with the Higher Education Funding Council for England's proposal to aim to provide 'safety net' funding to maintain each institution's grant at a comparable 2007-08 level in cash terms, we believe that the implementation of the broader ELQ proposals could be delayed until the Student Fee Regulations and the Student Support Regulations have been reviewed and redrafted and there is more robust data.

2.6 We understand that some of our Higher Education partners and in particular the Conservatoires will be affected if the Department for Innovation, Universities and Skills' funding decision for ELQs goes ahead. We believe that arguments previously presented by the Conservatoires (UK) and other Higher Education partners via the Higher Education Council for England's consultation process should also be given careful consideration. Conservatoires have played a significant role in nurturing talent and innovation that has led the UK and in particular London to become the Creative Capital of the world.

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## Memorandum 77

### Submission from the Midlands Energy Consortium (Birmingham, Loughborough and Nottingham Universities)

#### EXECUTIVE SUMMARY: ESTABLISHMENT AND ROLE OF THE ENERGY TECHNOLOGIES INSTITUTE

1. The Midlands Energy Consortium comprises the University of Birmingham, Loughborough University and the University of Nottingham. The Consortium brings together three world-class partners, all with extensive and complementary energy related research activities. The Consortium provides the Energy Technologies Institute (ETI) with unmatched strength and connectivity, and uniquely the East Midlands Development Agency together with Advantage West Midlands has combined to provide significant financial and strategic support. As a consequence of these factors and the consortium's ability to support the rapid deployment of cost-effective low carbon technologies, it was successful in its bid to host the ETI.

2. The Consortium offers an outstanding hub location at Loughborough University's Science and Enterprise Park that combines exceptional accessibility; close embedding in an existing concentration of low-carbon and energy research, development and demonstration (RD&D); a superb parkland setting; excellent options for expansion and future growth; and the opportunity to achieve "whole-site branding". The hub occupies an attractive energy-efficient building that will itself be a demonstrator of retrofit technologies, and where the ETI hub can grow to full complement without the further disruption of relocation. The Consortium and the hub are ideally located at the heart of the UK, served by excellent communications networks, away from high costs and congestion, and close to major sites of ETI's key industrial sponsors.

3. ETI will be able to draw on the strength and connectivity of the Consortium's broad research base, which is underpinned with extensive industrial collaborations and strong international networks. The Consortium has:

- An extensive energy research activity including 200 academics and current external funding of £73 million, with collaborations already in place across institutional, sector and technological boundaries.
- A commitment to appoint a manager for the Midlands Consortium to manage the interface with ETI.
- An outreach and network capability with other researchers that extends nationally and internationally and that will enable ETI to "reach" wider, further, faster and more deeply into the RD&D community.
- An industrially-connected academic community, of mixed disciplines, across the Consortium, which can work with ETI staff to contribute creatively and imaginatively to the R&D commissioning process.

4. The role of ETI will be to lead the UK's efforts in establishing a low-carbon economy based on a secure, affordable supply of energy, a significant proportion of which will come from sustainable sources. Key to these efforts will be applied research into, and development of, excellent and innovative technologies that are designed to harness and utilise renewable energy. Such technologies may be found in all parts of the energy value chain, from generation and production through to transmission and distribution, storage and consumption. The ETI's activities will therefore focus on ensuring commercial viability, via development and demonstration projects involving a variety of public and private-sector stakeholders, both in the UK and overseas.

#### INTRODUCTION

5. The Midlands Energy Consortium (MC) is pleased to respond to the House of Commons IUS Select Committee's Inquiry into Renewable Electricity-Generation Technologies. These comments have been compiled with the assistance of staff at each of the three universities that constitute the MC, under the co-ordination of Peter Townsend, Director of the Research Office at Loughborough University.

6. This response concentrates on the hosting by the MC of the Energy Technologies Institute (ETI). The Government has pledged support for the ETI for a period of at least ten years, as part of a public-private partnership involving leading companies such as BP, Caterpillar, EDF Energy, E.ON UK, Rolls-Royce and Shell. The initial investment is the order of £1 billion.

7. The ETI, which is based at Loughborough University, commenced its operations on 17 December 2007 with an invitation for Expressions of Interest (EoIs) to participate in research programmes to develop new technologies for renewable energy. The first such programmes will be in the areas of offshore wind and marine (wave, tidal) energy. It is envisaged that projects to be supported under these programmes will commence in the autumn of 2008.

#### ESTABLISHMENT OF THE ETI: WHY THE MIDLANDS CONSORTIUM?

8. The ETI is hosted by the Midlands Consortium, chosen on 20 September 2007 by the ETI Board as the strongest bidder from a short-list of five. The strength of the MC's bid rests on the fact that it has an unparalleled concentration of world-class capabilities in low-carbon energy research and technology across the ETI's seven themes. The Consortium's extensive engagement with large corporate and SME industries led to a combined industrial research income in excess of £22 million in 2005–06. This includes involvement in the E.ON UK—EPSRC research partnership, three Rolls-Royce University Technology Centres, the Shell Centre for Pavement Engineering and collaborative research with more than 200 energy-related companies. The MC works with many leading centres of energy research internationally. Its long-term track record and commitment to energy research and development is illustrated by the combined total of 450 externally-funded projects across the seven ETI themes, with a value exceeding £73 million and involving more than 200 academic staff.

9. The Consortium works with industry and policy-makers, addressing challenges in the quest for a sustainable future. High-level commitment adds value to the direction, relevance and impact of its research. Examples include:

- Prof Michael Sterling (Prime Minister's Council for Science & Technology);
- Prof Martyn Poliakoff FRS (Royal Society Working Party on the utilisation of biofuels);
- Prof Dennis Loveday (E.ON/RAEng Chair in Low Carbon Energy Technology);
- Prof Kevin Kendall FRS (Grove Committee on Fuel Cells);
- Prof Dave Garner FRS (External Relations Board, Royal Society of Chemistry); and
- Prof Sir Colin Campbell (UK China Task Force).

10. The MC exhibits a strong track record of entrepreneurial drive, technology transfer, and exploitation capabilities. Achievements include:

- Queen's Awards for Enterprise (International Trade)—development of international campuses and tech transfer;
- HEIF-funded International Innovation Exchange (IXC);
- partners in BioCity, Europe's largest bio-incubator;
- The Queen's Anniversary Prize for Development Engineering, sustainable infrastructure for the world's poorest people; and
- spinning-out its research, including companies such as Intelligent Energy, IMPT and Adelan.

11. The MC has an established track record and long-term commitment to energy research, development and demonstration (RD&D). Each of the Consortium's three Universities has integrated its energy research through the formation of important new internal organisations:

- The Institute for Energy Research and Policy (Birmingham);
- The Sustainability Research School (Loughborough); and
- The Energy Technologies Research Institute (Nottingham).

Each is led by a Director, who provides co-ordination for all energy-related research within each University, and facilitates multi-disciplinary team-working. There is extensive external networking through the individual members, and the Directors are in regular contact and collaboration on matters of joint interest.

12. The Consortium's combined expertise is comprehensive, fully spans the ETI themes and beyond, and encompasses energy supply (conventional and renewable), its consumption by the built environment, transport and manufacturing, and wider aspects including societal, business, economics, infrastructure, social sciences and policy. Within each University, infrastructure is embedded to promote development, demonstration and deployment of suitable research outcomes, including patenting, publicity, development of funding opportunities, incubation and spin-out company facilities.

13. The Consortium possesses an impressive inventory of facilities and equipment that underpin its energy RD&D, supplemented by significant on-going investment. Examples include the new £2 million photovoltaics manufacturing laboratory (opened 2006); a £3 million world-class engine testing facility; a

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new £1.5 million fuel cells laboratory; and over £2 million investment to establish world-leading laboratories in industrial-scale microwave processing, hydrogen storage and carbon capture. Demonstration facilities include a unique series of creative energy dwellings and an instrumented house for testing retrofit domestic energy, metering and control technologies.

14. The Consortium has a long and extensive history of collaboration, networking and leadership. The MC's respective inter-disciplinary bodies—Loughborough's Sustainability Research School, Nottingham's Energy Technologies Research Institute, and Birmingham's Institute for Energy Research and Policy—demonstrate its commitment to inter-disciplinary and cross-School collaboration in the energy field. Birmingham, Loughborough and Nottingham collaborate on numerous activities, including major energy projects such as the Energy and Environment centre of excellence as part of the EU Rail Research Network of Excellence (EURNEX); several Supergen consortia; the Environmentally Friendly Engine project; and the E.ON Academic Advisory Council. Each university also belongs to a body that co-ordinates co-operation between Higher Education Institutions in its region: the East Midlands Universities Association (Nottingham and Loughborough) and the West Midlands Higher Educational Authority (Birmingham).

15. Nationally, the Consortium provides leadership in collaboration, networking and policy formation for numerous activities, including the Sustainable Design Network, Low Carbon and Fuel Cells KTN, two Innovative Manufacturing Research Centres and the £7M EPSRC-funded National Railway Project.

16. Internationally the Consortium has two members of Universitas 21—a network of leading research-intensive universities in 12 countries. The University of Nottingham was the first foreign university to establish a campus in China, which includes the Centre for Sustainable Energy Technologies at Ningbo. Consortium members provide leading roles for various international activities such as: American Society of Heating, Refrigerating and Air-Conditioning Engineers (50,000 members); EU €63 million Airbus Project; European Construction Institute; EU EURNEX's centre of excellence for Energy and Environment; and the UK Government's China Task Force.

17. Other significant international collaboration includes EU projects for energy-related research currently worth £12.7 million. This includes involvement in 12 projects of the Research Fund for Coal & Steel since 2001 (of which five have been co-ordinated within the Consortium), Solid Oxide Fuel Cell research with 26 partners, and Superconductor research under a Specific Targeted Research Project STREP with 13 partners. Beyond the EU, the MC is involved in the International Energy Agency Hydrogen Implementing Agreement (IEA/HIA) activities involving 43 partner institutions in 15 countries and the International Partnership for Hydrogen Energy (IPHE) activities involving eight partners in New Zealand, Singapore, UK and the USA.

18. In the table below (Table 1) we show the number and value of current grants held by the Consortium across the Pseven ETI themes and list key examples of research activity, leaders, sponsors and collaborators:

**Table 1**
**MIDLANDS ENERGY CONSORTIUM KEY ENERGY RD&D EXPERTISE AND COLLABORATIONS BY ETI THEME**

<i>ETI Theme</i>	<i>Key research activities and examples of track record (B: Birmingham, L: Loughborough, N: Nottingham)</i>	<i>1: Key research leaders; 2: Key sponsors and collaborators; 3: Funding portfolio</i>
Large scale energy supply technologies	<p><b>Clean coal technology, IGCC and carbon capture and storage technologies (N):</b> includes 8 EU Coal &amp; Steel projects involving the major European research organisations and companies in the field, three projects coordinated (€4.5 million).</p> <p><b>Plant life extension (B, L, N):</b> materials for extended life turbines conventional power plant lifetime extension; (Supergen £2.1 million, L lead). EU sponsored programmes include VITAL and WELDON.</p> <p><b>Economics of the electricity industry (B):</b> Supergen Future Network Consortium</p>	<ol style="list-style-type: none"> <li>1. Richard Green, Tom Hyde (FREng), John Knott (FRS), Jonathan Seville (FREng), Colin Snape (2006 Storch award), Rachel Thomson;</li> <li>2. Alstom, BNFL, CESI (Italy), Chromalloy UK Ltd, Corus, CSIC (Spain), CSM (Italy), Doosan Babcock, Elcogas, ENSA (Spain), E.ON, EPSRC, ESRC, EU, Howmet Castings, NPL, QinetiQ, Rolls-Royce, RWE npower, Siemens, Siempelkamp (Germany);</li> <li>3. 45 grants and contracts, total value £5.6 million.</li> </ol>
Energy security of supply	<p><b>Hydrogen (B, N):</b> UK Sustainable Hydrogen Economy Consortium (£3.5 million Supergen). <b>Fuel Cells, batteries and supercapacitors (N):</b> inc Fuel Cell Supergen; <b>Photovoltaic (L, N):</b> manufacturing and materials.</p> <p><b>Wind (N):</b> load structure, offshore grid control and energy storage;</p> <p><b>Bioenergy (B)</b> from waste/ biological production of hydrogen.</p>	<ol style="list-style-type: none"> <li>1. Jan Baeyens, Kwang-Leong Choy (FIMM), Lynne Macaskie, Martin Schröder (RS Wolfson Research Merit Award Holder);</li> <li>2. Areva, Ceres Power, Convertteam, dstl, DTI, EPSRC, EU, Johnson Matthey, Opel/GM, Rolls-Royce, Rolls-Royce Fuel Cell Systems Ltd, Thomas Swann;</li> <li>3. 47 grants and contracts, total value £6.0 million.</li> </ol>
End-use efficiency/demand management	<p><b>Energy efficiency in the built environment (B, L, N):</b> demonstrator Eco-houses; policy for sustainable urban regeneration; £2.5 million Creative Energy Dwellings project; Energy Globe Award and Euro Solar Award for sustainable buildings project.</p> <p><b>Sustainable design and energy reduction in industrial processes (L, N):</b> microwave grinding of rock Superconductors (B): National Crystal Growth Facility for Superconducting Oxides</p> <p><b>Electrical energy efficiency (N)</b> inc two EPSRC platform grants related to industrial process (£620k)</p>	<ol style="list-style-type: none"> <li>1. Stuart Abell, Greg Asher (FIEEE), Sam Kingman (UK Medal of Excellence), Dennis Loveday (E.ON/RAEng Chair in Low Carbon Energy Technology), Saffa Riffat, Rupert Soar;</li> <li>2. ASHRAE, Carbon Trust, CIBA, Defra, DTI, <i>emda</i>, E.ON, EPS, EPSRC, ESRC, EU, Glen Dimplex, Kingspan, Monodraught, NuAire, Pilkington, Rio Tinto, Roger Bullivant, Thermacore, ZedFactory;</li> <li>3. 87 grants and contracts, total value £11.8 million.</li> </ol>

Table 1 (continued)

ETI Theme	Key research activities and examples of track record (B: Birmingham, L: Loughborough, N: Nottingham)	1: Key research leaders; 2: Key sponsors and collaborators; 3: Funding portfolio
Transport	<p><b>Energy efficient aeronautical and automotive technologies (B, L, N):</b> 4 Rolls-Royce UTCs; Smiths Aerospace UTSP; DTI industry-led Environmentally friendly engine collaboration (£30 million); MOET: Airbus-led electric aircraft programme (€63 million, N: UK lead); Emissions reduction and novel engine technologies; <b>EU Rail Research Network of Excellence (EURNEX)</b> (B lead, involving 60 institutions throughout EU); <b>Transport systems, policy and planning (L):</b> Demand responsive transport systems, noise analysis</p>	<ol style="list-style-type: none"> <li>1. Paul Bowen (FR.Eng), Jon Clare, Colin Garner (Caterpillar/RAEng Chair, FIMechE), Jim McGuirk (FRAeS, FREng), Paul Shayler (Ford Chair), Miroslaw Wyszynski;</li> <li>2. Airbus, BAA, BAE Systems, Boeing, Caterpillar, Convertteam, DfT, DTI, EPSRC, EU, Ford, Jaguar, Lister-Petter, Lotus, MOD, Qinetiq, Rolls-Royce, Shell, Smiths Aerospace, Tyndall Centre.</li> <li>3. 191 grants and contracts, total value £29.4 million.</li> </ol>
Small scale energy supply technologies	<p><b>Wind energy technologies (L, N)</b> inc composites for turbine blades. <b>Energy from biomass (N)</b> use of brewing waste. <b>Domestic CHP (N)</b> small scale biomass-fired CHP system; <b>Fuel cells (B, L)</b> materials and durability, supply chain for fuel cell production; <b>Photovoltaic solar cells and solar technologies (L, N)</b> in the built environment; <b>Supercritical fluid technology (N)</b> for sustainable chemical manufacture and materials processing, including renewable feedstocks. Includes DICE: £3.5 million Science and Innovation award.</p>	<ol style="list-style-type: none"> <li>1. Matt Boreland, Ralph Gottschalg, Kevin Kendall (FRS), Andrew Long (FIMechE, FIMMM, Rosenhan Medal), Martyn Pollakoff (FRS);</li> <li>2. Advantage West Midlands, Baxi, BP Solar, DTI, EPSRC, EU, ICP Solar Technologies, Intelligent Energy, NERC, Rolls-Royce, RRFCS, Unilever Bestfoods UK;</li> <li>3. 30 grants and contracts, total value £11.2 million.</li> </ol>
Supporting infrastructure	<p><b>Pipeline technologies (B, L):</b> Safe Network distribution of hydrogen NATURALHY EU Consortium; trenchless tunnelling methods and offshore electricity cables; nanotechnology pipeline sensors; <b>Electrical energy conversion technologies (N)</b> FP6 UNIFLEX for future European AC grid (€2 million N lead) and two supporting EPSRC Platform grants (£620k); <b>Highly distributed power systems (L):</b> £2.6 million Supergen (L Lead); <b>Electrical distribution systems (B):</b> Artificial intelligence and other modelling applications</p>	<ol style="list-style-type: none"> <li>1. Christos Christopoulos (FIEEE), Geoff Hankinson (Advantica/RAEng Chair in Pipeline Technology, FIMechE), Mark Johnson, Michael Negnevitsky, Chris Rogers;</li> <li>2. ABB, Areva, Econnect, EDF Energy, EPSRC, EU, Newage, Scottish Power, Rolls-Royce, UK Water Industry Research;</li> <li>3. 31 grants and contracts, total value £7.3 million.</li> </ol>

**Table 1** (continued)

<i>ETI Theme</i>	<i>Key research activities and examples of track record (B: Birmingham, L: Loughborough, N: Nottingham)</i>	<i>1: Key research leaders; 2: Key sponsors and collaborators; 3: Funding portfolio</i>
Alleviating energy poverty	<p><b>Renewable energy technology transfer (N):</b> EU-India network (RENET) (N Lead)</p> <p><b>Economic, social and infrastructure issues (B, L, N)</b> in collaboration with developing countries, which has been gained predominantly in the field of water engineering, desalination processes and on the economic regulation of network industries.</p> <p><b>Globalisation and economic policy (N)</b> Leverhulme funded with a China Programme (£1.5 million).</p>	<ol style="list-style-type: none"> <li>1. Andrew Cotton, David Greenaway, Nidal Hilal (2005 Kuwait Prize: Applied Science for Water Resource Development), Mohammed Sohail;</li> <li>2. British Council, DfID, E.ON, EPSRC, EU, ITC, Middle East Desalination Research Centre, UK Commonwealth Secretariat, Wateraid West Africa, World Bank, World Health Organisation,</li> <li>3. 25 grants and contracts, total value £1.7 million.</li> </ol>

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 ROLE OF THE ENERGY TECHNOLOGIES INSTITUTE, AND RELATIONSHIPS WITH THE MIDLANDS CONSORTIUM

19. The purpose of ETI is to lead the UK's efforts in establishing a low-carbon economy based on a secure, affordable supply of energy, a significant proportion of which will come from sustainable sources. Key to these efforts will be applied research into, and development of, excellent and innovative technologies that are designed to harness and utilise renewable energy. Such technologies may be found in all parts of the energy value chain, from generation and production through to transmission and distribution, storage and consumption. The ETI's activities will therefore focus on ensuring commercial viability, via development and demonstration projects involving a variety of public and private-sector stakeholders, both in the UK and overseas.

20. As host for ETI, the MC will be able to assist ETI in fulfilling its role by working closely with Dr. David Clarke, its Chief Executive, and his team to achieve ETI's targets for the first year and beyond. Specifically, the MC will assist ETI as it establishes its key staff (some fifty people by end 2008) at Loughborough, and as it launches new programmes to develop collaborative partnerships for the demonstration of innovative energy technologies. This process will be facilitated by the appointment of a dedicated Consortium Manager to serve as the MC's main point of contact with Dr. Clarke, his Strategy Delivery Team and other members of ETI. The Consortium Manager will be a senior post with a reporting line to all three universities. He/she will facilitate all interactions between the MC and ETI, and manage the interface between ETI and the MC Steering Group, established by the partners to govern the activities of the MC. The Steering Group is chaired by a Vice-Chancellor, and meets on a quarterly basis in order to explore and broker every possible opportunity for the Consortium to support the work of ETI.

21. In addition to the Consortium Manager, the MC plans to invest in further academic leadership in renewable energy technologies by the appointment of an "ETI Chair" in a relevant discipline at each university. The partners' world-class expertise in each of the ETI's thematic priority areas, as described above, will enable the recruitment of internationally-leading academics to fill these Chairs.

22. Finally, the MC will offer the ETI team freedom of access to its academic staff, and the wider circles of company, university and other public sector contacts with whom they interact. These circles extend internationally, and are likely to be valuable to ETI, both in shaping its technology delivery strategy, and in the commissioning and implementation of world-leading development and demonstration projects.

January 2008

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 Memorandum 78

## Submission from the British Association of Psychotherapists

## RESPONSE TO DIUS SELECT COMMITTEE

This response is made on behalf of the British Association of Psychotherapists, one of the premier psychotherapy training organisations in the country.

The British Association of Psychotherapists currently runs two programmes collaboratively run with Birkbeck College, University of London. These are an MSc in the Psychodynamics of Human Development and a Clinical Doctorate for Child Psychotherapy. The MSc programme provides a pathway through to the three clinical trainings offered at the BAP and to other psychotherapy trainings across the country. One of the particular strengths of our MSc programme is that it enables under-represented groups to access psychotherapy trainings, and if funding were to be withdrawn, it would be these very people who would be most affected.

## 1. SUBMISSION TO THE INQUIRY

The arguments for and against the Government's decision to phase out support to institutions for students studying Equivalent or Lower Level Qualifications (ELQs):

- (a) There is no reasonable argument for withdrawing support for students studying ELQs as it does not accord with the government's stated aim of developing the skill levels of the workforce.
- (b) The targets outlined in the "Leitch" skills agenda expect that by 2020 40% of the workforce would have Higher Education qualifications. This would require universities to cater for mature students already in the workplace as well as school-leavers. It is particularly invidious that the capital—London will be hardest hit by this loss of funds as thirty of the 50 universities most affected by these cuts are in London. This will ultimately decrease their capacity to meet the government's new skills agenda and eventually lead to a lowering of skill levels in London.
- (c) The impact of this decrease in ELQ funding will disproportionately hit the part-time sector, as the effect to this sector will be 10 times greater than on full time providers.

- (d) These enormous cut-backs will definitely reduce the provision for part time students as they will result in many of these courses ceasing to be financially viable. This will, inevitably lead to some courses being dropped and in all likelihood the closure of some university departments.
- (e) This proposed policy represents serious cutbacks in funding for the professional study that is needed if competent professionals are to be developed to manage a workforce effectively.
- (f) Many mental health practitioners become ELQ students in order to improve their skills in their jobs and these cuts will make the cost of acquiring wider skills prohibitive and consequently, be detrimental to mental health services.
- (g) ELQ students often do not fit the model of more traditional students and often bring different and interesting perspectives to the class, which can have a positive and enlivening influence on the dynamics.

## 2. THE TIMING OF THE DECISION AND OF THE IMPLEMENTATION OF THE CHANGE

- (a) The government did not consult on the proposed changes and the timescale that is proposed does not allow the institutions to deal with the financial shortfalls in the least disruptive way possible.
- (b) Such changes would affect all institutions offering part-time courses and in particular Birkbeck and the Open University. It is however true to say that the government did (in quite a short timeframe) consult on the interim measures for introducing these changes and that is an entirely different basis for consultation on such an important issue.
- (c) As the fees commission meets in 2009 it would be more appropriate to wait for the outcome of these meetings where ELQ funding can be discussed as part of the overall review of student funding. Failing that, any decisions should at least await the conclusion of the Select Committee enquiry.

## 3. THE EXEMPTIONS FROM THE WITHDRAWAL OF FUNDING PROPOSED BY THE HIGHER EDUCATION FUNDING COUNCIL FOR ENGLAND

- (a) There should be exemptions for any student returning to education more than five years after the date of their last qualification whether at an equivalent or lower level.
- (b) All Health related courses including psychotherapy and psychological trainings should be exempt.
- (c) Subject areas which add to an individual's career development should be exempt for example IT, business, law, economics.

## 4. THE IMPACT UPON STUDENTS, INCLUDING WHETHER THE CHANGE WILL AFFECT SOME GROUPS OF STUDENTS MORE THAN OTHERS

*These cuts will particularly affect:*

- (a) Students undertaking professional trainings and continuing professional development (CPD) who are considered ELQ students and because of the increased fees will in future be unlikely to take such trainings and courses.
- (b) Students trying to re-skill after redundancy or other changes in personal circumstances.
- (c) Disabled students trying to re-skill when their disability makes it impossible to continue in their last/current job.
- (d) Parents, in particular women who, after having raised a family are trying to re-skill to re-enter the workforce. A high proportion of such women are ELQ students and the present proposals create additional hurdles for them to overcome in their attempt to improve their position and their contribution to the national economy.

## 5. THE IMPACT OF THE CHANGE UPON INSTITUTIONS, WITH PARTICULAR REFERENCE TO THE LONG-TERM IMPLICATIONS FOR SPECIALISED INSTITUTIONS SUCH AS THE OPEN UNIVERSITY AND BIRKBECK COLLEGE LONDON

*The following statistics come from Birkbeck our partner on two programmes*

- (a) The funding cuts are likely to have a severe impact on Birkbeck as approximately 38% of Birkbeck students are ELQ students.
- (b) Both the Open University and Birkbeck are likely to be focusing on dealing with these cutbacks rather than on delivering education.
- (c) Birkbeck is very well placed to deliver the government's skills agenda as Educating working people has been part of its mission since 1823. As a small institution it will inevitably be distracted from its prime role.

- (d) Many courses would have to close as they would cease to be viable when ELQ students are unable to afford the increased fees.
- (e) Over 70% of Birkbeck students study to improve their career prospects, and over 90% choose to study in the evening because they work during the day. Such study increases their contribution to the economy.
- (f) 50% of Birkbeck students are on low incomes and working hard to improve their career prospects—this year, 33% of Birkbeck undergraduate students applied for government financial support. Thus many of Birkbeck's ELQ students will have great difficulties in meeting any increased fees and in many cases unlikely to be able to afford to do the courses.
- (g) The average age of a Birkbeck student is 35. As the economy demands that people are more flexible in their working lives the opportunities for re-skilling need to be available to people throughout their lives. People through no fault of their own, sometimes have to change direction, often because of redundancy or disability.
- (h) Such cuts are more than likely to have a seriously destabilising effect on the work of this important, high-quality, research-led, world-class, London institution.
- (i) In a small educational institution such as Birkbeck, the management will find it extremely difficult to deliver the full range of planned initiatives which include widening participation and employer engagement in education if they have to divert resources into dealing with the fallout from the ELQ funding cuts.

6. WHAT THE BRITISH ASSOCIATION OF PSYCHOTHERAPISTS WANTS THE GOVERNMENT TO DO NOW

- (a) Revisit this policy and do not consider implementing any of it before 2009 at the earliest, after the broad review of student funding has taken place or, at least until the Select Committee has concluded its enquiry.
- (b) Birkbeck and the Open University give people a second chance and will be hardest hit. They should not have their funding removed in the short term, but be allowed to keep their funding and student places and given an opportunity over a number of years in which to re-focus on non-ELQ students in line with whatever government policy is finally agreed and implemented.
- (c) Exempt all students returning to study more than five years after their last degree.
- (d) Exempt all vocational and healthcare courses (eg law and psychotherapy) from the ELQ policy as students doing these courses are likely to be doing these courses to improve their their skills in their current jobs and or their employment opportunities.

January 2008

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**Memorandum 79**

**Submission from the Science Council**

FUNDING FOR EQUIVALENT AND LOWER QUALIFICATIONS (ELQs)

The Science Council brings together over 30 organisations across the breadth of science and its applications. One of its key priorities is to strengthen and support science education and the development of science skills in the UK. The Science Council has consulted member bodies and found that there are widespread concerns across disciplines and professional groups with regard to the decision by HEFCE to withdraw funding for ELQs.

It is our belief that the UK needs to be able to compete in the international global economy as well as be in a position to play its part in addressing the enormous issues facing humanity in the 21st Century, such as climate change. To achieve this, the UK must raise levels of scientific and mathematical literacy throughout the population as well as increase the numbers of active scientists and mathematicians in all sectors of the economy—business, industry, public services and not-for-profit organisations. Several reports, including the 2004 Science and Innovation Strategy, Race to the Top (the recent “Sainsbury Review”) and the Leitch Review of Skills, have all recognised this imperative. In this context the decision by DIUS and HEFCE to reduce support for ELQs appears incomprehensible.

We are disappointed that the policy decision was made without wide consultation and certainly came as a surprise to our sector. We believe that many of the consequences for the ambition for the UK to be a knowledge based economy are not yet apparent to Government or HEFCE although we would accept that these may be unintended consequences. The decision is likely to affect every industry and profession that needs to keep abreast of technological and scientific developments: and it will not help address the skills

shortages in the UK that are apparent now across a wide range of science and technology industries. It is often in these sectors and these professional areas that ELQs are very important to the recruitment of key staff, and to their continuous development within their chosen field.

Science and technology has changed, and is changing rapidly. It is increasingly multi- and inter-disciplinary, and those entering the professions must have a broad base of scientific and technical education as well as vocational qualifications gained through their working life. The Science Council is committed to increasing science professionalism and for this reason our Chartered Scientist designation has continuous professional development as a mandatory requirement: it is our view that all practicing scientists must expect to keep up to date.

There is a lack of clarity with regard to the definition of “equivalent level” with integrated master’s qualifications, a qualification that has been developed strongly within the science and mathematics communities.

The Science Council notes the intention to introduce longer-term safeguards for institutes such as the Open University and Birkbeck University of London. We note however that other institutes play a more significant role in courses in some areas of science and technology and we therefore hope that nation-wide and regional safeguards will be introduced.

The Science Council puts the case that it would be in the public interest for Government to contribute to ELQs for the following reasons:

- To encourage study in an areas of national need beyond the limited number identified as strategically vulnerable.
- To enable the development of knowledge and skills in areas of new science, one that has moved on rapidly, or one in which it would be strategically important for the UK to develop.
- To enable individuals to move into an area of employment and opportunity, particularly in response to changing patterns of industry and investment.
- To enable women returners—those aiming to re-skill after raising a family. UKRC indicates that this is the largest group within the part-time learners studying for second degrees.
- To enable students aiming to re-skill or transfer to different jobs after a disability makes continuation in a current job impossible, and other similar disadvantaged or vulnerable communities.
- To enable students in low income professions—and these might be science and technology based—who would wish to have the opportunity to retrain to gain improved career prospects and earning potential.
- To facilitate and encourage increased professionalism in science and its applications but enabling those within a profession to undertake additional training or education to qualify for Chartered Status and maintain a continuing commitment to continuous professional development.
- To facilitate and encourage the take up of top-up modules of learning particularly in the areas of business skills in relation to the application and development of science and technology.

Higher Education is the principle environment in which professional scientists, and those wishing to become professional scientists, will gain their additional skills. Some examples are set out below.

#### INSTITUTE OF PHYSICS AND ENGINEERING IN MEDICINE

The Institute of Physics and Engineering in Medicine runs two training schemes, one for graduates in physical sciences or engineering who go on to undertake post graduate education and vocational training in medical physics or clinical engineering, and one for undergraduates, currently workplace based, who undertake H-level vocational degrees in clinical physics technology or clinical engineering technology.

Both of these programmes attract a small but significant proportion of trainees who enter with existing equivalent qualifications that do not have the right educational content to give the necessary knowledge base needed to support and underpin the associated vocational training.

Medical physics and clinical engineering trainees, whose aim is to be registered as Clinical Scientists by the Health Professions Council, often enter with four-year first degrees of MPhys, MEng, MSci and MMath, which are now regarded by the QAA as M-level degrees.<sup>137</sup> 37% of the current Part 1 trainees in medical

<sup>137</sup> QAA Subject benchmark statements

#### Academic standards—Physics, astronomy and astrophysics

1.3 In view of the wide availability and popularity of MPhys and MSci degrees in physics and their close link with the BSc degree, these programmes are included in this statement. An MPhys or MSci degree is awarded after an extended programme of integrated study, to students who have achieved learning outcomes for a Masters degree. MPhys or MSci degree programmes allow students to study physics to a greater depth than is possible on a Bachelors course and to extend the opportunities to develop their transferable skills and undertake project work. These Masters degrees are classified degrees that provide a coherent and broadly based education in physics. They are to be distinguished from MSc programmes in physics, which are self contained courses, normally involving one or two years of postgraduate study in a specialist area and which are not covered by this statement.

physics and clinical engineering have entered with such degrees and have, or are undertaking, MSc degrees in medical physics or medical or bioengineering from one of the 18 MSc degrees accredited by IPEM at 13 UK universities. The extract from the QAA benchmark statement in footnote 137 distinguishes these specialist MSc programmes from the M-level first degrees, but it is not clear whether the same distinction is being made by HEFCE and DIUS when they consider the equivalence of such different M-level degrees.

Trainees in clinical physics technology and clinical engineering technology now follow a vocational training programme which is currently workplace based, but includes a part-time BSc (Hons) in Clinical Technology. Although most trainees will not enter the training with a first degree, a number of existing graduates do enter this training scheme. Three examples are known of candidates with a BSc (Hons) in Sports Science, a BSc (Hons) Human Biology and a BSc (Hons) in Biology/Life Science, respectively, who are following the BSc in Clinical Technology programme to give them the necessary underpinning knowledge in clinical technology, including (according to the training specialism) specialist subject knowledge in areas such as nuclear medicine technology, radiotherapy physics technology and medical equipment management.

#### BRITISH COMPUTER SOCIETY—COMPUTING AND IT

The British Computer Society warns that there is a growing skills shortage in IT. There has been a significant fall off in the number of students taking computing courses in the UK. However, the IT sector continues to grow rapidly which means that many of those entering the field, particularly as graduates, will not have a primary education in computing science.

Employers are more willing to employ those with a qualification in a related or relevant field and to train them once in employment. They urge the Government to exempt Computer Science from this ELQ funding decision.

This is often true of new or emerging areas, professions and technologies. Opportunities develop in areas of science and technology build from the knowledge gained in qualifications gained earlier. For example, individuals may not have specialist qualifications in the field of their current employment and will need to take additional courses to gain this expertise. And, of course, if a field is relatively new or has a new professional development programme (for example clinical research), there are unlikely to be new graduates available for employment so an existing workforce will need to retrain or gain profession specific qualifications.

#### BRITISH PSYCHOLOGICAL SOCIETY

BPS have indicated that while supporting the exemptions already set out in the HEFCE consultation paper, they have identified that there are additional routes into clinical psychology and other NHS-related psychology/mental health training that have not been included. The BPS also identifies as a concern the confusion around the status of conversion awards in psychology in relation to these proposals. They are also concerned about the impact on part-time students and whether there is sufficient understanding of this, particularly in terms of discrimination.

#### MATHEMATICS

The Committee of Mathematical Sciences has urged that mathematics sciences should have a complete exemption from the ELQ policy. But they also identify that the need to retrain and upskilling mathematical sciences is well recognised across all areas of the economy and should be a key area for life-long learning. Part-time study in the higher education sector is the most realistic way to achieve this.

#### INSTITUTE OF CLINICAL RESEARCH

The majority of the professionals working for qualifications with the Institute of Clinical Research fall within the category of obtaining a qualification lower than their first qualification. For example, many Clinical Research Associates will have a PhD (in for example in animal or human genetics) and will then undertake an MSc in clinical research. Both the student and the profession believe that a qualification in the specialist subject will enhance the quality of clinical research and trials in the UK as well as help individual career progression.

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## CASE STUDIES

These anonymised case studies illustrate the issues raised above.

### *Woman returner*

1. A 47 year old woman with a first degree in English, who had been out of paid employment and child-raising for nearly 20 years, took the British Psychological Society recognised degree in psychology when her marriage broke up. She lacked confidence and unclear beyond an interest in psychology as to what the future could hold for her. She began with quite low grades in her level 1 studies, but averaged 2:ii grades at level 2 increasing to 2:i in her third year.

She became active in the OU psychology student association, and through organising and attending events and meeting other students became more confident and articulate, and developed a keen interest in counselling psychology.

After graduating she took a 1 year BACP course in counselling at her local college, and then worked in a GPs surgery for a year on monitored placement before applying for and gaining a full-time post in a University counselling service.

2. After securing a BSc in Genetics and a PhD in Molecular Biology, this student's life changed when she had to move to Germany with her husband, who worked in the Royal Air Force. Thinking about their future hopes for children, she decided that a career change to teaching would fit with their plans better than a role in research, which was less suited to family life. She and her husband were in Germany for two years, during which time she studied with The Open University for a PGCE.

On their return to the UK, she took some time off to have children. Keen to illustrate her commitment to her teaching career, she took an MA in Educational Leadership and Management and a Diploma in Special Education Needs with the OU whilst having time off with her family. This meant she was able to re-enter the job market easily and now works full time as Head of Biology.

She is now taking a Chemistry degree as there is more demand for teachers in this subject. She has ambitions to move to Head of Science: having experience in both biology and chemistry means she would be much more employable.

Although her school gave a small contribution to her Masters and Chemistry studies, she has paid the bulk for her studies herself.

She said: "If there were higher fees for these courses I would not have been able to do them. As a teacher, the return in terms of salary through career progression would not have offset the cost of the studies. It would certainly impact on my career development".

### *Gaining Specialist Skills*

Despite having a Certificate in Education and a BEd and having taught for many years across the range of education sectors: secondary, primary and further education, the student was hampered from progressing her chosen fields of English and French by the lack of a specialist degree, so she began to consider other options. She wanted to remain in education and use her knowledge and experience, and educational psychology seemed to be an ideal second career.

Once she had decided to train as an educational psychologist, she first had to do a psychology conversion course, a Post-Graduate Diploma in Psychology. She studied with the OU for a year then gave up work for a year to follow the course, which automatically gave her Graduate Basis for Registration.

Following this she obtained a place on the Professional Training course for Educational Psychology at University of Wales Swansea. She was one of 10 trainees on the course in Swansea (of whom 50% of us were over 35 years old). She was fortunate to gain a position immediately after the course as an educational psychologist for West Glamorgan at the age of 44. She worked generically but with specialist responsibility for children with visual impairment and also worked at the deaf/blind unit.

In 2004 she began working at a Dyslexia Unit. She is now Head of the Assessment Service which provides assessments for children, students and adults.

### *Post redundancy re-skilling*

1. In the 1980s a woman in her late 20s, working in personnel and human resources within the banking and finance commercial sector, gained professional personnel management qualifications to HND level.

In early 1990s she moved into work in the software industry, and became interested in the radical management and business changes which took place during that period. After being made redundant she studied with the Open University to gain a British Psychological Society recognised degree in psychology in 1995, which took her on to a PhD in business psychology at a conventional university.

She now runs her own successful consultancy providing analysis of business process and management practice to companies, and senior management coaching and development. She also taught for the Open University on courses in both the psychology and business programmes, and for the Universities of Manchester and Nottingham.

2. Holding a postgraduate diploma in management, this student did not hold a first degree. He is in his 40s and four years ago found himself unemployed. He left his previous field of IT to start his own business in biotechnology, but a lack of finance led to the end of the business start-up.

He had been out of the IT sector for three years and found that—on his attempted return—most jobs required a good first degree in a relevant discipline. He started working for free for a small company and began an undergraduate degree with the OU. His study was not funded by any employer.

Three years later, he has a first class BSc (Hons) in Physical Science. He said: “I’m now far more employable and have extra skills to show in the marketplace”.

He adds that were his postgraduate diploma to preclude him from being funded at an institutional level (leading to higher fees being charged), he could not have afforded to study for his degree.

### *Career Change*

Studying in the evening was the only option for this student who was 30 when she started at Birkbeck.

“It made the whole process financially viable”, said this particular student, who gained a Psychology BSc in 1986. “I wouldn’t have contemplated giving up work as a teacher to do a full-time second degree. Finding the fees was manageable, but I would have struggled to complete the degree if the fees were much higher. As it was, I was in a position to take a few weeks’ unpaid leave during finals”.

Having already obtained a degree in Philosophy, the student enrolled at Birkbeck with a career change in mind, but also because of a genuine interest in the subject. Since her undergraduate course at Birkbeck, the student has qualified as a clinical psychologist and family therapist.

“Studying at Birkbeck has given me terrific opportunities. I now have a fascinating job seeing children and families, engaging in clinical research and training postgraduate psychotherapists”.

### *Growing areas of the economies*

Studying for a first degree in electronics and mathematic and nearing completion, this student realised he had a better chance of being employed and of achieving career success in the financial sector, for which the electronics part of his first degree was not relevant.

He began a second bachelor’s degree—in economics and mathematics—with the OU, partly in order to help him stand out during the recruitment process. He currently works full-time in customer services for the National Grid. While he believes his study will help him to achieve his career goals, he doubts his current employer would agree to part-funding his study.

He said: “I plan to change my career, and the studies will in no way benefit my current employer, so there would be no advantages to them if they were to fund it”.

January 2008

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## **Memorandum 80**

### **Submission from the Revd David A Neaum**

#### **SUMMARY**

A letter of argument against the reducing governmental support given to institutions for students taking second qualifications of an equivalent or lower level (ELQs).

#### **BRIEF INTRODUCTION**

I am an ordained deacon within the Church of England and personally benefited from the support in question. Although wishing to note the devastating impact such a reduction would have on students like myself my argument focuses upon broader concerns: on the need for reskilling not just upskilling; on how the government’s plan results in back door discrimination against women; and on the government’s elected duty to represent interests besides the national economic interest.

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## RECOMMENDATIONS

A continuation of the current levels of governmental support, or, if such support is not forthcoming, exemptions including but not necessarily limited to those training for ordination within the Church of England and/or leadership within other established faith traditions.

## ARGUMENT

The government believes it is in the “national economic interest” to “upskill” as many people as possible to first degree level and the present changes are designed to facilitate this goal. The timing is considered to be of such importance that these changes can not wait until a fuller and more comprehensive review could take them into account with a larger and more coherent strategy.

I argue that “upskilling” should not be to the cost of “reskilling” in a changing economy that demands increasing market flexibility and increasing workforce flexibility. The workforce needs to be able to re-tool and adapt in the contemporary economy and the government’s plans are designed to reduce this flexibility for employees and workers. We certainly need to “upskill” but in conjunction not in opposition with “reskilling”.

The government’s plans in effect result in back-door discrimination against childrearing, against the family, and against mothers. It is particularly important for those who have not worked for some time, such as women returning to work after child-rearing, to be able to re-skill and re-enter the workforce. The government’s plan is reducing choice for women and perpetuating a masculine model of an “employee” and “worker”.

The government, whilst duty bound to care for “collective national economic interest” is also bound to represent those who have other interests, other notions of the “good”. The Church of England is an umbrella body which itself represents people who care about more than just economic well-being. They care about justice, community, goodness, and the moral health of society. The government is therefore duty bound to support in some measure the established Church of England in its representative capacity. The Church of England needs governmental support in helping to reskill the people who are called to be its leaders and priests. If the government fails to represent the values the Church of England and its parishioners advocate then it fails in the representative duty it was elected to fulfill, it fails in that those interests besides “economic interest” will not be cared for, and it fails in that the well-being of society will suffer.

We want a knowledge economy not just a skills economy. We want lifelong learning not learning once for life. We want further and higher education, not a limited education.

*January 2008*

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## Memorandum 81

### Submission from the Royal Pharmaceutical Society of Great Britain

The Royal Pharmaceutical Society of Great Britain is the regulatory body for pharmacists and pharmacy technicians and, as such, has a statutory role in the accreditation of the qualifications for pharmacist and pharmacy technician qualifications. We therefore have a general interest in the provision of appropriate levels of funding for the HE sector insofar as it impacts on the university’s ability to produce high quality pharmacy graduates who are safe to deliver high quality NHS services and safe clinical practice. In relation to the proposal to withdraw funding for ELQ’s our interest in the Committee’s new inquiry is HEFCE’s proposal not to include pharmacy in the list of exempt ELQs subjects, which seems to be an important omission in light of the fact that many other healthcare subjects are exempt. The Society sees no reason why pharmacy should be treated any differently to those subjects and questions HEFCE’s decision.

The Society draws the Committee’s attention to the submission from the Council of University Heads of Pharmacy [CUHOP], which the Society fully supports. CUHOP points out that pharmacy is being increasingly expected by the public, by policy makers and by members of other healthcare professions to extend its contribution to effective medicines use and the achievement of better health outcomes envisaged in *Our Health, Our Care, Our Say and Our NHS, Our Future*. Further, CUHOP makes the point that the Society’s own workforce modelling work predicts a steady 5% increase in demand for pharmacists at a time when demographic predictions suggest that the pool of younger students applying to university is likely to decline. Indeed pharmacists are on the UK Skills Shortage Occupations List.

At a time when there is research to suggest additional pharmacists will be needed and young student numbers are likely to decline, HEFCE’s ELQs proposal may compound this problem by denying mature graduates access to professional retraining in this shortage subject. As the regulatory body we would be most concerned if implementation of the ELQ policy erects a barrier to exceptional mature students entering our profession—the experience of medical schools that have established graduate entry programmes is that this entry route to the register of qualified doctors is very successful in attracting high quality and committed doctors.

A related concern the Society would like to share with the Committee is the view of pharmacy HEFCE's proposal suggests: that it is as a laboratory science subject. Currently pharmacy is funded exclusively at HEFCE Band B, for laboratory work, which is substantially lower than Band A, for clinical work. As CUHOP points out, pharmacy is moving ever more into the clinical arena but this is not being recognised in any way by current HEFCE funding. Clinical work in schools of pharmacy needs to be increased substantially to prepare students for new roles, but this work cannot be funded from Band B: the numbers simply do not add up. To give the Committee an idea of the disparity, a Band B-funded student earn a university £6,516 from HEFCE in 2007–08, while a Band A student earns £15,332. On top of Band A funding, medical and dental students have always attracted substantial *per capita* NHS funding. The differential funds the clinical work enjoyed by doctors and dentists as an integral part of their training—an option which is denied to pharmacists. If pharmacy education is to prepare students adequately for their profession, this issue must be addressed—the teaching, learning and most importantly assessments in pharmacy qualifications must develop to match the level of responsibility for clinical care carried by our registrants.

To conclude, the Society wishes HEFCE to do two things: first, to add pharmacy to the ELQs exemptions list and, second, to re-examine the funding model for pharmacy to recognise the new clinical role of pharmacists and its consequent impact on the education of pharmacists.

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## Memorandum 82

### Submission from the Campaign for Science & Engineering

1. The Campaign for Science & Engineering (CaSE) is pleased to submit written evidence to the Innovation, University and Skills Committee. CaSE is a voluntary organisation campaigning to improve the health of science and engineering in the UK. It is supported by over 1,200 individual members, and some 70 institutional members, including universities, learned societies and companies.

2. CaSE strongly supports the need to continue public funding for students studying science, technology, engineering and mathematics (STEM) subjects as an equivalent or lower qualification (ELQ). If the proposal to withdraw funding for ELQs is implemented, CaSE believes that all STEM subjects should be made exempt from it.

3. The current HEFCE proposal is to give an additional allocation of funding to support students studying strategic and vulnerable subjects (SIVS), which includes STEM subjects. Although CaSE supports the recognition that STEM subjects should be protected from any withdrawal of funding for ELQs, it is concerned about how the additional funding allocation will work in practice. The additional allocation needs to appropriately compensate institutions for increasing the uptake up of STEM subjects as ELQs. It is also critical that all science, technology, engineering and mathematics subjects are classified as strategic and vulnerable subjects (SIVS) for allocating funding for ELQs. The proposal for protecting SIVS will be reviewed in 2010–11. It is important that HEFCE and the government make clear that STEM subjects will be protected past this date so that students and institutions can plan for the future.

4. STEM subjects are recognised by government, industry and society as critically important to the future of the UK. CaSE encourages the Committee to clarify how any proposed changes to ELQ funding would protect students who wish to study STEM subjects. CaSE believes this would be best achieved by making all STEM subjects exempt from any withdrawal of funding for ELQs.

January 2008

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## Memorandum 83

### Submission from the Oxford Partnership for Theological Education and Training

This submission is made to the Committee on behalf of the institutions associated with the University of Oxford which constitute the Oxford Partnership for Theological Education and Training. The submission sets out the significance of theological education and training in Oxford, and presents evidence for the number of students who will be affected by the proposed removal of funding for ELQs.

#### ORDINATION TRAINING AND THEOLOGY AT OXFORD

The University of Oxford has maintained an institutional commitment to the support of ordination training in the Church of England since the University reforms of the mid nineteenth century. This commitment began with the establishment of the Regius chair of Pastoral Theology at Christ Church in 1842, and continued with the foundation of four independent theological colleges in and near Oxford in the

latter part of the century. More recently, these colleges have come into a closer formal relationship with the University and with the non-Anglican theological institutions in Oxford, co-ordinated by the Oxford Partnership for Theological Education and Training (OPTET).

Since the 1970s the University has allowed these colleges to enter candidates for the Honour School of Theology and has validated Certificates in Theology which fulfil the academic requirements for ordination. In the 1990s the degrees of Bachelor of Theology and Master of Theology were introduced to provide vocational courses which are suitable in particular for ordination training and ministerial formation. Following the establishment of these degrees two of the three remaining Anglican theological colleges became Permanent Private Halls (PPHs) of the University: Wycliffe Hall in 1996 and St Stephen's House in 2003. The third college, Ripon College Cuddesdon, maintains its recognised status as an "Anglican Theological College" in the University Calendar with the right to present candidates for theology degrees and certificates.

The Free Churches established training institutions for their ministers in Oxford during the same period. These institutions have subsequently expanded considerably and in the case of Mansfield College (United Reformed Church) and Harris Manchester College (Unitarian) are full colleges of the University. Harris Manchester continues to train a small number of candidates for the ministry, but Mansfield will cease to do so this year. Regent's Park College is the largest Permanent Private Hall and has a significant cohort of candidates for the Baptist ministry.

Four Roman Catholic Religious Orders established Permanent Private Halls in Oxford during the same period, which have evolved in different ways. Generally speaking, these Halls do not prepare candidates for ordination using University of Oxford qualifications. However, members of these Halls both ordained and lay study for Oxford University degrees, including undergraduate and graduate courses in theology.

#### COURSES AFFECTED BY THE WITHDRAWAL OF FUNDING FOR ELQS

A significant number of students will be adversely affected by the proposed withdrawal of funding for ELQs, in particular but not exclusively in the Anglican institutions. These fall into the following categories:

##### *Honour School of Theology (BA)*

###### Senior Student Status

1. Church of England ordination candidates under thirty with first or good upper second class honours in a first degree.
2. Some mature students in colleges and PPHs.

There are currently 17 ordination candidates and six other candidates with this status, all of whom are studying for an ELQ.

##### *Bachelor of Theology (BTh)*

1. Church of England ordination candidates, either:
  - (a) Three-year full time under 30.
  - (b) Two-year full time and two-year part time over 30.
2. Baptist ordination candidates without a theology degree.
3. A small number of non-ordinand students in PPHs.

There are currently 91 full time and part time candidates studying for this degree: 86 are ordination candidates or clergy completing the qualification after ordination. Of these, 71 ordination/clergy candidates and five other candidates are studying for an ELQ.

##### *Master of Theology (MTh)*

1. Church of England ordination candidates who are graduates in theology with first or upper second class honours.
2. Baptist ordination candidates with a theology degree.
3. A small number of non-ordinand students in the PPHs and former PPHs.

There are currently 34 full time and part time candidates studying for this degree: 26 are ordination candidates or clergy completing the qualification after ordination. Of these, 10 ordination/clergy candidates and one other candidate are studying for an ELQ.

*Diploma in Biblical and Theological Studies (DBTS)*

This programme is validated by the Oxford University Department for Continuing Education and is for part time candidates only.

1. Some Baptist ordination candidates at Regent's Park College.
2. Some non-ordained students at Wycliffe Hall.

There are currently 86 candidates studying for this diploma. Eighteen are Baptist ordination candidates of whom 12 are studying for an ELQ; no figure is available for the proportion of non-ordained candidates at Wycliffe Hall who are studying for an ELQ.

*Other Graduate Degrees*

Some students for the degrees of Master of Studies, Master of Philosophy, Master of Letters and Doctor of Philosophy are studying for an ELQ.

At Wycliffe Hall there are 14 students studying for higher degrees in theology, of whom 13 are studying for an ELQ.

*Argument for Exemption*

The proposed withdrawal of ELQ funding affects two categories of student currently studying theology at the University of Oxford:

1. A larger cohort of principally Anglican and Baptist candidates for ordination. For these candidates it is argued that an exemption is appropriate because:
  - (a) The social utility of ordination training merits inclusion within the exempted categories of professional training.
  - (b) There is a statutory requirement for a chaplaincy service in the armed forces and the prison service, and extensive chaplaincy provision in the NHS and in various parts of the education system. Those undertaking this work need to be trained.
  - (c) Parity of vocational training in theology with Islamic studies as a SIVS.
2. A smaller cohort of students who are not ordination candidates studying theology at undergraduate and post-graduate level. For these candidates it is argued that the withdrawal of ELQ funding will result in a disproportionate increase in the University fee especially for the BTh and MTh, which are exclusively taught within the PPHs and so receive no tutorial support from the staff holding official posts within the faculty.

The following individuals and institutions were consulted in the preparation of this submission:

The Revd Canon Professor George Pattison  
*Chairman of the Theology Faculty Board*

*Colleges*

Mansfield College	United Reformed Church
Harris Manchester College	Unitarian Church

*Permanent Private Halls*

Blackfriars	Order of Preachers
Campion Hall	Society of Jesus
Regent's Park College	Baptist Church
St Benet's Hall	English Benedictine Congregation
St Stephen's House	Church of England
Wycliffe Hall	Church of England

*Anglican Theological College*

Ripon College Cuddesdon	Church of England
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January 2008

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## Memorandum 84

### Submission from the Arts Institute at Bournemouth

#### EXECUTIVE SUMMARY

1. The Arts Institute at Bournemouth welcomes the opportunity to provide evidence to the Select Committee.

2. In general, we support the Government's desire to ensure that support is targeted at those who have not previously had the opportunity to benefit from higher education. However we are concerned that the timing of the decision, and speed of implementation, has not permitted due consideration of all the issues.

3. In particular, we note that institutions are encouraged to engage in medium-term strategic planning for sustainability, which is undermined by the proposed speed of implementation.

4. Whilst strongly support the exemptions for Foundation Degree students and co-funded places, we believe that two further types of course should be considered. The first are "conversion courses" for a profession, which may bring significant economic benefit but are less easily identified. The second are part-time courses, which will be disproportionately affected by the change. Many of these may be rendered non-viable through the withdrawal of a high number of their students.

5. We do not believe that we should comment on the implications for other institutions, but we note that the effect of any change in Government policy will differ according to institutional type and mission. We believe that any change, once agreed, should be implemented systematically to ensure that the intentions of the policy are delivered.

#### RESPONSE TO SPECIFIC QUESTIONS

(i) *the arguments for and against the Government's decision to phase out support to institutions for students studying ELQs;*

6. The Arts Institute at Bournemouth does not have strong views about the decision to phase out support for students studying ELQs. We understand the desire to ensure that support is targeted at those who have not previously had the opportunity to benefit from higher education, but we also note that the UK economy benefits considerably from those who decide, at a later point in their careers, to retrain and move into a new profession. Hence whilst we can see a strong rationale for the policy change, we can also see significant disbenefits.

7. We are disappointed that the Government announced this decision without first consulting with the sector, through the Higher Education Funding Council for England, about the implications of such a change, such that the benefits and potential challenges could be evaluated thoroughly by those who have the best professional understanding of this matter.

(ii) *the timing of the decision and of the implementation of the change;*

8. The Higher Education sector has been characterised, over the last fifteen years, by its flexibility, and its ability to implement change in short timescales with minimum disruption to student learning and institutional stability. Nevertheless, we were surprised by the speed of this change, which required the Funding Council to adjust institutional student number contracts for 2008–09 using assumptions based on historical data from 2005–06, and to notify institutions in October 2007 of changes which would take effect from October 2008. At a time when the sector is being strongly encouraged to prioritise planning and medium- to long-term strategy, such an immediate and short-term change appeared counter-intuitive.

9. We acknowledge the proposal to ensure that institutions do not receive a lower cash value than in previous years, which is intended to mitigate the speed of implementation, but we do not consider that this represents a sensible or sustainable approach to planning.

(iii) *the exemptions from the withdrawal of funding proposed by the Higher Education Funding Council for England;*

10. We believe that the exemptions proposed by the Funding Council are proportionate and are broadly reasonable to facilitate the delivery of the policy with the least disruption to the sector in the short term.

11. Specifically, we believe it is logical to exempt students who are studying for Foundation Degrees as an ELQ, as such courses may be at the forefront of the upskilling / reskilling agenda prioritised elsewhere by the Government.

12. However we note that there are also conversion courses (now Graduate Certificates or Diplomas, often previously Masters courses) through which a graduate of a Humanities subject can "convert" to a profession. The fact that these courses are not exempt is counter-intuitive. Of course we accept that it is easy

to identify Foundation Degree students, but fee status should not depend simply on ease of identification, and these courses may also have a significant economic benefit. We cannot, however, suggest other ways in which “employment-focused” courses can be identified; all higher education courses seek to prepare their students for employment, through the delivery of knowledge, skills, and personal transformation.

13. We note that work conducted by the Equality Challenge Unit suggests that the exemptions also mitigate much of the equality impact of the policy proposal.

*(iv) the impact upon students, including whether the change will affect some groups of students more than others;*

14. We are very concerned about the possible impact on part-time study of these proposals, given that this group is disproportionately affected. As noted in the consultation, it is likely that many part-time courses would be rendered non-viable by the removal of funding for ELQ students. This situation is unlikely to be addressed through the securing of additional numbers, as many courses will already offer places to all those who have the capacity to benefit, rather than operating a strongly selective process.

15. We, along with many other institutions, have previously fed back to the Council the challenges of part-time provision because demand is inelastic; were we to charge the proportionate rate, we would not recruit sufficiently well to run any part-time HE courses. Hence many part-time courses are either subsidised, or at best offered with marginal costs; and the removal of some of the applicant pool may have a terminal impact. The transitional funding suggested in the consultation is welcome, but is unlikely to be sufficient to address the funding gap; and any impact on enrolments would take place in a “live test” scenario and hence might not be retrievable.

and

*(v) the impact of the change upon institutions, with particular reference to the long-term implications for specialised institutions such as the Open University and Birkbeck College London.*

16. We do not believe that it is appropriate for us to comment on the future viability of other institutions, which will no doubt make their own representations.

17. However we have noted a suggestion that, where necessary, transition funding should continue beyond the three years initially envisaged by the Funding Council. We believe that this should occur only in the most exceptional of circumstances. The Funding Council should prioritise its discussions with those institutions most significantly affected, and ensure that each has a suitable transition strategy in place. Continued additional support, outside the three-year period, would not support the future stability of the sector, and would contravene the principle of equal and consistent treatment. We believe that any specific interventions should not favour any particular institutions.

18. We note that it is part of the historical mission of some institutions, including those identified in the question, to deliver higher education to a group which is likely to include those who have previously undertaken a qualification at a similar or higher level. If Government policy determines that such an approach should not receive priority support, but that this should instead be focused on those who have not had the opportunity to benefit from higher education, then it is inevitable that there will be a significant impact on those institutions for whom this is a major part of their “core business”. We have previously noted our criticism of the timing and speed of the decision and its implementation; but it would not be surprising if some institutions found such circumstances very challenging.

19. We do not believe that the Government was fully cognisant of the likely impact of the proposed changes, having not undertaken analysis or consultation in advance; but we would wish to encourage a systematic implementation of any final decision, which would include the re-distribution of some student numbers (and hence funding) to those institutions which have been successful in attracting, and delivering to, non-traditional entrants.

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## Memorandum 85

### Submission from the Master of Fine Arts in Theatre Directing at Birkbeck

#### EXECUTIVE SUMMARY

I ask the Select Committee to consider granting an exemption from the proposed Equal Learning Qualification funding restrictions for the Master of Fine Arts in Theatre Directing at Birkbeck on the grounds of its vocationality and the highly specialised nature of the practice-based learning that makes it a distinct progression from, and therefore not equal to, other Masters degrees.

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 EVIDENCE FOR THE VOCATIONALITY AND DISTINCTIVENESS OF THE MASTER OF FINE ARTS IN THEATRE DIRECTING

1.1 The Master of Fine Arts in Theatre Directing was established in 2003 in response to two ACE-led and Gulbenkian Foundation-funded reports about director training in the UK in the late eighties and early nineties: “*A Better Direction*” was written by Kenneth Rae in 1989 and revised by Andrew McKinnon in 1996.

1.2 Having consulted Equity, TMA and ACE, and a number of theatre directors and drama school Principals, Peter Cheeseman, the then Chairman of the National Council for Drama Training, approached Birkbeck to establish such a course in conjunction with the NCDT, on behalf of the industry.

1.3 The Gulbenkian Reports believed that a professionally acceptable course must

- be at postgraduate level
- derive from a collaboration between the university, drama school and professional theatre sectors; and
- incorporate a meaningful amount of work for the student with professional actors in a professional context.

1.4 The design of the Programme incorporates these three specific points and takes account of many others that were contained within these two Reports.

Its features therefore include

- a six-month secondment to a professional theatre company or companies;
- specific production opportunities under professional conditions within that secondment;
- an opportunity for students to establish a relationship with one of the NCDT-accredited professional drama schools;
- regular observation of the Programme by a highly experienced group of professional directors under the umbrella of NCDT;
- participation in the teaching of the Programme by a substantial number of experienced theatre practitioners.

2.1 The programme has a separate relationship with a number of drama schools that offer placements to trainee directors on the MFA during the autumn term each year. Drama schools that have offered placements thus far include: Arts Educational, Bristol Old Vic, Central, Drama Centre London, Guildhall, LAMDA, Manchester Metropolitan and RADA.

2.2 The programme has also received £320,000 in grants from ACE over the past four years to finance productions by the trainee directors at their secondment theatres. SOLT, Channel Four, the Mackintosh Foundation, Equity Trust, the Olivier Foundation and Laurence Harbottle have provided bursaries for the trainee directors.

2.3 Theatres currently offering six-month secondments include: Theatre by the Lake Keswick, West Yorkshire Playhouse, Royal Exchange Manchester, Lyric Theatre Hammersmith, Soho Theatre, Hampstead Theatre, Theatre Royal Stratford East and Theatre 503. Last year theatres included the Crucible Sheffield, Tara Arts, the Unicorn, London Bubble, the Gate Notting Hill and the Royal Court.

2.4 Regular contributors to the teaching on the programme include: Mike Leigh, Mike Alfreds, Juliet Stevenson, Patrick Marber, Simon Stephens, Alison Chitty, Vicki Mortimer, Cicely Berry, Simon Usher, Irving Wardle and members of Complicite and Frantic Assembly. The programme also has a yearly week of workshops at the National Theatre Studio, regular workshops from the RSC’s voice department, and a month-long collaboration with Motley Design School each year.

3.1 At its inception, this masters programme was termed a master of fine arts, to denote that this programme is a practice-based taught vocational degree, distinct from the numerous academically-orientated master of arts programmes available at other universities.

3.2 During the five years that the MFA Theatre Directing has existed, several places have been offered to students with masters degrees. Some of those students have masters degrees in other arts subject, some in theatre-related subjects: these degrees provide a valuable theoretical contextual knowledge for embarking on the MFA Theatre Directing, but none of them offer the unique practice-based learning, delivered by industry partners and leading practitioners, that the MFA can provide and that the theatre industry has so clearly indicated it believes is necessary for the training of professional theatre directors, ready to take their place in the industry.

3.3 The MFA Theatre Directing is not directly comparable with any other masters degree: it offers a further level of specialised study and practice and it is the terminal qualification for professional practice as a theatre director.

## Memorandum 86

### Submission from the Society for Old Testament Study

The Society for Old Testament Study is the learned society which represents scholars working in the study of the Old Testament in British and Irish universities. It has around 450 members, who include virtually all Old Testament scholars in Britain and Ireland.

The Society has concerns about the impact that the proposed new legislation on ELQs may have on its subject area. Many students who study the Old Testament do so as part of University courses in Theology, and of these are good number are ordinands in various Christian churches. The majority of such ordinands are already graduates, and as part of their training they undertake a B.A. or B.Th. degree in Theology, which for them is therefore an ELQ. Particularly affected are ordinands in Oxford, Cambridge, and Durham. In Oxford, for example, the statistics are as follows (and those for Cambridge and Durham are comparable):

#### HONOUR SCHOOL OF THEOLOGY (BA)

There are currently seventeen ordination candidates for this degree who are all graduates, all of whom therefore are studying for an ELQ.

#### BACHELOR OF THEOLOGY (BTh)

There are currently ninety one full time and part-time candidates studying for this degree: eighty six are ordination candidates or clergy completing the qualification after ordination. Of these, seventy one ordination/clergy candidates are studying for an ELQ.

The new legislation could have the unintended effect of making it impossible for such ordinands to study for their degrees, since in the nature of the case those who are going on to a career in ordained ministry are unlikely to earn the money that would enable them to obtain sufficient loans to cover their fees, and the churches are not in a position to fund them fully. This will impact adversely on the study of the Old Testament in the UK and is therefore a cause of concern to the Society. We believe that exemptions, as for health-care professionals and those studying Islam, should be extended to such students.

*January 2008*

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## Memorandum 87

### Submission from the British Philosophical Association

1. Introduction: This evidence is being submitted by Prof. Helen Beebe, University of Birmingham, on behalf of the British Philosophical Association (BPA).

2. Summary: The BPA believes that the proposed phasing out of funding for ELQs will disproportionately affect both students and departments of Philosophy. Further, that a Philosophy degree, as an ELQ, can significantly enhance a student's employability; thus making the study of Philosophy as an ELQ more costly runs contrary to the spirit of the Government's "skills agenda".

3. About 37% of students studying Philosophy at the Open University are ELQ students; the figure for the Philosophy Department at Birkbeck is 31%. These figures contrast with the proportion of ELQ students at the OU as a whole, which is about 25%, and nationally, which is lower still. Philosophy is thus disproportionately represented amongst ELQ students, and thus Philosophy ELQ students, and the Departments that teach them, will be disproportionately affected.

4. Removal of ELQ funding will not only have a detrimental effect on the numbers of students pursuing Philosophy at ELQ level; it will also have a detrimental effect on those Philosophy departments that teach a high proportion of ELQ students—specifically the OU and Birkbeck, which were rated 4 and 5 respectively in RAE 2001. This will affect the quality and standing of UK Philosophy research internationally.

5. The proposal to remove ELQ funding is misconceived, since it presupposes that qualifications at the same level, irrespective of the discipline within which the qualification is gained, deliver the same set of skills. This is manifestly not the case.

6. A Philosophy degree is recognized by employers as making a valuable contribution to the skills of the workforce. The following quotations are taken from a *Guardian* article, "I think therefore I earn" (20.11.07, [education.guardian.co.uk/higher/news/story/0,,2213665,00.html](http://education.guardian.co.uk/higher/news/story/0,,2213665,00.html)):

Lucy Adams, human resources director of Serco, a services business and a consultancy firm, says: "Philosophy lies at the heart of our approach to recruiting and developing our leadership, and our leaders. We need people who have the ability to look for different approaches and take an open mind to issues. These skills are promoted by philosophical approaches."

Fiona Czerniawska, director of the Management Consultancies Association's think tank, says: "A philosophy degree has trained the individual's brain and given them the ability to provide management-consulting firms with the sort of skills that they require and clients demand. These skills can include the ability to be very analytical, provide clear and innovative thinking, and question assumptions."

Deborah Bowman, associate dean for widening participation at St George's, University of London, which offers medicine and health sciences courses, says philosophers are increasingly sought after by the NHS: "Graduates of philosophy who come in to graduate-entry medicine, or to nursing courses, are very useful. Growth areas in the NHS include clinical ethicists, who assist doctors and nurses. Medical ethics committees and ethics training courses for staff are also growing. More and more people are needed to comment on moral issues in healthcare, such as abortion."

7. A degree, or sub-degree credits in Philosophy, provides valuable training in intellectual skills, such as those listed in the Quality Assurance Agency's Philosophy Benchmark Statement ([www.qaa.ac.uk/academicinfrastructure/benchmark/honours/philosophy.pdf](http://www.qaa.ac.uk/academicinfrastructure/benchmark/honours/philosophy.pdf), §§23–26), including articulacy in identifying underlying issues in all kinds of debate; precision of thought and expression in the analysis and formulation of complex and controversial problems; the ability to analyse and construct good arguments; and the ability to consider unfamiliar ideas and ways of thinking.

8. Such skills are developed to a greater extent in Philosophy than in other subject areas, and they are therefore skills that will be developed in a student studying Philosophy even if they already have a qualification at the same or a higher level in another discipline.

9. The removal of funding for Philosophy as an ELQ would therefore contradict the spirit of the Leitch Review of Skills 2006.

January 2008

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## Memorandum 88

### Submission from Westminster College, Cambridge

#### SUMMARY

From a United Reformed Church theological college in Cambridge, working with partners in other churches and faith traditions, comes a plea that theology and theology for ministry courses should be exempt from the ELQ cuts. We come from a church tradition which has, in the past, been excluded from the universities and which it took powerful campaigning nonconformists to open up for us. From that experience comes a plea that training for ministry within the church does not have to revert to a narrow base, but can remain firmly within the public sphere. The ELQ cuts, if implemented, would have a dramatic impact on our work and would set back by a long way the progress we have made in providing education for ministry that is ecumenical, academically credible and professionally excellent.

#### ABOUT US

1. Westminster College is a college of the United Reformed Church, and is part of the Cambridge Theological Federation that has seven full member institutions and four associate member institutions providing training for ministry within most of the main-stream churches in England. Within the whole Federation there are about 450 students. We are privileged to work alongside Roman Catholics, Anglicans, Methodists, Orthodox and others.

2. We are also proud, at Westminster, to be able to educate our future ministers through study at two universities, Cambridge and Anglia Ruskin. We draw on our own highly professional staff and also on the staff at the Cambridge University Divinity Faculty to provide training that is professional, thorough and tested beyond a solely church setting. We rejoice in providing education for public ministry and service to the community which is validated and assessed in ways that are publicly measurable and accountable. Westminster College represents part of the tradition known as "Nonconformist", those who were once

excluded from our universities by virtue of being outside the Church of England. We value beyond measure the privilege of access to university study and believe deeply that those who train for ministry in the church should have such access and take full advantage of it.

3. Almost all our students are studying for ministry on degree programmes. About 80% of them come with a first degree already, usually in a subject other than theology.

#### IMPACT OF FUNDING CHANGES

4. The proposed funding changes will have a devastating effect on our life and on our ability to train people for the ministry of our churches with the rigour which we hold dear and which our society now demands and rightly expects.

5. The removal of HEFCE funding for students who already have a first degree will, for example, more than double the course fee payable to Cambridge University, from £3,070 per head to a figure likely to be between £6,300 and £9,000. A similar impact would be made for a student studying through Anglia Ruskin. The effect of this would certainly be to reduce student numbers, even to a level that would make some of the courses we presently offer unviable. This would have an impact not only on ministerial training, but on the university faculties with which we presently work to provide it.

#### FURTHER ARGUMENTS

6. We are not confident that the implications of these cuts have been thought through. We applaud the Government's aim to give a wider range of people access to higher education, but believe that this particular strategy will not achieve that aim, and certainly not without drastic, and unforeseen, consequences elsewhere.

7. We believe that ministers in our churches are servants of the community, not only of the Church, and that it is vital that they be well educated and resourced. Indeed, we would say that it is often ministers, in local churches and communities, who have inspired and encouraged people towards higher education! They have themselves often been an access route for those who could not have imagined themselves studying for a university degree.

8. The funding provision that exists now gives the churches the opportunity to train their ministers in the public space—and not in narrow faith-based communities only. The Government has shown itself aware of the dangers of faith communities becoming insular and turning inward. We want to encourage the future ministers of our churches to belong fully to the society in which they minister and to face its challenges and questions—this is what happens when preparation for ministry includes taking a publicly validated degree.

#### RECOMMENDATION

9. We recommend that theology and theology for ministry courses be added to those exempted from the ELQ cuts. This will have a modest impact of Government funds, but would enable all the churches to continue to provide the best possible training for their ministers.

*January 2008*

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### **Memorandum 89**

#### **Submission from the Archaeology Training Forum**

#### EXECUTIVE SUMMARY

This document demonstrates that the historic environment sector, including archaeologists, is a profession that requires substantial training and access to further qualifications in order to meet its professional requirements. We argue that the removal of ELQ funding will hit archaeological degrees disproportionately and will hamper the implementation of the forthcoming Heritage Protection Reforms as a result. A recommendation for exemption of the profession is made with an alternative position that there should be a delay of five years if exemption is not granted.

1. This document has been prepared for the Select Committee of the Department for Innovation, Universities and Skills' inquiry into the Government's decision to phase out support given to institutions for students taking second qualifications of an equivalent or lower level (ELQs) to their first qualifications. It has been written by Dr Roger White of the Ironbridge Institute, University of Birmingham, on behalf of the Archaeology Training Forum whose chair is Dr Mike Heyworth.

2. The Archaeology Training Forum (ATF) is a delegate body which represents all those organisations which have an interest in the issues of training and career development in archaeology. These include the Council for British Archaeology, Institute of Field Archaeologists, Association of Local Government Archaeological Officers, English Heritage (and the cognate bodies of Historic Scotland and Cadw), the Standing Committee for Archaeology, which is the representative body of all Further and Higher Education Institutions offering archaeology programmes, the Standing Conference of Archaeology in Continuing Education, and other institutions.

3. The ATF was constituted in 1998 to review the present provision of training in archaeology and to co-ordinate future strategies to meet the profession's training needs.

The Forum exists to:

- keep current training provision by member bodies and others under review
- seek to ensure that funding for training from whatever source is distributed according to need within a framework of priorities
- work towards the alignment of existing and proposed training sessions and units, sponsored or run by bodies represented, into a series of related programmes accessible to all members of the profession and to interested amateurs
- work towards agreement on the validation of training units and their integration within a widely accepted professional career structure.

4. Archaeology is a relatively small profession of approximately 5700 individuals<sup>138</sup> but is increasingly viewed as part of a much larger grouping of “Historic Environment professionals” that includes Conservation Officers, Museum Curators, Conservation Architects, Curators of Historic Houses and Gardens, National and Regional Park authorities, and many others. What unites this diverse group is an interest in, and active engagement with, the Historic Environment in all its forms. This approach reflects the recognition by government of the need for a more holistic approach to the historic environment that will be enshrined in the draft Heritage Protection Bill to be published during this parliament.

5. The Historic Environment professional has to undergo training that is similar in character to that of an architect, engineer, lawyer or medic, ie it involves engagement with a very broad range of theoretical material allied with practical knowledge and skills leading to a course of training that can last a number of years. Where it differs from these professions is in the relatively low level of remuneration that practitioners generally receive. This may be linked to the fact that archaeological work in particular can be carried out by people not necessarily employed in the sector but who work to professional standards. It is this aspect that marks out archaeologists in particular from the related professions noted above.

6. Evidence for the need for further training after a first degree in archaeology is forthcoming from the Archaeological Labour Market Intelligence Survey carried out in 2002–3 (it has been repeated recently and shall report in spring 2008). This found that over 50% entering the profession had a first degree yet 74% of these individuals required “considerable or very considerable” amounts of training as 53% of the intake were considered to be poorly or very poorly equipped with skills (Aitchison and Edwards 2003, 57<sup>139</sup>). Archaeology is, therefore, a profession that requires a great deal of workplace training both to ensure that those entering the profession are quickly and efficiently trained to become independent field workers and that those who have existing skills are able to continuously develop their skills in the workplace through CPD programmes.

7. Archaeology is thus unusual in that it is a profession in which a first degree rarely equips the individual to undertake archaeological work unsupervised. Further, it requires considerable training to ensure that its workforce is able to take advantage of scientific advances in technologies and techniques that are developed in the archaeological world or that are adopted from other professions or disciplines and that are deemed to have applicability in archaeology. The use of Geographical Information Softwares, for example, is a technology adopted from Earth Sciences that has a wide application in archaeology and requires considerable training to achieve proficiency. However, the greatest skills shortages needs identified in 2003–4 were in more generic areas such as information technology (67%) or in specific areas of archaeology such as artefact and ecofact research, (53%), geophysical survey (another earth science technology—52%) and artefact or ecofact conservation (48%; *ibid*, 53–4).

8. Those without a first degree find it increasingly difficult to progress in the profession. This has been addressed through the adoption of National Occupational Standards in Archaeology and the launch in 2007 of the Qualification in Archaeological Practice at NVQ levels 3 and 4 (level 5 is pending but still in development).<sup>140</sup> The Qualification will, for the first time, enable those without a degree to have their skills assessed and benchmarked, and will also provide a framework for facilitating the archaeological training of those with a first degree but without relevant archaeological skills. At the moment, the Qualification is still seeking both students and assessors although the latter have nearly completed their training to enable them to carry out the assessment role. Once the assessors are in place, NVQ training can begin but will require the payment of fees that will presumably fall upon employees rather than their employers. Given that those

<sup>138</sup> [http://www.archaeologists.net/modules/icontent/inPages/docs/prof/LMI\\_Report1.pdf](http://www.archaeologists.net/modules/icontent/inPages/docs/prof/LMI_Report1.pdf), 14

<sup>139</sup> [http://www.archaeologists.net/modules/icontent/inPages/docs/prof/LMI\\_Report1.pdf](http://www.archaeologists.net/modules/icontent/inPages/docs/prof/LMI_Report1.pdf)

<sup>140</sup> <http://www.archaeologists.net/modules/icontent/index.php?page=199>

seeking NVQ 3 training are likely to be at a relatively junior level (the recommended minimum salary for a Practitioner in the IFA is £14,197 as of 1/4/07) the fee of £1000–1500 is a large amount to find and grant support would be of great value here in enabling training across the profession.

9. There are moves among some University departments to link their skills-based undergraduate and postgraduate taught programmes to the National Occupational Standards and possibly to the NVQs too. This would offer a valuable linkage between the Further and Higher Education sector and the profession, but the proposed withdrawal of HEFCE funding for those already holding equivalent or lesser qualifications (ELQs) will specifically make this provision much more difficult to provide as the institutions shall have to charge a higher fee to compensate for the lack of HEFCE subsidy to these programmes. Given the low wage culture that permeates archaeology, this will be a major disincentive for potential students, especially at the lower-paid end of the sector.

10. While the need for training, skills development and continuing professional development is thus widely recognized in the sector, and will become more important due to the requirement for a broader, diversified practitioner following the pending government re-organisation of the Historic Environment sector, the proposed removal of ELQ funding will make meeting this need all the more difficult. Yet it is apparent that archaeology, along with core professions like medics, lawyers, engineers, et al. have a duty to constantly revise and review their skills base. Often the only option to do so is through some form of higher qualification offered through a University. If ELQ funding is cut, this route will be largely closed to many practitioners and thus handicap the diversification of the skills base within the profession at a time when it is being asked by government to develop new areas of skill and learning.

11. Archaeologists and others working in the Historic Environment sector are excited by the prospect of the revised structures proposed by government in the recent Heritage Protection review. Responses informally and formally across the sector welcomed this opportunity to set the Historic Environment profession on a new courses for the 21st century. However, the key to delivery of the new regime will be the provision of sufficient resources to enable the sector to do what will be required of it in the future. We recognize and welcome the fact that we will have to undergo substantial retraining and up-skilling to fulfill the requirements of the new legislation but the potential removal of ELQ funding will make meeting this provision that much harder to do, and will disincentivise the current burgeoning engagement between the FE and HE sector and the profession. Accordingly, we would like to make the following recommendations:

12. The first recommendation is that those programmes offering training within the Historic Environment sector, and specifically archaeology programmes, retain their HEFCE funding in relation to those undertaking an equivalent or lower qualification. We believe it is in the public interest to do so since the protection of the historic environment is deemed by the public to be of great importance for the nation with 96% of people believing that it is important in teaching them about the past and 87% believing that there should be public funding to preserve it.<sup>141</sup>

13. If this is not acceptable, we would request that there be a delay of five years before implementation for the programmes noted above to allow sufficient time to allow the sector to adjust to the new demands of the Heritage Protection Review in practice and enable those already in post to upgrade their existing skills. Without this funding, by reducing the capacity of the sector to respond, it will render the practical objectives of the new Heritage Protection legislation less deliverable in the short to medium term.

January 2008

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## Memorandum 90

### Submission from Anglia Ruskin University

It is the belief of our University that this policy is misguided and hurriedly thought through. It goes against the grain of widening access, lifelong learning and upskilling the nation. As a University we are mainly concerned about: the differential impact on certain groups of students, including female students; that many of our part time courses, including Professional training courses, will be non viable in the future and the methodology applied by HEFCE to the classification of “known” or “unknown” qualifications on entry

Anglia Ruskin University is one of the most adversely affected HEI’s (top 15) by these proposals, and as a University we are projected to lose £2.2 million from our teaching grant as a result of ELQ by 2011–12. From ELQ funding alone the loss will be £2.9 million but the part time targeted allocation received will reduce this loss to £2.2 million.

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<sup>141</sup> Power of Place (2000), p.1 [[http://www.english-heritage.org.uk/upload/pdf/power\\_of\\_place\\_11.pdf](http://www.english-heritage.org.uk/upload/pdf/power_of_place_11.pdf)]

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Some of the major concerns of our University are as follows:

#### HNC/D QUALIFICATIONS

HNC/D's are treated in a different manner to Foundation degrees in the consultation and are not exempted. However, HNC/D's remain a popular vocational qualification and have currency with employers who understand their purpose and remain committed to supporting employees through their studies of HNC/D's. The HNC/D framework still plays a major part in meeting the governments' skills agenda and so should be considered for exemption alongside the Foundation degree framework.

#### EVIDENCE OF QUALIFICATIONS

The key determinant of whether a student should be considered an ELQ or not is based on the equivalence of level of their previous qualifications, however in practice it is very complex to establish how partial completion of previous qualifications should be considered.

Additionally, for students who have a higher professional qualification such as CIMA (potentially achieved through a private provider with no HEFCE funding) and wish to undertake a HND or undergraduate degree in a further vocational area, such as Business Studies, with some prior credit, (at a HEFCE funded HEI) would potentially be classified as an ELQ student and denied their first opportunity to obtain HEFCE funding.

A further issue with HE Professional qualifications is the large range and their lack of categorisation. It is likely that where the discipline of study in which the student has previously achieved their Professional qualification is not linked to a further qualification it will be very "hit and miss" whether this Professional Qualification is correctly categorised. For example, where some professional qualifications encompass level 2/3 awards (A level equivalent) and Level 4 (HE level equivalent), it would be difficult for admissions staff to be expected to check a non-related qualification and determine whether the student should be classified as ELQ or not.

#### STRATEGICALLY IMPORTANT AND VULNERABLE SUBJECTS (SIVS)

2005–6 student data is to be used to determine the targeted allocations for SIVS and HEFCE make clear that this will be limited to maintaining the numbers in 2005–6 and not incentivising future growth. By taking one year's students numbers only there is a risk of distortion of allocations that do not reflect new priorities and opportunities in 2008–9 to 2010–11.

Additionally, our University offers a range of highly regarded courses in Optometry, Quantity Surveying, and Theology, all of which are necessary to re-train and upskill students to sustain the supply of Professionals in these subject areas.

#### ADMINISTRATIVE BURDEN

It is the claimed intention of HEFCE and DIUS to reduce the burden of bureaucracy on HEI's. However, as described above, implementation of the ELQ consultation will result in a significant increase in the checking and verification of prior qualifications; determination of their equivalent level; the interpretation of funding rules and communication to students of this implication of these rules on tuition fees, as well as the risk of perversity and contradictory nature of different policies.

The combined impact of all these aspects should surely result in a major increase in administrative and bureaucratic burdens on a HEI. As an institution we do not consider that the costs of implementing the policy will be proportionate to the intended advantages that are to be gained from it.

For all of these reasons, we also believe that this policy, if implemented will have unintended consequences for widening participation and the economic wellbeing of England and Wales.

*January 2008*

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## Memorandum 91

### Submission from the Rev Canon Gordon Oliver, Director of Ministry and Training, Diocese of Rochester

#### 1. REPRESENTATION

I write in two capacities:

- (a) Director of Ministry and Training responsible for initial and in-service training of Church of England clergy and licensed lay ministers. Vocational training given at HE levels 1–4 (undergraduate certificate to MA) in partnership with Christ Church Canterbury University.
- (b) Chair of the Council of the South East Institute for Theological Education (SEITE) which is the lead providing body in the South East Regional Training Partnership for pre-ordination theological education for clergy for the Church of England, the Methodist Church, the United Reformed Church and the Lutheran Church of Great Britain. Vocational theological education given at HE levels 2–4 in partnership with the University of Kent.

#### 2. SUMMARY

2.1 Around 50% of all clergy candidates enter pre-ordination training after age 35, having already taken careers in other settings, often requiring HE qualifications at graduate level. Around 90% of all candidates for licensed lay ministries (eg Reader, Pastoral Assistant, Youth and Community Workers, etc.) enter initial training after qualifying and serving for a time in other fields.

2.2 The Churches work ecumenically in partnership with each other and with universities to deliver vocational theological education and training which is disciplined, progressive and quality assured to people who will serve the communities beyond as well as within the churches. These people contribute in major ways to the growth of community cohesion and the flourishing of people who are often in the poorest of circumstances. Furthermore, each ordained and licensed minister, like other community workers, draws together and focuses the contributions to community well-being of many volunteer workers. The financial rewards for ordained and lay church workers are minimal or nil.

2.3 HEFCE funding is a significant factor in prospering the partnerships between religious bodies and universities which serve to help the growth of vocational higher education that is of high quality, broadly based, vocationally focused, professionally delivered and fully accountable. These are values worth preserving at a time when HMG are concerned about the influence of religious groups whose standards do not reflect these ideals.

2.4 Registered Charities such as the Churches do not have the financial base to sustain the hugely increased costs of vocational ministerial education that would arise if the HEFCE funding part of the partnerships with universities were to be withdrawn. It is important to emphasise that what is involved here is vocational higher education, not merely “learning for leisure” by the middle classes.

#### 3. WHAT GOVERNMENT IS SEEKING TO ACHIEVE

It is only right that HMG should aim to focus limited resources where they are most needed. Nevertheless, blanket withdrawal of HEFCE funding on the basis of ELQs is such a blunt instrument that it is bound to lead to massive injustice and to the withdrawal of large amounts of vocational higher education provision that otherwise would continue to serve to build up the effectiveness of people working for low level or no financial rewards who are seeking to serve the community to the highest of professional standards.

3.1 The question then is how to achieve the proper focusing of HEFCE funds.

Clearly, discriminating on the grounds of subjects studied would lead to charges of arbitrary decisions which would be a nightmare to administrate and please no-one—and could lead to deep injustice.

#### 4. RECOMMENDATIONS

4.1 Withdraw the policy and seek to increase HEFCE funding on the grounds that universities, especially those which specialise in vocational HE, are under enormous financial pressure already, and career re-direction HE is not a luxury but a necessity in a progressive and rapidly changing society.

4.2 If the policy must be applied, then ensure that people sponsored for HE programmes offered through fully documented partnerships between Registered Charities and Universities are designated as exempt from the application of the policy.

January 2008

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## Memorandum 92

### Submission from the Association of MBAs

1. This submission is made on behalf of the Association of MBAs (AMBA) which is a UK charity which was established in 1967 and has the prime objective of promoting graduate business education. The Association's accreditation service is internationally recognised as the global standard for all MBA, DBA and MBM programmes and, for instance, now accredits MBA programmes at 142 business schools in 67 countries worldwide, including over forty in the UK. AMBA also offers the only professional membership association for MBA students and graduates.

2. Management has been identified by government as key to the future prosperity of the United Kingdom, eg by its endorsement of the report by the Council on Excellence in Management and Leadership. Similarly the previous Education and Skills Committee's report on Post-16 Skills highlighted how a stronger focus is needed on developing management skills *per se*—an area identified as particularly weak in the UK and largely neglected to date in policy (Volume 1, paragraph 8).

3. The recommendations in the Leitch Report and the Government's Leitch implementation plan "World Class Skills" called for a much greater focus on higher-level "economically valuable skills". The Leitch Report recognised the high levels of demand for management skills and the growing evidence base demonstrating the strong links between the impact of management skills and increased national competitiveness. The Leitch Report suggested that up to 20% of that gap is now attributed to skills provision and up to 15% to management practices.

4. At the Universities UK inaugural annual lecture given by Richard Lambert, Director-General of the CBI, on 11 December he observed that it is a natural career progression for individuals to take management as a second degree at postgraduate level.

5. Management is indeed a well established subject for study by specialists of many different sorts who wish to advance their careers by taking up senior management responsibilities. This is of considerable advantage not merely for the individuals concerned but for the wider UK economy. Excellent management skills, as facilitated by a quality MBA or other management education, are crucial for enabling the optimal deployment of resources for the greater economic benefit and welfare of the UK.

6. It is therefore in the public interest case to help well qualified graduates to attain high level management education as contributors to the UK's competitiveness. We should be encouraging engineers, scientists, medical practitioners, educationalists and others at a later stage in their careers as they move into managerial roles to undertake management education, including an MBA, after a specialist masters or PhD education. The proposed change will have the opposite effect.

7. These policy proposals do not appear to recognise that management is often a secondary discipline that experienced employees will study on a part-time basis, at an equivalent level to their initial specialist subject area, having been promoted into a position where they take on new management responsibilities. It is an established route of career progression for individuals to take a management degree as a second degree, at both undergraduate and postgraduate levels. In many cases employers are already providing support in terms of granting time off for study leave rather than by direct funding.

8. The proposals will have a disproportionate impact on those hoping to undertake these part-time management studies, which are the majority of MBA students. The HEFCE modeling of the withdrawal of funding for ELQs by subject, mode and level clearly demonstrates the impact on management qualifications. Table 1 of this modeling shows that of the overall 52,504 students to be negatively affected by the proposed changes, 9,776 (19%) will be those studying business and administration. The more detailed breakdown by level indicates that of the 9,776, the majority of those affected will be those studying on a part-time basis (7,211 students). This is a disproportionate number compared to any other subject listed.

9. Baroness Sharp stated in the House of Lords: "It hits disproportionately precisely those institutions—universities and FE colleges—which have been doing most to widen participation and encourage those who have traditionally not gone into higher education to do so. It is not just Birkbeck and the Open University, but the likes of the London South Bank University, Westminster, Anglia Ruskin University, Barking College and Lewisham College."

10. The quantum of money involved for some schools is such that it may have a serious effect not only on the students directly affected but also on the total provision by that school. It is of particular concern that many of the institutions who have done the most to widen participation to those already in the workplace in terms of part-time courses are likely to be hit hardest by the ELQ funding reforms.

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**Memorandum 93**
**Submission from the University of Sunderland**

## EXECUTIVE SUMMARY

“... a bad policy... based on a false choice” (Lord Puttnam of Queensgate, House of Lords, 3rd Dec. 2007)

- This University deprecates the fundamental premise of the ELQ directive.
- Whilst acknowledging the importance of ensuring HE’s responsiveness both to the Access agenda and to the development of employer facing provision we do not believe that this directive to the HEFCE will enhance those purposes.
- Rather we suggest that it will militate against important challenges of re-skilling the workforce and in so doing will also discriminate against the needs of particular groups of workers including women and others.
- The removal of provision for lifelong learners will also imperil that provision for first time learners, including access students, where critical masses are delicately poised. Such outcomes can not be justified on the grounds of fairness.
- Where Universities are already active in widening participation and work based learning in challenging regional contexts the suggested redirection of funding to those needs will not easily be realised. Instead, the benefit of this redirection will be to Universities in more prosperous regional contexts where targeted ASNs are more easily realisable.
- The available information in respect of exemptions from the ELQ directive is eccentric in its detail. We urge the inclusion of, for example, Pharmacy as a subject where national shortages are evident. Equally, the laudable inclusion of Islamic Studies is not complemented by the inclusion of other theological traditions or indeed philosophical studies.

## 1. THE RATIONALE FOR ELQ MEASURES

1.1 This move is intended *prima facie* to redirect a resource within HE funding away from those who are already graduates towards a) others who have not studied at HE level and b) selected categories of learners in work or in subjects of strategic importance and interest. We suggest that this premise is misconceived because as well as not necessarily providing additional benefit to those categories identified it specifically removes opportunity from those currently benefiting. Universities are very alive both to the access agenda and to the work based learning agenda. Incentives in respect of both priorities already exist via ASNs explicitly, via Aim Higher and similar activity and in the sector’s own acute sensitivity to the Higher Skills agenda. It is not the case that Universities are currently prevented from responding to these drivers. It is the case, however, that Universities provide sophisticated higher skills opportunities and re-skilling opportunities to those whose qualifications are outdated, redundant or otherwise unsuited to their career needs, their employer’s development agenda or a particular regional economic context. Very many of these learners will be excluded by the ELQ directive since it assumes a one-chance opportunity for those without degrees. Such thinking runs counter to most publicly expressed and commonly held understandings about the relationship between a vibrant economy and its re-skilling challenges.

## 2. THE IMPACT ON RE-SKILLING AND ON ECONOMIC RESPONSIVENESS

2.1 Universities have a very good track record in providing higher learning to students at different career stages. Such learning is not, however, necessarily sequential in level. Early careers do often develop by level within sectors—for example lawyers from UG to PG study, graduates to MBAs and so forth. Nevertheless re-skilling at UG level is extremely common where local economies evolve and change direction and where individuals in the workforce undergo planned and unplanned career breaks and changes.

2.2 In the North East, for example, the massive tasks of re-skilling pursuant to the demise of mass employment in heavy industry and mining drew heavily on the Universities’ capacity and in the process provided important new opportunities to many existing graduates.

2.3 It is also the case that established sectors have re-skilling needs resulting from technological change, surges in expertise bases or the influx of specialist employers. With the increase in the numbers of graduates in the workforce generally it is the case that most re-skilling agendas therefore involve those with ELQs. In the North East, for example, the Cultural and Creative sector which is playing such a significant role in regeneration comprises diverse workforces with, typically, a 50% population educated to NVQ level 4 including degree level study (*North East Skills Action Plan*, Bowman Solutions 2005).

2.4 There is an obvious and particular impact on those whose career breaks and moves are dictated by personal circumstance such as child bearing. The ELQ directive has therefore a singular discriminatory impact on women who began one career after graduating when young but who find themselves uncompetitive on returning to the workforce a decade later—or indeed whose employment sector has now disappeared or evolved in new directions. It is invidious to expect such people to settle for less than their

capacity merits when a programme of PT UG study, for example, could transform their employability. Equally it is inappropriate to expect these learners to make artificial choices simply because a choice is funded. Thus the blanket exemption of Foundation Degrees, whilst laudable, will not make up for current opportunities soon to be lost. We would also point out that vibrant lifelong learning portfolios with a strong Access mission, such as Sunderland's, provide significant opportunities for those with a range of disabilities and health problems to re-enter the workforce with relevant and fresh skills and knowledge. Equally, the currency of much graduate level capacity has a briefer lifespan in sectors where change is rapid. Insofar as we have been able to map the trajectories of current ELQ students at Sunderland, it appears to be the case that the majority acquired their degrees more than ten years ago. We suggest that this pattern is likely to be repeated nationally.

### 3. IMPACTS ON THE HE CURRICULUM AND INFRASTRUCTURE.

3.1 Where Universities have developed large and diverse programmes of PT study they have continued to plan and to manage this provision alongside expertise bases and infrastructure which support FT programmes. Thus where an expertise base around, for example, accountancy or public health serves a mixed population of PT and FT students there are economies of scale which enable niche or specialist studies at modular level to remain viable. The ELQ directive will remove large numbers from the funded pool in many instances and will also therefore make much niche or specialist provision unviable for FT as well as for the ELQ PT students. Thus there will be unintended impacts for existing FT students as the portfolio adjusts to these pressures. As is widely known, the University of Sunderland has one of the best widening access records in the country. A key strategy of the University is for much part-time provision to be delivered by a specialist Centre for Lifelong Learning. This ensures that provision is responsive to the availability of part-time students (an express aim of the government policy) and is also tailored to the needs of mature students. This model facilitates outreach provision, and is particularly important in delivering to communities without a tradition of HE participation—particularly for those who may have missed out on study before or who have had unsuccessful experiences of learning. However, the loss of ELQ funding in the creative arts and cultural areas may make this delivery model unviable in precisely the areas which have proved most successful in attracting disadvantaged students back to learning. The Sunderland University programme of courses at Blyth in Northumberland, delivered in partnership with the Blyth Resource Initiative Centre, has delivered HE level learning to over 2000 students in an area of multiple deprivation since the inception of the partnership. This learning would not have been possible had the ELQ policy been in place: outreach work takes place in over 40 venues in the North East, and the loss of even a small number of ELQ students makes ensuring critical mass everywhere impossible.

3.2 The DIUS/HEFCE's intention to vire the ELQ savings to fund further access and employer-facing provision via ASNs and other devices will also impose curriculum and infrastructure burdens on Universities. For example, the expertise base, pedagogic sophistication and facility with learning technology needed to support higher learning in the work place differs from that required to support other forms of PT learning. Universities welcome these challenges and are already very active in work based learning more generally. However, the scale and pace of the redirection required will not be achieved easily where large numbers are involved.

### 4. DIFFERENTIAL IMPACTS ON THE UNIVERSITY SECTOR

4.1 It is axiomatic that the ELQ directive will impact more significantly on those Universities with large and diverse PT portfolios than on those with restricted PT offers. The published list of financial impacts illustrates this very well. Thus many Universities will face major challenges of readjustment which will only partially be ameliorated by the suggested palliatives of freezing the teaching grant temporarily at 2007 levels and tapering the full implementation.

4.2 More subtly it is the case that even amongst the population of major "loser" Universities, there are differential capacities for capitalising on the supposed new funding opportunities available via the redirection of ELQ savings into Access and Employer Facing provision. Where such Universities are located in regional economic contexts of high demand and high ability-to-pay, the redirection offered will be achievable often through the addressing of unmet demand locally. Where Universities, however, are already at the limits of exploiting the Access agenda and where they are already extremely active in partnering locally on work based learning and have difficulty in drawing on existing ASN offers, then this redirection of funding will not be available to them. Thus a further consequence of the ELQ directive will be, over time, to redistribute HE funding away from Universities in challenging regional economic contexts to the further advantage of Universities in more prosperous contexts—particularly in Southern England. This redirection of funding thus impoverishes the capacity of, for example, North East Universities to play the necessary role in economic regeneration more broadly.

## 5. ELQs AND EXEMPTED CATEGORIES

5.1 It has been noted *passim* in the responses to the ELQ directive that the list of exempted subjects is eccentric. Whilst acknowledging that such lists draw on existing taxonomies of subjects and disciplines which have been noted previously as either vulnerable or of strategic importance to the economy, we suggest that the extant list nevertheless attracts obvious opprobrium when seen in the specific context of ELQs.

5.2 There are many examples where subjects of clear national strategic importance have not been acknowledged. We point to the specific example of Pharmacy, *inter alia*. There is an accepted national shortage of expertise in Pharmacy. The planned expansion of provision to meet need is imperilled by the withdrawal of some Universities from the development of new Schools of Pharmacy. The role of Pharmacists in wider public health agendas is widely acknowledged. Very many people enter Pharmacy as a re-skilling or retraining move. Thus the ELQ directive in even this one clear instance will remove scarce skills from the economy and from an important public policy imperative.

## 6. CONCLUSIONS AND REQUESTS

6.1 In conclusion, the University would wish to note that the whole orientation of the policy misunderstands the nature of the learning required to maintain the prospects of individual students and the economy as a whole. The policy assumes that value to the economy will come from the maximum number of students educated to the highest specialist level in subjects chosen on a one-chance-only basis. However, our experience, as a key lesson of Leitch is that the economy needs students to be educated to optimal level in relevant skills areas as circumstances dictate and crucially to be able to update those skills. A further Leitch conclusion is the linkage of rising productivity with effective skilling of the workforce. This will not always—or necessarily—be achieved by workers upskilling sequentially by level. A worker who finds her true potential in parallel retraining may be at least as productive.

6.2 The University asks the committee to:

- (a) request that government review the policy to suspend ELQ funding, and instead look at alternative ways of working with HE on the work-based learning agenda.
- (b) request that the government at the very least mitigate the damage to vulnerable groups and key economic areas by extending the range of exemptions as follows:
  - the proposed Subject based exemptions to be supplemented by additional subjects required by regional needs as identified by regional SSCs or RDAs (for instance, the Culture and Creative Sector and Pharmacy would be expected to be priorities in the NE).
  - degree level qualifications to be ignored after 5 years for the purposes of ELQ assessment.
  - full exemption from ELQ designation for all sub-degree awards to level 1 (HE).

January 2008

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### Memorandum 94

#### Submission from the British Association for Applied Linguistics

#### SUMMARY

1. This is a response from the British Association for Applied Linguistics (BAAL) to the proposal to withdraw funding support from institutions for students taking second qualifications of an equivalent or lower level (ELQs) to their first qualifications. BAAL is concerned that this proposal impacts on people wishing to change careers in response to global market developments, and that in particular individuals wishing to upgrade their qualifications in applied linguistics and related subjects will be adversely affected.

#### THE APPLIED LINGUISTICS PROFESSIONS

2. Students with qualifications in applied linguistics enter a number of professional fields, including:
  - Language teaching, especially supporting the integration of migrant communities in Britain by teaching English as a Second Language.
  - Academic Literacies development, supporting both International Students at UK universities, who constitute a major generator of income for those institutions, and home students from backgrounds constituting the widening participation agenda.
  - Training students entering language-oriented professions such as speech therapy and language support in schools.
  - Engaging in research that informs public policy and practice in areas such as education, the media, and the law.

3. Individuals wishing to take such degrees typically do so in order to change the direction of their professional life. Most practitioners in applied linguistics experienced higher education in another field before entering this one.

#### THE IMPACT OF THE PROPOSALS

4. It is particularly difficult to assess the impact of the proposed realignment of funding on this field, as it may appear in many guises. It is probable that many of the programmes affected under the heading “Linguistics, Classics and related subjects” as well as a large proportion of those under “Education” will have most of their funding removed. Projected losses in the first case are 3.8% and in the second 10.1% (based on HEFCE figures). This will have a severe impact on the Applied Linguistics research and practitioner community.

*January 2008*

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### Memorandum 95

#### Submission from the Bloomsbury Colleges of the University of London

#### EXECUTIVE SUMMARY

1. The Bloomsbury Colleges are six specialist Colleges of the University of London. The Colleges have features that mean that, as a group, they are particularly adversely affected by the ELQ proposals.

2. This impact reflects the specialist nature of the Bloomsbury Colleges, focused on professionally relevant qualifications and the re-skilling and up-skilling of the London and UK workforce. As a result, the ELQ proposals will create additional impediments to the Colleges contributing to the UK’s need for higher level skill development.

3. The Colleges do not believe that the relative impact of these changes on the UK’s overall economic effectiveness has been adequately evaluated. Given the disproportionate impact of the proposals on certain types of institution, with attendant consequences for students, the Colleges believe that the implementation of the proposals should be deferred pending a more fundamental review, in the context of the review of tuition fees as a whole.

This submission is made on behalf of the Bloomsbury Colleges, University of London by:

*Professor Paul Webley*, Chair of the Bloomsbury Colleges and Director and Principal of SOAS.

#### INTRODUCTION

1. The Bloomsbury Colleges are six specialist colleges of the University of London based in or around the Bloomsbury area. They comprise Birkbeck, Institute of Education, London School of Hygiene and Tropical medicine, Royal Veterinary College, School of Pharmacy and School of Oriental and African Studies. These six Colleges are independent university institutions. However, they work collaboratively together in order to better pursue their specialist missions.

2. The Bloomsbury Colleges collectively provide specialist learning experiences for over 30,000 students annually.

#### *Why are the Bloomsbury Colleges making this submission?*

3. The Bloomsbury Colleges are specialist institutions. Their specialisms are either disciplinary, focusing on particular subjects or groups of subjects, or related to the types of students that they serve. The individual Colleges are either leaders in their disciplinary fields or in the modes of study that they provide.

4. Analysis of the impact of the introduction of the ELQ policy indicates that:

- 15 of the 20 institutions experiencing the largest percentage decrease in income as a result of the policy are London based institutions. Of the total reduction in funding for students studying for ELQ’s, 31% will fall on London based institutions; and
- 11 of the 20 institutions experiencing the largest percentage decrease in income as a result of the policy are specialist institutions, with four of the six Bloomsbury Colleges amongst the 20 worst affected;
- The policy will impact disproportionately on post-graduate provision as opposed to undergraduate provision. In general, post-graduate taught courses will experience a 13.1% reduction in funding, compared to a 3.6% reduction for undergraduate courses, with the impact being most severe on post-graduate part-time courses.

5. These features of the impact of the ELQ policy mean that the Bloomsbury Colleges, as specialist, London based institutions with a high (and in some cases almost exclusively) post-graduate populations will be disproportionately affected by the proposals. Consequently, the Bloomsbury Colleges are submitting this collective submission to the Select Committee enquiry.

*Why is the impact on the Bloomsbury Colleges significant?*

6. The Bloomsbury Colleges are leading providers of high-quality professionally relevant courses and qualifications. Their work is of substantial regional as well as national and international significance. With strong links supporting the professional and academic development of key professional groups across healthcare and education, and in re-skilling part-time learners across a range of disciplines, the Bloomsbury Colleges play a key role in developing the skills of London's and the UK's workforce. Some illustrative examples of these contributions are:

- support for women graduates returning to the workforce after bringing up families through re-skilling on a part-time basis on a Birkbeck degree course;
- support for highly qualified scientists who have made the transition to teaching and wish to develop their professional understanding through a Masters in Science Education at the Institute of Education;
- support for healthcare professionals seeking to develop specialist skills in the control of infectious diseases through post-graduate study at the London School of Hygiene and Tropical Medicine; or
- late entrants to Pharmacy with other relevant qualifications, needing to achieve the 4-year undergraduate Master of Pharmacy degree qualification, followed by one-year's pre-registration training, in order to secure registration with the Royal Pharmaceutical Society of Great Britain.

7. The Bloomsbury Colleges are concerned that the ELQ proposals will divert resources away from supporting high-level skills development that is fundamental to the economic competitiveness of the UK, to lower level qualifications that will have a less significant impact. The prioritisation of entry level qualifications over the need for up-skilling and re-skilling appears to the Bloomsbury Colleges to run counter to the Government's own skills agenda. The disproportionate impact of the ELQ proposals on certain institutions (as outlined above) is also likely to weaken the financial sustainability of the very institutions best placed, through their strong professional links and specialist missions, to contribute to the delivery of the skills agenda.

8. In addition to this overarching contradiction with a key Government priority underpinning the UK's economic competitiveness, the ELQ proposals also appear to run counter to a range of other Government policy priorities. For example, Ministers have as yet declined to confirm that the ELQ policy will not impact differently on teachers in FE Colleges in comparison with those in the Schools sector, where certain exemptions have been announced. If this is the case, then the professional development of the teaching and lecturing staff that will be instrumental in delivering the basic skills agenda will be undermined at precisely the time when Government is seeking to raise standards.

9. Similarly, Pharmacists are recognised as an area of skills shortage within the UK, appearing on the UK Skills Shortage Occupations list and with 6.5% of Junior Pharmacists posts in the NHS vacant. DH and WAG supported research has indicated that over the next 10 years, the numbers of pharmacists will need to grow by 5% per annum. However, in order to achieve these growth targets will require an expansion in non-traditional entry routes including re-training. The ELQ proposals will impose significant barriers on those needing re-training to enter Pharmacy and so create an impediment to achieving the required level of expansion.

10. The specialist missions of the Bloomsbury Colleges place constraints on their ability to mitigate the impact of the ELQ proposals. Across Healthcare and Education, employer co-funding would require additional public funds from other Government Departments. The Colleges are unaware of any agreements that have been reached on how employer co-funding, where the employer is a public body, will operate following the introduction of these proposals. Other relevant Departments (for example DCSF or DH) appear not to have been consulted prior to the proposals being made.

11. Furthermore, the Bloomsbury Colleges are not well positioned to develop proposals that might respond to the prioritisation of entry level qualifications over higher-level skills. For example, as predominantly post-graduate institutions, neither the Institute of Education nor the London School of Hygiene and Tropical Medicine provide programmes that might contribute directly to the further widening of participation. If they were to do so, for example by the Institute of Education developing a substantial undergraduate offering, this would undermine their specialist missions, reduce the diversity of the HE sector as a whole and be unlikely to deliver cost-effective provision for students.

*What do the Bloomsbury Colleges think should happen now?*

12. The Bloomsbury Colleges believe that the impact of the ELQ proposals on institutions, on the economic competitiveness of the UK and on the diversity of the HE sector will be substantial. The proposals will have a disproportionate impact on institutions that are pursuing specialist missions; based in London, with its substantial demand for high skill employees in the Labour market; and focused on high-level or post-graduate skills development. The Bloomsbury Colleges do not believe that the impact of the proposals on individuals, institutions and on the economy as a whole has been subject to sufficient analysis.

13. In this context, the Colleges believe that the implementation of the proposals from September 2008 would be premature. Deferring implementation would allow wider consideration of the implications of the proposals across public policy priorities and in relation to their impact on UK skills development and economic competitiveness. It would also enable these proposed changes in funding arrangements for certain categories of students to be considered in the context of the wider review of tuition fees for students as a whole. There appears to be no clear rationale for moving forward with one aspect of the balance of private and public funding for HE study in advance of the planned review of this issue in 2009.

14. The Bloomsbury Colleges therefore recommend to the Committee that it should advise Government to defer implementation of the ELQ proposals subject to a more thorough review, in the context of the overall review of tuition fees.

*January 2008*

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## **Memorandum 96**

### **Submission from the Thames Valley University**

#### **EXECUTIVE SUMMARY**

1.1 The ELQ policy puts at risk the progress of Lifelong Learning in professional skills.

1.2 The way that HEFCE propose to implement the ELQ policy means that even if institutions act quickly and decisively to shift provision from ELQ students to non-ELQ students, their mainstream teaching funding will still be cut for 2008–09.

1.3 The exemptions proposed by HEFCE are welcome but there are areas of provision valuable to the UK economy that are not covered by the exemptions.

1.4 Students with and without ELQs will be affected because some areas of provision will become unsustainable.

1.5 A cash-terms safety net is better than no safety net but it means a real-terms funding decrease. Mainstream teaching grant forms a significant percentage of the total income for teaching-focused institutions like TVU and a real-terms decrease in funding will be problematic when costs continue to rise.

#### **THAMES VALLEY UNIVERSITY**

2.1 Thames Valley University (TVU) is one of the UK's largest and most diverse Universities with more than 33,750 students from 117 countries.

2.2 Achieving university status in 1992, TVU has over 140 years experience in delivering technical and vocational education. TVU merged with Reading College and School of Arts and Design in 2004 to form one of the largest institutions of its type in Europe.

2.3 The University is based on four campuses: Ealing and Brentford in west London and at Reading and Slough in Berkshire. The University offers a wide range of vocational and academic courses for students aged between 14 to 84 years old and delivers Further, Higher and postgraduate education programmes as well as professional and short courses. The University is the largest provider of education in Hospitality, Healthcare and Music & related disciplines in the UK.

## SUBMISSION

3. *Arguments against the Government's decision to phase out support to institutions for students studying ELQs*

3.1 The contradiction of the ELQ proposals with the wider Lifelong Learning agenda is clear. Up-skilling and re-skilling in professional areas will fall foul of the ELQ policy even though it is in the interest of the UK economy.

3.2 Co-funding by employers is not always the answer: there are known issues in the creative industries where employers are often very small businesses. In addition, across all sectors individuals will sometimes wish to re-skill without the knowledge of, or financial input from, their current employer.

4. *The timing of the decision and of the implementation of the change*

4.1 The Secretary of State said in a speech to the Open University on 13 December 2007, "Assuming that OU students continue to study part-time at about the same intensity as now, it [the OU] will be able to recoup what it might lose, and more, by attracting another 3,000 or so first-time students in each of the next three years." This is not the case. HEFCE's proposed implementation does not make ELQ students unfunded but allow institutions to retain their teaching grant (T grant) by recruiting alternative fundable (non-ELQ) students. Instead it pulls from institutions funding related to ELQ students assumed to be studying at institutions (based on 2005–06 data). HEFCE is proposing to use historic data in order to ensure that institutional behaviour cannot affect HEFCE's ability to save the £100m requested by DIUS. However the flip side of this is that institutions cannot protect their funding even if they act in accordance with the incentives DIUS want to encourage.

4.2 To give an extreme example, if TVU did not recruit a single new ELQ student in 2008–09 but instead recruited a balancing number of non-ELQ and/or Foundation Degree students, TVU would still be subject to a cash terms T grant funding freeze (ie a real terms decrease) for 2008–09 because our T grant will be adjusted in relation to the ELQs for 2005–06 (as in the HEFCE modelling). The only way that TVU could regain funding for student FTEs is via new Additional Student Numbers (ASNs) from HEFCE—and it is not realistic to suggest that we can apply for and receive the significant numbers of ASNs required in that timeframe, even if HEFCE were to make the ASNs available.

5. *The exemptions from the withdrawal of funding proposed by HEFCE*

## 5.1 Foundation degrees

5.1.1 We support the objective of providing a mechanism by which students can continue to access public funding to support them in studying for a qualification which may assist them to acquire skills required by employers and thus welcome the exemption for Foundation Degrees. However there are other well-established qualifications of a professional nature which are not being exempted although they are acknowledged to meet employers' skills requirements (eg qualifications in Accountancy, Purchasing and Supply and Project Management). The removal of funding for the substantial numbers of students on these courses may make them non-viable, putting at risk whole areas of taught provision. Those areas of taught provision are ones which are important not only for the students actually on professional qualifications but also for students on other types of course who may access these subject areas for smaller parts of their course. Learning experiences in business-related skills for such students can make a real difference to their employability.

5.1.2 Furthermore, there are often instances in which the qualifications that currently meet employers' skills requirements are less substantial than a foundation degree. These qualifications will not be exempt from the ELQ policy, setting up a potential perverse incentive for students to be driven towards courses which are longer (and thus more expensive in terms of HEFCE funding) than they need.

5.1.3 A foundation degree is not always going to be the best way of providing students with new skills, particularly in the enterprise/entrepreneurship areas. In these and other areas smaller units of learning (which might combine over time into a larger qualification) are more accessible both in terms of time and money for individuals developing their own SMEs or developing skills which may be required not by their current employer but for a future career move.

## 5.2 Co-funded ASNs

5.2.1 We support the objective of providing a mechanism by which students can continue to access public funding to support them in studying for a qualification which may assist them to acquire skills required by employers and thus welcome the exemption of co-funded ASNs. However we do not welcome the fact that institutions will essentially have to re-bid, through a bureaucratic process, for funding they were previously entitled to; and that furthermore, that funding will be then considerably less flexible than it has been before, because co-funded ASN allocations are outside the teaching grant contract range.

### 5.3 Strategically important and vulnerable subjects (SIVS)

5.3.1 We support the exemption of SIVS from the ELQ policy but do not agree with the proposal to do this via a targeted allocation outside the tolerance band. This will only protect historical levels of provision in these subject areas rather than support any expanded provision, even though expanded provision may be in the public interest.

5.3.2 An institution that was active in a SIVS area in 2005–06 but is not in future will receive an allocation, while an institution that was not, but now is, would not. The proposal to push funding through a separate static allocation will mean that institutions, particularly in growing areas, will need to charge higher fees to all ELQ students (as no specific students would be fundable). This would potentially disincentivise students from joining courses in SIVS areas of study.

## 6. *The impact upon students*

6.1 There will clearly be a financial impact upon students with ELQs in all instances where institutions decide to charge higher fees for ELQ students (in order to maintain resource levels).

6.2 Where programmes cater particularly to ELQ students—examples for TVU include professional qualifications in Accountancy, Purchasing and Supply and Project Management—then it is likely that some programmes will become unviable. Institutions will have little choice but to cease to offer these programmes, affecting non-ELQ students as well.

6.3 Where institutions charge higher fees to students who are not fundable because of their previous qualifications, it is apparent that there will be a disincentive for potential students to declare their prior qualifications. This will reduce the ability of institutions to respond as appropriately as they would wish to the prior knowledge and experience of their students, meaning the student experience will not be as positive as it might otherwise be.

## 7. *The impact of the change upon institutions*

7.1 Much has been made of the fact that in HEFCE's proposals institutions are protected by a cash-terms safety net. However a cash-terms safety net is scant protection for an institution like Thames Valley University, the mission of which is strongly teaching-focused and whose income is therefore more concentrated (and smaller) than that of the research-intensive institutions. In 2006–07 HEFCE's mainstream teaching grant (not including WP funding) formed 27% of our TVU's total income and 42% of TVU's non-LSC or NHS income. To have this funding stream entirely frozen in cash terms when our costs are not frozen will have significant effects on the institution's sustainability.

7.2 While a safety net is clearly preferable to no safety net, a real terms decrease in funding which will begin in less than one year's time and continue across the planning horizon will place some institutions in positions of substantial financial risk. It is now January 2008 and we are still not sure if our budget the year starting on 1 August 2008 will be cut (in real terms) or not; the implementation of this decision has been too hurried to allow institutions to plan effectively for managing the impact of the funding implications.

7.3 We are particularly concerned about the impact of a real terms decrease in funding for 2008–09. A planned decrease in 2009–10 but not 2008–09 would give those institutions which are hardest hit a little more time to develop plans both in terms of assuring additional fee income from ELQ students, and in terms of changing the nature of provision offered to target students who remain HEFCE-fundable. A real terms funding cut for 2008–09 will be very difficult to manage without a significant impact on the student experience, and this will be most keenly felt in those institutions which are doing most to reach out to those who need to be drawn into HE both to meet the Government's 50% participation target and the wider Leitch agenda.

7.4 The institutions most heavily affected (including TVU) are those who have made great efforts to reach out to employers and to employees by providing flexible (part-time) and professionally-orientated provision. These same institutions are those who have fewer other major sources of income (especially research funding) with which to sustain themselves over a difficult period of transition.

*January 2008*

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**Memorandum 97**
**Submission from the School of Philosophy at Birkbeck College**

One of the matters the select committee is expressly considering is the effect of the Government's proposals on the Open University and Birkbeck College, London. We thought it might help the committee to have the perspective of some ordinary academics who teach philosophy at the latter institution ((1)). And we make two urgent points about matters of implementation ((2) and (3)).

1. Our subject, with its emphasis on analysis and argument, has long been recognised as an important contributor to the skills level in the workforce. And having a first degree in some other subject is often necessary to realise these benefits of philosophical study. To take two examples: we have had a number of health professionals whose studies with us have been required for their subsequent work in medical ethics in the National Health Service; and we have seen how a philosophy degree can transform a student who has acquired subject-specific knowledge from a previous degree into someone more capable of the kind of decision-making needed in an administrative or executive environment. The proposed ELQ policy, crude as it is, has no way of taking into account these kinds of "value-added" contribution; and it will result in a loss to the wider community that could not be balanced by any hoped-for increase in the number of students undertaking degree studies for the first time.

2. As the select committee will be aware, it is the historic mission of Birkbeck College to make researched higher education available to part-time students. As the Leitch report recognizes, this mission is of great contemporary importance, and all of us at Birkbeck remain committed to it. It is indeed hard to see how the goals of the Leitch report could be achieved (in respect of London) without a thriving Birkbeck. But although the Government does not seem to have intended to harm Birkbeck, the ELQ announcement is already causing the college great problems. Undertaking a part-time degree involves a long-term commitment on the part of the student. Part-time undergraduates embarking on courses this autumn will not graduate until 2012; part-time doctoral students will take even longer. The safety-net funding offered by Hefce, however, only covers the years up to 2011; there have been no public assurances about what happens thereafter. Since the impact of the proposed changes on Birkbeck has been well advertised in the press, the uncertainty about the college's future is already deterring prospective part-time students (whether or not they already have degrees) from embarking on courses with us. So we respectfully ask the committee to press the Secretary of State, and the chairman of Hefce, to give public assurances to the committee about the future of Birkbeck after 2011. Without such assurances, the college will start to wither.

3. More generally, and whatever the merits of the arguments of principle about the changes to ELQ funding, we think the Government needs to allow much longer for such changes to be implemented. A comparison with events earlier in the life of this Government is instructive. In 1998, the then Secretary of State for Education, David Blunkett, decided to phase out the "college fee" which the State had paid to Oxford and Cambridge colleges to support the tutorial system in those universities. Even in Oxford and Cambridge, the withdrawal of this funding was generally recognized as fair: it was hard to justify a situation where the State supported students who had been admitted to the collegiate universities much more generously than those who had not. All the same, the Government gave the colleges a full ten years to adjust to the new arrangements: the fee was cut by 10% per annum over a decade. As those of us who were teaching at Oxford or Cambridge at the time well remember, many of the colleges needed every one of those ten years to make the necessary adjustments, despite the fact that the ancient universities are as a whole vastly better endowed than Birkbeck. Withdrawing ELQ funding from Birkbeck is as big change to us as withdrawing the college fee was to Oxford and Cambridge, and expecting Birkbeck to adjust in only three years is punitive. So, assuming that the Government remains committed to phasing out ELQ funding, we respectfully ask the committee to press on the Secretary of State the merits of a much slower phasing-out of that funding.

*January 2008*

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**Memorandum 98**
**Submission from the University of Northampton**
**BACKGROUND**

1. The University of Northampton very much welcomes the initiative of the Innovation, Universities and Skills (IUS) Committee to conduct an enquiry into the Government's recent decision to phase out institutional support for students taking second qualifications of an equivalent or lower level (ELQs) to their first qualification.

2. We have responded to HEFCE's invitation to consult on its proposals for implementing the Government's decision whilst noting that there has not been an opportunity to comment on the principle of the decision.

3. The University has welcomed the Government's commitment to widening participation; to enhancing opportunities for part-time study; to embracing the recommendations of the Leitch report for raising skills levels, including those at higher levels and to lifelong learning in general. As a business-facing University, Northampton is close to employers and to its students who are studying whilst working. The University is particularly committed to widening participation among those without qualifications at level 4 and upwards, especially those from "low participation neighbourhoods". However, in its present form, we believe the ELQ policy is ill-advised as it appears to run contrary to Government and HEFCE encouragement and support for part-time opportunities and reskilling/enhancement of the workforce.

#### THE DECISION IN PRINCIPLE

4. We feel that the decision was taken without a sufficiently clear view of its impact on other Government higher education policies. The Government—and HEFCE—encourage individuals to update/reskill themselves over a lifetime of learning, whether or not the individual learner has already obtained a higher education qualification. Employers are encouraged to contribute to the cost of employees' upskilling. Many such programmes do not include a full qualification per se but specific modules.

5. To withdraw funding from institutions in respect of those with higher education qualifications who are returning to study for these purposes is a clear disincentive to retrain/upskill as institutions will inevitably be forced into charging "full cost" fees and employers are unlikely to make up to deficit. Indeed, the current decision would appear to apply to "chunks" or "bites" of learning, that are not full "qualifications".

6. It is this misleading of Ministers to refer in press statements to "second degrees" as all learning, whether a full award or an individual module, at an "ELQ" level comes within the Government's decision, subject to lying outside the Government and HEFCE's exclusions. Qualifications of professional bodies, often an essential career progression requirement, are at higher education levels equivalent or lower to undergraduate and some postgraduate qualifications. For example, some 60% of the students currently studying professional qualifications in the Northampton Business School are in effect ELQ students.

7. We acknowledge HEFCE's appreciation of the potential impact of the ELQ policy on part-time provision, both on the individuals themselves and on those institutions that have done most to develop flexible part-time provision. Many of these students may have care responsibilities and may be seeking to return to work, change their careers or enhance their life changes. Others may be working around their full-time job to enhance their qualifications. A large number of these students are not funded by their employers; there is no evidence to suggest that either these employers—or, indeed, those who do fund their employees—would be prepared to pay the still higher fees consequent upon the introduction of the ELQ policy. The policy is additionally likely to have a negative impact on "non-ELQ" students who attend a part-time course that has to close because without the ELQ students the course is not viable. Increasing the fees for non-ELQ students to cover lost fees is counter-intuitive. This lack of stability for part-time courses has serious implications for planning and staffing levels/contracts.

8. However, were there to be a case in principle for the redirection of funds towards first-time entrants into higher education, this University would be supportive of the exclusions already indicated by the Government and HEFCE but would propose that the exclusions be extended to all students studying part-time and to those wishing to follow whole or part elements of formally accredited professional qualifications which may be at the same or lower level as an award they may already hold.

#### TIMING

9. As the ELQ policy is to be implemented from 2008–09, it does not seem logical to defer the application of the £20 million "supplement" for part-time students until 2009–10. Given HEFCE's current thinking on the introduction of ELQ policy, institutions will be affected immediately.

10. The "safety net" proposal is linked to the overall statistical basis on which the policy is being implemented. Institutions, by having funding "withdrawn", are in effect being fined for their successful implementation of government policy in the "base" year 2005–06 for which data are, in any case, essentially suspect as they were not collected formally to establish students who would have been "ELQ". Whilst institutions cannot expect to receive funding in 08–09 on behalf of categories of students that, following the consultation, are deemed to fall within the scope of the ELQ policy it is inequitable on institutions to "withdraw" funding (other than for continuing "ELQ" students) on the basis of the 05–06 HESES data.

11. More generally, given the fundamental nature of this shift in Government policy, it would have seemed more logical for the proposal to be considered as part of the comprehensive review of the current fees arrangements, scheduled for 2009.

#### EXEMPTIONS

12. We are supportive of the exemptions proposed by Government and HEFCE, but would extend these as proposed in paragraph 8 above.

#### IMPACT UPON STUDENTS

13. We are particularly concerned at the impact on part-time students (see paragraph 7 above) and those who require professional or other additional qualification to progress in their careers and/or retrain to a different skill set. We acknowledge HEFCE's "co-funded" arrangements with employers, but take up is low, and it is highly unlikely that employers as a whole will be prepared to fund the deficit between current fee levels and "full" course costs.

#### IMPACT ON INSTITUTIONS

14. This University is committed to increasing opportunities for part-time students who want to learn flexibly, whether at work, from home, or in the institution. We are also committed to working with employers in the Northamptonshire area to deliver appropriate higher level skills programmes for graduates and non-graduates alike. We have embraced the message of the Leitch report which is a vision for "21st century widening participation". The ELQ decision will impact strongly on the ability of such students to access this provision and will present additional pressure on the University in seeking to diversify its student body, particularly at a time, from 2010, when the numbers of 18 year olds is likely to decline.

#### CONCLUSION

15. The University hopes that the above comments are of help, and would be pleased to provide more information should the IUS Committee so wish.

*January 2008*

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### **Memorandum 99**

#### **Submission from the University of Warwick**

The University objects to the withdrawal of funding for students with equivalent or lower qualifications for the following reasons:

1. The policy will impact on the flexible approach to learning introduced by many institutions to allow for students to take a series of courses at the same level but which do demonstrate progression. An example would be the progression of students from postgraduate certificate or diploma to Masters courses. Even if this is addressed in future, the funding associated with these students in the 2005–06 cohort has already been lost.

2. The mainstream funding to be phased out totals £180 million, while a total of £328 million has had to be identified and will have to be monitored to achieve savings of £100 million. The resources for "safety netting" institutions and transitional funding, will be freed over time but no use has been identified for them.

3. The teaching grant is being increasingly disaggregated into targeted allocations, such as that for SIVS, and there is associated increasing administrative complexity in monitoring the student numbers related to these allocations. This is contradictory to the aims agreed with the Higher Education Regulatory Review Group (HERRG).

4. The extremely short notice and lack of consultation was entirely inappropriate given the impact on institutions. The impact is immediate as institutions will not receive the level of grant expected, but it is now too late to change admissions policies, fees structures or course offering for 2008 entry.

5. The criteria used for exempting some ELQ students may not remain exempt in the future. This creates instability and uncertainty in planning terms. An example is the University of Warwick's postgraduate entry undergraduate level degree course leading to a first registerable qualification as a medical doctor. Withdrawal of funding for such courses would place the future viability of the medical school at risk and would undermine local healthcare provision.

6. The proposal is clearly contradictory to other government policies of strategic importance, in particular that of skills development in the workforce, as set out in the Leitch report. It will inevitably impact on widening participation and the part-time sector indirectly as courses or departments which are engaged in these activities will also be those which typically also recruit ELQ students. Hence the exemptions set in place will not protect the those areas of strategic national importance as courses and departments become increasingly unviable. In addition, the use of Foundation degrees and co-funded numbers to identify employer engagement activities does not accurately reflect the range of teaching provision offered by the sector to meet the needs of employers.

## RECOMMENDATIONS

7. That the HEFCE reconsider the introduction of the ELQ policy and consider alternative, more appropriate ways of making the required savings, in consultation with the sector and over a more suitable timescale.

January 2008

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**Memorandum 100**
**Submission from Edexcel**

This letter constitutes Edexcel's evidence to the Innovation, Universities and Skills Committee's inquiry into the Government's decision to phase out support given to institutions for students taking second qualifications of an equivalent or lower level (ELQs) to their first qualifications.

Edexcel understand that the Government's key priorities are to increase and widen participation and to support fairness and the growth in high level skills, and that funding will follow these priorities. We appreciate that as a result of this, the decision has been made to phase out funding given to institutions for students taking second qualifications of an equivalent or lower level to their first qualifications.

We support the measures suggested in the consultation that will ensure continued to support certain types of qualifications, and certain types of students; qualifications in strategically important and vulnerable subjects, and support for part-time opportunities. We also support the intention to exempt Foundation Degrees from the withdrawal of funding for equivalent or lower level qualifications.

We strongly feel however, that Higher National qualifications should also be exempt. They also offer a route for students who wish to acquire new skills for use in the workplace. They are popular with both students, and recognised and valued by employers. Edexcel work with employers and their representatives in order to develop these qualifications and they are, like the Fd, designed to give students the technical and professional skills in demand from employers. HNs have offered work-related skills to students through Edexcel (BTEC) in England, (and in Scotland by SQA), in one form or another, for at least the past 30 years. Over 45,000 students have registered for an HN this year so far.

In addition to this, in order to up-skill the workforce, a range of appropriate qualifications is needed. This is especially so at higher levels where individuals are likely to have a clearer and more sophisticated idea of what they require. We believe that protecting both the Fd and the HN will ensure continued choice for students.

January 2008

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**Memorandum 101**
**Submission from the Shap Working Party on World Religions in Education**

Regarding: the Government's decision to phase out support given to institutions for students taking second qualifications of an equivalent or lower level (ELQs) to their first qualifications.

## SUMMARY OF MAIN POINTS

The Shap Working Party believes that there are likely to be unintended consequences to the proposals contained in both the Minister of State's letter to the HEFC of 7 September 2007, and in the HEFC's document "*Consultation on implementation*", also of September 2007. This memorandum details the problems and suggests mitigating action.

1. *What is the Shap Working Party on World Religions in Education:*

2. The Shap Working Party is an NGO, which supports and facilitates the development of teaching about the World's Religions in schools and other educational settings, including higher education (<http://www.shapworkingparty.org.uk/index.html>). The Working Party includes leading national figures in the field of religions and education from different educational sectors.

3. The Shap Working Party was formed in 1969 after a conference of academics, educationalists, local authority officers and representatives of religions at which it was decided to work towards replacing a quasi-confessional Christian approach to the teaching of religious education in county schools with an accurate but sympathetic study of religion, particularly those religious traditions that were making a home in the UK for the first time.

4. Shap now produces an annual calendar of dates of religious festivals, and offers advice and consultancy services to a range of educational, commercial and governmental organisations on matters of religious and cultural diversity.

5. *Factual information we would like the committee to be aware of:*

6. The proposals under consideration will limit opportunities for the general public to study religions at an advanced level. An educated understanding of religions contributes to community cohesion in British society (a view that has been endorsed by Government, see the Prime Minister's statement on Terrorism to the House of Commons on 14 November 2007). Concomitantly, any measure that might limit the possibility to study religions by mature students will have a negative effect in relation to community cohesion.

7. There appear to be a number of discrimination issues that result from the government's inclusion of "Islamic Studies" among the "strategically important and vulnerable subjects" (SIVS) that are to be exempted from the withdrawal of funding under the ELQ proposals.

- (a) A reason that often leads mature students to undertake academic study of their own religious tradition is a wish to serve an enhanced role within their religious communities as ministers, teachers or other religious or social functionaries. It is discriminatory to support this in relation to one religious community but to deny it to others. Further, there are good reasons to support those wishing to take more active roles in faith communities, given the contribution these make to civil society
- (b) Members of all religious communities can be subject to distress resulting from discrimination, prejudice and offensive misunderstanding of their religious traditions. To the extent that adults who are not members of the religious communities concerned undertake serious study of those religious traditions, the situation is ameliorated. To grant such relief to one community, but not to others, is surely discriminatory.
- (c) Conversely, the inclusion of Islamic Studies within the SIVS suggests that there is something particularly problematic about Muslims in British society, an implication that could easily be avoided by extending the exemption to all other religious traditions.

8. There is a specific issue in relation to the recruitment of teachers, particularly teachers of religious education. A significant number of new teachers of religious education are people whose first degree is not in religious studies or theology. Some of these entrants to teaching need to take sub M level certificate, diploma or first degree courses prior to undertaking teacher training, as a means to move from another subject area to religious education. In other words, many of the courses taken by would-be new entrants to the teaching profession are, necessarily, not teacher training courses (which are of course exempted from the ELQ proposals). Whilst our particular concern is religious education, the same is true for other subjects.

9. The point made in the previous paragraph can be widened. Many people take first degree, and post-graduate qualifications, in subjects which are of considerable importance to the maintenance of a highly educated, and cultured national population—eg classics, ancient history, philosophy—but for which there is no obvious career path outside of higher education. Most graduates of such courses need subsequently to train for careers, and there will often be little prospect of such training being funded by employers. In addition, it is often the case that people opt in wholly good faith for careers for which they prove subsequently to be either unsuitable, or unable to sustain throughout a full career. Such people deserve the support of Government in their subsequent efforts to find employment commensurate with their talents and which will enable them to make a full contribution towards the needs of society for skilled workers. A sad, but unfortunately common, example of this is those who train to be school-teachers but who find themselves either unable to cope in a classroom environment, or, later in their careers, unable to cope with the stress of such a highly demanding job. These teachers, and others in similar circumstances, need to find other work, often after, or in an effort to preempt, medical difficulties.

10. The Open University is an excellent provider of appropriate preliminary courses for those who wish to train to be teachers of religious education. In 2002, the Shap Working Party presented its annual award to the OU for its excellence in providing courses in the study of religions (<http://www.shapworkingparty.org.uk/award.html>). The Shap Working Party would be extremely concerned if the new policy inadvertently deterred new recruits to institutions such as the Open University who offer sub-Masters courses in the study of religions to adult students. More broadly, the creation and development of the Open University is undoubtedly one of the great achievements of post-war education policy. It is particularly to be admired for the way it has opened the possibility of University Education to many who are unable to attend other institutions. It further performs an invaluable role in pioneering new types of courses and in developing effective teaching methods for distance learning. It deserves particular protection from a measure that might seriously undermine the nationally important work it does.

11. *Recommendations we would like the committee to consider:*

12. Exempt all courses on the study of religions from the withdrawal of funding support for ELQ courses. The reason for this being that it would be a measure that will both promote community cohesion, and dispel the current appearance of discrimination between Islam and other religious traditions.

13. Exempt from the withdrawal of funding support ELQ courses that are likely to be vehicles of flexibility in the workforce, particularly in relation to those needing to change careers as a result either of a lack of employment opportunities in the area of their current qualifications or those who for reasons of unsuitability or medical concerns are unable to continue in employment for which they are currently qualified.

14. Give the most careful consideration to the likely consequences for specific institutions of the withdrawal of funds for ELQ courses, in particular the Open University, and make recommendations for the amelioration of those that are damaging.

January 2008

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**Memorandum 102**

**Submission from Conservatoires for Dance and Drama**

EXECUTIVE SUMMARY

1. The proposed policy to cut funding for ELQ students will have a detrimental impact on the Conservatoire for Dance and Drama's ability to deliver its high-level vocationally-focused training. For many Conservatoire students academic study is a precursor to this training rather than an alternative. The diversity of student experience is also critical to the training of artists.

2. The case studies attached are drawn from ELQ students past and present. The students and graduates share an absolute belief that the timing of their training, and the flexibility which the current funding policy affords, is, or was, critical to their success as artists.

INTRODUCTION

3. Founded in 2001, the Conservatoire for Dance and Drama comprises eight specialist vocational schools: Bristol Old Vic Theatre School, Central School of Ballet, The Circus Space, London Contemporary Dance School, Northern School of Contemporary Dance, Rambert School of Ballet and Contemporary Dance, Royal Academy of Dramatic Art, and the London Academy for Music and Dramatic Art. Each of these institutions has an international reputation for high quality training, aiming to produce artists who will match the world's best and, on entering their professions, shape the future of dance, drama and circus arts. The Conservatoire only delivers vocational education and training.

IMPACT OF THE ELQ POLICY

4. Critical to the effectiveness of the Conservatoire is the diverse range of students who choose to study with us. At present, this includes some 22% of "ELQ" students whose previous study is directly relevant to gaining Conservatoire entry (eg degrees in drama, dance studies, design). In effect, for these ELQ students the Conservatoire's training is part of a single sequence of preparation for entry into their professions. The training of performers at the highest level is an exceptionally demanding physical and intellectual process and it is important to make available training of this type and intensity only to the most talented students, and then only when they are ready for it.

5. The unintended consequences of the Government's proposed ELQ policy are potentially severe for the Conservatoire. At present, the Conservatoire is able to draw its students from the widest talent pool, regardless of their financial circumstances. Withdrawal of public funding, however, would have a significant impact on the Conservatoire's ability to recruit the most talented students, affecting not only individual ELQ students but also the entire student cohort, all of whom benefit pedagogically from the balance of younger and more mature students, especially in acting. This includes the participation of disabled students who have, almost without exception, been prepared for Conservatoire entry standard through the completion of a prior degree.

6. The proposal to withdraw funding for ELQ students, with no certainty about the replacement of lost student numbers and the very tight timetable, represents a real problem for the Conservatoire. There is little or no scope for charging what would be very high full-cost fees without reducing access and diluting the quality of entry, and with exactly sized cohorts and precisely balanced company numbers, many of the Conservatoire's courses would deteriorate in quality or, worse still, be rendered unviable.

## CONSERVATOIRE ELQ STUDENTS PAST AND PRESENT: CASE STUDIES

*Tom Riley, LAMDA alumnus, currently starring in "The Vertical Hour" at the Royal Court Theatre*

7. "I have always wanted to be an actor, but upon leaving school, felt I lacked the life experience and the intellectual capacity to do the profession justice. I chose to take an English Literature degree in order to achieve this, with every intention of applying to drama school the minute I graduated, if I could afford it. The knowledge that there may be funding there to help me when the moment came kept my hopes alive.

8. "When I did eventually go to LAMDA, I realised that waiting was the right choice. I had used university to broaden my analytical skills, and as a base from which to start theatre companies, try my hand at directing, and to increase my life experience. It was from this ideal launch-pad that I was able to make the absolute best of what LAMDA had to offer in the three years that followed, and I truly believe it is the combination of the two institutions that has been responsible for my success since leaving drama school. I have worked pretty much non-stop in numerous films, television, and some of the greatest theatres in the country, and I am sure it is the unique mixture of an academic bent polished at university and the talents honed at LAMDA that have made me appealing to potential employers.

9. "I could not have afforded to go to drama school without the funding available to ELQs, and there's a strong chance my career would never have taken off. Withdrawing financial aid is a grave mistake which will undoubtedly affect the opportunity for some of Britain's most talented actors to fulfil their potential. As a consequence it may well prove highly damaging to the future of the arts in this country."

*Sorrell Moore, current student at RADA*

10. "I graduated from Royal Holloway, University of London in 2005 with a First-class Honours degree in Drama & Theatre Studies. My degree has been absolutely invaluable to me in my current training in Technical Theatre Arts at RADA. I have been able to achieve what I see as a "whole" understanding of the theatrical world—I have extensive knowledge of theatre history, theory, and technique as well as the practical, creative experience of stage craft I am gaining at RADA. This, I am certain, will be of enormous benefit to me throughout my future career.

11. "My first degree was extremely diverse and made it possible for me to focus my areas of interest and to realise that I would need to train further in order to find practical ways to harness my passion professionally, and to plan an effective career. RADA's Graduate Diploma in Theatre Technical Arts seemed the perfect "add-on" to the degree I had already achieved, and I am now able to bring three years of academic technique to my practical work. I constantly utilise my research skills and apply my previous knowledge in my RADA work. I am also able to inform/assist my colleagues from other backgrounds, just as many of them are able to assist me with practical techniques. It is this variety of backgrounds and personal knowledge that is so vital to RADA—every student comes with their own unique experience that, pooled together, enables every other student the benefit of an extensive network of theatrical knowledge: practical, academic, work-based, theory based, West End, regional, fringe, touring, British, American, European . . . the list is endless."

*Charlotte Newell, BOVTS alumnus 2006, currently working on "Major Barbara" at the National Theatre*

12. "Last year I graduated from the Bristol Old Vic Theatre School (BOVTS) with a BA in Professional Stage Management having already completed a BA (Hons) in English and Drama at the University of Bristol.

13. "My first degree choice was motivated by my love of literature, plays and theatre. Through doing this degree, and through the experience of theatrical production that it gave me, I was introduced to the role of Stage Manager and discovered an enthusiasm and a dedication to pursue the career myself. My research into the courses which would help me train for this profession led me to my second degree at BOVTS.

14. "There is absolutely no doubt that without the Conservatoire funding I would not have been able to afford the excellent training which, because of its deservedly high reputation, has enabled me to go straight into jobs at the Royal Court and National Theatre. Without Government subsidy, many potential second-degree students will be unable to afford the high level of training I was lucky enough to receive. Our profession will be at a loss for highly qualified arts professionals and this will undoubtedly be detrimental to the standard of future theatre production."

*Timandra Dyer, LAMDA alumnus, currently Production Manager for English Touring Theatre*

15. "My first degree was in Politics and Economics at Bath University. Although I loved theatre and wanted to pursue a career in theatre, I had no idea courses such as the Stage Management and Technical Theatre course at LAMDA existed and, at eighteen, did not know what I wanted to do. Eight years later, I found the LAMDA course, applied, and was offered a position. Without the Government financial assistance provided to "mature", second degree students I could not have afforded the course.

16. “Since leaving LAMDA I have successfully utilised my LAMDA training and networks to work at the Royal National Theatre, on numerous West End productions and, currently, as Production Manager for English Touring Theatre.

17. “In a way, I wish I had known about LAMDA and gone there at eighteen, but I probably wasn’t in the right frame of mind or at the right level of maturity at that point and was better suited to the course subsequent to other studies. I am, therefore, someone who has made a success of the investment in my retraining as a direct result of Government help.”

*Tom Hiddleston, RADA alumnus 2006, currently starring in “Othello” at the Donmar Warehouse*

18. “I am in no doubt that I would not be doing what I am doing now without both of my degrees.

19. “After school, I went to Cambridge to continue my education, and the value of my experience there is immeasurable. It gave me intellectual and personal independence, breadth of choice, self-possession, I read a lot of Greek and Latin, met some very interesting people, and had a great time. But I went to RADA to become an actor. Cambridge could not, nor did I expect it to, deliver that opportunity. Actor-training involves total, near-professional commitment, intense rigour, and physical dedication, and in many ways it was infinitely more demanding than my first BA, but I knew that if I wanted to become an actor I had to undertake the same training as all those actors who had inspired me to make that choice in the first place.

20. “RADA gave me a craft: a rule-book for consistency of quality, professionalism, physical conditioning, philosophical validity and emotional propriety; a rule-book learned not intellectually, but through the experience of practice. All the work that I have done to date—in theatre, television, and radio—has come partly through my employers’ trust (and my own) in the quality of that training.

21. “If the government stops funding students with a first degree, our theatres and our films will suffer. Too many will not be able to afford it and they will not apply. It’s that simple.”

*Katie Green, LCDS alumnus 2006, currently working as a freelance dance professional and founder of Green Bean Dance Company*

22. “I graduated from LCDS in 2006 with a First class degree in Contemporary Dance having completed a degree in English Literature at Cambridge University in 2003. I am now a professional freelance dance artist with my own contemporary dance company. I attribute my professional success to the excellent training I received at two of this country’s leading institutions, training which I could not have afforded if the fees for my second course had been higher.

23. “I took a first degree prior to dance training for two main reasons. First, knowing that professional life as an artist could be unstable I wanted to equip myself to deal with all eventualities. Second, given the opportunity to study at Cambridge, I wanted to make the most of working with talented peers, teachers, in excellent theatres, and with a professional Dancer in Residence at my college. Also, research indicated to me that I might be at an advantage applying to dance schools later, given that they, like drama schools, would welcome students who were more comfortable in themselves and therefore more able to express themselves physically. The additional maturity, breadth of knowledge and experience, and the extended network I began to establish during my first degree (there are many people from Cambridge with whom I now collaborate on a regular basis) have proved essential in my professional life.

24. “In retrospect, I was naïve and not necessarily well-suited when I was eighteen to the physical and emotional challenges of three intensive years of professional dance training. I could not have fully understood the scope of my work and my potential to succeed as a dance artist during a first degree. During my second degree I was able to consolidate the things I had begun to discover about myself. Now I feel much better equipped to take on the challenging and exciting world of the arts.”

*Danny Lee Wynter, LAMDA alumnus 2005, recently starred in Stephen Poliakoff’s “Joe’s Palace” and “Capturing Mary” for the BBC*

25. “I arrived at LAMDA at the perfect time in my life. Having known I was stage-bound since childhood, but being intimidated earlier on in my journey to take the leap of faith and apply for drama school, I concluded to go to university first and learn about life. I’d barely been encouraged to pick up a classical text before going. Studying for my first degree gave me a hunger for life, a hunger which hadn’t been installed in me earlier. It was this hunger and determination which spurred me on to fill out an application form for LAMDA, and I got in.

26. “The proposed ELQ cut poses a significant threat to individuals, like myself, who are compelled to pursue a career in the arts. Without financial aid the number of people attending drama school from financially-challenged backgrounds who already have a degree will diminish because they simply won’t apply in the first place. Such a thing would prove damaging for teaching in drama schools because the

teacher would ultimately be catering to an elite palate, thus reinforcing the age-old belief that those with money can fly and those without are destined to remain on the ground. The great success of my own training was that the wide and varied cultural make-up of the class fed the training given by the professionals.

27. "Without Government subsidy I wouldn't have enjoyed the success I have so far in my career."

*Nicholas Taylor, current student at LAMDA*

28. "After my A-Levels I was torn between going to Drama school, studying literature, directing, or creative writing, or joining the Foreign Office. My school had many inspiring teachers and I was full of ideas, but I was eighteen. I was advised by my teachers to study at university first and those three years were incredibly important in helping me understand what I wanted to do and why. I was involved with a large number of plays, collaborating with others my age as well as learning from both academics and professionals in the entertainment industry. Many of us had plans to come to LAMDA after doing a degree.

29. "I am now delighted to have been offered a place at one of the top drama schools in the country, with a course perfectly suited to my needs as a graduate. My background enables me to marry the academic and practical aspects of drama, and the path that I am following is part of a British system that has allowed us to consistently produce world-beating, diverse drama. Our performers and practitioners are renowned for their innovative and intelligent work, often arising from their collaborations before, during, and after university.

30. "We cannot afford to deny students the chance to discover themselves and each other for the sake of stream-lining them into an economically beneficial system. I hope we shall continue to afford our eighteen year olds the same opportunities that I had and that the time will not come when drama in this country becomes just a career choice rather than an evolving art form."

*Graham Alexander, current student at LCDS*

31. "I only began dancing in my late teens and as a school leaver with a strong history in the sciences and no formal dance training, I barely gave going to dance college a second thought. While studying Physics at Oxford University, however, I danced and choreographed increasingly, joined a youth dance company and established a university contemporary dance society still running today. In my second year I considered leaving to study dance but felt that to have left then would waste years of work by my teachers and myself. I also recognised that the performing arts is a precarious profession, and an injury could leave me with nothing had I not finished my degree.

32. "There are many benefits to my having taken a degree prior to my current vocational training in Contemporary Dance at LCDS. I have a degree of self-knowledge and direction that I do not always see in my younger comrades and that makes me determined to get the best from my course and teachers, and three years of trial and error have schooled me in working efficiently and getting the best from my learning, time and finances. Also, the time I spent discovering that dance was the vocation for me was invaluable. I am gaining more from this second degree than my first because I have already learnt the life-lessons that enable me to put my all into the course.

33. "I have had an opportunity to change the course of my life by coming to LCDS, and I gladly work in two jobs to be able to afford the current fees and living expenses. I genuinely do not believe, however, that someone could follow in my footsteps paying anything greater. The ELQ proposals thus threaten a very important demographic in the next generation of artists, preventing many others like me from reaching their potential. We cannot expect to retain our world class status while limiting artistic input or compromising our standards when we should be striving for greatness."

*January 2008*

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## Memorandum 103

### Submission from the Law Society

#### EXECUTIVE SUMMARY

1. This paper contains the Law Society's evidence to the Innovation, Universities and Skills Committee inquiry on the Government's decision in September 2007 to re-allocate institutional funding for ELQ students to only those students pursuing a first degree or progressing to higher qualifications. It is our understanding that the changes will be phased over a three year period and includes creating new initiatives to encourage businesses to share the cost of higher education funding.

2. The Law Society has concerns about these changes for the following reasons:

- This decision has been made in the absence of consultation with key stakeholders. In the interests of transparency and in accordance with the Government’s consultation code of practice, public consultation should have taken place.
- The Law Society is unclear as to how the government is seeking to encourage business to co-fund higher education and to what extent such co-funding will fill the funding vacuum created by these cuts
- Whilst the Government is encouraging universities to increase the number of adult students and expand evening classes and part-time degrees, these are the students who mainly embark on ELQs. Law degrees will not be exempt from the cuts and accordingly, this change appears to be inconsistent with the legislative and regulatory framework for solicitors which seeks to encourage and sustain a more diverse profession.
- There are adverse equality implications associated with this re-allocation of funds. A significant proportion of those students affected will be women wishing to return to the workforce after having a family and older people seeking to re-train in a changed job market. Again, this will have a significant impact on the demographic nature of the legal profession, which is in direct contradiction to the Government’s objective of more flexibility in legal and educational training

This evidence is submitted by The Law Society, the representative body for over 100,000 solicitors in England and Wales. The Society negotiates on behalf of the profession and lobbies regulators, government and others.

#### EVIDENCE BASE FOR THE CHANGES

The Law Society is unclear as to how the government is seeking to encourage business to co-fund higher education and to what extent such co-funding will meet the shortfall. It is of note that Richard Lambert, the head of the Confederation of Business Industry (CBI) has publicly stated that the government’s initiative to encourage business to co-fund higher education courses was based upon “a very limited base of evidence.”

#### ADVERSE EQUALITY IMPLICATIONS

The HEFCE’s (Higher Education Funding Council for England) assessment (released in October 2007) of the Government’s decision to withdraw funding for students pursuing second degrees at the equivalent level of their first degrees indicates that the cuts will disproportionately impact on part-time students and those institutions, which specialise in teaching them. The experience of some part-time students will be impoverished as classes will be vulnerable to closure and choice will be reduced.

About 20% of part-time students already have some form of higher education qualification and a significant proportion of them are women returning to the workforce after raising a family. According to UUK (Universities UK), part-time students are disproportionately older students. Many are training for new careers; some are women retraining after years out with childcare and others are retraining in the hope of getting a better job, gaining a management qualification or returning to the job market after redundancy.

Both DIUS (the Department for Innovation, Universities and Skills) and HEFCE are legally obliged to consider the equality implications of their policies, yet it is of note that neither the CSR document nor the HEFCE consultation on implementation is accompanied by an equality impact assessment

#### IMPACT ON LEGAL EDUCATION

The Legal Services Act 2007 sets out the Government’s regulatory objectives for legal services. These objectives include “encouraging an independent, strong, diverse and effective legal profession.” The Act places a duty on regulators to act in a way considered most appropriate to meet those objectives.

The Solicitors Regulation Authority (SRA) is the independent body responsible for the regulation of solicitors. In recognition of the increasingly diverse nature of the profession, the SRA has included in its strategic framework for education, training and development that this diversity be sustained and accommodated by facilitating flexibility of routes of entry into the profession.

In keeping with the spirit of their strategic framework, the SRA is implementing changes to pre-vocational training. A revised Legal Practice Course (LPC) which is designed to allow more flexibility and choice for students in the way they qualify as solicitors will be implemented. The LPC review is one of three strands of SRA work in developing pre-vocational training. The other two strands involve facilitating more flexibility in relation to work-based training and introducing an element of centrally set assessments.

These changes, in part, reflect a recognition of the rising costs of qualification, the fact that a significant number of LPC graduates have difficulty in securing a training contract and that the needs and expectations of an increasingly diverse pool of entrants to the profession need to be accommodated. Whilst there is now an improved gender balance and a more racially diverse pool of solicitors, there is a need to encourage and

sustain support for these changing and more diverse demographic trends. The withdrawal of funding to ELQs appears to be a contradiction to the Government's objective of creating more flexibility in legal and educational training.

#### CRITERIA FOR EXEMPTION

The Law Society notes that while some degree subjects have been deemed appropriate for exemption from the funding cuts, law is not one of them. It is unclear as to the criteria employed in determining which degree subjects are "important to the economy."

*January 2008*

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### Memorandum 104

#### Submission from English Heritage

#### EXECUTIVE SUMMARY

This document demonstrates that the historic environment sector is comprised of professions that require substantial training and access to further qualifications in order to meet their professional requirements. We argue that the removal of funding under the ELQ proposal will hit historic environment training disproportionately and will hamper the implementation of the imminent draft Heritage bill as a result. A recommendation for exemption of the sector is made with an alternative recommendation that a bursary scheme be established to offset the potential impact.

#### 1. THIS DOCUMENT

This document has been prepared for the Select Committee of the Department for Innovation, Universities and Skills' inquiry into the Government's decision to phase out support given to institutions for students taking second qualifications of an equivalent or lower level (ELQs) to their first qualifications. It has been written by Bob Hook, Head of Training and Standards and Lizzie West, Head of Heritage Protection Research Policy on behalf of Dr. Adrian Olivier, Strategy Director of English Heritage

#### 2. WHAT IS ENGLISH HERITAGE?

English Heritage is the Government's advisor on the historic environment in England. We are an Executive Non-Departmental Public Body sponsored by the Department for Culture, Media and Sport and we report to Parliament through the Secretary of State for Culture, Media and Sport. Funding is provided in part by the Government and in part from revenue earned from our historic properties and other services. We work in partnership with central government departments, local authorities, voluntary bodies and the private sector to conserve and enhance the historic environment; broaden public access to it; and increase people's understanding of it.

#### 3. WHY THE PROPOSALS PRESENT A PROBLEM FOR OUR SECTORS AND ACTIVITIES

The proposals have specific and detrimental effects on future skills and training provision and on participation in heritage education. They also have a potentially broader impact on the ability of Government and the heritage sector to deliver manifesto commitments and agreed White Paper policy to reform the way in which the historic environment is managed in England and Wales.

This legislative reform of heritage protection, soon to be published as a draft Bill, will lead to an increased demand in accredited training for the sector workforce. Present strategies to deliver the skill sets and knowledge required to operate the new processes and structures envisage this training taking place through higher education institutions. Most of the sector workforce hold at least a first degree and many are qualified to masters level so the additional financial burden imposed by the proposals will act as a barrier to building an adequately trained workforce in the time available. The ELQ proposal has the potential to compromise our ability to deliver the HPR reforms.

#### 4. WHO WILL BE ADVERSELY AFFECTED BY THESE PROPOSALS?

HEFCE proposals rightly aim to broaden participation and access to learning, unfortunately for our sectors in their current form, the proposals actively restrict them.

The cultural heritage sector is disproportionately impacted by the ELQ proposals due to the high number of career changers and mature entrants with degree level qualifications in other subjects. 90% of those employed in archaeology in the UK are graduates. Many have graduated in other subjects at a similar or higher level before re-training in order to change their career path.

The impact is compounded by the fact that the sector makes particular use of higher and continuing education courses in order to maintain and develop its standards of professional practice. Because of the structure of the archaeology sector in particular, with most employers having less than 10 employees, this activity is principally undertaken by individuals at their own expense. The sector is characterised by pay rates typically 20% below national average. The effect of the proposals by increasing their CPD costs would be to reduce uptake of courses, leading to the closure of courses and the loss of retraining routes at the very time when legislative change will drive an increased need for access to retraining and upskilling.

Additionally, the volunteer community would be adversely affected through the loss of access to courses providing the skills necessary to undertake activity to an appropriate level. Of the 400,000 volunteers actively engaged in the heritage sector as a whole a significant number hold degree or higher degree level qualifications and many contribute to the financial viability of courses by undertaking further study to pursue their interests.

#### 5. SPECIFIC RESPONSES TO THE HEFCE CONSULTATION QUESTIONS

Q1. Courses offering qualifications in archaeology, architectural history and other historic environment qualifications such as conservation and restoration are not currently included in these regulations, but need to be considered for additional exemption as set out above.

Q2. We recognise the valuable contribution made by foundation degrees in meeting some of the skills needs of the sector and support the proposals for continued public funding.

Q4. We recognise the work undertaken to identify SIVS, but feel that qualifications in the historic environment disciplines meet the criteria stated for SIVS but have not to date been included. These courses will be increasingly relevant and necessary to plug skills gaps, expand diversity in the workforce and meet Government aims for heritage protection and planning reform. Currently the vulnerability of particular areas of study are recognised by AHRC. The Historic Environment is disproportionately affected by proposals and is therefore particularly vulnerable because over 33% of students on certain courses rather than the 8% average for full time courses are affected by the ELQ proposal.

As set out above, one solution to this problem in the light of proposals is to provide a HEFCE Historic Environment Targeted Allocation. We would be happy to work with HEFCE to further refine this proposal.

Q5. We agree that a supplement should be provided for part-time courses, but feel that £20 million is not adequate. One university alone, for example, estimates a loss of 1 million pounds [per annum] in HEFCE income to its Continuing Education courses. Another institution has told us that “it looks increasingly likely that we may withdraw from shorter course provision altogether as a direct result of ELQ ruling, and have to look very seriously at our part time degree programme as now uneconomic as well. We think that our (Life Long Learning) activity in archaeology has about 40% ELQ students on it; the faculty is losing about 500,000 a year (and this being “cut” from the block grant, whatever we do we can’t avoid it), much of which is ours”. The loss of courses of this nature will reduce the capacity to re-train and up-skill our workforce.

Q7. English Heritage, with sectoral partners, are presently working to improve the recruitment of black and minority ethnic students and students with disabilities into historic environment careers. The current HEFCE proposals will provide further barriers to entry.

Additionally the historic environment professions are poorly remunerated across the range of specialisms. Archaeologists, for example earn 20% lower than the national average, and the rate of increase in wages during the period 1997–2003 was 50% of the average increase. This makes it even more difficult for students to pay off the greater training costs necessitated by the specialist training demands of the sector. This will potentially skew further the demographics of the sector to those with disposable income or parental support.

5. Overall we feel that the implementation of the ELQ proposals in their present form would be detrimental to the continued development of an appropriately skilled workforce in the historic environment sector. It would have deleterious effects on the access to courses for non-specialists and volunteers who are part of the 70% of all adults who actively engage with assets in the care of the sector and want to understand more about them. It has the potential to narrow access to qualifications in the sector when our programmes are trying to increase diversity in the workforce and to train the people needed to cope with structural and legislative change. We would welcome the opportunity to work with Hefce in any way to avoid the consequences we foresee if the ELQ proposal is implemented in its present form.

## 6. HOW CAN THIS DAMAGE BE OFFSET?

### 1. Exemptions

In point 11 of their on-line Questions and Answers, HEFCE stated that they would consider requests for additional exemptions to the ELQ policy, where they are clearly in the public interest, minimise conflicts with other HEFCE policies, are based on current Government strategies, and limits to the number of students that can be exempted from this policy.

We recommend an exemption is granted to all courses offering qualifications in archaeology, architectural history and other historic environment qualifications such as conservation and restoration.

Our proposal fits in with all of these as follows:

- 70% of all adults visited an historic environment site in 2005–06. In addition to the provision of an adequately staffed and skilled workforce to deliver historic environment services as a contribution to the quality of life in society, many of the part-time and continuing education courses impacted by the ELQ policy are pursued by non-heritage specialists for life long learning or personal interest reasons. There is therefore a strong public interest argument for their exemption.
- In welcoming the announcement of employer-focussed higher education provision the HEFCE website notes “The Leitch Review of Skills identified that 40% of adults need to be qualified to Level 4 or above by 2020 if the national workforce is to remain world class. To realise this goal it concluded that the higher education system needs to work in partnership with employers to create and fund more flexible courses.” Under the new rules, most of our workforce would be excluded from attending courses at HEFCE supported fee levels when attempting to re-qualify or update their existing qualification.
- Current government strategies involve legislative and structural change in the historic environment and planning sectors by the delivery of Heritage Protection Reform, a Marine Bill which covers underwater historic assets and a bill re-shaping the Planning System. All of these have training implications for the sector and the principle training route is via higher education.
- Although the percentage of those retraining on these courses is high, the absolute numbers are low, meaning that the adverse impact to the viability of such courses is disproportionate to the savings effected.

## 7. HISTORIC ENVIRONMENT TARGETED ALLOCATION

Alternatively we recommend that English Heritage administers a HEFCE funded bursary scheme to support individuals and courses likely to suffer adversely from the drop in numbers or cost of courses caused by the implementation of the proposals in their current form.

January 2008

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## Memorandum 105

### Submission from The National Youth Agency (NYA)

1. The NYA feel strongly that the removal of funding for students studying for equivalent or lower level qualifications disproportionately disadvantages youth work and youth workers already disadvantaged in the youth workforce education, training and qualification arena.

2. HEFCE are proposing that the same areas that are exempt from Student Support Regulations and Student Fee Regulations will also be exempt from withdrawal of ELQ funding. This includes nursing, midwifery, social work and teacher training—but not youth work. Youth work is identified by DCSF as a vital and pivotal professional area within the youth workforce and seen as a key component of the 14–19 agenda and learning offer. This strengthens arguments for youth work to be recognised as equal to and sit alongside other learning and care professions. The removal of ELQ funding will exacerbate the difficulties and inequalities experienced by Higher Education Institutions providing professionally validated Youth and Community Work programmes in relation to wider HEFCE funding and support arrangements compared to those available for programmes supporting other professions within the youth workforce.

3. A significant number of youth and community work students that are recruited each year are in some way supported by employers and are consolidating years of practical experience in the workplace, seeking to gain their professional qualifications in order to progress in their chosen career. Professionally validated youth and community work programmes are required to demonstrate continuous and dynamic partnerships with employers and individuals, and do so very successfully. In this regard, employer support is vital to sustain the quality and viability of programmes, and the removal of ELQ funding, alongside other inequalities of funding adversely affecting the sector, has the potential to detrimentally affect this relationship dramatically.

4. Traditionally youth work attracts a high proportion of mature students and those returning to learning. Many seeking professional level qualifications in youth work through Higher Education have contributed to delivering quality education and development services to young people in a part time capacity for a number of years whilst also working in other jobs and professional areas. This includes those working in youth ministry settings, where the student may hold a degree in theology, and those that are seeking a change in career direction. 54.8% of students entering Higher Education programmes in 2006 were over the age of 25 with 63.6% of those being over 30.

5. In 2005–2006, 86% students enrolled onto undergraduate programmes. Of these 9.35% did so with existing degree qualifications in another subject. This is a rise from 7.4% identified in 2003–2004 and 2004–2005, and current enquiries from prospective students support this upward trend. Further, that with the development of the integrated qualifications framework for the Children, Young People and families workforce in England, proposing greater and enhanced lateral mobility for the workforce across professional boundaries, this is expected to rise further.

6. In terms of the widening participation agenda, with HE seeking to make the best possible contribution to businesses, public and not-for-profit sector organisations, and communities, professionally validated youth and community work programmes have successfully and consistently recruited people from groups which have historically been under-represented. Records for the last 6 years show between 59.4% and 64.4% female intake across all programmes: at undergraduate level data for 2006 shows 57% female (with 32% being over the age of 25) and at postgraduate level 62% female (with 56% being over the age of 25). Records for the last four years show between 10 and 14% of new students each year with a declared disability. For the last two years 30% of new students are of non—white ethnic origin. In addition, in 2006 47% of all students enrolled onto professionally validated programmes were studying part time.

7. In conclusion, The NYA strongly opposes the removal of ELQ funding for professionally validated Youth and Community work programmes and requests that such programmes be given exemption in the same way as social work and teacher training. Equally, that wider HEFCE funding and support arrangements are reviewed so that those available to professionally validated youth and community programmes are equal to those available to social work and teacher training.

January 2008

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## Memorandum 106

### Submission from the Royal Pharmaceutical Society

The Royal Pharmaceutical Society of Great Britain is the regulatory body for pharmacists and pharmacy technicians and, as such, has a statutory role in the accreditation of the qualifications for pharmacist and pharmacy technician qualifications. We therefore have a general interest in the provision of appropriate levels of funding for the HE sector insofar as it impacts on the university's ability to produce high quality pharmacy graduates who are safe to deliver high quality NHS services and safe clinical practice. In relation to the proposal to withdraw funding for ELQ's our interest in the Committee's new inquiry is HEFCE's proposal not to include pharmacy in the list of exempt ELQs subjects, which seems to be an important omission in light of the fact that many other healthcare subjects are exempt. The Society sees no reason why pharmacy should be treated any differently to those subjects and questions HEFCE's decision.

The Society draws the Committee's attention to the submission from the Council of University Heads of Pharmacy [CUHOP], which the Society fully supports. CUHOP points out that pharmacy is being increasingly expected by the public, by policy makers and by members of other healthcare professions to extend its contribution to effective medicines use and the achievement of better health outcomes envisaged in *Our Health, Our Care, Our Say and Our NHS, Our Future*. Further, CUHOP makes the point that the Society's own workforce modelling work predicts a steady 5% increase in demand for pharmacists at a time when demographic predictions suggest that the pool of younger students applying to university is likely to decline. Indeed pharmacists are on the UK Skills Shortage Occupations List.

At a time when there is research to suggest additional pharmacists will be needed and young student numbers are likely to decline, HEFCE's ELQs proposal may compound this problem by denying mature graduates access to professional retraining in this shortage subject. As the regulatory body we would be most concerned if implementation of the ELQ policy erects a barrier to exceptional mature students entering our profession— the experience of medical schools that have established graduate entry programmes is that this entry route to the register of qualified doctors is very successful in attracting high quality and committed doctors.

A related concern the Society would like to share with the Committee is the view of pharmacy HEFCE's proposal suggests: that it is as a laboratory science subject. Currently pharmacy is funded exclusively at HEFCE Band B, for laboratory work, which is substantially lower than Band A, for clinical work. As CUHOP points out, pharmacy is moving ever more into the clinical arena but this is not being recognised in any way by current HEFCE funding. Clinical work in schools of pharmacy needs to be increased substantially to prepare students for new roles, but this work cannot be funded from Band B: the numbers

simply do not add up. To give the Committee an idea of the disparity, a Band B-funded student earn a university £6,516 from HEFCE in 2007–8, while a Band A student earns £15,332. On top of Band A funding, medical and dental students have always attracted substantial per capita NHS funding. The differential funds the clinical work enjoyed by doctors and dentists as an integral part of their training—an option which is denied to pharmacists. If pharmacy education is to prepare students adequately for their profession, this issue must be addressed—the teaching, learning and most importantly assessments in pharmacy qualifications must develop to match the level of responsibility for clinical care carried by our registrants.

To conclude, the Society wishes HEFCE to do two things: first, to add pharmacy to the ELQs exemptions list and, second, to re-examine the funding model for pharmacy to recognise the new clinical role of pharmacists and its consequent impact on the education of pharmacists.

January 2008

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## Memorandum 107

### Submission from the CBI

1. As the UK's leading business organisation, the CBI speaks for some 240,000 businesses that together employ around a third of the private sector workforce, covering the full spectrum of business interests both by sector and by size.

2. The CBI welcomes this opportunity to contribute to the Committee's inquiry into equivalent or lower level qualifications (ELQ) funding. Whilst the CBI supports efforts to widen access to higher education, the withdrawal of funding for ELQs could have significant unintended consequences.

3. UK businesses believe that a highly skilled workforce is essential to achieve a productive and prosperous UK. The CBI has broadly welcomed the Leitch agenda to increase economically valuable skills amongst the UK workforce. The changes to ELQ funding go against the grain of promoting lifelong learning and continuing professional development—vital to businesses and individuals in a constantly changing world. It is counter-productive to raise barriers for individuals who could make a more valuable contribution to the economy by attaining an ELQ.

4. While a policy which prioritises first-time students is superficially attractive, it does not recognise the complexity of the situation. Access to additional degree-level qualifications is an important means of retraining and upskilling for those who need to keep up with the demands of the workplace; this could be particularly damaging to part-time students—most of whom are driven by the need to upskill, retrain or requalify.

5. While it is welcome that there are some course exemptions from these proposed changes, the CBI is concerned that management courses will be impacted at a time when the UK faces a leadership and management skills shortage.

*Many ELQ students work towards management degrees, which are vital to business development—they will no longer receive funding under current proposals*

6. The CBI is concerned by the announcement that, as of the next academic year, it will no longer fund students taking any HE qualification that is equivalent to or lower than the one they already hold. There are some exemptions, including certain STEM subjects, modern foreign languages, teacher training, all foundation degrees and initial training for nurses and social workers. The £100 million currently spent on ELQs will be redistributed to fund first-time HE students. HEFCE states that it has determined its proposed exemptions on the basis of public interest.

7. Whilst we welcome the assurance that foundation degrees will be exempted, we have reservations about other areas which are clearly in the public interest but which have not been exempted from the funding cuts. For example, given the UK has a shortage of trained pharmacists, it is difficult to justify exempting veterinary science but not pharmacy or pharmacology.

8. But the most damaging consequence of these plans is likely to be the big impact on management programmes. At a time when it is essential for firms to compete in the global economy, effective leaders and managers are central to business success. Managers play a pivotal role in ensuring the strategic aims and direction of the organisation are achieved—and they must manage staff, budgets and resources effectively. The CBI/Pertemps Employment Trends Survey 2007 indicates that over half (55%) of employers believe that management skills are the most significant factor contributing to competitiveness.

9. It is in the public interest that the UK trains leaders and managers, yet MBAs, for example, are not exempted from the policy. CBI members predict that leadership, management and higher-level skills will be increasingly in demand over the next decade. Well-qualified graduates in all fields should be given every opportunity to attain high-level management qualification in order to contribute more effectively to the UK's competitiveness. Doctors, scientists, engineers and others benefit from MBAs when they move into

leadership positions and their sectors improve as a result. The most valuable MBA students have a combination of both experience and technical qualifications. This group will be disproportionately affected by the funding changes as they are more likely to have a first degree.

10. The London Business School estimates that it will lose a larger share of HEFCE funding than all but four other English institutions. The new policy is likely to harm business schools' financial stability, increase course costs and ultimately prevent many individuals from developing vital leadership and management skills.

*As careers are no longer for life, lifelong learning is increasingly important—businesses will suffer if their employees find reskilling and upskilling more difficult*

11. Businesses are more concerned about the difficulty of attracting qualified and skilled workers than the number of graduates in the workforce. The CBI/Pertemps Employment Trends Survey 2007 shows that almost 50% of employers are worried about their employees' lack of business skills. A quarter of employers want to raise the quality of university graduates, which includes improving the technical qualifications of those who already have university-level qualifications. It is increasingly important that we continually refresh our skills throughout our working lives and the current ELQ funding arrangements provide people with an opportunity to do so.

12. It would be short-sighted to hinder those with outdated technical qualifications from reskilling to meet modern needs in a demand-led training environment. Over their working lives—which can be 40–50 years—people may need to retrain several times, particularly to cope with new technology, and many masters programmes are appropriate for technical reskilling at an advanced level.

13. Employers and employees could be deterred from applying to HEIs as course fees will increase as funding disappears. Post-graduate institutions—where many high-level skills are gained—will lose financial stability. Additionally, lifelong learning centres could be marginalised or even disappear as students and HEIs face increased costs. Birkbeck, for example, believes that 38% of their funding is under threat.

14. The Leitch agenda will not be met unless the UK expands its ability to promote continued professional development. The Government's proposals do not go far enough to protect HNDs/HNCs/short-course awards and training certificates for lecturers in FE colleges, particularly as only initial teacher training will be exempted, not further training for lecturers. This will exacerbate the skills shortage of teachers with commercial experience of sectors. These will be needed to deliver the new diplomas, for example.

*The withdrawal of funding will be detrimental to part-timers, who make up the bulk of ELQ students*

15. The institutions which have done most to widen participation—those which take the greatest number of part-time, female and older students—will be disproportionately affected. The Open University—using HEFCE's own modelling—has calculated that the impact of the funding cuts on part-time students is ten times the impact on full-time students. This will inevitably affect those who wish to upskill as part of their CPD or reskill in order to re-enter the workforce. These are the people who are most anxious to make headway and gain career-relevant skills that are vital for the economy.

16. On average, a part-time student is older than a full-timer—half are between 30 and 50. This suggests that those who will be most affected are those who are developing their skills mid-career. Most part-time students are women, who must fit their study around working hours and domestic responsibilities and often struggle to afford fees. Drop-out rates are higher amongst part-timers than full-timers. This is only likely to worsen as funding is removed.

17. There will be significant financial repercussions. Three quarters of OU students are in full-time employment, and most pay fees up front or in instalments. They are ineligible for course or fee grants and do not receive employers' help. The institutions themselves will become financially unstable. This could undermine the Government's commitment to the Leitch agenda and damage the chances of those who wish to improve their own skills.

January 2008

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## Memorandum 108

### Submission from the University of Cambridge

1. The University of Cambridge has long had a commitment to community engagement and to ensuring that its excellence in arts, humanities and sciences is disseminated to the wider society. Cambridge was the very first University in Britain to develop (in the 1870s) "University Extramural" programmes. Ever since then, the University has had a strong belief and presence in this important area of higher education activity.

Currently, for example, the University has a Council for Lifelong Learning, chaired by a Pro-Vice-Chancellor and with a wide and senior University membership. The Council has compiled a University strategy for an ambitious development of the University's activities in lifelong learning.

*The University believes that the present ELQ proposals threaten to undermine significantly this whole area of activity.*

2. There are several specific aspects of the University's work in continuing education and lifelong learning that will be adversely affected if the ELQ proposals are implemented: but the proposed change in funding will have a particularly serious effect on two areas—the training for ordination of clergy and, even more critically, the University's Institute of Continuing Education. This paper concentrates on the latter.

3. The Institute has a wide range of provision for adult learners in the Eastern region (as well as for national and international communities of adult learners). The Institute's Programmes for the Public contribute significantly to the University's community and social engagement agenda. For many years, the Institute has organised a programme of full-time day and evening classes in arts, social studies and science subjects throughout its large region. These all carry credit at higher education level, and many offer the opportunity to obtain certificates, diplomas or advanced diplomas of higher education. Much of our area is rural, and we have a complex range of local centres and community partnership bodies—many of them in areas of social and educational deprivation. The levels of student satisfaction are very high indeed, and the high quality of the provision has been confirmed repeatedly in quality reviews. There are approximately 7,000 adult learners enrolled on these programmes each year. This student body ranges from those approaching higher education study for the first time to those seeking to broaden their vocational, professional and/or personal horizons at whatever age and stage of their lives.

*The Institute calculates that up to 80% of this provision will be severely threatened by the ELQ proposals. This is the result of the "unintended consequences" of the change: principally, those courses which are currently viable financially, will in future become non-viable because a large proportion of the learning involved will become unfundable, thus depriving "non-ELQ", educationally disadvantaged learners of the benefits of their educational involvement. Diversity of provision in this region will be very considerably reduced.*

4. In recent years, the Institute has also developed two new areas of provision which address directly Government's priorities for lifelong learning: Professional Studies, focussing upon developing full-cost employer/employee programmes for post-experience provision, largely at postgraduate level, in a range of programmes of key importance for the community. *This is a major aspect of the University's dissemination of its expertise for the benefit of the economy and of the wider society. This work is expanding rapidly, but is dependent for its infrastructure, funding and support upon the wider Institute. With the projected reduction in HEFCE funding as a result of the ELQ legislation, this new work will be threatened and may well become non-viable.*

5. The second new area, Community Education and Outreach, concentrates upon work with educationally disadvantaged individuals and groups in our region, and on working with the professionals in the voluntary and community sectors who are engaged with them. *This work addresses directly key aspects of the Government's social inclusion and widening participation agenda, and has a developing profile in the region. Again, this new work depends upon the infrastructure funding of the wider Institute: and its future will be severely jeopardised should the ELQ policy be implemented.*

6. The other main aspects of the Institute's work—principally, the International Summer School programmes; the e-learning initiatives; and a developing research profile in the field of lifelong learning itself—are not directly affected by the ELQ proposals. But they too depend upon the wider infrastructure, and will thus be jeopardised by the ELQ proposals.

7. Many of the national, systemic, negative consequences of the ELQs will apply to the University's work in this field. Among the chief of these are:

- the ELQ proposals contradict the basic philosophy of lifelong learning, in particular the need, given both demographic and labour market changes, for restructuring;
- part-time (and mainly adult) learners in HE are already discriminated against in funding and other terms. The ELQ policy will exacerbate this and will almost certainly lead to a serious reduction in part-time learners in higher education;
- it is not only those studying for ELQ degrees who will become unfundable, but also all those tens of thousands of adult learners undertaking 10 or 20 credit courses or HE certificates (120 credits) in the continuing education context, who have degrees or indeed other HE certification or diplomas (240 credits). Such learners may be studying with the objective of a return to the labour market after an absence of many years, and are often studying in a different subject area, or those needing to develop complementary skills and expertise in the light of technological and labour-market changes;
- women who return to HE after some years of child care or other domestic responsibilities, are particularly adversely affected by the ELQ policy (this is already having a noticeably adverse effect on recruitment to the University's "mature colleges");

- part-time learners, the large majority of whom have to pay their own fees and have other demands on their limited finances (as has been demonstrated by research—for example, that undertaken recently by South Bank University) are very “price sensitive”. Any significant rise in fees as a consequence of ELQ policy will thus certainly result in a serious reduction in the numbers of part-time learners in higher education;
- an increasing number of “continuing education” learners are post-55, and many of them retired. There is abundant research (for example, London University’s Institute of Education’s Wider Benefits of Learning project) to demonstrate the social benefits of involvement of such groups in lifelong learning—better health, less demand on social services, increased voluntary and other beneficial community involvements and so on. This is in addition, of course, to the benefits in terms of personal intellectual development.
- the negative effects of the ELQ policy affect all parts of the sector. Most obviously, the specialist institutions such as the Open University and Birkbeck College, University of London, will be very severely affected. But also, those institutions with dedicated, specialist departments of adult continuing education/lifelong learning will be threatened: many may indeed be forced to close as they become financially vulnerable. Yet these are the very catalysts of institutional change for developing the programmes and culture to implement the Government’s twin priorities of employer engagement and social inclusion. All these points apply with particular force to the University’s Institute of Continuing Education.

8. There are numerous and powerful arguments for reconsidering the ELQ policy. However, if, despite all the evidence, the Government persists with this policy, there are “ameliorative” amendments which we would suggest:

- the present timescale for the transition is impossibly short. The introduction of the changes should be deferred for at least one year, and the transition period lengthened by at least two years, to enable a viable transition to be achieved;
- a “Statute of Limitation” should be introduced, whereby anyone who obtained a degree or equivalent qualification more than ten years ago should be exempt from the ELQ regulations. (This would go some way towards meeting the argument for re-skilling.)
- HEFCE has stated that it intends to redistribute the £100M saved through ELQs to meet the Government’s HE priorities. We would urge that the criteria for bidding for this funding should be inclusive, and should allow for the educational aspirations of a wide range of continuing education adult learners to be met.
- the current list of exempted subjects is both too narrow and is incoherent. To cite Richard Lambert, Director General of the CBI, in his inaugural address to Universities UK (11 December, 2007):

*“ . . . I feel a bit uneasy about the idea that the State should decide which disciplines are worth supporting, and which are not. If a mother in her thirties decides that a law degree is her best way back into the workforce, why should she receive less help than one who opts for land management? Why are vets to be exempt from the change, but not pharmacists?”*

9. Students not wishing to give false information may believe that it is in their interests not to declare former qualifications. The proportion of students whose qualification on entry is unknown may in practice be irreducible and we are very concerned that the default for “unknowns” is that they will be unfundable. The policy, in practice, will be supported by incomplete data that cannot practically be verified giving an opportunity for unfairness in outcomes.

*We would emphasise, though, that the University of Cambridge regards the whole ELQ initiative as misguided and destructive: and we would urge its withdrawal for further consideration and consultation.*

January 2008

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#### Memorandum 109

##### Submission from Professor Graham Turpin, Clinical Psychology Unit, University of Sheffield

I should like to submit written evidence concerning the above enquiry. This submission is offered in a personal capacity but is based on over twenty-five years of experience training psychologists and other mental health professionals in psychological therapies.

I am currently the Director of the Clinical Psychology Unit at the University of Sheffield. I have been the Chair of the British Psychological Society’s Division of Clinical Psychology and also Chaired the relevant groups for accrediting the training of clinical psychologists within the UK and also representing the thirty or so universities which provide training courses.

Currently, I am seconded via the Care Services Improvement Partnership/ National Institute of Mental Health England to the DH/NIMHE/ CSIP Improving Access to Psychological Therapies Programme as Associate Director, Workforce responsible for developing education and training to support the workforce required to deliver this programme.

My evidence is therefore informed by my current engagement with workforce development around improving access to psychological therapies and my professional involvement in clinical psychology training.

## INTRODUCTION

1. I am strongly opposed to the general principle underlying the proposal to withdraw funding from ELQs. Any development that restricts individuals' access to retraining or up-skilling will adversely affect the implementation of the government's policies to support Life Long Learning and Continuing Professional Development.

2. I have a particular concern about the implications for the education and training of health care professionals. In recent years, great emphasis has been placed on moving away from traditional forms of professional education, with a greater focus on New Ways of Working such as job flexibility, specific training of required competencies, and the idea of "a skills escalator". The latter describes a process whereby healthcare professionals are engaged in continuous of learning and acquiring greater and more relevant skills and competencies within the job which will ultimately be beneficial to patient care. A consequence of such an approach is that individuals are encouraged to switch careers/professions and take up programmes of education throughout their NHS careers. It also allows the creation of new jobs outside of traditional professions. Such flexibility has to take into account that individuals will have studied different subjects, courses, different levels of award and degrees, etc. Indeed, it is important that individuals are able to move between subjects, disciplines and courses easily, and recently the adoption of Accreditation of Prior Learning/Experience procedures within Higher Education Institutions has facilitated these developments. The withdrawal of funding for ELQs will have a major negative impact on these developments and potentially undermine the progress made in recent years in training flexible and competent health care professionals.

3. More specifically, I fear these proposals will impact negatively on the training of applied psychologists, counsellors and psychological therapists. In order to listen, understand, empathise, support and help vulnerable individuals in distress, it is desirable that those training for these often challenging and difficult roles/ professions require considerable personal maturity and integrity, together with experience of life. As with the clergy, it is neither desirable nor realistic to expect to train therapists and counsellors directly following leaving school. It is particularly common, if not an essential requirement, that trainees in applied psychology, counselling and psychotherapy will have studied a prior subject at university and will have been working in a related but different healthcare profession (eg nursing, social work etc). In the case of applied psychology, which is taught at a doctoral level, trainees have to have first successfully graduated from an undergraduate degree in psychology. This means that other health professions wishing to become applied psychologists would be essentially barred from doing so, if ELQ funding were withdrawn. Nurses, social workers, occupational therapists wishing to retrain as applied psychologists are likely to have studied already for an undergraduate degree, but would be prevented from studying a further psychology degree required in order to study applied psychology at a doctoral level.

4. The above argument can also be made for healthcare professionals wishing to undergo other forms of training in psychological therapies including degrees, postgraduate diplomas/certificates and masters degrees in various forms of psychological therapies including: child psychotherapy, cognitive behavioural therapy, dynamic therapy, systemic and family therapy etc.

5. Any development that impacts negatively on psychological therapies training is likely to undermine a major initiative announced by the Secretary of State for Health, the Rt Hon Alan Johnson to the Commons in October which envisaged the investment of £173 million in expanding psychological therapy services. It is planned that a further 3,600 newly-trained psychological therapists will be produced mainly by university run courses and commissioned by the Strategic Health Authorities over the next three years. I believe that this proposal to withdraw funding could possibly de-stabilise this ambitious programme designed to provide better therapy services for some of the most disadvantaged in society suffering from chronic depression and anxiety. I believe that many mental health charities and professional bodies (eg BAP, BACP, BABCP, BPS, Relate) associated with psychological therapies have already made strong protests along similar lines. Accordingly, it is important that these objections are considered with the utmost importance.

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## RECOMMENDATIONS

1. I believe that there needs to be a detailed review of this proposed policy and its possible impact on healthcare education. Such a review should be cross-departmental and directly involve the Department of Health.

2. If the proposals are persisted with, then it will be imperative that further exemptions for routes into clinical psychology and other NHS-related psychology/mental health/ psychotherapy trainings are made. This should consider students across all levels of healthcare training from foundation degrees through to clinical doctorates. It will be important that courses specifically in psychology, counselling and psychotherapy, or other trainings associated with mental health care provision, are exempted from these arrangements, alongside the exemptions already identified for doctors and nurses. Essentially the same arguments also apply.

*January 2008*

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## Memorandum 110

### Submission from UNISON

1. UNISON is the UK's largest public services union with over 1.3 million members. We are also the largest education union with over 300,000 members working for children, young people and adult learners. Of these 50,000 work in Higher Education Institutions (HEIs), representing all grades of staff from manual workers through administrative and clerical, professional and technical to senior managers. UNISON has members in HEIs directly affected by the change, but also has a wider interest as an organisation that actively promotes "lifelong learning" across the whole workforce and amongst their families.

2. Our evidence is in two parts: covering both the general effects on institutions but also specific issues affecting support staff and HE staff in particular.

3. UNISON acknowledges that the government is not cutting funding to the sector and recognises their desire to increase funding to deliver additional access to first degrees. We also note that they have sought to introduce a number of exemptions and some supportive transitional payments to try to ameliorate the changes. Notwithstanding this we still have concerns that the effect of these changes will be detrimental to a number of HEIs, staff and students, and will conflict with other parts of the Government agenda. The government has labeled this as a small but important change. We believe that it would be better to increase the general funding in HE by £100 million to increase access to first degrees rather than see money taken out of one valuable area and transferred to another equally valuable area.

### GENERAL EFFECTS ON STUDENTS AND INSTITUTIONS

4. Our first concern is the disproportionate effect on part time workers. HEFCE data suggests that around a fifth of part time students will be affected by the change—compared to around 2% fulltime students. This does not sit well with the Government's aim to increase participation in life long learning for part time workers. This will disproportionately affect women and particularly returners to the workforce who may not have access to funding resources but need the qualifications to get back into employment—again another government goal. The government is suggesting that HEFCE will utilise some of the money released to maintain part time courses—we would hope that this would be equivalent and that it would be preferentially offered to those institutions that lose out the most.

5. Two institutions in particular are likely to lose out: Birkbeck and the Open University. They will no doubt submit their own evidence, however without seeking to replicate their case we would add our voices to their campaigns to protect their funding. HEFCE modeling has indicated a quarter of OU students would become un-funded from 2008–9 which would reduce their teaching funding by between £12 to £31 million (depending on whether you accept the government or OU's figures). Should a significant number of the near 30,000 students affected drop out in future this will prove very difficult to manage. The suggested three years transitional funding is unlikely to cover all costs for these two institutions and is not long enough for them to set up other longer term income streams via alternative courses. Any transitional funding needs to be over a much longer period (see also section 2).

6. It is doubtful that employers will be prepared to step in to fund students to take second degrees. General evidence on employer support for training is very patchy add the fact that a number of workers are seeking to re-train and will be seeking alternative work and it is easy to see that employers will be reticent to support them.

7. The government has indicated that certain strategic or vulnerable courses such as STEM, nursing and social work will be exempt. However the danger of picking courses is inevitably that others might have a good case as well. For example around 10% of pharmacy students at Brighton University would be affected. Yet pharmacy is an area that plays a vital support role in primary care and pharmacists are increasingly being asked to take on a greater share of work to support GPs.

## EFFECTS ON HE SUPPORT STAFF

8. Inevitably we have serious concerns about the skills base and potential job losses amongst staff working in HE and the knock on effects in particular institutions already highlighted. The comparatively short term protection money for Birkbeck and the Open University will mean the need to rapidly re-structure. Not only will they look at fee levels, marketing of courses but inevitably changes to the business model. This will affect the roles responsibilities and indeed the employment of staff in these institutions. One of our local branches has already been approached by their Director of Human Resources to discuss the re-negotiation of their Redundancy and Re-deployment Policy because of the changes. Uncertainty and the short time span will mean insecurity and valuable staff with transferable skills will choose to leave or be made redundant.

9. Inevitably support staff in the HE sector at the middle and higher grades have comparatively higher qualifications compared to many other sectors, in particular the numbers who have degrees. Unfortunately historically many HEIs have been slow in recognising the advantages of further training up such staff. However UNISON has recently been successful in promoting personal development agreements for support staff. We have concerns therefore that the policy change could affect this, disproportionately affecting professional and technical staff that need to do higher level courses or professional development certificates—which will be increasingly necessary to ensure that they are fully able to support students and their academic colleagues. For instance this could affect HE support staff involved in EU wide research as part of the 7th EU Research Framework who will need additional and higher levels of skills to administer and support bids for funding for cross border institutional research bids.

10. In general the policy has the potential to prove a barrier to upskilling middle level workers across the public services and reduce the flexibility of pathways and careers. This at a time of increasing focus on lifelong learning and recognition of the need to improve the UK skills base. Consequently we would like the government to reconsider the proposal and identify additional funding or at least defer the decision until the review of fees and funding for 2009.

*January 2008*

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**Memorandum 111**
**Submission from the University of Bolton**
**WITHDRAWAL OF FUNDING FOR EQUIVALENT OR LOWER QUALIFICATIONS (ELQs)**
**BACKGROUND OF THE UNIVERSITY OF BOLTON**

1. The University of Bolton is one of 13 universities located in the North West of England. It was created in 2005 when Bolton Institute of Higher Education was granted University title by the Privy Council.

2. The University has more than 9,000 higher education students, of which nearly half study part-time. More than three-quarters of the students are mature on entry and 80% of its undergraduates live within 50 miles of the University. The University's student population is one of the most socially inclusive of any higher education institution in the country with 42% of young undergraduates coming from the lowest socio-economic groups and 31% from low participation neighbourhoods.

3. The University is committed to part-time and work-based learning, and to developing provision in partnership with other providers, public and private sector employers to meet the higher level knowledge skills needs of Bolton and the wider North West Region. The University's provision includes teacher training for the lifelong learning sector; health and social care; cultural and creative studies; manufacturing, engineering and technical textiles; and building and construction. In 2006 the University formulated a new Strategic Plan to create "The Professional University", which has at its heart the development of relevant continuing professional development (CPD) programmes across the full range of its study areas. The University fears that many of the students seeking CPD programmes, particularly in the health and lifelong learning sectors, will already have a qualification at an equivalent or higher level and will not be eligible for HEFCE funding.

4. The University is actively engaged in a number of sector skills councils (SSCs) relevant to its provision and it expects to make a significant contribution to meeting the training needs of the BBC when it relocates to Salford Quays; in this context the University anticipates that many potential students will already have a degree.

5. The analysis of ELQ students undertaken by the Higher Education Funding Council for England (HEFCE) identified that in 2005–6 Bolton had 553 full time equivalent (FTE) ELQ students (before exemptions are applied), which represents 12% of the University's HEFCE funded student FTE. Just over £1 million of the University's funding to support teaching is associated with ELQ students. This represents 5.8% of the University's mainstream funding. With the exception of the Open University, this is the highest proportion of any North West University.

## ELQ POLICY AND THE GOVERNMENT'S SKILLS AGENDA

6. The Government is committed to improving the skills of the population and has set a skills target of 40% of the workforce having HE level qualifications by 2020. The Leitch Review noted that 70% of the 2020 working age population have already left compulsory education and therefore the focus needs to be on adults developing economically valuable skills. The Government justifies the withdrawal of funding for ELQ students by arguing that the £100 million saved by this change of policy will be redirected to first time entrants to HE. The Government is concentrating on increasing the qualification rate at the expense of ensuring that higher level skills are kept up to date and relevant to the needs of industry by providing support for lifelong learning and continuing professional development. This change of policy is likely to impact significantly on those seeking to acquire leadership and management training eg an MBA, to complement their subject specific expertise. The Leitch Review identified management and leadership skills as a key priority for improving higher level skills and this is locally reinforced within the NWDA's current Regional Economic Strategy. Rather than supporting industry to be competitive this change of policy may have the opposite effect.

7. HEFCE's proposal to deal with the concern about higher level skills is to allow institutions to bid for co-funded "employer engagement" Additional Student Numbers (ASNs). We believe that the exemption of co-funded ASNs by itself will not provide sufficient protection for HE providers wishing to develop courses to meet employers' needs for high level skills training and retraining, particularly in the case of SMEs. There is a significant risk that employers will not respond to the employment engagement agenda, which requires them to make a greater contribution to the cost of training, within the timescales anticipated by HEFCE. The result may be an overall reduction in investment in the higher level skills needed to ensure international competitiveness.

## THE SCOPE OF THE PROPOSED EXEMPTIONS

8. While University supports HEFCE's proposal to exempt certain subjects and qualifications from the effect of the changes, we believe there is a case for the exemptions to be extended. For example, the proposed exemption for Foundation degrees should be extended to HNC/Ds. In some employment sectors, these vocational qualifications are well-regarded by employers as providing high level technical and professional skills closely matched to their workforce needs, eg the Construction industry. The University is currently developing an HNC/D programme in Community Performance with a local Further Education College, in preference to a Foundation degree, because HNC/Ds are better understood in this sector. If HNC/Ds are not exempted there is a strong likelihood that institutions will convert their current HNC/D provision to Foundation degrees, whether or not such a move would have employer and industry support.

9. The proposed protection for Strategically Important and Vulnerable Subjects (SIVS) is also welcome but it is unclear how the use of a targetted allocation based on 2005–6 student numbers will incentivise universities to increase recruitment to these programmes.

10. There is a lack of clarity about whether some qualifications and subjects will be covered by exemption. These include:

- the new suite of qualifications for the Learning and Skills sector endorsed by SVUK, vital to developing teachers of vocational subjects such as engineering, construction, health, childcare and business;
- in-service teaching qualifications for the HE sector;
- continuing professional development programmes particularly in Nursing, Health and Teacher Education and Management

11. Subjects which are important for the economic performance are not included within the SIVS definition. For example, building, construction and IT are not classified as SIVS.

## THE IMPACT OF THE ELQ POLICY ON SPECIFIC GROUPS

12. The University believes that the change of policy will have an adverse impact on certain groups. Examples include women returning to work after a career break to care for children or other dependents and older workers in declining industries subject to redundancy who need to update their skills or retrain to obtain employment. These groups will not be protected by the exemptions currently proposed for employer engagement co-funded additional student numbers. Therefore, the University would support suggestion made by Birkbeck that individuals studying for an ELQ after five years should be exempted.

## THE MODELLING OF THE IMPACT OF THE GOVERNMENT'S ELQ POLICY ON INSTITUTIONS UNDERTAKEN BY HEFCE?

13. HEFCE proposes to use 2005–6 HESA data concerning students' qualifications on entry to determine changes in funding for 2008–9.

14. The University has a number of concerns about HEFCE's model:

- HECFE are using HESA data collected for one purpose for a different purpose. The highest level of previous qualification for direct HE entrants (ie non UCAS entrants) is based on students' self reporting and has not been subjected to the same level of scrutiny at enrolment as other items of data eg residential category, which determines fundability. Similarly, administrative staff are required to code qualifications according to HESA categories: some categories are not clearly defined eg professional qualifications. There is considerable scope for misreporting and inaccuracies in this process yet HECFE has stated that it will not permit institutions to revisit this data to assure its quality.
- There are concerns about the categorisation of certain qualifications by HESA which make it difficult to accurately identify genuine ELQ students. For example, the description of postgraduate qualifications does not differentiate between postgraduate certificate and postgraduate diploma qualifications with the result that a student who completes a PG Certificate and then returns to continue to PG Diploma will be regarded as an ELQ student and therefore will not be fundable. Students who undertake a Graduate conversion course (eg in Psychology) may also find that their subsequent postgraduate course (MSc in Psychology) may be regarded as an ELQ and therefore not fundable. Another example relates to students whose previous qualifications are categorised as "Unknown". This includes OU credits, credits from other UK HEIs and professional qualifications. HECFE has assumed that a certain proportion of these students will be ELQs (based on the proportion of ELQs generally at the HEI) and has estimated ELQs on this basis. Institutions, such as Bolton, who admit a high proportion of mature students with non-standard entry qualifications are likely to be adversely affected by this approach.
- The "Unknown Level" category used in the model includes some qualifications where it can be assumed the level is known as not being equivalent to undergraduate level. For example, "other non advanced qualification" is regarded as "Unknown level" when a reasonable interpretation would be that it is below HE level and therefore should be classed as "other". Similarly, "mature student admitted on basis of previous experience (without formal APEL/APL) and/or institutions own entrance examinations" is classed as "Unknown level". HECFE is assuming that a certain proportion of "Unknown level" students are ELQs. HECFE should revisit the categorisation that it has used
- The data used to run the model relates to the 2005–6 academic year. Although this was the most recent data available when HECFE was developing the model, more up to date (2006–7) data is now available.

#### HEFCE'S PROPOSAL TO SUPPLEMENT THE PART-TIME TARGETED ALLOCATION TO PROTECT PART-TIME PROVISION

15. The University has a long tradition of providing flexible part-time provision which meets the needs of employers in Bolton and the wider NW region. The University welcomes the proposed supplement but notes that it will only be available for two years—2009–10 and 2010–11—after which it will be reviewed. This short timescale and the element of uncertainty about long term funding arrangements for part-time provision does little to encourage institutions to develop and grow a sustainable part-time course portfolio.

#### THE IMPACT OF THE ELQ POLICY ON THE OBJECTIVE OF REDUCING THE REGULATORY BURDEN ON INSTITUTIONS?

16. In order to assess whether a student is eligible for mainstream funding institutions will have to collect much more precise data about a student's previous qualifications than has hitherto been the case. This information would not necessarily be declared routinely during the application/enrolment process as the previous highest qualification may not be needed as an entry qualification to the ELQ course. Institutions will be reliant on students accurately declaring their previous qualifications as there is no central mechanism for checking whether a student has already gained an equivalent or higher level qualification. If institutions decide to charge higher fees to non-exempt ELQ students, then there will be a financial disincentive to disclosing a previous qualification at the same or higher level. It appears that institutions will be required to interpret and apply complex rules relating to exemptions in order to establish whether an individual is either a fundable or non-fundable ELQ student. This is likely to require high level decision making skills by Admissions and Registry staff. This policy, if implemented, will add to, not reduce, the administrative burden and cost to institutions.

#### RECOMMENDATIONS

17. The University recommends that the Government's proposal to withdraw funding for equivalent or lower qualifications be delayed which would allow:

- HECFE to undertake more detailed modelling of the impact policy based on more up to date data which has been verified by Universities;

- HEFCE provide clear guidance to institutions to enable them to accurately identify non-exempt ELQ students
- More time for university-employer engagement initiatives to become established
- Greater clarification of the scope of proposed exemptions
- Institutions to decide on fee policies for ELQ students and to provide accurate information to potential ELQ students and their sponsors.

18. The University recommends that HEFCE broadens its exemptions to include HNC/D qualifications and a broader range of subjects to include eg construction, IT, and management. It also recommends that students who return to study after a period of time eg five years, should be exempt.

*January 2008*

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## **Memorandum 112**

### **Submission from the Association of Business Schools**

#### EXECUTIVE SUMMARY

1. For the reasons given below the Association of Business Schools is firmly against the Government's proposal to phase out support to institutions for students studying ELQs.
2. The effects of HEFCE's proposals will be felt unequally in institutional and subject terms and there may well be damaging and unintended consequences.
3. The list of strategically important and vulnerable subjects (SIVS) is not a meaningful or a fair basis on which to "protect" funding in the ELQ case.

#### RATIONALE:

4. The main reason against the ELQ proposal is that it runs counter to and will undermine the current efforts of Universities and Business Schools to meet Government's existing policy in three significant areas. These are: improving our international competitiveness; the development of lifelong learning and higher level skills in the Leitch proposals and the encouragement by HEFCE to engage more in "third stream" activities. All three require the ability of Universities to offer individuals the chance to acquire new skills and qualifications. In many cases, particularly at Postgraduate level, such qualifications, although very different, will be at an equivalent level to those already held.

5. The effects of the proposal will also be felt unequally in institutional and subject terms. We think that business and management studies will be particularly adversely affected and institutions such as the Open University Business School and also those with little or no Foundation degree provision, for example, Cranfield School of Management will be especially penalised. We hope that this is not the intention of the proposals but since it has not been modelled accurately by HEFCE, it would be an unintended and most unfortunate consequence.

6. The list of strategically important and vulnerable subjects (SIVS) is not a meaningful or a fair basis on which to "protect" funding in the ELQ case. Firstly, it conflates two very different sets of issues: national importance on the one hand and vulnerability (ie, lack of market demand) on the other. Secondly, it does not include for example, management and leadership development, which the Government itself (via the Council for Excellence in Management & Leadership) has already accepted as being of major strategic importance to improved productivity and international competitiveness.

Background: The Association currently has 116 business schools in membership across the UK. Collectively, the members represent over 250,000 fte students and over 8,500 fte staff. Business and Management Studies is the most popular subject to study in Universities (1 in 7 of all HE students) and attracts the largest numbers of overseas students.

*January 2008*

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## Memorandum 113

### Submission from London First

#### EXECUTIVE SUMMARY

We are writing to express our concern over the negative impact that we believe the ELQ proposal will have on London's Higher Education Institutions. We believe that this will seriously reduce the ability of London's Higher Education Institutions to engage with employers in the future and will consequently damage the capability of London's workforce to adjust to the changing needs of employers in the 21st century.

The ELQ proposal threatens institution's ability to improve employer engagement due to;

- (a) The uncertainty over future funding for part time provision, and;
- (b) Co-funding failing to tackle the current barriers to engagement.

There is a clear need for universities to offer balanced provision, offering first degrees and the ability for students to update and renew their skills, rather than prioritise "firstness".

London First urges HEFCE and the DIUS to completely review the ELQs proposal, taking in the views of employers and offering institutions a suitably long and interactive consultation period, in order for;

- (a) The full economic impact of the withdrawal on both HE institutions and employers is understood;
- (b) The necessary infrastructure and incentives to improve employer engagement have been identified, and put in place.

#### 1. *Context of London First's submission of evidence*

London First represents 300 employers in London. The majority of our members are corporate employers, but we are proud to include 20 higher education institutions, and 14 further education institutions within our membership.

2. The following submission highlights our concerns regarding the ELQ proposal and the probable impacts in London, where 43% of jobs currently require level 4 or higher qualifications compared to 30% in the rest of England and Wales. This is expected to rise to 50% in London by 2020, compared to 42% nationally.

3. The greater density of graduates in London results in London's HE institutions being the most affected by the proposal, representing 8 out of the top 10 most affected institutions in both percentage and cash terms. London's institutions represent 31.2% (£54.1million) of the total proposed ELQ funding withdrawal.

#### 4. *Should "Firstness" be valued ahead of updating and renewing skills?*

One of the underlying principles of the proposal is that the study of a graduate or postgraduate qualification for the first time should be prioritised ahead of the study of an equivalent or lower qualification.

5. We understand the government's ambition to widen participation in higher education and to encourage aspirations to higher levels of qualification. However it is clear that there is already a plentiful supply of graduates in the London job market. Our business members do not complain of having too few graduate applicants for the jobs they offer, but rather of a shortage of graduate applicants who are equipped with the employability skills that they would expect.

6. According to the government's Higher Education Statistics Agency student destination survey, a total of 311,000 UK students qualified in undergraduate or postgraduate degrees in 2006. 209,000 of these students (66.9%) found employment within 6 months, while 72,000 (23.0%) went on to further study and 31,590 (10.13%) were still not in employment or attending further study 6 months after graduation.

7. But according to the High Fliers UK Graduate Careers Survey in 2006, there were only 85,000 graduate level jobs available (three quarters of which are located in London and the South East). This means that on average there were almost three (2.81) newly qualified graduates in the market for every available graduate level job.

8. Furthermore, the unemployment rate of graduates obtaining degrees for the first time is nearly twice that of other students. 12.2% of 204,000 students completing first degrees are unemployed after 6 months, compared to 6.73% of the 33,000 "other undergraduate" students and 6.12% of the 74,000 postgraduate students.

9. "Other undergraduate" students (ie have previously completed an undergraduate degree) are the most likely to take on further study (37.2%) compared to 23.4% of first degree students and 15.7% of postgraduates.

10. In summary, it is clear that more than 50% of graduates cannot find the level of work they would have expected, due to the supply of graduates outstripping demand from employers. We therefore argue that the higher education sector should not be encouraged to prioritise firstness, and rather that universities should be able to offer a balance of provision that encourages the widening of participation whilst offering the opportunity for the updating and renewal of skills to meet the needs of industry.

#### 11. *The exemptions highlighted in the ELQ proposal*

##### Co-funding and employer engagement

London First appreciates the need for Universities to engage with employers, and we are fully committed to this agenda.

12. We welcome co-funding as a concept, but are concerned that the opportunity offered by the expenditure of employers on professional development is a long way from being fully realised by the HE sector. The DfES estimated the market for employer expenditure on professional development, which was accessible to the HE Sector, to be worth £5 billion nationally in 2006. This translates to £1.2 billion in London. HEIs captured £300 million of this market in 2004–05, with 50% of this figure accounted for by just 12 institutions. In London, HEIs captured £64 million, (5.3% of the estimated market), 44% of which was taken by the London Business School.

13. London First in partnership with London Higher and the Learning and Skills Network has commissioned HEFCE funded research into the supply and demand for higher level skills in London.

14. We are now starting to receive preliminary results from this research, identifying the current barriers to strong engagement between employers and higher education. These are;

- (a) Employer reluctance to invest in skills provision when they have easy access to an international pool of talent.
- (b) The lack of flexibility in provision. The major cost to employers is not academic fees, but the loss of personnel time.
- (c) Cultural differences between universities and employers.
- (d) The complex institutional landscape means employers have difficulty identifying the most appropriate institution, whilst universities have difficulty positioning their offering.
- (e) The relevance of the course provision available. Employers tend to demand skills based provision, whereas universities tend to offer qualification based provision.
- (f) Employers prefer on the job training, with greater flexibility of provision than universities currently offer.
- (g) The high opportunity cost for universities to develop employer focused provision. Universities do not have funding available to carry out the marketing, product and relationship development necessary to meet the needs of employers.

15. In the short term, co-funding alone will not be able to address these issues, nor provide universities with the infrastructure or sufficient incentive to engage employers at the level required. It is also clear that employers do not regard the cost of fees for skills provision as their major concern—instead the loss of personnel time is highlighted as the major cost.

16. So while we believe that co-funding will be part of the solution to improving employer engagement within the HE sector, further thought needs to be given to how universities are incentivised and supported to achieve this goal. We hope to have the results from this research in May, which will give a clearer picture of the market for professional development in London, and suggest solutions to improving the University share.

17. We understand that the ELQs proposal could be seen as growing the incentive for HEIs to improve their engagement with employers. However, it is likely to have a negative impact on this agenda due to the uncertainty it introduces around the future of part time study and its failure to tackle the major blockages to engagement.

#### 18. *Foundation degrees*

Our experience, reflected by research carried out at the Centre for Public Policy research at King's College London by Hogarth *et al* (2007), is that Foundation degrees, although highly valued by those employers who have participated, are still largely unknown and untested by the majority of employers in the marketplace.

19. We believe that foundation degrees will provide a contribution to employer training needs in London in the coming years, but because of the capital's relative high proportion of graduates, this is unlikely to be substantial.

20. The ELQs proposal however leaves a major unanswered question over foundation degrees: it is unclear what happens in the case of a student taking a foundation degree, who wants to extend their qualification to a full degree, but already holds an equivalent or higher qualification. One of the founding

principles of foundation degrees was a student's ability to upgrade the qualification to a full honours degree—but this would now be prohibitively expensive if the student has to pay full fees for their honours year.

21. *Strategically Important and Vulnerable Subjects (SIVs)*

The mechanism through which SIVs are identified is unclear to us. The HEFCE advisory group that oversees the selection of SIVs, which are defined in part as “subjects that have fallen short of employer demand”, only has one business representative, from the COGENT Sector Skills Council.

22. We recommend that HEFCE considers increasing the level of business engagement in this group to ensure that it is responsive to a wider range of industry sector interests.

23. *Support for part time courses*

Part time courses provided by London HE institutions are particularly strongly impacted by the ELQs proposal. This is a great concern to us, because part-time provision is preferred by employers as the vehicle for delivering staff training and skills development. To illustrate the point, 4% of full time students currently have their fees paid by employers compared to 21% of part time students.

24. We believe that a negative impact on part time provision, at a time when the Higher and Further Education sectors are working to improve employer engagement, is a retrograde step. Rather than create a short term solution through a supplement for 2009–10, DIUS and HEFCE need to consider creating solutions that will not directly impact on part time provision.

25. *Conclusion*

The ELQs proposal is fraught with difficulties, for which the sector is being given little time to adjust.

26. It is clear that the withdrawal of funding for ELQs will create a barrier to Londoners improving the relevance of their higher level skills, reducing their ability to find employment in the fast developing industries the city hosts.

27. It has also become clear to us that policing the ELQ proposal might be an impossible task. There is no central database of higher education qualifications, so a prospective student has the choice of stating that they have an equivalent or higher qualification and pay the full fee, or decline to give details of their previous qualifications and pay a greatly reduced, highly subsidised fee.

28. In conclusion, we ask that the implementation of the withdrawal of funding for ELQs be deferred until;

- (a) The full economic impact of the withdrawal on both HE institutions and employers is understood;
- (b) The necessary infrastructure and incentives to improve employer engagement have been identified, and put in place.

January 2008

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**Memorandum 114**

**Memorandum from Swindon College**

Swindon College is very concerned that the Governments' announcement to remove funding for the teaching of students studying for qualifications equivalent to, or lower than, qualifications for which they have previously received an award (ELQs) will have a widespread negative impact.

Swindon College has a strong and successful working relationship with local employers in providing opportunities to re-train, and update the professional skills of employees.

Programmes such as our Higher National Certificates and Diplomas are well established and highly regarded by employers, and neither they, nor the College would welcome any threat to their continued success. Our range of Foundation Degrees have been developed in collaboration with employers and are gaining popularity locally.

By the very nature of widening participation, many of our students will be adversely affected by the removal of this funding and will discontinue their lifelong learning because they cannot afford it.

In turn, as a provider, Swindon College may also deem these programmes to no longer be viable.

The Leitch review showed how as a country we will increasingly need people to learn new skills, to meet the demands of a constantly changing economy, yet the government has decided to limit the very re-training that will ensure the needs of the labour market are being met.

Swindon College suggests that the government defer this decision until it has carried out a full and proper consultation with ALL relevant stakeholders.

January 2008

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## Memorandum 115

### Supplementary submission from Million +

#### PRIORITISING ADDITIONAL FIRST-TIME ENTRANTS

1. The capacity of universities to recruit additional first-time entrants is moderated by a variety of factors including HE and student funding regimes, prior qualifications and attainment, aspirations, socio-economic group, caring and family responsibilities and life-style choices. It is by no means solely determined by the admissions and recruitment and out-reach work of universities.

2. The Minister stated (17 Jan) that DIUS considered that the withdrawal of ELQ funding was required to provide a further financial lever to ensure that universities recruited more first-time entrants. There is no published evidence to support this view and there were no discussions with institutions as to whether this lever was required, its effects upon HEIs or whether any other mechanisms could be adopted with greater effect. In fact, the only courses on which ELQ students are likely to substitute for first-time entrants are courses with capped numbers (eg medicine and dentistry). These courses are included in the exemptions and therefore there will still be public funding available for these ELQ students, even at the expense of first-time entrants.

3. If universities fail to recruit the student numbers agreed with the Higher Education Funding Council (Hefce), they are already subject to claw back from their teaching fund allocation. This lever is more likely to impact on universities which recruit non-traditional, first generation and part-time students (often the same universities which compete for more students in clearing). There is no evidence to suggest that these institutions, with good track-records in widening participation, need any additional financial levers to recruit first-time entrants.

#### REDUCTIONS IN APPLICATIONS TO HIGHER EDUCATION

4. UCAS statistics confirm that since 2002, there has been a 10.5% reduction in the number of applications for higher education from UK domiciled students to UK institutions (Appendix 1, Table 1). This has been mirrored by falls in applications from each individual socioeconomic grouping (with the exception of “unknowns”). Applications from households describing themselves as “higher professional”, “lower professional” and “intermediate occupations” were down 11.38% between 2002 and 2006, while applications from households describing themselves as within socioeconomic groups 4–7 were down 8.75%.

#### CONVERSION OF APPLICATIONS TO ACCEPTANCES—THE “LOST” STUDENTS

5. Similar statistics are presented in relation to acceptances (Appendix 1, Table 2). Accepted applications from households describing themselves as “higher professional”, “lower professional” and “intermediate occupations” were down 21.93% between 2002 and 2006, while applications from households describing themselves as within socioeconomic groups 4–7 were down 18.64%.

6. The reasons for this loss of potential students (applications and acceptances) are likely to be complex. However, it is unlikely that they can be accounted for purely in relation to HEI recruitment strategies since there has been a marginal increase in the proportion of acceptances to applications since 1997 (76.1% to 77.5%). The rate reached 82.5% in 2002—falling significantly between 2005 and 2006 (and likely to be accounted for primarily by the Government’s decision to introduce variable fees in England).

7. The introduction of variable fees in England has also impacted upon cross-border applications within the UK. UCAS statistics confirm that 11.2% fewer Welsh students and 5.4% fewer students in Scotland now apply to go to university in England. (The 100,000 “lost” applicants to whom the Minister referred in evidence to the Committee relate to UK domiciled students in the UK as a whole and not just to England).

#### NON-PLACED APPLICANTS

8. Recent UCAS research has confirmed that the proportion of UK-domiciled applicants to higher education who are non-placed applicants (NPAs) at the end of the application cycle has remained relatively stable over recent years at around 19%. According to the UCAS research 37.5% of non-placed applicants received no offer from any of the courses or institutions they applied to, 6.1% had withdrawn from the process; 51.9% had declined at least one offer with 4.6% unknown. A majority of NPAs therefore either withdraw altogether or declined offers.

9. The research identified that women were over-represented in the full NPA dataset as a whole, and particularly in the withdrawn (67.1%) and no offer (66.2%) categories for 2003–2006. Black and minority ethnic groups were over-represented, with black applicants particularly heavily over-represented in the no offers group, with 48.7% in this group (2003–2006) compared with 37.5% of NPAs overall. However, younger applicants are under-represented in the NPA dataset. For example, 76.6% of all applicants are 20 and under but only 60.7% of the non-placed applicant category fall into this age group, with concomitant increases for non-placed applicants in the older age categories. In addition, the higher an applicant's socio-economic status, the higher their likelihood of being accepted.

10. However, 38% of all NPAs from 2003–2006 re-applied at some stage and, of those, 80% were placed. Universities which have excelled at widening participation in higher education (and which are likely to lose ELQ funding) score highly in recruitment of women, BME, more mature students, students with non-traditional qualifications and overall have much more inclusive socio-economic profiles. While the UCAS research requires further consideration, the researchers themselves conclude that further research is required and that NPAs also make positive labour market, family and caring decisions unrelated to HEI recruitment and admissions policies.

#### DEEPENING PARTICIPATION BY FIRST-TIME ENTRANTS

11. All universities select students each year and will manage intense competition for some course programmes. However, a significant number of universities recruit from clearing for some courses and have a recognised track-record in widening participation. These universities conduct their own surveys to investigate the reasons why first choice acceptances do not progress to HE. They have previously asked for DFES (now DIUS) to commission research to help determine why not all applications are translated into acceptances and why many thousands of acceptances are not translated into enrolments each year in order to identify the Government policy, funding and institutional adjustments which need to be considered to improve recruitment of first-time entrants to higher education. These institutions would have welcomed the opportunity to contribute to the evidence base and to work with DIUS on a concerted strategy to improve and further deepen participation by first-time entrants.

#### REDISTRIBUTION OF ADDITIONAL STUDENT NUMBERS (ASNs)

12. The Secretary of State's letter to HEFCE confirms that the latter has been asked to carefully consider those institutions most affected by withdrawal of funding for ELQ students for additional student numbers (ASNs).

13. This is not an easy "solution" to the loss of ELQ funding and potentially misunderstands the position of many universities which may be reluctant to risk bidding for additional student numbers which could ultimately put them at risk of future claw back from their teaching fund allocation. Universities have to make estimates of course and student demand which vary from year to year and these estimates are more difficult for some courses and universities than others eg HEIs will be able to guarantee that all medical education places will be filled. These estimates are made against a background of changing Government policy, student and employer demand. Notwithstanding the increase in the number of 18–24 year olds, there is no evidence of a significant increase in applications (Appendix 2 Million + analysis 2007 UCAS statistics). ASNs are therefore not necessarily an easy "*quid pro quo*" for the loss of ELQ funding especially since no additional or targeted resources are being offered to meet the costs of recruiting and retaining hard to reach first-time entrants. Conversely and bearing in mind these trends, the allocation of ASNs to a small number of "selecting" HEIs has the potential to reduce the market and sustainability of HEIs which educate the majority of HE students, including first-time entrants.

#### PART-TIME PREMIUM AND INCREASE FROM £20 TO £30 MILLION

14. The proposed £20 million addition to the part-time premium only improved the unit of part-time resource from 10% to 13.1%. While welcome, the additional £10 million, if confirmed by Hefce, will not make a significant inroad into the real cost of part-time provision or take into account the fact that many English HEIs are unable to charge part-time students (who unlike their full-time counterparts still have to pay fees up-front) *pro-rata* of the full-time fee of £3,070 per annum since their part-time students cannot afford to pay *pro-rata* fees.

15. The Government's announcement of an improved package of student support (July 2007) related only to full-time students. From 2008–09, all full-time students in England will receive fee loans to cover all tuition fees regardless of family income, access to maintenance loans and access to some grant for household income up to of £60,000. Over two-thirds of part-time students in England are unable to access the Government's part-time financial support because of restrictions related to study criteria and in any case the cut-off point for course grant is household income of £25,646. In fact, the Secretary of State's letter makes no reference to any requirement for the funding council to improve resource allocation for part-time or

widening participation students. It also remains the case that any additional part-time premium will not be paid to institutions until 2009–10 in spite of the fact that the HEIs will start to lose ELQ funding in 2008–09 based on retrospective student numbers.

16. As a result, the HE funding drivers remain with full-time provision in spite of the suggestion by the Minister in oral evidence to the Committee that many of the 20,000 additional fte numbers would be converted into part-time student provision.

#### ANNUAL REVIEW OF EXEMPTIONS (THEOLOGICAL STUDIES TO BE REVIEWED IMMEDIATELY, IE IN TWO MONTHS)

17. The review of theological studies will protect some institutions and some courses. The retention of Islamic studies in exemptions and the exclusion of other faith studies may not meet the positive duties of the religious discrimination legislation (although this is a matter for Hefce).

18. The annual review of exemptions to which the Minister referred takes no account of the further administrative, bureaucratic and monitoring requirements upon HEIs which will increase in any case as a result of this decision. It will further complicate student guidance and recruitment and takes little account of the flexible opportunities to commence study offered by those HEIs (eg Middlesex, UEL, Derby, TVU) which offer courses commencing in January and February and not just on a single annual September / October start date. HEIs are being expected to manage on an annual basis changing and mixed economies of ELQ full-cost, ELQ Hefce-subsidised, other Hefce funded, employer co-funded and international students on different modes of study (full, part-time and distance learning). Furthermore in evidence, the Minister confirmed that future exemptions would always have to “add-up” to ensure that £100 million is re-directed away from ELQ funding ie exemptions would only be amended on a like-for-like funding basis.

#### PHASED WITHDRAWAL OF FUNDING

19. In order to implement the policy on the time-scale dictated by the Government, Hefce has proposed that funding is withdrawn based on retrospective ELQ numbers and data sets which were not intended for this purpose. The Hefce modelling for institutions indicates the funds to be phased out and HEIs can deduce effect / loss of funding over the three year phase-in period. From 2009–10 the supplement to the part-time allocation is introduced. HEIs can therefore calculate the net loss over the period. The Government has suggested that HEIs will be protected by a safety net. However as this university case-study illustrates, in the majority of cases, HEIs will not be entitled to safety net funding.

#### *University case-study (figures £k)*

20. Based on ELQ student numbers in 2005–06, Hefce modelling has suggested that this HEI will lose a total of £2.1 million of ELQ funding

#### PHASED WITHDRAWAL OF FUNDING

21. ELQ funding is to be phased out over a three year period and has been calculated as follows (taking into account the part-time premium). This leaves, a further 1.6 million still to be phased out. At no point do the effect of these changes result in an actual cash reduction in the University’s funding, so “safety net” funding is not applied or received.

22. However, this represents a considerable cut in real terms and will have the effect of moving the University down the contract range. The proposal removes funding at the standard price, but the University is on the minus side of the permitted tolerance.

<i>Year</i>	<i>Funds Phased Out</i>	<i>Addition to Part-time Funds</i>	<i>Net Effect</i>	<i>Cumulative Phased Out</i>	<i>Cumulative Net Effect</i>
2008–9	416	0	416	416	416
2009–10	150	248	-98	566	318
2010–11	509	254	255	1075	573

#### UPSKILLING VS RESKILLING: THE LEITCH REPORT

23. While emphasising the importance of upskilling, the Leitch Report itself does not recommend that reskilling at higher level skills should be financed solely by individuals and employers and regardless of financial circumstances. In addition, the Report concludes that there will be a future need to reskill at all levels. It is therefore difficult to see how the Report itself provides support for the policy decision to withdraw ELQ funding (see extracts below, emboldened text Million + emphasis).

## PROSPERITY FOR ALL IN THE GLOBAL ECONOMY-WORLD CLASS SKILLS

*Leitch final report Dec 2006 (extracts)*

“People need to be able to afford to learn. Support to meet the costs of learning at all levels must be targeted at those who face the biggest barriers and credit constraints.”

“In the new global economy, economic security cannot be provided by trying to protect particular jobs, attempting to hold back the tide of change. Instead, economic security can only come from ensuring people have the support they need to stay in employment, taking new opportunities as they arise. Skills are a central part of this, equipping people with the flexibility they need to change jobs and careers as the economy changes. Increasingly, world class skills are essential to delivering world class employment and reduced child poverty. These are UK-wide challenges.” (para 7.7)

“Too many of us have little interest or appetite for improved skills. We must begin a new journey to embed a culture of learning. Employer and individual awareness must increase. To reach our goals, we as a society must invest more. It is clear who will pay. It is all of us—it is the State, employers and individuals. But this will be the best investment we could ever make.”

## SKILLS PROJECTIONS FOR 2020

“History tells us that no one can predict with any accuracy future occupational needs. The Review is clear that skill demands will increase at every single level. Better skills will be needed at higher levels to drive leadership, management and innovation—these are key drivers of productivity growth. Intermediate skills must be improved to implement investment and innovation. Basic skills are essential for people to be able to adapt to change. People lacking basic skills will be most at risk of exclusion in a global economy.

Improving the skills of young people, while essential, cannot be the sole solution to achieving world class skills. Improvements in attainment of young people can only deliver a small part of what is necessary because they comprise a small proportion of the overall workforce. Demographic change means that there will be smaller numbers of young people flowing into the workforce towards 2020.

More than 70% of the 2020 working age population are already over the age of 16. As the global economy changes and working lives lengthen with population ageing, adults will increasingly need to update their skills in the workforce. (paras 29–31)

*January 2008*

**Table 1**  
APPLICATION RATES BY SOCIOECONOMIC GROUP

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Higher managerial and professional	—	—	—	—	—	71,054	69,700	70,059	69,631	63,982
Lower managerial and professional	—	—	—	—	—	99,404	100,465	102,737	105,698	90,061
Intermediate occupations	—	—	—	—	—	51,002	49,803	50,500	52,423	42,215
Small employed and own account workers	—	—	—	—	—	24,535	24,616	24,663	25,394	22,715
Lower supervisory and technical	—	—	—	—	—	15,559	16,540	16,054	16,348	14,071
Semi-routine occupations	—	—	—	—	—	43,485	44,834	45,789	50,563	40,283
Routine occupations	—	—	—	—	—	19,905	19,243	19,358	20,392	17,355
Unknown	—	—	—	—	—	76,910	84,767	84,174	104,181	81,821
Grand Total	398,327	389,588	388,691	389,091	399,645	401,854	409,968	413,334	444,630	372,503

Source: UCAS.

Note: We do not provide a breakdown of applications by socioeconomic grouping between 1997 and 2001 as the classification of socioeconomic grouping changed between 2002 and 2002 making annual comparisons difficult

**Table 2**  
ACCEPTANCES BY SOCIOECONOMIC GROUP

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Higher managerial and professional	—	—	—	—	—	61,419	59,472	59,679	59,670	48,529
Lower managerial and professional	—	—	—	—	—	83,476	83,113	84,628	87,107	66,823
Intermediate occupations	—	—	—	—	—	42,112	40,576	40,790	42,222	30,649
Small employed and own account workers	—	—	—	—	—	20,056	19,992	19,881	20,668	15,926
Lower supervisory and technical	—	—	—	—	—	12,830	13,457	13,114	13,454	10,030
Semi-routine occupations	—	—	—	—	—	34,647	35,254	35,516	38,866	29,309
Routine occupations	—	—	—	—	—	15,855	15,183	15,199	16,062	12,577
Unknown	—	—	—	—	—	61,330	66,895	65,488	82,195	75,386
Grand Total	303318	298220	303065	308718	325472	331,725	333,942	334,295	360,244	289,229
Ratio of Acceptances to Applications	0.76	0.76	0.78	0.79	0.81	0.82	0.81	0.81	0.81	0.77

Source: UCAS.

Note: We do not provide a breakdown of acceptances by socioeconomic grouping between 1997 and 2001 as the classification of socioeconomic grouping changed between 2002 and 2002 making annual comparisons difficult.

## UNIVERSITY THINK-TANK MILLION + : ANALYSIS 2007 UCAS FIGURES

The university think tank Million + has urged that the 2007 figures for higher education applications and acceptances published by UCAS, the university admissions service are judged against an increasing number of 18 year olds in the population.

## INCREASE IN NUMBER OF 16–24 YEAR OLDS

The 2007 social trends population data published by the Office of National Statistics (ONS) confirm that between 2001 and 2005 the number of 16–24 year olds in the population increased by over half a million (579,000). ONS has also predicted that this age group will increase by an additional 248,000 in the period from 2005–2011. It would therefore be extremely surprising if UCAS applications and acceptances had not increased in 2007 although this is not to detract from the work of universities and Government in encouraging participation.

## 2007 COMPARED TO 2005

2005 is a better comparator year for the 2007 statistics, bearing in mind the impact of variable fees upon applications in England in 2006. Once this comparison is made the picture is much more disappointing. The 2007 UCAS statistics confirm that there were just 1,320 more applicants accepted for university places in the 20 and under age group and 1,180 more applicants accepted for university places in the 21–24 year age group compared to 2005.

## MATURE APPLICANTS

The figures also confirm that the number of accepted applicants for those over 25 (mature applicants) rose by only 400 in 2007 compared to 2005. In view of the Government's commitment to educational opportunities, it has to be a concern that participation by mature students is not increasing at a faster rate. These figures call into question the extent to which the student support packages are attractive to more mature students. The 2007 figures also suggest that the failure of over 100,000 applicants to translate their interest in higher education into acceptances has continued. The reasons for this requires much more research and could be a key to increasing access to higher education.

## ENROLMENTS

The number of UCAS applications and acceptances are not the real indicator of success in encouraging participation in higher education. This can only be judged by the number of actual enrolments. Enrolments for the 2007 UCAS figures will not be reported until January 2008. However, the Higher Education Statistics Agency (HESA) reported (10 January 2008) that the number of first-time enrolments in English HEIs decreased by 2% in 2006–07, notwithstanding the increase in numbers in this age group. The UK is therefore some way from reaching the levels of participation in higher education achieved by other OECD countries.

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**Memorandum 116**
**Submission from Oxford University Department for Continuing Education**
*Use of HESA 2005–06 data for calculating level of grant to be withheld from universities as a result of the ELQ policy*

Executive summary: The use of historical data by HEFCE to calculate the level of grant to be withheld from universities as a result of the implementation of the ELQ policy is troubling. The data was collected and returned by universities for other purposes and may misrepresent the incidence of ELQ students in individual university populations. HEFCE should only withhold grant where ELQ students are present in reality rather than as a consequence of a coding decision taken for reasons unrelated to the ELQ policy.

1. There are real concerns about the fitness for purpose of the HESA 2005-06 data used for calculating the levels of grant to be withheld from universities as a result of the implementation of the ELQ policy. Universities collected and returned data on students and their courses in 2005–06 in good faith and according to the requirements of the HESA coding manual. The data was not collected and returned with a view to underpinning the ELQ policy. Had that been the case universities might well have interpreted the guidance of the coding manual differently in some areas and presented the data in a way more focused to meet the exigencies of the new ELQ policy.

2. Oxford University is aware that something in excess of £1 million is included within the calculation of teaching grant to be withheld which, in its judgement, should not be included. The data returned to HESA for 2005–06, while appropriate in terms of the requirements of that exercise, misrepresent the number of ELQ students in that university’s population from the perspective of the new policy. Our student record system for large enrolment accredited open access lifelong learning short courses uses a number of default values in fields which, under the ELQ policy, now become highly significant. This has resulted in HEFCE inferring higher levels of non-ELQ students in our population and not picking up on SIVS subjects within the programme. If the Government intends to introduce this new policy, it should be applied only where ELQ students exist in reality rather than as a result of a coding decision taken for reasons unrelated to the ELQ policy.

3. Accredited short course lifelong learning programmes with large enrolments are particularly susceptible to the use of default values in student record systems. The use of historical data for calculating the level of grant to be withheld may very well be masking a higher incidence of non-ELQ students in individual university populations. A similar reason accounts for why large numbers of students on such lifelong learning programmes taking, for example, modern languages are not identified as such, and therefore as SIVS students. Often a generic default value is given for the programme subject matter.

4. It is to be hoped that HEFCE will investigate carefully any appeals by universities against its categorisation of students into ELQ and non-ELQ populations, when this has been done on the basis of data which was collected and returned for very different purposes.

*January 2008*

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### **Memorandum 117**

#### **Submission from the Council for College and University English**

The Council for College and University English notes with grave concern the proposal to remove funding for ELQs. While at first glance this seems a reasonable and minor adjustment to funding arrangements, which will prevent “perpetual students” from gathering unproductive portfolios of multiple qualifications, it is likely to have a major impact on a crucial sector of the student community: mature students.

The paradigmatic case here is, not the wastrel collecting degrees, but the mature candidate—frequently a woman—who, having taken a bachelor’s degree in their teens, decides in their thirties, perhaps after a period of child-rearing or unsatisfying employment, to make a step change to their careers and to study for a qualification in a new field.

To close this pathway down, as this proposal will surely do, hits at the heart of the lifelong learning agenda, and runs contrary to all previous statements about the need for Higher Education to reach out to non-standard, otherwise disadvantaged groups. It will also have a disproportionate effect upon those HE institutions that have most energetically taken on-board the Lifelong Learning agenda. It seems, therefore, a thoroughly un-progressive proposal in terms of its implications on grounds of gender, age, class, and culture.

Given the above, we strongly encourage you to think again about endorsing the proposal.

*January 2008*

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### **Memorandum 118**

#### **Submission from the Sir Richard Stapley Educational Trust**

I am writing to you concerning the ELQ Inquiry as Chairman of the Sir Richard Stapley Educational Trust.

The Trust was founded in 1919 and specifically supports students taking a second University degrees. We contribute specifically to the University fees with total annual grants of £200,000 to 200 or more students

Although half our awards are to medical, dental and veterinary students with a first degree in one of the sciences or humanities, we are increasingly supporting students taking a second degree as part of a career change, developing new skills, returning to work after a career break or adding value to their first degree by taking a second degree to develop a “useful” career. These latter include students with first degrees in theology, pure mathematics, basic science, history, English and sociology.

Recent examples of students receiving grants include: History graduates moving to social science, Music students taking a further degree in composition or performance, a Theology student taking a degree in archaeology, a Mathematic graduates moving into I.T., a French graduate taking a degree course in music performance, a Philosophy graduate taking a degree in physiotherapy and an English graduate taking degrees in social policy and disability studies.

Our feed back attests to the value of such conversion degrees, often undertaken under circumstances of severe financial hardship. All too often we are forced to reject eminently suitable applicants and are only able to give smaller grants than are clearly needed because of a shortage of funds. We only support mature students and require a first 2i or higher degree in the applicant.

We are particularly keen to support handicapped (both physical and mentally disabled) students, socially disadvantaged students and applications from immigrants. We are keen to support OU students and have a good track record of supporting serving and ex-prisoners.

I, members of the Trust's Council and successfully-supported students are happy to provide further details of the Trust's work and, if helpful, give oral evidence to the Committee.

*January 2008*

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### **Memorandum 119**

#### **Submission from John Bowis MEP**

I just wanted to give my support to the submission, which I have seen, from Birkbeck College. Birkbeck does excellent work in the area of re-skilling and this could be put at risk by the current proposals for ELQs. At the very least the ameliorative requests from the College should be supported but ideally the policy will be withdrawn for more consideration and consultation.

*January 2008*

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### **Memorandum 120**

#### **Submission from University of the Arts London**

##### **INTRODUCTION**

This submission is being made on behalf of the University of the Arts London by Dr Will Bridge, Deputy Rector. The University of the Arts London, is Europe's largest university for art, design, fashion, communication and the performing arts with c. 27, 000 student enrolments at its constituent colleges:

- Camberwell College of Arts
- Central Saint Martins College of Art and Design
- Chelsea College of Art and Design
- London College of Communication
- London College of Fashion
- Wimbledon College of Art

Prior to his appointment as Deputy Rector, Dr Bridge was Head of UAL's largest College—London College of Communication. Will Bridge has a background of HE teaching and research in media/communications with 15 years experience of institutional management including a secondment into the HE policy branch of DfES, plus early career experience with Xerox and training in the NHS.

##### **SUMMARY OF SUBMISSION**

This submission aims to highlight the issues associated with the Governments proposed ELQ policy. Its proposed implementation would have damaging consequences for a large specialist Art and Design institution. The main points of our submission are as follows.

- The lack of consultation with the HE sector resulting in adverse consequences for institutions both as a direct result of the policy and those assumed to be unintended
- The adverse impact the policy has on current course provision specifically aimed at the professional development and re-skilling / up-skilling needs of the Creative and Cultural industries and addressing the Leitch skills agenda
- The disproportionate impact of the policy on Part time course provision
- The lack of commitment from HEFCE to ensure institutions who are severely affected by policy are given priority in achieving additional student numbers allocations from HEFCE in the future
- The implementation does not recognise the difficult issues faced by specialist Art and Design institutions when seeking out co-funding arrangements.

- The scope of proposed exemptions is insufficient and does not cover post-degree qualifications; vulnerable subject areas in Art and Design and professional teaching qualifications for Higher Education staff

#### SUMMARY OF OUR RECOMMENDATIONS IN RESPONSE TO THE ELQ POLICY PROPOSALS

- Further consideration be given to alternate ways in which the £100 million savings can be achieved
- The appropriate opportunity to review fees and funding for ELQ students is through the Independent Commission reviewing fees policy in 2009
- The HEFCE implementation should give priority to institutions' ASN bid-back requests in relation to their level of ELQ reduction
- Exemptions to the ELQ policy be extended to include all post-degree qualifications which target professional development and are up-skilling qualifications.
- Exemptions given to students undertaking Initial Teacher Training courses are extended to students undertaking Postgraduate Certificates and Diplomas in Teaching and Learning in Higher Education
- Special consideration is given to Art and Design provision in relation to bidding back for student numbers recognising the employment model in the Creative Industries
- Endangered and minority specialisation subjects within the Arts to be included within the current list of Strategically Important and Vulnerable Subjects (SIVS) and that they should be made exempt from the ELQ policy.

#### MAIN SUBMISSION

1. No consultation was undertaken with individual universities on this policy prior to its announcement. This, coupled with the timing attached to the targeted savings associated with the policy has damaging consequences for individual university's future income, academic planning and fees and admissions policies. In addition it has resulted in unintended consequences, which includes the removal of support for courses which fully address the Leitch skills review agenda and undue effects on part time students.

1.1 The HEFCE proposals around Institution's bidding back for student numbers may offer some prospect to Universities to rebuild their HEFCE Teaching Grant, it does not secure the future of individual courses and it is inevitable that courses which focus upon re-skilling and up-skilling students will be ceased as a result of this policy implementation. In addition, HEFCE are currently offering no guarantees that institutions most severely affected by the ELQ policy will be given priority when student numbers are reallocated back by to Higher Education Institutions. The lack of commitment to institutions significantly affected by the policy creates sufficient uncertainty to effectively stall the majority of academic planning activities for the foreseeable future.

1.2 The policy unduly affects part-time provision. At UAL around a third of all students studying on part time courses hold an ELQ. Based on current recruitment patterns some part-time provision within the UAL would have to be removed from its course offer if the policy is implemented as stands. The need to deliver flexible study options is increasingly important in both achieving an expansion of Higher Education and in providing opportunities for skills development and retraining. The ELQ policy cuts across this, potentially leaving much part time provision unsustainable.

1.3 The methodology by which the HEFCE is proposing to remove funding from Universities is retrospective and has created a random pattern in which funding is removed for individual students. The result of this is that the future sustainability of courses is brought in to question, as demand for courses from students not holding an ELQ has not so far been a significant course planning parameter.

1.4 Institutions will incur additional costs and an administrative burden in order to implement the ELQ policy and maintain student numbers. These costs and administrative tasks may include: restructuring of the course portfolio; staff severance costs if courses close; implementation of revised admissions and fee policies; reprinting of prospectuses; drafting of ASN strategies/bids; development and implementation of new courses if ASN bids are successful. The "safety net funding" / bid back process proposed should consider how Universities are financially supported to implement the policy and associated restructuring and development costs.

#### RECOMMENDATION 1:

1.5 The University would therefore recommend that consideration be given to alternate ways in which the £100 million savings can be achieved and which would enable us to deliver the agenda put forward by the Secretary of State, such as employer engagement—which we fully support.

**RECOMMENDATION 2:**

1.6 The University strongly believes that the appropriate opportunity to review fees and funding for ELQ students is through the Independent Commission reviewing fees policy in 2009. This would be a more principled and orderly approach than the retrospective implementation of the “Withdrawal of funding for equivalent or lower qualifications” in the manner proposed.

**RECOMMENDATION 3:**

1.7 The University recommends it is essential that the HEFCE implementation should give priority to institutions’ ASN bid-back requests in relation to their level of ELQ reduction—particularly in respect of those institutions facing large financial or proportional ELQ reductions (eg £2 million plus / 20% plus)

2. Under the current proposals modelled by HEFCE, teaching funding for the University of the Arts will be withdrawn in part from 112 courses and wholly from a further 13 courses and this would eventually result in approximately 800 fewer funded places on courses at the University—equivalent to an income reduction of £5 million at current rates including fees.

2.1 The 13 courses which are wholly affected by the proposed method of policy implementation have been specifically designed to support the acquisition of vocational skills in line with the Leitch agenda and to provide lifelong learning opportunities in support of the Cultural and Creative Industries. The development of these courses followed a review of how the University could develop course provision to deliver higher skills for London and industries we serve, such as our Graduate Certificate courses in Printing and Journalism.

2.2 We would highlight Graduate Certificates and Diplomas qualifications at the University of the Arts, which have been designed for specific purposes related to employability or progression. Part-time modes of study are available in addition to full-time intensive provision to support mature learners and non-traditional students. The Graduate Certificate/Diploma portfolio has been carefully devised to reflect Widening Participation, Lifelong Learning and Skills Development and updating priorities. The provision is high quality, with positive student feedback and is in line with the needs of the Creative Industries.

2.3 The ELQ policy withdraws funding for these Graduate Certificates and Diplomas as they are undergraduate in level and have as an admission requirement possession of a first degree, recognising that the courses they are pursuing deliver higher skills. This would affect 200+ students at UAL and unless funding is restored this provision would have to be withdrawn, as there is little prospect of their being viable without the usual level of HEFCE support.

**RECOMMENDATION 4:**

2.4 The University of the Arts therefore recommends that exemptions to the ELQ policy be extended to include all post-degree qualifications which target professional development and are up-skilling qualifications, such as Graduate Certificate and Diploma courses.

3. Current HEFCE proposals exempt students undertaking PGCE courses, but do not provide exemption for Postgraduate Teaching and Learning courses in Higher Education. Naturally as subject experts working in an Higher Education setting those undertaking the courses already hold a Postgraduate qualification in their specialist field.

3.1 The University of the Arts course provision in this area provides opportunities for teaching staff within the UK Higher Education sector to undertake a professional teaching qualification in Art and Design. Since the inception of these courses UAL have awarded over 450 of these qualifications.

3.2 Professional qualifications in Teaching and Learning are an essential component of building a skilled and professional workforce within Higher Education. The withdrawal of HEFCE funding for these qualifications runs contrary to the skills agenda and undermines the status of teaching qualifications in a Higher Education environment. The future of this provision is now uncertain. A case study from a course alumnus is detailed in annexe 1 below.

**RECOMMENDATION 5:**

3.3 Exemptions given to students undertaking Initial Teacher Training courses are extended to students undertaking Postgraduate Certificates and Diplomas in Teaching and Learning in Higher Education.

4. HEFCE propose that institutions seek to form employer/HEI co-funding arrangements for ELQ students and to bid to the council for additional student numbers to replace the lost resources for them. This strand of the implementation does not recognise the difficult issues faced by specialist Art and Design institutions when seeking out co-funding arrangements.

4.1 Engaging in co-funding arrangements with employers in the Cultural and Creative Industries is more difficult than for other industrial sectors as the predominant employment model for graduates working in these Industries is that they are self employed / freelance or working in SME’s and micro businesses. These patterns of employment translate into individuals taking responsibility to re-skill and up-skill with little

evidence of employer support, limiting the opportunities for co-funding arrangements. This is against a background where individuals constantly need to acquire new skills to respond to rapidly changing technologies in the Cultural and Creative industries, failure to meet these needs will in turn impact on London's Creative economy.

#### RECOMMENDATION 6:

4.2 We would request therefore that special consideration is given to Art and Design provision in relation to bidding back for student numbers. Specifically, to allow for bids which will deliver mainstream skills based provision in Art and Design that is neither FdA or Co-funded, as employers value the creativity which these engender, upon which the UK's fastest growing economic sector is based.

5. The University agrees in principal that subjects, which are strategically important and vulnerable subjects, should have their funding status protected from the ELQ policy implementation. However the University feels that the process is inappropriately constrained.

5.1 The National Arts Learning Network (NALN) has created an "at risk" register of courses where there is the very real prospect of the permanent loss of traditional skills within specific creative industries. Subjects on this "at risk" register include ceramics, printing, textiles, metals, glass, conservation and book-binding, amongst others. By their nature, such subjects are often returned to rather than first chosen as HE programmes.

5.2 The ELQ exercise disproportionately affects these subjects as students are often gaining additional vocational skills and already hold an ELQ, as an example UAL provision in Conservation is already cross-subsidised by the university as an endangered subject at both Undergraduate and Postgraduate level. This subject area is now further under threat by the removal of funding through the ELQ policy, which will mostly eliminates HEFCE funding for this particular course area. An unintended outcome of the proposed ELQ methodology may be the entire loss of these subject areas from the UK university sector.

#### RECOMMENDATION 7:

5.3 We would propose that this is as an opportunity for endangered and minority specialisation subjects within the Arts to be included within the current list of Strategically Important and Vulnerable Subjects (SIVS) and that they should as a minimum should be exempt from the ELQ policy.

*January 2008*

**Annex 1**

### PG CERTIFICATE IN TEACHING AND LEARNING—CASE STUDY

LONDON COLLEGE OF COMMUNICATION

*Manuela Zanotti*

I am the Course Director for the Graduate Certificate in Photography and Portfolio Development and Realisation at LCC. I am a member of the LCC Photography team that teaches a range of photography courses, from FE to MA, covering Studio and Art Photography through to Photojournalism. The team includes practising photographers with international reputations and those involved in research, working in conjunction with the Photography and the Archive Research Centre at LCC. My own course is at the intersection of art and commercial photography and builds photography as a reflective medium concerning reality and thought.

I started at LCC as a part-time Associate Lecturer, teaching on a part time FE course on reportage and portraiture. I was later asked to join the Professional Photography Practice course team to teach contextual studies and eventually I also became the PPD co-ordinator for the School of Media. After a period on maternity leave I re-assessed my role and, on returning to work, decided to undertake the PG Certificate in Teaching and Learning in Art and Design and to build my way back into teaching Photography.

The PG Cert helped me to contextualise my practice; it made me identify what level of course I should be teaching on and what my strengths as a teacher are. For example, by undertaking the PG Cert, I began to understand that one of my strengths lies in designing and creating courses.

More specifically, the PG Cert empowered me to step back and allow my students to feedback more on their learning journey. Before I took the course, I was quite traditional in my teaching style, wanting to "give a lot of information" to the students, so I tended to give continuous information during teaching sessions. The PG Cert made me realise that to give incessantly was not the best way to help students learn and that it is much better to empower students to learn for themselves. Now I provide a framework for learning whereby the students engage much more in self-directed study which I support and facilitate.

Prior to undertaking the PG Cert course, I had never intentionally brought my own professional practice as a photographer to my teaching and now I do that all the time. My professional practice feeds directly into my new course and I now see the sense in integrating my practice into my teaching in the university. I also now understand the significance of our relationship with course alumni and the benefit of this for the course and for the students.

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**Memorandum 121**

**Submission from Lord Leitch**

FUNDING FOR EQUIVALENT OR LOWER LEVEL QUALIFICATIONS

I write following your letter of 24 January and my email of 5 February.

As I mentioned in an earlier letter to your Committee, since the publication of my Review 15 months ago, I have “drawn back” from the various responses and implementation issues on the Skills agenda. Consequently, I fear that I do not have sufficient current knowledge to answer your specific questions on ELQs adequately.

However, I offer a few comments.

I set out clearly in my Review’s recommendations that the UK urgently needs to increase the investment and achievement in HE Skills.

Higher level skills are critical to the future of the UK economy. We need to increase the number of people gaining these skills and effectively support people to retrain and learn flexibly, including alongside work. We need to increase investment in HE across the board: from employers, individuals and the Government.

Clearly, public funds are limited and we must prioritise investment. But any changes in funding streams and mechanisms must be effectively managed so that the excellent work that institutions such as the Open University do is not undermined.

I did not define any approach on ELQs as I believed that this was more of a tactical, implementation issue. As you know, I recommended the creation of the Commission of Employment and Skills to oversee such issues.

I am sorry that I cannot provide a more definitive answer and I trust that you will understand why.

*February 2008*

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**Memorandum 122**

**Supplementary evidence from the Department for Innovation, Universities and Skills following the evidence session on 17 January**

When I attended the Select Committee on 17 January to explain the Government’s policy on the redistribution of institutional funding for students doing equivalent and lower level qualifications (ELQs), there was some discussion about the extent of unmet demand.

There was a general discussion about the 100,000 or so prospective students who get as far as making an application to enter Higher Education but who are not accepted. You particularly asked about whether these students did not get in because they were not suitably qualified. I want to respond to that but I also want to set that in the wider question of upwards progression to Higher Education from below level 4 which is at the heart of our policies.

Over the last few years, around 20% of those who apply through UCAS for entry to full-time undergraduate courses are not accepted in any one year. The proportion has remained fairly constant but in absolute terms, the latest data from UCAS for entry in 2007 shows that the number of applicants exceeded the number of those accepted by about 120,000, of which the large majority are from the UK. Of course not all students seeking to enter full-time undergraduate courses enter through UCAS and full-time undergraduate students only represent about half of the total number of students in the system.

The issue of the “missing 100,000” has been raised with Government and other stakeholders as a matter of concern by UCAS. Their report “*Missed Opportunities? Non-Placed Applicants (NPAs) in the UCAS Data*” was published in December. It notes that there are a number of reasons why applicants are not accepted onto courses. We cannot quite answer the exact question you posed. However, the proportion of applicants with fewer than 80 tariff points, often seen as the minimum needed to enter HE is relatively small

across all categories of Non-Placed Applicants—10% or less. But we do not have more detailed data on the levels of qualifications within this group, adjusting for subject, institution etc to get below this level of analysis. We are currently considering with UCAS what further research we can do to understand the group better and building on that what we can do to decrease the propensity of applicants not to follow through. UCAS's analysis does suggest that within this group there may be disproportionate numbers of applicants who are female; BME; and older learners but this requires further exploration.

This brings me to the wider point I want to make about unmet demand both actual and latent. It is important to see this 100,000 figure in context. I would like to draw the Committee's attention to the attached data from the Labour Force Survey (LFS). Table 1 sets out the level of highest qualification held by people of working age in England by gender, age, ethnicity, disability status, region, economic activity and occupation.

The key points I want to emphasise are:

- (a) there are over twenty million adults of working age who do not have higher level qualifications at level 4 or above; and
- (b) within this group, there are some five to six million who have reached level three. It is this group of potential entrants on whom we really need to focus. More progression from level three to level four is critical to delivering our response to the Leitch ambition. This will require better, deeper links not just with schools but also with colleges and employers. The Committee will see from the numbers in the Table that this group covers all working ages, not just school leavers doing traditional full-time degrees. Many of those whom we need to help to progress from level three to level four and upwards will be older workers, who wish to study part-time. In other words, they are likely to have similar characteristics to those who have already got a first HE qualification and are studying for another one at an equivalent or lower level.

I should say that I have been surprised to hear some suggestions from within universities that it will not be possible to recruit new students because the demand will not be there. Sceptics were making similar noises in previous years. There are now over 300,000 more students in the system than there were in 1997 and the time series in the LFS data below shows that we have increased the proportion of those of working age with higher level skills by over 4 percentage points over the last five years. But we have a long, long way to go to meet the challenges which Sandy Leitch has set us. We know that many universities are already developing exciting and ambitious plans, and it will be important as ever that the Funding Council manages the allocation of new Student Numbers to maximise take-up. I remain confident that our HE system will once again rise to the challenges ahead.

*January 2008*

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### Memorandum 123

#### **Supplementary evidence from Professor David Latchman, Master of Birkbeck College, University of London, following evidence session on 17 January 2008**

I am writing following the Select Committee hearing on the ELQ Issue. I very much valued the opportunity of giving evidence to the Committee and also found it most interesting to listen to the evidence of the Minister and the Chief Executive of HEFCE.

I hope you will not mind my writing to you to point out a couple of matters which have arisen on the ELQ issue since the hearing and which it may be helpful for you to know about.

As you know, the HEFCE Board considered the ELQ consultation responses as part of its discussion of funding for universities in 2008–09 and I attach a copy of their communication about this, in case you have not seen it.

I would particularly draw your attention to point 5 indicating that there will be no additional new places available for 2008–09 in the aftermath of the ELQ decision. This means that the ELQ places which will be lost in 2008–09 and the consequent £20 million saving in the first year of the ELQ scheme (to which the Minister referred in his evidence to you) is not being used to produce additional numbers for 2008–09. Rather it is being used to fulfil existing commitments or possibly to make a saving. I thought you should be aware of this in terms of the discussion at the Committee about the need to proceed forward so rapidly with the withdrawal of ELQ funding.

Whilst writing, I also wanted to draw your attention to the fact that the Minister in his evidence twice referred to the Government increasing the part time premium which is payable to institutions in respect of their part time students. However, although there have been some improvements in other aspects of part time support, the premium has remained unchanged at 10% for at least the five years that I have been at Birkbeck. Indeed, a HEFCE review group set-up to examine the effect of top-up fees for full time students on the part time sector, specifically recommended an increase in the part time premium in January 2005 but this was rejected by the HEFCE Board.

The increase of £30 million (previously £20 million) in the part time allocation which has been introduced in response to the ELQ funding change will increase the part time premium to approximately 15%. This contrasts with the results of a HEFCE sponsored review (JM Consulting Ltd 2003) which found that the additional costs of part time students to an institution can be up to 44%.

*January 2008*

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