



Department
for Business
Innovation & Skills

**CONSULTATION ON ALTERNATIVE
PROVIDERS OF HIGHER
EDUCATION – IMPROVING
QUALITY AND VALUE FOR MONEY**

Government response

JULY 2015

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Ministerial foreword

Our system of higher education is world class and built on a reputation for quality. This Government is determined to maintain and strengthen that reputation. Many alternative providers of higher education contribute strongly to this through exceptionally high levels of student satisfaction and the employability of their graduates.

It is a clear priority for the Government to widen the range of high quality higher education providers. This will stimulate competition, increase choice for students, and deliver better value for money for both taxpayers and students across the higher education sector.

Equally important as promoting good provision, is ensuring a regulatory regime which guards against poor quality provision. The Government has already taken a number of steps to secure improved standards among alternative providers of higher education. The additional measures set out in this consultation response continue this work.

- Higher education courses should be available for all those who are qualified by ability and attainment to pursue them. We will put safeguards in place so that only students with the ability to succeed are recruited.
- We will improve the information available to students - so that they can make well informed choices about what and where to study.
- Institutions that can demonstrate that they deliver the highest quality of teaching and support to their students, in line with the Teaching Excellence Framework, will have the opportunity to grow.

These measures will apply from the 2016/17 academic year. They will help incentivise high quality provision and help the best providers to grow.

Jo Johnson MP

Executive Summary

The issues covered in the consultation, views of respondents and the Government Response are summarised below.

Proposal 1: Strengthening English language requirements at alternative providers

We asked for views on the introduction of a requirement for alternative providers to ensure their students meet a minimum English language proficiency set at international level B2. We asked if students should meet this level before starting their course.

Feedback from respondents demonstrated support for implementing the B2 requirement at all alternative providers (and all Higher Education Institutions) before students starts their course.

We will implement this proposal for alternative providers from the 2016/17 academic year, monitored through the annual re-designation process. In line with existing lighter touch requirements, we do not propose to apply this requirement to alternative providers with degree awarding powers, who do not undergo annual re-designation. Providers will be free to determine how best to ensure students meet this requirement.

Proposal 2: Better information for prospective students

We asked if alternative providers should be required to provide Key Information Set data and for suggestions of potential issues with requiring providers (of different sizes) to do so.

The majority of respondents supported the proposal, with slightly less in favour of small providers having to provide the information because the cost and administrative burden would not be justified in relation to the usefulness of the data collected.

To give prospective students information on alternative providers comparable to the HEFCE funded sector, we will require all alternative providers to provide KIS data from the 2016/17 academic year across all of their courses.

Proposal 3: Relating student number controls to provider performance

We asked if stakeholders agreed if student number controls should be based on provider performance, including a “basic” allocation for meeting a minimum quality standard and a “performance pool” available to the best performers. We also asked how performance pool places should be allocated.

Most respondents thought there should be a minimum quality standard that providers should meet to receive any allocation of places and that SNCs should be linked to performance, however were less definitive on the best approach for allocation. We intend to link SNCs to provider performance, giving providers meeting the required standard a “basic” SNC allocation and those exceeding it the opportunity to bid for further “performance pool” places.

We expect overall Higher National places to remain at 2014-15, control levels, alongside significant growth in numbers on degree level courses. We will align the performance pool with the Teaching Excellence Framework – so that providers that perform well will have the option to offer more places to prospective eligible students than in previous years, and those providers with the weakest performance will be able to offer fewer places.

Consultation process and engagement with stakeholders

The consultation on proposals to improve the quality and value for money achieved by alternative providers of higher education ran from 27 February 2015 to 27 March 2015.

70 responses were received, 67 clearly representing the views of an organisation.

Responses were received from alternative providers as well as HEFCE funded institutions, representative bodies and individuals.

Analysis of responses and Government response

Proposal 1: Strengthening English language requirements at alternative providers

This section considered how the Government could best ensure that students at alternative providers have the minimum level of English language competency needed to benefit from the course. The consultation suggested a minimum language proficiency requirement of International Level B2 of English and sought to identify potential unintended adverse effects as well as mitigations.

Q1. Do you agree that the Government should introduce a requirement for alternative providers to ensure minimum standards of English language proficiency in all four components for its students?

56 or 80% of respondents agreed that minimum standards of English language proficiency should be a requirement for students at alternative providers. Many agreed that minimum standards would help ensure that students succeed on courses, however there were concerns that a requirement may be a barrier to higher education and that proficiency across all four competencies (listening, reading, writing and speaking) may not be necessary for certain courses of study.

A number of respondents commented that there should be equity across the sector, with English language requirements applying not only to alternative providers but also to the HEFCE funded sector. Others said that the necessary English language proficiency should be determined by institutions on a course by course basis.

Quotes:

“English language competence is important in ensuring that students are able to engage in the course learning and have a reasonable chance of successfully completing the programme they are registered for.” [Alternative Provider]

“The question is more complex than can be answered with a yes or no. Should there be minimum standards in English language proficiency? We believe that students need sufficient proficiency to enable them to study effectively. Should this be in all 4 components at entry point? Probably yes, but all 4 might not need to be at the same level of achievement. The answer would depend on the assessment diet for the first level of study. It is also possible, for example, that lower attainment on writing could be countenanced if support were provided at the first level of study.” [Alternative Provider]

“...if standards are applied to certain parts of the sector, Government will need to consider whether there are any implications for fairness and competition across different types of provider. There is an argument for equitable application of minimum standards across all providers.” [Representative body]

Q2. Should the requirement to ensure minimum standards of English language proficiency apply to all alternative providers on the same basis?

51 or 73% of respondents supported minimum standards applying across all alternative providers with many arguing for extension across the HE sector as a whole. 10 or 14% of respondents did not agree with the approach outlined.

Some respondents argued against a standardised requirement, suggesting flexibility or exemptions from minimum requirements for certain courses including those not taught in English, those taught online and those taught by providers with taught degree awarding powers.

Quotes:

“The level of language required will vary dependent on the course. Some providers have in-house English training courses, so a lower threshold might apply. Any rules must surely apply to ALL providers, not just to alternative providers. What rationale could there be for lower standards at HEI’s?” [Alternative Provider]

“Yes. Adequate English language skills are a pre-requisite for advanced instruction and study. There are claims that different levels of competency may be required for different disciplines but there should be agreement on a minimum standard.” [HEFCE funded institution]

Q3. What is the potential impact on protected groups of a requirement for providers to ensure a minimum standard of English language proficiency? How could the impact you identify be mitigated?

A number of groups were identified as potentially being negatively impacted by the imposition of a minimum standard of English. These were:

- Students in receipt of a study visa (although these students are already subject to language requirements)
- Students whose first language is not English
- Students with special educational needs
- Black and Minority Ethnic students
- Underrepresented communities
- Those with no documentary evidence of English language proficiency
- Students with the potential to progress quickly in English skills when studied in parallel

Mitigating measures suggested included:

- Support, resources and adjustments for affected groups
- Pre-course language training
- Requiring all students at HE providers to meet minimum standards
- Allow providers some flexibility in the application of minimum standards, within agreed guidelines
- Ensuring adequate test centre provision

- Consider how publically funded institutions deliver pre course language support

Students in receipt of a student visa already have to meet minimum language requirements as part of the Tier 4 visa requirements so there would be no direct impact on this group.

Quotes:

“Any minimum standard, with no flexibility or allowance made for students with specific protected characteristics could result in potential exclusion. However, if a minimum language requirement is imposed, it would be preferable to require an overall minimum score in the test rather than requiring the minimum in all four elements to allow some discretion in one or more elements (such as speaking or listening) or to allow an adaptation of the test to accommodate individual learning needs by way of provision of assistance (such as a scribe or suitable software) or other reasonable adjustment.” [Alternative Provider]

“This may reduce access to Higher Education to some groups of students whose first language is not English, and reduce diversity. However we are still in agreement with introducing a minimum standard of English, as this affects a student’s ability to successfully complete a programme” [Alternative Provider]

“The Government should give careful consideration to how these proposals might impact on students with special educational needs, such as dyslexia or physical disabilities. Such students should not be prevented from pursuing their educational ambitions by any overly prescriptive rules. The final policy must recognise and endorse their potential for achievement within higher education provided they are given an appropriate level of individually tailored support and resources.” [Representative body]

Q4. Do you agree that the minimum standard of English language proficiency required should be set at International Level B2?

49 or 70% of respondents supported a minimum proficiency level set at international level B2, 6 respondents or 9% did not.

Supporters of the use of level B2 cited it as giving students the best chance of succeeding in and enjoying their courses, as a good measure of proficiency and as clarifying expectations.

Critics, including those who generally supported using level B2, said that flexibility and discretion should be given to institutions to apply different levels in certain circumstances or for certain courses. For example where level B1 may be appropriate or where English could be reasonably learned in parallel. Conversely it was suggested that those at the lower end of the B2 scale would require additional language support, dependent on the course studied.

Other concerns included cost of implementation, applicability to native speakers, contradiction with Tier 4 visa requirements and level B2 not being the exclusive indicator of proficiency.

Quotes:

“The ability to independently pursue learning outside of the classroom is essential if equality of experience is to be ensured for all students studying a particular course.” [Alternative Provider]

“Clarity is needed as to exactly what would be expected of providers, how rigid the proposed system is really intended to be, and which students would need to show language capability in some formal way. Proper account should be taken of the potential problems for protected groups if costs are involved.” [Alternative Provider]

“This is probably too blunt. This should depend on the entry level, mode of study, ability to study English alongside main subject area. In particular B1 may well be more appropriate for foundation level study or for programmes where English language tuition is provided alongside subject teaching.” [Alternative Provider]

Q5. What further actions could strengthen arrangements for ensuring students are recruited with a minimum standard of English language proficiency, and what action is already underway? Which organisations are best placed to support a strengthening of these arrangements?

The following existing actions were suggested by respondents:

- English requirements set at or above the B2 level
- Institutions conduct interviews and request written work from every student to determine proficiency
- QAA have asked alternative providers to comment on this as part of the Annual Monitoring returns for 2015.
- Chapters B2 and B10 of the quality code mean validating bodies should ensure that appropriate systems are in place at partner institutions.
- In December 2014 Pearson raised English language expectations for level 4 study and above to IELTS 5.5. It is currently consulting on the level for a language requirement for Higher Nationals.
- Existing inspections could help ensure standards are met.

Possible further actions suggested included:

- A BIS managed English proficiency test and monitored language support
- Regular auditing of language assessment
- Allow other tests to be acceptable proof including secure online options
- Alternative providers (with degree awarding powers) should be able to decide on the appropriate proficiency levels for their courses
- A regulatory body with powers to inspect providers
- Include details of language expectations in key information institutions are required to provide
- HEFCE funded providers have access to pre-sessional English courses, this should be extended to alternative providers
- Give special attention to new and rapidly expanding providers

Organisations suggested as best placed to support this strengthening included:

- The QAA could be given a wider remit for checking admissions compliance

- Awarding bodies and quality assurance agencies could help strengthen assessment arrangements
- Universities and FE colleges
- Providers can ensure standards are met and provide English classes.
- UKNARIC could support providers to strengthen admission arrangements.
- The British Council
- The Border Agency (now UK Visas and Immigration)
- Validating Universities could confirm their entry requirements
- The SLC could collect proficiency data from all providers, without confirmation of proficiency; loan payments could not be released

Q6. How can we ensure that the introduction of a minimum standard of English language proficiency does not have an unintended adverse effect on existing good practice?

A number of respondents did not think that the introduction of minimum language standards would necessarily have an adverse effect on existing standards or good practice by providers. However, those that did think that mitigations would be required to avoid unintended consequences suggested a number of measures including:

- Flexibility and discretion for providers in applying the requirements and assuring proficiency
- Clarity on who is affected
- Ensure evidence provision/ testing is accessible and not too onerous or expensive
- Exceptions for instances where language tuition is part of the course and allow pre-sessional English study in the UK
- Monitoring equality and diversity in institutions
- Access courses treated as meeting the English entry requirements for all degrees

Quotes:

“By allowing providers a degree of discretion in exceptional circumstances, provided that they exercise that discretion within published guidance and document their decisions adequately.” [Alternative Provider]

“The UK government cannot expect “good colleges” to grow and contribute positively to a modern, diverse higher education sector if that same government artificially hampers new entrants’ ability to compete.” [Alternative Provider]

“Government will need to be wary of one-size-fits-all approaches. An approach which is too tightly mandated could overlook any existing good practice and unnecessarily constrain institutions whose students’ language proficiency is already sufficient. Both BIS and Home Office will need to bear this in mind. A way of recognising this might be to allow providers to

articulate clearly what their own processes are for managing this aspect of admissions (during annual monitoring).” [Representative body]

Q7. Do you agree that alternative providers should ensure that students have a minimum standard of English language proficiency before they start their course, rather than learning English alongside the course?

56 or 80% of respondents agreed that minimum standards of English should apply before students begin courses.

Respondents cited a number of reasons for the application of minimum language requirements from the outset. These included ensuring students are able to benefit from courses immediately and not compromising the learning experience of others on the course.

A number of respondents suggested that additional ongoing language support could be provided for students, having met the minimum standard, throughout their courses. One respondent noted that assistance with specialist subject specific language may be helpful.

Flexibility in how the requirement is applied was also highlighted as useful; one respondent suggested setting the minimum slightly lower to acknowledge that proficiency will improve during study. Consistency with how requirements apply to the wider HE sector was another ask.

Quotes:

“Learning takes place at all levels of the course and, if English Language proficiency is weak at the beginning of a course, basic building blocks in the learning may be missed.” [Alternative Provider]

“In order to engage with the demands and opportunities of higher education, students need at the very least to have already achieved competence at Level B2. To expect students, who will, in any case, be struggling academically due to their lack of proficiency in English language, to take on a double workload as they work to achieve the threshold language standard and, alongside, to study their substantive course is unrealistic and irresponsible.” [Higher Education Institution]

“Such a requirement would have a radical, negative impact on the widening participation objectives of alternative providers...” [Alternative Provider]

Government response

There is currently no minimum language requirement for home and EU students studying at alternative providers. The majority of respondents agreed with our proposals to implement a minimum language proficiency requirement at level B2 for students at all alternative providers from the outset of the course (rather than learning in parallel).

As part of the annual re-designation process, we will therefore require alternative providers to demonstrate how they are ensuring all their students meet the minimum B2 level (5.5-6.5 on the IELTS scale) language requirement from the 2016/17 academic year.

In line with existing lighter touch requirements, we do not propose to apply this requirement to alternative providers with degree awarding powers, who do not undergo annual re-designation.

We will not be prescriptive about how providers assure themselves that students meet the minimum language requirements, but expect providers to take a pragmatic approach on what they require from different groups. Examples of acceptable forms of proof will be given in guidance.

This will apply to both home and EU students. Non-EU students are already bound by Tier 4 visa language requirements.

Proposal 2: Better information for prospective students

This section explored the information that alternative providers should provide to prospective students. High quality information will enable students to make informed choices about their future. The consultation asked whether and how alternative providers of all sizes should provide Key Information Set (KIS) data.

Q8. Do you agree in principle that alternative providers should be required to provide information to prospective students through the Key Information Set?

51 or around 73% of respondents said that alternative providers should provide KIS data. Many commented that there should be parity between Universities and alternative providers in terms of the information they must provide.

8 respondents (11%) said alternative providers should not provide KIS data. Respondents from both sides of the debate raised concerns including that:

- KIS data is flawed and should be reviewed first to see how it applies to different sorts of alternative providers (e.g. part time and distance learning providers)
- The cost and administrative burden of providing this data may be prohibitive for some alternative providers.

Others argued that because of the nature of recruitment at some small niche providers, KIS information is not used by students.

Quotes:

“In the spirit of the 'level playing field' we feel it is essential that all organisations are compared on a like-for-like basis.” [Alternative Provider]

“On grounds of equity and transparency it is important to provide the same information. However, we should continually review the key information set to see if it is giving useful information to students.” [Higher Education Institution]

“The introduction of the KIS was a major step forward in information provision in our public universities. There is perhaps an even greater need to ensure standardised and accurate course information is available in private providers as many of them are new to the sector and students may struggle to find enough sources of information to make an informed choice, which is detrimental both to the student and the institution. There is also the clear need to provide transparency in the private HE sector so that alternative providers can be open to the scrutiny of students, regulatory bodies, government and the taxpayer.” [Representative body]

“The primary reason that we object to this request is there is insufficient evidence that students who attend alternative providers (or HEIs) actually use the Key Information Set in their decision making. The government may want them to use such information but if in practice they do not, then the rationale for compelling providers to generate it is unfounded. This is especially the case given the huge administrative burden that the Key Information Set would impose on small providers. If the government really believes that students use this information to make their

decisions then they should allow market forces to encourage providers to generate it rather than compel them to.” [Alternative Provider]

Q9. Do you agree that small providers should also be required to provide the Key Information Set to prospective students?

44 or 63% of respondents said that small alternative providers should provide KIS data. However, around half these positive responses raised concerns about the disproportionate cost and burden on small providers, a likely lack of meaningful data, the need to carefully manage the timing and burden and whether students would use the information.

12 responses (17%) said that small alternative providers should not provide KIS data because of the reasons given above primarily around cost and the meaningfulness of the data.

Quotes:

“Yes. Once the principle is accepted that consumers need the appropriate information there is no basis for excluding providers from this requirement since the focus is consumer protection. Provision of the information is part of the cost of doing business.” [Higher Education Institution]

“...the problem with implementing a universal requirement lies with the diversity of the AP sector. To begin with, some APs are genuinely so small that the data produced for/through the KIS could be next to meaningless.” [Alternative Provider]

“Students should have access to information about providers irrespective of size. However, we are very conscious of issues of cohort-size and burden in the smallest providers – including (but not limited to) those that are highly specialized in their provision.” [Representative body]

Q10. What alternative ways are there of providing comparable reliable information on employment outcomes and student satisfaction ratings to prospective students at small providers?

Respondents proposed various ways to collect student satisfaction information and employment outcomes. The most common proposal was for a system of student feedback, collected by institutions and made available on institution websites and elsewhere.

Others suggested methodology changes and relaxations to existing processes to make it easier and less costly for smaller providers to provide information. The use of existing information sources or platforms to gather KIS type information in a different way was also suggested.

Quotes:

“Probably none, but that is the point – there is no way of providing what does not exist.” [Alternative Provider]

“Some institutions subscribe to the I-graduate Student Barometer and it would be useful if this data could be included, as it covers data for all years of a programme as opposed to NSS which only collects data from students in their final year.” [Alternative Provider]

“Without a consistent approach there will be difficulty in providing comparable reliable information. Requirements could be placed on small providers to publish information, however feedback direct from students on Unistats (like TripAdvisor) might be a better idea. This could be done for all providers.” [Higher Education Institution]

Q11. What issues should the Government be aware of in requiring providers to publish the Key Information Set starting in the 2016/17 academic year?

Respondents said that cost and administrative burden are the issues of concern rather than the timing. Around 15 responses referred to concerns about 2016/17 being too early to meet this requirement.

Quotes:

“When the KIS was initially implemented it became clear that some of the data was not available and was not routinely held by institutions. If KIS were to be extended to alternative providers then they would be likely to face the same data issues and the amount of time and effort to develop KIS data should not be under estimated.” [Higher Education Institution]

“Alternative Providers that are not degree awarding bodies need some guidance from BIS on what is an acceptable drop out rate and completion rates. What does success look like in this part of the sector?” [Alternative Provider]

“For smaller providers who often charge comparatively lower fees, or those with a specific type of student who is unlikely to view or be affected by the KIS data, the resource demands may be less acceptable.” [Alternative Provider]

“The administrative burden this will impose on very small providers.” [Alternative Provider]

Q12. What interim measures could be introduced to make better information available to students before the full Key Information Set is available?

Most respondents argued against an interim solution given the potential for confusion when the full set is made available. They argued that, given the proposed timescales, all efforts should be made to implement the KIS, if that is the ultimate aim.

Some responses (around 10) suggested that BIS should provide a template for alternative providers to provide information from their own surveys on satisfaction ratings and employment outcomes. However, this would not necessarily provide comparable data, be accurate nor give clarity.

Quotes:

“It would be counterproductive to distract providers and regulators from this task with the introduction of additional interim measures. Any interim measure would inevitably also be confusing to a wide range of stakeholders including prospective students. It is, however, important that providers give close consideration to the advice on consumer protection in higher education recently issued by the CMA, and ensure they meet in full their legal obligation to provide students with the necessary material information on which to base their application decisions” [Representative body]

“Given the short timescales involved for full publication of the KIS, we believe it is not practical or necessary to publish any different, interim information. Indeed, it would not be beneficial to publish data that is not directly comparable for students.” [Alternative Provider]

“Alternative providers could be asked to provide information where they have it to be published but it should be made clear that the information is not equivalent and that comparative information will be available in future years.” [Alternative Provider]

Government response

The consultation confirms that alternative providers should be required to provide KIS data on all of their courses to prospective students from the 2016/17 academic year.

Respondents raised issues around the applicability of KIS data to small and niche alternative providers and costs that would be imposed, particularly of the National Student Survey and the Destination of Leavers from Higher Education Survey (DLHE) – which provide information that comprise the KIS.

We acknowledge this cost, however consider consistent and comparable provision of information for prospective students to be an important feature of ensuring students can make informed decisions.

We will therefore require all alternative providers to provide KIS data for the 2016/17 academic year across all of their courses (including those not designated for student support). This will give parity with the HEFCE funded sector.

Proposal 3: Relating student number controls to provider performance

The final proposal asked how the student number control system could help manage budgetary pressures and incentivise alternative providers to improve the quality of their outcomes through a performance based allocation system. Student Number controls have been used to control BIS's HE budgets and cap the number of students that providers can recruit each year. The consultation proposed a "basic" allocation of SNCs alongside a "performance" related allocation, to be determined on a formula or competitive bidding basis.

Q13: Do you agree with the overall approach to base student number controls for alternative providers on performance?

40 or 57% of respondents supported the proposed overall approach to link student number controls to performance, with quality value for money provision rewarded by the ability to grow.

However, this support was generally given cautiously, with concerns raised around:

- the need for accurate and fair measurement of performance, especially for smaller providers
- the increasing inequality between types of alternative providers and between alternative providers and Universities
- a potential drop in standard to the minimum acceptable and a more risk averse sector where innovation is stifled because of the risk of failure
- giving institutions fair warning of changes to their student number controls

Quotes:

"Where the balance of risk indicates that more is needed to ensure the tax payer is getting good value for money then it is appropriate to link performance success with number controls. Aligning the interests of the student/taxpayer with the alternative provider is the key to success." [Alternative Provider]

"The other BIS proposals are working towards bringing alternative providers more in line with mainstream providers; this proposal is a departure from this, as universities are not subject to the same controls." [Alternative Provider]

"... the approach does not take into account adequately enough the varying nature of alternative providers and therefore is in danger of not being equal across the board. For example we have many mature students on vocational training programmes who have other commitments and therefore completion rates can be reduced due to the demographic and circumstances of the students, which would not apply in a different situation." [Alternative Provider]

Q14. Do you agree that there should be a basic allocation and a performance-based allocation?

47% of respondents agreed with a basic and performance based allocation approach to student number controls, around 29% (20) did not and 24% (17) did not give a definitive answer.

Questions around practicalities included applicability across different alternative providers, what standards would be, how they would be measured and timeliness of allocations. There were also concerns around an increased threat to non-traditional students who may be penalised by institutions seeking to minimise risk and uncertainty created by the performance related allocation.

Of the positive responses, it was agreed that this approach would help institutions plan better, give more stability and be a good incentive to enhance the quality of provision.

Quotes:

“... where there is a performance- related allocation made this should then become part of the baseline for a minimum period. Of course providers would be required to continue to achieve quality outcomes over that period, but there should not be a disruptive annual bidding process unless a provider wishes to grow further...” [Alternative Provider]

“A ‘basic’ allocation help to support stable planning, whereas a performance-related element could introduce uncertainty...” [Representative body]

“Splitting this number into a basic allocation and an additional performance-based allocation does not perhaps seem to be best suited to institutions like us that have a certain capacity that they can fill but would not want to increase hugely. We already aim to provide the best possible tuition to our students and would not necessarily benefit from a performance incentive in order to keep enhancing our provision.” [Alternative Provider]

Q15. Do you agree that there should be a minimum quality standard that providers must meet in order to receive any allocation of places?

The majority of respondents (79%) believed that minimum standards are essential help ensure quality and protect the interests of those using and supporting the sector. However, respondents asked for clarity on what providers would be assessed on, the level at which standards would be set and how they would be assessed.

A number of respondents said that existing QAA reviews should be used as a consistent way to check the quality of providers and courses. Respondents said that minimum quality standards would help build confidence in the sector and should help stop providers not meeting quality thresholds from accessing public funds.

One provider said that standards were already rising and that measures were not necessary to allocate student places.

Quotes:

“Absolutely. It is impossible to argue otherwise. However, there must be some discussion about how this minimum quality standard is set. It seems sensible that this is linked to a satisfactory QAA Review and compliance with all QAA requirements (and not to the other measurements which would be applicable to performance). Since the consultation suggests that the basic allocation could be reduced year-on-year (or even eliminated) if a provider does nothing more than meet the minimum quality standard, it would seem sensible to link this allocation exclusively to the QAA Review.” [Alternative Provider]

“A minimum quality standard should be met by all providers to ensure the best quality of teaching and this should be monitored/ assessed by the appropriate Government Bodies such as QAA annual monitoring process/reviews.” [Alternative Provider]

“This approach will better ensure the quality of provision available to students and safeguard the education experience of students.” [Awarding organisation]

Q16: Which option for allocating performance pool places do you prefer, formula or competitive bidding? Are there other approaches which should be considered?

27 or 39% of respondents preferred a formula based approach to allocating Student Number Controls; however 30 or 43% did not make a clear decision, with a number asking for further information to make an informed decision or saying that a combination approach would be preferable, using both formula and competition.

19% of respondents favoured competitive bidding outright.

Quotes:

“A formula would provide a consistent, transparent approach, relying on data already collected for all providers. Competitive bidding would introduce another process, with attendant administrative costs for both providers and the agency undertaking analysis. Setting a threshold standard would be clear and should have the consequence of raising standards for all”. [Alternative Provider]

“The formula approach does not make much sense given that some providers might not want to expand, or might not have the physical and human resources to expand. A competitive bid would allow such factors to be taken into account to ensure that the student experience will not be compromised by expansion”. [Alternative Provider]

Q17. Do you agree with the types of performance information proposed as the basis for measuring alternative provider performance in the context of setting student number controls? Please give reasons for your answer and suggest any other measures that should be considered.

40 or 57% of respondents agreed with the proposals for measuring alternative provider performance and 20% (14) did not.

However, a variety of issues around implementation were raised by respondents. The most common concerns was that a standardised approach may have unintended consequences when applied to the wide range of providers in the sector. Alternative providers are often providers of flexible or niche provision, with small numbers of students and differing intended outcomes. Respondents felt the way information is gathered and used should account for this and also consider contextual/ qualitative information.

Another common argument was that the proposals should apply to all providers, including those that are publically funded.

Quotes:

“Performance based controls would not work of us. The percentages would be skewed due to the small numbers. If one student withdraws, out of 10, that’s 10% and looks really bad. Worse still, 1 out of 2 International students withdraws, that is 50%. Standards are already rising without requiring such draconian legislation.” [Alternative Provider]

“Student drop-out rates are a key performance indicator although variations should be noted for different study methods. For example, drop-out rates for distance learning courses may be higher for students studying via traditional methods therefore should the same parameters be applied?” [Higher Education Institution]

“I agree that poor retention is a good measure of performance as a starting point. Ultimately student satisfaction and student achievement rates should be considered, with benchmarks set for ‘types’ of delivery, i.e. part time, distance learning, attendance based. To use the same benchmarks across the board would not create a level playing field. I also think that the levels of fees charged by institutions should be taken into consideration. If an institution charges less for the equivalent course, and fulfil the other criteria, then they should have a higher allocation of students.” [Alternative Provider]

Government response

Responses to this section of the consultation were less definitive than for proposals one and two. Respondents agreed that providers should meet minimum quality standards to receive any allocation of places at all, and while over 50% agreed both with a basic and performance allocation, respondents asked for more detail on implementation as well as what would be measured and how.

Respondents thought that linking performance to SNCs would protect students, preserve the integrity of the sector, help ensure value for money, help ensure quality provision and enable growth only where there is quality.

It is important to note that there has been a lot of growth at alternative providers, specifically those offering Higher National qualifications. There remains a clear risk that if growth happens too quickly, quality of provision and value for money suffer. Retaining SNCs for alternative providers alongside a “basic” and “performance pool” SNC allocation system is clearly a different approach to the HEFCE funded sector, however will help address this risk.

We plan to move towards a combination of both “formula” and “competitive bidding” for additional SNCs. We intend to link SNCs to provider performance, giving providers that meet the required standard a “basic” SNC allocation and those exceeding it the opportunity to bid for further “performance pool” places. We expect overall Higher National places to remain at 2014-15, control levels, alongside significant growth in numbers on degree level courses.

Any additional SNC will form part of the providers’ baseline SNC for the following year.

We will align the performance pool criteria with the Teaching Excellence Framework. Those providers that perform well will continue to have the option to increase their numbers and those that are the weakest will be able to offer fewer places to prospective eligible students than in previous years.

Overall conclusion

Responses to the consultation were on the whole supportive of the proposals outlined in the consultation. Respondents understandably sought clarity on a number of issues, primarily around implementation.

The Government will therefore proceed with the three proposals in the consultation to:

1. Require students at alternative providers on courses eligible for student support to have a proficiency of English Language skills assessed at minimum international level B2 equivalent to 5.5-6.5 on the IELTS scale on starting the course
2. Require all alternative providers to produce Key Information Set data for all courses.
3. Link alternative providers' performance to their student number control, with a “basic” allocation for providers meeting the required minimum standards and a “performance pool”, which the best performing providers will be eligible to bid for.

Further details on how these proposals will be implemented for the 2016/17 academic year will be published in forthcoming guidance.

Equality Assessment

This section analyses and considers the effects on equality on the proposals to:

- require Alternative Providers to demonstrate how they are ensuring all their students on designated courses have a proficiency of English Language skills assessed at minimum international level B2 or equivalent upon starting the course
- relate alternative providers' Student Number Controls can recruit to their performance via a 'basic' and 'performance' linked allocation

Analysis

Analysis has shown that in general, students who study at alternative providers tend to belong to particular groups, including those that have protected characteristics compared to those at publicly-funded providers. Students tend to be older, more likely to be from low income households and more likely to be from a non-white ethnic group.

In addition, BIS research (2013) finds that students studying at privately funded HE providers are more likely to be mature, studying part-time and distance learners. A substantial proportion surveyed also follow distinctive course models such as 'compressed' degrees lasting less than three years.

Impact

- A typical student affected by these policies would be more likely to have a parental income of below £25,000 than both the group of all students at alternative providers and the wider student population.
- A typical student affected by these policies would be more likely to fall into the over 21 age banding than both the group of all students at alternative providers and the wider student population.
- A typical student affected by these policies would be more likely to be a man in comparison to all students at alternative providers and the wider student population.
- Based on limited ethnicity data, ethnic minorities are likely to be disproportionately affected relative to the wider HE population, however when comparing the affected group with all student support recipients at alternative providers there is an increase in representation from the white ethnic group
- Students at alternative providers (who receive student support) are less likely than students at public providers to claim Disabled Student's Allowance (DSA) (5% compared with 9%). Additionally, those in the affected group are even less likely to claim (2%). Therefore based on the analysis of SLC data, we do not expect students with disabilities to be disproportionately affected by these policies proposals, as a typical student affected by the policy is less likely to claim DSAs (and by proxy have a disability) than the group of students at alternative providers and the wider group of students at public providers.

Policy proposal: Strengthening English language requirements at alternative providers

There are not currently any minimum language requirements for home or EU students at Alternative Providers. Non-EU students must comply with the language requirements of their Tier 4 visa.

We can use SLC data to reflect the impact on providers with designation for student support and view the SLC data as the best representation of the affected group available. We estimate that 4% of all students at alternative providers will be affected by the policy proposal. This is the equivalent to 22% of students at alternative providers who receive some form of student support.

Justification

It is not in the best interests of prospective AP students or the wider sector to admit students on to courses they cannot benefit from because they do not have the necessary English proficiency to understand the content.

Students claiming up to £6,000 a year in student support should expect that this goes towards a course they can understand and effectively engage with. Similarly, Government must take measures to ensure that public funds (in this case student support) are spent appropriately and for the purpose intended. Student support paid to students that cannot engage effectively with their course because of a significant language barrier does not represent good value for money.

Policy proposal: Relating student number controls to provider performance

Linking student number controls, the number of places eligible for student support, that individual providers are able to offer each year, to how the providers perform potentially means that some providers will be able to offer fewer places to prospective students than in previous years.

Students at alternative providers are, on the whole, more likely to be from a group with protected characteristics. Therefore, alternative provider provision that may be better tailored to or more heavily used by these groups may reduce.

Justification

Linking the number of places available at alternative providers to their performance will help to promote high quality provision and incentivise providers to maintain and improve their performance. This measure will help protect students from poor quality provision by incentivising providers to improve and/or maintain the quality of their offer.

Although some of the students referenced above may have reduced access to provision, only lower quality provision will be reduced. We are incentivising quality provision and supporting high performing providers to grow, so that students have more access to better provision and can be increasingly confident of enjoying the benefits associated with HE at the level advertised.

Higher quality provision should also help ensure that the wider effects of HE participation are felt both throughout the economy and through the exchequer. This will also help ensure proper stewardship of public money. BIS manages the amount it needs to spend on student support at alternative providers and better value for money for the student and the public purse is delivered when the greatest possible proportion of students study at providers with the highest quality performance.

Conclusion

These measures are likely to disproportionately impact on groups with protected characteristics because they are on the whole more heavily represented at alternative providers than at public providers of higher education.

However, we do not consider stopping providers recruiting students who are not able to pass courses or reducing public expenditure on lower quality provision as disadvantaging students from any group.

These measures will help ensure that the provision that remains is of a high quality and that those studying it are able to pass the course. Neither the student nor tax payer should pay for courses that students are unlikely to pass or that do not represent good value for money.

List of respondents

Academy of Live and Recorded Arts (ALRA)

Admissions Testing Service

Anglo-European College of Chiropractic

Architectural Association School of Architecture

The BIMM Group

BPP University

Brit College

British Institute of Technology & E-commerce

Brunel University

Buckinghamshire New University

Cambridge English Language Assessment

Catholic Education Service of England and Wales

Cliff College

The College of Estate Management

Competition & Markets Authority

Diane Reddell - individual

Edge Hotel School

Edinburgh Theological Seminary

Futureworks Training Ltd.

GSM London

GuildHE

HESA

ifs University College

Independent Universities Group

Institute of Contemporary Music Performance (ICMP)
The Interactive Design Institute Ltd
Kaplan Open Learning (Essex) Limited
Linking London, hosted by Birkbeck, University of London
London Centre of Contemporary Music
London Churchill College
London School of Business and Finance
London School of Business and Management
London School of Theology
Luther King House Educational Trust
The Manchester College
Middlesex University
Mont Rose College
Moorlands College
Navitas UK Holdings Limited
Nazarene Theological College
Nelson College
Norland College
The Northern College of Acupuncture
NUS
Oak Hill College
Office of the Independent Adjudicator for Higher Education
The Open University
Pearson
QAA

Resource Development International Ltd.

Richmond the American International University in London

Royal Academy of Dance

Southampton Solent University

Spurgeon's College

St. Mellitus College

St. Patrick's International College

Staffordshire University

Study UK

Teesside University

UNISON

University and College Union

University of Derby

University of Essex

The University of Law

University of Reading

University of Sheffield

West London College of Business and Management Sciences Ltd

WHICH

2 respondents for whom no details were submitted



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