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Policy paper

2010 to 2015 government policy: access to higher education

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Issue

The government wants to ensure the system for funding universities is financially sustainable. We think we can achieve this by asking graduates - the people who benefit most from higher education - to pay more towards their education than they have in the past.

We also want to ensure higher education institutions provide innovative, high quality learning. We believe the way to do this is by making institutions compete to attract students and the funding they bring with them.

Actions

We have:

- created a new funding system for higher education, where graduates contribute more to their education
- created a more diverse, competitive higher education sector by reviewing the way alternative providers can access funding

Background

In May 2010 the government's coalition agreement stated our aim to create a more sustainable way of funding higher education.

The Independent Review of Higher Education Funding and Student Finance identified 3 problems with the existing funding system:

- the need for financial sustainability
- wider participation
- higher quality.

Its report, Securing a Sustainable Future for Higher Education, published in October 2010, looked at the case for a number of possible solutions.

The options considered were:

1. do nothing (keep current system with no reduction in government funding)
2. cut the number of students
3. reduce government funding

The impact assessment in the June 2011 consultation Higher Education: Students at the heart of the system gives full details of these options. The consultation asked for views on proposals to create a more sustainable way of funding higher education in June 2011.

Who we've consulted

We consulted on applying student number controls to alternative providers with designated courses. We concluded that alternative providers need to

meet new conditions so they can be designated for student support purposes.

Bills and legislation

The Higher Education Act 2004 ☐ enabled universities to set their own tuition fees, known as 'variable tuition costs'. They were introduced from academic year 2006 to 2007.

The Teaching and Higher Education Act 1998 ☐ gives the Secretary of State power to make annual regulations setting out the support available to students going into higher education, and how and when student loans will be repaid.

Since academic year 2006 to 2007 a loan to cover the full cost of tuition has been available to eligible students studying at publicly funded providers, which is repaid only after the student has secured employment. This means that no eligible student is required to pay for their tuition up front.

☐

Impact

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In 2010 we carried out an impact assessment on our proposals for higher education funding and student finance: Interim impact assessment: urgent reforms to higher education funding and student finance.

Partner organisations

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The Office for Fair Access (OFFA) - an independent body that promotes fair access to higher education by monitoring 'access agreements'. All English universities and colleges that want to charge higher fees must have an 'access agreement'. This outlines what each institution will do to attract and support students from disadvantaged backgrounds

Higher Education Funding Council for England (HEFCE), which administers public money for higher education teaching and research to universities and colleges. HEFCE helps ensure accountability and promotes good practice in the sector.

Student Loans Company (SLC) - a non-profit making organisation that provides loans and grants to students in universities

The Office of the Independent Adjudicator for Higher Education (OIA) - an independent body that runs a student complaints scheme in England and Wales

UCAS, which manages applications to higher education courses in the UK

The Quality Assurance Agency for Higher Education (QAA) - an independent body that assures standards and improves the quality of higher education

Appendix 1: creating a more diverse, competitive higher education sector

This was a supporting detail page of the main policy document.

In the higher education (HE) sector there are 2 kinds of institution, each governed by a different set of rules:

- publicly-funded providers
- alternative (privately funded) providers of HE, eg 'private' universities

Different rules

The differences in the way the rules apply to alternative providers are that:

- they cannot automatically access the government-backed tuition fee loans and grants available to publicly-funded providers
- they are not subject to the tuition fee cap
- they are not required to subscribe to the Office of the Independent Adjudicator
- they need government approval for each course before students taking them are eligible for government-funded tuition fee loans and grants
- they do not face the same quality control measures and are not subject to the same public information requirements as publicly funded providers
- they are not subject to the same limit on the number of student places that applies to publicly funded providers

Introducing new arrangements for courses at alternative providers

We are reviewing the process by which alternative providers access student support. We will be introducing some extra requirements for all alternative providers as conditions of accessing this support in future, including:

- limits on the number of students

- more tough and transparent requirements on quality assurance
- more tough and transparent financial sustainability, management and management checks

These measures will help us provide an equal chance to all higher education providers whose students access government-backed tuition fee loans and maintenance support.

We consulted on [applying student number controls to alternative providers with designated courses](). We concluded that alternative providers need to meet new conditions so they can be designated for student support purposes.

Appendix 2: creating a new funding system for higher education

This was a supporting detail page of the main policy document.

The government has introduced a new, more sustainable funding system for higher education. All publicly funded providers of higher education can now charge students tuition fees of up to £9,000 a year for a full-time course.

Students can take out loans for their tuition fees and pay them back once they are working and earning above the repayment threshold of £21,000 a year.

Tuition fees and financial support

As we're asking graduates to pay higher tuition fees, we're introducing a new system of financial support for all eligible students:

- no upfront tuition fees
- all students can apply for a loan for tuition fees
- more grants available to help with living costs
- more financial support for students from low income backgrounds through the National Scholarship Programme and 'access agreements'

The student finance calculator estimates what loans, grants and extra help are available to students.

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