



House of Commons  
Education Committee

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# Value for money in higher education

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## Seventh Report of Session 2017–19

*Report, together with formal minutes relating  
to the report*

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## The Education Committee

The Education Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for Education and its associated public bodies.

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Evidence relating to this report is published on the [inquiry publications page](#) of the Committee's website.

### Committee staff

The current staff of the Committee are Richard Ward (Clerk), Katya Cassidy (Second Clerk), Chloë Cockett (Committee Specialist), Anna Connell-Smith (Committee Specialist), Victoria Pope (Inquiry Manager), Natalie Flanagan (Senior Committee Assistant), Olivia Cormack (Committee Assistant), Hajera Begum (Committee Apprentice), Gary Calder (Senior Media Officer) and Oliver Florence (Media Officer).

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## Summary

England is home to many of the world's best performing higher education institutions, leading in both teaching and research. Almost half of young people enter higher education, and the number of disadvantaged young people studying is rising. Our most successful institutions offer their students excellent teaching and learning, preparing them for high quality employment and ensuring value for money.

However, higher education is still not as accessible as it should be, and some institutions are failing in their efforts to admit a more diverse range of students. We encourage universities to be more transparent about their contextualised admissions processes and invest their widening participation budgets in programmes which will lead to real change. The Government must urgently address the decline in part-time and mature students and re-introduce a system of maintenance grants for the most disadvantaged students.

Alongside a drive to improve social justice, higher education must play a more significant role in meeting this country's skills needs and preparing students for the Fourth Industrial Revolution. Degree apprenticeships are crucial to filling skills gaps and boosting this country's productivity. We strongly urge the Department for Education and the Institute for Apprenticeships to fully support and champion the expansion of degree apprenticeships. These courses offer students the opportunity to gain a degree whilst earning a wage rather than incurring tuition fee debt.

The excessive salaries of Vice-Chancellors are disconnected from a value for money offer for students. The Office for Students must take a much firmer stance on senior management remuneration and not be afraid to intervene, especially when institutions pay their Vice-Chancellor more than eight times the average staff salary. We are pleased that there has been an increase in graduate employability data, but we are concerned about relying too heavily on the information to hold institutions to account.

Alongside offering degree apprenticeships, universities must move away from a linear approach and embrace more flexible types of learning. Accelerated degrees should be made an option for more learners, alongside credit transfer, work placements and the ability to pause studying for periods of time. Only through a step away from the rigid, traditional three-year undergraduate study approach can universities ensure they are open to students from all backgrounds.

The current review of post-18 education and funding offers the Government the opportunity to re-shape the sector. We believe that the future of higher education should be more skills-based leading to appropriate professional graduate-level and skilled employment destinations. Higher education must become more flexible and focused on helping students from disadvantaged backgrounds climb the ladder of opportunity.

# 1 Introduction

1. Our inquiry has been conducted at a time of increasing public scrutiny of the higher education (HE) sector, and significant questioning of the extent to which universities offer their students and graduates value for money. Although the inquiry has primarily considered value for money in terms of the student, and the graduate, we also looked at it in terms of wider society, the taxpayer and the economy.

2. The marketisation of higher education has led to the term “value for money” becoming embedded in public discourse. The recommendations of the 2012 Browne Review, and subsequent introduction of £9,000 fees, fundamentally changed the relationship between the student and their institution. Students increasingly want to know where their money is going, the quality of the product they will receive and what they should expect in return.

3. The extent to which the concept has become ingrained in higher education is demonstrated by the fact that ensuring “that students receive value for money” is one of the Office for Student’s (OfS) four core objectives.<sup>1</sup> It is also one of the terms of reference of the Government’s review of post-18 education. The creation of the OfS as the market regulator, together with the introduction of the Teaching Excellence and Student Outcomes Framework (TEF), have driven the narrative of students as consumers, and forced the question of value for money to the forefront of higher education policy.

4. Value for money in higher education has been defined in a variety of ways throughout the inquiry. These can be broadly divided into value to the economy, and value to the individual both in a non-monetary and monetary sense. Clearly there is no one definition of value for money, and our inquiry has sought to take evidence across the spectrum of views. In written evidence Universities UK framed it in terms of value to the economy and told us that “in 2014–15 universities generated over £95bn of gross output, supported more than 940,000 jobs across the UK, and contributed £21.5bn to GDP”.<sup>2</sup>

5. The Education Policy Institute discussed value for money in terms of non-monetary benefits for the individual:

Graduates have higher levels of trust, are more involved in civic activities such as volunteering and are more politically involved than non-graduates. Therefore, it can be argued that there are other non-monetary returns to a university degree, and that value for money should not be limited to earnings but should include all the benefits experienced by graduates.<sup>3</sup>

6. Our report looks at value for money in terms of fairness to students and the taxpayer, wider societal benefits, the quality of teaching received by students, social justice for disadvantaged students, graduate employability, academic research and scientific endeavour.

7. We have sought during our inquiry to re-define the concept of an ‘elite’ university. We believe that for a university to be regarded as elite it must prepare students to find high-quality graduate employment and focus its provision on meeting this country’s skills needs. It must also provide opportunities to students from lower income households. Elite

<sup>1</sup> OfS, *Securing student success: Regulatory framework for higher education in England*, February 2018, para 3

<sup>2</sup> Universities UK ([VAL0063](#))

<sup>3</sup> Education Policy Institute ([VAL0060](#)) para 3.1

universities should no longer exclusively be understood as those who deliver the traditional linear three-year undergraduate degree, but also those who offer degree apprenticeships, have a strong focus on work experience and offer flexible learning such as modular courses and accelerated degrees.

## Our inquiry

8. We launched our inquiry into value for money in higher education on 15 September 2017. The terms of reference were designed to be broad enough to attract written submissions from a wide range of individuals and organisations, and consider the concept of value for money from different perspectives:

- Graduate outcomes and the use of destination data;
- Social justice in higher education and support for disadvantaged students;
- Senior management pay in universities;
- Quality and effectiveness of teaching; and
- The role of the Office for Students.

9. We received 81 written submissions during our inquiry and took oral evidence on five occasions. Our witnesses included the Chair and Chief Executive of the OfS, Sir Michael Barber and Nicola Dandridge, a panel of current and former students and a panel of Vice-Chancellors. In our final session we heard from Sam Gyimah, Minister for Universities, Science, Research and Innovation, Department for Business, Energy and Industrial Strategy and Department for Education, and Philippa Lloyd, Director General for Higher and Further Education, Department for Education.

10. In addition to our formal oral evidence sessions, we held a private roundtable with 11 stakeholders in January.<sup>4</sup> We visited Warwick Manufacturing Group and the University of Warwick in February. During this visit we met degree apprentices studying with Jaguar Land Rover, Rolls Royce and Dyson, as well as undergraduate engineering students and staff. In July we visited the Dyson Institute of Engineering and Technology in Malmesbury. During the visit we met staff and degree apprentices studying on its new four-year general engineering degree. We are grateful to our hosts and all the students and staff we met during both visits.

11. During the course of the inquiry the Chair visited the Universities of Bedfordshire, Essex, Hertfordshire, Middlesex and Nottingham Trent, and had further meetings with a range of HE providers.<sup>5</sup>

12. In December 2017 the National Audit Office (NAO) released a report on ‘The higher education market’,<sup>6</sup> and the Public Accounts Committee published its report in June.<sup>7</sup> Two other parliamentary committees have conducted inquiries on higher education in the past

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4 See Annex 1 for further details

5 Further meetings with the Chair are detailed in Annex 2

6 NAO, [The higher education market](#), HC 629, December 2017

7 Public Accounts Committee, Forty-Fifth Report of Session 2017–19, [The higher education market](#), HC 693, June 2018

year. On 18 February the Treasury Committee published a report on Student Loans.<sup>8</sup> The House of Lords Economic Affairs Committee published its report on ‘Treating Students Fairly: The Economics of Post-School Education’ on 11 June.<sup>9</sup> Whilst each of these reports cover different areas of higher education policy, there is some crossover between the reports. For the most part our report has not focused on student finance, or the debate around market forces in higher education.

## The Government’s review of post-18 education and funding

13. On 19 February the Prime Minister announced a “major” review of post-18 education and funding. We agree that it should focus on access to higher education for students from disadvantaged backgrounds, the decline in part-time and mature students, and non-traditional routes through higher education including degree apprenticeships. We are also encouraged that the review will look at the “whole post-18 education sector”, including further education and the skills the economy needs.<sup>10</sup>

14. The wide-ranging review gives the Government the opportunity to begin a shift in higher education policy away from the traditional three-year degree model to a more flexible, less linear approach. It also provides the opportunity for the Government to address the regressive system of student support which has led to the decline in part-time and mature learner numbers, and financial worries of full-time students. The recent Diamond Review in Wales is a good example of a review which recommended a holistic system of financial support.

15. The scope of the review’s recommendations may be limited by the Government’s decision not to “make recommendations related to the terms of pre-2012 loans or to taxation, its recommendations must be consistent with the Government’s fiscal policies to reduce the deficit and have debt falling as a percentage of GDP.”<sup>11</sup> By indicating that the core principles of the current system will not be re-designed, there is a risk that the review will fail to overhaul the system in way which will benefit students or graduates.

***16. We encourage the post-18 education and funding review to be brave in its approach, to design a holistic funding model which supports a wider range of pathways and prioritises support for disadvantaged students. The Government must take this opportunity to signal a move away from the traditional linear approach which currently dominates. The future of higher education should be more inclusive, more skills-based and more focused on value for money for students.***

8 Treasury Committee, Seventh Report of Session 2017–19, [Student Loans](#), HC 478

9 House of Lords, [Treating Students Fairly: The Economics of Post-School Education](#), Second Report of the Economic Affairs Committee, Session 2017–19, HL Paper 139

10 “[Prime Minister launches major review of post-18 education](#)”, HMG, February 2018

11 DfE, [Review of Post-18 Education and Funding: Terms of Reference](#), February 2018



## 2 Value for money for students and the taxpayer

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### Transparency on tuition fee spending

17. In its written evidence the Department for Education (DfE) stated that under the new OfS registration conditions, providers:

will be required to publish a statement on the steps they have taken to ensure value for money for students and taxpayers which provides transparency about their use of resources and income. Providers should design this statement to allow students to see how their money is spent, following examples from other sectors, such as Local Authorities, publishing breakdowns of how Council Tax is spent.<sup>12</sup>

18. The Minister confirmed in oral evidence that the statement document is an idea he is “very keen” on and that “students are entitled to know this information”.<sup>13</sup> The OfS regulatory framework states that “Section 69 of HERA [Higher Education and Research Act 2017] enables the OfS to conduct efficiency and effectiveness studies in the management or operations of a registered provider. This is designed to allow the OfS to ensure that providers are delivering value for money for students and taxpayers”.<sup>14</sup> Sir Michael Barber, Chair of the OfS told us:

Value for money is one of our four priorities as [the] Office for Students and in the regulatory framework we will be asking universities to give evidence of value for money in a whole range of ways. We do, if necessary, have powers to intervene if we think value for money is not being delivered.<sup>15</sup>

19. Some providers are already publishing information on where fees are spent on their websites. For example, the University of Essex breaks fees down in a pie chart:

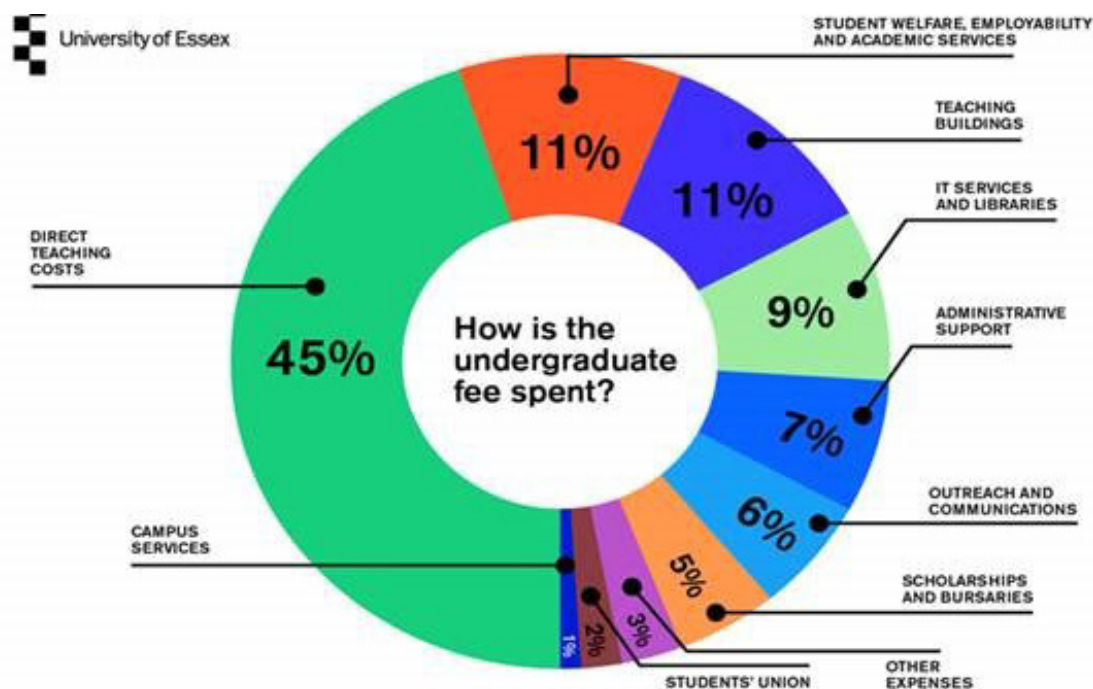
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12 DfE ([VAL 59](#)) para 3.12

13 [Q383](#)

14 OfS, *Securing student success: Regulatory framework for higher education in England*, February 2018, para 153

15 [Q250](#)



Source: University of Essex, 'How we use your tuition fees', accessed October 2018

20. *Every higher education institution should publish a breakdown of how tuition fees are spent on their websites. This should take place by the end of 2018, and we recommend that the Office for Students intervenes if this deadline is not met.*

### Senior management pay

21. The issue of pay of senior management in universities was raised throughout our inquiry, echoing much of the attention which the issue received in the mainstream media. The Times Higher Education's survey of Vice-Chancellors' pay in 2016–17 showed that Vice-Chancellors were paid an average of £268,103 in salary, bonuses and benefits.<sup>16</sup> The £471,000 pay package of the Vice-Chancellor of Bath attracted particular attention and led to the resignation of Dame Glynis Breakwell. Sir Christopher Snowden, Vice-Chancellor of Southampton University, received £352,000 in 10 months in 2015–16 despite the university receiving a bronze in the TEF.

22. In evidence to us five Vice-Chancellors agreed that there was "public concern" over salary levels and that more should be done to improve transparency and openness.<sup>17</sup> Dame Janet Beer, Vice-Chancellor of the University of Liverpool and President of Universities UK, and Professor Louise Richardson, Vice-Chancellor of the University of Oxford, discussed salary levels in terms of the "global marketplace" and the international outlook of many of our most prestigious universities.<sup>18</sup> Nicola Dandridge, Chief Executive of the OfS, told us:

There is a sense in which some senior salaries have got out of kilter. There is a legitimate public concern about the levels of some of the salaries. [ ... ]

16 THE, 'The Times Higher Education V-C pay survey 2018', accessed October 2018

17 Q120

18 Qq113–124

Having said all of that, universities are autonomous and we have to respect that. It is critical that they try to sort this out themselves, acknowledging the wider public concern. [ ... ]

Yes, we have the powers. Yes, I think there is a problem. Yes, at the OfS we have to be prepared to deal with this and tackle it, but for the time being, we are waiting to see whether the sector can seriously address the issue and the levels of pay and ensure that they are justified. If they are not, the OfS will have to intervene.<sup>19</sup>

23. Although Nicola Dandridge is right to describe universities as autonomous, it is important to remember that universities are in receipt of both private and public money. The DfE's written evidence points out that while higher education providers are self-governing institutions with responsibility for setting salaries, the public are "the sector's most significant single funder" and "there is a legitimate public interest in the efficiency of these providers. This includes senior staff pay".<sup>20</sup>

24. A new voluntary Higher Education Senior Staff Remuneration Code was published by the Committee of University Chairs in June.<sup>21</sup> The code stipulates that institutions "must publish the multiple of the remuneration of the HoI [Head of the Institution] and the median earnings of the institution's whole workforce annually".<sup>22</sup> The code also sets out a new 'apply or explain' principle.<sup>23</sup> Under this principle an institution must publicly provide "meaningful explanations" for non-compliance with the guidance. The code states that the Vice-Chancellor should not be a member of the remuneration committee. They may attend meetings, but not be present for discussions "affecting him or her".<sup>24</sup>

25. The new code has attracted criticism for not going further. In particular the University and College Union (UCU) expressed disappointment that the code does not ban VCs from remuneration committees.<sup>25</sup> The new code has also been criticised for "watering down" the section on comparing VCs' pay to a multiple of median staff pay.<sup>26</sup> The original draft code was deemed to be stronger on this point. Nicola Dandridge responded to the code and the role of the OfS:

In recent years there have been a number of cases where the levels of pay for some vice-chancellors, and increases in their pay, are out of kilter with pay levels elsewhere, and that must change. Vice-chancellors, and the governing bodies of universities, now need to show real leadership on this issue. While the code provides useful guidelines, tough questions need to be asked about high pay in the sector.<sup>27</sup>

26. On 19 June the Office for Students published its account direction on financial statements.<sup>28</sup> It states that universities will have to provide the OfS with details of the total

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19 [Q58](#)

20 DfE ([VAL 59](#)) para 3.32

21 Committee of University Chairs, [The Higher Education Senior Staff Remuneration Code](#), June 2018

22 Ibid, p 6

23 Ibid, p 2

24 Ibid, p 6

25 "[Voluntary code on vice-chancellors' pay is 'woefully inadequate'](#)", UCU, June 2018

26 "[Universities to adopt watered-down code for vice-chancellors' pay](#)", *Guardian*, June 2018

27 "[Office for Students: new code on senior pay 'a positive step'](#)", OfS, June 2018

28 OfS, [Regulatory advice 9: Accounts direction](#), June 2018

remuneration package paid to their Vice-Chancellor, including bonuses and other taxable benefits. “A justification for the total remuneration package for the head of the provider” will also be required.<sup>29</sup> The OfS will ask providers to publish their pay ratios.

**27. Unjustifiably high pay for senior management in higher education has become the norm rather than the exception and does not represent value for money for students or the taxpayer.**

*28. The current system of self-regulation for senior management pay is totally unacceptable. We call for the Office for Students to publish strict criteria for universities on acceptable levels of pay that could be linked to average staff pay, performance and other measures that the Office for Students sees fit. The Office for Students should take swift action if this is not the case.*

*29. Institutions must routinely publish the total remuneration packages of their Vice-Chancellors in a visible place on their website. Vice-Chancellors must never sit on their remuneration boards and this should be enforced by the Office for Students.*

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29 Ibid, para 15.c

### 3 The quality of higher education

30. Our inquiry has heard evidence on forms of teaching and learning in higher education which move away from the traditional undergraduate three-year degree. We have also heard contrasting opinions on the Teaching Excellence and Student Outcomes Framework (TEF), and its ability to assess teaching quality.

#### The Teaching Excellence and Student Outcomes Framework

31. TEF was introduced in 2016 and assesses the quality of teaching in universities by ranking them as gold, silver or bronze. Participation in the TEF is currently voluntary, but in the future participation will be a condition of registration with the OfS. In June the DfE released the results of TEF3. The methodology was altered from the previous iteration in 2017, to halve the weighting on the results of the National Student Survey (NSS) and introduce a supplementary metric on graduate earnings using the LEO data. The Higher Education Research Act 2017 states that there must be an independent review of the TEF.

32. Throughout our inquiry we heard mixed reviews of the TEF and its ability to signal the quality of teaching in a broad range of institutions. Professor Husbands, also Chair of the TEF panel, told us that it has thrown a light on “the relationship between what universities set out to do and the outcomes their students achieve”, and that it has “benchmarked for the socioeconomic status and the other elements of the background of the student population”.<sup>30</sup> Professor Edward Peck, Vice-Chancellor of Nottingham Trent University, agreed that the TEF “gives that clarity about, at present, which universities are the best at providing an outstanding teaching and learning experience”.<sup>31</sup> University Alliance broadly welcomed the TEF:

As TEF enters its third year, and as subject-level pilots are introduced, it is important that it continue to be developed in a constructive matter. It must reflect different models of teaching excellence which exist in varied forms across UK higher education providers, and it must support innovation in teaching and learning.<sup>32</sup>

33. We heard strong objections to TEF from Professor Louise Richardson. She called it a “costly distraction” and the Russell Group has made no secret of its reservations about the metrics used. We also received written evidence from the University of Sheffield which said that although the ethos behind it is correct, its implementation is “fundamentally flawed”.<sup>33</sup> Several submissions rejected the idea of linking fees to TEF awards:

It would damage higher education if a variable tuition fee system was introduced based on either Teaching Excellence Framework (TEF) ratings or graduate earnings. All UK higher education is quality assured (and deemed to be excellent), and the TEF would be a blunt instrument on which to base a system of fee differentiation (and ultimately reduce the unit of student resource).<sup>34</sup>

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30 [Q85](#)

31 [Q88](#)

32 University Alliance ([VAL 61](#)) para 22

33 University of Sheffield ([VAL 55](#)) para 6.2

34 MillionPlus ([VAL 58](#)) para 8

34. Universities UK's review of the TEF after its second year raised further concerns from the sector.<sup>35</sup> The report presented survey results from 83 member institutions. Respondents were not confident that the TEF would make a positive contribution to student decision-making. Just 2% of respondents agreed that "the TEF will accurately assess teaching and learning excellence".<sup>36</sup> Two other recent research reports have indicated that students are not yet using the TEF to inform their decisions. Research by UCAS showed that just one in five applicants in 2018 knew what the TEF was before applying.<sup>37</sup> Similarly, a report published by the DfE found that although a majority of respondents had heard of TEF, only 15% (of prospective students) and 16% of (prospective and current students) had used or intended to use the TEF to inform their application choice.<sup>38</sup>

35. The Government intends to extend TEF to the subject level in 2019–20 and 2020–21. The first subject-level TEF pilot has recently completed and the second pilot will be carried out during the academic year 2018–19. Sir Michael Barber said that implementing subject-level TEF was one of the top priorities for the OfS.<sup>39</sup> Dame Janet Beer explained why she hopes the subject-level TEF will be helpful for students:

a student does not apply to the university in order to study philosophy, physics, English or chemistry. They apply for English at five different ones, so the only meaningful comparison for them is at the subject level, not the institutional level. Universities are big, complex organisations, and subjects and courses are different within that. I do hope that when we get to subject-level TEF, it is truly useful for students in terms of making that all-important decision about what kind of degree is going to suit them in the subject that they want to study.<sup>40</sup>

36. Full implementation of subject-level TEF will come after the independent review. Universities UK recommended that the independent review consider:

- That the principles of the TEF are based on shared definitions of excellence;
- An assessment of how the TEF is used by students and its impact on teaching practice and enhancement;
- The governance and phasing of future changes to avoid further piecemeal amendments that undermine the TEF's coherence for students and institutions using it.<sup>41</sup>

**37. *The TEF is still in its infancy and requires further improvement and embedding to become the broad measure of quality that we want it to be. We look forward to the independent review of TEF and recommend that it focuses on how the exercise is used by students to inform and improve choice. The review must include an assessment of how TEF is used in post-16 careers advice. For the TEF to improve value for money for students it must play a more significant role in the decision-making process of applicants.***

35 Universities UK, [Review of the Teaching Excellence Framework year 2](#), August 2017

36 Ibid, p 28

37 UCAS, [The Teaching Excellence and Student Outcomes Framework \(TEF\) and demand for full-time undergraduate higher education](#), June 2018, p 2

38 DfE, [TEF and informing student choice](#), June 2018, Para 1.29

39 [Q262](#)

40 [Q86](#)

41 Universities UK ([VAL 63](#)) para 3

## Flexibility in higher education provision

38. We have heard compelling evidence for greater flexibility in provision. Installing greater flexibility would make higher education more accessible and offer the best value for money for students. The Open University has particularly championed credit transfer and learning in ‘bite-sized chunks’. It has proposed a ‘universal credit transfer system’ where “learning validated by one provider has common currency throughout the system”.<sup>42</sup> Adopting this approach would allow students to ‘hop on and off’ from their learning, allow students to take study breaks, move to providers in different areas or alter the intensity of their study.

We urge an increased focus on policies that encourage rather than discourage provision of high quality flexible learning options. This will make higher education possible for time poor students already in work (the ‘earn and learners’), and for those who cannot study full-time for other reasons such as caring responsibilities, disabilities or long-term health conditions. Delivering greater choice is not just of benefit to the individual, but also, where applicable, their employer.<sup>43</sup>

39. Coventry University is also leading in its provision of flexible learning opportunities. Its campuses in Coventry, London and Scarborough mean students have more choice about where to study and provide flexible ‘life-shaped learning’.<sup>44</sup> Professor Marshall, Deputy Vice-Chancellor, Coventry University told us:

our college group has six entry points a year, modular at times, with self-contained learning. You can hop on and you can hop off. We do times in the day, so you are either a morning or an afternoon. You are always guaranteed that your course will be running in that timeslot. We do Saturday mornings.<sup>45</sup>

40. The University of Central Lancashire discussed the need for more flexibility in its submission.<sup>46</sup> In particular, it criticised the Government’s encouragement of a “linear” approach to higher education, which has both discouraged disadvantaged students from entering university and “failed to respond quickly to the ever-changing needs of the UK economy”.<sup>47</sup>

41. On the Government’s post-18 review Dr Gavan Conlon, Partner at London Economics, said:

The problem with previous reviews, and particularly the Browne review, is that there seems to be this focus on 18-year-old to 21-year-old full-time university-level education [ ... ] Pigeonholing these different types of learner just leads to an incredibly complicated system and unintended

42 Open University, [Social Mobility and the Office for Students – The Five Essentials](#), February 2018

43 Open University ([VAL 19](#)) para 8

44 Coventry University ([VAL 35](#)) para 2.5

45 [Q198](#)

46 University of Central Lancashire ([VAL 39](#))

47 Ibid, para 3.4



consequences, and we see that with the decline of part-time. That is because the focus was almost entirely on full-time 18-year-olds to 21-year-olds. You have to look at the whole thing.<sup>48</sup>

**42. *Institutions should move away from a linear approach to degrees, and enable more part-time, mature and disadvantaged students to study in higher education. We recommend that the Government's current post-18 review develop a funding model which allows a range of flexible options including credit transfer and 'hopping on and off' learning.***

## Accelerated degrees

43. We heard mixed views on the benefits of accelerated degree programmes. In December 2017 the then Universities Minister Jo Johnson announced a consultation on two-year, accelerated degrees.<sup>49</sup> The Government's proposals would allow institutions to charge up to 20% more each year for accelerated degrees. The Government has claimed that students could be £25,000 better off by doing a degree in two years.<sup>50</sup> This is calculated by a £5,500 saving in total tuition costs, compared to a standard three-year course, plus the average salary of £19,000 in the first year after graduating.

44. Professor Sir Ian Diamond, Chair of the independent review of higher education funding and student finance arrangements in Wales, told us that accelerated degrees could offer an alternative, mainly for mature students who wanted to gain a degree more quickly.<sup>51</sup> Dr Conlon discussed accelerated degrees in terms of the Government's post-18 review. He said:

There is a real issue about flexible learning, so in terms of the review I am very glad to see so much concentration on alternative routes such as part-time accelerated learning, and there are many individuals who would welcome a comparable level of support to full-time students but while undertaking qualifications on a part-time, accelerated or flexible basis.<sup>52</sup>

45. Students at The Edge Hotel School complete an undergraduate degree alongside management of a hotel. By completing the degree in two years students are able to enter the world of work more quickly, with less debt and high-quality experience of the workplace.<sup>53</sup> It told us:

Students are involved in every aspect of the operation and management of the hotel and, in their final level, undertake duty management roles effectively running the hotel and dealing with customers, many of whom have no idea that the hotel is an educational institution. Concurrent with this they are undergraduates, attending lectures, seminars and workshops

48 [Q192](#)

49 DfE, "[Government launches consultation on accelerated degrees](#)", December 2017

50 DfE, [Accelerated Degrees: Government Consultation](#), December 2017, p 4

51 [Q242](#)

52 [Q172](#)

53 Edge Hotel School ([VAL 84](#))



and reading for a University of Essex validated degree. There is no reduction in the academic rigor of the content or standards. There is no concession to the shorter ‘personal development’ time.<sup>54</sup>

46. However, some witnesses to the inquiry expressed apprehension about two-year degrees and largely agreed that they should not become the norm for undergraduate study. Professor Anna Vignoles, Professor of Education and Director of Research, Faculty of Education, University of Cambridge, added:

We also need to be clear what problem we are trying to solve. I have heard the two-year degrees being used as a solution to lower-income students getting higher education. If they cost the same, they are pro-rated, and it makes it harder to work during that two-year period, then it seems to me it is not an obvious solution to the problem that we have.<sup>55</sup>

47. The Open University pointed out that accelerated degrees will largely benefit those who can afford not to work for two years. It suggested that other forms of flexible learning such as banking learning credit would be much more suitable for students from lower income households.<sup>56</sup>

48. *More flexible approaches to higher education should be supplemented by the option for undergraduates of studying for two-year accelerated degrees alongside the traditional three-year model. The post-18 review should investigate potential funding models to clarify the benefits and costs of accelerated degrees, taking into account fees, living costs and post-study earnings.*

49. *The introduction of two-year degrees must not create a two-tier system where students from disadvantaged backgrounds are encouraged to take them on the basis of cost. The Government’s review of higher education should include an impact assessment of how accelerated degrees will affect disadvantaged students.*

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54 Ibid, para 4

55 [Q243](#)

56 The Open University ([VAL0019](#)) para 9

## 4 Skills

50. This country is facing a serious skills deficit. Two thirds of businesses surveyed in the 2017 CBI/Pearson Education and Skills Survey said that skills gaps are a threat to the UK's global competitiveness.<sup>57</sup> Over half of businesses included in the survey (61%) were “not confident there will be enough people available in the future with the necessary skills to fill their high-skilled jobs”.<sup>58</sup> Similarly, the EEF, the manufacturing and engineering trade body, told us that almost three-quarters (72%) of manufacturers are concerned with finding the skills they need for their business.<sup>59</sup> According to the Government's recent Employer Skills Survey, which is one of the largest employer surveys in the world:

The majority of hard-to-fill vacancies (67%) are caused, at least in part, by a lack of skills, qualifications and experience among applicants.<sup>60</sup>

51. In terms of productivity the UK lags behind most of its counterparts, with workers in the UK producing less in each hour they work than those in the US, Germany or France. According to the Office for National Statistics (ONS) “compared with the rest of the G7, the UK had below average real productivity growth in both output per hour and output per worker terms in 2016”.<sup>61</sup> This failure to match its competitors is in part caused by persistent skills shortages.

### Degree apprenticeships

52. Degree apprenticeships were introduced in 2015 by the Coalition Government. According to the Universities UK report ‘Degree Apprenticeships: Realising Opportunities’ there will be over 7,600 degree apprentices by the end of the academic year 2017–18.<sup>62</sup> There are now over 100 higher education institutions on the register of apprenticeship training providers.

53. Degree apprenticeships are crucial to filling skills gaps and boosting the country's productivity. Degree apprenticeships offer students the opportunity to earn whilst studying for a degree, without incurring tuition fee debt, and at the same time gaining high-quality work experience.

54. We heard positive evidence on the growth of degree apprenticeships from institutions and representative bodies. In written and oral evidence Universities UK were supportive of degree apprenticeships and positive about their growth:

The key benefits that universities have identified are enhancing partnerships with employers, meeting regional skills needs and increasing social mobility thus contributing to increasing productivity and widening participation. From initially small numbers we expect to see healthy growth in areas such as engineering, digital skills and leadership and management, all areas of identified skill shortages.<sup>63</sup>

57 CBI, *Helping the UK thrive: CBI/Pearson education and skills survey 2017*, July 2017, p 16

58 Ibid, p 11

59 EEF ([VAL 10](#)) para 3

60 DfE, *Employer skills survey 2017*, August 2018, p 13

61 ONS, *International comparisons of UK productivity (ICP), final estimates: 2016*, April 2018

62 Universities UK, *Degree Apprenticeships: Realising Opportunities*, March 2017, p 2

63 Universities UK ([VAL 63](#)) para 11

55. During our visit to Warwick Manufacturing Group and Warwick University in February, we saw first-hand how their degree apprenticeship programmes are bringing together the university and major local employers. The degree apprentices we met spoke enthusiastically about being able to work with companies such as Jaguar Land Rover whilst studying for a degree. They said that doing so meant that they could apply their learning directly into their everyday work and build a career which would benefit them when they graduated. Many of them had also applied for undergraduate courses but found the lack of debt and more practical approach to learning appealing. We also met degree apprentices at the Dyson Institute. Its engineering degree apprenticeship offers a tuition fee-free University of Warwick degree, a competitive salary and direct entry into employment at Dyson.

56. We are pleased that Cambridge University will be offering degree apprenticeships from this academic year. In February the University announced that it had registered as an official apprenticeship provider, and that it will initially focus on postgraduate study.<sup>64</sup> We took evidence from other higher education institutions such as Coventry University, which is aiming to have 2,000 apprenticeship starts by 2021. The Open University stated that it wishes to be the largest provider of degree apprenticeships in the country. We are disappointed that institutions such as Oxford University are not offering degree apprenticeships, but we are pleased that more of the Russell Group will offer them in the future. We believe that the support of these universities would improve their prestige, particularly with parents.

### **Barriers to growth**

57. Despite the positive evidence we have heard, the numbers of degree apprentices are not growing fast enough. Whilst Sir Michael Barber told us that he “would love to see the numbers grow”,<sup>65</sup> barriers to their growth were raised both during this inquiry and our inquiry into the quality of apprenticeship and skills training.

58. In its most recent strategic guidance to the Institute, the Department instructed it to:

ensure that the approach to degree qualifications in Level 6+ apprenticeships aligns with the wider apprenticeships policy on mandatory qualifications.<sup>66</sup>

59. This means that degrees can only be included in certain cases, for example if they are a regulatory or professional registration requirement or are likely to be necessary in order to get a job (the hard sift).<sup>67</sup> University Alliance questioned the approach of the Institute for Apprenticeships (IfA), and expressed serious concern over guidelines in their ‘Faster and Better’ document:

There are concerns about how the IfA is conducting its ‘hard sift’ outlined in its ‘Faster and better’ guidance document from earlier this year (i.e. if a few job adverts for a profession attached to a particular standard do not

64 [“Apprentices will get a place at Cambridge University”](#) *The Times*, February 2018

65 [Q283](#)

66 DfE, *Strategic guidance to the Institute for Apprenticeships*, May 2018

67 IfA, [Developing and writing an apprenticeship occupational standard](#), accessed October 2018

contain a degree requirement, that may be seen as enough evidence that a Level 6 or 7 apprenticeship standard does not require a degree in certain instances, despite concerns raised by providers and employers).<sup>68</sup>

60. The inclusion of degrees within degree apprenticeships is essential as a marker of quality for learners and employers, and to support parity of esteem between vocational and academic routes.<sup>69</sup> Adrian Anderson, Chief Executive of the University Vocational Awards Council (UVAC), recently wrote that “there seems to be a deliberate policy through ‘Faster and Better’ to remove degrees from apprenticeship standards, unless required by a regulator or professional body, in many cases, against the wishes of employers”.<sup>70</sup>

61. University Alliance, as well as Million Plus and Universities UK, have criticised the Department, the Education Skills Funding Agency (ESFA) and the IfA for their role in the expansion of degree apprenticeships.<sup>71</sup> Million Plus called on the Department and ESFA to “engage more actively with higher education providers”, and increase their “knowledge and understanding of the sector”.<sup>72</sup>

62. A letter from the University of Essex echoed these concerns and detailed the “bureaucratic hurdles” which providers are facing in the delivery of degree apprenticeships.<sup>73</sup> The letter also described the reluctance of some employers to become involved in higher and degree apprenticeships due to financial burdens and very slow approval rates. In written evidence to our apprenticeships inquiry the UVAC also voiced strong criticism of the ESFA:

ESFA is still a further education organisation with a further education ethos and focus. It has limited understanding of higher education and many of its systems are incompatible with higher education and act as substantial barriers to the engagement of HEIs and the delivery of the Higher and Degree Apprenticeships employers have developed through the Trailblazer process.<sup>74</sup>

63. In reply to such criticisms Sir Gerry Berragan, Chief Executive of the IfA, told us in oral evidence:

The institute is completely agnostic about the level of apprenticeships. Some people accuse us of making it hard for degree apprenticeships; others accuse us of favouring them. Neither of those things is true. We are agnostic. We respond to employers who come forward with proposals for apprenticeships at different levels, and we treat all of those apprenticeship proposals equally. We attempt to deal with them as quickly as we possibly can.<sup>75</sup>

64. In response to concerns over the new guidance and the removal of ‘degree’ in degree apprenticeships, Sir Gerry said that there has not been a policy change and that “there

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68 University Alliance ([QUA 98](#)) para 5

69 Ibid, para 6

70 “[Degree Apprenticeships - Doesn't @IFAteched realise Apprenticeship needs its Flagship Programme?](#)”, FE News, June 2018

71 University Alliance ([QUA 98](#)); MillionPlus ([QUA 37](#))

72 MillionPlus ([QUA 37](#)) para 13

73 University of Essex ([VAL 82](#)) para 7

74 UVAC ([QUA 36](#)) para 6

75 [Q305](#)

is no bias against degree apprenticeships here”.<sup>76</sup> He stated that they had simply made their approach more consistent by applying the same policy on qualifications to degree apprenticeships.<sup>77</sup>

65. As stated in our recent report into apprenticeships, the Institute cannot afford to be “agnostic” about degree apprenticeships. They should be championed by both the Government and Office for Students and made a strategic priority for the Institute.<sup>78</sup> The Secretary of State assured us on 27 June he has “no current plans to change the name of degree apprenticeships”.<sup>79</sup> He added:

I take the challenge on the speed of approval of standards. It has improved. In the last six months the rates of approval have got faster, and there is a commitment for those that are still working their way through the system to clear in short time. Obviously, operationally, we need to keep an eye on that. Based on what you have just said, I will make sure I pay particular attention to what is going on in degree level apprenticeships.<sup>80</sup>

66. **We are extremely disappointed by the response from the Institute for Apprenticeships to widespread concerns from the higher education sector on the future of degree apprenticeships.**

67. *We urge the Institute to make the growth of degree apprenticeships a strategic priority. Degree qualifications must be retained in apprenticeship standards, and the Institute must remove the bureaucratic hurdles which universities are facing. The Institute and the Education and Skills Funding Agency must engage much more actively with the higher education sector and take better account of their expertise.*

### **Disadvantaged students**

68. In terms of value for money for the student, one of the main advantages of a degree apprenticeship is the ability to gain a degree without paying tuition fees. Degree apprenticeships offer the opportunity to study without the barrier and burden of debt. In a Universities UK survey of universities “social mobility, widening and diversifying participation” was rated as the second most important benefit of offering degree apprenticeships.<sup>81</sup> Aaron Oreschnick, a degree apprentice from Manchester Metropolitan University, described why he chose the route:

As a degree apprentice, I have no university fees. Everything for my education is paid for by my employer and the levies. In terms of value for money for me, that is great.<sup>82</sup>

69. Recent analysis of degree apprenticeships by the Office for Students found that young degree apprentices are more likely to come from the areas of the country with

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76 [Q307](#)

77 [Ibid](#)

78 Education Committee, Sixth Report of Session 2017–19, [The apprenticeships ladder of opportunity: quality not quantity](#), HC 344, paras 20–23

79 [Q1106](#)

80 [Q1107](#)

81 Universities UK, [Degree Apprenticeships: Realising Opportunities](#), March 2017, p 19

82 [Q3](#)

high participation in higher education (28%), than areas of low participation (13%).<sup>83</sup> Just over half of young degree apprenticeship entrants are from areas with high educational advantage. The research also found that those areas with the lowest participation levels in HE have a similar proportion of degree apprentices to other types of HE students.<sup>84</sup> The North West and North East of England have the highest proportion of degree apprenticeship entrants.

70. For academic year 2018–19 the Office for Students is spending a total of £337 million on activities to widen access and support successful student outcomes.<sup>85</sup> This includes £60 million for The National Collaborative Outreach Programme (NCOP) which brings together 29 partnerships of universities, colleges, schools and other local agencies to deliver programmes of higher education outreach with young people in Years 9 to 13. The figure also includes £165 million to support successful student outcomes for full-time undergraduates.

**71. Degree apprenticeships are crucial to boosting the productivity of this country, providing another legitimate route to higher education qualifications and bringing more students from disadvantaged backgrounds into higher education. We believe some of the money which is currently allocated by the Office for Students for widening access could be better spent on the development and promotion of degree apprenticeships and support for degree apprentices to climb the ladder of opportunity.**

**72. All higher education institutions should offer degree apprenticeships, and we encourage students from all backgrounds to undertake them. We recommend that the Office for Students demonstrates its support for them by allocating a significant portion of its widening access funding to the expansion of degree apprenticeships specifically for disadvantaged students.**

## BTECs and T-levels

73. UCAS figures show that the proportion of students entering university with applied general qualifications has grown.<sup>86</sup> The numbers applying with BTECs grew by 50% proportionately between 2011 and 2016.<sup>87</sup> This increase has led to more students from disadvantaged backgrounds entering university.<sup>88</sup> Professor Peck discussed the numbers of students with BTEC qualifications at Nottingham Trent University:

About 34% of the undergraduate students who came to us this autumn had a BTEC qualification as well as A-levels; some just had BTEC qualifications. They were more likely to be students from poorer schools and disadvantaged backgrounds. We have to make sure that BTECs carry on being part of the mix and that T-level qualifications also enable students to get to university when they are 18 if they have had to go down a mixed academic-technical route.<sup>89</sup>

83 OfS, [‘Analysis of degree apprenticeships’](#), accessed October 2018

84 Ibid

85 OfS, [Guide to funding 2018–19](#), May 2018, p 26

86 UCAS, [Progression Pathways](#), January 2016

87 Ibid

88 HEPI, [Reforming BTECs: Applied General qualifications as a route to higher education](#), February 2017

89 [Q92](#)



74. Despite higher entry rates, a report by the Higher Education Policy Institute (HEPI) last year showed that only 15 BTEC students were accepted at the four most selective universities in 2015, and under two-thirds of students with BTECs at Russell Group universities go on to complete their course.<sup>90</sup>

Given the growth in the number of university students with applied backgrounds, academics need to be aware that an increasing proportion of their students have not followed an exclusively academic path. Universities should consider ways of meeting the needs of students with applied backgrounds, particularly when they are transitioning to more theoretical, exam-assessed study.<sup>91</sup>

75. The Government's recent T-levels consultation response stated that "respondents said that allocating UCAS Tariff points to T-Levels would support progression. We recognise this and therefore we are working with UCAS to explore this option".<sup>92</sup> During our session with Vice-Chancellors we received a mixed response to the question of whether their universities would accept T-levels.<sup>93</sup>

James Frith: From a T-level point of view—initially yes or no answers, and then I will come in—are you planning to accept applicants with T-level qualifications?

Professor Husbands: Yes.

Peter Horrocks: Yes, because we accept any. We do not have any qualification requirements.

James Frith: We appreciate that, thank you.

Professor Dame Janet Beer: It seems likely.

Professor Richardson: We will wait and see.

Professor Peck: Yes.

Chair: What does wait and see mean?

Professor Richardson: We have said we are open to them. I am a social scientist. We will wait and see what the data says. What we need to know is whether kids have the background to do well with us.

76. Professor Richardson continued to say that as an academic institution, the University of Oxford would need to be convinced that T-levels provide students with the necessary skills to thrive in that type of environment.<sup>94</sup> Scepticism about T-levels has also been voiced by Imperial College London and University College London.<sup>95</sup>

**77. *The implementation of T-Level qualifications from 2020 could offer improved access to university for students from disadvantaged backgrounds. The Government***

90 HEPI, *Reforming BTECs: Applied General qualifications as a route to higher education*, February 2017, p 18

91 Ibid, p 31

92 DfE, *Implementation of T Level programmes: Government consultation response*, May 2018, p 36

93 Qq103–104

94 Q110

95 *"T levels rejected by some of Britain's top universities"*, TES, February 2018

*should engage with universities and UCAS in order to determine an appropriate tariff weighting prior to the introduction of T-levels. We also encourage universities to continue to accept BTECs and put in place additional academic and pastoral support to these students throughout their studies.*

## Work placements

78. In order to best prepare students for work and equip them with the necessary skills for the changing economy, universities must create strong relationships with employers. One of the best ways for students to engage with employers is for them to undertake work placements as part of their degree. We heard compelling evidence from several providers who place a strong emphasis on work placements, including Nottingham Trent. In oral evidence Professor Peck told us that from this year all their students must do a work placement as part of their degree.<sup>96</sup> He added that 25% of their students complete a year in industry and that 90% of these students “come out with a graduate-level job or graduate-level training regardless of their social background”.<sup>97</sup>

79. *We recommend that universities look to include significant periods of work experience within undergraduate degree courses. This could be a year in industry, or shorter placements with local employers. We believe that practical experience of the workplace must become the norm in degrees and an integral part of making students ‘work ready’. There should also be a greater focus on the extent to which universities prepare their students for work in the TEF criteria.*

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96 [Q101](#)

97 [Q63](#)



## 5 Social justice

80. Value for money for students from lower socio-economic backgrounds was one of the main focuses of our inquiry. Access to higher education is one of the key drivers of social justice in this country, but there remain too many barriers for students from disadvantaged backgrounds.

81. Higher Education Statistics Authority's (HESA) latest widening participation data showed a stalling in the proportion of state-educated students entering full-time undergraduate courses. In 2016/17 there was a 0.1 percentage point increase compared with the previous year.<sup>98</sup> In nine out of the Russell Group of 24 universities, the proportion of state school pupils fell over the past year. Written evidence from the Sutton Trust commented on the difference in admissions to providers with higher entry requirements between “advantaged” and “disadvantaged” students:

In 2016 entry rates to higher tariff providers for students from the most advantaged backgrounds was 24.5% in comparison to just 2.3% for students from the most disadvantaged backgrounds resulting in young people from the most advantaged backgrounds being 10.8 times more likely to enter higher tariff providers than the most disadvantaged students.<sup>99</sup>

82. In October 2017 David Lammy MP's freedom of information request revealed the extent of the social justice problem at the University of Oxford and Cambridge University.<sup>100</sup> It showed that the proportion of offers that Oxford and Cambridge made to applicants from the top two social classes rose from 79% in 2010 to 82% and 81% respectively in 2015. Between 2010 and 2015 Cambridge made more offers to students from four of the home counties than to the whole of the north of England. In addition, on average a quarter of Cambridge colleges between 2010 and 2015 failed to make any offers at all to black British applicants.

83. The NAO's report on 'The higher education market' warned of a “two-tier” system developing where the most disadvantaged students attend lower-ranked providers.<sup>101</sup> According to the NAO, from 2011 to 2016 the lowest ranked universities saw an 18% increase in the share of students from low participation areas, compared to 9% in the highest ranked.<sup>102</sup> The NAO highlighted the risk that if this trend continues higher participation by disadvantaged students will not lead to better outcomes.

### Access agreement investment

84. According to data from the Office for Fair Access (OFFA), in the academic year 2015–16 universities and colleges invested £725.2 million in widening participation through access agreements. This represents 27.4% of their income from fees above the basic level.<sup>103</sup> These agreements set out a university's fee limits and the measures the institution intends to put in place to widen participation and ensure students succeed throughout the student lifecycle. From academic year 2019–20, access and participation plans replace access

98 HESI, 'Widening Participation summary: UK Performance Indicators 2016/17', accessed October 2018

99 Sutton Trust (VAL 54) para 19

100 Rt Hon David Lammy MP, 'Oxbridge access data', accessed October 2018

101 NAO, *The higher education market*, HC 629, December 2017, Summary: para 14

102 Ibid

103 Universities UK (VAL 63) para 53

agreements. Across the whole sector, in institutions with or without access agreements, the total spend was £883.5 million. This is an increase from £802.6 million in 2013–14. Universities and colleges estimate that they will “invest £833.5 million in steady state under their 2017–18 access agreements”.

85. Dr Claire Crawford, Assistant Professor of Economics at University of Warwick, told us that “there is not always a lot co-ordination across different institutions” in terms of work on access and widening participation. She stated that there was not “robust empirical evaluation” of the work different institutions are doing. Similarly Professor Vignoles told us that it was a “mixed bag” in terms of how universities are spending money on widening access.

86. The Office for Students has recently announced a consultation on a proposed new approach to access and participation regulation. Chris Millward, Director for Fair Access and Participation at the OfS, has stated an intention to focus more heavily on outcomes and evaluation:

For all activity and financial support, we’ll be tough on our expectations. Evaluation is not an optional extra; it’s critical to making significant progress. We will increase our support in this area, and there will be greater opportunities, through the new Evidence and Impact Exchange, for providers to share effective practice. This extra support will come with greater expectations. It is in everyone’s interest to understand what works best and we all need to raise our game on this.<sup>104</sup>

**87. Higher education institutions spend a vast amount of public money on access and participation. The results of this expenditure are not always clear to see. There must be transparency on what they are investing in, a greater focus on outcomes for students and a rigorous evaluation process. In response to the Director of Fair Access’s new proposals we expect to see institutions focusing their efforts on value for money for the most disadvantaged students and facing penalties if sufficient progress is not made.**

## Admissions processes

88. Some higher education providers use contextualised admissions to form a more complete picture of the applicant. Contextual data and information can be used to assess an applicant’s prior attainment and potential, in the context of their individual circumstances. Dr Crawford told us that contextualised admissions are one way to address the low proportion of students from disadvantaged backgrounds in universities.<sup>105</sup> Dr Crawford commented that although improving the attainment of these students should be the aim, contextualised admissions could be used more widely in the interim.

89. A Sutton Trust report, which Dr Crawford co-authored, recommended that highly selective institutions should make greater use of contextualised admissions, including reduced grade offers in order to widen access.<sup>106</sup> The report also described the need for providers to ensure additional support is given to students admitted with lower grades,

<sup>104</sup> “[Matching ambition with outcomes for fair access and participation](#)”, WonkHE, September 2018

<sup>105</sup> [Q173](#)

<sup>106</sup> Sutton Trust, [Admissions in Context](#), October 2017

in recognition of challenges they may face. Commenting on the use of contextualised admissions, Conor Ryan, former Director of Research and Communications at the Sutton Trust, told us:

We showed with free school meal kids, who are least likely to get into university, that you could have a 50% increase in the top 30 universities by having that two-grade offer made to them.<sup>107</sup> It is the same sort of offer that is already being made to a lot of more advantaged young people.

However, it is not enough, as you say, just to do the contextual admissions; it has to be followed up by proper pastoral retention work.<sup>108</sup>

90. Alongside practices such as contextual admissions, we heard evidence that outreach must be better to encourage students from lower socio-economic backgrounds to apply to university. Several submissions from universities described their outreach work with local schools, colleges and communities.<sup>109</sup> The University of Nottingham told us that their work in this area has led to the proportion of students from low-income backgrounds rising from 17% in 2004 to 24% in 2016.<sup>110</sup> University College London's Horizon scheme runs a Saturday school for Year 10 and 11 students, and a summer school. Of the students enrolled in 2016/17, 93% had no parental higher education background, 58% were listed as currently in receipt of free school meals and 57% came from a household where one or both parents were registered unemployed.<sup>111</sup> Ninety-nine per cent of Horizons participants achieved 5+ A\*-B grades in their GCSEs.<sup>112</sup> Coupled with better outreach, we also heard that universities must effectively support students from lower socio-economic backgrounds throughout their degree. The University of Portsmouth partly attributed their TEF gold award to "the study and well-being support" they provide to their student body.<sup>113</sup>

91. During oral evidence we raised concerns over the use of entry tariffs in university league tables. By including A Level grades in league tables universities are not given the incentive to admit students from disadvantaged backgrounds who may have lower grades. Universities need stronger incentives to use contextualised admissions and practices such as foundation courses. Professor Husbands told us:

Entry tariff is used in league tables to universities. It is pernicious and it should not be there, because it measures very little about what the university itself is doing. I would like us to move away from that as a measure of institutional effectiveness at all.<sup>114</sup>

**92. *We recommend a move away from the simple use of entry tariffs as a league table measure towards contextual admissions, foundation courses and other routes to entry.***

107 The 'two-grade offer' refers to universities lowering their entry requirements by two grades.

108 [Q47](#)

109 University of East Anglia ([VAL 28](#)); University College London ([VAL 44](#)); University of Derby ([VAL 13](#))

110 University of Nottingham ([VAL 11](#)) paras 7–8

111 University College London ([VAL 44](#)) para 3.2

112 Ibid

113 University of Portsmouth ([VAL 66](#)) para 16

114 [Q92](#)

93. Alongside contextualised admissions there has also been a significant increase in unconditional offers. This year 7.1% of offers made to 18-year olds were unconditional.<sup>115</sup> In England, Wales and Northern Ireland 67,915 students received an unconditional offer, up from 2,985 in 2013.<sup>116</sup> We agree with the Minister that such a steep rise undermines the credibility of the university system and is not in the best interests of students.

94. *The Office for Students must clamp down on the rise in unconditional offers. Their steep increase is detrimental to the interests of students and undermines the higher education system as a whole.*

95. **The gap in entry rates between the most and least disadvantaged students remains too wide when it should be closing fast. We support the use of contextualised admissions to bring more students from lower socio-economic backgrounds into higher education. We recognise that this practice should not be used in isolation, and that more effective outreach should be followed by support for disadvantaged students throughout their degree.**

96. *Institutions should state their contextualisation policies in their application information. By doing so disadvantaged students and schools in areas with lower rates of participation in higher education will have a better understanding of the entry requirements to different institutions.*

## The fall in part-time and mature students

97. We received a great deal of evidence on the dramatic decline in part-time and mature students and the effect it has had on the numbers of students from disadvantaged backgrounds entering higher education.<sup>117</sup> We recognise that although the number of disadvantaged school leavers going into higher education has increased, the total number of English undergraduate entrants from low participation areas decreased by 15% between 2011/12 and 2015/16.<sup>118</sup> This fall is due to the collapse in part-time study.

The market for part-time higher education in England is in crisis. That creates major economic and social disadvantages. The biggest cause of the fall in part-time study in England is government policy which has resulted in a broken market that now needs urgently to be fixed. To restore the market to health requires direct intervention by the UK Government. The need for that is immediate.<sup>119</sup>

98. A report by the Sutton Trust, 'The Lost Part-Timers', found that the numbers of part-time undergraduate students dropped by 51% between 2010 and 2015.<sup>120</sup> This drop was particularly severe at the Open University where part-time numbers dropped by 63% over this period.<sup>121</sup> The Sutton Trust's report attributed approximately 40% of the decline to

115 ["Increase in unconditional offers made to young people in England, Wales, and Northern Ireland"](#), UCAS, July 2018

116 Ibid

117 The Open University ([VAL 19](#)); UNISON ([VAL 21](#)) para 12; London South Bank University ([VAL 48](#)) para 12; MillionPlus ([VAL 58](#)) para 26

118 Open University, [Fixing the Broken Market in Part-Time Study](#), November 2017, p 3

119 Ibid

120 Sutton Trust, [The Lost Part-Timers](#), March 2018, p 2

121 Ibid

the 2012 fee changes. It recognised other trends such as the ending of funding for most graduates taking a second degree and the impact of the recession but concluded that the 2012 reforms “significantly exacerbated these earlier trends”.<sup>122</sup>

99. The Government has announced new maintenance loans for part-time students taking a degree level course from 2018/19. In oral evidence the Minister accepted that the numbers of part-time students had “gone down dramatically, and unacceptably so”.<sup>123</sup> The Minister referred to the post-18 education and funding review which includes encouraging more flexible learning through part-time study in its terms of reference.<sup>124</sup> The Chief Executive of Universities UK, Alistair Jarvis, agreed:

I think the review that has just been launched needs to have a really strong focus on flexible learning and on part-time, mature learning. If we are going to get a lifelong learning system and a policy and funding environment around that, it needs to support people to learn at all stages of their lives and in different ways—short courses, long courses, part-time, full-time and distance learning.<sup>125</sup>

100. Professor Claire Callender, Professor of Higher Education Policy at Birkbeck, University of London and Deputy Director of the Centre for Global Higher Education at UCL Institute of Education, has stated that the newly introduced income-contingent loans for part-time students are not the answer and that the Government’s review must be “courageous” in moving away from a one-size fits all approach to a funding system which incentivises part-time learning.<sup>126</sup> The Sutton Trust’s report, co-authored by Professor Callender, recommended that those students who are eligible for the new part-time maintenance loan should be given “the option of a tuition fee grant for the first two years of their course” in order to reduce debt aversion as a barrier to participation.<sup>127</sup> After two years students could take out fee and maintenance loans.

**101. We are deeply concerned by the fall in both part-time and mature learners, and the impact this has had on those from lower socio-economic groups going into higher education. We recognise that although the number of disadvantaged school leavers going into higher education has increased, the total number of English undergraduate entrants from low participation areas decreased by 15% between 2011/12 and 2015/16.**

***102. The recent decline in part-time and mature learners should be a major focus of the Government’s post-18 education and funding review. We support calls for the review to redesign the funding system for these learners. The review should develop a tailored approach which moves away from the one size fits all approach which has driven the dramatic decline in numbers since 2012.***

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122 Ibid

123 [Q360](#)

124 DfE, [Review of Post-18 Education and Funding: Terms of Reference](#), February 2018

125 [Q156](#)

126 “[Stop the decline in part-time undergraduate study](#)”, WonkHE, February 2018

127 Sutton Trust, [The Lost Part-Timers](#), March 2018, p 5

## Maintenance grants

103. We heard overwhelming evidence in favour of the reintroduction of maintenance grants, which were abolished in 2016.<sup>128</sup> The Minister told us that maintenance grants would be included in the Government's on-going review, alongside other elements of the student finance system.<sup>129</sup> The Government published its equality analysis of the abolition of maintenance grants in November 2015.<sup>130</sup> It concluded that the changes did not discriminate against students with protected characteristics. The Government's analysis found that the move to loans might act as a deterrent to debt averse students:

It is possible that the prospect of increased debt will deter some lower income households from undertaking Higher Education, which the evidence suggests are on average more likely to be debt averse. Against this, the availability of greater funding might help to make it more affordable to those students with limited access to other means of funding living costs e.g. higher income parents. We do not know which of these effects will predominate. However, the improvement in participation rates amongst disadvantaged groups to past changes in student financing suggests that if there is any downward effect it is likely to be small, although there are limits to which this evidence is directly relevant to the current set of proposals (e.g. we cannot factor in the cumulative impact of debt).<sup>131</sup>

104. Research by the Institute for Fiscal Studies (IFS) found that the raising of tuition fees in 2012 and the introduction of maintenance loans has led to students from the poorest backgrounds accruing debts over a three-year degree of £57,000.<sup>132</sup> The IFS stated that although "cash in the pockets" of students has been protected, this cash is now almost entirely in the form of loans. This has left "English graduates having the highest student debts in the developed world."<sup>133</sup> The Sutton Trust has consistently called for maintenance grants to be reinstated. In its recent report 'Fairer fees' it stated that introducing a system of means-tested fees and reinstating maintenance grants would cut average student debt in half, and notably cut debt among the 40% poorest students by 75%.<sup>134</sup> Dr Gavan Conlon told us that "the removal of maintenance grants a couple of years ago was disastrous".<sup>135</sup> Evidence from the University of Cambridge said:

The University considers that maintenance support plays a vital role in enabling disadvantaged students to obtain value for money in their degree. Students who cannot participate fully in their degree course (for example, if they have to undertake long hours of paid work) and/or who cannot afford to complete their studies, are not able to get the most out of their education.<sup>136</sup>

128 University of Derby ([VAL 13](#)) para 6; Coventry University ([VAL 35](#)) para 1.9; Guild HE ([VAL 47](#)) para 18; NUS ([VAL 76](#)) para 29

129 [Q316](#)

130 BIS, [Student Finance Equality Analysis – The Education \(Student Support\) \(Amendment\) Regulations 2015](#), November 2015

131 *Ibid*, p 82

132 IFS, ['Higher Education funding in England: past, present and options for the future'](#), accessed October 2018

133 *Ibid*

134 Sutton Trust, [Fairer Fees](#), November 2017, p 3

135 [Q172](#)

136 University of Cambridge ([VAL 65](#)) para 19.1

105. The House of Lords Economic Affairs Committee recommended that the Government “reinstate the means-tested system of loans and grants that existed before the 2016 reforms”.<sup>137</sup> Based on research by the IFS the Committee’s report stated:

Although the change would lead to £1.7 billion more public spending today, in the long-run grants increase public spending only by £400 million. This is because under the current system, the vast majority of students do not pay off their student loans fully over the 30 year term, so much of the outlay in loans will be written off.<sup>138</sup>

**106. *Based on the overwhelming evidence we have heard during the inquiry, we recommend that the Government return to the pre-2016 system and reinstate the means-tested system of loans and maintenance grants.***

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137 House of Lords, [\*Treating Students Fairly: The Economics of Post-School Education\*](#), Second Report of the Economic Affairs Committee, Session 2017–19, HL Paper 139, para 332

138 Ibid, para 330



## 6 Graduate employability

107. Data on graduate employment is included in the three main UK university league tables: The Times and Sunday Times, the Guardian and the Complete University Guide. All three of these tables use the Destinations of Leavers from Higher Education (DLHE) survey data, which is collected six months after course completion. The new Graduate Outcomes Survey will replace the DLHE and collect data after 15 months. All three of these surveys use the proportion of leavers who take up graduate-level employment, or higher education level study within six months of graduation.<sup>139</sup>

108. In April the Department released the results of their Graduate Labour Market Survey (GLMS) 2017.<sup>140</sup> The data showed that graduate employment continues to rise and that the average working age graduate earned £10,000 more than the average non-graduate in 2017. Despite this, recent ONS statistics show that in 2017 49% of recent graduates were working in non-graduate roles across the UK.<sup>141</sup> Historically the ‘graduate premium’ has been understood as the financial return which students receive after graduation from higher education. The existence of such a premium has been cited as part of the justification for rises in tuition fees, and associated increases in student debt.

109. The graduate premium varies greatly depending on where and what a student studies. As the NAO’s report said, bad decisions can potentially “lead to poor financial outcomes”.<sup>142</sup> In June the Department published a research report conducted by the IFS entitled ‘The relative labour market returns to different degrees’.<sup>143</sup> It used the DfE’s Longitudinal Education Outcomes (LEO) dataset, which links information about students, including their personal characteristics, their education, their employment and income, and any benefits claimed. The study found that both the subject studied and the institution attended have a significant impact on graduate earnings. For example, medicine, maths and economics graduates all earn at least 30% more than the average graduate.<sup>144</sup> The type of institution also matters, Russell Group institutions lead across the board in graduate earning outcomes. According to the IFS report:

These findings imply that studying the same subject at a different institution can yield a very different earnings premium. For example, the best business studies degrees have returns in excess of 50% more than the average degree while the worst business degrees have below average returns. These are considerable differences in graduate earnings.<sup>145</sup>

110. The research concluded that although other factors have an influence on graduate earnings, such as socio-economic background and prior attainment, subject and institution choice can have an even more significant impact on earning potential.

Even when comparing similar graduates, being from the highest socio-economic background adds around 8% compared to being from the lowest.

139 HEPI, *A Guide to UK League Tables in Higher Education*, January 2018, p 29

140 DfE, *Graduate Labour Market Statistics 2017*, April 2018

141 ONS, ‘*Graduates in the UK labour market: 2017*’, accessed October 2018

142 NAO, *The higher education market*, HC 629, December 2017, para 19

143 DfE & IFS, *The relative labour market returns to different degrees*, June 2018

144 Ibid, p 5

145 Ibid, p 7



However compared to the average degree, studying medicine or economics add 20% to graduates' earnings, while compared to the average university, going to a Russell Group institution adds around 10%.<sup>146</sup>

## Graduate outcomes data

111. The use of the LEO data for the research detailed above, as well as other sources of graduate employment information, has the potential to both better inform students, and better hold universities to account. Professor Peck was positive about the use of graduate employment data and a greater focus on “outputs and outcomes, not on inputs and processes”.<sup>147</sup> On the LEO data, Professor Chris Husbands, Vice-Chancellor, Sheffield Hallam University, said:

I think the LEO data is really interesting. It tells us a huge amount about how the labour market has evolved. In terms of institutional accountability, I think there is some very hard work to be done on it. The LEO data for 2016 relates to students who graduated in 2012, who made their decisions to go to university in 2008 or 2009. It is rear-view-mirror data, and we need to remember that when we are using it for forward planning.<sup>148</sup>

112. In August last year The Economist used the LEO data to create a ranking that compares graduates' wages with how much they would have been expected to earn regardless of their university.<sup>149</sup> Their league table put Portsmouth and Aston Universities at the top and the Royal Agricultural College and St Andrews University at the bottom. The Economist piece explains that some of the universities in the league table “punch above their weight” due to their ability to establish links with successful industries. For example, Southampton Solent University has strong links to the maritime industry and has one of only five ship handling lakes in the world where students can train.

113. We have also heard concerns about the use of LEO data. Guild HE told us that the exclusion of self-employment data is a particular problem for graduates who enter freelance or entrepreneurial professions.<sup>150</sup> Other problems which were highlighted in written evidence included the LEO not being truly longitudinal, and a lack of contextualisation for regional differences.<sup>151</sup>

114. Witnesses also voiced caution over holding institutions to account solely based on their graduate earnings data. Professor Vignoles told us:

there is a general issue around using graduate earnings to judge what is going on inside universities. The first thing is that when you are looking at graduate earnings you are looking at the results of higher education that happened five or 10 years previously. Using the graduate earnings to judge the quality of current provision, for example, is not a very sensible thing to do.<sup>152</sup>

146 [\*“Family background has an important impact on graduates' future earnings, but subject and institution choice can be even more important”\*](#), IFS, June 2018

147 [Q67](#)

148 [Q91](#)

149 [\*“Which British universities do most to boost graduate salaries?”\*](#), The Economist, August 2017

150 Guild HE ([VAL 47](#)) para 9

151 University of Derby ([VAL 13](#))

152 [Q241](#)

115. Other witnesses discussed the need to include other factors when judging the success of institutions or individual courses. Conor Ryan mentioned the “social benefits” of courses,<sup>153</sup> and Professor Beer described how universities help students to be flexible and think critically.<sup>154</sup>

116. Nicola Dandridge pointed out that many graduates choose to take jobs which pay less:

For instance, students studying nursing or social work, or going into the creative industries, are deliberately choosing to study for careers where the graduate salaries will not be the same as if they became bankers. They know what they are doing.<sup>155</sup>

117. **We are encouraged by the increase in graduate outcomes information and believe this can both support more informed choices for students and make institutions more accountable for the destinations of their graduates. However, there is still a long way to go before students have access to robust data on graduate employment which will inform their choices.**

118. *Better information on graduate outcomes must lead to a greater focus in higher education on outputs and outcomes. Higher education institutions must be more transparent about the labour market returns of their courses. This is not simply a measure of graduate earnings but of appropriate professional graduate-level and skilled employment destinations. We recommend that the Office for Students instructs all providers to be transparent about levels of graduate employment and secure this through funding agreements.*

## Student choice

119. In its report the Treasury Committee was critical of the quality and availability of information to students about their future studies.<sup>156</sup> The Committee highlighted the young age at which students are making choices, coupled with the financial burden which accompanies their decision. The NAO stated that students can be left in a “vulnerable” position, often with little careers advice or financial education to assist their decision-making.<sup>157</sup>

120. Sam Brook, an economics graduate from Warwick University, described value for money in terms of the monetary benefits to the individual:

Personally, I think value for money in higher education is about what costs I received at university. I went to Warwick and studied Economics. Spending £9,000 a year there got me 250 hours of contact time, which was often shared with 349 other students. Some simple back of-the-envelope statistics: that equates to a one-hour lecture being £18,000 to deliver.<sup>158</sup>

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153 [Q30](#)

154 [Q63](#)

155 [Q44](#)

156 Treasury Committee, Seventh Report of Session 2017–19, [Student Loans](#), HC 478, para 88–89

157 NAO, [The higher education market](#), HC 629, December 2017, Summary: paras 10–11

158 [Q1](#)

121. Amatey Doku, Vice President for Higher Education at the National Union of Students, set out the difficulties of defining students as consumers within higher education:

I think fundamentally we should not be looking at higher education as a simple commodity that can be bought and sold by students. We can't see students as consumers in a set-up where they have still to be accepted by the institution to come in. They don't have all the information they need to act in that way, so that they can start analysing and comparing the balance sheets of different institutions and then make an assessment about efficiency in that sense. Yes, it is not working on its own terms but we don't think higher education works like that.<sup>159</sup>

122. The Government's review of post-18 education lists "choice and competition across a joined-up post-18 education and training sector" as one of its terms of reference.<sup>160</sup>

How we can help young people make effective choices between academic, technical and vocational routes after 18, including information on earnings outcomes and the quality of the teaching they receive.<sup>161</sup>

123. Commenting on the review Professor Vignoles said:

I think it would be crucial for the review to understand the routes that students take into higher education, why they make the subject choices that they make, and the role of institutional incentives and funding arrangements that drive the shape of our higher education sector in ways that perhaps we did not anticipate.<sup>162</sup>

124. The Minister acknowledged that there are ways to give students access to more information in order to help them make better informed decisions.<sup>163</sup> In June he announced a Higher Education Open Data Competition. It will award "up to five contracts of £25,000 each for the development of innovative and accessible digital tools to make use of public data on student outcomes".<sup>164</sup> The Minister said the competition would allow data such as LEO to be displayed in an appealing way to applicants.

**125. The reforms introduced by successive governments to higher education have caused a growing tension between the perceived value of study to a student, the funding and the wider economic value of higher education. This has been caused in part by the way that the system has changed incrementally and is widely misunderstood. The current system of tuition fees and repayments is more akin to a graduate tax. Promoting better public understanding of this should form part of the HE funding review.**

**126. Students lack sufficient high-quality information to make informed choices about higher education and the career paths which might subsequently be open to them. Decisions to take on a financial burden lasting most of a working lifetime are often made by students without adequate information or advice. The long-term implications of an adverse choice can leave students in a vulnerable position.**

159 [Q42](#)

160 DfE, [Review of Post-18 Education and Funding: Terms of Reference](#), February 2018, p 2

161 Ibid

162 [Q213](#)

163 [Q337](#) to [Q349](#)

164 DfE, [Delivering value for money in the age of the student](#), June 2018

***127. Student choice is central to the debate over value for money in higher education. Our inquiry found a woeful lack of pre-application and career information, advice and guidance, particularly awareness of degree apprenticeships. The Government's current post-18 review must look at routes into higher education, and the quality of careers advice which students receive.***

## Annex 1: Private roundtable

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We held a private roundtable on 9 January in the Palace of Westminster. The discussion focused on the concept of value for money, and access to higher education for disadvantaged students. Attendees were as follows:

- Nick Hillman, Director, Higher Education Policy Institute
- Professor Andy Westwood, Vice Dean for Social Responsibility, University of Manchester
- Laura Burley, Head of Government and External Affairs, Open University
- Professor Claire Callender, Deputy Director of the Centre for Global Higher Education, UCL Institute of Education
- Alice Barnard, Chief Executive, Edge Foundation
- Alistair Jarvis, Chief Executive, Universities UK
- Dr Tim Bradshaw, Chief Executive, The Russell Group
- Douglas Blackstock, Chief Executive, Quality Assurance Agency
- Charles Nancarrow, Head of Financial Analysis, National Audit Office
- Maddalaine Ansell, Chief Executive, University Alliance
- Mary Curnock Cook, Chair, Kensington and Chelsea College and The Access Project

## Annex 2: Chair meetings

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In addition to the meetings listed in the introduction, the Chair met representatives of the following universities during the course of the inquiry:

- Coventry University
- London Southbank University
- The Open University
- Birkbeck, University of London
- Aston University
- University of Cambridge

# Conclusions and recommendations

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## Introduction

1. *We encourage the post-18 education and funding review to be brave in its approach, to design a holistic funding model which supports a wider range of pathways and prioritises support for disadvantaged students. The Government must take this opportunity to signal a move away from the traditional linear approach which currently dominates. The future of higher education should be more inclusive, more skills-based and more focused on value for money for students. (Paragraph 16)*

## Value for money for students and the taxpayer

2. *Every higher education institution should publish a breakdown of how tuition fees are spent on their websites. This should take place by the end of 2018, and we recommend that the Office for Students intervenes if this deadline is not met. (Paragraph 20)*
3. *Unjustifiably high pay for senior management in higher education has become the norm rather than the exception and does not represent value for money for students or the taxpayer. (Paragraph 27)*
4. *The current system of self-regulation for senior management pay is totally unacceptable. We call for the Office for Students to publish strict criteria for universities on acceptable levels of pay that could be linked to average staff pay, performance and other measures that the Office for Students sees fit. The Office for Students should take swift action if this is not the case. (Paragraph 28)*
5. *Institutions must routinely publish the total remuneration packages of their Vice-Chancellors in a visible place on their website. Vice-Chancellors must never sit on their remuneration boards and this should be enforced by the Office for Students. (Paragraph 29)*

## The quality of higher education

6. *The TEF is still in its infancy and requires further improvement and embedding to become the broad measure of quality that we want it to be. We look forward to the independent review of TEF and recommend that it focuses on how the exercise is used by students to inform and improve choice. The review must include an assessment of how TEF is used in post-16 careers advice. For the TEF to improve value for money for students it must play a more significant role in the decision-making process of applicants. (Paragraph 37)*
7. *Institutions should move away from a linear approach to degrees, and enable more part-time, mature and disadvantaged students to study in higher education. We recommend that the Government's current post-18 review develop a funding model which allows a range of flexible options including credit transfer and 'hopping on and off' learning. (Paragraph 42)*



8. *More flexible approaches to higher education should be supplemented by the option for undergraduates of studying for two-year accelerated degrees alongside the traditional three-year model. The post-18 review should investigate potential funding models to clarify the benefits and costs of accelerated degrees, taking into account fees, living costs and post-study earnings. (Paragraph 48)*
9. *The introduction of two-year degrees must not create a two-tier system where students from disadvantaged backgrounds are encouraged to take them on the basis of cost. The Government's review of higher education should include an impact assessment of how accelerated degrees will affect disadvantaged students. (Paragraph 49)*

## Skills

10. We are extremely disappointed by the response from the Institute for Apprenticeships to widespread concerns from the higher education sector on the future of degree apprenticeships. (Paragraph 66)
11. *We urge the Institute to make the growth of degree apprenticeships a strategic priority. Degree qualifications must be retained in apprenticeship standards, and the Institute must remove the bureaucratic hurdles which universities are facing. The Institute and the Education and Skills Funding Agency must engage much more actively with the higher education sector and take better account of their expertise. (Paragraph 67)*
12. Degree apprenticeships are crucial to boosting the productivity of this country, providing another legitimate route to higher education qualifications and bringing more students from disadvantaged backgrounds into higher education. We believe some of the money which is currently allocated by the Office for Students for widening access could be better spent on the development and promotion of degree apprenticeships and support for degree apprentices to climb the ladder of opportunity. (Paragraph 71)
13. *All higher education institutions should offer degree apprenticeships, and we encourage students from all backgrounds to undertake them. We recommend that the Office for Students demonstrates its support for them by allocating a significant portion of its widening access funding to the expansion of degree apprenticeships specifically for disadvantaged students. (Paragraph 72)*
14. *The implementation of T-Level qualifications from 2020 could offer improved access to university for students from disadvantaged backgrounds. The Government should engage with universities and UCAS in order to determine an appropriate tariff weighting prior to the introduction of T-levels. We also encourage universities to continue to accept BTECs and put in place additional academic and pastoral support to these students throughout their studies. (Paragraph 77)*
15. *We recommend that universities look to include significant periods of work experience within undergraduate degree courses. This could be a year in industry, or shorter placements with local employers. We believe that practical experience of the workplace must become the norm in degrees and an integral part of making students 'work ready'. There should also be a greater focus on the extent to which universities prepare their students for work in the TEF criteria. (Paragraph 79)*

## Social justice

16. Higher education institutions spend a vast amount of public money on access and participation. The results of this expenditure are not always clear to see. There must be transparency on what they are investing in, a greater focus on outcomes for students and a rigorous evaluation process. In response to the Director of Fair Access's new proposals we expect to see institutions focusing their efforts on value for money for the most disadvantaged students and facing penalties if sufficient progress is not made. (Paragraph 87)
17. *We recommend a move away from the simple use of entry tariffs as a league table measure towards contextual admissions, foundation courses and other routes to entry.* (Paragraph 92)
18. *The Office for Students must clamp down on the rise in unconditional offers. Their steep increase is detrimental to the interests of students and undermines the higher education system as a whole.* (Paragraph 94)
19. The gap in entry rates between the most and least disadvantaged students remains too wide when it should be closing fast. We support the use of contextualised admissions to bring more students from lower socio-economic backgrounds into higher education. We recognise that this practice should not be used in isolation, and that more effective outreach should be followed by support for disadvantaged students throughout their degree. (Paragraph 95)
20. *Institutions should state their contextualisation policies in their application information. By doing so disadvantaged students and schools in areas with lower rates of participation in higher education will have a better understanding of the entry requirements to different institutions.* (Paragraph 96)
21. We are deeply concerned by the fall in both part-time and mature learners, and the impact this has had on those from lower socio-economic groups going into higher education. We recognise that although the number of disadvantaged school leavers going into higher education has increased, the total number of English undergraduate entrants from low participation areas decreased by 15% between 2011/12 and 2015/16. (Paragraph 101)
22. *The recent decline in part-time and mature learners should be a major focus of the Government's post-18 education and funding review. We support calls for the review to redesign the funding system for these learners. The review should develop a tailored approach which moves away from the one size fits all approach which has driven the dramatic decline in numbers since 2012.* (Paragraph 102)
23. *Based on the overwhelming evidence we have heard during the inquiry, we recommend that the Government return to the pre-2016 system and reinstate the means-tested system of loans and maintenance grants.* (Paragraph 106)

## Graduate employability

24. We are encouraged by the increase in graduate outcomes information and believe this can both support more informed choices for students and make institutions

more accountable for the destinations of their graduates. However, there is still a long way to go before students have access to robust data on graduate employment which will inform their choices. (Paragraph 117)

25. *Better information on graduate outcomes must lead to a greater focus in higher education on outputs and outcomes. Higher education institutions must be more transparent about the labour market returns of their courses. This is not simply a measure of graduate earnings but of appropriate professional graduate-level and skilled employment destinations. We recommend that the Office for Students instructs all providers to be transparent about levels of graduate employment and secure this through funding agreements.* (Paragraph 118)
26. The reforms introduced by successive governments to higher education have caused a growing tension between the perceived value of study to a student, the funding and the wider economic value of higher education. This has been caused in part by the way that the system has changed incrementally and is widely misunderstood. The current system of tuition fees and repayments is more akin to a graduate tax. Promoting better public understanding of this should form part of the HE funding review. (Paragraph 125)
27. Students lack sufficient high-quality information to make informed choices about higher education and the career paths which might subsequently be open to them. Decisions to take on a financial burden lasting most of a working lifetime are often made by students without adequate information or advice. The long-term implications of an adverse choice can leave students in a vulnerable position. (Paragraph 126)
28. *Student choice is central to the debate over value for money in higher education. Our inquiry found a woeful lack of pre-application and career information, advice and guidance, particularly awareness of degree apprenticeships. The Government's current post-18 review must look at routes into higher education, and the quality of careers advice which students receive.* (Paragraph 127)

# Formal minutes

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## Tuesday 16 October 2018

Members present:

Robert Halfon, in the Chair

Lucy Allan	Trudy Harrison
Marion Fellows	Lucy Powell
James Frith	Thelma Walker
Emma Hardy	William Wragg

Draft Report (*Value for money in higher education*) proposed by the Chair, brought up and read.

Report to be further considered on Wednesday 24 October.

[Adjourned till 23 October 2018 at 9.30 am

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## Wednesday 24 October 2018

Members present:

Robert Halfon, in the Chair

Lucy Allan	Ian Mearns
Ben Bradley	Lucy Powell
Emma Hardy	William Wragg
Trudy Harrison	

Consideration of the Chair's draft Report (*Value for money in higher education*) resumed.

*Ordered*, That the Chair's draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 127 read and agreed to.

Summary agreed to.

*Resolved*, That the Report be the Seventh Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available (Standing Order No. 134).

[Adjourned till 30 October 2018 at 9.30 am

## Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

### Tuesday 12 December 2017

**Sam Brook**, Warwick University graduate, **Aaron Oreschnick**, degree apprentice, Manchester Metropolitan University, **Polly Tyler**, Nottingham Trent University student, and **Taylor McGraa**, Education Officer, Goldsmiths Students' Union

[Q1–29](#)

**Nicola Dandridge**, Chief Executive, Office for Students, **Amatey Doku**, Vice President (Higher Education), National Union of Students, and **Conor Ryan**, Director of Research and Communications, Sutton Trust

[Q30–61](#)

### Wednesday 21 February 2018

**Professor Edward Peck**, Vice-Chancellor, Nottingham Trent University, **Peter Horrocks CBE**, Vice-Chancellor, Open University, **Professor Dame Janet Beer**, Vice-Chancellor, University of Liverpool, **Professor Chris Husbands**, Vice-Chancellor, Sheffield Hallam University, and **Professor Louise Richardson**, Vice-Chancellor, University of Oxford

[Q62–138](#)

**Alice Barnard**, Chief Executive, Edge Foundation, **Julian Gravatt**, Deputy Chief Executive, Association of Colleges, and **Alistair Jarvis**, Chief Executive, Universities UK

[Q139–167](#)

### Tuesday 27 February 2018

**Professor Ian Marshall**, Deputy Vice-Chancellor, Coventry University, **Dr Claire Crawford**, Assistant Professor of Economics, University of Warwick, and **Dr Gavan Conlon**, Partner, London Economics

[Q168–207](#)

### Tuesday 27 March 2018

**Professor Sir Ian Diamond**, Chair, independent review of higher education funding and student finance arrangements in Wales, **Professor Anna Vignoles**, Professor of Education and Director of Research, Faculty of Education, University of Cambridge, and **Stuart Cannell**, member of the student panel, Office for Students

[Q208–247](#)

**Sir Michael Barber**, Chair, Office for Students

[Q248–314](#)

### Tuesday 24 April 2018

**Sam Gyimah**, Minister for Universities, Science, Research and Innovation, Department for Business, Energy and Industrial Strategy and Department for Education, and **Philippa Lloyd**, Director General for Higher and Further Education, Department for Education

[Q315–413](#)

## Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

VAL numbers are generated by the evidence processing system and so may not be complete.

- 1 Anonymous 2 ([VAL0014](#))
- 2 Anonymous 1 ([VAL0006](#))
- 3 Association of Colleges ([VAL0056](#))
- 4 Association of Graduate Careers Advisory Services ([VAL0031](#))
- 5 Association of School and College Leaders ([VAL0050](#))
- 6 Birkbeck College Parliamentary Studies Group ([VAL0046](#))
- 7 Birkbeck, University of London ([VAL0073](#))
- 8 Bright Blue ([VAL0070](#))
- 9 Brightside ([VAL0018](#))
- 10 British Association of Social Workers ([VAL0052](#))
- 11 Catholic Education Service ([VAL0015](#))
- 12 CBI ([VAL0057](#))
- 13 Central Careers Hub ([VAL0004](#))
- 14 Centre for Global Higher Education ([VAL0045](#))
- 15 Charlie Heywood-Heath ([VAL0003](#))
- 16 Chartered Association of Business Schools ([VAL0032](#))
- 17 Chartered Management Institute ([VAL0075](#))
- 18 CIPD ([VAL0025](#))
- 19 Committee of University Chairs ([VAL0071](#))
- 20 Coventry University ([VAL0035](#))
- 21 Department for Education ([VAL0059](#))
- 22 Destination for Education ([VAL0072](#))
- 23 Dr Graeme Atherton ([VAL0012](#))
- 24 Dr Louise Bunce ([VAL0083](#))
- 25 Dr Mark Baimbridge ([VAL0022](#))
- 26 Dr Mark Loon ([VAL0027](#))
- 27 Dr Peter Knight ([VAL0007](#))
- 28 Dr Steven Jones ([VAL0049](#))
- 29 Edge Hotel School ([VAL0084](#))
- 30 Education Policy Institute ([VAL0060](#))
- 31 EEF - The Manufacturers' Organisation ([VAL0010](#))
- 32 Engineering Professors' Council ([VAL0017](#))
- 33 GSM London ([VAL0024](#))

- 34 Guild HE ([VAL0047](#))
- 35 HEFCE ([VAL0053](#))
- 36 Higher Education Commission ([VAL0036](#))
- 37 Jisc ([VAL0034](#))
- 38 John Ogden ([VAL0001](#))
- 39 Joseph Cowell ([VAL0079](#))
- 40 London South Bank University ([VAL0048](#))
- 41 Media Training Ltd ([VAL0080](#))
- 42 Michael Nisbet ([VAL0078](#))
- 43 Middlesex University ([VAL0023](#))
- 44 MillionPlus ([VAL0058](#))
- 45 Mr Samuel Brook ([VAL0008](#))
- 46 Mrs Estelle Clarke ([VAL0068](#))
- 47 National Numeracy ([VAL0077](#))
- 48 National Union of Students ([VAL0076](#))
- 49 Nottingham Trent University ([VAL0051](#))
- 50 Office for Students ([VAL0069](#))
- 51 Office of the Independent Adjudicator for Higher Education ([VAL0020](#))
- 52 Professor Ali Eftekhari ([VAL0009](#))
- 53 Professor Geoffrey Alderman ([VAL0016](#))
- 54 Quality Assurance Agency for Higher Education ([VAL0042](#))
- 55 Royal Historical Society ([VAL0026](#))
- 56 Russell Group ([VAL0041](#))
- 57 Southampton Solent University ([VAL0037](#))
- 58 Sutton Trust ([VAL0054](#))
- 59 The Open University ([VAL0019](#))
- 60 UNISON - the public service union ([VAL0021](#))
- 61 Universities and Colleges Employers Association ([VAL0029](#))
- 62 Universities Scotland ([VAL0043](#))
- 63 Universities UK ([VAL0063](#))
- 64 University Alliance ([VAL0061](#))
- 65 University and College Union ([VAL0033](#))
- 66 University College London ([VAL0044](#))
- 67 University of Bedfordshire ([VAL0038](#))
- 68 University of Cambridge ([VAL0065](#))
- 69 University of Central Lancashire ([VAL0039](#))
- 70 University of Derby ([VAL0013](#))
- 71 University of East Anglia ([VAL0028](#))



- 72 University of Essex ([VAL0082](#))
- 73 University of Hertfordshire ([VAL0064](#))
- 74 University of Nottingham ([VAL0011](#))
- 75 University of Portsmouth ([VAL0066](#))
- 76 University of Sheffield ([VAL0055](#))
- 77 University of Sheffield Students' Union ([VAL0030](#))
- 78 Which? ([VAL0074](#))

## List of Reports from the Committee during the current Parliament

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All publications from the Committee are available on the [publications page](#) of the Committee's website. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

### Session 2017–19

First Report	Fostering	HC 340 Cm 9662
Second Report	The future of the Social Mobility Commission	HC 866 Cm 9619
Third Report	The Government's Green Paper on mental health: failing a generation: First Joint Report of the Education and Health and Social Care Committees of Session 2017–19	HC 642 Cm 9627
Fourth Report	Appointment of the Chair of the Social Mobility Commission	HC 1048
Fifth Report	Forgotten children: alternative provision and the scandal of ever increasing exclusions	HC 342 Cm 9709
Sixth Report	The apprenticeships ladder of opportunity: quality not quantity	HC 344
First Special Report	Children and young people's mental health—the role of education: Government Response to the First Joint Report of the Education and Health Committees of Session 2016–17	HC 451
Second Special Report	Apprenticeships: Government Response to the Second Joint Report of Session 2016–17	HC 450
Third Special Report	Multi-academy trusts: Government Response to the Committee's Seventh Report of Session 2016–17	HC 452
Fourth Special Report	Exiting the EU: challenges and opportunities for higher education: Government Response to the Committee's Ninth Report of Session 2016–17	HC 502
Fifth Special Report	Primary assessment: Government Response to the Committee's Eleventh Report of Session 2016–17	HC 501
Sixth Special Report	Evidence check: Grammar schools: Government Response to the Committee's Fourth Report of Session 2016–17	HC 623