

## Pocket Watch – The HE Minister at the Select Committee

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“What we are endlessly trying to judge, and something I feel responsible for, is how much change the sector can take”

### Introduction

David Willetts' appearance before the Select Committee a couple of weeks ago offered a good moment to catch up on where things stand in HE before the summer rush of final places begins. The first part of the session was taken up with questions about a possible future HE Bill; will there, won't there ever be one? Other issues raised included: the case for a student premium and the loan system generally; the impact of the extra core and margin places; and progress towards increasing the number of alternative providers, all summarised below

### An HE Bill. Will there be one?

Apparently an HE Bill did get as far as some initial drafting before the latest legislative programme was announced in May but no further. This led to two lines of questioning. First, how far can the Government go without needing legislation? The Minister cited three areas where legislation would ultimately be needed: setting new regulatory powers for HEFCE, possible new powers for OFFA and liberalising the governance of post 1992 institutions. Second, when might we see such a Bill? “*Down the track*” was the Minister's view, when the impact of changes become clearer

### A student premium, loans and widening participation

All this remains an important area for Government with some reassurance coming from the latest UCAS stats. The main 'support' package at present consists of three elements: an increased maintenance grant; an uplift in the repayment threshold; and the new National Scholarship Programme, a package of some £900m. In addition, the Government has asked HEFCE and OFFA to look at streamlining the grant system and at the same time, the concept of a student premium is being looked at although it appears this may have to come out of existing funds. The Minister recognised that students needed clearer information on how much they will be paying back but did confirm that FE and HE loans would not be separately charged: “*you put it altogether and then deduct the 9% of your earnings above £21,000*”

### Core and margin places

It's too early to work out quite what impact these mechanisms of student number control will have in the future and there's still considerable debate about how individual providers will be affected. The Minister confirmed that opening out AAB places next year to ABB should add 35,000 places to the 85,000 covered this year. Both Vince Cable and David Willetts are on record as saying they want to 'free up' the market in due course but there was some questioning about whether some universities might lose out and how diverse the social mix of the 'new' ABB core might be. On the latter, the Minister pointed to protections being built in by HEFCE and on the former, while it was recognised that this posed planning difficulties, it was all part of moving to a student-led market

### Alternative Providers

The White Paper set out a case for opening out the HE market to new and alternative providers and the Minister confirmed that he saw such diversification as important: “*I am believer in opening up the supply side but I do not want to tilt the playing field.*” There are, however, a number of issues that need resolving first including: quality assurance, regulation, widening participation and validation so further consultation will be needed from HEFCE. No timescale was given

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