



## Department for Business, Innovation & Skills

### **Fulfilling our Potential: Teaching Excellence, Social Mobility and Student Choice - Consultation**

You can reply to this consultation online at:

<https://bisgovuk.citizenspace.com/he/fulfilling-our-potential>

A copy of this response form is available at:

<https://www.gov.uk/government/consultations/higher-education-teaching-excellence-social-mobility-and-student-choice>

The Department may, in accordance with the Code of Practice on Access to Government Information, make available, on public request, individual responses.

The closing date for this consultation is 15/01/2016.

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Please tick the box that best describes you as a respondent to this consultation.

	Alternative higher education provider (with designated courses)
	Alternative higher education provider (no designated courses)
✓	Awarding organisation
	Business/Employer
	Central government
	Charity or social enterprise
	Further Education College
	Higher Education Institution
	Individual (Please describe any particular relevant interest; parent, student, teaching staff etc.)
	Legal representative
	Local Government
	Professional Body
	Representative Body
	Research Council
	Trade union or staff association
	Other (please describe)

## Public sector equality duty

### Question 1:

#### a) What are your views on the potential equality impacts of the proposals and other plans in this consultation?

The proposals and other plans in this consultation focus almost exclusively on traditional full-time education in higher education providers. We would welcome a broader view of higher education within the proposals and plans and one which considered the potential for more flexible modes of study (such as levels 4 and 5, part-time study, the study of separate modules built up over time, and the availability of these online) to improve equality of opportunity for those less likely to follow the traditional full-time higher education route.

As highlighted in the BIS 2014 report [National strategy for access and student success in higher education](#), although not all part-time students are from disadvantaged backgrounds, part-time study is an important route into higher education for people from under-represented groups.

Flexible study options would also help meet the changing needs of employers, again, as highlighted in the BIS 2014 report, and would also support employer views highlighted in the [CBI/Pearson 2015 Employer Skills Survey](#) that there need to be more routes to higher skills. The changing occupational structure means that by 2022 half of all jobs will require workers to have completed some form of higher education (level 4 and higher) and:

*'there is more to do to ensure levels 4 and 5 vocational skills are developed on the scale needed by business and in flexible form to open up progression ladders for individuals. The delivery of levels 4 and 5 qualifications in our skills system is currently confusing and, perhaps as a result, there is insufficient emphasis on delivery of these types of qualifications despite their being at the heart of the new labour market.'*

#### b) Are there any equality impacts that we have not considered?

Yes                       No                       Not sure

Please provide any further relevant evidence.

## Teaching Excellence Framework (TEF) (Part A: Chapters 1-3)

**Question 2: How can information from the TEF be used to better inform student and employer decision making? Please quantify these benefits as far as you can.**

No comment.

**Question 3: Do you agree that the ambition for TEF should be that it is open to all HE providers, all disciplines, all modes of delivery and all levels?**

Yes                       No                       Not sure

Please give reasons for your answers.

We agree that the TEF should be open to all higher education providers as this is consistent with the spirit of the consultation paper as a whole i.e. to treat all providers equally. The quality of learning and teaching is as important to a student whichever higher education provider they attend regardless of how that provider is technically categorised. We would also agree in principle that the TEF should be open for all subjects and modes of delivery as a key aim of the TEF is to improve the teaching that students receive.

However we would note that the consultation document and the TEF focus upon the improvements in the quality of teaching, rather than on the quality of learning. A focus on the quality of learning would make this more student centred.

**Question 4: Where relevant, should an approved Access Agreement be a prerequisite for a TEF award? What other mechanism might be used for different types of providers?**

No comment.

**Question 5: Do you agree with the proposals on:**

**a) what would constitute a 'successful' QA review**

Yes                       No                       Not sure

**b) the incentives that should be open to alternative providers for the first year of the TEF**

Yes                       No                       Not sure

But see comments below.

**c) the proposal to move to differentiated levels of TEF from year two?**

Yes                       No                       Not sure

Please give reasons for your answer.

**What would constitute a successful QAA review**

The proposal is consistent with the way the term is used in other contexts (e.g. for course designation for alternative providers).

**Incentives that should be open to alternative providers for the first year of the TEF**

We agree that all higher education providers, including alternative providers, should be treated in the same way. However we have some concerns more generally regarding the linking of the TEF to fee rises (see Question 9 below).

**Moving to differentiated levels from of TEF from year two**

If levels are not differentiated those who are not graded 'excellent' might well be perceived as failing with an excellence grade coming to mean 'satisfactory or above'. This would be counter to the notion of excellence and in any event the intention is presumably to have a more nuanced approach. However, the mechanisms for grading will be complicated and the appropriate identification and implementation of these will be crucial to the success of the scheme. Therefore, year two may be too early for the introduction of differentiated levels.

**Question 6: Do you agree with the proposed approach to TEF assessments on**

**Timing?**

Yes                       No                       Not sure

**Assessment panels?**

Yes                       No                       Not sure

But see comments below.

**and process?**

Yes                       No                       Not sure

Please give reasons for your answer.

**Timing**

A five yearly award seems appropriate in order to give some stability to the system so long as (as paragraphs 5-7 of Chapter Two of the consultation document imply) providers can apply for higher levels at any time within the cycle. Consideration could be given to aligning this with the timing of QAA reviews which are currently every six years, and making this part of the same process or its equivalent.

**Assessment panels and process**

We agree that assessment should be independent, and one way is via independent panels, however it is difficult to comment further without knowing more detail of the process and metrics to be used. We consider that a visit would be a valuable part of the process both to triangulate the data and written evidence submitted and also because it is difficult to gain a real understanding of the effectiveness of learning and teaching in a provider without visiting and talking to students. An alternative approach may be to link this with the external examiner system, and use a peer review approach. Another approach may be to expand the use of the NUSS or the student engagement surveys by asking more central questions on this issue and adding a bias test.

**Question 7: How can we minimise any administrative burdens on institutions? Please provide any evidence relating to the potential administrative costs and benefits to institutions of the proposals set out in this document.**

It is difficult to assess this without knowing the process and measures to be used and the documentation required (in particular, whether it is additional to, or different from, documentation already required for other purposes).

Bureaucratic cost is a concern and this is effectively paid for by the students, leaving less money for teaching and learning.

Consideration could be given to attaching this to other processes e.g. by expanding the external examiner role, expanding the NUSS survey or the student engagement survey, or adding it to the six yearly QAA review.

Another approach would be to make it optional so those providers who want to be known for good teaching enter it. This could raise its status; if everyone is compelled to do it then those that do not achieve as highly may be dismissive of the project and undermine it (especially if some are high prestige universities).

**Question 8: Do you agree with the proposed approach to differentiation and award as TEF develops over time?**

Yes                       No                       Not sure

Please give reasons for your answer.

We agree that there should be differentiation at subject level and that this should be clearly visible to students (and employers) otherwise they may make choices on the basis of a provider-wide grade which does not reflect learning and teaching in the subject they want to study. For this reason it might be more appropriate to have a TEF that is at subject-level only otherwise students may choose a university, and employers may choose graduates, from a particular university because it generally 'has a good name' rather than because of the excellence of learning and teaching in the subject the student is studying.

See Question 8 below regarding the issues surrounding linking the provider-wide TEF grade to the fee cap.

We agree with the way of setting level 1 and, in theory, that there should be other grades above this, but this depends entirely on the way excellence is defined and the criteria and metrics used to measure it (see response to Question 11).

We also note the measuring of teaching quality is difficult and therefore we should be careful to have metrics that are broadly supported by evidence as effective measures of quality; otherwise we are in fact misleading students.

**Question 9: Do you agree with the proposed approach to incentives for the different types of provider?**

Yes                       No                       Not sure

Please give reasons for your answer.

The linking of fee caps to the TEF grade is problematic, for example it would be difficult to link it to anything but a provider-wide grade, however, this would mean that students studying a subject which did not have a high excellence grading would still have to pay higher fees because of the excellence of teaching in an entirely different discipline.

Whatever system is implemented, we agree that the incentives for alternative providers should be the same as for other providers and this is consistent with the spirit of the consultation paper as a whole i.e. to treat all providers equally. The quality of learning and teaching is clearly as important to a student whichever higher education provider they attend regardless of how that provider is technically categorised.

**Question 10: Do you agree with the focus on teaching quality, learning environment, student outcomes and learning gain?**

Yes                       No                       Not sure

Please give reasons for your answer.

We agree with the broad principles in this section of the consultation document, but much will depend on the detail of the actual metrics to be used (see Question 11 below).

**Teaching quality**

Excellent teaching is fundamentally related to meeting student need; how well that teaching supports learning, outcomes and progression. The criteria will be need to be carefully considered to ensure it takes into account both the student need, mode of delivery, and context/subject. A 'one size fits all' may not lead to accurate judgements regarding teaching quality - judgements need to be made in the context of the students' starting point, support needs, mode of delivery and subject.

The consultation document point 7 refers to rewarding and encouraging best practice, however we would welcome more detail on how providers will be supported to improve teaching quality.

### **Learning environment**

In order to widen participation and better develop students' employability skills and prospects, we support growth in part-time/work-based higher education. It is not clear from the consultation document how the TEF panels will consider and measure the effectiveness of learning environments for a diverse range of higher education provision, for example work-based learners/distance-learning. If the ambitions of the consultation paper are to be met - to further develop the sector in order to widen participation, encourage diversity and choice, meet the higher levels skills demand of employers and drive innovation and creativity in provision - then we must ensure that measures such as TEF judgements on learning environments recognise and understand the wide range of learning styles and environments available and measure them accordingly.

### **Student outcomes and learning gain**

We welcome the focus upon learning gain - understanding a student's starting point, and delivering effective support, teaching and learning to allow them to reach their potential and their progression ambitions. Such information on a programme's/provider's performance in delivering learning gain will support students in making decisions regarding the higher education they wish to undertake in meeting their needs and ambitions. Consideration will be needed in both setting out the criteria which will be used to measure learning gain, and how this can be effectively communicated to potential students to help inform choices.

### **Question 11: Do you agree with the proposed approach to the evidence used to make TEF assessments - common metrics derived from the national databases supported by evidence from the provider?**

Yes                       No                       Not sure

Please give reasons for your answer.

Other evidence that could be used includes:

1) Qualitative data: metrics will not give a clear impression to students of the teaching and learning experience, and therefore qualitative data should play a key role. This would allow providers to describe the learning experience in the context of their

mission and would be a way of encouraging innovation and difference, which the TEF should aim to do.

2) Value added: i.e. qualifications and other background information upon entry compared with the award that a student receives at the end of their studies.

3) The proportion of lecturing staff gaining HEA fellowship in recognition of their teaching standards.

4) The investment in provision of learning support for students.

We agree that metrics alone will not give a full picture of excellence as is recognised in the consultation document. We also agree with many of the suggestions for the types of additional provideral evidence which could be taken into account.

In relation to the common metrics which are proposed, we agree that student satisfaction indicators satisfy the criteria in paragraph 10 (valid, robust, comprehensive, credible and current) however, we consider that the proposed metrics in relation to employment data and retention data may not have sufficient validity as a measure of, or proxy for, learning and teaching.

#### **Employment/destination data**

The use of employment/destination data (potentially including earnings) may not be a valid measure of the excellence of the learning and teaching students have received:

a) Employment success may be due to factors such as the perceived status of a university rather than its actual excellence in learning and teaching. This could create a situation in which traditionally well-regarded research-intensive universities score well on this measure and therefore gain a high teaching excellence grade regardless of the quality of their learning and teaching. This would be misleading and would not create the incentive, intended by the consultation document, for such providers to recognise that teaching has a status equal to research.

b) Success for those in freelance careers and for entrepreneurs cannot be measured by the means currently used to collect data for the current DELHE survey. This means that those undertaking degrees in disciplines leading to these kind of careers are less likely to be graded excellent and students may be deterred from taking these programmes even though many of them lead to careers in areas which are of great benefit both to the graduate and to the UK economy.

### **Retention/continuation data**

Retention and continuation data can be a useful metric especially for the traditional undergraduate market of school leavers who attend a campus based university and intend to complete in three years and do not yet have other major commitments.

However given the drive to innovation, social mobility, linking with employers, and opening the sector to new types of students, consideration should be given to some sort of flexibility metric. For many students the traditional pattern of completion times does not work and universities should be encouraged to come up with more flexible ways of engaging with HE, including the ability to build up credits over time in a flexible way. This enables students to complete useful modules and over time build up to a certificate, diploma or degree if they wish. At present students who do not complete a full degree can feel like a failure; it would be better to build student confidence by the passing of each module being a success. This flexibility would be especially useful for part-time students, but also for others unable to commit to full-time three-year programmes. To address this, funding by credit could be considered, and universities could be encouraged to develop flexible modes. One concern is that if there is an emphasis on retention then universities will reduce programmes that have lower retention such as part-time, online or non-September start dates. They may even feel compelled to turn away students from riskier backgrounds because of the possible impact on retention. Therefore we suggest that universities classify programmes and have a retention statistic for the traditional mode and a flexibility statistic for flexible modes. This would encourage both retention rates and flexibility.

### **Student satisfaction**

We agree that students are well placed to judge the quality of the teaching they receive: whether it has been effective, whether it has engaged them and stimulated their interest, whether it has inspired them to further study and whether they think it has enabled them to achieve their potential.

Other suggested common metrics:

### **Distance travelled**

We articulated this argument in our response to the Quality Assessment Review, and to the BIS select committee and proposed that the development of a distance travelled analysis should be a fundamental part of any TEF working group.

Providers who take students with, for example, high UCAS tariff points, are likely to have high rates of retention, progression and achievement, and, ultimately, have graduates in high-earning employment. These outcomes may have little to do with the quality of the

teaching they have received at university and a focus on such outcomes alone could deter providers from admitting students with lower prior achievement, many of whom come from lower socio-economic groups. However, if, distance travelled or 'value added' were measured instead, this would incentivise providers to increase the proportion of disadvantaged students in higher education and would be a better measure of the impact of teaching on the students at that provider. While we welcome the proposal in Chapter 3 paragraph 4 of the consultation that metrics will be broken down and reported by disadvantaged groups, this is not the same as measuring distance travelled. We also welcome the statement that there will be further consultation on this aspect of the proposals in the technical consultation which is to follow. However, we suggest that to introduce a TEF measure without a robust way of measuring distance travelled could be misleading to students.

## Social mobility and widening participation (Part A: Chapter 4)

### Question 12:

**a) Do you agree with the proposals to further improve access and success for students from disadvantaged backgrounds and black and minority ethnic (BME) backgrounds?**

Yes                       No                       Not sure

Please give reasons for your answer.

Pearson fully endorse the ambition as set out in this consultation paper to further widen participation in higher education. However we consider the proposals need to go further. Chapter 4, point 2 sets out a view that obtaining a degree remains a good long-term investment while noting there is still more to do. In order to meet the government's ambition to continue to open higher education up to more students we would suggest the following:

1) Further emphasis and support for diversification of the sector by growing part-time, blended, online higher education: this will allow students with care responsibilities, or financial responsibilities who are in work, and degree apprentices, for example, to better access higher education. Consideration should be given to funding reform (funding by credit) and a flexibility metric for some programmes (see Question 11).

2) Recognition that higher education starts at level 4 - it does not relate solely to level 6 degree programmes: the consultation highlights that the productivity challenge notes that according to UKCES almost half of employers report having staff with skills and qualifications beyond those required for their current job. The consultation paper however focuses almost exclusively upon honours degrees (level 6) as the outcome for higher education. Other qualifications at level 4 and 5, provision delivered in the work place, and distance-learning/part-time provision, should be given equivalent esteem and value.

3) Better support and opportunity for students' entry to higher education: the consultation highlights the BIS research demonstrating widening participation students have a 'poorer attitude to school and their academic work'. We would welcome further consideration of provision to bridge the gap for such students so as to offer them opportunities to benefit from higher education. As an example, Access to HE courses have been successful in preparing students for higher level study in the UK, but the majority of students on such programmes are female and most programmes are full-time; there is little such provision available part-time or with more flexible, blended learning opportunities. We consider such provision would better support students in gaining the required skills and confidence to move into higher education.

4) University should not be perceived as the only route to higher education attainment: part-time, professional and vocational higher education provision – often delivered in an FE setting – should be promoted.

5) Building a higher education sector which allows for credit accumulation and transfer: this may be achieved by considering the funding of higher education at credit level, rather than at qualification level. For many students committing to a three-year, full-time, degree programme, alongside their other responsibilities, prevents them from furthering their skills acquisition and attaining a higher education qualification. In order to widen participation a system which allows for a ladder of attainment, flexible enough to meet diverse student need, is required.

### **BTEC students**

Research by Pearson shows that, for BTEC students, the proportion of students from a widening participation background is almost double the percentage for A level students. Also, the proportion of black and minority ethnic students is higher for BTEC students than for A level students. As BTEC students now make up almost a quarter of students entering higher education they make a significant contribution to helping universities meet their widening participation targets. Our research findings suggest that the following specific ways in which access and success for these students might be improved:

1) All higher education course entry requirements for BTEC students should be clear and transparent. It is not helpful for entry requirements to comprise statements such as 'applicants with a BTEC should contact the university' or 'applicants with a BTEC are considered on an individual basis'. If non-standard offers are being made, then the terms of those offers should be stated clearly.

2) Offers made to BTEC students should be fair and achievable. Currently, the vast majority are. This applies to offers to students taking the Extended Diploma or a combination of A level(s) with smaller sized BTEC Nationals (the latter being the fastest growing route to higher education). However, there are a small number of selective courses where higher education providers have decided they will no longer accept the Extended Diploma on its own. They have changed their offer to require an A level as well as the Extended Diploma. This means these courses in effect require three A levels from A level only students and the equivalent of four A levels from BTEC students. If the degree programme requires applicants to have achieved an A level, then they should require the Diploma sized BTEC rather than the Extended Diploma.

3) The TEF focuses on the quality of teaching, but it is the quality of learning and support (either prior to entry to higher education, or as part of the induction in the first

year) and how it is provided which assists in the retention and achievement of many BTEC students. It is more successful if the support is integral to the course, rather than simply being made available. It is also important that the support does not carry a stigma and is customised to meet individual needs. For example, some universities give support to both A level and BTEC students, adapting it to meet the skills requirements of individual students. The HE Academy could assist in the dissemination of good practice in this respect to all higher education providers.

Pearson welcomes the government's efforts to improve fairness in access to higher education. On the face of it, the introduction of name-blind applications would appear to be a measure that would increase fair access. However, it could have negative consequences. For example, it may make it difficult to identify whether an applicant has previously taken part in a higher education provider's outreach activities. It could be to the applicant's disadvantage if their involvement and success in the outreach activities was not considered as part of the university's holistic assessment. This is likely to have a bigger impact on widening-participation students. Also, some research suggests that, in many cases, the removal of the name will not remove all evidence of ethnicity as this may be apparent through the language qualifications taken and/or references to cultural activities in the personal statement or identified through interview.

Such measures for widening participation should be a part of the TEF. The consultation paper suggests that TEF will recognise providers' *efforts* in improving access; we would welcome this being broadened to consider the *impact* of such measures.

**b) Do you agree that the Office for Students should have the power to set targets where providers are failing to make progress?**

Yes       No       Not sure

Please give reasons for your answer.

No comment.

**c) What other groups or measures should the Government consider?**

Pearson considers the scope should be broadened to include care leavers, care givers, part-time, and distance-learning students.

**Question 13:**

**a) What potential benefits for decision and policy making in relation to improving access might arise from additional data being available?**

Additional data could contribute to improved information to guide potential applicants in making decisions regarding their educational options, and better understanding of the progression routes which they will make available.

Focused policy can address areas for improvement with regards to widening access and improving outcomes for students.

**b) What additional administrative burdens might this place on organisations? If additional costs are expected to be associated with this, please quantify them.**

No comment.

## Opening up the sector to new providers (Part B: Chapter 1)

### Question 14: Do you agree with the proposed single route into the higher education sector?

Yes       No       Not sure

Please give reasons for your answer, including information quantifying how the potential cost of entry would change as a result of these proposals.

Broadly yes we agree that a single entry point sounds practical, as we agree with the desirability of the points listed in Part B, paragraph 2. In particular, a level playing field will help ensure genuine choice for students. We assume this new single route applies to all types of providers i.e. publicly funded, further education, and alternative providers.

However we make the following points:

#### **Entering the sector**

One of the aims of the proposals in the Green Paper is to encourage the entry of new quality providers. However, the proposals make it almost impossible for a genuinely new provider to enter the sector. This is because a completely new provider will not be able to take international students or undergraduate students with access to student loan finance for at least three years, leaving them with no feasible student sector to address. As this is a single entry route these restrictions will apply to all new providers, whether alternative, publicly funded, or further education colleges.

Note that Pearson College London entered the sector in September 2012, and although entry requirements were rigorous, further regulations have been introduced since, to the point where it would no longer be possible for a new provider to enter as we did. Our concern is therefore that future new providers may now be locked out of the system, and while this can be seen as an advantage for those of us already in the sector, it is not good for the long term innovation of the sector as a whole.

Currently, to obtain designation for student loans, and therefore attract domestic students, a new provider needs a QAA report. To be able to attract international students, a new provider needs a Tier 4 licence, for which it also needs a QAA report. To be eligible to apply for a QAA report, a new provider must have been operating for 12 months, while the process of applying and obtaining the report takes 6-12 months. Overlaid on this is the current requirement for three years of audited accounts, which admittedly is reduced to two in the Green Paper. Even with this improvement, the combined effect is that a new provider has to operate without domestic or international students for three years in order to enter the sector.

Up until (and including) the 2012-2013 academic year, it was possible for a new provider to obtain designation (or a Tier 4 licence) from the very start of its activities, so this is a very recent change and effectively locks out completely new providers.

Therefore a process should be developed for new providers to obtain designation ab initio, with appropriate quality support in place. If this is not addressed it seems very unlikely that the sector will see any completely new providers (as opposed to those recycled from within the sector).

As for cost of entry, we suggest this would be prohibitive for a completely new provider. To attract students without being able to offer tuition or maintenance loans for three years, and yet still compete with extant universities, would mean either appealing only to the wealthiest students or offering very high scholarships to the entire student body for several years, along with all the costs of setting up a higher education provider. This is just not realistic even for the largest companies and deepest pockets.

### **Creation of a high quality new providers**

High quality new providers can stimulate competition and innovation, increase choice and help improve efficiency. However, they cannot exist merely as a spur to competition. They need a proper chance to grow into worthwhile and successful providers in their own right. After all, even our most traditional providers were new providers at one stage. Furthermore they will only have a positive competitive impact on the sector if they are successful themselves.

At its most basic there are three requirements needed to encourage new quality providers:

- (1) Ability to enter the sector;
- (2) Ability to grow and to reach financial sustainability, and;
- (3) A fair opportunity to develop a good and distinctive reputation.

We suggest that any proposals and regulations should be reviewed with these requirements in mind. We make the following comments on each in the light of the proposals.

### **Entry**

This is discussed above and remains problematic.

**Growth and financial sustainability**

Financial sustainability is very important, as reflected in the financial sustainability, management and governance (FSMG) requirements, yet there is an inherent conflict between this and the number restrictions of 100 students in the proposals (admittedly an increase from 50 students under the current rules) and the rules on growth. Unless a provider is fortunate enough to have a substantial guarantor who can afford to take a very long term view, providers need to reach, as quickly as possible, a point of financial sustainability where they are covering costs and generating a surplus for further investment. The average publicly-funded university has about 17,000 degree students. There are no new providers of that size, and only a handful with student numbers in the thousands. In discussions with many providers, and allowing that it can of course vary a great deal, it seems likely that for a provider reliant on undergraduate degree income alone, well over a thousand students is necessary to reach a sustainable point as a minimum. Based on current caps and assuming a permitted growth of 20%, it would take at least eight years for a new entrant to reach this number, and a quarter of a century to reach the size of an average publicly funded university.

The freedom to grow is therefore important and needs to be reviewed alongside appropriate quality controls.

**Fair opportunity to build reputation**

To create high quality new providers the system needs to ensure they have a fair opportunity to develop a good and distinctive reputation. A number of the proposals and current policies impact upon this. The ability to grow student numbers affects the ability to develop significant word-of-mouth reputation and to build up an evidence base of good practice. It also affects the ability to reach financial sustainability and therefore create long-term security and surplus for investment. The current validation model can make it difficult both to add new programmes and to develop truly innovative and distinctive approaches.

A particularly important issue is the student loan caps. Currently, students at alternative providers are only allowed to claim a maximum £6,000 tuition fee loan, as opposed to a maximum £9,000 for students at publicly-funded providers. This means the traditional sector has 50% more tuition fee funding to invest in the student experience.

Providing smaller classes, more teaching hours and better facilities costs money, and the loan cap effectively limits the quality that can be provided. This is particularly unfair on students, given all students repay loans at the same rate irrespective of where they studied. The repayment period may well be shorter, but graduates will not experience any difference in repayment for perhaps 20 years or longer. It does not seem right that

they cannot have as much invested in their learning experience. This seems a clear example of how new providers do not have a fair chance to develop a good reputation, and it is therefore to be welcomed that £9,000 loan caps may be possible in the future.

The best way to create a fair opportunity for new providers is to develop a more level playing-field across the sector as whole. Universities operate as ecosystems that combine teaching, research and scholarly activity, facilities and services management, and outreach and public engagement. These reinforce each other in various ways (see para 8) in terms of developing reputation and therefore as far as practicable a level playing-field should be created across all activities. This appears to be the general tenor of the Green Paper with a move towards a single system, and this is to be welcomed provided suitable criteria and quality controls are put in place for all providers.

We would also recommend that some thought be given to the creation of an on-boarding process for new providers to help them enter the sector and set themselves up in a way that is likely to support them and their students to succeed. This could build on the scaffolding process suggested in the Green Paper (models 1, 2a, 2b and DAP) but would particularly focus on the first few years i.e. model 0. We propose the aim should be to lay the foundations for a new provider sector that could one day become world-class. Minimum criteria and consequences for poor provision are crucial, but equally important is a supportive induction that encourages new providers and maximises their chances of success.

We would be very happy to share our experiences and suggestions for future new providers in more detail if that would be helpful. We have already entered the sector but we are concerned that others will be unable to do so and believe the sector as a whole will suffer without future new entrants with new ideas and approaches.

### **Miscellaneous comments**

**Para 8 bullet 3:** This seems to be saying that providers that did not operate model 1, 2a or 2b would not be part of the UK higher education sector. Although the majority of providers will probably want to run one of the proposed models (as they will need international students or designation), there are other options. For example, providers could run masters courses for UK/EU students and/or online, and therefore not need Tier 4 or designation. This could continue even after loans for masters degrees are introduced, especially in the MBA market where many providers will not want fee caps. It is not clear why such providers would not be considered part of the higher education sector. They would still be validated degrees, quality assured by a university.

Alternatively, employers may wish to run higher education activity without loans or international students, but in courses validated by a university (for example, Pearson run a programme for an employer that is both a degree and a higher apprenticeship

and does not need loans or Tier 4). Other innovative approaches could emerge that do not fit the models outlined.

The focus of the proposals is very much on undergraduate degree provision but it needs to be remembered that there are other ways of entering the sector. BPP, for example, entered via professional education and obtained DAP without ever having run or validated degrees. If the policy aim is to encourage greater variety then the focus needs to be broadened to include provision from level 4 and above, such as professional education, technical/vocational programmes, individual modules and short courses (and credit transfer), apprenticeships, masters, international degrees/programmes, work-based learning, and corporate courses.

**Para 8 bullet 8:** It is not clear why level 4 and 5 qualifications such as Higher Nationals should be dealt with differently. If a provider was able to demonstrate the necessary criteria, then it seems logical that it should be able to proceed to model 2b) as this would fit with the move towards a more level playing-field. Similar reasoning would apply to any non-degree provision (see examples immediately above). Also many Higher National qualifications are awarded by universities under licence rather than awarded by Pearson or SQA and it is not clear why this should apply in these cases.

### Question 15:

**a) Do you agree with the proposed risk-based approach to eligibility for degree awarding powers (DAPs) and university title?**

Yes                       No                       Not sure

Please give reasons for your answer.

We make the following comments on the risk based approach described:

**Paras 12 and 13/20:** These are potentially contradictory as the first sets out perpetual DAP and the second that DAP can nevertheless be lost. Clarification on the proposed rules is needed. We recommend that after a satisfactory initial period (possibly six years following being granted DAP), all providers should hold DAP in the same way, and be subject to the same criteria for removal or special measures.

**Para 13:** This suggests two different kinds of TDAP. We already have three types of DAP (FDAP, TAP and RDAP) so if there is a further type it should have a distinct name. We agree that not all providers may want the current fully-fledged TDAP and therefore should not have to fulfill such demanding criteria. Ideally the types of DAP should follow

a scaffolding approach i.e. one builds on another so that providers do not have to repeat approvals. Each type needs clear and objective criteria and a right of appeal.

**Para 14:** We agree with flexible approach to track record for DAP applications, but remind policy makers that it is already possible to be granted DAP without using the traditional validation route (one example being BPP).

**Para 19:** We agree with reducing numbers for university title as historically universities were much smaller (i.e. in the hundreds) for many years. (In fact, one could argue that the traditional university was a small close knit community, with much commonality of student experience and the much larger universities of today have moved away from this). One probable consequence would be that applying for DAP and UT would become the same thing. Consideration would need to be given as to whether there is anything special in the meaning of university beyond DAP and whether this should be included in the criteria. One suggestion could be that a university should be making a contribution to the sector and society in some way, and this should be articulated in the criteria.

**Para 19:** This also suggest that the term University College may no longer be needed if there were no minimum numbers requirement for university title. We suggest that University College could be very useful in a different way. At present it is quite difficult to identify the right name for a new provider to use on entering the sector, and up until they may be granted DAP. The use of school is confused with high schools, college is confused with sixth form colleges and further education colleges, institute is a regulated word and in any case implies research, and university is also of course a regulated word. University College could be used for providers who have moved a certain way up the framework, for example, on establishing criteria for model 1, 2a or 2b as thought appropriate, and where the predominant activity is degrees. This would then make the role of providers clearer for students and other stakeholders.

**Para 20:** Presumably this would apply to all providers whether publicly funded universities, further education colleges or alternative providers. Provided it is applied fairly to all, that the criteria is clear and objective, that there are grounds for appeal, and that the process starts with an intention to support the provider to get back on track (as the reputation of each provider within UK higher education ultimately impacts on the reputation of the sector as a whole) then this seems reasonable.

**Para 21:** It would be useful to clarify who would make the final decision if it were not the Privy Council.

**b) What are your views on the options identified for validation of courses delivered by providers who do not hold DAPs?**

While we have found it possible to develop very good validation partners, we agree that validation can be a serious issue for new providers (including alternative providers and further education colleges) and operates as a serious barrier to entry. In addition to the concerns raised in para 23 we would add four additional points. Firstly, finding a partner and going through the process can take a considerable amount of time, and in practice one has to add another 12 months to the entry time period discussed above. Secondly, validations are collaborative provision, which is viewed as higher risk from a quality assurance perspective. This means that the university, understandably, will want to be cautious and risk averse in approving any new programme. However, the new provider will want to move quickly and ideally create something distinctive and innovative. This can create a tension. Thirdly, validation depends on peer review – that is, approval by academics from other universities. Therefore both the new provider and the university have to consider what other academics will think. This can create a ‘cycle of conservatism’, meaning it is easier to gain the necessary approvals the more like everyone else you appear. Finally, the current system effectively requires approval from existing competitors in order to enter which we suggest is clearly anti- competitive.

Therefore we propose that there should be four routes:

- 1) Current validation model – this can work very well.
- 2) A central validation service of some kind – the easiest way to achieve this would be via a tendering process from providers with DAP.
- 3) An off the shelf qualification – new providers would be able to deliver already validated programmes in a range of subjects (similar to the University of London model). Indeed could we simply use the University of London model? University of London was originally set up to provide validation services for London colleges that did not have their own DAP (most of whom have grown into excellent universities in their own right).
- 4) Ongoing and increased recognition of other types of qualifications that do not need validation but are still delivering at levels 4-8, for example, professional education. These may or may not be eligible for loans but can still be a type of sector entry as discussed above.

We also note the suggestion in para 24 that the new Office for Students run a validation service. This would mean the office would have DAP and given all the many roles it would need to fulfil there is the potential for conflicts of interest (as it will have

oversight of DAP organisations and the sector as a whole) as well as a lack of expertise in the area. It may be better to have this service with a separate organisation such as UoL.

**Question 16: Do you agree with the proposed immediate actions intended to speed up entry?**

Yes                       No                       Not sure

Please give reasons for your answer.

Broadly we agree but believe more needs to be done and therefore make the following comments:

**Para 25:** we agree that opening up the sector to new providers and ensuring suitable quality controls are both essential elements to the future development of the UK higher education sector.

**Para 28:** we agree that timing of the current designation process is a serious issue and a serious block to entry and ongoing success.

We have commented in detail above on the issues around timing of new entrants.

**Para 29:** We agree with bullet one in making it possible to apply for designation throughout the year. APs also have to work with university timetables for validation and the combined effect creates a problematic timing issue when wanting to introduce new programmes.

We are unsure about para 29 bullet 2. This would require greater time from the university and many may not want to have spend even more time on what are generally quite small projects. It also seems to go against the idea of trusting universities to manage their own quality assurance processes. Additionally it will also make the cost higher (the validation fee would no doubt be increased) creating another entry barrier. Students at APs can only claim tuition fee loans of 6k and already a higher percentage of that will be spent on paying for QA from the university. This would increase and therefore decrease the amount left to be spent on teaching.

A level playing field is very important, and while some changes will take time and even legislation, other issues can be improved more swiftly. For example, there is one issue that has a big impact on students being free to make fully informed choices, and this is to do with the timing of the designation process. Timing of such processes needs to take into account the recruitment cycle for undergraduate students, so that students have the information they need at the time they need to make a decision. The

recruitment cycle starts 2 years ahead (typically with UCAS fairs and schools outreach visits), and at that stage APs are unable to confirm that students will be eligible for loans and maintenance. Most students make their final decision between September and mid-January of the year prior to enrolment. However, APs are unable to confirm designation till late January. This is a serious barrier to entry and growth, and is also unfair on students as they are unable to make properly comparable decisions.

We therefore propose that the timing needs to change so that it is possible to obtain designation for courses at least one year ahead (preferably two to match the cycle). If necessary an annual designation process could still be run, but more in advance for APs that are already established. This could quickly and easily be introduced by making all designations apply now for a year ahead, and then continuing to run the annual process.

We would also recommend that the annual process is changed to once every two years once an alternative provider has been established for two years without serious QA issues. This would halve the bureaucracy and encourage longer term planning.

Running a higher education provider successfully means planning ahead, and the designation process and the SNC process can make this difficult for APs.

**Paras 30-32:** FSMG pressure between financial sustainability and growth and designation and SNCs

**Para 30:** while financial sustainability and good governance are clearly necessary to build and run successful higher education providers, there is an ongoing tension between being able to achieve financial sustainability and the current rules around SNCs, permitted growth, designation, the students recruitment cycle, and initial entry. It is important that APs can reach sustainability as quickly as possible, and the combined impact of these rules needs to be reviewed.

**Para 36:** We agree with the concept of multi year designation, but our view is the one-two years ahead designation should have a higher priority and would resolve some of the competition issues while still allowing an annual or biennial designation process.

Broadly we agree with the proposals in para 36, apart from bullet point 6 and the inability to apply if there has been a reduction of SNCs. This suggests that such a reduction would be due to a quality issue, when there could be a number of reasons, for example, a strategic focus on non-designated courses such as masters international students, a slower growth than anticipated (predicting numbers when new is very difficult) etc and not necessarily because of any quality issues.

**Paras 38-42:** We agree with the overall aim of allowing growth in APs and increasing the SNC allocation for new entrants. However, as we have set out above this is still a very slow growth trajectory for new entrants. 20-30% sounds like a high percentage but is only a small number when starting from a low base. Provided quality is assured, and given the move towards student choice, growth should be allowed in accordance with student demand rather than according to arbitrarily set SNCs. It also means incumbent providers (both alternative providers and publicly funded higher education providers) have a significant advantage in having been able to recruit under previous rules and have much higher allocations. Furthermore the gap between their permitted size and incumbents of future new entrants will only grow due to growth being based on % increases. Therefore while we welcome recent changes, we think this area still needs serious review and is not in keeping with the policy move towards healthy competition and a level playing field.

## Provider exit and student protection (Part B: Chapter 2)

**Question 17: Do you agree with the proposal to introduce a requirement for all providers to have contingency arrangements to support students in the event that their course cannot be completed?**

Yes                       No                       Not sure

Please give reasons for your answer, including evidence on the costs and benefits associated with having a contingency plan in place? Please quantify these costs where possible.

Pearson considers that outcomes for students must be protected. The proposal for a requirement for all providers to have contingency arrangements would normally form a part of the organisations risk management and continuity plan, and would ensure that the student's protection was primary. With student numbers uncapped, any issues with securing a transfer of students, where appropriate, would be reduced.

## Simplifying the higher education architecture (Part C)

### Question 18:

#### a) Do you agree with the proposed changes to the higher education architecture?

Yes                       No                       Not sure

Please give reasons for your answer.

Without having more information on how the OFS would work and how all the current activities of HEFCE et al would be fulfilled it is difficult to say. Two issues that would need to be considered are conflict of interest by bringing all functions together, and a process for independent and external rights of appeal against decisions. A further issue is the impact on stability in the sector by changing all regulatory bodies too quickly and the risk of unintended consequences. Many of the desired outcomes (increased competition and innovation and being more student focused) are likely to happen anyway as a result of uncapped student numbers and tuition fee increases.

We make the following comment:

money.

**Para 3:** Although students are central to UK HE, there are other key stakeholders in the system including employers, the wider society, and the providers themselves. This is reflected in the funding as there is considerable tax payer subsidy of universities, as the student loans are themselves subsidised (estimates of RAB rate of 45%) plus other government funding that is granted to universities. Naming the regulator the Office for Students and making its central mission protecting the interests of students is potentially an issue as it may not sufficiently recognise other key stake holders.

#### b) To what extent should the Office for Students (OfS) have the power to contract out its functions to separate bodies?

Fully                       Partially                       Not at all

**c) If you agree, which functions should the OfS be able to contract out?**

The OFS should be able to choose whether any function can be fulfilled best by an internal team or by contracting out.

**d) What are your views on the proposed options for allocating Teaching Grant?**

**Option 1: BIS Ministers set strategic priorities and BIS officials determine formula.**

Agree                       Disagree                       Not sure

**Option 2: BIS Minister sets strategic priorities and allocation responsibilities divested to OfS**

Agree                       Disagree                       Not sure

Please give reasons for your answer,

Probably Option 1. This is because the OFS mission is to protect the interests of students, whereas BIS will be able to balance the issues of employers, wider society and students in the allocation of this additional subsidy.

We also note that whatever the mechanism, all providers (whether public or private) should be able to apply for teaching grant provided they fulfill the relevant criteria. In other words, this should be part of the level playing field. Students studying engineering, for instance, should at least have the possibility their provider can apply for additional resources, irrespective of what type of provider at which they have chosen to study.

**Question 19: Do you agree with the proposal for a single, transparent and light touch regulatory framework for every higher education provider?**

Yes                       No                       Not sure

Please give reasons for your answer, including how the proposed framework would change the burden on providers. Please quantify the benefits and/or costs where possible.

Pearson welcome the genuine intent to move to a more 'level playing field' and a single, transparent regulatory framework. We welcome the baseline on quality, but would want to better understand the detail of this.

Point 20 infers that only providers in receipt of student support would need to meet conditions on fee caps, access, financial sustainability, management and governance. This may need clarification as it seems to express differing requirements for different providers, rather than a level playing field.

We would require more specific information regarding the removal of current requirements, and how they will be replaced in order to make any judgement on burden, cost or benefit.

**Question 20: What steps could be taken to increase the transparency of student unions and strengthen unions' accountability to their student members?**

No comment.

**Question 21:**

**a) Do you agree with the proposed duties and powers of the Office for Students?**

Yes       No       Not sure

Please give reasons for your answer.

Pearson welcome the focus on students and the purpose of OFS to empower, protect and represent their interests. We note that the interests of employers are also represented, and we would welcome further clarification on how this be effectively achieved.

Consideration is required regarding a possible conflict of interest if OFS not only regulates the sector, but also validates higher education programmes.

We would welcome further clarity with regards to providing students with accessible information and ensuring the rights of students to get value for money with regards to the student loan finance.

**b) Do you agree with the proposed subscription funding model?**

Yes       No       Not sure

Please give reasons for your answer.

No comment.

**Question 22:**

**a) Do you agree with the proposed powers for OfS and the Secretary of State to manage risk?**

Yes       No       Not sure

Please give reasons for your answer.

No comment.

**b) What safeguards for providers should be considered to limit the use of such powers?**

No comment.

**Question 23: Do you agree with the proposed deregulatory measures?**

Yes       No       Not sure

Please give reasons for your answer, including how the proposals would change the burden on providers. Please quantify the benefits and/or costs where possible.

No comment.

## Reducing complexity and bureaucracy in research funding (Part D)

**Question 24: In light of the proposed changes to the institutional framework for higher education, and the forthcoming Nurse Review, what are your views on the future design of the institutional research landscape?**

No comment.

**Question 25:**

**a) What safeguards would you want to see in place in the event that dual funding was operated within a single organisation?**

No comment.

**b) Would you favour a degree of hypothecation to ensure that dual funding streams, along with their distinctive characteristics, could not be changed by that organisation?**

Yes       No       Not sure

Please give reasons for your answer

No comment.

**Question 26: What are the benefits of the REF to a) your institution and b) to the wider sector? How can we ensure they are preserved?**

No comment.

**Question 27: How would you suggest the burden of REF exercises is reduced?**

No comment.

**Question 28: How could the data infrastructure underpinning research information management be improved?**

No comment.

**Do you have any other comments that might aid the consultation process as a whole?**

Please use this space for any general comments that you may have, comments on the layout of this consultation would also be welcomed.

No comment.

Thank you for your views on this consultation.

Thank you for taking the time to let us have your views. We do not intend to acknowledge receipt of individual responses unless you tick the box below.

Please acknowledge this reply ✓

At BIS we carry out our research on many different topics and consultations. As your views are valuable to us, would it be okay if we were to contact you again from time to time either for research or to send through consultation documents?

Yes

No

**BIS/15/623/RF**