HOUSE OF COMMONS

Education Committee

Oral evidence: Value for money in higher education, HC 343

Tuesday 27 February 2018

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Watch the meeting

Members present: Robert Halfon (Chair); Lucy Allan; James Frith; Emma Hardy; Trudy Harrison; Ian Mearns; Lucy Powell.

Questions 168 - 207

Witnesses

I: 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.

Written evidence from witnesses:

– Coventry University

Examination of witnesses

Professor Ian Marshall, Dr Claire Crawford and Dr Gavan Conlon.

Q168 **Chair:** Good morning. Could you kindly, from our left to right, give us your names and positions for the benefit of the tape?

Dr Conlon: My name is Gavan Conlon. I am a partner at London Economics.

Dr Crawford: I am Claire Crawford. I am an Assistant Professor of Economics at the University of Warwick.

Professor Marshall: Ian Marshall, Deputy Vice-Chancellor at the University of Coventry.

Q169 **Chair:** Thank you. Just to let you know, the acoustics are not fantastic in this room, so could you kindly speak loudly?

Could you just set out why you think the number of state school pupils going to universities has stalled? I think it has gone up by a tiny 0.1% or something in the past year. What is going wrong?

Professor Marshall: Potentially, the introduction of degree apprenticeships is giving alternatives to a proportion of that cohort.

Q170 **Chair:** That is only 11,000, and surely—we can check this—would they not be classed as doing higher education?

Professor Marshall: It depends on how they registered, so I am not sure. The other thing is that there have certainly been opportunities for people to go into employment, which always has an effect on the number of people going in from state school, so I think you have a combination of a number of factors. For Coventry University the bulk of our students come from state schools, and since 2014 we have increased the number of students we recruit by 34% in comparison to the sector going up by 4%. So we have bucked the trend, because the vast majority have come from state schools.

Dr Crawford: I do not have a whole lot to hypothesise on that issue. I guess cohort size might be one thing to think about. I don't know how fast the cohort is increasing relative to the capacity within universities. That might be one thing to think about.

Dr Conlon: It depends whether you are looking at full-time or part-time education.

Chair: I was going to come on to part-time.

Dr Conlon: In respect of full-time education, it has flatlined among the kids from the poorest families. Among part-time education it has been decimated. We can get into a discussion about why there has been a decline in part-time education if you want.

Q171 **Chair:** I was going to come on to that, but my next question was about the roughly a fifth to a third of graduates coming out and not having graduate jobs or skilled jobs. Again, what is happening? What is going wrong? Gavan, what is your view?

Dr Conlon: I do not have a particular view about why there is what could be considered underemployment or over-education. I do not have a particular rationale for that.

Dr Crawford: I don't have the data to back up exactly why that would be. There might be a number of reasons. One is obviously that having a degree is a good way for employers to signal that they are looking for good-quality, strong candidates. There is some evidence that some jobs that didn't require a degree some years ago suggest that they require a degree now, so there might be something going on from the perspective of employers and what they are looking for from a labelling perspective.

There might be a mismatch between the types of degrees and subjects that students are studying and the types of skills that employers are providing. It could also be that because we have a relatively tight labour market, people are just filling the jobs that are available and haven't necessarily always been able to find those top-end graduate positions.

Professor Marshall: Some degrees do not prepare you directly for a trade or profession or a vacancy that is waiting for you. For example, art and design students typically go into a whole host of part-time jobs maintaining, for instance, their painting if they are fine artists and they have an aspiration to be a professional painter. Certainly for some groups within the university sector there isn't a direct graduate destination. Many of them are self-employed, as I said, in things like art and design.

Also, some degrees provide you with general higher education and not specific education for a trade or profession or particular skill. For example, many graduates who study law never end up in court. They go into businesses, take management jobs or take legal advice jobs, and that is fine but there isn't the market to absorb the number of legal graduates in the whole UK sector.

Q172 **Chair:** What should we do to improve outreach and ensure we improve the scenarios that I set out? Universities are given £800-odd million for improving access. If the number of state school pupils is static, it is not working brilliantly, so what would you do instead?

Dr Crawford: A lot of money has been invested in it. It has gone directly to universities, which are in a lot of cases doing their own thing. There is not always a lot co-ordination across different institutions, so I think there is probably a lot of replication going on of the types of things people are doing without necessarily the robust empirical evaluation of how effective that is being and perhaps not as much learning from each other as there could be.

Possibly investing some of that money in large-scale programmes, indicated by the evidence that we think might be effective and put out into the country at scale and then credibly evaluated, would be a very effective use of the money. It would build the academic evidence base, which is relatively limited in this area, and would give us a much better idea of what things are working and how we could roll out good practice across the sector.

I suspect there are also situations where universities, for obvious reasons, often work broadly with their local communities, so there may be spots around the country that are not being as well reached by university access initiatives as they could be. Maybe trying to move our outreach efforts to make sure we are covering all schools across the country, not just necessarily the schools in the local vicinities of universities, might also help us to think about those state school figures.

Dr Conlon: I would say generally that there are huge problems with the student finance system. I think the removal of maintenance grants a couple of years ago was disastrous. We might all see the effect of that. In a year's time maintenance grants might have been reintroduced.

But I certainly think the language around the student finance system is very problematic indeed. I don't think the debt on graduation is necessarily a problem in itself, because more than half of that is probably written off anyway, but there are real problems with the language of the student finance system. There are real problems with the complexity of the student finance system, and in a year's time it could be even more complex than it already is today.

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. There are things that can be done, but there are many barriers in the student finance system, both real and perceived, that dissuade people.

Professor Marshall: Basically, I agree with that. When the major loans came in, at £9,000, the language around them was all about loans and debt, and you have a large percentage of the population to whom the thought of a debt of £9,000 or £27,000 or £50,000 is almost unbelievable.

The issue for many young people when they start university is not the loan; it is the cost of the start-up. For example, if you are going into halls of residence there is a £1,000 deposit, let's say. In many halls of residence it is that, in private halls it can be more. If your family never spend £1,000 on anything, how do you do that?

The other thing is the start-up costs of just going to university. You buy the books. A package of books can be £200 to £500. In some areas it can be even more than that. Again, those are some of the hidden costs of going to university, which a number of universities have tried to make much more transparent. At Coventry, we provide our Flying Start package—we provide the essential textbooks. We provide support; if you are a civil engineering student at Coventry you get the hard hat, the hi-vis jacket and the work boots as part of your start-up package. We realise that with state school students, a percentage of them into the high 90s would not have that start-up funding. To get the funding they would either have to borrow money from their extended family or take another form of loan or pick up a job in summer and hope they have enough money to do the start-up. For me the bit to address is that start-up cost. When they are in the steady state and they are taking loans, that is infinity plus one for most of them. But if you have to find £1,000, that is really hard.

Q173 **Lucy Powell:** One of the things we have been exploring as part of this inquiry, especially last week when we had some of the Russell Group universities in here, is whether we could do more on contextual admissions. In particular, we talk about measures for state schools and so on, but obviously within the state school system you have some children who have been privately tutored to go to a grammar school, or you have outstanding state schools in very middle-class areas that might not give you a wide range of demographic of students, particularly disadvantaged students. What is your view on contextual admissions? How might it work? Could we do more of it? Oxford seemed quite reluctant, shall we say, on that when we discussed that with them last week, so what are your thoughts?

Professor Marshall: At the moment we collect and use POLAR data to try to find out where there is low participation, and use other data to try to find out what the average incomes are in an area. Sometimes it gets very confusing, because with POLAR, on one side of the street you are a high-participation neighbourhood and on the other side of the street you are allegedly not a high-participation neighbourhood. It is about getting reliable and robust data if you want to do that.

I have read the transcript of colleagues from Oxford saying they interview anybody who meets their criteria. Making a decision to go to university is sometimes about having the support in the school to enable you, whether it is Coventry, Oxford, Warwick or wherever, to make the correct application to the place that will suit you best. To go back to the previous question, we are focusing on support within schools to prepare people to make the application rather than trying to rectify it when it comes into the university's admissions process.

Dr Crawford: Existing research, including my own, suggests that attainment is a big part of the reason why we have a lower percentage of those from disadvantaged backgrounds in our universities.

Contextualisation is one way we could think about addressing that. It is going to result in a necessarily marginal change, I would say, so if we were thinking about even a two-grade reduction, let's say, in terms of whether we admitted students from particular backgrounds—I understand the point that is being made about the lack of individual-level data we might have available to do that—even if we were going to reduce the grade down significantly we are not going to materially change the percentage of students from particular backgrounds who are going to the Russell Group, for example. The number of students who are eligible for free school meals, for example, who have grades even two below the average that are taken among the Russell Group would only mean another 750 to 1,000 students would get into those institutions.

That is, of course, not negligible, but it is not going to give a wholesale change to the composition of those institutions, so I think the long-term aim must obviously be to try to improve the attainment of students from disadvantaged backgrounds. We don't necessarily know how to do that. If we did we would already be doing it. I definitely think contextualisation should be used in the interim.

Just on the point of which data measures to use, I think it is an interesting question. From the research I have done, if you compare students from high-performing and low-performing state schools—measured on the basis of, let's say, the percentage of students who get five A* to C grades at GCSEs, and comparing students from those schools who come out with the same grades at GCSE—the students from the lower-performing schools go on to do better at university than the students from the better-performing schools, perhaps because they have had to do more independent study, and that has set them up better for the type of study that is looked for at universities.

For institutions like Oxford that are looking for very high-grade requirements, perhaps looking among very low-performing schools for students who have those criteria and admitting individuals with lower grades would essentially be a no-brainer. On average, it should suggest that those students would go on to do as well as those from the higher-performing state schools.

It is not quite the same story if you look at area or individual measures. We still see those students doing less well at university on average, but we do not have a good picture of what support is given to them at university. Contextualisation without a package of support to enable them to access the curriculum and make sure they are doing fine once they are at university would be a mistake, but there is no reason why universities could not offer that, and I think they should.

Q174 **Lucy Powell:** It is good to hear you say that. That was the point of the discussion we were having last week. In my experience somebody who has gone through a weaker, more challenging school and come out with a B or an A or an 8 or 9 or whatever has probably overcome a great deal more than somebody else. In my area, for example, most children would then go to a sixth-form college. We don't have school sixth forms so they may have gone to a very challenging one, although I have some outstanding sixth form colleges that have often changed that parameter. So the Oxford and Cambridge excuse to me is often, "We have taken lots of children from that sixth-form college", but they might not serve my area and they don't recognise the secondary school they have come from. It is a granular point, but can we just look at secondary school and not sixth forms, do you think?

Dr Crawford: For me there is no reason why you could not, and the research I have done suggests that GCSE attainment is the crucial factor. So once you compare people from different backgrounds with the same GCSE attainment—I am talking about fine measures in terms of the subjects they have taken and the grades they have—there is zero gap in the chances of going to university. Secondary attainment is a big part of the story, and if you have not been to a school that is enabling you to reach your potential, that is going to put you at a disadvantage even if you were to go on to a relatively better college.

Q175 **Lucy Powell:** My final question: is it relatively easy to do, do you think, in terms of an admissions tutor looking at that?

Dr Crawford: For students who come from schools in England there is absolutely no reason why you could not do it on the basis of secondary school as opposed to sixth form.

Q176 **Lucy Powell:** Do you have anything to add to this contextual admissions thing?

Dr Conlon: No.

Lucy Powell: You would agree, would you?

Dr Conlon: Absolutely.

Lucy Powell: We enjoyed Warwick yesterday, by the way.

Dr Crawford: Good.

Q177 **Lucy Allan:** I wonder if we could talk about the Government's recently announced review into post-18 education. The emphasis seemed to be on fees and also technical skills. Is there more you would like to see within the scope of that review? Does it go far enough? Is it broad enough to tackle some of the real issues facing the sector at the moment? Claire, could you start on that?

Dr Crawford: I think we definitely want to try to take a holistic view, thinking from a higher education perspective about what we think is the purpose of going into higher education, how many students we want, what is the right percentage of the workforce to be sending to university, and therefore how much we as a society think we should be subsidising those individuals versus how much should they be contributing themselves.

That links to the issue of fees, but it is not just fees. The other parts of the student finance system are obviously important components. Particularly for students, the issue of maintenance is obviously a very important area. It is good to link it up with the other elements of post-18 learning, so not only HE but also FE and the other more flexible routes. It is very easy to say that we need to change the perceptions of particular parts of the system and not just regard the route through school and into university as the standard route that we see the majority of people taking. If we are serious about social mobility and that kind of thing, yes, of course contextualised admissions is a really important part of that story, but the majority of those from disadvantaged backgrounds are going into non-HE learning and training, if anything, so a focus on that part as well is very welcome.

Professor Marshall: The review certainly should look at the language it uses in terms of the loan, the fee, and so on, because an awful lot—

Q178 **Lucy Allan:** Should it be more about a tax on graduates? Is that the language you would prefer?

Professor Marshall: I would prefer "graduate tax" or "graduate contribution". Either of those is much better, because as I said earlier on, if you start off with a perception that you are taking a huge loan, it is a loan that you will probably never pay off. As we started to tell parents in 2011 or 2012 when this came in, we said, "Imagine a mortgage where you went to the mortgage broker and he said, 'I have a great deal for you. I am going to charge you whatever interest rate I want, but after 30 years I am going to write off whatever remains'"—you would jump at them. You would take their hand off, but it is in the language of debt, so that is not a good starting point. "Contribution" is a great word. It is a word they use in Scotland and in various other places to reflect the fact that you are making a contribution back for your education. If you have a benefit from it, and it is really a progressive tax, then it would seem fair.

Q179 **Lucy Allan:** Gavin, do you think there is anything else that the review should be covering that it is not? Is it too narrow? Should it be broader?

Dr Conlon: I think it is very good in some respects, in its focus on, or a big emphasis on, maintenance and part-time study. I think it could have looked a bit more at level 4 and level 5 qualifications. I think that is a real issue. You have a dearth of qualified individuals at that level within the economy, so I think it should do more on that, in its own right but also as a stepping stone to further qualifications—to a level 6 undergraduate degree. It is good that it potentially focuses on flexible learning and accelerated learning.

The one issue there is no mention of, when we talk about value for money and the costs to the individual and to the Exchequer, is employers. Employers are the biggest beneficiary of a highly qualified population. The benefits are comparable to those achieved by the individual, but there is no discussion of employers. One of the reasons why we have seen a reduction in part-time enrolment has been that with the introduction of higher fees, employers have withdrawn from the market, and essentially can no longer countenance funding employees, no matter how special they are or how much training they need. They cannot countenance that level of expenditure on training, and I think that is one of the reasons why—

Q180 **Lucy Allan:** It is a really important point that you are making here, because we saw yesterday the role that a fantastic employer, Jaguar Land Rover, plays in the wider community and in the context of developing its employees. It was just so noticeable that there are not many employers that are making that form of contribution in the context of developing its employees.

Dr Conlon: I think it is a very important point, but I think there is also a focus in particular on large employers generally. With the introduction of frameworks and standards 40% of apprenticeship training, for instance, is with large employers, 40% among small employers. It is equally weighted, but the small employers never really get the recognition, but for a small employer, where it used to be the case that they put somebody through on a part-time qualification to degree level, that option is no longer available.

Essentially what we have done is that we are putting the massive burden of higher education on the Exchequer, the general taxpayer and the individual student graduate, but the employer is reaping the benefits but there is no mention of it, so I would say that in the same way that we have an apprentice levy, potentially some contributing system for employers might ease the burden for everyone else, given the fact that it sees such great benefits.

Q181 **Chair:** So you would have a new levy for higher education?

Dr Conlon: No, I am not suggesting that. It may not be a levy. I do not think the apprentice levy has worked to date. I do not think that is necessarily a function of the fact that it is an apprentice levy. The implementation and the administration of the levy has not been entirely successful by any stretch of the imagination. I think that was predictable, given the consultation that took place and the responses of employers suggesting that it was too rushed and not sufficiently thought through. I would not turn around and say that in a year's time we are going to have a use it or lose it graduate employer levy, but I think it is an important funding stream for higher education that isn't currently exploited, and given the benefits that do accrue to employers, that is missing a trick.

Q182 **Chair:** When you said the levy is not working, I know the numbers have gone down—are you saying it is because of that? They have two years to fill their levy, so is it too early to say that it is not working? It has only been there for just under a year.

Dr Conlon: Okay, it is a little bit too early, but when we see a 40% or 50% reduction in apprenticeship starts I think that is problematic. Time will tell. The issue is, when it comes round to spending the levy within the two-year period prior to expiry, what do employers spend their levy contribution on? Are they just going to plough it into qualification accreditation, just to use the money and give their more highly valued staff a qualification for their prior experience, or are they going to invest it into, let's say, 16 to 19 apprenticeships?

Chair: Although we are discussing universities, you could fine-tune the levy. Once we find out what is happening and how much gaming is going on, you could then fine-tune the levy and say, "Use more of your levy for 16 to 19", or whatever it might be.

Q183 **James Frith:** Just going back into the fees debate, do you think variation in fees across courses and institutions is a good idea?

Professor Marshall: In 2012 we were one of only about three universities that offered fees based on their degree class, so a classroom-based course was at £7,500, all the way up to an engineering or a science course, which was £9,000. Only one of three. Because the top cap never moved we just ran into the bottom and everything started to compress, so by the end of it there were only two fees, one of which was about £8,600 and the other one was £9,000, because the other ones just disappeared.

We did costings to work out how much we should be charging, and we knew that those fees were fair to the student and were fair to the university, so we support variable fees but we need to get the rest of the sector to come with us.

Q184 **James Frith:** Providing the cap gets moved up.

Professor Marshall: At the moment what is happening is that the more banded fees are being used to cross-subsidise the engineering and science fees in most universities, because they would probably be at £12,000 or £13,000 by now.

Q185 **James Frith:** We have talked a bit about language, and I would say that it is the job of an education institute to aggregate demand. I think it is unhelpful to begin to talk in terms of students supplementing other students and have them pitting off against each other. Not only will we then have a financial value attributed to courses, but we will have a stigma attached to the humanities subjects supporting the STEM or science subjects. Do you agree with that?

Professor Marshall: One of the reasons that we eventually stopped doing it was because the rest of the sector were not doing it, so it was not common, and we ended up having to explain why we were charging £2,500 less for classroom-based subjects than we were for heavy workshop-based subjects. As I said, other than the inflationary uplift that we started to change, we just decided it did not make any sense. We were trying to fight against a perception, and that was not useful.

If you put in variable fees, that is how most institutions would agree that we cross-subsidise things internally to make the whole institution work and, whatever fee we charge it should be fair to the student and the institution.

Q186 **James Frith:** Should a student be able to say, "I want to take my three-year course for two years, and it should cost me two thirds of what you were going to charge me for three years"?

Professor Marshall: Again, in 2011 we offered that option. We got remarkably few students who were interested in it. There were two or three courses that we offered it in, and in fact we could not run them. There were so few students who wanted that option. We are going back to it.

Q187 **James Frith:** The debate and the world have moved on some seven years since then, though, haven't they?

Professor Marshall: We have gone back to it with our college model, which from this year onwards will allow students, because they do six entry points a year in the block entry form, to increase the number of blocks that they do in a single year, and we charge more fees. In two years you can do a complete degree course, rather than three, so we have gone back to it. We have some appetite for it, but it is not a universal appetite. It tends to be more mature students who are interested in it, rather than the average 18 or 19 year-old. There is a demand there, and there are a number of two-year programmes that have run in the UK for a long time. There is a demand, but is that demand a universal demand for 18 year-olds? I do not think it is. For mature adults it certainly is.

Dr Conlon: With variable fees I think there is a limited rationale for it. There is an assumption that in art, humanities or social sciences, some of these subjects have low returns in the labour market and by default are potentially less important than STEM subjects, which are, let's say, a national priority. It is assumed that all STEM graduates go into STEM-type qualifications, and that is not the case. We have LEO data coming through now, and it is clearly not the case that arts, humanities and social science graduates earn less than STEM degree holders. Often it is the other way around. It depends on the institution you attended and so on.

Using graduate labour market outcomes to suggest that STEM qualifications should be charged more than non-STEM is very problematic. It also sends the wrong signals in the market. By cutting the price by one third you are essentially saying that it is going to encourage people to switch from potentially doing STEM subjects to non-STEM subjects, and that might be the wrong choice.

Q188 **Chair:** In my view that should be precisely the opposite. All degrees are valuable, but where we have huge problems in our country in terms of healthcare and STEM, surely we should be cutting the fees in those areas.

Dr Conlon: Which is absolutely logical, and that is the sort of approach that they have in Australia. They have national priority subjects.

Q189 **Chair:** Sorry, can you say that bit again?

Dr Conlon: They have national priority subjects in Australia, and the fee clusters are different. They are basically trying to encourage individuals to go into these important subjects. We have an issue where we removed NHS bursaries in these core subject areas, so there is a contradiction in policy terms.

Suppose we decide to cut fees for one particular group of subjects. The first issue is, how do you do that? We already have a hugely complicated system, and then by having another layer of £6,000 or £9,000 fees, all of a sudden you have 128 permutations in the level of student support you can get depending on your UK domicile, your part-time or full-time study, your intensity of qualification, whether you have low or high subject costs, whether you are pre-2012 or post-2012. The administration of the system just becomes nightmarish.

Q190 **Chair:** Why can you not just say, "We will cut 25% off any course related to STEM and healthcare"?

Dr Conlon: If we decide to cut 25% off the fees in STEM subjects, it depends on the definition of STEM. Let us just take a broad definition of STEM. There are essentially two ways of doing that. If you cut the fee from £9,000 to £6,000, the institution is going to lose money, essentially. If you cut it for the one third of students who are going to take non-STEM subjects, that will be about £1 billion a year in lost income to institutions. So the question is, are you going to compensate institutions for that lost income?

Suppose we have £9,000 fees. It is possible to say that there is a differential level of loan associated with those £9,000 fees. For students studying arts, humanities and social sciences, you could have a £6,000 fee loan, and for STEM subjects you could have a £9,000 loan, but this would imply that the individual would have to come up with up-front payments to undertake an arts and humanities qualification, for instance. We might think that is inappropriate. That would be very complicated.

The alternative, if you want to have variable fees, is that somebody comes out and says, "These courses are £9,000 in these institutions, and these courses are £6,000 in these institutions". I don't know who would make that decision about which courses have £9,000 fees or £6,000 fees and how that would be regulated effectively, and why an institution would not convert a course on the margins from being a £6,000 course and give it a bit more science and make it into a £9,000 course. I think there are huge complexities associated with that.

Variable fees sound great, but really to implement something like that within the system, with the constraints that we are in, would be hugely problematic.

Q191 **Trudy Harrison:** Gavin, you hinted earlier that you felt that level 4 and 5 qualifications needed more attention, so with regard to the review, how do you feel vocational training should be considered?

Dr Conlon: I think the gap between academic and vocational education narrows significantly the higher up the qualification ladder you go. There is a huge overlap between technical education and vocational education and academic education at the margins, but I think there is a real issue with level 4 and level 5. This is the area of the education system that is producing very or relatively highly trained individuals where there is a lack of or a dearth of supply of these types of careers, so trained technicians. Level 4 or level 5 provides trained technicians, and employers are daily coming out and suggesting that there is a lack of suitably qualified individuals at this level.

I think if you want to encourage individuals to enter into higher education, it does not have to be the jump between level 3 and level 6, from A-levels to degree-level qualifications. I think level 4 and level 5 offers very strong returns to the individual and to the Exchequer, and I think level 4 and level 5 qualifications are often more employer-focused than many other qualifications within the qualification system. That is why I think level 4 and level 5 should be more integral to the review.

Q192 **Trudy Harrison:** To arrive at the answers, how should the review be conducted to consider that, in your opinion? What questions need to be asked? Maybe that is a question for all of the panel.

Professor Marshall: If we are serious about the level 4 and level 5 issue, you have to start with the fact that historically it was really common to do step-on, step-off qualifications. So you would start off and do an HNC or HND, you would top it up to the equivalent of an ordinary degree and then you would top it up with the equivalent of an honours degree. There are still institutions that do that, but they are less common than they were, so that level is also the level at which many part-time students are focusing. They like the fact that they can study for a year, two years or three years and build up the qualification. It is really about looking at the mechanism to facilitate that. As I said, historically most universities, certainly the post-1992s, delivered degrees in that format. The degree has now become the ultimate jumping off point, and there are very good earlier qualifications that would do well for employers. Technicians, for example, are a classic case.

Dr Conlon: The Gatsby Foundation have done a lot of work about level 4 and level 5 STEM versus non-STEM, and the returns to the Exchequer and the individuals of these qualifications. From all perspectives there are very healthy returns, and that is something that people have essentially voted on with their feet—there is demand for these qualifications because they are often linked to strong careers.

The terms of reference in the review talk about accelerated learning and flexible learning. Level 4 and level 5 is flexible learning. 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 and, yes, by the way there is part-time, so we will just multiply that by 0.4 sometimes. Pigeonholing these different types of learner just leads to an incredibly complicated system and unintended 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.

Professor Marshall: The other thing about having a focus on those intermediate qualifications is that people can do an HNC or HND equivalent, develop experience in the workplace, and then five or six years later decide—or decide with their employer—that they need the next level. That then becomes another two years, and it works in the individual's favour because they are building up qualifications that match their employer or their employment needs. Whereas if you focus everything on a degree, finishing at 21, most of us are going to be going through retraining almost continuously. I would be really happy to see some focus on how you incentivise that back into the system.

Q193 **Emma Hardy:** I am so pleased that you came here fighting the case for part-time students and mature students, because I think you are absolutely right that it is an area that has been neglected. The point you raised about how expensive it is now for employers to fund somebody through university part-time is a really interesting one, and one I had not considered, so thank you for coming in and saying that as well.

Yesterday we were told about the impact on people who are on universal credit and on benefits trying to study part-time, and what will happen to their income stream. Do you have any thoughts about that?

Dr Conlon: For that particular group?

Emma Hardy: Yes, those who cannot go to university and study part-time because of the impact that it has now following the changes to the benefit system.

Dr Conlon: I don't have anything particular to say about that, but there is an issue about efficiency in the system. If you look at the 18-year-old to 21-year-old population, there seems to be a conveyor belt of many young people going into higher education potentially without a full assessment of alternative options. For individuals who are a little bit older, whether they are doing level 4 or level 5 or making an affirmative decision to undertake a part-time qualification, they are essentially trading off the costs and the benefits. I am talking about financial and non-financial benefits—there might be wider benefits, especially from part-time education, for mature learners. I think we should be doing more for these types of learners irrespective of their circumstances, because they are mature and they are coming at the decision by trading off not just the direct costs but the opportunity costs. They understand that they might not be able to work as much as they would otherwise, and they are already making an informed decision about whether this qualification is right for them. That is only going to be beneficial for the efficiency of the system in terms of retention, continuation and completion.

I think something really has to be done for part-time learners. For individuals who face credit constraints—the point that Ian made—these have to be addressed at the start of the qualification. People do face credit constraints. It is not about just having a loan for fees or maintenance. It is the start-up costs that are potentially a killer for many potential students. If we do not do that, then we leave a lot of potential and ability wasted.

Q194 **Emma Hardy:** I absolutely agree, so what would be the best or most appropriate funding stream for part-time students, particularly part-time mature students?

Dr Crawford: It is a really difficult question, because obviously we need to incentivise universities and other providers to offer these types of courses. It is not simply a case of, "Multiply it by some percentage of full-time costs and that is the cost of delivering a part-time course". You often have to invest in more flexible methods of delivering it or be available at different times of the year from your normal full-time students. So there needs to be a funding stream that gives universities an incentive to offer those types of provision, but at the same time, as has been said, allows part-time and mature students to still be able to access the courses and employers potentially to be able to fund them.

I think there is not an obvious answer to the question—whether it is reducing fees and covering them by loans but offering them to more students, for example, not only to those who are going into a higher qualification but also those who are retraining, for example. That may do something to help ease the situation for some individuals, but I do not think there is an easy answer.

Dr Conlon: One last thing is the portion of the fee loan that is written off. For full-time students with full-time undergraduate degrees it is about 44%. For part-time degree students it is 36%. You may not be able to provide an equivalent level of support, but it should be a comparable level of support. Part-time students who are undertaking degrees receive less loan subsidy than full-time students.

Q195 **Emma Hardy:** Could you see a system where you could get rid of fees altogether, but in the interim you could have fees that are free for mature students or for people who are studying part-time or for people from certain backgrounds, if we want to really incentivise and help these people get back into education?

Dr Conlon: Anything that reduces the cost of fees will act as an incentive. It would be very challenging to go towards zero fees at that sort of level, but there are options available in relation to part-time students specifically that have not been exploited to the extent that they should be. It is really important to remember that part-time enrolment has declined by 50% over the last decade. Not all of that is associated with higher fees specifically. There was a slight downward trend before those higher fees kicked in, but something should be done.

Chair: We are very tight for time. You have a very quick question.

Q196 **Lucy Powell:** Yes, a quick question that partly relates to what we were talking about before, and to Emma's question. I really like what you were saying about what we were calling yesterday a conveyor belt where people could hop on and hop off and acquire the next level and then the next level. I think we have gone down a narrower route than that of late. Do you think in that context that T-levels and some of the other changes to post-16, and the scrapping of AS-levels and that kind of thing, will help or hinder people's ability to jump on and off, given that they might be making choices even younger about their direction?

Professor Marshall: Until we have more details about T-levels and how they are going to work, it is hard to answer your question. My view is that anything that helps an individual who wants to make a technical or vocational choice and provides them with an entry route into higher education, or an entry route to a higher education that has jump-on, jump-off, has to be a good thing.

Over a 40-year career we need the ability for people to retrain, and at the moment it does not matter if it is technical, vocational or academic, there is a complete disincentive to any form of part-time.

Q197 **Ian Mearns:** On that point, you do not yet know what T-levels look like, but are the universities doing any work themselves to try to provide models of what they should look like from the university perspective to try to pre-empt the Government and possibly even guide the Government on that?

Professor Marshall: At the moment most of us are just waiting to get the ground rules, and most universities have representatives on most of the major qualification agencies and will be involved in that discussion. A couple of weeks ago I was asked if we were going to accept T-levels in terms of general entry qualification, and I gave the answer I gave you, which is that I need to know what the criteria are. If they are replacing existing qualifications it is dead simple, because you just mark against the tariff points and you have an entry qualification. If they are completely different it will take a little bit of experience, but most universities will accept qualifications that they view as entry qualifications to their degrees. It will usually take UCAS about six months to a year to do a tariff, and it will quite quickly be on the website.

Dr Crawford: The extent to which universities view them as equivalent is an important point—not necessarily just whether UCAS is giving them the same number of points, but whether universities, particularly "high-status" universities, really do view them as equivalent to the existing qualifications. That is where the challenge comes in and I don't have anything to say or views about that.

Chair: I do find it amazing, first that some universities do not accept BTECs and secondly that some universities are ruling out accepting T-levels. It is outrageous in many ways when, as you say, they do not even know the content.

Q198 **Ian Mearns:** It seems to me that if universities are not yet sure at all whether they would be accepting T-level qualifications as an entry point, it is surely incumbent on the universities themselves to be trying to guide the Government and saying, "Look, this is what we would require from a T-level in order to help the transition". Otherwise there might be an awful lot of work going on that is going to be completely and utterly fruitless to the ultimate extent.

It is in all our interests to allow as many entry points and ways of learning for students as possible, particularly repeat students, mature students or students who have come from disadvantaged backgrounds. How difficult would it be for universities to develop flexible courses that allow credit transfer and modular learning, that are widely available and, at the end of which, the qualifications have some currency in the qualifications market?

Professor Marshall: It is not impossible. As I said, 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. It is possible, and there are lots of examples.

Q199 **Ian Mearns:** It is possible, but I almost pre-empted my question by saying it would be in all our interests to have that widely available with as many entry points and as much access as possible. How far away are we from that?

Professor Marshall: Certainly in some of the larger cities there are providers who do flexible entry simply because they can get the volume of students.

Ian Mearns: The critical mass, yes.

Professor Marshall: The real issues are your dead spots and your cool spots across the country. It is very difficult to create a sustainable course if you only have 10 students. That is the reality of it.

Ian Mearns: Thank you very much.

Dr Conlon: There are a lot of areas where there are university towns but no part-time provision whatsoever and no weekend provision whatsoever.

Q200 **Trudy Harrison:** On the subject of making it easier for students to go to university, I would like to understand your opinion of two-year courses, given that we have heard a lot about the cost of fees. In our personal experience at home, my daughter is costing a combination of her and us £64,000 to do her three-year degree in law, but £37,000 of that is in her accommodation and living expenses. Reducing that course down to two years, given that she is in for two full days a week, would seem absolutely common sense to me, particularly for rural, coastal communities where accessing university is particularly difficult. There is unlikely to be a university in that community. With all that in mind, what is your opinion, and are there unintended consequences to the devaluing of a degree?

Professor Marshall: As I said, we experimented six years ago with two-year degrees, particularly on our Scarborough campus. That would be one of the campuses that run two-year degrees. Our Dagenham campus is another one that will be running two-year degrees, as well as Coventry.

It does not seem to appeal to younger students, and all the research that was done by HEFCE into the institutions that had offered two-year degrees about six to 12 years ago—there was a cadre of them; there was funding to incentivise it, so a number of them did it—showed that younger students found it difficult to adjust to the different style. Mature students liked them and tended to succeed in them simply because they were not worried about the students union and the social facilities and all that side—the other side of a higher education experience.

I think our step back into it will attract mature students. I don’t think it will attract—

Chair: Can we have some very concise answers? We are really rushed for time. I mean that very gently, not rudely.

Q201 **James Frith:** Do you think students get enough information ahead of making a decision about what university, what course and where to go? Do you think they get enough information to make that informed choice?

Professor Marshall: There is certainly enough information around from Unistarts and various other things. Sometimes they are lost in the sea of information and they depend on trusted others, be it a teacher, a careers adviser, a parent or a sibling who has gone to university, simply because they do not know how to make quite a complex decision.

Dr Crawford: I agree with that. There is a lot of information out there but the evidence suggests not a whole lot of students are accessing it. If we could make schools a vehicle through which that information was channelled to students or sixth forms or FE colleges, that would probably be a helpful thing to do. Summarisation of the information that is out there being disseminated to those kinds of individuals, who can then be the trusted other with access to all the information to point students to the information they need, would probably be a good way to go.

Dr Conlon: One thing I would say about information is that distilling it down to a summary set of 10 numbers, key performance indicators for different institutions, will not work. You need the proper level, the right level of information. Getting into a few numbers just does not tell the whole story, and that is actually misinformation.

Q202 **Ian Mearns:** It sounds like we need an impartial, independent advice and guidance service for young people, don't we?

Chair: We were talking about that in a previous session.

Professor Marshall: The area most schools have cut down on is careers advice.

Q203 **Chair:** Yes, which is a bigger issue we hope to return to. I just have one final question, going back to degree apprenticeships. You say the reduction in costs and fees debt on graduation would have no impact on the repayments of graduates in the lower half of the earnings distribution and would only benefit wealthier graduates. You also said earlier it was a mistake to cut the nursing bursary, which I happen to have sympathy with. Surely the answer to this, if there is money floating around, is to invest more in degree apprenticeships and compel every higher education institution to offer them, because then students do not have the problem with debt. They are likely to be in areas where we have skills deficits. What is your view about that?

Dr Conlon: Potentially it is a very good idea. Degree apprenticeships can work if they are proper qualifications and if they are also designed with employers in mind. That is not just large employers, to build on the point about large and small employers. Giving people the opportunity to earn while they learn is very worthwhile, and that is an attractive proposition, as opposed to just a two-year accelerated rate or other types of learning.

Q204 **Chair:** It is an initial £4.5 million, a second phase of £4.9 million. That is only £10 million, roughly, spent on it, when you think of the billions we spend on tuition.

Dr Conlon: Absolutely, it is billions in tuition fees, but the problem is that in the student finance system at the moment there is very little wiggle room left. The raising of the repayment threshold increased the cost for students by 50% overnight, essentially. There was £2.8 billion associated with increasing the threshold.

Q205 **Chair:** With degree apprenticeships you have no debt—you earn while you learn. How many degree apprenticeships do you offer?

Professor Marshall: I cannot give you the exact figure. I can get it for you. Again, we have run it in a number of areas. The problem we are experiencing at the moment, and what I think might be the problem, is that there are not enough frameworks to cover the range of subjects or topics that we could offer.

Q206 **Chair:** Okay, but that can all be changed. Do you agree that every single higher education institution, providing that they are quality and there is the system that makes it happen, should be compelled to offer them?

Dr Conlon: I do not think you can compel institutions, but—

Chair: You can withhold funding.

Dr Conlon: Presumably if there is an income stream available to an institution, they have every incentive to capture some of that income stream—

Chair: That is what I meant.

Dr Conlon: —especially given the uncertainty with the rest of the system.

Professor Marshall: The reason why we have gone into degree apprenticeships and a number of the post-'92s have gone into degree apprenticeships—

Q207 **Chair:** Including Oxford, who say that they only do research, so they do not need to offer them. Do you agree that all universities should do it?

Professor Marshall: I am sure colleagues at Oxford, if they saw a valuable funding stream, would join us.

Chair: If the financial incentives were geared toward doing it, they might join you. Thank you very much indeed for that, and for your time. We will no doubt be in touch with you as we carry on our inquiry. Thank you.