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**Privately funded providers of
higher education in the UK**

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RESEARCH

This report was prepared by CFE, in partnership with the British Accreditation Council, on behalf of the Department for Business, Innovation and Skills.

About CFE

CFE is an independent research company specialising in employment, education and skills. Established in 1997, we provide research and evaluation to inform policy and shape practice. We work with a range of clients, including government departments and agencies, universities and the private sector.

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About the British Accreditation Council

The British Accreditation Council (BAC) is the only registered charity in the UK dedicated to raising standards in private further and higher education. It is an independent organisation, established in 1984 to be the national accrediting body for private post-16 education in the UK. The primary objective of its founding members was “to improve and enhance the standards of independent further and higher educational institutions by the establishment of a system of accreditation”.

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Executive summary

This report summarises findings from research commissioned by BIS into privately funded providers of higher education in the UK. The research was conducted during 2012 and consisted of a range of desk-based and primary research methods aiming to better understand the privately funded higher education sector.

Introduction and method

The 2011 Higher Education White Paper, *Students at the Heart of the System*, and the accompanying Technical Consultation included a commitment to open up the higher education market, including to privately funded organisations. The government aims to “drive competition and innovation”, through a more market-based approach to higher education, allowing students to choose between a range of types of providers.

However, a lack of information means our understanding of what privately funded provision in the UK is and what it can offer is highly uncertain. Given the complexity and challenges of mapping the privately funded HE market, BIS commissioned CFE, in partnership with the British Accreditation Council, to undertake exploratory research to develop our understanding of these providers and their students. The main aims of the research were to gather a set of quantitative information about privately funded HE providers in the UK, and to understand more about the students who choose to study at privately funded HE providers.

Our approach comprised of scoping and desk research, using existing lists of privately funded HE providers, as well as direct primary research with samples of both providers and their students. This included collecting basic organisational data collection through a data return of 249 providers, and a telephone survey of 126 providers. It also included an online survey of 1495 students followed by 60 in-depth interviews with students.

Mapping privately funded HE providers

Our mapping research has identified a total of 674 named privately funded HE providers operating in the UK. This figure is a minimum estimate for the total number of providers, anticipating that some providers may not have been identified through the research process. It should also be noted that a significant proportion of these identified providers did not directly respond to the research, meaning that their status as HE providers has been obtained from their websites or from other sources.

27 of the 674 providers identified were lead representatives of larger provider groups, often with multiple campuses or subsidiary colleges. These 27 organisations represent a total of 89 additional campuses or colleges, for which we have also gathered details where possible.

Student numbers at privately funded HE providers were gathered through a data return distributed to providers, supplemented with desk research. Based on these sources we

estimate 160,000 HE learners were studying with the identified providers in 2011/12. While our research has not identified student numbers at every privately funded provider in the UK, it offers a reasonable appreciation of the comparative scale of the sector.

Our data returns suggest that almost two thirds of students at privately funded HE providers were studying full time (60.2%). A further 21.6% were studying part time, and 18.1% were studying via distance learning. In terms of student domicile, learners captured within our data returns were fairly evenly divided between home/UK and international students, with just under half of learners (49%) domiciled within the UK. Of the international students, relatively few (10%) originated from within the EU, with the remaining (41%) from non-EU countries. Applying this breakdown to the overall estimate gives a figure of just under 80,000 UK domiciled students.

Most providers identified are relatively small in scale; 217 of the 674 had fewer than 100 students. Only 35 providers had over 1000 students, with five of these having over 5000 students.

One interesting aspect of the privately funded HE sector is the degree of specialism held by many organisations, in terms of the courses and subjects offered. Just over one-third of the identified privately funded HE providers were 'non-specialist' (34.9%), insofar as they deliver a range of provision, covering several subject areas. Approximately another third (30.1%) were providers specialising in business, management, accountancy or IT. The final third of providers were spread over a number of other specialist areas: 62 organisations (9.2%) were religious colleges; 60 (8.9%) were arts-focused; 31 (4.6%) were focused on delivering science and technology courses, involving communications, engineering, aviation and science subjects; and 16 (2.4%) were focused on the delivery of programmes relating to alternative and complementary medicine.

Just over half of our data return respondents were situated in London (50.5%) with a further 20% in the South East of England, showing a particular skew to this part of the UK, at least in relation to head office location. The remaining 30% of providers were spread across the other nations and regions of the UK. The location of the head office is only one indicator of where the providers operate, given that many have multiple offices across the UK and many offer distance learning provision.

Over half of privately funded HE providers who responded to the data return offered postgraduate courses (54%), and a similar proportion of the data return sample offer programmes at first degree level, and again at sub-degree level.

Understanding privately funded HE providers

Our analysis of data returns suggests that the majority of privately funded HE providers operate as for-profit organisations. We received a data return from a total of 136 (54.6%) for-profit and 97 (39%) not-for-profit providers, while the remaining 16 (6.4%) characterised themselves as 'other'. Subject specialism is related to profit making status, with non-specialist, and business, management and IT providers tending to be profit making, while religious and arts colleges are more likely to be non-profit making.

The research confirmed that the majority of privately funded HE providers in this country are, relative to publicly funded HE institutions, very newly established. Our data return

indicates that the median length of time that privately funded providers have delivered HE in the UK is just 12 years.

Given that the majority of privately funded HE providers are small and specialised, it is unsurprising that many offer a limited range of courses and a limited number of qualifications, especially compared with publicly funded HE institutions. Looking at the 88 survey respondents that offered undergraduate level courses specifically, the number and range of courses offered by privately funded HE providers is generally very small, with many offering just one or two. Only 23 (18.2%) of the providers surveyed offer more than four undergraduate level courses.

Given that most privately funded HE providers cater only for a small number of students, it is notable that many offer a wide range of support services, including in-house libraries, counselling services and student clubs, societies and social facilities/events. The provider survey revealed that almost all providers provide a library and information service (117 of 126, or 92.8%) and access to IT and/or other specialist equipment (113 of 126, or 89.7%).

Our survey indicated that, in the academic year 2011/12, undergraduate course fees at privately funded HE providers tended to fall between £3,000 and £6,000 per annum. Over half of the providers that responded to this question (50 of 88, or 57%) indicated they charge a maximum fee of between £3,000 and £6,000; the median maximum fee in the survey was £5,050. The survey indicated the considerable variation in fees between different providers. 10 (11.3%) of the 88 providers who responded to the question indicated they charge a maximum fee lower than £3,000, while 14 (15.9%) charge a maximum fee higher than £9,000. Postgraduate fees follow a similar pattern to undergraduate fees, though course costs appear to be slightly higher. The fee structure for other HE courses below undergraduate level is also similar, but slightly lower. However, the fees information provided predates the change in the fee system that took place from 2012/2013.

In the survey we asked providers about the activities they were likely to pursue over the next five years. 86 of the 126 providers (68%) stated they were either likely or very likely to maintain partnerships with publicly-funded higher education institutions that currently validate their provision or offer a franchising agreement. 80 out of 126 (64%) indicated that they were either likely or very likely to develop links with employers. A minority suggested that they aim to obtain degree awarding powers or seek HEFCE funding. In addition, 54 providers (42.9%) indicated they would be likely to apply for designation for student support.

Most respondents surveyed saw the future positively, stating that they expect an increase in student numbers and have plans to introduce new course options and modes of study. Two-thirds (84 of 126, or 66.7%) indicated that they expect the overall number of UK/EU students studying at higher level to increase. 80 out of 126 (63%) providers expect the range of subjects they offer at higher level to increase, while 91 (72.2%) expect an increase in flexible modes of study. A slight majority (70, or 55.5%) even expect an increase in the overall number of international students studying at a higher level.

Students at privately funded HE providers

Our survey sought to gather data on the nature of student participation in privately funded HE providers of higher education, and the views and satisfaction of students undertaking study. Following this, we conducted a total of 60 in-depth interviews with a cross section of survey respondents, to gather more detailed in-depth information on the experience of studying with privately funded providers of HE. Given the challenge of achieving a representative sample of student responses, the findings can give us a good indication of experience in parts of the privately funded HE sector, but do not necessarily represent the whole story for students at these providers, particularly those at smaller providers.

Despite a fairly equal divide between modes of study overall, mode of study differs visibly between course subject. Looking at each course subject individually, most had either a full or part-time focus, rather than an equal proportion of each mode of study. For example, 89.9% of creative arts and design students, 89.3% of complementary medicine students, and 81.2% of law students were studying full-time. Conversely, 86.1% of architecture, building and planning students, 60.9% of business and administrative students, and 74.2% of education students were studying part-time.

Students' choice of course subject varied considerably depending on student status. Home/UK students were divided somewhat evenly between different subject groups, including business and administrative studies (25.1%), theology and religious studies (18.1%), creative arts and design (17.7%), and architecture building and planning (13%). International students were more likely to be studying business and administrative studies (66%), with architecture, building and planning chosen in 14.6% of cases.

Findings from our survey suggest that the student population within privately funded HE is highly diverse and inclusive, involving students from a wide range of ethnicities, age groups and subject disciplines. Gender was fairly evenly represented within our survey results, comprising a 52:48 ratio of men to women. Mature students made up a significant proportion of the survey population; 65.3% were aged over 25. 55.2% of all students who responded to the survey described themselves as White, with the remainder representing a range of different ethnic groups. Students that belong to a White ethnic background constitute 75.2% of Home/UK students, and 25.3% of international students.

Over two-thirds of students responding to the survey were in paid employment during their course (67.2%) including 665 working full time (44.4%) and 341 working part time (22.8%). A further 30.0% of students were unemployed during their course, and a minority of 2.7% preferred not to disclose their employment status. Students in employment tended to be studying full-time while working part-time or vice versa.

Among survey respondents, the most common reason given for choosing their current course was personal interest in the subject, which was rated as important by 93.6% of respondents. This was followed by career relevance (90.5%) and the range of modules or options available (79.7%). Within the survey the reputation of the provider stood out as the key factor in students' choice of institution, with 86.9% rating this as important. After this came the range of subjects or courses on offer (63.4%), fee levels (57.4%) and facilities (59%).

Overall, students were satisfied with their course provider. A high proportion of students agreed that they were satisfied with the quality of the course (86.1%), the course provider (82.4%), and the accrediting institution overall (82.3%). This was reflected in the interviews too, where the vast majority of participants expressed satisfaction with the course and the institution.

Conclusions and recommendations

The findings confirm and underscore the broad conceptions that have commonly been held about the sector. The number of providers identified in the UK is somewhat higher than previous estimates, but still within a similar scale. Prior to the research, we had estimated 500-600 providers would be identified, compared to the actual 674. We have collected a list of named providers, with key organisational details, which can help to inform government and the sector more generally in the development of future policy and planning. However, given what we know about the dynamic nature of the sector, unless maintained the accuracy of this list will diminish over time.

Privately funded HE provision in the UK is diverse and complex, covering a wide range of institutions. Many of these institutions have particular specialisms, either in terms of model of delivery, or subject area. The principal advantage and strength of this is that privately funded providers can offer variety and choice, as well as just additional capacity for HE. A key risk however, is the potential for greater volatility across the sector and providers, with possible negative effects for students. Maintaining quality and reputation is another crucial risk inherent in the current diversity.

Recommendation: Because of the challenges of collecting data directly from providers, BIS should explore the potential to collect information from those organisations that award HE provision. Making full use of data held by universities and other awarding organisations could provide a more straightforward way of assessing both the nature and scale of privately funded delivery of HE.

Recommendation: Although universities are encouraged to publish registers of collaborative provision, including that with privately funded HE providers, the availability and consistency of this information is currently limited. We recommend that BIS should work with the QAA and the sector to bring greater consistency and accessibility to this information, something which is underway with the current revision of the Listed Bodies Order.

Recommendation: Privately funded providers, government, and sector accreditation/validation/quality assurance bodies should take steps to safeguard and ensure quality provision in privately funded HE providers. This could be supported by a new regulatory framework that aims to ensure that only appropriately accredited or quality assured providers operate in the UK. Clarity should be provided over the respective roles of oversight, review and accrediting organisations, making use of existing expertise and contacts held by the QAA, BAC and ASIC.

Recommendation: As well as ensuring quality, government should consider how any new regulatory framework might deal with provider failure (including any appropriate redress for students), as well as ensuring access to student loan financing is appropriately robust.

Recommendation: Privately funded HE providers should seek to represent their interests effectively to government, potentially bringing more of their numbers together into representative bodies, and considering whether there is a case for distinct “mission groups” within this representation.

Recommendation: Privately funded HE providers should consider how they can more reliably report the employment or further study destinations of their students, potentially using similar methods to the Destinations of Leavers of Higher Education survey. Providers could also consider how their measures of student satisfaction could be compared with mainstream measures such as the National Student Survey.

Overall, this project has developed our understanding of the privately funded HE providers currently operating in the UK, and of the experiences of their students. As discussed, many useful insights have been gained, from the size and make-up of the sector, to the type of provision and the student experience. Nevertheless, we emphasise that this is a dynamic, changing marketplace; even since our fieldwork in 2012, notable new providers have begun recruiting students. Because of this dynamism and because of a lack of participation by many providers, there is a limit to the degree of coverage a single research project can provide. We therefore encourage future research, or other forms of data collection, to update and extend this study and to track trends within the sector.

Introduction

This report gives findings from research commissioned by the Department for Business, Innovation and Skills (BIS) into privately funded providers of higher education in the UK. The research was conducted during 2012 and consisted of a range of desk-based and primary research methods aiming to better understand the privately funded higher education sector.

Background

The 2011 Higher Education White Paper, *Students at the Heart of the System*, and the accompanying Technical Consultation included a commitment to open up the higher education market, including to privately funded organisations. The government aims to “drive competition and innovation”,¹ through a more market-based approach to higher education, allowing students to choose between a range of types of providers. The strategy discussed removing some of the barriers to market entry and degree awarding status, and distinctions between types of provider that have existed in recent times, such as access to student loan financing, student number controls, and VAT exemption status.²

In the UK, higher education has been delivered by a combination of private organisations that receive public, recurrent grant funding, such as most universities, and those that are privately funded. Amidst the wider changes in higher education – and especially its financing – better understanding of the potential role of privately funded providers is important. This is especially so if changes in the sector give the opportunity for privately funded providers to increase their role in higher education provision in the UK.

However, despite the policy direction towards a more inclusive approach to privately funded higher education providers, a lack of coordinated information means that privately funded provision in the UK can often seem a ‘grey’ market, and our understanding of what it is and what it can offer is highly uncertain. Individual sources of information have existed, such as those held by accrediting bodies, for example, but their coverage has not been comprehensive. Discussion has often focused on a relatively small number of large, higher profile providers, or those with courses designated for student support, with less emphasis on the long tail of smaller providers that were also known to operate in the market. Discussions about privately funded providers of higher education often struggle to employ appropriate classifications of provider types, partly because of a lack of coordinated information. A study published by the Higher Education Statistics Agency (HESA) in 2011

¹ Department for Business, Innovation & Skills (BIS), *Higher Education: Students at the Heart of the System*, (June 2011), pp. 53 & 73. Accessible at: www.bis.gov.uk/Consultations/he-white-paper-students-at-the-heartpp

² For VAT status, see: HM Treasury, Budget 2013, (March 2013), page 87, entry number 2.183. Accessible at: http://cdn.hm-treasury.gov.uk/budget2013_chapter2.pdf

found nearly 38,000 HE students studying with 65 private providers in the UK, but even at this time it was clear that many more privately funded providers were offering HE courses.³

A blurred boundary between public and private

Efforts to integrate privately funded provision into a wider framework involving publicly funded institutions follow and support a trend emerging over many years. In a useful discussion paper, Middlehurst and Fielden point out that over many years the distinction between the two has increasingly blurred – with grant funded universities increasingly developing their privately funded offerings, and privately funded providers using partnerships to link in with public provision.⁴ As recurrent grant funding becomes a somewhat less significant revenue for universities, the distinction will diminish further. One illustration of this is the government response to the White Paper consultations, which points out that, as more publicly funded universities rely increasingly on student loan financing, rather than a recurrent grant, more universities will fall below the 50% threshold for public funding. This leads to a different legal status under EU law, affecting procurement regulations.⁵

In this report we maintain the distinction between publicly funded higher education institutions that receive grant funding from the state, and privately funded providers. We should note that under this distinction, privately funded HE providers may still be receiving funding through their students' taking out student loans. This approach follows the definition of alternative provision currently employed by the government, which is articulated primarily in terms of the absence of grant or recurrent funding:

Alternative provider means any provider of higher education courses which is not in direct receipt of recurrent funding from the Higher Education Funding Council for England (HEFCE) or from equivalent funding bodies in the Devolved Administrations; or does not receive direct recurrent public funding (for example, from a local authority, or from the Secretary of State for Education); and is not a Further Education College.⁶

³ For information see: HESA, *Press release 159: Survey of private and for-profit providers of Higher Education in the UK 2009/10*, (April 2011). Accessible at: www.hesa.ac.uk/index.php?option=com_content&task=view&id=2086&Itemid=310

⁴ Middlehurst, R., Fielden, J., *Private Providers in UK Higher Education: some Policy Options*, (May 2011), p.5. Accessible at: <http://www.hepi.ac.uk/455-1969/Private-Providers-in-UK-Higher-Education--Some-Policy-Options.html>

⁵ Department for Business, Innovation & Skills (BIS), *Government Response: Consultations on: 1. Students at the Heart of the System. 2. A new fit for purpose regulatory framework for the higher education sector*, (June 2012), p. 35. Accessible at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32405/12-890-government-response-students-and-regulatory-framework-higher-education.pdf

⁶ Department for Business, Innovation & Skills (BIS), *Applying student number controls to alternative providers with designated courses*, (2012), p. 3. Accessible at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32725/12-1292-applying-student-number-controls-consultation.pdf

Middlehurst and Fielden go on to point out that the same blurred boundaries between public and private can also obscure the variety and subtlety that exists within privately funded provision. Uncertainty about the privately funded HE sector can easily lead to caricatures of large for-profits or of smaller operators. These can be negative, based on negative connotations of the profit motive, or positive, based on better service, efficiency and employability links. But with little evidence, these assertions are difficult to verify, and as this report finds, the reality is of a diverse sector including both for-profit and not-for-profit organisations, often with a niche focus tied into their mission.⁷ The record of many privately funded providers in forming successful partnerships with universities highlights the common ground many institutions find when they do collaborate.

Coping with diversity

With such a wide variety of types of providers operating in privately funded higher education, making simple classification is difficult. Profit-making status provides one clear differentiator, with examples of both private, for-profit, and charitable or non-profit providers. Within the profit-making category, distinctions can be made between institutions that reinvest their profits in provision, and those that distribute surpluses to shareholders. Other examples of provider types include overseas universities with campuses in the UK, and organisations working in collaboration with a host university, such as by providing pre-degree foundation programmes (which may or may not be classed as higher education in themselves). Universities classified as public institutions in their home country may be classified as private when they operate outside that country. Equally, universities are cultivating commercial operations to diversify their sources of funding, thereby becoming more businesslike and entrepreneurial. In one notable case, Coventry University has set up a separate company, Coventry University College, which operates in some respects as a privately funded provider. In the absence of an overall regulatory framework, many different organisations are involved in the oversight of these providers, making classification by oversight or quality assurance bodies problematic.

With this diversity the privately funded sector defies simple classification. Indeed this suggests the term 'sector' is a misnomer, since there are so few common features with which to group together the various models of provision.⁸ Middlehurst and Fielden end their paper with an argument for the government to establish a new regulatory framework for the private HE sector to offer consumers protection in the HE market, with two main objectives:

to strengthen the quality and scale of public information from the private sector and to define more clearly the different types of HEI and their rights, responsibilities and obligations as HE education providers within a world-class HE system.⁹

⁷ Middlehurst & Fielden, *Private Providers in UK Higher Education*, p.5.

⁸ Middlehurst & Fielden, *Private Providers in UK Higher Education*, p. 5.

⁹ Middlehurst & Fielden, *Private Providers in UK Higher Education*, p. 46.

A 2010 report by Universities UK (UUK) offers a more detailed classification moving beyond simply profit making status, modelled on a scheme developed by Levy.¹⁰ This approach is formulated primarily in terms of institutional activities or functions.¹¹ The scheme identifies four main types of private provider in the UK, following a typology developed earlier by Geiger:¹²

- elite and semi-elite (mainly public institutions, especially top tier, with the exception of some private US universities);
- identity institutions (specialist providers);
- demand-absorbing (non-elite, representing largest growth in the sector); and
- for-profit (the fastest-growing sector, though still small relative to non-profit sector)

The first three of these four types have been more succinctly described with the labels “better”, “different” and “more” (respectively). The fourth we could label “profit”. This classification based on function is useful, but some issues remain, the UUK report admits, because some providers, particularly the larger, straddle several categories.

In this report, we refer to a range of provider characteristics in describing those providers we identify. These include:

- Size, in terms of numbers of students
- HE provision level: whether they offer degree-level courses, postgraduate level, other HE below degree level, or a combination of these.
- Mode of delivery: their proportion of part-time and distance learning students
- Profit/non-profit status
- Whether they have courses designated for student support
- Whether they have degree awarding powers

¹⁰ For more information see: Levy, D., *Higher education and the state in Latin America: private challenges to public dominance*, (1986).

¹¹ For more information see: Crossick, G., *The growth of private and for-profit higher education providers in the UK*, Universities UK, (2010). Accessible at: www.universitiesuk.ac.uk/Publications/Pages/Privateandforprofitproviders.aspx

¹² Geiger, R., “Diversification in US higher education: historical patterns and current trends”, in Meek, V., Goedegebuure, L., Kivinen, O., & Rinne, R., (eds), *The Mockers and the Mocked: Comparative Perspectives on Diversity, Differentiation and Convergence in Higher Education*, (1996).

- International orientation: their proportion of international and EU students studying in the UK
- The range of subjects offered, including any relevant specialism

Part of the difficulty in mapping the current landscape of HE provision lies in the scale and pace of change that is occurring in the sector, driven by changes to funding, quality assurance regimes, immigration rules, as well as new technology.¹³ The growth of new providers and the simultaneous decline of others has made keeping track of providers very difficult, particularly as many are not obliged to register with government-sponsored bodies (see page 44). Notable examples of newly formed providers include Pearson College, which has begun offering a BSc (Honours) in Business and Enterprise, awarded by Royal Holloway University of London. The New College of the Humanities has also begun delivering courses to students in 2012/13, aiming to offer a version of traditional academic courses, with a deliberate focus on teaching, set at a higher price, showing that privately funded providers need not only deliver professional or specialist courses.

This report

Given the complexity and challenges of mapping the privately funded HE market, BIS commissioned CFE, in partnership with the British Accreditation Council, to undertake exploratory research to develop our understanding of these providers and their students. The main aims of the research were to gather a set of quantitative information about privately funded HE providers in the UK, and to understand more about the students who choose to study at privately funded HE providers.

Our objectives with respect to privately funded HE providers were:

- To establish a more complete list of existing providers in the UK
- To extend and update the HESA 2011 study to give student numbers for identified providers
- To describe a range of key features about the identified providers regarding their organisation and provision type.

For students studying at privately funded HE providers, our objectives were:

- To provide informed estimates of numbers of students, including by course type and study mode
- To provide an understanding of the student experience in privately funded HE, and how this compares to those in publicly funded institutions.

¹³ See Coiffait, L., *Blue Skies: new thinking about the future of higher education*, (Pearson, 2012), p.13, C

To meet these objectives we undertook a programme of desk research and direct primary research with privately funded HE providers and their students, described in full in the method section following this introduction. Following this, the report then has three findings chapters: mapping privately funded providers, information from our surveys of these providers, and findings from our survey and in-depth interviews with students at these providers. The report concludes with key findings and recommendations for policymakers and other stakeholders.

Method

To meet the research aims and objectives to increase understanding of privately funded HE providers in the UK and their students, we undertook a mixed method programme of desk research and primary research.

Our approach comprised of the following stages, described in more detail below.

- Scoping and definitional work
- Initial collation of existing lists of privately funded providers
- Desk research to collect key provider details and identify duplicates
- Scoping telephone calls to confirm provider status and contact details
- Basic organisational data collection through a data return, by email and telephone
- Desk and web research to gather additional organisational details, including details from Companies House
- A telephone survey of 126 providers
- An online survey of 1495 students
- 60 in-depth interviews with students

Scoping and definitional work

The project began with discussions with BIS and other key stakeholders about which providers should be within scope of this research, given the known diversity within the sector. We confirmed that we would take an inclusive approach in general, including those providers that:

- Do not access public funding, either through the relevant HE funding council, or through an FE funding council/agency (student support is not included in the definition of public funding to the provider);
- Provide HE to students based in the UK (see below for definition of HE);

In addition to these providers, and outside the scope of this research, it should be borne in mind that some private training providers contracting with the UK further education funding councils also offer some provision at Level 4 or above in the Framework for Higher

Education Qualifications¹⁴ on a private basis. Employers and Local Authorities also deliver higher level provision that may be outside of the public funding system, as indeed do FE colleges and universities.

When counting student numbers our scope included:

- Students studying in the UK only
- Students on courses that lead to a qualification only
- Students on courses in 2011/12 only, including those on courses that span more than one year, including 2011/12. (Note that certain sources of data we gathered only had information about previous years, which is indicated where relevant)
- Note that we did not exclude students on courses that are validated by a university and therefore may be included in existing HESA returns. There is therefore a level of overlap between students studying at privately funded institutions and students recorded through the HESA and student support system. At present it is difficult to assess how significant this overlap is without additional data from universities and/or HESA.

Our definition of higher education included any courses at Level 4 or above (or equivalent) on the Framework for Higher Education Qualifications and/or the Qualifications and Credit Framework/National Qualifications Framework¹⁵. Within this, where possible, we have distinguished between postgraduate, first degree and other undergraduate provision, as follows:

- A postgraduate course is any course for which the normal entry requirement would be a first degree. This includes Masters degrees, PhDs and postgraduate certificates and diplomas. It normally equates to levels 7 and 8 in the Framework for Higher Education Qualifications (FHEQ) and includes any equivalent qualifications validated by non-UK universities. This category also includes professional qualifications that are at a postgraduate level.
- A first degree normally carries the title "Bachelor of...". This category includes degrees validated by non-UK universities. This normally equates to level 6 in the Framework for Higher Education Qualifications (FHEQ) and includes any equivalent professional qualifications.

¹⁴ For the full framework please see: QAA, *The framework for higher education qualifications in England, Wales and Northern Ireland*, (August 2008). Accessible at: www.qaa.ac.uk/Publications/InformationAndGuidance/Pages/The-framework-for-higher-education-qualifications-in-England-Wales-and-Northern-Ireland.aspx

¹⁵ For details about these frameworks please see Ofqual's information accessible at: <http://ofqual.gov.uk/qualifications-and-assessments/qualification-frameworks/>

- Other undergraduate includes all sub-degree Higher Education. This includes CertHE, DipHE, HND, HNC, foundation degrees and professional qualifications. This normally equates to levels 4 and 5 in the Framework for Higher Education Qualifications (FHEQ) and includes any equivalent qualifications validated by non-UK universities.

Some providers were also offering further education or equivalent courses, alongside higher level courses. Where a provider was only delivering further education, they were judged as outside the scope of this research. Where relevant, further education was defined as follows:

- Further Education and below includes any qualification at levels 1, 2 or 3 in the Qualifications and Credit Framework (QCF)/ National Qualifications Framework (NQF). This category includes any qualifications that are below HE level and therefore not included in the categories above.

Initial collation of existing lists of privately funded providers and desk research

Following and alongside the scoping and definitional work, we liaised with several organisations to gather existing lists of privately funded providers, including the lists used by the previous HESA study in 2011. The lists we gathered included

- A consolidated list of 609 providers compiled from the previous Higher Education Statistics Agency (HESA) survey of private providers, including respondents and non-respondents to that survey (these details themselves had been collected through a similar prior collation of list sources);
- A list of 403 British Accreditation Council (BAC) accredited providers;
- A list of 487 Accreditation Service for International Colleges (ASIC) accredited providers;
- Lists comprising some 2,500 provider names provided by the UK Border Agency in relation to providers seeking visas for international students, which included separate lists from the Independent Schools Inspectorate (ISI) and the Quality Assurance Agency for Higher Education (QAA);
- 23 provider names provided by Education Scotland;
- A list supplied by the Department for Business, Innovation and Skills (BIS) including 28 privately funded HE providers with whom the Department has previously had contact.

After collating the lists, we carried out initial work to identify and remove duplicates and conducted web research to complete missing contact details, in particular telephone numbers. This provided us with an initial database of approximately 1700 provider names, which were not yet necessarily confirmed as offering higher education or meeting our other eligibility criteria. The focus of our subsequent activity was to improve this list, by

confirming their status as privately funded HE providers, removing any additional duplicates, and securing a suitable contact for our data return and survey exercise later in the project. It should be noted that updating this list was an iterative process and that the overall number of institutions in the database has changed and become more accurate as the project progressed.

Scoping telephone calls to confirm provider status and contact details

Using the initial collated list of organisations, we used a telephone interview market research provider to conduct scoping telephone calls to providers. The calls requested confirmation that the provider offered higher education to students in the UK and met the research criteria. If the criteria were met, the interviewer requested details of the most relevant individual in the organisation to direct further correspondence to. A number of larger, more well-known institutions were excluded from this process, as we were already aware of their eligibility and held an appropriate contact.

The outcomes of the scoping calls were as follows:

- Approximately 700 providers were provisionally confirmed as offering HE; this group was subsequently refined through the research activities that followed.
- Some 340 were confirmed as ineligible for the research, for example, because they did not provide higher education, had ceased trading, were publicly funded through the HE or FE funding councils, or only delivered HE overseas.
- A group of around 670 providers did not respond to the telephone calls or were unreachable after 10 attempts. These formed a temporary “maybe eligible” group, in which the status of each provider was subsequently determined through additional web research.

Because of the iterative process of improving the accuracy of our records the above quoted scoping call outcomes should be seen as historic and do not map directly on to the final numbers of providers identified in this report.

Organisation data return, by email and telephone

Having established a working list of suspected privately funded HE providers, we contacted all by email to complete a spreadsheet template with basic details about their organisation. After several reminder emails and prompting telephone calls, 214 responses were received, of which 14 were subsequently removed as being ineligible. Providers that did not respond by email were given a subsequent opportunity to complete a simplified data return over the telephone, to which 49 providers responded. The electronic data return was based on the previous data return used in the 2011 HESA study and collected the following organisational details:

- Basic company details: name, trading name, UK Provider Reference Number, company/charity number, head office address, number of sites and addresses of additional sites.

- Name and contact details for the head of institution and a nominated survey contact.
- Type of organisation: private, for-profit company, wholly UK owned; private for-profit company, international ownership; private, not-for profit company/charity; campus of non-UK university or college; private subsidiary of a public institution.
- Summary of activities undertaken in 2011/12, including teaching HE, developing own curriculum content and research activities.
- Organisations that award or accredit their HE provision: including awarding bodies, professional, statutory or regulatory bodies, universities, self-awarded, other, or not externally awarded or accredited.
- Student numbers for 2011/12, broken down by mode (full time, part time, distance learning), level (FE and below, other HE below degree level, first degree, postgraduate), broad subject group (laboratory based subjects, subjects with a studio, lab or fieldwork element, business, management and law, and other), and domicile (UK, other EU, non-EU).

Desk and web research to gather additional organisational details

Following the data return collection, we undertook a range of desk-based and web-based research activities to add greater detail and range to our data on providers.

During the course of the research the Quality Assurance Agency for Higher Education (QAA) was conducting Educational Oversight visits¹⁶ (a requirement for organisations seeking Highly Trusted Sponsor status for international students) to over 170 relevant providers, and publishing summary reports on these, which include information on HE student numbers and a range of other details.¹⁷ Where possible therefore we have made use of published QAA Educational Oversight reports on relevant providers as a valuable additional source of information. In addition to this, we were supplied with headline student number details, not differentiated by HE level or below, by the British Accreditation Council and the Accreditation Service for International Colleges.

During our final analysis we received an additional indication of provider scale from a number of awarding organisations, enabling us to fill gaps in our data for organisations where no other indication of student numbers existed.

¹⁶ QAA conduct educational oversight reviews with privately funded HE providers that wish to gain Highly Trusted Sponsor Status (HTS). QAA is the designated body for undertaking these reviews with higher education providers. For more information see: www.qaa.ac.uk/InstitutionReports/types-of-review/tier-4/Pages/default.aspx

¹⁷ For more information see: QAA, *Educational oversight reviews*. Accessible at: www.qaa.ac.uk/InstitutionReports/types-of-review/tier-4/Pages/default.aspx

All of these sources have been supplemented by selected analysis of data held by Companies House, if no other indication of scale was available. Comparison of this information enabled us to improve the consistency and accuracy of our mapping database, and confirm whether providers had ceased trading. We also undertook extensive assessments of provider websites, as an additional indicator of their status and provision type.

Telephone survey of 126 providers

Those providers that participated in the data return exercise were invited to participate in a short telephone interview, covering greater detail on their organisation, their provision and their plans for the future. The survey was conducted using computer assisted telephone interviewing (CATI) and was designed to collect more detail than was possible in the electronic data return.

Online survey of 1495 students

Understanding more of the student experience in privately funded providers of higher education was a key aim of the research. We distributed an online survey by email to students identified as having attended privately funded providers during 2011/12. The survey covered questions on the students' courses, demographics and satisfaction with their experience. The survey was distributed by email through two broad routes: the Student Loan Company's database of 10,074 students at privately funded HE providers who accessed student loans in 2011/12, and through 75 providers who participated in the telephone survey and agreed to forward the survey to their eligible students.

60 in-depth interviews with students

To gain additional depth to the online survey findings, we re-contacted 60 students who participated in the survey for in-depth telephone interviews. The interviews covered similar issues to the survey, but allowed for greater exploration and qualitative data collection. The interviewees were selected to achieve a broad cross section of representation across those who had participated in the survey, in terms of student domicile, provider and course type.

Mapping privately funded HE providers

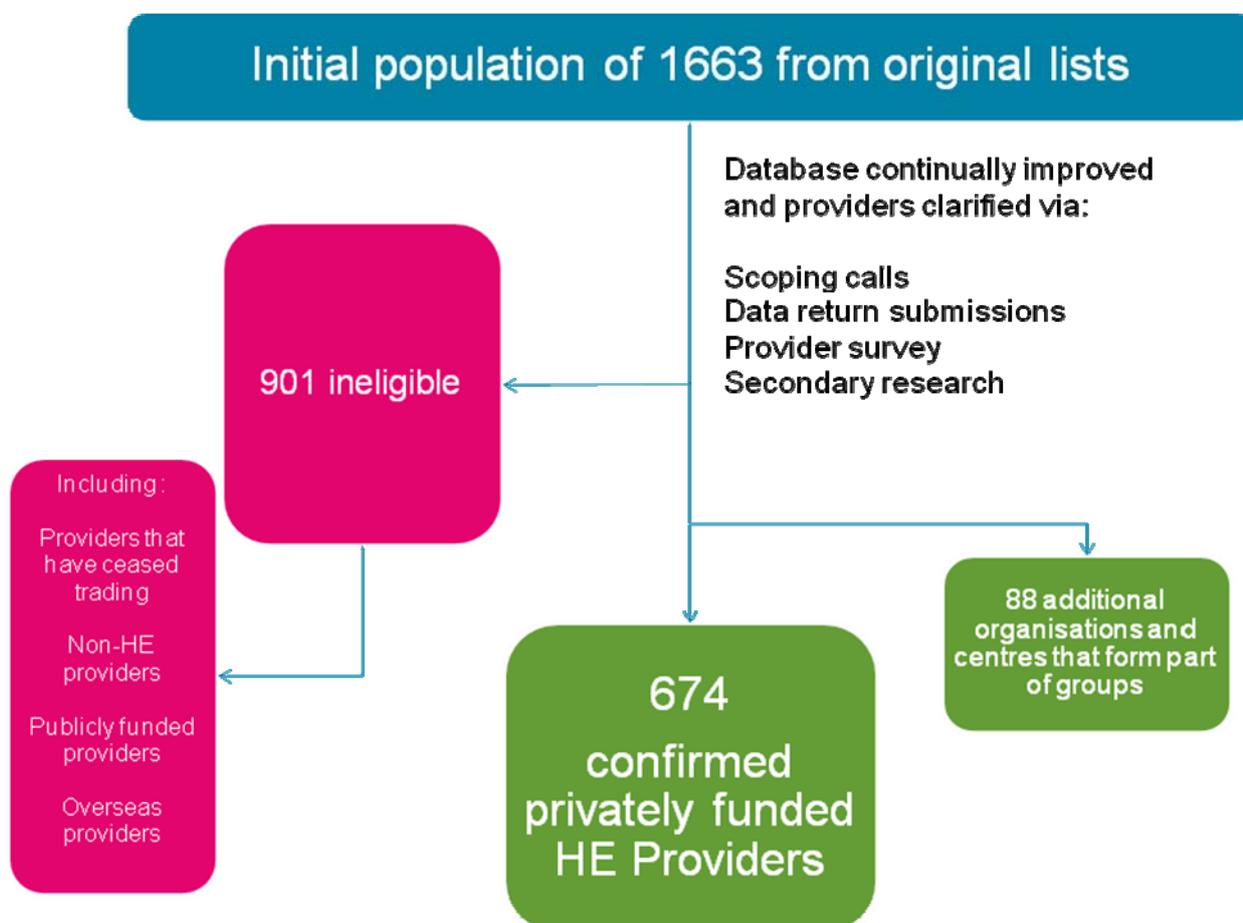
This chapter addresses the relative lack of information on the size and nature of privately funded HE providers in the UK. We summarise the approach and findings from our mapping exercise to identify the providers and, where possible, understand their size.

Collation of existing lists of providers

When beginning this project in the spring of 2012, there were various individual sources of information about privately funded providers of higher education in the UK, but little coordination across these and significant variations in the quality of the available information. Therefore the first stage of the research was to gather lists of known providers operating in the UK from various available sources. The use of these sources is consistent with our aim to identify providers outside the current FE and HE core funding system (see Method section for details on the sources used). It should be noted however, that although every effort was made to identify providers offering HE, there may be providers that were not identified through the sources used.

Following an ongoing process of identifying and removing duplicates, our initial database provided some 1663 provider names, which we then investigated further with scoping telephone calls, direct fieldwork, and web research. This activity identified significant numbers that we believed were not within the research scope, either because they had ceased trading, they did not appear to offer higher education provision, or because they only offered higher education outside of the UK. The numbers of confirmed providers identified and how many were discounted as out of scope for the study are summarised in Figure 1 below.

Figure 1: Summary of numbers of privately funded HE providers identified, and those judged as out of scope



Through removing ineligible or no longer operating providers from our original list, these mapping processes have revealed a total of 674 named privately funded HE providers operating in the UK. This figure is a minimum estimate for the total number of providers, anticipating that some providers may not have been identified through the research process. It should also be noted that a significant proportion of these identified providers did not directly respond to the research, meaning that their status as HE providers has been obtained from their websites or from other sources.

The headline figure for the number of providers can be expanded if we consider that 27 of the 674 providers identified were lead representatives of larger provider groups, often with multiple campuses or subsidiary colleges. These 27 organisations represent a total of 88 additional campuses or colleges, for which we have also gathered details where possible. Through our web research we identified a number of different group models, including those where a shared group branding was used and those where each group member has a distinct name and identity.

Simply identifying the names of existing providers in itself tells us little about the significance or scale of the sector in terms of student numbers and how these students are distributed across types of provider. We have therefore aimed to collect data on student numbers, firstly through a data return distributed to providers, where every effort was

made to encourage responses. Where providers did not submit a response, we supplemented data with desk and web research using a variety of sources (discussed in the Method section). These sources vary considerably in their accuracy and relevance, but we have included less reliable data in the interests of providing an indication of overall scale in the absence of more reliable sources.

Of the 674 privately funded providers identified through our mapping process we obtained some indication of the scale of the organisations for all but 50 organisations, through a variety of methods:

- 242 completed student numbers in their data return (196 by email, and 46 in a simplified version by telephone); this is viewed as being reliable as it is based on direct responses by the providers;
- 172 have an available QAA Educational Oversight report, of which 70 were used in this research in the absence of student numbers from a data return; this is also treated as reliable and relevant as the information has been gathered systematically through QAA's direct contact with providers;
- 89 providers without information from the data returns or QAA have data on student numbers provided by BAC and ASIC; however this data does not differentiate by FE and HE, and is for the academic year 2010/11, meaning it should be used indicatively only;
- 30 have information provided by Pearson/Edexcel on the number of awards at higher levels; while reliable in itself, this is clearly an indication of minimum student numbers only, given that the providers may well offer additional provision not awarded by Edexcel, and only takes into account numbers of awards, rather than enrolments; Pearson did provide data on over 100 providers, but many were already covered through other data collection routes;
- 11 with no other source of student numbers have numbers of students taking out a student loan in 2010/11 provided by BIS; again, while reliable in itself, this gives only an indication of minimum student numbers and is treated as indicative only;
- Of the remaining 232 providers, we were able to gather an estimate of scale for 159, using Companies House data, which provided us with numbers of employees at each provider, but not student numbers.

Analysis of the above sources provided us with insight into the total number of students studying at privately funded HE providers, including individuals studying at both HE and FE level. However, a full understanding of student numbers is only possible for those providers that completed a data return or participated in a QAA Educational Oversight visit. Table 1 below summarises the number of students identified through each process listed above.

Table 1: Summary of student number indications from different sources (Source: All sources, base=442)

Data Source	Number of Providers	Number of learners (includes FE and HE where relevant)
Data return (email)	196	94,772
Data return (telephone)	46	13,020
QAA EO Report	70	71,686
BAC data 2010-11	47	13,299
ASIC	42	2,728
Pearson Student Number Data	30	818
2010/11 designated student support number	11	695
Total	442	197,018

The full breakdown of student numbers by source (Table 2) gives a fuller indication of the ratio between HE and FE level learners. This gives a minimum figure of 156,333 HE undergraduate and postgraduate learners, and a maximum of 172,425 (assuming all the unknown level learners were HE). Based on this an estimate of 160,000 HE learners does not seem unreasonable. This is a relatively small population in comparison to the publicly funded HE sector, which in 2011/12 had some 2,496,645 student enrolments, but is still significant in scale. While our research has not identified student numbers at every privately funded provider in the UK, it offers a reasonable appreciation of the comparative scale of the sector. The number of FE level learners quoted in the table is low in comparison to HE level learners. This is explained by the fact that providers that only offer FE level learning were excluded from the research, as well as by the fact that some sources only quoted HE student numbers, even though FE numbers may have also been present. There are therefore additional numbers of privately funded education or training providers, not offering HE, which are not included within these figures.

Table 2: Breakdown of identified student numbers by source and FE/HE (Source: All sources, base=442)

Data source	HE	FE	Unknown level	Total learners
Data return (email)	78,327	16,380	65	94,772
Data return (telephone)	4,807	8,213	-	13,020
QAA EO report	71,686	-	-	71,686
BAC data 2010-11	-	-	13,299	13,299
ASIC	-	-	2,728	2,728
Pearson student number data	818	-	-	818
2010/11 designated student support number	695	-	-	695
Total	156,333	24,593	16,092	197,018

When we examine the distribution of students across privately funded HE providers (Table 3), we find that the greatest proportion of providers for which we have student number data are relatively small in scale (49.1%), with fewer than 100 students identified through our various research sources. It is important to note that these size estimates are in some cases minimum estimates only (as noted in the bullet points above). Only 35 providers have over 1000 students, with five of these having over 5000 students. Again, it should be noted that privately funded providers who only offered provision below Level 4 were considered outside of the scope of the study, and so the numbers provided on FE students are for information only and not intended to be indicative of the entire privately funded FE sector.

Table 3 offers a breakdown of the number of providers and total number of registered students within each size band. Overall it is clear that the majority of privately funded HE providers identified are relatively small in comparison to publicly funded universities. For comparison, the average number of HE students per institution for the latter in 2010/11 was over 15,000.¹⁸

¹⁸ This figure is based on HESA data. For more information see: www.hesa.ac.uk/content/view/1897/239/

Table 3: Breakdown of number of providers in each size band (Source: All sources, base=442)

Provider size	Number of providers		Registered students	
	Frequency	%	Frequency	%
1 - 25 learners	78	17.6%	856	0.4%
26 - 100 learners	139	31.4%	8,244	4.2%
101 - 250 learners	103	23.3%	17,991	9.1%
251 - 500 learners	56	12.7%	19,350	9.8%
501 - 1000 learners	31	7.0%	22,448	11.4%
1001 - 5000 learners	30	6.8%	59,622	30.3%
5001 or more learners	5	1.1%	68,507	34.8%
Total	442	100.0%	197,018	100.0%

The nature of the provider distribution, with a large number of small providers, and relatively fewer larger providers, gives interesting results when considering the distribution of students. Despite representing almost three-quarters of the total number of providers (74%), the smaller providers with 250 or fewer learners account for just 13.8% of the total identified student population. In contrast, the 35 largest providers, with over 1000 students, contain 65% of the identified students. Again this data should be used indicatively only, given the caveats above. However, it is likely that this does reflect the general shape of the distribution of students across providers.

Looking only at those providers that completed student numbers in their data return, Figure 2 shows a graph of all the providers included in the data returns database, ordered by the number of students. As the graph moves from left to right, the number of students increases; it is worth noting that the five largest providers have approximately the same number of students (just under 30,000) as the smallest 200. Similarly, Figure 3 contains an area plot in which each box represents an institution included in the data returns database. The size of each box corresponds with the number of students at the institution (Some providers in this plot are too small to be visible).

Additional/supplementary indication of scale: Companies House analysis

The student number estimates in Table 3 above cover 442 (65.6%) of the 674 identified providers. Where no source of student numbers is available we have investigated data on employee numbers where this is held by Companies House; the reliability of this data is likely to be variable, therefore this is treated as indicative only. Relevant records were available for an additional 159 providers meaning that only 73 providers (10.8%) have no indication of scale at all after all the research stages are taken into account.

The employee numbers from the Companies House analysis (see Table 4) reinforce the picture that providers are made up of a majority of small organisations. The overwhelming majority (95%) have 50 or fewer staff, with the maximum number of staff being 268. It is difficult to make inferences about the number of students these staff numbers represent at each institution. From the provider survey of 126 providers (see the next section), the mean number of HE students at providers with fewer than 50 staff is 187 (based on 101 providers). However, the extent to which this figure can be used as an indicator for these other providers is not known, particularly as we know that smaller providers were less likely to respond to the survey. We therefore do not attempt to translate this information on staff numbers into student numbers, but would suggest on average the student numbers are likely to be comparatively low.

Table 4: Breakdown of employee number data collected from Companies House (for providers with no indication of student number only)

Number of employees	Frequency	Percentage
0-50	151	95%
51-100	4	2.5%
101-200	2	1.3%
201-300	2	1.3%
Total	159	100%

Subject specialism

One interesting aspect of the privately funded HE sector is the degree of specialism held by many organisations, in terms of the courses and subjects offered. While publicly funded institutions tend to offer a broad range of provision, often delivered through numerous faculties and schools, privately funded HE providers more often have a primary subject specialism that characterises their offer. To explore this, we conducted a rapid review of privately funded HE provider websites, to determine the nature of their course offer, and identify if any clusters of particular subjects existed. (Note, this is distinct from, and more detailed than, the broad subject information gathered through the data returns, see below).

We were able to identify a number of different types of subject specialism in privately funded HE providers. Table 5 lists the identified broad organisation types, revealing just over one-third of the identified privately funded HE providers were 'non-specialist' (34.9%),

insofar as they deliver a range of provision, covering several subject areas. Approximately another third (30.1%) were providers specialising in business, management, accountancy or IT. Many providers used a combination of the subjects within this broad category, even using these subject names within their branding and organisation name. The final third of providers were spread over a number of other specialist areas: 62 organisations (9.2%) were religious colleges; 60 (8.9%) were arts-focused; 31 (4.6%) were focused on delivering science and technology courses, involving communications, engineering, aviation and science subjects; and 16 (2.4%) were focused on the delivery of programmes relating to alternative and complementary medicine. Courses offered by these providers were predominantly related to homeopathy, osteopathy and chiropractic subjects.

Table 5: Subject specialism of privately funded HE providers (Source: Analysis of mapping database)

Subject specialism	Frequency	Percentage
Non-specialist	235	34.9%
Business, management, accountancy or IT	203	30.1%
Religious college	62	9.2%
Arts (including art, drama, dance and music)	60	8.9%
Science / technology	31	4.6%
Alternative and complementary medicine	16	2.4%
Languages	13	1.9%
Design	10	1.5%
Health and social care	10	1.5%
Psychotherapy and counselling	9	1.3%
Education	8	1.2%
Catering	6	0.9%
Law	6	0.9%
Beauty and cosmetics	5	0.7%
Total	674	100.0%

Additional detail from data return analysis

The discussion above around student numbers and the scale of the privately funded HE sector is indicative only, and provided to give as broad a possible view across the whole sector. However, 242 providers covered by our data return sample provided us with a detailed breakdown of student numbers by region, mode of study, qualification level, and student domicile, helping us to gain greater insight into the nature of delivery in the sector.

We issued data return requests to all providers confirmed as delivering privately funded HE through our scoping calls, as well as to 'suspected' providers with whom we had limited or no prior contact. In practice, this means that we have student number information for 242 of our 674 confirmed privately funded HE providers.¹⁹

The 242 data return responses give us a reasonable estimate of the scale of provision in the sector, but it is important to note possible bias in the type of provider that responded to the data return, compared to the population overall. Because our understanding of the detail of provision is limited across the 674 providers, it is difficult to assess the level of bias of the data return sample, however, some points can be noted around size and subject specialism. The data returns give a good representation across the different areas of subject specialism, although non-specialists and business, management and IT specialists are slightly under-represented, while religious and arts specialists are slightly over-represented. In relation to size, smaller and medium-sized providers with up to 100 learners are under-represented (51% of the 442 providers with an indication of scale, but 41% in the data return group), while providers above this size are over-represented. We could also make some inferences of difference based on the providers' engagement with this research. On average providers that responded are more engaged with contributing to and supporting this piece of government sponsored research. We might expect providers that are less engaged to have some differences in their attitudes and circumstances.

All providers that responded to the email distributed data returns (200 providers) gave us location details for their head offices. Table 6 provides the distribution of data return respondents across the UK regions. Just over half of our data return respondents were situated in London (50.5%) with a further 20% in the South East of England, showing a particular skew to this part of the UK, at least in relation to head office location. The remaining 30% of providers were spread across the other nations and regions of the UK. There were particularly few organisations primarily based in the North East and Yorkshire and Humber regions and low numbers from Wales and Northern Ireland. Just one data return respondent was primarily based outside of the UK, but delivering privately funded HE provision to UK students. Of course, the location of the head office is only one indicator of where the providers operate, given that many have multiple offices across the UK and many offer distance learning provision.

¹⁹ We should note that this data relies on providers' completed data returns, not on registering named individual students, so relies on providers having completed the data returns accurately.

Table 6: Regional distribution of privately funded HE providers (Source: Data returns, base=200)

Region	Frequency	Percent
London	101	50.5%
South East	40	20.0%
North West	10	5.0%
Scotland	10	5.0%
East of England	9	4.5%
West Midlands	8	4.0%
South West	7	3.5%
East Midlands	5	2.5%
Yorkshire and Humber	4	2.0%
North East	1	0.5%
Northern Ireland	2	1.0%
Wales	2	1.0%
Non-UK	1	0.5%
Total	200	100%

As expected, the majority of students identified through our data returns were studying at a HE level. However, privately funded HE providers do offer courses at FE level, and provided indicative numbers for these also. 78,327 learners enrolled at these 196 providers were studying at HE level (82.6%), with a further 16,380 (17.3%) studying at FE level. A small number of learners were studying at an unspecified level (65).

Table 7: Level of study (Source: Data returns, base=196)

Student type	Frequency	Percentage
Postgraduate	29673	31.3%
First degree	25498	26.9%
Other HE	23156	24.4%
FE or below	16380	17.3%
Not stated	65	0.1%
Total	94772	100%

Examination of the data return sample suggests that providers offer programmes at a variety of HE levels, and a sizable proportion offer programmes at each level. Over half of privately funded HE providers who responded to the data return offered postgraduate courses (54%), and a similar proportion of the data return sample offer programmes at first degree level. The level of study most frequently offered was at 'other HE' level, offered by 110 providers (55%). Further education was least often cited, at (37%), partly because organisations *only* offering FE level provision were excluded from the research. However, this still demonstrates a broad span of provision across multiple levels. Table 8 shows this breakdown for levels of study offered by privately funded HE providers.

Table 8: Levels of study offered by privately funded HE providers (Source: Data returns, Base=196)

Level of study	Number of providers	Percent
Postgraduate	107	54%
First degree	97	49%
Other HE	110	56%
FE or below	74	38%
Not stated	1	0.5%

A closer look at the data return responses shows that providers offer these programmes in a variety of combinations, with a minority offering programmes at only one level, and most having a combination of course levels spanning from FE to postgraduate. Our data returns suggest that almost two thirds of students at privately funded HE providers were studying full time (60.2%). A further 21.6% were studying part time, and 18.1% were studying via distance learning (Table 9). According to HESA data, in publicly funded universities the split between full- and part-time students is comparable: in the academic year 2010/11, 67.1% of students studied full-time and 32.9% part-time.²⁰

Table 9: Mode of study (Source: Data returns, base=196)

Course mode	Frequency	Percentage
Full time	57077	60.2%
Part time	20465	21.6%
Distance learning	17165	18.1%
Not stated	65	0.1%
Total	94,772	100%

²⁰ For more information see: HESA, www.hesa.ac.uk/dox/dataTables/studentsAndQualifiers/download/subject1011.xls

As well as the outline of provider specialism conducted through desk research, providers were also asked to indicate how their student numbers fitted into broad subject categories. To enable simple subject classification within our data returns, we adopted broad categories based upon modified HEFCE price groups, corresponding to the earlier research conducted by HESA. These subject groups included 'laboratory based subjects' (such as science, technology and engineering courses), 'subjects with a studio, laboratory or fieldwork element' (such as nursing, health, architecture and maths), 'business, management and law', and 'other subjects' (including language, social studies and humanities courses). Table 10 shows that the majority of students captured within our data return were studying subjects that relate to business, management and law (58.5%). A total of 29,557 students were studying courses that fitted into the 'other subjects' category, perhaps unsurprising given the large number of courses in niche subjects undertaken at privately funded HE providers (see the chapters relating to findings from our research with providers and students).

Table 10: Subject of study (Source: Data returns, base=196)

Course subject area	Frequency	Percentage
Laboratory based subjects	1655	1.7%
Subjects with a studio, lab or fieldwork element	8051	8.5%
Business, management and law	55425	58.5%
Other subjects	29570	31.2%
Not stated	71	0.1%
Total	94,772	100%

Table 11 suggests that in terms of student domicile, learners captured within our data returns were fairly evenly divided between home/UK and international students, with just under half of learners (46,042, 48.6%) domiciled within the UK. Of the international students, relatively few (9,897, 10.4%) originated from within the EU, with the remaining 38,749 (40.9%) from non-EU countries.

Table 11: Student domicile (Source: Data returns, base=196)

Student domicile	Frequency	Percentage
UK	46042	48.6%
EU	9897	10.4%
Non-EU	38749	40.9%
Not stated	84	0.1%
Total	94,772	100%

Table 12 presents a picture of students at privately funded HE providers, showing how the 94,772 students are distributed across the variables presented above. This table follows the format of the previous study undertaken by HESA in 2011.²¹ The picture that emerges from this mapping process is of diversity, both in size and in subject specialism. Although the research has not gathered a full picture of student numbers across these providers, the numbers that have been identified are significant, and show the importance of the scale of this provision. One of the most significant challenges we faced was securing participation of providers in the research and encouraging them to supply information on their organisation and students (we go on to discuss this issue further in this report's concluding chapter). However, those providers that did participate in the data returns and telephone survey gave us greater understanding of their organisations and provision. The next chapter looks in greater detail at these findings.

²¹ For information see: HESA, Press release 159: Survey of private and for-profit providers of Higher Education in the UK 2009/10, (April 2011). Accessible at: www.hesa.ac.uk/index.php?option=com_content&task=view&id=2086&Itemid=310

Table 12: Total registered students at privately funded HE providers (Source: Data returns, base=196)

	Full-time				Part-time (in attendance)				Distance learning				Unknown	Total
	FE and below	Other HE	First-degree	PG	FE and below	Other HE	First-degree	PG	FE and below	Other HE	First-degree	PG		
Laboratory-based subjects														
UK-domiciled students	2	14	105	40	0	0	52	38	0	0	0	0	0	251
Other EU-domiciled students	0	2	28	9	0	0	23	4	0	0	0	0	0	66
Non-EU students	250	125	847	92	0	0	22	2	0	0	0	0	0	1338
Subjects with a studio, lab or fieldwork element														
UK-domiciled students	647	941	1731	178	724	395	1	29	0	34	0	0	0	4680
Other EU-domiciled students	171	130	412	174	13	24	0	19	0	5	0	0	0	948
Non-EU students	399	544	776	454	0	235	1	11	0	3	0	0	0	2423
Business, management and law														
UK-domiciled students	254	1046	3123	7553	2085	581	5	4644	0	3036	357	842	0	23526
Other EU-domiciled students	763	354	1636	983	256	1058	106	313	0	402	69	165	0	6105
Non-EU students	2001	4933	6482	6518	468	0	1	341	0	2563	642	1780	65	25794
Other subjects														
UK-domiciled students	630	1442	3141	655	3747	1411	340	1613	1341	1139	1183	943	0	17585
Other EU-domiciled students	127	154	556	356	651	316	6	88	164	166	109	85	0	2778
Non-EU students	1263	1590	2646	800	338	171	40	272	84	341	1058	591	0	9194
Unknown														
Unknown domicile	0	0	0	0	0	0	0	0	0	1	0	12	0	13
Unknown subject area	0	0	0	0	2	0	0	19	0	0	0	50	0	71
Total	6507	11275	21483	17812	8284	4191	597	7393	1589	7690	3418	4468	65	94772

Understanding privately funded HE providers

This chapter provides further detail on privately funded HE providers that participated in this research, covering areas such as their size, the courses they offer, the fees they charge and the challenges they currently face. The chapter reinforces the conclusion that privately funded HE providers occupy a distinctive place in the higher education landscape, tending to focus heavily on a limited number of subject areas. The focus is primarily on academic year 2011/12 (prior to the Government's reforms to higher education funding).

The findings presented in this chapter reveal that:

- The majority of privately funded HE providers operate as for-profit organisations. We received a data return from a total of 136 (54.6%) for-profit and 97 (39%) not-for-profit providers (16 (6.4%) characterised themselves as 'other'). Subject specialism is related to profit making status, with non-specialist, and business, management and IT providers tending to be profit making, while religious and arts colleges are more likely to be non-profit making.
- Most privately funded HE providers are relatively newly established. Our data suggests that the sector is dynamic and that there may have been a recent growth in for-profit providers, while not-for-profit providers tend to be older.
- Most respondents surveyed saw the future positively, stating that they expect an increase in student numbers and have plans to introduce new course options and modes of study.

The findings in this chapter are based upon two sources. First, we draw on information gathered through our data return exercise, involving a total of 249 providers (242 of which provided full student numbers). This enables us to provide analysis of provider size, status and location. Second, we provide statistics generated from our telephone survey of 126 privately funded HE providers, undertaken in May 2012. The survey provides more detailed data on a variety of different topics including courses, tuition fees and support on offer to students at these providers. The 126 providers that participated in the survey are a sub-set of those that completed data returns, and have similar characteristics as the wider group, without being fully representative. For example, the survey sample has slightly greater proportions of charitable and not-for-profit providers, providers specialising in religious instruction and the arts, and providers of medium and larger size. Where relevant, this is noted in the discussion in the chapter.

The chapter is structured in five parts. The first section introduces the types of privately funded HE provider in the UK and offers an overview of some of their key characteristics and differences. It examines their operating/ownership status (for-profit or not-for-profit),

size and age. The second section looks at the courses, support and services offered by privately funded HE providers. Following this, attention switches in the third section to academic attainment, including completion and progression estimates, and the accreditation of privately funded providers. In the fourth section, the chapter looks at to the fee levels being charged by privately funded HE providers for undergraduate and postgraduate courses. Finally, the fifth section explores the future plans of these organisations and the factors that may help or inhibit them in achieving their aims.

The characteristics of privately funded HE providers

Provider status

Our analysis of data returns suggests that the majority of privately funded HE providers operate as for-profit organisations. We received a data return from a total of 136 (54.6%) for-profit and 97 (39%) not-for-profit providers, while the remaining 16 (6.4%) characterised themselves as 'other'. As a sub-sample of the data return group, the provider survey revealed similar results, although the respondents were more evenly split between for-profit companies and charitable organisations. 59 of the 126 respondents (47%) identified themselves as for-profit providers, with 52 of these being wholly UK owned and 7 having international ownership. 57 (45%) stated that they are based at a not-for-profit or charitable organisation. (This suggests there was a higher response rate to the survey among not-for-profit providers than among for-profit providers.)

Institutional specialism

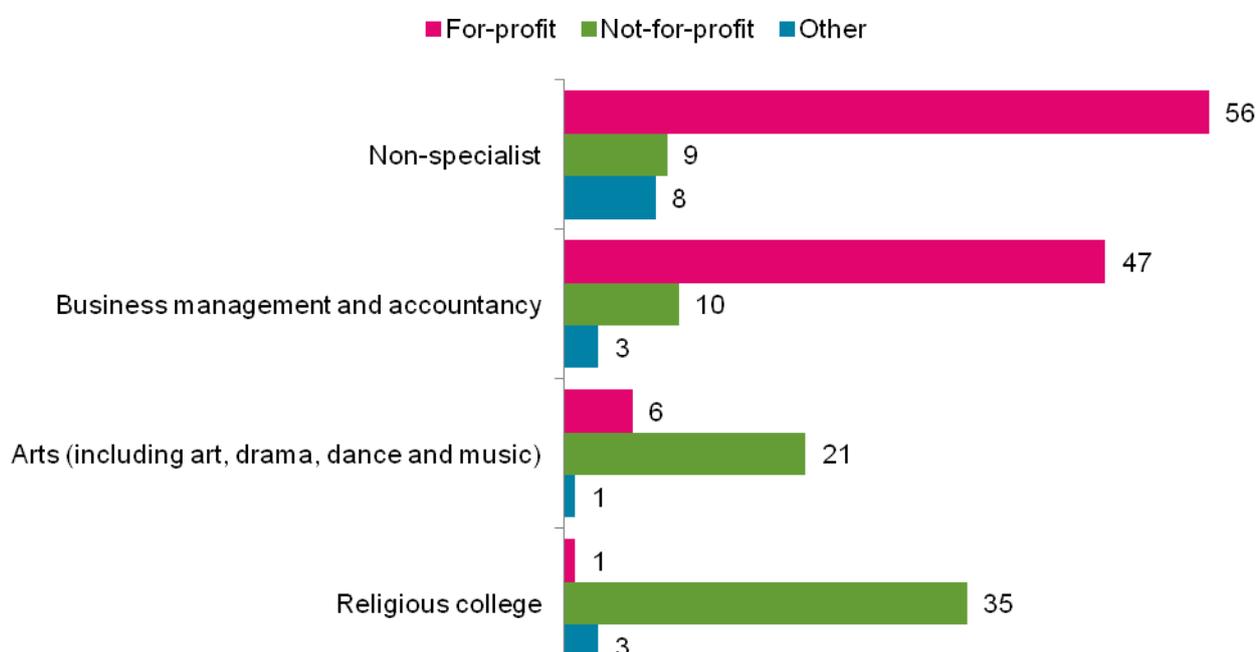
The data returns and secondary research on provider specialism was discussed in the previous chapter, showing a range of specialists, with comparatively few non-specialist providers. The provider survey respondents were a sub-sample of the data return group, with broadly similar characteristics in relation to subject specialism. As in the data returns, the majority of survey respondents have a specific subject focus; of the 126 institutions surveyed, 33 (23.1%) offer a mixed subject range and could be classed as 'non-specialist'. The survey sample however under-represents non-specialist and business, management, accountancy and IT specialists (30% of the wider population, compared to 19% of the survey sample), and over-represents religious and arts colleges (9.2% and 8.8% respectively in the wider population, and 18.2% and 11.1% in the survey sample). We must keep this in mind when interpreting the results of the survey questions presented later in this chapter.

Table 13 shows, using data from the data returns, how subject specialism is related to profit making status, with non-specialist, and business, management and IT providers tending to be profit making, while religious and arts colleges are more likely to be non-profit making. The division in these subjects is illustrated in Figure 4.

Table 13: Subject focus of privately funded HE providers, split by status (Source: Data returns, base=249)

Subject Area	Not-for-profit	For-profit	Other	Total
Alternative and complementary medicine	7	2	0	9
Arts (including art, drama, dance and music)	21	6	1	28
Business, management and accountancy	10	47	3	60
Design	2	2	0	4
Education	1	4	0	5
Health and social care	2	2	0	4
IT	0	0	0	0
Languages	2	3	0	5
Law	3	2	0	5
Non-specialist	9	56	8	73
Religious college	35	1	3	39
Science / Technology	2	8	1	11
Other Specialist	3	3	0	6
Total	97	136	16	249

Figure 4: Privately funded HE providers in four key areas of the sector, split by institution status (Source: Data returns, base=200)



The privately funded HE sector covers, therefore, a number of distinct areas. Professional and vocational subjects feature heavily, while traditional university subjects such as engineering, geography, maths, chemistry and the humanities are largely absent. The sector also contains providers that specialise in subjects which are, for varying reasons, unlikely to be found in publicly funded HE institutions. This includes religious colleges (mainly Christian, though some Islamic colleges were present in the survey) whose teaching is faith-based, as well as centres of complementary medicine that offer courses such as homeopathy. Finally, it contains a small but notable number of providers (six in the survey) that cater primarily for American students who wish to study abroad as part of their degree.

Figure 5 below gives an illustrative example of a typical school of management that was identified through the provider survey.

Figure 5: School of management

School of management
<p>Status</p> <p>This management school was founded in the early 1970s as an independent school of higher education specialising in business. It is a for-profit provider with campuses in east and west London, and it has been an affiliated partner of a major UK university since 2006.</p>
<p>Demographics</p> <p>The number of students at this provider prior to the start of the academic year 2011-12 was a little under 1,500. It has three intakes per calendar year, in February, June and October. In 2010 it achieved Highly Trusted Sponsor Status (HTSS) with the UK Border Agency and currently has both EU and non-EU students taking part in the degree programmes on offer.</p>
<p>Provision</p> <p>The provider offers courses at both undergraduate and postgraduate levels in areas such as business, management and accountancy. Its courses are accredited by the Joint Academic Stage Board (the regulator responsible for the validation of Qualifying Law Degrees), the Chartered Institute of Purchasing and Supply and the Association of Chartered Certified Accountants, as well as its partner university. Students are offered a range of flexible methods of study and undergraduate degree programmes last between two and four years. It also offers a number of student support services including a library and careers service, as well as a student accommodation officer.</p>
<p>Finance</p> <p>Fees charged per year by the provider are quite wide-ranging and will depend on the subject, the chosen method of study (e.g., full-time or part-time) and/or whether the person is a UK/EU student or not. At the undergraduate level, prices generally vary between £6,000 and £10,500 per year. UK/EU students, however, are able to access funding from Student Finance England if they meet certain criteria. At the postgraduate level, students will have to pay between £4,000 and £11,500 depending on their circumstances.</p>

Provider age

The research confirmed that the majority of privately funded HE providers in this country are, relative to publicly funded HE institutions, very newly established. Our data return information gathered by email and telephone indicates that the median length of time that

privately funded providers have delivered HE in the UK is just 12 years.²² Of the 239 providers responding to this part of the data return, only 95 (38.2%) had been operating for more than 20 years. 144 providers (57.8%) had been operating for 20 years or less, of which 59 (23.7%) had begun operating only in the last 5 years. This suggests that the privately funded HE marketplace is highly dynamic. The number of providers set up in the last two decades suggests there may have been significant growth in privately funded HE. However, interestingly, during the mapping process we also identified 412 privately funded HE providers that had ceased trading, which also indicates that this is a changing marketplace, rather than a static one.

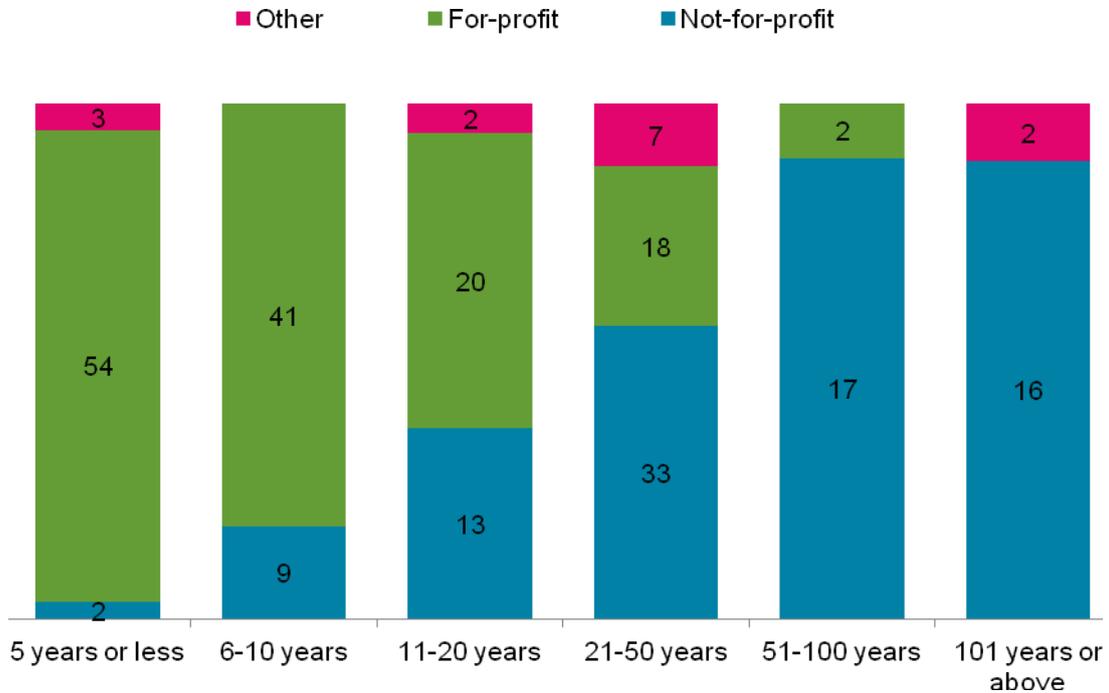
Interestingly, the data returns revealed that older providers are almost all not-for-profit organisations, while the youngest providers are overwhelmingly for-profit. This can be seen in Table 14, with further illustration provided in Figure 6. If there has been an increase in the number of UK-based privately funded HE providers, then, this has been in for-profit enterprises rather than in charitable bodies or social enterprises.

Table 14: Length of time providers have been operating in the HE sector, frequencies split by provider status (Source: Data returns, base=249)

Provider type	Not stated	5 years or less	6-10	11-20	21-50	51-100	101 years or above	Total
Not-for-profit	7	2	9	13	33	17	16	97
For-profit	1	54	41	20	18	2	0	136
Other	2	3	0	2	7	0	2	16
Total	10	59	50	35	58	19	18	249

²² The median has been reported here, due to there being a handful of organisations that have been involved in this sector for a hundred years or more (which heavily skew the mean).

Figure 6: Length of time providers have been operating in the HE sector, percentages split by provider status (Source: Data returns, base=239)



The data returns also aid our understanding of how a provider's age is related to its subject specialism. 19 out of the 37 providers (51.3%) that have been operating for longer than 50 years are religious colleges. Newer providers also tend to specialise in vocational and professional subjects: 48 of the 60 (80.0%) business, management and accountancy colleges have been offering higher education for 20 years or less, and 25 of these (41.7%) have done so for five years or less. This suggests, then, that much of the recent growth in the privately funded HE sector has come mainly from new for-profit, business focused providers.

Figure 7: The large professional courses provider

The large professional courses provider	
Status	This is one of the largest privately funded HE providers in the UK with a network of centres throughout the UK and in Europe that serves over 6,500 full-time equivalent students. It has seven study centres in London, a further 18 outside the capital and over a dozen international training centres. It operates on a for-profit basis.
Provision	The provider has provided training in accountancy and finance since the 1970s, and is now divided into four subject schools, currently offering professional education in business, law, health and English language. Its courses are accredited by a wide range of professional bodies, including the Bar Standards Board, the Solicitors Regulatory Authority, the Joint Academic Stage Board, the Association of Chartered Certified Accountants, the Chartered Institute of Management Accountants, the Institute of Chartered Accountants in England and Wales and the Chartered Institute of Marketing. The provider's law school was established in the early 1990s and it has since evolved into a college of professional studies. The school of English language studies is the provider's most recent addition, having been established in the last few years.
Demographics	In the academic year 2011/12, the provider employed just under 1,000 permanent staff in eight English cities. In the same academic year the university served just under 8,000 students (a little under 7,000 FTE). Of these, around 20% are on undergraduate programmes, around 60% are on postgraduate programmes and the remainder are on non-credit-bearing courses. Approximately 80% of students are of home/EU status.

Staff numbers

Given the comparatively low student numbers at the majority of privately funded HE providers, it is not surprising that the staff numbers are also relatively low in comparison to publicly funded HE institutions. In our survey of providers we asked each respondent to give details about the approximate overall number of staff employed at their institution. As Table 15 shows, almost two thirds (82 of the 126, or 65.1%) of the providers surveyed have 25 staff or fewer, and of these 47 (37.3%) employ fewer than eleven staff. Given the slight over-representation of larger providers in the survey sample, we would expect this tendency towards low staff numbers to be even more pronounced in the population overall.

Alongside the overall number of staff employed, we asked providers to give details about the number of full-time equivalent teaching staff that they employ to deliver higher education, including those staff employed on a part-time basis and on a limited term contract (but not including those employed on a freelance or sessional basis). A total of

108 of the 126 respondents (85.7%) stated they have 25 or fewer full-time equivalent higher education teaching staff at their organisation; 89 (70.6%) stated that they employ 10 or fewer. Notably, however, a number of respondents (24) indicated that their organisation employs no HE teaching staff at all. (We discuss this group of respondents in more depth below.)

Table 15: Staff employed in privately funded HE providers (Source: Telephone survey of providers, base=126)

Size	All staff		HE staff		Freelance HE staff	
	Freq.	%	Freq.	%	Freq.	Percent
No staff	2	1.59%	24	19.0%	26	20.6%
1-10 staff	45	35.7%	65	51.6%	50	39.7%
11-25 staff	35	27.8%	19	15.1%	20	15.9%
26-50 staff	16	12.7%	12	9.5%	11	8.7%
51-75 staff	5	4.0%	0	0%	6	4.8%
76-100	7	5.6%	1	0.8%	5	4.0%
101+	10	7.9%	3	2.4%	4	3.2%
Don't know	6	4.8%	2	1.6%	4	3.2%
Total	126	100%	126	100%	126	100.0

As with the data on student numbers, a small number of respondents stated that their organisation employs a very large number of staff. 10 respondents indicated their organisation employs over 100 people. 4 of these 10 employ only 25 or fewer higher education teaching staff – these are large-scale charitable organisations or colleges where the main focus is further or secondary education. Nevertheless, a very small group of providers employ a large number of staff to deliver higher education: one provider surveyed employs between 76 and 100 higher education teaching staff, while three providers employ over a hundred such staff.

Our survey data suggests that many privately funded HE providers employ freelance staff to aid in the delivery of their HE provision. The majority responding to the survey (70, or 55.6%) employ between 1 and 25 freelance or sessional teaching staff. A small number employ freelance or sessional staff extensively, with five providers employing between 76 and 100, and a further four employing more than a hundred. The use of freelance staff could be considered to be a sign of greater flexibility and agility on the part of the providers and potentially motivated by the need to deliver a cheaper cost base. Whether this model has any impact upon student satisfaction is discussed in the following chapter.

Courses and support offered by privately funded HE providers

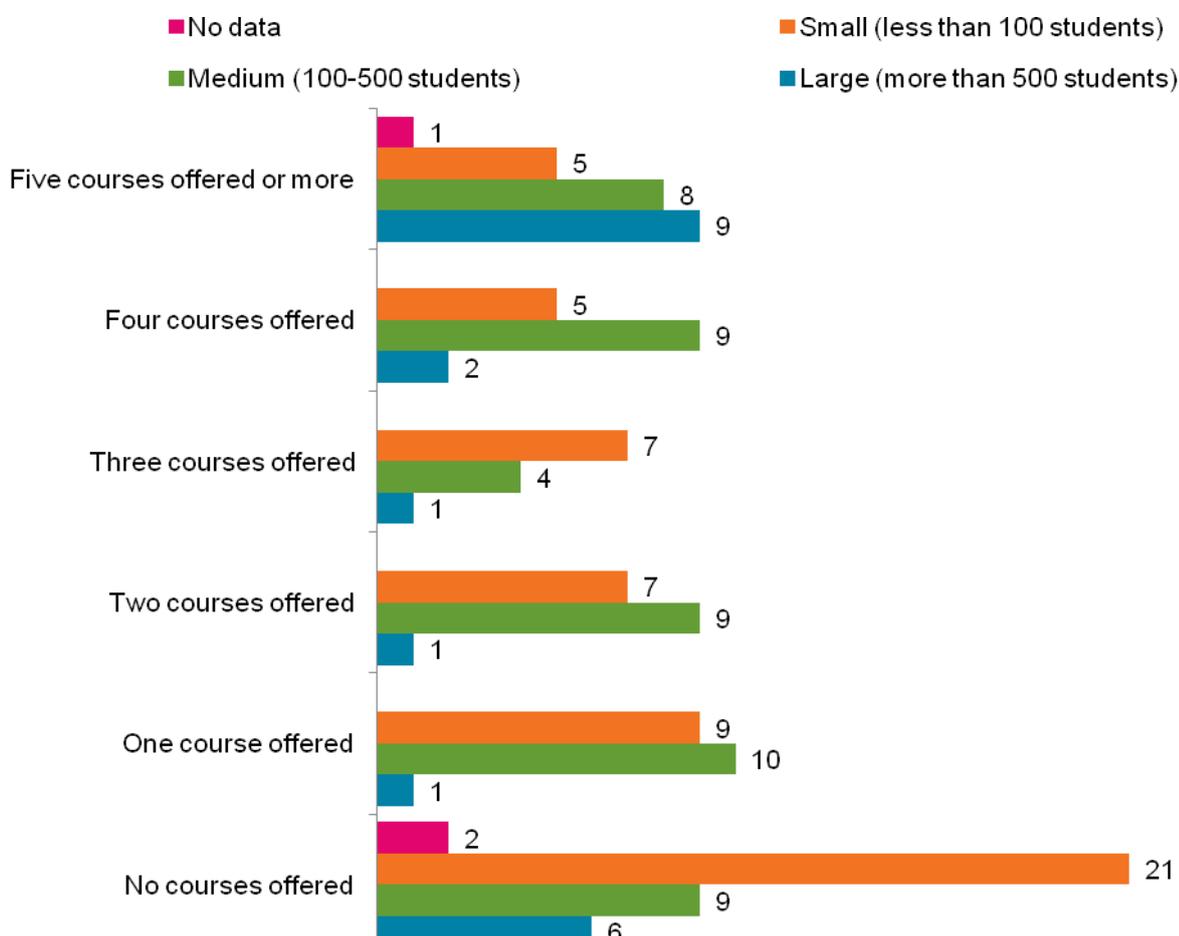
Levels of study and range of courses offered

Given that the majority of privately funded HE providers are small and specialised, it is unsurprising that many offer a limited range of courses and a limited number of qualifications, especially compared with publicly funded HE institutions. Looking at the 88 survey respondents that offered undergraduate level courses specifically, the number and range of courses offered by privately funded HE providers is generally very small, with many offering just one or two. As Table 16 shows, only 23 (18.2%) of the providers surveyed offer more than four undergraduate level courses. A larger range of courses tend to be found in the larger providers, and at for-profit organisations; of the 39 providers surveyed that offer four or more courses at undergraduate level, 23 are for-profit and 12 are not-for-profit organisations. This may reflect the fact that most not-for-profit organisations specialise in particular disciplines, such as arts or theology (see Table 13).

Table 16: Number of courses offered at undergraduate level only, by size (Source: Telephone survey of providers, base=126)

Number of undergraduate courses offered	Small (fewer than 100 students)	Medium (100-500 students)	Large (more than 500 students)	No data	Total
0	21	9	6	2	38
1	9	10	1	0	20
2	7	9	1	0	17
3	7	4	1	0	12
4	5	9	2	0	16
5 or more	5	8	9	1	23
Total	54	49	20	3	126

Figure 8: Number of courses offered at undergraduate level only, by size (Source: Telephone survey of providers, base=126)



Nevertheless, it is important to note that although many privately funded HE providers offer a limited range of higher education qualifications and course options, a large number do provide further education alongside higher education (see data return results in previous chapter). One particularly notable group of providers that offer both higher and further education characterise themselves as ‘pathway providers’. These providers are often large, and in some cases operate at a multinational level. They offer a mix of further and higher level courses designed to enable access to university level provision, such as a degree (see

Figure 9). For the purposes of this research we treat these providers as single organisations, though it should be noted that they often have multiple centres, which may have distinct names and identities.

Figure 9: The pathway provider

The pathway provider
<p>Status</p> <p>This provider is a limited company that works in collaboration with ten universities in the UK, acting as a ‘pathway provider’ of foundation (Level 3 and 4) courses for international students to access to higher education. Its partnership model leaves responsibility for education quality with partner universities whilst providing investment in infrastructure, marketing, recruitment and management. Its first partnership was developed with a university in the East of England in the mid 2000s. Five of its ten centres are accredited by the British Accreditation Council, with the British Council accrediting English language courses at four of its centres.</p> <p>Provision</p> <p>In the UK, this provider specialises in providing academic and English language preparation for international students via foundation and diploma courses that offer high progression rates to universities. Through its partnership with a second university in the South East, pathways to higher education are available in the subjects of business, law, computing, economics, mathematics and science. At its centre at this university the provider also offers postgraduate programmes as pathways to doctoral studies.</p> <p>Demographics</p> <p>The provider’s partnership with the university in the East of England has the capacity for 700 students and is host to over 100 full-time teaching staff. Its East of England centre comprises an academic block with lecture theatre and IT, language and science laboratories, in addition to providing accommodation for over 400 students.</p> <p>Finance</p> <p>As an illustration, at its centre in the South East the English language course costs around £4,000 per term. Its foundation course for international students in the humanities, law and social sciences costs between £13,000 and £15,000.</p>

Delivery Modes

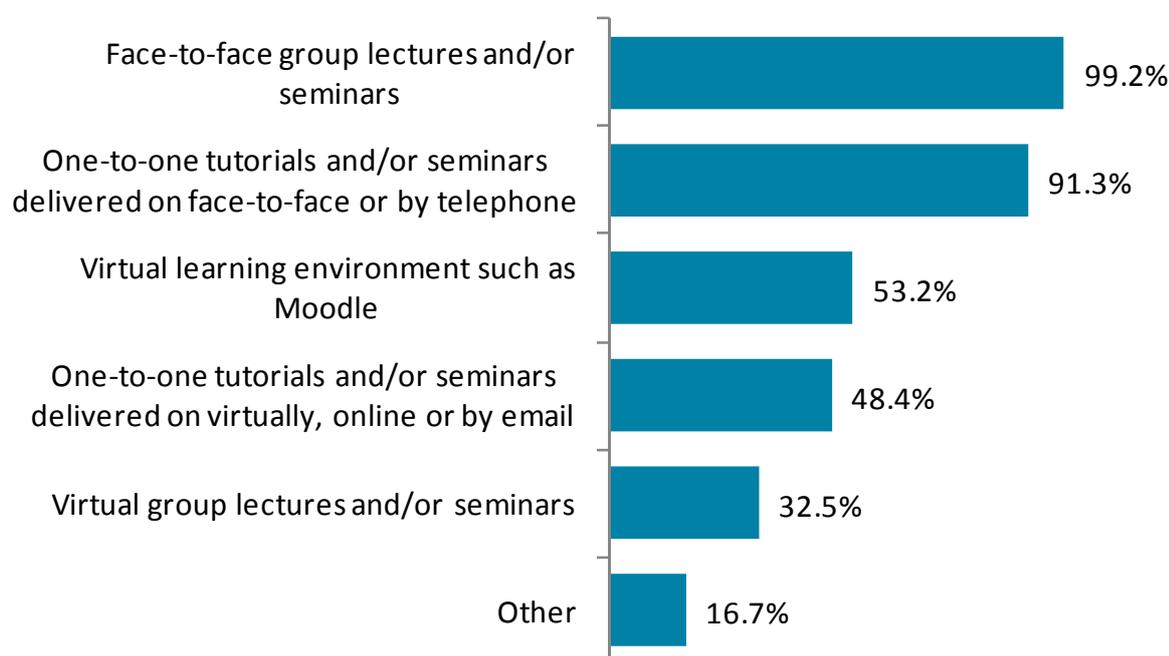
A notable minority of privately funded HE providers also offer distinctive course models. 11 of the survey respondents confirmed they offer ‘compressed degrees’, for example. 29 of

the 126 providers included in the survey also stated that they do not operate a standard academic year running from September to July and comprising three terms or two semesters. This significant minority offer distinctive study modes and operate according to timescales that are not common among publicly funded HE providers.²³

Tuition and support services offered

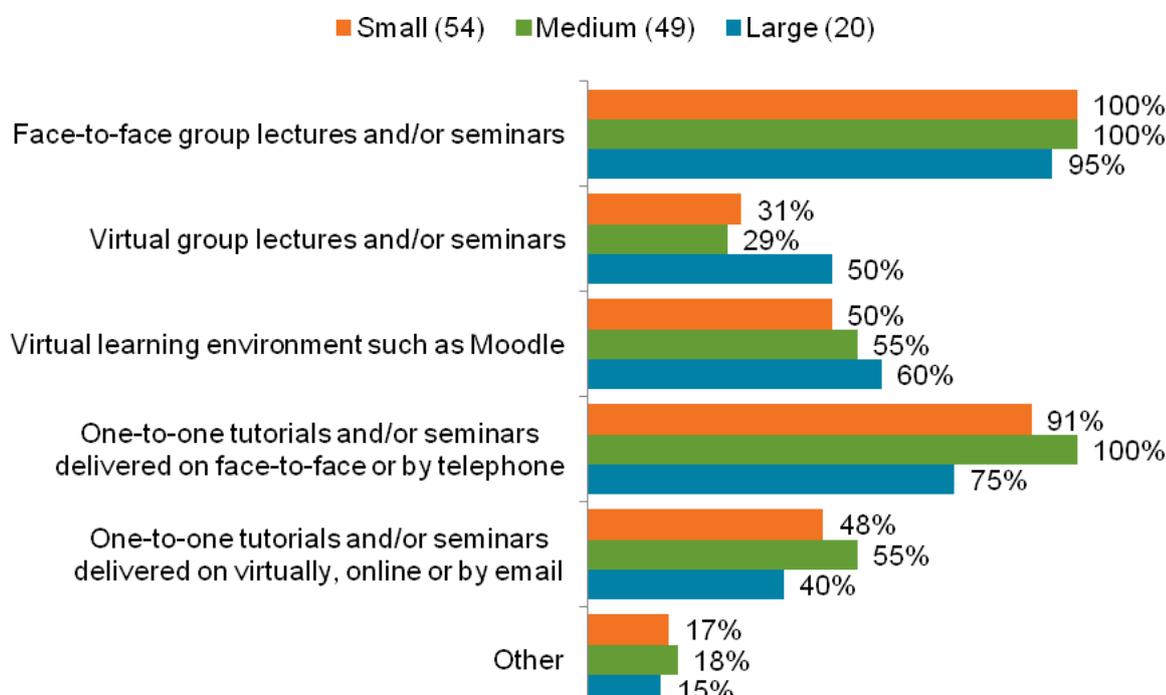
Respondents to the survey were asked to supply information on the types of academic support services in place for students. As Figure 10 shows, almost all providers in the sample offer face-to-face group lectures and/or seminars, while one-to-one tutorials and/or seminars delivered face-to-face or by telephone are offered by 92% of providers. The survey suggested that virtual learning tools are not widely offered. Only one-third of respondents indicated that they use virtual group lectures and/or seminars as part of their academic support services. More notably, only around half of the providers surveyed (67 of 126, or 53.2%) use a virtual learning environment (VLE) – a teaching and learning tool which is now common in publicly funded HE institutions. This may be related to the overall difference in size between privately and publicly funded HE providers discussed above. It is worth noting, however, that those providers that do offer a VLE were of a range of sizes; indeed academic support does not appear to vary by institution size (see Figure 11).

Figure 10: Tuition offered by privately funded HE providers (Source: Telephone survey of providers, base = 126)



²³ The one obvious exception to this would be The Open University.

Figure 11: Tuition offered by privately funded HE providers, split by institution size
(Source: Telephone survey of providers, base=126)



Given that most privately funded HE providers cater only for a small number of students, it is notable that many offer a wide range of support services, including in-house libraries, counselling services and student clubs, societies and social facilities/events (see Table 17). The provider survey revealed that almost all providers provide a library and information service (117 of 126, or 92.8%) and access to IT and/or other specialist equipment (113 of 126, or 89.7%). Access to a library provided by a third-party institution is also common (91 of 126, or 72.2%). Just over four-fifths (104 of 126, or 82.5%) offer a counselling or wellbeing service, while just over two-thirds (88 of 126, or 69.8%) offer clubs, societies and social facilities. Some of the services common among publicly funded HE institutions are, however, not as widespread among their privately funded HE counterparts. 68 of the 126 providers (54%) included in the provider survey offer an in-house careers service, for example. A careers service may be less relevant for pathway providers supporting students to enter university and some providers may give careers advice through course tutors or other routes.

For the most part, the range of facilities offered by privately funded HE providers does not differ between large and small or between for-profit and not-for-profit providers. The one apparent exception to this is accommodation. Overall less than half (41.3%) provide student accommodation, suggesting that students at many providers rely on sourcing their own accommodation. Accommodation appears to be more common among charitable and not-for-profit providers. 32 out of the 57 (56%) not-for-profit organisations surveyed provide student accommodation, which compares to just 15 of 59 (25.4%) among profit-making institutions. Again, it is hard to be certain about the reasons for this disparity, but subject focus does appear to play a role. Specifically, 16 of the 23 (69.6%) religious colleges that were surveyed, none of which are for-profit organisations, offer accommodation for

students. Given the slight over-representation of religious and not-for-profit providers in the survey compared to the overall population, it is likely that accommodation is offered in a smaller proportion of providers overall than is indicated in the survey.

Table 17: Support services offered by privately funded HE providers, split by provider status (Source: Telephone survey of providers, base=126)

	For-profit (base = 59)	Not-for- profit (base = 57)	Other (base = 10)	Total (base = 126)
Library and information service provided by this institution	46.2%	45.3%	8.5%	100.0%
Access to a library and information service provided by another institution	52.7%	39.6%	7.7%	100.0%
IT and/or other specialist equipment provided by this institution	43.4%	47.8%	8.8%	100.0%
Access to IT and/or other specialist equipment provided by another institution	57.8%	33.3%	8.9%	100.0%
Institutional careers service	41.2%	52.9%	5.9%	100.0%
Institutional counselling and wellbeing service	44.2%	47.1%	8.7%	100.0%
Student accommodation	61.5%	28.8%	9.6%	100.0%
Student clubs, societies and/or social facilities/events	48.9%	39.8%	11.4%	100.0%
Other	0.0%	100.0%	0.0%	100.0%
No learning and other support services	60.0%	40.0%	0.0%	100.0%

Academic attainment and auditing of courses

Completion and progression

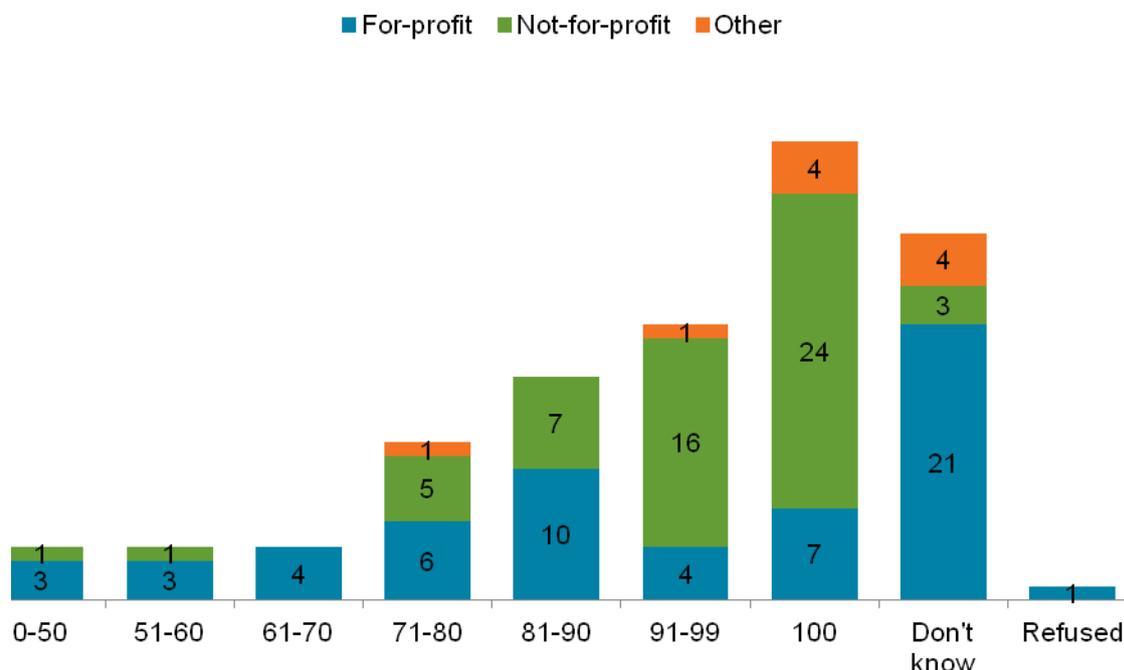
All the providers that took part in the survey were asked the proportion of students who successfully passed their course in the academic year 2010/11. 28 out of the 126 providers (22%) were unable to provide an estimate, while one more declined to provide this information. Of the remaining 97 providers, 56 (58%) indicated a pass rate of above 90%. A large proportion (71%) of the providers with high pass rates were not-for-profit organisations, offering courses in areas such as theology and the arts. Yet there were also a small number of providers offering courses in areas such as management, law and business that also reported similarly high pass rates (see Table 18).

Clearly the performance of providers in relation to outcomes and completion are an important marker of quality and can have a significant bearing on the student experience and the resulting reputation of the UK HE system as a whole. It can be argued that further transparency on the pass rate and completion of students in privately funded HE providers could support their reputation for quality, as well as that of UK HE overall.

Table 18: Proportion of HE students that successfully passed their course in the 2010/11 academic year (Source: Telephone survey of providers, base=126)

Pass rate (%)	For-profit	Not-for-profit	Other	Total
0-50	3	1	0	4
51-60	3	1	0	4
61-70	4	0	0	4
71-80	6	5	1	12
81-90	10	7	0	17
91-99	4	16	1	21
100	7	24	4	35
Don't know	21	3	4	28
Refused	1	0	0	1
Total	59	57	10	126

Figure 12: Proportion of HE students that successfully passed their course in the 2010/11 academic year, by provider status (Source: Telephone survey of providers, base=126)



The providers that took part in the survey were asked the proportion of their HE students go on to further study, and the proportion progressing to graduate-level employment, within six months of completing their course. Unlike publicly funded HE institutions, privately funded HE providers are not formally required to compile destination statistics. However, it was striking how few were able to offer an estimate of their students' progression. As Table 19 shows, 48 out of the 126 providers (38.1%) did not know the percentage of students who moved on to further study, while two declined to supply this information. Similarly, Table 20 shows that 76 out of the 126 (60.3%) providers surveyed could not provide information on the number of students that had moved into graduate-level jobs on completion of their course. The methodology of a telephone survey may have meant that this data was difficult to access under the survey conditions, or that few privately funded HE providers collect detailed data from their students after they graduate. This is particularly interesting given the potential importance of this issue from the student perspective. Our research with students of privately funded HE (explored further in the following chapter) found that career progression and development is a major driver for students to engage with these types of course and provider.

Those figures that were provided by survey respondents suggest low rates of progression into graduate level employment or further study, especially when compared to the publicly funded HE sector. 16 out of 50 (32%) providers indicated that less than half of their 2010/11 students went into graduate-level jobs, and 57 out of 76 (75%) providers indicated that less than half of their 2010/11 students went into further study. In the Destination of Leavers of Higher Education Survey (DLHE) data, the lowest figure for any publicly funded HE institution is 78.1% of students in either graduate-level employment or further study six

months after completion, with the overall sector figure being 90.3%.²⁴ While only a general comparison, the suggestion is that progression into employment and further study is harder to detect for students at privately funded providers of higher education.

Some providers would not expect their students to enter employment immediately after completing their course; for example, those facilitating university entry or catering for American students undertaking a year abroad and then returning to their original university. The relatively high proportions of international students at privately funded HE providers may also make collection of destinations data more difficult when students leave the UK. The issue of graduate destinations from privately funded providers of HE is therefore unclear, and could be explored further.

Table 19: Proportion of 2010/11 higher education students that progressed into further study (Source: Telephone survey of providers, base=126)

Progression (%)	For-profit	Not-for-profit	Other	Total
0-10	5	24	3	32
11-20	4	4	0	8
21-30	2	6	0	8
31-40	3	3	0	6
41-50	2	0	1	3
51-60	0	3	0	3
61-70	2	1	0	3
71-80	5	0	0	5
81-90	2	0	0	2
91-100	3	1	2	6
Don't know	29	15	4	48
Refused	2	0	0	2
Total	59	57	10	126

²⁴ For more information see: HESA, Employment of Leavers. Accessible at www.hesa.ac.uk/index.php?option=com_content&task=view&id=2071&Itemid=141

Table 20: Proportion of 2010/11 higher education students that progressed into graduate-level job within six months of completion (Source: Telephone survey of providers, base=126)

Pass rate (%)	For-profit	Not-for-profit	Other	Total
0-10	5	5	1	11
11-20	1	0	0	1
21-30	0	1	0	1
31-40	0	0	0	0
41-50	1	1	1	3
51-60	2	1	0	3
61-70	1	4	1	6
71-80	3	2	0	5
81-90	2	3	0	5
91-100	2	12	1	15
Don't know	42	28	6	76
Total	59	57	10	126

Auditing and accreditation

Types of awarding organisation used

To understand the level of external assessment of privately funded HE, we asked our data return participants to specify any organisations that monitor and/or accredit their organisation and courses.²⁵ Awarding organisations frequently have more than one function and are involved with privately funded HE providers in a number of ways, but to aid our analysis we separated our participants' responses into categories. These included: 'dedicated awarding bodies' (whose primary purpose is as an awarding organisation); professional, statutory and regulatory bodies (including chartered membership organisations, government bodies and organisations that regulate and assess the quality of providers); and publicly funded HE institutions (which validate specific courses). In order to keep the data return as simple as possible to complete, we did not ask providers to distinguish between organisations that award courses and those that accredit or oversee the provider. Our results suggest that such awarding and accrediting bodies are widely

²⁵ We gathered information on awarding and accreditation bodies from the 200 data return participants that participated via email.

used by privately funded HE providers, with only a few data return responses not stating any form of accreditation body (see Table 21).

Table 21: Types of awarding/accrediting organisation used (Source: Data returns, base=200)

Type of organisation	Frequency	Percent
Dedicated awarding body	70	35%
Professional, statutory or regulatory body	130	65%
Publicly funded HE institution (UK or elsewhere)	108	54%
Not accredited	2	1%

Dedicated awarding bodies

Providers responding to our data return indicated they work with 17 dedicated awarding bodies, which are outlined in Table 22 below. These organisations usually have the primary purpose of providing qualifications, assessment services and oversight to specific learning pathways. Whereas institutions with Degree Awarding Powers (in the main universities) are the route to validating a degree programme, dedicated awarding bodies often award professional, vocational and sub-degree level higher education, as well as a wider role in developing qualifications for primary, secondary and tertiary education.

Among our respondents, the most popular dedicated awarding body was Edexcel (owned by Pearson PLC), which awards qualifications for 32 of the 200 providers (16%). A number of other broad based awarding bodies play a role, including City and Guilds, OCR and AQA. Others, such as the Counselling and Psychotherapy Central Awarding Body, the English Speaking Board and the Highfield Awarding Body for Compliance, are focused upon specific subject disciplines, industries or sectors. It should be noted that some awarding bodies may be a constituent part of another organisation, for example, Pearson (cited by 7 providers in the data return) are the larger group that own Edexcel.

Table 22: Dedicated awarding bodies (Source: Data returns, base=200)

Dedicated Awarding Body	Frequency
Edexcel	32
City & Guilds	14
OCR	11
Northern Council for Further Education	10
Pearson	7
Highfield Awarding Body for Compliance	4
Ascentis	2
London Centre of Marketing	2
Learning Resource Network	2
Open College Network	2
AQA	1
CACHE	1
CIBTAC	1
Counselling and Psychotherapy Central Awarding Body	1
Education for Business Managers and Administrators	1
English Speaking Board	1
SFEDI Awards	1

Professional, statutory and regulatory bodies

Our respondents cited a total of 71 different professional, statutory and regulatory bodies. For example, professional bodies such as the Association of Chartered Certified Accountants (ACCA), and the Institute of Leadership and Management award providers' existing learning pathways, and often provide a route for students to obtain chartership during or following their degree. Many of the organisations within this category are primarily membership organisations, some incorporated under Royal Charter.

Within this part of the data return, various providers also mentioned quality assurance or accrediting bodies, such as the British Accreditation Council, the Quality Assurance Agency (QAA), and the Accreditation Service for International Colleges, which provide different advisory, review and inspection services, which act as a quality mark for the privately funded HE provider. (An example of a BAC accredited provider is given in

Figure 13.) Because this type of organisation are distinct from professional, statutory and regulatory awarding organisations, we have separated them in Table 23 below.

Table 23: Quality assurance/accrediting bodies and professional, statutory or regulatory bodies (Source: Data returns, base=200)

Quality assurance or accrediting bodies	Frequency
British Accreditation Council	30
Quality Assurance Agency	22
Accreditation Service for International Colleges	16
Independent Schools Inspectorate	8
UK Border Agency	8
Professional, statutory and regulatory bodies	
Association of Chartered Certified Accountants	16
Confederation of Tourism and Hospitality	15
Association of Business Executives	14
Association of Business Practitioners	14
Institute of Commercial Management	11
British Computer Society	9
Chartered Management Institute	7
Institute of Account Management	6
Organisation for Tourism and Hospitality Management	6
Chartered Institute of Marketing	5

Other	101
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Figure 13: The alternative medicine college

The alternative medicine college
<p>Status</p> <p>This alternative medicine college is a private, not-for-profit organisation that was established just under a decade ago and offers courses in alternative and complementary therapy, notably homeopathy. It was accredited by the British Accreditation Council in 2009.</p>
<p>Provision</p> <p>The provider offers three main types of course: A Foundation Certificate in Health and Homeopathy; a Licentiate Diploma in Homeopathy; and a Post Graduate Licentiate Diploma in Homeopathy. There are two study options on offer – part-time study and distance/online learning. The Foundation Certificate course lasts for 10 weekends over 10 months and covers 10 modules. The Licentiate Diploma, part-time study option, lasts for 3 years – 10 weekends over 10 months each year, covering 10 modules per level. Entry to the Licentiate Diploma requires prior completion of the Foundation course.</p>
<p>Demographics</p> <p>The college is small, providing courses for around 100 students which are delivered by 3 members of staff. The college caters for overseas students, as well as home students, via a distance learning option.</p>
<p>Finance</p> <p>The fees for the part-time study option for this course are around £2,500 if paid in full and a little higher if paid in instalments. The distance/online study option costs</p>

£2,000 (or £2,400). The college does not provide bursaries or subsidies, but instead suggests that prospective students seek a career development loan from a commercial bank.

Universities

Through our data returns we were able to identify a total of 68 different universities involved in awarding or validating privately funded HE providers' courses. The UK authorities recognise those institutions which have been granted degree-awarding powers by either a Royal Charter, Act of Parliament or the Privy Council. These are known as 'recognised bodies'. All UK universities and seven alternative providers are currently recognised bodies. Many providers obtain validation from a publicly funded university, for their provision to qualify as a recognised degree, and additionally to benefit from association with an institution with a strong, easily recognised brand.

As Table 24 shows, the most cited university within our data returns was the University of Wales, which worked with 19 privately funded HE providers in our sample (9.5%). This was followed by Middlesex University (14) and the University of Gloucestershire (8). (It should be noted, however, that the University of Wales announced in October 2011 that it would cease validating all degrees that are not awarded by the university directly.)²⁶

²⁶ For details of this announcement see: www.wales.ac.uk/en/NewsandEvents/News/General/UniversityofWaleslaunchesboldnewacademicstrategy.aspx

Table 24: Accrediting universities, top 15 only (Source: Data returns, base=200)

Accrediting Universities	Frequency
University of Wales	19
Middlesex University	14
University of Gloucestershire	8
The Open University	6
Anglia Ruskin University	5
University of Greenwich	5
Heriot-Watt University	4
University of Staffordshire	4
Birmingham City University	3
London Metropolitan University	3
Plymouth University	3
University of Chester	3
University of East London	3
University of London	3
University of Manchester	3
Other	68

Fees and study costs

The provider survey was carried out in spring 2012, at a point of profound change within the publicly funded HE sector. At this time, publicly funded HE institutions were able to charge tuition fees of £3,465 per annum for undergraduate courses (known popularly as ‘top-up’ fees). It was, however, only a few months before new fee arrangements were introduced, raising the fee cap on undergraduate courses to £9,000 and introducing new loan arrangements. As a result of this time of transition, it is somewhat difficult to draw conclusions about the relative scale of fees charged by privately and publicly funded HE providers.

Our survey indicated that, in the academic year 2011/12, undergraduate course fees at privately funded HE providers tended to fall between £3,000 and £6,000 per annum. As Table 25 shows, over half of the providers that responded to this question (50 of 88, or 57%) indicated they charge a maximum fee of between £3,000 and £6,000; the median maximum fee in the survey was £5,050.

Table 26 shows that in just under half of the providers surveyed (43 of 88, or 48.8%) the minimum fee charged for undergraduate also falls within this bracket. This suggests that the fees charged by privately funded HE providers were typically higher than those charged by most publicly funded HE providers under the differential fee system in place in 2011/12. However, it is not known whether privately funded HE sector will change (or are changing) in response to higher public fee levels in 2012/13. Moreover, it is important to recognise that – although loans of up to £6,000 are now available via Student Finance England to full-time students studying certain designated courses at privately funded HE providers – some providers may ask for up-front payments, unlike publicly funded HE institutions; a number of students interviewed for this study (see the following chapter) observed that they paid fees up front.

Table 25: Maximum fee per annum charged for undergraduate education (Source: Telephone survey of providers, base=88)

	For-profit	Not-for-profit	Other	Total
£0 - £3000	4	5	1	10
£3001 - £6000	29	18	3	50
£6000 - £9000	5	8	1	14
£9000 +	4	10	0	14
Total	42	41	5	88

Table 26: Minimum fee per annum charged for undergraduate education (Source: Telephone survey of providers, base=88)

	For-profit	Not-for-profit	Other	Total
£0 - £3000	16	10	2	28
£3001 - £6000	23	18	2	43
£6000 - £9000	2	8	1	11
£9000 +	1	5	0	6
Total	42	41	5	88

Although the bulk of undergraduate courses offered by privately funded HE providers fall in the £3,000 to £6,000 range, the survey indicated the considerable variation in fees between different providers. 10 (11.3%) of the 88 providers who responded to the question indicated they charge a maximum fee lower than £3,000, while 14 (15.9%) charge a maximum fee higher than £9,000. A very small number of the providers included in the survey charge a maximum fee considerably higher than £9,000; the highest cited was an

American exchange programme with fixed costs equivalent to over £40,000 per annum.²⁷ It is important to note, though, that the top three providers included in the survey in terms of fees charged were all connected to American higher education institutions, large numbers of whose students come from the United States where tuition fees are considerably higher and include non-tuition fee costs, such as accommodation, food or access to facilities.

The survey did not suggest that some subjects cost more than others; the business and management, religious and arts colleges all appeared to charge similar fees. Perhaps surprisingly, however, the survey did indicate that the fees being charged by not-for-profit providers are higher on average than those being charged by for-profit providers. The median maximum and minimum fees charged by for-profit providers for their undergraduate courses is £6,081 and £4,755 respectively. This compares to £6,982 and £5,950 charged by not-for-profit providers. Of the 14 providers that charge maximum fees of above £9,000 for undergraduate courses, 10 (71%) are not-for-profit organisations. These results may reflect the fact that, as we saw earlier in this chapter, the not-for-profit providers include a larger number of organisations that are older and better established.

Postgraduate fees follow a similar pattern to undergraduate fees, though course costs appear to be slightly higher. As Table 27 shows, overall 38 of the 77 providers that responded to this question (49%) indicated that they charge a maximum fee between £3,000 and £6,000. 19 out of the 77 (25%) providers that responded stated that their maximum fee was above £9,000. The median maximum fee is £5,500, whilst the mean figure is £7,637 – the difference between these two figures being explained by a handful of providers charging comparatively high fees. Again, the survey revealed that the providers charging higher fees for postgraduate courses tend to be not-for-profit organisations. 5 of the 41 (12%) for-profit providers that answered this question charge a maximum fee above £9,000. By contrast, the comparable figure for not-for-profit providers is 14 out of 33 (or 42%). Some of these high-charging providers do, though, offer some students the opportunity to obtain bursaries and other forms of financial aid to help them with their studies.

²⁷ It should be noted that the 'programme cost' of £43,656 noted here includes a full academic year of tuition fees, 5 educational tours, accommodation costs and a medical plan.

Table 27: Maximum fee per annum charged for postgraduate education (Source: Telephone survey of providers, base=77)

	For-profit	Not-for-profit	Other	Total
£0 - £3000	2	5	0	7
£3001 - £6000	27	9	2	38
£6000 - £9000	7	5	1	13
£9000 +	5	14	0	19
Total	41	33	3	77

The fee structure for other HE courses below undergraduate level is also similar. 45 out of the 70 (64%) providers that responded to the survey question about these courses charge a maximum fee that lies between £3,000 and £6,000, while just 14% set their tuition fee for these courses above £9,000 (the maximum charged is £22,000). The median fee for such courses is £4,500, while the mean is slightly higher at £5,549 – the difference, as before, being explained by a small number of outliers. Again, the survey suggested that a greater proportion of not-for-profit providers charge higher fees. 10 of 27 (37%) of not-for-profit the organisations included in the survey charge a maximum fee of above £6,000 for Level 4 and 5 courses, compared to five of 40 (12.5%) for for-profit providers (see Table 28).

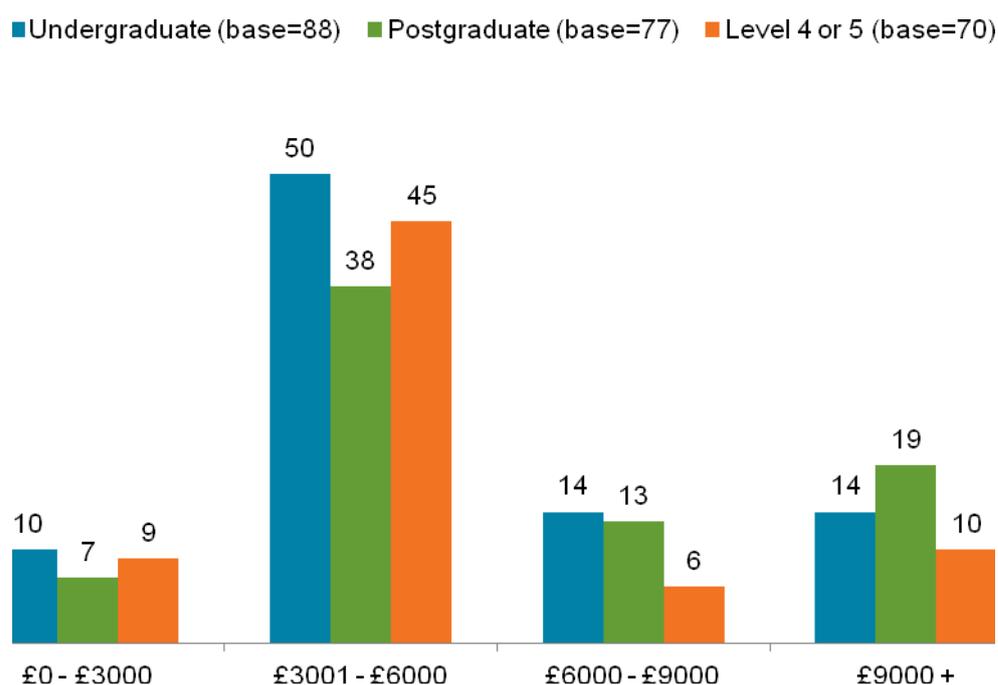
Table 28: Maximum fee per annum charged for Level 4 or 5 education (Source: Telephone survey of providers, base=70)

	For-profit	Not-for-profit	Other	Total
£0 - £3000	4	5	0	9
£3001 - £6000	31	12	2	45
£6000 - £9000	0	6	0	6
£9000 +	5	4	1	10
Total	40	27	3	70

Tuition fees are a very significant source of income for privately funded HE providers, especially for-profit providers. When asked in the provider survey what proportion of their overall income tuition fees represent, 57 of the 100 providers that responded stated that more than 75% of their income is provided by tuition fees. For 36 of these providers, tuition fees represent 91-100% of income. Among for-profit providers, over half (26 of 45, or 57.8%) stated that tuition fees represent between 91% and 100% of income; the comparable figure for not-for-profit providers was far lower (10 of 49, or 20.4%). For a

notable minority, especially not-for-profit providers, fees represent only a small proportion of overall income. Fees from HE courses represent 50% or less of overall income for 28 of the 100 providers that responded to this survey question. This is due to a combination of offering non-HE courses, and income from other sources. For comparison, Figure 14 compares the maximum fee per annum charged for undergraduate, postgraduate, and all other courses at Level 4 or 5.

Figure 14: Comparison of maximum fee charged per annum by course level
(Source: Telephone survey of providers)



Future expectations and intentions

Aims for the future

In the survey we asked providers about the activities they were likely to pursue over the next five years. Different options were given to survey respondents, who were then asked to rate the likelihood of pursuing these activities on a scale of 1 to 5, where 1 represented 'very unlikely' and 5 represented 'very likely'. The results of these questions are given in Table 29 below. 86 of the 126 providers (68%) stated they were either likely or very likely to maintain partnerships with publicly-funded higher education institutions that currently validate their provision or offer a franchising agreement. 80 out of 126 (64%) indicated that they were either likely or very likely to develop links with employers. A minority suggested that they aim to obtain degree awarding powers or seek HEFCE funding. Overall, 31 (24.6%) stated they are likely or very likely to seek degree awarding powers, with 28 (22.2%) anticipating they are likely to seek HEFCE grant funding. The number of providers interested in seeking degree awarding powers is interesting, given that currently only seven privately funded providers have these powers, emphasising the ambition of some providers. In addition, 54 providers (42.9%) indicated they would be likely to apply for designation for student support. If these applications were successful, this would extend the number of courses and therefore students eligible for such support.

There were some variations in future plans between different types of provider. For example, a larger proportion of for-profit providers than not-for-profit providers stated they are likely to develop new partnerships with publicly-funded higher education institutions in the next five years. 32 of 59 (54.2%) for-profit providers said they wanted to build new partnerships in order to validate their provision or set up new franchising arrangements, compared to just 15 of 57 (26.3%) not-for-profit providers. 30 of 59 (50.8%) profit-making providers wished to construct partnerships in order to help the development of their curriculum content, whereas only 11 of 57 (19.2%) of not-for-profit organisations wished to do this. As we saw earlier, a large number of not-for-profit organisations already work with publicly-funded higher education institutions for auditing purposes, and these differences are likely to reflect that. Nevertheless, this does suggest a desire on the part of for-profit providers - perhaps especially those that are less established - to build formal links with and ultimately become validated by publicly funded HE institutions. The future plans held by providers did not appreciably differ between organisations of different size.

All the subject groups identified in the research appeared equally keen to develop links with employers, perhaps responding to the desire to focus on employability and career outcomes. 17 of the 22 (77.3%) business, management and accountancy colleges that responded to the question said they were likely or very likely to develop links with employers. The comparable figures for religious colleges and arts colleges were, respectively, 16 of 21 (76.2%) and 10 of 14 (71.4%).

Table 29: Providers' intentions for the next five years (Source: Telephone survey of providers, base=126)

	Unlikely	Indifferent	Likely	DK	NA
Maintain partnerships with publicly-funded HE institutions that currently validate your provision or offer a franchising arrangement	16.7%	6.3%	68.3%	1.6%	7.1%
Develop new partnerships with publicly-funded HE institutions to validate your provision or enter into a franchising arrangement	36.5%	15.9%	41.3%	4.8%	1.6%
Maintain partnerships with publicly-funded HE institutions to develop curriculum content	27.8%	15.1%	47.6%	3.2%	6.3%
Develop new partnerships with publicly-funded HE institutions to develop curriculum content	38.9%	16.7%	36.5%	4.8%	3.2%
To work in partnerships with publicly-funded HE providers on other activities, such as research and development or consultancy services.	36.5%	27.8%	31.7%	1.6%	2.4%
To obtain degree awarding powers (DAP)	49.2%	20.6%	24.6%	2.4%	3.2%
Apply for student support designation for specific courses	33.3%	10.3%	42.9%	4.8%	8.7%
Apply for designation for HEFCE grant funding	53.2%	11.1%	22.2%	7.9%	5.6%
Develop links with employers	15.1%	13.5%	63.5%	2.4%	5.6%
Other plans for the future	0.0%	0.0%	4.0%	6.3%	89.7%

Figure 15: The arts college

The arts college	
Status	This arts college is an independent, not-for-profit performing arts provider comprising a secondary school, sixth form and professional conservatoire. The provider has its origins in two schools founded shortly after the First World War. The provider is currently based in London and has been delivering higher education courses for almost a decade.
Provision	The provider offers three courses at the undergraduate level and a further three courses at the postgraduate level. The courses offered cover areas such as film, musical theatre and screenwriting. The provider also has a more established tradition of secondary and further education as well as offering a number of part-time courses. Some courses are accredited by the Council for Dance Education and Training (CDET) and the National Council for Drama Training (now Drama UK), while certain degree programmes are validated by a London university.
Finance	Fee levels for undergraduate courses can be as high as just under £13,000 per year. Meanwhile, at the postgraduate level, fees vary between £6,000 and £13,500 per year. Some students may, however, be eligible to obtain Dance and Drama Awards. Some scholarships are available to help reduce tuition costs and provide support with living costs also.

Expectations for the future

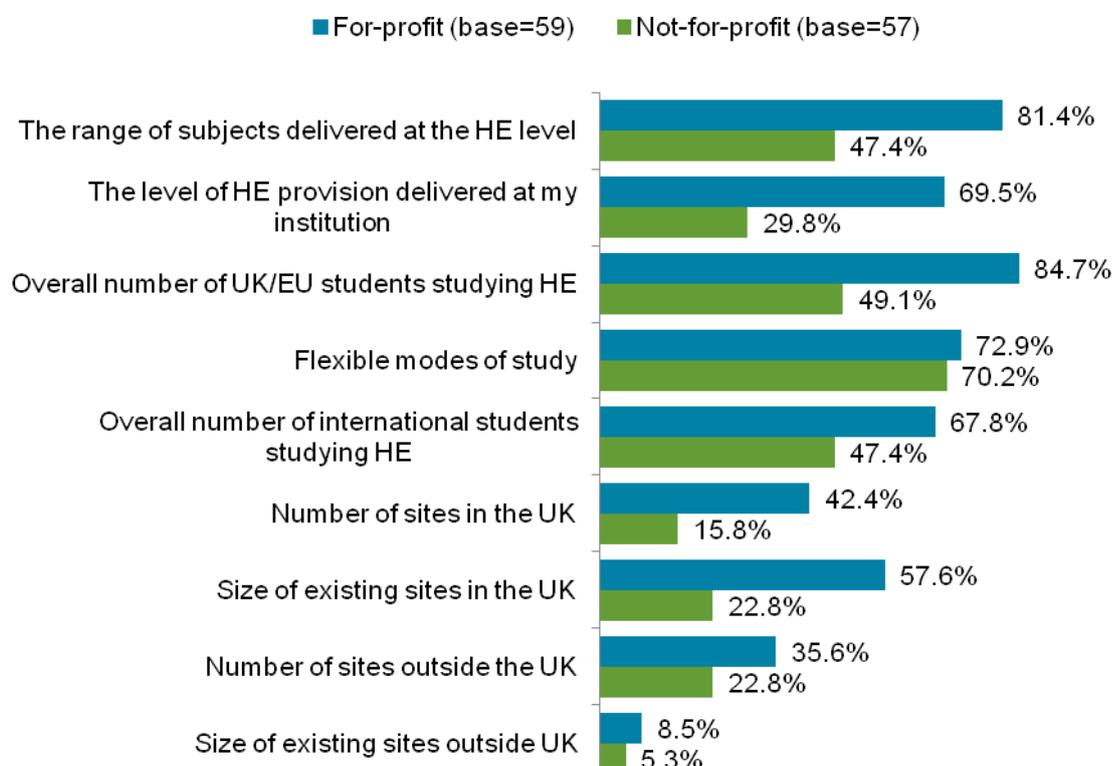
In addition to information on future intentions, we asked respondents about how they expected their provision to develop over the next five years. The results of these questions are given in Table 30 below. Most respondents surveyed saw the future positively, stating that they expect an increase in student numbers and have plans to introduce new course options and modes of study. Two-thirds (84 of 126, or 66.7%) indicated that they expect the overall number of UK/EU students studying at higher level to increase. 80 out of 126 (63%) providers expect the range of subjects they offer at higher level to increase, while 91 (72.2%) expect an increase in flexible modes of study. A slight majority (70, or 55.5%) even expect an increase in the overall number of international students studying at a higher level. This finding emerged despite recent changes in regulation that students studying at accredited private colleges no longer have the right to work while studying. (Interestingly, elsewhere in the survey 36 out of 51 providers (71%) stated they had experienced a fall in international students since these changes were introduced by government: see below for further discussion of the impact of immigration regulations.)

Table 30: Providers' views on likely change in the next five years (Source: Telephone survey of providers, base=126)

	Increase	Stay the same	Decrease	DK	NA
The range of subjects delivered at the HE level	80	43	3	0	0
The level of HE provision delivered at my institution	61	60	3	0	2
Flexible modes of study	91	30	1	1	3
Overall number of UK/EU students studying HE	84	34	3	1	4
Overall number of international students studying HE	70	26	24	2	4
Number of sites in the UK	36	83	5	2	0
Size of existing sites in the UK	52	67	3	4	0
Number of sites outside the UK	36	23	1	4	62
Size of existing sites outside UK	8	17	1	6	94

As with the previous set of questions, expectations varied between different types of provider. In general, a larger proportion of for-profit providers stated that they expect overall growth in the number of students in higher education (both home and international), the range of courses offered and the size of existing sites in the UK (see Figure 16). 48 of 59 (81.3%) for-profit providers expect an increase in the range of subjects delivered at the higher level, compared with 27 of 57 (47.4%) not-for-profit providers. 50 of 59 (84.7%) for-profit providers expect the overall number of UK/EU students studying at a higher level to rise, compared with 28 of 57 (49.1%) not-for-profit providers. 25 of 59 (42.4%) for-profit providers expect the number of sites in the UK to rise, compared with just 9 of 57 (15.8%) not-for-profit providers.

Figure 16: Percentage of institutions expecting an increase in different aspects of their operation, split by institution type (Source: Telephone survey of providers, variable bases)



Current and future challenges

Immigration

Survey respondents were asked about their current status with the UK Border Agency. 15 were unsure or refused to confirm their current status. Of the remaining 111 providers, 82 (74%) stated they had either achieved Highly Trusted Sponsor Status (HTSS) or were planning to do so in forthcoming years. As Table 31 shows, for-profit institutions are disproportionately represented in the group of institutions that currently do not have HTSS but intend to obtain it in future. Those institutions that have only been delivering HE for five years or less – almost all of which are for-profit institutions (see Table 25) – also tend not to have HTSS. Only 8 such institutions, of the 39 included in the survey (20.5%), have obtained HTSS.

Table 31: Providers' current status with the UK Border Agency (Source: Telephone survey of providers, base=126)

	For-profit (base = 59)	Not-for-profit (base = 57)	Other (base = 10)	Total
Have HTSS	20	28	3	51
No, but plan to obtain in future	20	8	3	31
No and don't plan to obtain in future	12	15	2	29
Don't know	6	6	2	14
Refused	1	0	0	1
Total	59	57	10	126

After being asked about their expected activities in the next five years, survey respondents were asked to outline the factors that may inhibit them achieving their future plans. A substantial proportion focused on the development of UK immigration policy in recent years, which respondents believed would adversely affect the demand for HE courses by overseas students. Problems identified included regulatory changes around sponsor status and student and family visas. Some illustrative quotes are provided below. All of them are responses to the question asking about what could hinder their development.

The inconsistency of the regulations imposed by the UKBA.

The inability of our overseas students to bring dependants on their student visa.

The demand for UK HE courses has been seriously damaged by the policies of the UKBA. Students report that the UK does not feel welcoming anymore.

When participants were asked what could help them meet their future goals, immigration policy was again the main topic discussed by providers, with calls for more relaxed laws and consistency:

The UK Border Agency deciding what the rules are and leaving them in place for a couple of years, instead of changing the rules.

Finance

Immigration was not the only area cited by respondents, however. Scarcity of funding was also identified as a problem. In particular, providers cited the limitations in loan funding available to students at privately funded HE providers, as well as the difficulty securing business development loans in the current economic climate.

Student funding is a huge issue. The cap on funding is a big issue for our students.

In the financial sector, all the banks are saying they identify us as a very risky business, so we cannot get a penny in loans. Money is not going into small businesses.

Figure 17: The religious college

The religious college	
Status	This college is a not-for-profit provider of religious education and training, offering courses in theology and ministry in the Baptist tradition of Christianity. Its courses are accredited by three UK universities, one local institution and two from further afield.
Provision	<p>The college offers undergraduate and postgraduate courses in ministerial training and theological studies. Graduating students may progress into ministries within the church, to secular professions, and to further research or teaching. The curriculum is based around the Bible and on principles of discipleship and evangelism, with all undergraduate students following a core curriculum and a personal programme of study. Average entry requirements are 3 Bs at A-level or equivalent.</p> <p>Features of good practice at this college noted by the Quality Assurance Agency include the active role played by students in the management of academic standards and the inclusive tutorial and pastoral support systems for all courses.</p>
Demographics	The College has a small population, with around 100 full- or part-time students, plus up to 40 Saturday students. This includes international students as well as those from the UK.
Finance	On average, a three-year degree course costs £8,000 per year. The college offers one bursary per year, which is contingent upon commendation by a national Baptist Union.

Summary and conclusion

The picture that emerges of the UK privately funded HE sector is not one of homogeneity, but of distinct groups each serving a specific need or filling a gap not covered by publicly funded HE institutions. Most institutions on which we gathered data have only been established for a short time. Yet there are groups of institutions – especially not-for-profit

arts and religious colleges – that have a long history. Arguably, for the time being at least, large numbers of privately funded HE providers do not offer direct competition with publicly funded institutions that focus primarily on more traditional academic subjects. Some privately funded providers occupy a distinctive niche that is not and perhaps cannot be met in the publicly funded sector. This includes colleges that offer religious instruction and some complementary medicine courses, for example. Where there is an element of competition with publicly funded HE institutions, it is largely between those that offer courses with a specific vocational application, or in a broad discipline such as business, management, finance or IT.

The level of competition may increase in the future, however. The research revealed that a large number of for-profit institutions have only recently begun to offer courses at a higher level. At the same time, our mapping exercise identified a large number of providers that have ceased trading in recent years. The number of providers that either ceased trading or, conversely, started trading recently, gives an indication of the dynamic nature of this marketplace. With only one sampling point, it is difficult to assess whether this dynamism is due to specific one-off conditions at the time of the research (e.g. changes in UK Border Agency requirements, and the government's messages on privately funded providers' role in the HE system), or whether this represents a more permanent feature of this market.

One notable feature of privately funded HE providers is that they tend, with a small number of exceptions, to be very small, especially in comparison to publicly funded universities or FE colleges. The range of courses and qualifications they offer is generally limited, although there is a significant number of institutions that offer further education alongside higher education. Their distinctive offer is likely to in part be linked to their relatively intimate study environment.

It is difficult to make firm conclusions about how tuition fees compare to publicly funded HE institutions. This is partly because the fees charged by institutions vary markedly, but also because the snapshot of privately funded HE providers gives little indication of changes over time. Furthermore, fee levels alone are not simple to interpret, without further information about the timing and conditions of payment and support that may be available. As HE landscape becomes more competitive, price and perceptions of value for money may become increasingly important for attracting students, meaning it would be interesting to monitor how fee levels, and the sector generally, develops.

Overall, the findings presented in this chapter from the data returns and provider survey offer a picture of a particular sample of providers (249 and 126, respectively), taken from the overall population identified in the research (674). Although the characteristics of the samples do not perfectly match those of the overall population, they still provide useful information on providers for which such data was not previously available, and give a good reflection of provider diversity in terms of size and subject specialism. However, the level of detail possible in this research is limited by a concern to keep the burden of participation as low as possible, meaning further more in-depth research with providers would be helpful in the future. The next chapter goes some way towards adding additional depth by considering the viewpoint of students at privately funded HE providers, taken from a survey and interviews with students.

Students at privately funded HE providers

This chapter explores the perspectives of a sample of those studying at privately funded HE providers, drawing on results from an online survey and in-depth interviews with students. It contains information about the courses and modes of study taken by these students, as well as their reasons for choosing their course and provider, and their satisfaction with the experience.

The research presented in this chapter reinforces many of the findings from the previous chapter, showing that subject distribution both within and across institutions is rarely as varied as publicly funded HE institutions – indeed that it is common for institutions to focus on only one discipline. The chapter demonstrates that privately funded HE provision is considerably developed with a diverse range of students and institutions. It reveals that:

- Students studying at privately funded HE providers are more likely to be mature, studying part-time and distance learners. A substantial proportion surveyed also follow distinctive course models such as ‘compressed’ degrees lasting less than three years.
- The motivations for students to attend privately funded HE providers centre around career progression, employability and an interest in the subject (similar to students in publicly funded HE institutions).
- On key measures such as student satisfaction, contact time and time spent by students on learning and teaching, the measures and outcomes are very similar to established measures for publicly funded HE institutions.

The findings in this chapter are based on an online survey distributed by CFE via email to a sample of students undertaking courses with privately funded HE providers in summer 2012, and on in-depth interviews with selected survey respondents. A total of 1495 students responded to the survey, who represented a wide range of courses and types of study.

The students who responded studied at a sub-sample of the overall provider population of at least 84 providers, meaning that their attitudes and experiences are not necessarily representative of experiences across the wider group of identified providers. 20.7% of the students who responded did not give a response to the provider name question that allowed us to link back to a specific named provider (for example, some cited the validating university, awarding body or professional body name, instead of a provider name). We have opted to include these students in the analysis as the survey distribution methods mean it is unlikely they are not studying at a privately funded HE provider.

Most of the students who participated in the survey were enrolled at large organisations comprising more than 500 students per academic year (56.3%). A further 19.7% were enrolled at medium-sized organisations (between 100 and 499 students per academic year), and 3.3% were enrolled at small providers with a yearly intake of fewer than 100 students. This distribution was similar to that found in the database of institutions analysed in the previous chapter, which indicated that most students studying at a privately funded HE provider are based at large institutions. However, the relatively low coverage of students at smaller providers (with no responses from students at providers with fewer than 25 students) should caution us against using this survey to draw conclusions about smaller providers. The student survey also under-represented non-specialist and business, management and IT specialist providers, while over-representing religious colleges and arts institutions.

The survey was distributed directly through providers that participated in our provider telephone interviews, and through a database with details of students who received student support from the Student Loans Company. Because of the use of the latter sample frame, the survey over-represents students who received student support in comparison to the overall population. Specifically, 37% of our respondents received student support, compared to roughly 6% of the estimated total student population at privately funded providers. This affects some questions in particular, such as level of study (the survey over-represents undergraduate level study, while under-representing below degree level study) and funding, which is pointed out in the text where relevant.

Our survey sought to gather data on the nature of student participation in privately funded HE providers of higher education, and the views and satisfaction of students undertaking study. Following this, we conducted a total of 60 in-depth interviews with a cross section of survey respondents, to gather more detailed in-depth information on the experience of studying with privately funded providers of HE. Given the challenge of achieving a representative sample of student responses, the findings can give us a good indication of experience in parts of the privately funded HE sector, but do not necessarily represent the whole story for students at these providers, particularly those at smaller providers.

Students in privately funded higher education

Course level and qualifications

In total 1495 students studying higher education at privately funded HE providers responded to the online survey. The majority of respondents were studying courses equivalent to either first degree level (46.3%), or postgraduate degree level (35.7%), broadly equivalent to Level 6 or above on the Framework for Higher Education Qualifications (FHEQ). A further 18.1% were studying at sub-degree level, covering courses equivalent to Levels 4 and 5 on the Qualifications and Credit Framework/National Qualifications Framework. It should be noted that the distribution of course levels found in the survey sample therefore over-represents first degree level students, and under-represents sub-degree level students, in comparison to our more complete information from the provider data returns. Almost all students indicated that their studies were accredited; 1,359 students were studying towards a formal qualification (88.4%), and 127 students indicated that they would receive credit that would count towards a full qualification at the end of the course (8.5%). Only nine students indicated that their course had no formal accreditation (0.9%). Table 32 below shows a breakdown for the different

types of qualification pursued within our survey group, showing that Bachelor's degrees and Master's degrees are the most common qualification type.

Table 32: Course level and qualifications (Source: Online survey of students at privately funded HE providers, base=1,495)

Level	Qualification	Frequency	%
Postgraduate (Level 7 and Above) (533)	Doctorate (PhD / EdD)	2	0.1%
	Master's Degree (MA / MSc / MRes / MPhil)	372	24.9%
	Postgraduate Certificate / Diploma	151	10.1%
	PGCE / Postgraduate teaching qualification	8	0.5%
First degree (Level 6) (688)	Bachelor's degree (BA / BSc / BEd)	633	42.3%
	LLB	55	3.7%
Other Undergraduate (Level 4 & 5) (274)	Higher National Certificate / Diploma (HND/HNC)	125	8.4%
	Certificate / Diploma of Higher Education (CertHE/DipHE)	79	5.3%
	Professional qualification	43	2.9%
	Foundation Degree	24	1.6%
	NVQ	3	0.2%
Total		1495	100%

Subjects and providers chosen

Students were engaged with a wide variety of different courses, relating to a number of different broad subject groups. These broadly corresponded to the range of specialisms found in the provider survey, with industry-focused degrees – especially business and management – being well represented, along with arts subjects and religious studies. The most prevalent subject group was business and administrative studies (39.9% of students), followed by architecture building and planning (13.6%), creative arts and design (13.4%), theology and religious studies (12.1%), and law (5.7%). These broad subject groups can be coded to the level of specific disciplines to give a greater level of detail.²⁸ The most popular course subject was management (19.3%), encompassing management

²⁸ To classify subject studied we used the Joint Academic Coding System (JACS). For more information on the system see: http://www.ucas.com/he_staff/courses/jacs/

degrees at undergraduate and postgraduate level, professional and other higher level qualifications. Courses with a generic focus on business studies (12.4%) were also popular within our survey population, as were those in finance and accounting.

A relatively large proportion of students were undertaking study in building-related subjects, in particular planning and surveying courses. These included Bachelor level qualifications in quantity surveying, building services, and construction management, and Diploma level qualifications in surveying practice (many of these were offered by one large provider). Our survey population also includes a significant proportion of theology and religious studies students (12.1%). Popular courses of this type amongst our survey respondents are undergraduate and postgraduate degrees in applied and contextual theology, biblical studies, and mission and ministry studies. The relatively high incidence of courses of this type – only 0.56% of students based at publicly funded HE institutions study theology and religious studies²⁹ – reflects the privately funded HE sector's ability to meet specialist demand.

Table 33: Subject group and discipline (Source: Online survey of students at privately funded HE providers, base=1,485)

JACS Subject group	Subject disciplines	Frequency	%
Business and administrative studies (593, 39.9%)	Management	286	19.3%
	Business Studies	184	12.4%
	Finance	44	3.0%
	Accounting	43	2.9%
	Human Resources Management	22	1.5%
	Marketing	8	0.5%
	Hospitality	5	0.3%
	Research Methods	1	0.1%
Architecture, building and planning (202, 13.6%)	Building	198	13.3%
	Architecture	4	0.3%
Creative arts and design (199, 13.4%)	Music	137	9.2%
	Dance	28	1.9%

²⁹ This figure is based on HESA statistics for 2010/11. For more information see: www.hesa.ac.uk/dox/dataTables/studentsAndQualifiers/download/subject1011.xls

	Drama	14	0.9%
	Cinematics and Photography	13	0.9%
	Fine Art	5	0.3%
	Design Studies	2	0.1%
Historical and philosophical studies (180, 12.1%)	Theology and Religious Studies	180	12.1%
Law (85, 5.7%)	Law	85	5.7%
Education (66, 4.4%)	Teaching (Specialist)	45	3.0%
	Teaching	21	1.4%
Subjects allied to medicine (56, 3.8%)	Complementary Medicine	56	3.8%
Mathematical and computer sciences (41, 2.8%)	Computer Science	41	2.8%
Veterinary sciences, agriculture and related subjects (27, 1.8%)	Rural Estate Management	26	1.8%
	Food and Beverage Studies	1	0.1%
Social studies (12, 0.8%)	Economics	6	0.4%
	Social Work	5	0.3%
	Politics	1	0.1%
Biological sciences (10, 0.7%)	Psychology	8	0.5%
	Biology	2	0.1%
Linguistics, classics and related subjects (5, 0.3%)	English Studies	5	0.3%
Engineering (3, 0.2%)	Engineering	3	0.2%
Technologies (3, 0.2%)	Polymers and Textiles	3	0.2%
Mass Communications and Documentation (3, 0.2%)	Media Studies	2	0.1%
	Journalism	1	0.1%

Mode of study: full time/part time

The students at privately funded HE providers included in the survey were fairly equally divided between modes of study. A total of 799 students (53.5%) were studying full-time, of whom 620 were studying over a standard academic year (e.g. two semesters or three terms), 166 (11.1%) were studying over a non-standard academic year (e.g. a 'compressed' degree, forming two years instead of three), and 13 were studying full time over a period of 24 weeks or less. 696 students (46.6%) were studying part time, involving study during the evening, or where the total commitment equates to 21 hours a week or less. This is a similar split as found in the provider data returns, which show that 60% of students were studying full time and 40% part time or through distance learning. This means that the student survey population somewhat over-represents part-time students, in comparison to our information on the overall population. According to HESA data, in publicly funded universities the split between full- and part-time students is similar, but with a slightly greater proportion of full-time students: in the academic year 2010/11, 67.1% of students studied full time and 32.9% part time.³⁰

Much like the provider survey, the student survey reinforces the narrative that a large number of privately funded HE providers are flexible in their provision. This is shown not just by the large proportion of students studying part-time, but also by the large proportion of respondents who were studying for a 'compressed' degree. While data on alternative degree models is not as readily available, in publicly funded HE institutions it is still less common to move away from a more traditional 3 term/2 semester model.

Despite a fairly equal divide between modes of study overall, mode of study differs visibly between course subject. Looking at each course subject individually, most had either a full or part-time focus, rather than an equal proportion of each mode of study. For example, 89.9% of creative arts and design students, 89.3% of complementary medicine students, and 81.2% of law students were studying full-time. Conversely, 86.1% of architecture, building and planning students, 60.9% of business and administrative students, and 74.2% of education students were studying part-time. It is possible that the latter subjects tend to attract a large number of students who are already working in that area, and who are seeking a qualification to further their career.

Student status

We have already seen from the data returns that approximately half the students identified at privately funded HE providers are from outside the UK, with 41% from non-EU countries and 10% from EU countries. The proportion of UK students is notably less than in the publicly funded HE sector. According to the HESA statistics, in 2011/12, 85% of UK university students were from the UK, whereas the figure for the students based at privately funded HE in our data returns was 48.6%.³¹ In comparison to the data returns, the online survey of students tended to over-represent UK students and gave a total of 63.6%, possibly because of the larger proportion of survey respondents who received

³⁰ See HESA: www.hesa.ac.uk/dox/dataTables/studentsAndQualifiers/download/subject1011.xls.

³¹ See HESA: www.hesa.ac.uk/content/view/1897/239/.

student support. Despite these differences in proportions, the survey still allows us to examine how student domicile status relates to subject choice.

Students' choice of course subject varied considerably depending on student status. Home/UK students were divided somewhat evenly between different subject groups, including business and administrative studies (25.1%), theology and religious studies (18.1%), creative arts and design (17.7%), and architecture building and planning (13%). International students were more likely to be studying business and administrative studies (66%), with architecture, building and planning chosen in 14.6% of cases. Individual subjects with proportionately high numbers of Home/UK students included courses aligned with theology and religious studies (95.0%), specialist teaching (93.3%) and music (81.5%). Individual subjects with proportionately high numbers of EU or international students included those aligned with business studies (69.6%), computer science (56.4%) and management (52.7%).

This would indicate that international students consider the UK to be a desirable destination for study in business and architecture in privately funded HE higher education. Business and administration is also a prominent destination for EU and non-EU students in publicly funded HE institutions, and it could reasonably be assumed that part of the demand from EU and international students for these subjects is built on the reputation UK has more generally in this field.

Demographics

Findings from our survey suggest that the student population within privately funded HE is highly diverse and inclusive, involving students from a wide range of ethnicities, age groups and subject disciplines. Gender was fairly evenly represented within our survey results, comprising a 52:48 ratio of men to women. Although the relatively small sample size and challenge of achieving representation makes conclusions difficult to draw here, this contrasts with publicly-funded institutions, which has a greater female population – for example the UK undergraduate population is split 55:45 women to men. Student age was particularly varied in our survey, with large numbers of students in each age band from 18-21, 22-35, 26-35 and 36-45 (see Table 3). Mature students made up a significant proportion of the survey population; 65.3% were aged over 25. Of the 688 first degree undergraduates that took part in the survey, just 219, or 31.8%, were aged 18-21. This contrasts starkly with publicly funded HE: according to the Higher Education Statistics Agency (HESA), in the academic year 2009/10 60.8% of all first degree undergraduates in the publicly funded HE sector were aged 18-21.³²

³² HESA data 2009/10, cited in Million+, NUS, *Never Too Late To Learn: Mature Students in Higher Education* (London, 2012), p. 3. Accessible at: http://www.nus.org.uk/PageFiles/12238/2012_NUS_millionplus_Never_Too_Late_To_Learn.pdf

Table 34: Age groups for students (Source: Online survey of students at privately funded HE providers, base=1,495)

Age group	Frequency	%
18-21	275	18.4%
22-25	243	16.3%
26-35	454	30.4%
36 -45	337	22.5%
46-55	144	9.6%
56 - 65	30	2.0%
66 or over	3	0.2%
Prefer not to say	9	0.6%
Total	1495	100%

55.2% of all students who responded to the survey described themselves as White, with the remainder representing a range of different ethnic groups. Students that belong to a White ethnic background constitute 75.2% of Home/UK students, and 25.3% of International Students. The ethnic composition of Home/UK students in publicly funded HE institutions is only slightly different: HESA statistics for 2011/12 show that 79.4% of students in publicly funded HE were White. The largest proportion of international students belongs to a Black ethnic background (27.2%). Table 35 below offers a full summary of the survey respondents' ethnicity.

Table 35: Ethnic background of students (Source: Online survey of students at privately funded HE providers)

Ethnic background	All Students		Home Students		International Students	
	Freq.	%	Freq.	%	Freq.	%
White	822	56.7%	685	75.2%	130	25.3%
Black Caribbean/ African or Black British	237	16.4%	94	10.3%	140	27.2%
Other Black background	50	3.5%	4	0.4%	43	8.4%
South Asian or Asian British	134	9.2%	64	7.0%	67	13.0%
Chinese	45	3.1%	8	0.9%	35	6.8%
Other Asian background	49	3.4%	8	0.9%	39	7.6%
Mixed	58	4.0%	30	3.3%	26	5.1%
Arab	15	1.0%	2	0.2%	12	2.3%
Other ethnic background	39	2.7%	16	1.8%	22	4.3%
Total	1449	100%	911	100%	514	100%

Employment

Over two-thirds of students responding to the survey were in paid employment during their course (67.2%) including 665 working full time (44.4%) and 341 working part time (22.8%). A further 30.0% of students were unemployed during their course, and a minority of 2.7% preferred not to disclose their employment status. Students in employment tended to be studying full-time while working part-time or vice versa. 32.8% of students studying full time had a part time job, and 80.2% of students studying part time were in full time employment. Half of full time students (50.3%) indicated that they were not in employment.

Table 36: Employment status of students by full-time/part-time study (Source: Online survey of students at privately funded HE providers, base=1,495)

	Full time	Part time	Total
Yes, working full time (30 hours a week or more)	13.3%	80.2%	44.4%
Yes, working part time (less than 30 hours a week)	32.8%	11.4%	22.8%
No	50.3%	6.8%	30.0%
Prefer not to say	3.6%	1.7%	2.7%
Total	100%	100%	100%

These results reflect findings in other studies on students in the publicly funded HE sector. The BIS Student Income and Expenditure survey 2007/08, found that income from paid work was important for full-time students and noted that around half did some form of paid work during term time. However, paid work was only the main source of income for 20% of full time students. The study also found that income from paid work was the main source of income amongst part-time students, comprising 71% of the total.

Other research undertaken in 2011 by NUS found that 63% of students 'either had or intend to have some kind of paid employment during the academic year'.³³ This again indicates that the propensity for students in publicly funded HE institutions and privately funded HE providers to take on paid employment while studying is similar.

Those in full-time paid employment were most frequently studying subjects related to business and administrative studies (54%), with a further 27.9% of employed students studying architecture, building and planning subjects. (This is perhaps unsurprising given that these subjects have a high proportion of part-time students: see above.) Those students in part-time employment varied more in their subject choice, but those who stated that they were not employed while studying were more often studying courses in theology and religious studies (23.1%) or creative arts and design (19.1%).

Prior study and qualifications

Before undertaking their course with a privately funded HE provider, the students surveyed held a range of prior qualification levels, which, as might be expected, varied depending on current level of study. As

Table 37 shows, four-fifths of postgraduates (79%) held a qualification at degree level or above prior to enrolling on their current course. Just under nine-tenths of first degree students (89.7%) held Level 3 (A-Level or equivalent) qualifications or higher. Over one-

³³ GfK, *NUS/HSBC Student Experience Full Report: 2010/11* (2011), p.8. Accessible at: www.nus.org.uk/PageFiles/12238/NUS-HSBC-Experience-report-web.pdf

third of first degree students had already completed a Level 4 or 5 qualification (28.1%) and a very small proportion of students (2.9%) were returning to first degree-level study having already completed study at postgraduate level.

Table 37: Prior qualifications held by broad level of study (Source: Online survey of students at privately funded HE providers)

Prior qualification held	Postgraduate (base=532)	First degree (base=683)	Other Undergraduate (base=271)	Total (base=1,486)
None	0.6%	1.3%	1.9%	1.1%
Level 2 or below	2.1%	9.0%	16.1%	7.8%
Level 3.	6.4%	52.7%	39.3%	33.7%
Level 4/5	11.5%	28.1%	18.4%	20.4%
Level 6	53.8%	3.8%	14.6%	23.6%
Level 7/8	25.2%	2.9%	6.0%	11.4%
I don't know	0.6%	2.2%	3.7%	1.9%
Total	100%	100%	100%	100%

Courses and delivery

Delivery method and time commitment

Students engage with privately funded HE provision via a range of different delivery methods. 679 students (45.7%) were studying on campus, but 359 (24.2%) were studying via distance learning, and a further 267 (17.9%) specifically via online methods. 166 students (11.1%) were undertaking blended learning, involving a combination of face-to-face delivery, and distance or online. Perhaps surprisingly, only 15 students (1%) indicated that they were studying in the workplace. However, 225 students (15.2%) stated that their course included a work placement. Equivalent figures are not available for comparison against the publicly funded HE sector.

Course delivery method varied depending on the subject being studied. Courses aligned with business and administrative studies were relatively evenly divided between different methods of delivery, including campus (29.1%), online (33.2%) and distance learning (28.4%). Some subjects, however, were predominantly delivered on campus, such as theology and philosophical studies (88.9%) and creative arts and design (88.8%). Architecture building and planning courses were mostly delivered by distance learning (64.9%) and blended learning, bringing together a combination of both face-to-face delivery and distance learning (22.3%).

Course duration

Actual course duration was most often of a similar length to conventional HE diploma and degree programmes, with the greatest proportion of full-time first degree students undertaking study for between 25 and 36 months (58.9%). Nevertheless, as Table 38 shows, a significant proportion of students who stated that they are studying full-time for a first degree indicated that their course is shorter than normal undergraduate degrees; 26.5% stated that their course lasts between 13 and 24 months. Unsurprisingly, a larger proportion of part-time first degree students stated that their course lasts longer than three years, either between 37 and 48 months (45.6%) or 49 and 60 months (10%). The other undergraduate courses offered by privately funded HE providers also tend to be shorter: 67.5% of full-time students taking other undergraduate courses stated that their course duration is less than 24 months.

Table 38: Course duration and mode of study (Source: Online survey of students at privately funded HE providers)

Course Duration	Postgraduate		First degree		Other undergraduate	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Base	139	389	521	160	135	137
Up to 6 Months	3.6%	0.8%	0.4%	1.3%	3%	2.2%
Between 7 and 12 months	21.6%	7.2%	2.7%	7.5%	32.6%	10.2%
Between 13 and 24 months	20.1%	28.5%	26.5%	16.3%	31.9%	45.3%
Between 25 and 36 months	21.6%	41.1%	58.9%	15.6%	24.4%	22.6%
Between 37 and 48 months	25.9%	17%	10.4%	45.6%	6.7%	8.8%
Between 49 and 60 months	6.5%	4.9%	1%	10%	0.7%	10.9%
Longer than 60 months	0.7%	0.5%	0.2%	3.8%	0.7%	0%
Total	100%	100%	100%	100%	100%	100%

Depending on the type of course, students were engaged in varying amounts of timetabled and private study. Not all students were expected to attend timetabled classes; 18.4% of students indicated that they had no hours of timetabled study each week, versus 72.1% that did. This absence of timetabled classes in almost one in five of all cases is likely to be explained by the prominence of online and distance learning, but also reflects the diversity of the courses undertaken. Of those that did undertake timetabled classes, most were

committed to less than 21 hours per week (83.3%), with a mean attendance of 16.2 hours per week among full-time students, and 5 hours among part-time students.

There are only studies estimating contact hours in publicly funded HE institutions. Student surveys have been undertaken by the National Union of Students and other bodies (such as the Higher Education Policy Institute [HEPI]). The findings of our survey are similar to the findings of the HEPI survey: the average scheduled teaching hours per week for full-time students in 2011/12 was indicated as 13.9 hours.³⁴ Contact hours vary markedly between courses. In publicly funded HE institutions, the HEPI survey indicates the mean scheduled teaching hours per week is 8.3 for historical and philosophical studies and 17.9 for subjects allied to medicine. Similarly, our survey of students based at privately funded HE providers indicated that mean hours of timetabled classes among full-time students is 22.6 hours per week for subjects allied to medicine and 14.7 for business and administrative studies.

Almost all students indicated that they undertake private study, with an average of 16.1 hours of private study per week for full-time students and 13.6 for part-time students. This again seems to compare more than favourably with publicly funded HE institutions, where 14.4 hours of private study per week was indicated as the average among full-time students in 2011/12. In this case there is less variation between subjects, though average private study hours among full-time students are higher for subjects such as mathematical and computer sciences (19.4) and law (18.0) and lower for subjects such as business and administrative studies (14.7), creative arts and design (14.6) and subjects allied to medicine (14.9). Table 39 below compares the relative distributions for hours spent on timetabled and private study for part-time and full-time students.

Table 39: Typical timetabled and private study time commitments per week (Source: Online survey of students at privately funded HE providers)

Hours committed per week	Timetabled Classes		Private Study	
	Full-time	Part-time	Full-time	Part-time
1 – 5	39	158	83	96
6 - 10	148	74	221	195
11 - 15	204	57	172	180
16 - 20	193	25	149	133
21 - 25	72	8	54	41
26 - 30	39	7	54	26
31 or more	47	7	49	10
Total	742	336	782	681

³⁴ Bekhradnia, B., The Academic Experience of Students at English Universities (HEPI, 2012). Accessible at: www.hepi.ac.uk/files/AcademicExpereinceStudentsEnglishUnivesitiesReportSummaryNoEmbargo.pdf

Our survey results suggested that the balance between timetabled classes and private study hours is variable, and overall workload differs between students. Combining individual students' estimates for each gives a mean weekly time commitment of 31.4 hours per week for full-time students and 17.8 for part-time students. The distribution of total time spent is summarised below in Table 40. This time commitment appears to be higher than the average total workload for students at publicly funded HE institutions, which was given as 27.2 hours per week for the year 2011/12 in the HEPI report.

Table 40: Total typical time commitment per week (Source: Online survey of students at privately funded HE providers, base=1,469)

Total time commitment	Full-time	Part-time	Total
1 - 5	11	55	66
6 - 10	23	143	166
11 - 15	45	150	195
16 - 20	99	144	243
21 - 25	130	71	201
26 - 30	111	48	159
31 - 35	99	24	123
36 - 40	100	28	128
41 - 45	65	5	70
46 - 50	46	6	52
Above 50	58	8	66
Total	787	682	1469

Where students were undertaking a work placement, the duration varied, but tended to be shorter than a full academic year; the majority of work placements last less than 24 weeks (64%) and nearly a third last less than six weeks (32.4%).

Table 41: Duration of work placements undertaken (Source: Online survey of students at privately funded HE providers, base=225)

Duration of work placement	Frequency	Percent
Up to 6 weeks	73	32.4%
7 - 12 weeks	36	16.0%
13 - 24 weeks	35	15.6%
25 - 36 weeks	24	10.7%
37 - 48 weeks	15	6.7%
49 weeks or longer	30	13.3%
Don't Know	12	5.3%
Total	225	100%

Course entry requirements

As might be expected, one of the most common course entry requirements was a Level 3 qualification, in particular for 40.4% of those on first degree courses and 30.5% of those on 'other undergraduate' courses. Similarly, over half of those studying at postgraduate level were required to hold a Level 6 qualification (55.2%). Only 3.1% of students stated that their course had no entry requirements.

Table 42: Course entry requirements by level of qualification (Source: Online survey of students at privately funded HE providers)

	Post-graduate (base=531)	First degree (base=684)	Other Undergraduate (base=273)	Total
No entry requirements	0.8%	3.8%	5.9%	3.1%
Pass an interview with course tutor	1.5%	13.5%	10.8%	8.7%
Pass an entrance exam	0.6%	10.5%	7.4%	6.4%
UK professional qualifications	4.1%	4.1%	5.6%	4.4%
International professional qualifications	3.8%	2.2%	5.2%	3.3%
Professional experience	10.4%	3.1%	14.1%	7.7%
Achievement of a Level 2 Qualification	0%	0.1%	1.5%	0.3%
Achievement of a Level 3 qualification	6.2%	41.4%	30.5%	26.9%
Achievement of a Level 4/5 qualification	7.3%	15.7%	6.3%	11.0%
Achievement of a Level 6 qualification	55.2%	0.6%	6.3%	21.1%
Achievement of a Level 7 qualification	6.6%	0.1%	0.7%	2.6%
I don't know	3.6%	4.9%	5.6%	4.6%
Total	100.0%	100.0%	100.0%	100.0%

Funding higher education with privately funded HE providers

During the online survey we invited students to specify their course tuition fees. Almost all students were paying tuition fees for their studies; only 5 survey respondents, or 0.4%, stated they were not paying tuition fees of some sort. Overall, around three-quarters (74.8%) of these fees were in the range from £1000 to £5999 per year, although 67 respondents were paying over £10,000. 'Other HE' courses generally have lower fees than undergraduate and postgraduate courses. These findings are similar to the results of the provider survey, although, as with the results of the provider survey, they are difficult to interpret. This survey was conducted in the academic year 2011/12, when publicly funded HE institutions were only able to charge tuition fees of £3,465 per annum for undergraduate courses. Since then, fees for publicly funded HE have risen, and it is possible that fee levels among privately funded HE providers will change in response to this shift. Table 43 below shows the distribution of fee levels for all survey respondents, providing additional comparison by level of study and mode of study.

Table 43: Course fees by study level and mode of study (Source: Online survey of students at privately funded HE providers)

	Freq.	Postgraduate	First degree	Other undergraduate	Part time	Full time
Base	-	494	616	215	647	721
£1-£499	39	2.0%	2.3%	5.9%	2.9%	2.8%
£500-£999	28	2.6%	0.6%	4.3%	3.4%	0.8%
£1,000-£1,999	144	7.9%	7.7%	22.4%	17.9%	3.9%
£2,000-£3,999	577	48.2%	37.1%	42.9%	46.8%	38.0%
£4,000-£5,999	303	17.2%	29.5%	13.8%	14.1%	29.4%
£6,000-£7,999	117	9.9%	9.4%	3.9%	6.5%	10.4%
£8,000-£9,999	66	5.5%	5.3%	2.4%	2.5%	6.9%
£10,000-£11,999	29	3.2%	1.8%	0.8%	1.7%	2.5%
£12,000 or more	38	1.6%	4.7%	0.4%	1.4%	4.0%
No tuition fees	5	0.2%	0.3%	0.8%	0.3%	0.4%
I don't know	22	1.6%	1.3%	2.4%	2.5%	0.8%
Total	1,368	100%	100%	100%	100%	100%

There was relatively little variation in fee levels between Home/UK, EU and non-EU students. In particular, the proportion of Home/UK students and non-EU students in each fee bracket was almost the same. This contrasts with the publicly funded HE sector, in which international students pay higher fees due to the cap on the fees that Home students can be charged.

Students accessed a range of different forms of financial support in order to support their studies and living costs. Over a third of students had taken out a maintenance loan from the Student Loans Company (37.4%) (this option not being available for students on courses that are not specifically designated for such support, nor for international students). This statistic shows that our survey sample over-represents students accessing student support, compared to our understanding of the total population, which should be

borne in mind when interpreting the results.³⁵ A similar proportion had financed their living costs through personal savings (36.6%). 42.8% of students financed their general living costs through their earnings from full or part-time employment, and 26.6% had obtained financial support from a parent, step-parent or guardian. Again, the diversity of sources of financial support is striking, reflecting the diversity in students and circumstances.

Table 44: Types of financial support used to support studies and living costs
(Source: Online survey of students at privately funded HE providers, base=1,476)

Support type	Frequency	%
Maintenance loan from the Student Loans Company	552	37.4%
Personal savings	540	36.6%
Earnings from full-time employment	334	22.6%
My parent(s)/step parent(s) / guardian(s)	333	22.6%
Earnings from part-time employment	298	20.20%
My employer	208	14.1%
Spouse or partner	107	7.2%
Other source of financial support, please specify	77	5.2%
A scholarship or bursary from another organisation	71	4.8%
A scholarship, bursary or subsidy from the course provider I am studying with	66	4.5%
Another relative	53	3.6%
A loan from another organisation	52	3.5%
Career development loan	14	0.9%
I don't know	16	1.1%

Motivations for studying at a privately funded HE provider

How did students find out about their courses

Students found out about their course through a variety of different sources. Almost half of all respondents found out about their course from the provider directly, by accessing the provider's website, reading course prospectus and promotional literature, or by attending an open day (47.3%). Almost a third found out about their course through an internet search (30.7%), and 3.8% indicated that they heard about their course through accessing

³⁵ That is, approximately 10,000 students at privately funded providers accessed student support in 2011/12, compared to our estimate of 160,000 students studying at privately funded providers in total.

another website. Word of mouth also appears to have been an important means by which students found their course, with friends or peers (25.1%) and existing students or alumni of the institution (15.8%) both being common sources of information.

Table 45: Ways in which students found out about their courses (Source: Online survey of students at privately funded HE providers, base=1,489)

	Frequency	%
Course provider's website, prospectus, literature or open day	704	47.3%
Internet search, e.g. using Google	457	30.7%
Friend / peers	373	25.1%
Existing student / alumni of institution	236	15.8%
Advertisement	136	9.1%
Professional, statutory or regulatory body	126	8.5%
UCAS Search	109	7.3%
Family	95	6.4%
Careers Advice e.g. Careers Fair, Careers Advisor	61	4.1%
Other website e.g. The Student Room, UCAS forums, etc.	58	3.9%
Newspaper League Tables or Other Articles	34	2.3%
Through current employer	34	2.3%
Another Organisation	15	1.0%
Previous place of study	8	0.5%

Reasons for choosing current course

Among survey respondents, the most common reason given for choosing their current course was personal interest in the subject, which was rated as important by 93.6% of respondents (see Table 46). This was followed by career relevance (90.5%) and the range of modules or options available (79.7%). These findings are reflected further in our depth interviews with students. Several interviewees cited personal interest and a passion for the subject as the primary reason for choosing the course, although direct relevance to their current career and future development goals were also regarded as important.

Because I am into computing. Of course I wanted to study to get a job at the end, that was the main thing, but it was also a passion thing.

It fits in with what I do and what I want to do, it fits in with my job role, it is RICS [Royal Institute of Chartered Surveyors] accredited, at the end I will have enough points to get my accreditation.

Table 46: Important factors when choosing a course (Source: Online survey of students at privately funded HE providers)

	Not important	Neither important nor unimportant	Important
Personal interest in the subject (Base 1466)	3.1%	13.4%	93.6%
The relevance of the course / qualification to my current/future job or career (Base 1434)	5.1%	12.2%	90.5%
The range of modules / options available on the course (Base 1437)	6.2%	33.1%	79.7%
The opportunity to study in a flexible way, e.g. part-time, by distance/online learning or work-based learning (Base 1370)	19.1%	13.2%	69.8%
The employment prospects for graduates of the course (Base 1391)	15.9%	22.8%	69.0%
The opportunity to progress into further study for graduates of the course (Base 1410)	20.4%	22.9%	62.8%
The graduation / pass rates for students on the course (Base 1367)	32.9%	21.4%	45.9%
The opportunity to undertake work experience (Base 1246)	35.8%	18.8%	45.8%
The views of my employer about the course (Base 1243)	42.8%	16.3%	41.9%
The views of my family about the course (Base 1341)	52.0%	14.2%	28.4%

Our depth interview respondents also raised the importance of the range of module choices available as a driver for choosing the course. At interview two students, one studying theology and the other music, cited the flexibility of module choice as important to them because it enables them to keep their study and career options open, as well as specialising in a particular area later on in their studies.

The course is all about the application of theology, and this was very important. It had practical outcomes. They had really good choices available in the latter part of the course.

The degree is designed to be an overall view of a portfolio musician so it's a broad range degree, which gives you a lot of skills to help you earn money in different ways. You can also then specialise further if you wanted to do a masters or something like that. You can do more studio-based or more performance-based.

The apparent quality and content of the course was a major influence on course choice.

I think it came down to the level of teaching that I thought I was going to get. I thought the tutors or lecturers seemed really good and the course content itself looked quite thorough. It trains you to be a practising musician and it takes you away from just having to play, it teaches you about recording and more studio based work, as well as the teaching qualification that you get.

Over two-thirds of respondents to our student survey (69.8%) felt that the opportunity to study flexibly, in terms of course delivery, was an important influence upon course choice. This was reflected upon further in our depth interviews.

It was the only course that was a distance learning, modular based BA in photography. There is no other course like it.

They did distance learning. I'm one of the mature students, so I have to work full time, so I had to fit it in around what I was doing and other commitments.

Equally, some students indicated that their choice of course was influenced by proximity to the provider. One student, studying photography and digital media, felt that this was the only key consideration in their decision to apply.

I was working as a photographer while I was in high school; I wanted to get some knowledge of digital media. The most important reason was that the course was close to where I live. It was close [so] I didn't research the course at all.

One factor that emerged from the depth interviews, but not the survey, was the importance for some students of attending courses that are accredited by well-known universities, which are seen to have a higher level of prestige.

Accreditation from this course, it is prestigious to be affiliated with Bristol University.

I met a few people that I knew already that told me about course. It's affiliated with Manchester University and I feel the Manchester is a very reputable recognised university; this is probably the most important thing.

Some students also valued accreditation from professional bodies. For example, one student undertaking study with the College of Estate Management noted the importance of Royal Institute of Chartered Surveyors accreditation to their own professional development.

The reputation of the course is very high in my industry. I discussed the course with my managers and they pushed me in that direction. The accreditation was the main reason that I chose the course.

Reasons for choosing provider

Within the survey the reputation of the provider stood out as the key factor in the choice of institution, as it does in much research into publicly funded HE institutions.³⁶ 86.9% of respondents rated provider reputation as important (see Table 47). After this came the range of subjects or courses on offer (63.4%), fee levels (57.4%) and facilities (59%).

Table 47: Important factors when choosing a provider (Source: Online survey of students at privately funded HE providers)

	Not important	Neither important nor unimportant	Important
The reputation of the learning provider (Base 1459)	4.2%	9.9%	85.9%
The range of subjects / courses on offer (Base 1373)	20.8%	15.7%	63.4%
The level of the tuition fees (Base 1401)	21.3%	21.3%	57.4%
The facilities provided by the learning provider for students, e.g. accommodation, library, IT, social facilities (Base 1391)	20.8%	20.2%	59.0%
The location of the learning provider in the UK (Base 1387)	28.0%	18.6%	53.4%
The financial support available to students studying at the learning provider, e.g. bursaries or scholarships (Base 1331)	40.9%	19.9%	39.1%
The views of my employer about the provider (Base 1228)	45.4%	14.2%	40.5%
The views of my family about the provider (Base 1323)	55.2%	18.3%	26.5%
Other support available for overseas students, e.g. help with English Language (Base 1090)	66.0%	11.5%	22.6%

³⁶ For instance, see: Diamond, A. et al, Behavioural Approaches to Understanding Student Choice (York: HEA, 2012). Accessible at: www.heacademy.ac.uk/assets/documents/research/Student_Choice.pdf

Our depth interviews further confirmed that reputation is the most significant factor among both UK nationals and international students. Added to this, although the survey found the views of employers and family connections are less important (40.5% and 26.5% respectively), the interviews suggested that in many cases students' perceptions of reputation are strongly influenced, if not entirely based, on personal recommendations from friends, family or co-workers. Amongst international students, recommendations by individuals who have studied at the institution emerged as particularly significant.

A lot of my friends had travelled to UK to study at that school, when they came back to Nigeria their level of their IQ and thinking had improved so much. The reputation was good, otherwise I would have not have bothered with it.

I had a friend, she completed the same course, she said that it was a very good course, I hadn't heard about the college, but she explained about the course and the college. I looked into the college and enrolled at the college. It had a good reputation, and also that they run the college well.

I met a few students, actually ex-students who were studying there, and they recommended it; they said it was a good college to study at.

Among UK-based students who were studying for the purpose of professional development, recommendations by co-workers and/or individuals who work within the same industry emerged as being of particular importance.

It was the recommendation of someone I worked with, it was an area I wanted to work in. They have a very good reputation in the industry I am in.

When I did the research they had a good reputation amongst construction professionals.

Although reputation was cited in interviews most often, a significant number of interviewees chose the provider because it was considered to be the only institution offering the course they were looking for. This reason emerged frequently in the interviews of both international and UK students. The choice to study at a privately funded HE provider was made because the publicly funded HE sector either did not offer the course, did not provide the study environment the interviewee sought, or did not offer flexible study options. In one case, for example, distance learning was highlighted as important:

They are the only college who provide degree level, modular based distance learning course in photography.

Others mentioned the flexibility of delivery, start dates and the shorter duration of the course as a reason to choose a privately funded HE provider over a publicly funded university.

It was definitely the best overall option, in terms of prices, reputation, the time take to actually get the qualification.

It was the only one I was aware of. I wasn't aware of any other that started in January.

A small subset of the interviewees who gave course options as the primary reason for choosing their provider were based at religious institutions. For these interviewees – all of whom were from the UK – it was not simply the subject matter that was seen as significant, but also the confessional ethos of the learning environment:

[I]t is not just like attending a secular college. I feel called into the ministry in the church. My current pastor has attended the college... The most important reason is my calling to God.

Fees emerged as important in both the survey and the interviews, although attitudes did vary across respondents. Many interviewees mentioned the costs involved as a second or third reason, usually after reputation and in some cases the flexibility offered by the institution. For some interviewees, the privately funded HE provider offered a good reputation, while at the same time having a reputation as a quality institution. Others chose a privately funded HE provider on the basis their fees were lower than those charged by universities.

It was reasonable, in terms of the prices, it wasn't as much as the universities, it wasn't one of these 'dodgy' colleges which they offer you really cheap courses and then you don't get anything at the end.

The fee was very important; I can't afford to pay more to go to a university.

A small number of interviewees observed that they had been put off other institutions because they asked for up-front payment of course fees, or said they had chosen their provider because of the option to spread payment.

I heard that it had a very good reputation and that was one of the main reasons why I chose it. Plus the cost of it as well, as it was spread out in instalments over two and a half years.

One notable reason given in the interviews by a small number of international students for choosing a privately funded HE provider over publicly funded HE institutions was that the application process was simple. Again, in these cases personal connections who had studied at the institution were mentioned as key in simplifying the choice.

It would be too complicated to get in the process of trying to enrol over there [in a publicly funded HEI]. The entry requirements were a bit complicated. With [this institution], my friend was going to be able to [support this] because he was already there.

I thought that would be a quicker way of applying because [a friend who had previously studied at the institution] already had the experience. I didn't want to go through the trouble of different universities.

A minority of the interviewees did, however, regard the choice to study at a privately funded HE provider as a 'second best option'. Several explained that they had not been accepted into other institutions, or anticipated they would not be accepted, while others observed that all the other similar courses required certain qualifications or previous work experience. This reason was only given by UK-based students, a number of whom

mentioned that they entered the course after going through the clearing system following A-levels:

I didn't necessarily choose to study at this one, I applied to [three universities], they all did the course, but as I had been made redundant I had to go through clearing [and]...as I did not have a background in IT, they did not consider me suitable. I had an interview at [this institution], who saw I could fit in on the course.

[The other institution's] entry requirements they required a portfolio of previous work, and I was not a photographer - I wanted to learn how to become a photographer.

I considered it [a publicly funded university], but it was too expensive. As for applying, I was not overwhelmed with options. I think Oxbridge do the same course, but...I don't think I would have got in to Oxford or Cambridge.

Reasons for studying in the UK

During our depth interviews with international students, we explored individual motivations to undertake study overseas, and reasons for choosing to study in the UK. The reason most often cited was because of the overall quality and standing of higher education in the UK, which was often seen to exceed the quality and reputation of available provision in their own country of domicile. The reasons cited by international students choosing privately funded HE providers were, unsurprisingly, very similar to the factors which international students choose when selecting publicly funded HE institutions. The following are three of many similar quotes:

Academically the curriculum is better here [in the UK], and it is also internationally recognised.

My home country qualification is not seen as being as good as an English qualification. A UK qualification is seen as an international qualification, and it shows that I can speak English properly. I can get a good job back home, as I can deal with international customers back home.

Because the level of education is so bad back home, I can get a good job back home with a UK qualification.

For some international students the flexibility of course delivery was a key reason for choosing to come to the UK. In these cases the ability to study online and part time was seen as preferable to undertaking a conventional course in their home countries.

I was in Hong Kong, and I was working full time so I needed an online course. I had a look in Hong Kong and there wasn't anything that was appropriate with my working hours.

The only course in Malta that would provide that course is a full-time course at the University of the Malta. I'm the breadwinner, so I can't afford to take five years off work.

In addition to these reasons, it appears that a key motivation among international students for opting to study in the UK is for the positive experience of learning in another culture, experiencing a different lifestyle, and to gain personal confidence from the achievement of a qualification in an unfamiliar setting. For some of these interviewees the cultural diversity of their institution, and of the UK as a whole, was regarded as important.

To grow and to move away from everything that I suppose I'd known before, something different.

To gain experience...to become more confident, because before I came here I was not having that much confidence, but right now I can do anything, I don't need any help from my friends.

Of the 18 interviews with international students, the overwhelming majority (16) stated that studying in the UK had met their expectations. Several of these said that their experience had exceeded their expectations.

I never thought that I would reach the standard that I did when I came here, my friends told me, but it was even more than I could have hoped for.

However, two interviewees did suggest that while they were satisfied with the course outcomes, the employment opportunities on completion did not meet their expectations.

I've got the knowledge I wanted, but in terms of career, it isn't quite what I thought when I came here. I was hoping that I'd be able to get good internships and job opportunities. I've realised that London is not the sort of place where I can get a good career, because it's overcrowded.

It is financially difficult, especially if you have your family with you. You use all your resources as you cannot get a job.

Views and satisfaction

During our survey, we asked students to consider their satisfaction with a range of different factors relating to their course and learning provider, covering the teaching on their course, assessment and feedback, academic support, learning resources available and the value for money offered. A number of the questions asked in this section of the survey mirrored the format of the National Student Survey (NSS) which is distributed to all final-year undergraduates in publicly funded HE institutions. Although we do draw some contrasts in this section with NSS, it should be noted the data are not strictly comparable, particularly because all study levels were included in our survey and because the response rate is lower.

Overall, students were satisfied with their course provider. A high proportion of students agreed with the statements presented in Table 48 below, particularly in relation to the quality of the course (86.1%), the course provider (82.4%), and the accrediting institution overall (82.3%). Indeed, levels of satisfaction were broadly equal to those found in the NSS; 86% of the full-time students who took part in NSS stated they were satisfied,

overall, with their course, for instance.³⁷ This was reflected in the interviews too, where the vast majority of participants expressed satisfaction with the course and the institution.

Very satisfied, it's just a just a great place to learn. You're getting taught by people who are passionate about their subjects and excited for you to learn. The people are nice, the way that you learn is good and the help you can get if you need it.

Very [satisfied]. The tutors I have at the moment are on my wavelength, I enjoy it, I am learning. If I wasn't being challenged I would not be happy.

Those who did express dissatisfaction overall with their course provider provided a wide range of reasons, including costs, lack of resources, poor facilities and occasionally poor teaching. (These areas are covered in more detail below.) Some suggested that there was a lack of good student support services, especially for those with distinctive needs, while others explained that the size of the institution meant there was no social space.

No [I'm not satisfied], because of the lack of dyslexia support.... I would need to pay £500 for dyslexia assessment to then get the right support.

It's such a small college there was no real communal areas or anything like that; it was very much segregated into groups.

³⁷ For information see the summary data available at:
www.hefce.ac.uk/whatwedo/it/publicinfo/nationalstudentsurvey/nationalstudentsurveydata/2012/

Table 48: Overall student satisfaction (Source: Online survey of students at privately funded HE providers)

	Definitely Disagree	Mostly Disagree	Neither Agree nor Disagree	Mostly Agree	Definitely Agree
Overall, I am satisfied with the quality of the course (Base =1,479)	2.3%	4.6%	7.0%	45.0%	41.1%
Overall, I am satisfied with the quality of the course provider/institution (Base =1,476)	3.2%	5.3%	9.1%	40.1%	42.3%
Overall, I am satisfied with the quality of the accrediting institution (Base =1,450)	2.4%	3.4%	11.2%	40.1%	42.9%
Overall, I am satisfied that the course offered value for money (Base =1,457)	5.0%	7.3%	16.1%	37.1%	34.6%
Overall, I am satisfied with the teaching of the course (Base =1,459)	3.0%	5.6%	11.4%	42.2%	37.8%
The course has met my expectations (Base =1,460)	4.0%	4.9%	11.8%	40.3%	39.0%

The aspect of the course with which the research participants expressed least satisfaction was value for money, although even in this case 71.7% of survey respondents ‘mostly’ or ‘definitely’ agreed that overall their provider offered value for money. The interviews supported these findings, indicating that, even where the cost was viewed as a substantial burden, the majority regarded the investment as ultimately worthwhile.

Well for me they did [offer value]. My personal experience was that I got what I set out to get, so that's value for money isn't it?

What I have experienced is what I expected, indeed there is more, they can't give any more to the students. It costs money, but my friends had told me what it was like and it is even better than that.

Notably, a number of the interview participants, especially international students, suggested that they see the course as good value for money because it costs less than a comparable course at a publicly funded HE institution.

I think that they provide more than value for money. They are much cheaper than a bricks and mortar college, and even cheaper than the Open University.

It is value for money, definitely because the courses they offer, if you want to go to another university to do it in a proper university then it would cost you much, much more while in the end you get the same qualification.

There were differences between groups of students in their perceptions of value for money. In particular, in both the survey and the follow-up interviews international students were generally less likely to express dissatisfaction with the cost of their course. In the survey 4.2% of international (non-EU) students disagreed with the statement that their course offers value for money. By contrast, the same figure for UK students was 15.6%. Very few of the international students interviewed expressed the view that costs had been too much, whereas a number of UK students were critical about the high costs.

It's expensive. I can understand why it's so expensive and they charge the rate they do, but it's never easy when it's really expensive.

It doesn't [offer value for money] at all. I am still trying to get back the money they owe me when I left, so far we have had no money at all.

Indeed many of those UK-based interviewees who did ultimately agree that their course offers value for money did so in equivocal terms.

I've got nothing to compare [the experience] to really. I know that the costs are about £10,000 but I suppose that in this day and age that's the going rate for this type of [online] course.

This could reflect a greater acceptance of fees and willingness to incur costs among overseas students. Alternatively, it could be related to the fact that students from abroad can be charged higher fees by publicly funded HE universities than UK students.

Teaching quality

When asked directly about teaching quality, most students indicated they were satisfied with the teaching on their course, demonstrating high levels of agreement to each question posed. In particular, students valued staff expertise in their subject, the degree of intellectual stimulation offered within the course, and the enthusiasm of the staff about what they are teaching. 83.6% of survey respondents agreed that staff on their course were good at explaining things, 87.3% agreed that the course was intellectually stimulating, and 90.6% agreed that staff were sufficiently knowledgeable or expert in their subject area (see Table 49). Overall, this would indicate that the levels of satisfaction with course teaching to be broadly positive. The percentage of students broadly agreeing with the statements in the survey, questions worded the same as the National Student Survey are similar but generally 4-6% points lower – except for the course being intellectually stimulating where students in privately funded HE providers scored 4% higher than the institutions in the NSS. As noted previously, however, there are significant risks in making direct comparisons between the two surveys.

Table 49: Satisfaction with the teaching on the course (Source: Online survey of students at privately funded HE providers)

	Definitely Disagree	Mostly Disagree	Neither Agree nor Disagree	Mostly Agree	Definitely Agree
The staff are good at explaining things (Base = 1,469)	1.9%	4.3%	10.2%	50.2%	33.4%
Staff have made the subject interesting (Base =1,467)	1.8%	4.6%	15.4%	44.9%	33.3%
Staff are enthusiastic about what they are teaching (Base =1,448)	1.5%	4.0%	13.2%	37.8%	43.5%
The course is intellectually stimulating (Base =1,478)	1.9%	3.5%	7.3%	33.8%	53.5%
Staff are sufficiently knowledgeable or expert in their subject (Base =1,465)	1.4%	2.3%	5.7%	34.2%	56.4%

Teaching was the most frequent response when interview participants were asked what the best thing was about their course provider; indeed, around a third of the responses to this question focused on the guidance offered by lecturers and tutors.

The best thing was probably the tutors; they were all extremely talented at what they did and they always had extra time.

The lecturing staff are excellent. They seem to be passionate about what they are teaching, rather than for the money or status.

While many of these praised the quality of the academic content of the course and the enthusiasm of the lecturers, further themes emerged in this part of the interview. A number of interviewees emphasised that they saw the course quality as good because the tutors and lecturer were career-focused in their teaching, and because they had relevant industry or professional experience.

Tutors are people who are really connected to the field they are working in. They have an ability to understand their students really well and they have practical experience of the industry.

Interviewees also focused upon what one described as the ‘one-on-one relationship with the tutors and the informal style of the lectures’. Many of the interviewees, notably those attending religious colleges, emphasised the fact that their learning experience was improved by the small class sizes. Often the style of teaching was contrasted with teaching

via the medium of large lectures, which interviewees perceived to be the norm in publicly funded universities. The intimacy of the learning environment was a common theme in comments that suggested the wider student experience was the best thing about the course provider.

With it being a small college you get individual attention, you actually know all the students, a more personal touch. They are quite flexible and they work with you to make you pass the course.

I quite like the fact that it's smaller than a university and you get to know people better. When you have a request you know who you should talk to.

Quality of academic support

Academic support was also something that the interviewees highlighted, as well as something that survey respondents generally rated as good. A significant proportion of the responses to the interview question asking what the best thing was about their institution focused on the support offered to students by lecturers. In particular, interviewees suggested that they highly valued the additional support offered when they were struggling with a particular aspect of the course, as well as the friendliness and approachability of lecturers. As one interviewee observed, *'If you are struggling with something, you can just sign in on a slot and they help you out and give you goals'*. In the survey, 72.1% of respondents agreed that they had received sufficient advice and support with their studies, while 70.7% agreed that good advice was available when needed for informing study choices (see Table 50). Again, 2012 NSS scores for these questions were similar, although marginally higher – 77% for the first of these two questions, and 70.7% for the second.

Table 50: Satisfaction with the level of academic support on the course (Source: Online survey of students at privately funded HE providers)

	Definitely Disagree	Mostly Disagree	Neither Agree nor Disagree	Mostly Agree	Definitely Agree
I have received sufficient advice and support with my studies (Base =1,476)	3.8%	6.4%	17.7%	42.8%	29.3%
I have been able to contact staff when I have needed to (Base =1,470)	2.4%	4.8%	9.4%	39.7%	43.8%
Good advice was available when I needed to make study choices (Base =1,391)	3.5%	6.5%	19.3%	34.9%	35.8%

The research participants were particularly positive about being able to contact staff when needed, with 83.5% of respondents agreeing that they could contact staff when they

needed to. This was also something identified by a number of the interviews, such as in the following excerpt from a student studying for an MSc in Surveying:

The fact that you can basically access all of the coursework and information online, at any time [is the best thing]. If you've ever got a problem with anything, they will contact you straight away. Just this morning I got an assignment mark back, but the system was down so I emailed them and told them that it was down and could I get my mark. About five minutes later they replied, straight away, telling me that they were on the case and would get it sorted within the next five minutes.

In another example an EU student had been impressed with the level of support provided to support students, in comparison to their home country.

More than met my expectations. I didn't have a very good experience with secondary education in Germany, so I was surprised at the level of support that I had got here. They realised that the reason that I was struggling was not that I was stupid or lazy; I was dyslexic. Here they give everyone a chance; they don't just go by your grades.

Quality of assessment and feedback

While only one of the interviewees highlighted assessment and feedback as the best thing about their course provider, most survey respondents indicated that they were satisfied with the quality of assessment and feedback on their course. The majority of students agreed with all of the indicators listed in Table 51 below, with over three-quarters agreeing that the criteria used in marking their work was made clear in advance (76.8%) and that assessment marking procedures were fair (75.8%). Attitudes toward feedback on work were more negative; although most students agreed with the statement 'Feedback on my work had been prompt', more than one in six (17.5%) disagreed. Despite the varying sample, the 2012 NSS data revealed very similar patterns. In the 2012 NSS, 74% of full-time students agreed that marking criteria had been clear and 76% agreed that marking had been fair.

Table 51: Satisfaction with assessment and feedback on the course (Source: Online survey of students at privately funded HE providers)

	Definitely Disagree	Mostly Disagree	Neither Agree nor Disagree	Mostly Agree	Definitely Agree
The criteria used in marking have been clear in advance (Base =1,472)	3.9%	7.1%	12.1%	43.5%	33.3%
Assessment arrangements and marking have been fair (Base =1,462)	2.6%	6.5%	15.0%	44.9%	30.9%
Feedback on my work has been prompt (Base =1,470)	6.1%	11.4%	16.7%	39.2%	26.6%
I have received detailed comments on my work (Base =1,473)	5.4%	10.3%	15.9%	38.3%	30.2%
Feedback on my work has helped me clarify things I did not understand (Base =1,476)	6.2%	9.9%	17.9%	34.7%	31.4%

Quality of organisation and management

Similarly, although just one interviewee on a distance learning course pointed to the organisation of their course as the best thing about it, most students were satisfied with the organisation and management at their institution. When asked to consider the indicators outlined in Table 52, 80.7% of respondents agreed that timetable for their studies and activities worked efficiently, and over three-quarters of students agreed that changes in the course or teaching were communicated effectively (75.2%), and that the course is well organised and running smoothly (77.1%).

Table 52: Satisfaction with the organisation and management of the course (Source: Online survey of students at privately funded HE providers)

	Definitely Disagree	Mostly Disagree	Neither Agree nor Disagree	Mostly Agree	Definitely Agree
The timetable works efficiently as far as my activities/studies are concerned (Base =1,463)	2.1%	5.8%	11.4%	46.1%	34.6%
Any changes in the course or teaching have been communicated effectively (Base =1,439)	3.6%	8.1%	13.1%	38.4%	36.8%
The course is well organised and is running smoothly (Base =1,483)	4.3%	6.4%	12.2%	39.6%	37.5%
Student feedback on the course has been taken on board (Base =1,383)	5.4%	7.2%	24.4%	34.6%	28.3%

Satisfaction with facilities and learning resources

Overall, most students were positive about the learning resources available on their course, albeit with slightly lower levels of agreement compared to other areas. Nearly three-quarters of students agreed that they were able to access general IT resources when needed (74%), and nearly two-thirds were in agreement that the library resources and services on offer were good enough for their needs (65.2%). Two results that stand out as lower scores for student satisfaction are around access to specialist equipment, facilities or rooms when required (57.8% agree), and the benefit of extra-curricular activities and non-academic support (46.7% agree). Interviewees were also less positive about facilities than other areas such as teaching quality and academic support. One interviewee, for example, contrasted the good quality of teaching with the facilities at his institution, which he described as 'OK ... *[but] not the best*'. Another explained how his provider's library is poorly resourced:

[T]he college campus has a library, but the library is not open for long hours and also the students can't issue the books out, so that's a thing I hate.

Table 53: Satisfaction with facilities and learning resources (Source: Online survey of students at privately funded HE providers)

	Definitely Disagree	Mostly Disagree	Neither Agree nor Disagree	Mostly Agree	Definitely Agree
The library resources and services are good enough for my needs (Base =1,403)	6.1%	10.4%	18.3%	37.6%	27.7%
I have been able to access general IT resources when I have needed to (Base =1,038)	4.3%	7.3%	14.5%	41.0%	32.9%
I have been able to access specialist equipment, facilities or rooms when needed (Base =1,035)	7.2%	9.2%	25.8%	31.9%	25.9%
I have benefited from extra-curricular activities and non-academic support (Base =1,046)	10.9%	12.5%	29.8%	24.8%	22.0%

The benefits of undertaking a course with an privately funded HE provider

Approximately four-fifths of the survey respondents agreed that taking a course with a privately funded HE provider had helped them in their career, as well as providing them with improved confidence, communication skills and problem solving skills (see Table 54). In particular, 81.3% of respondents agreed that their course had helped them develop the knowledge needed to get a job on completion of the course, while 82.9% agreed that their employment prospects had improved as a result of taking their course. 83% of respondents also agreed that their course has helped them prepare for further study. The interviews, which asked participants what they hoped to achieve as a result of their studies, revealed a wide range of career pathways which students had started to progress along: some had obtained qualifications that allowed them to teach or to move to a more technical role within their current employment, while others were now able to apply for a degree course or other professional qualification. A small number of the participants felt that their qualification had not benefited them, largely because they were still struggling to find a job in the current economic climate. The majority, however, felt they had more direction in their career and more options open to them.

It helped me get the credit that I need to go onto further education. I was unaware before I started, but now have more understanding about what I want to do and the course has opened the door for me to progress further.

Having a diploma it will open more doors, everywhere I go to find work in Malta you need a diploma because there are so many academic requirements.

It's just started me off with a whole new set of skills that I can take into schools.

Table 54: Benefits of studying with a privately funded HE provider (Source: Online survey of students at privately funded HE providers)

	Definitely Disagree	Mostly Disagree	Neither Agree nor Disagree	Mostly Agree	Definitely Agree
The course has helped me to present myself with confidence (Base =1,449)	2.1%	2.9%	16.3%	37.2%	41.5%
My communication skills have improved (Base =1,439)	1.7%	3.8%	16.8%	37.1%	40.5%
As a result of my course, I feel confident in tackling unfamiliar problems (Base =1,455)	2.1%	3.0%	15.5%	40.8%	38.6%
I have developed the knowledge I need to get a job through my course (Base =1,380)	2.2%	3.3%	13.1%	40.1%	41.2%
I have developed the skills I need to get a job through my course (Base =1,368)	2.3%	3.3%	13.2%	41.2%	40.0%
My employment prospects have improved as a result of my course (Base =1,383)	2.6%	2.5%	12.1%	35.9%	47.0%
Employers recognise the value of my course / qualification (Base =1,348)	2.7%	3.5%	13.7%	34.3%	45.8%
The course has prepared me for further study (Base =1,399)	2.4%	2.6%	12.0%	34.3%	48.7%

Summary and conclusions

The picture that emerges of students at privately funded HE providers of higher education is similar in many respects to the picture emerging from publicly funded HE institutions. For example, although there are various risks in directly comparing our survey with the results of standard large-scale higher education surveys such as the NSS³⁸, it is fairly clear that students in privately funded HE and publicly funded HE institutions display similarly high levels of satisfaction with their course, as well as with the quality of assessments and feedback. Contact hours and workloads also appear to be broadly

³⁸ These risks relate to comparing quite different samples, as well as the comparatively low response numbers of this study compared to the NSS. The NSS surveys only final year undergraduates, while this survey covers students at different levels and stages. This survey also under-represents smaller providers of HE, which could be assumed to have different satisfaction levels to larger providers.

similar in both types of institution. The data in our survey actually indicated slightly higher workloads among privately funded HE providers. This, though, may be largely explained by the distinctive range of courses found among privately funded HE providers, which was confirmed through both the student survey and the provider survey. Business, management, computer science, law and planning were all well represented in the student survey, along with subjects such as religion and theology and complementary medicine.

In certain key areas, though, there are striking differences between the student bodies found in publicly funded HE institutions and privately funded HE providers. In both types of institution students are motivated by both personal interest and career development. However, privately funded HE providers contain many more part-time students who are studying while working, as well as more distance learners and mature students aged over 21. Distinctive study modes also appear to be more common among privately funded HE providers; more than one in ten first-degree students in our survey indicated that they are taking a 'compressed' course, for example.

As noted in this and the previous chapter, comparisons between the fees charged by privately funded HE providers and publicly funded HE institutions are not easy to make, due to the fee changes that have recently affected English universities. Three-quarters of respondents to this survey were paying fees of below £6000, but this was before the increase in fees in publicly funded HE institutions in 2012/13. It is also worth noting that the generally high levels of satisfaction demonstrated by students at privately funded HE providers includes satisfaction with the value for money offered; although many students recognise that the costs are significant, ultimately most consider it a worthwhile investment.

Conclusions

This research has extended our understanding of privately funded higher education providers in the UK, and of their students. In this section we draw together some key conclusions and implications for policymakers and for the HE sector in general, whether privately or publicly funded. Where relevant we also give recommendations.

Mapping a fluid marketplace

In many ways, the findings confirm and underscore the broad conceptions that have commonly been held about the sector. The number of providers identified in the UK is somewhat higher than previous estimates, but still within a similar scale. Prior to the research, we had estimated 500-600 providers would be identified, compared to the actual 674. We have collected a list of named providers, with key organisational details, which can help to inform government and the sector more generally in the development of future policy and planning. However, given what we know about the dynamic nature of the sector, unless maintained the accuracy of this list will diminish over time. Therefore there remains a case for regular, systematic data collection on privately funded higher education providers. Our biggest challenge in this work was securing participation, particularly from smaller providers. Therefore, we suggest future data collection attempts consider ways to encourage broader participation, whether through incentives, or some form of mandatory data submission.

Recommendation: Maintain and update the work begun in this project, through setting up regular data collection procedures. In doing this, consider how to encourage as broad participation as possible, particularly from the large number of smaller providers.

This project did explore the potential for collecting data about privately funded HE providers directly from those organisations that award HE qualifications (e.g. awarding organisations and universities). While we made some progress with this, our ability to collect this data and obtain active participation from universities and awarding bodies was limited, in some cases by data protection concerns. However, assuming these obstacles could be overcome in the future, gathering data about privately funded provision through universities and awarding organisations would be a useful complement to activities aimed at privately funded providers.

Recommendation: Because of the challenges of collecting data directly from providers, BIS should explore the potential to collect information from those organisations that award HE provision. Making full use of data held by universities and other awarding organisations could provide a more straightforward way of assessing both the nature and scale of privately funded delivery of HE.

Recommendation: Although universities are encouraged to publish registers of collaborative provision, including that with privately funded HE providers, the availability and consistency of this information is currently limited. We recommend that BIS should work with the QAA and the sector to bring greater consistency and accessibility to this

information, ideally creating a way to collate the data across the sector to better understand the links between publicly funded and privately funded providers. The current revision of the Listed Bodies Order, being undertaken by the QAA, is working towards this, through agreement that QAA should request supplementary information about universities' partnership arrangements. This process has the potential to support collection and analysis of data on the links between publicly and privately funded providers.

A diverse, dynamic market

Privately funded HE provision in the UK is diverse and complex, covering a wide range of institutions. Many of these institutions have particular specialisms, either in terms of model of delivery, or subject area. The principal advantage and strength of this is that privately funded providers can offer variety and choice, as well as just additional capacity for HE. A key risk however, is the potential for greater volatility across the sector and providers, with possible negative effects for students. The medium and long-term effects of the new increased fee levels in England and Wales are still not fully understood, and it will be interesting to understand how student demand for HE develops, including for privately funded HE.

Maintaining quality and reputation is another crucial risk inherent in the current diversity. Well-established providers, with strong quality assurance and robust courses and processes, are operating alongside newer providers that may have much poorer processes. Because of an historic under-regulation of this HE provision, "weaker" providers in this sense can currently co-exist with stronger ones, bringing reputational risks to the latter and regulatory complexity to government. Having said this, the majority of providers are accredited, overseen or reviewed by external bodies in some form, either through the QAA, the BAC or ASIC. Therefore, one route to maintaining quality is through these external bodies, as well as through the wide range of awarding organisations that award the HE qualifications privately funded providers deliver. Indeed, quality is arguably a more important distinction to make in any regulatory framework than other indicators, such as size, subject specialism or profit-making status, certainly from the point of view of the student. External recognition by recognised awarding or accrediting organisations may also be an important selling point for privately funded providers, particularly those that are relatively newly established.

Recommendation: Privately funded providers, government and sector accreditation/validation/quality assurance bodies should take steps to safeguard and ensure quality provision in privately funded HE providers. This could be supported by a new regulatory framework that aims to ensure that only appropriately accredited or quality assured providers operate in the UK. Clarity should be provided over the respective roles of oversight, review and accrediting organisations, making use of existing expertise and contacts held by the QAA, BAC and ASIC.

The majority of privately funded providers have not been offering higher education for long. While a small number of institutions are many decades old, the majority have only been established or moved into the higher education sector in the last two decades. In the last five years in particular a significant number of for-profit institutions have emerged, which may be due to more providers seeing opportunities to generate surpluses in this market. Conversely, we have identified significant numbers of providers that have ceased trading even during the course of our research.

These features emphasise the dynamism, the rate of change, and the operating challenges in this sector. One key risk of both this fluid and challenging marketplace, which is being discussed by providers, is the possibility that a high profile or large provider fails, possibly as a result of rapid over-expansion, or of financial decisions made by its owners. This would have obvious consequences for its students, but would also contain serious reputational risk for the wider sector. Providers' interactions with the student loan financing system also contains financial and reputational risks, both to providers and government. The case of Guildhall College, whose designation for student loan support for its courses was withdrawn in November 2012 in response to alleged malpractice, is a case in point.

Recommendation: As well as ensuring quality, government should consider how any new regulatory framework might deal with provider failure (including any appropriate redress for students), as well as ensuring access to student loan financing is appropriately robust.

One of the key challenges for privately funded HE providers is how to represent their interests to government, to wider society, and to current and potential students, given the great diversity in their make-up. It has been noted in previous studies³⁹ that any talk of a single privately funded "sector" is a misnomer. Study UK⁴⁰ is an example of a membership association for accredited independent colleges of further and higher education, with around 90 members, which works to provide a shared voice for these institutions. Some privately funded providers are already members of GuildHE, and other sector bodies are considering how they may be able to engage with such providers. It is conceivable in the future, such membership organisations may choose to take diverging approaches for different types of member, especially if greater differentiation and specialisation persists. Another possibility is that the privately funded HE providers will undergo consolidation and a reduction in numbers, especially if regulatory requirements are persistently increased over coming years. In this case, it would become easier both to understand and represent the "sector", as providers steadily become more integrated into a single HE system.

Recommendation: Privately funded HE providers should seek to represent their interests effectively to government, potentially bringing more of their numbers together into representative bodies, and considering whether there is a case for distinct "mission groups" within this representation.

A distinct privately funded HE offer

Privately funded providers of HE do not generally resemble publicly funded higher education institutions that offer more 'traditional' academic subjects. Rather, many privately funded providers offer specific professional and vocational courses, while others occupy distinct niches not covered by publicly funded institutions. Niche areas include confessional religious education, complementary and alternative medicine, and pathway provision designed to facilitate entry into a UK university. This means that significant numbers of privately funded providers are not in direct competition with publicly funded

³⁹ Middlehurst & Fielden, *Private Providers in UK Higher Education*, p. 5.

⁴⁰ For information on Study UK see: www.study-uk.org

universities, or with providers operating in different subject areas. However, the significant provision in subjects relating to business or management, and certain vocational subjects, are in competition with some universities. There are also notable exceptions that have a more similar offer to publicly funded HEIs, such as the University of Buckingham and New College of the Humanities.

Privately funded HE providers also differentiate themselves by offering greater flexibility in course mode and delivery. Distance learning, part-time study and compressed degrees are all relatively common. There are a large number of mature learners studying at privately funded providers, with demands and expectations of more flexible modes of delivery. In terms of the balance between different levels of higher education, the evidence we have collected again suggests diversity in focus across privately funded HE providers. Around half of the providers for which we could gather appropriate data were offering undergraduate, first degree level provision, with just over half offering other HE below undergraduate, and postgraduate, respectively. Relatively few providers specialise in only one of these levels, with most having a mixed portfolio of course levels.

Compared with publicly funded higher education institutions, the majority of privately funded providers are extremely small. While a typical UK university has over 10,000 students, most privately funded providers have fewer than 500, with a significant proportion having fewer than 100. However, there is a small but important number of large institutions educating over two-thirds of students identified in the privately funded sector. These larger institutions offer professional courses and some operate internationally. Because of their size and the nature of their subject offer, these institutions are more likely to be operating in a similar market to some publicly funded universities, and are also likely to be of significant interest to policymakers. It is also possible that these larger providers could continue to grow in the future as the HE market becomes more consolidated.

The relative smaller size of the majority of privately funded providers means generally that there is less diversity of subjects than in publicly funded HE institutions. This means that the opportunity for students to mix with other students studying a range of subjects is more limited. Although potentially a negative point for some students, we should accept that mixing with students of different subjects may well not be a priority for many students in this market and indeed provider specialisation can be a key selling point.

When giving reasons for choosing a privately funded HE provider over a publicly funded university or college, students cited the specific reputation of the institution and personal recommendation, location, choice of specific course, flexible delivery methods and price as making their choice of privately funded provider more attractive. A minority of interview respondents also stated that they chose a privately funded provider as a second choice after being rejected from a university application, or finding the application process too difficult. This implies that privately funded providers can play a dual role in the HE market, both as providers of courses or flexible delivery methods not generally offered in the mainstream, but also in some cases in meeting the needs of students who find it difficult to access publicly funded HE, either because of price or selectivity. However, owing to the period of transition between fee levels in publicly funded HE, it is very difficult to make direct comparisons between the fee levels offered in publicly and privately funded HE providers.

From the evidence of this project it does not appear that there are any sizeable volumes of research being conducted within the majority of privately funded higher education providers. Although examining research was not a primary focus of this study, it is fair to assume the overwhelming majority of staff in privately funded providers are not research-active. If greater competition between publicly funded and privately funded providers ensues in the future, having a strong research base may become an important differentiator for publicly funded HEIs.

Although it is not possible to draw direct comparisons between our surveys and national-level data, the evidence suggests that satisfaction rates among students based at privately funded providers are reasonably similar to satisfaction rates in publicly funded institutions. Rates of course satisfaction and satisfaction with feedback and marking at privately funded providers are very similar figure to the national averages in the National Student Survey. Students also rate highly their satisfaction with value for money of their courses at privately funded providers.

Although many privately funded providers focus on vocational courses and emphasise the importance of employability, most of these providers do not appear to systematically collect data on student progression, as publicly funded institutions do via the Destinations of Leavers of Higher Education (DLHE) surveys. Most privately funded providers included in this research were unable to provide an estimate of how many students progress on to graduate roles. This is an area privately funded providers may wish to focus on developing in the future, especially given the importance of employability and employment outcomes in prospective students' decisions about which courses to study.

Recommendation: Privately funded HE providers should consider how they can more reliably report the employment or further study destinations of their students, potentially using similar methods to the Destinations of Leavers of Higher Education survey. Providers could also consider how their measures of student satisfaction could be compared with mainstream measures such as the National Student Survey.

International focus

Evidence from our data returns indicates that international students, both EU and non-EU, play a major role in the intake of privately funded HE providers, making up just over 50% of the student numbers of those for which such data was available (compared to 15% in publicly funded institutions). Providers' ability to attract overseas students to study in the UK is positive and represents a significant export activity. The reputation of the UK as a country with a strong reputation for high quality HE provision also appears to play a significant role in helping to attract international students to privately funded HE providers. Some students who come to the UK to study at a privately funded HE provider, particularly pre-university foundation pathway providers, are likely to go on to study at a UK publicly funded HEI, bringing greater returns to the sector. In this market, ensuring high quality of privately funded provision aimed at international students is important to maintain a strong reputation for UK HE overseas.

The greatest issue regarding future expansion identified by privately funded HE providers in this research was UK immigration regulation, and many providers mentioned that they had seen dramatic reductions in student numbers after greater scrutiny of Highly Trusted Sponsors was introduced through the UK Border Agency. The current system requires that

to retain Highly Trusted Sponsor status (HTSS), all providers had to be given an “educational oversight” review by a designated body (the QAA, for HE providers) during 2012. The QAA received around 250 applications in 2012 and conducted 178 reviews. In 2013, a small number of re-reviews and new reviews will be conducted, followed by risk-based annual monitoring for those that successfully maintain HTSS.

The pressure that these immigration-related requirements undoubtedly put on many providers can potentially be viewed in two ways. It adds an additional requirement, not necessarily welcomed, on privately funded HE providers wishing to sponsor international students’ visas, and has resulted in loss of HTSS, or voluntary withdrawal from the international student market, for many providers. But it also plays a valuable role in quality assurance in the sector and in identifying opportunities to raise standards, where this is needed. In doing so it potentially reduces the risk that poorly performing providers might affect the reputation of high performing providers, while giving high performing providers a useful badge of external recognition. How tightening Highly Trusted Sponsor status affects international student demand is difficult to assess, as it is unclear whether successful HTS providers are able to offer sufficient capacity to absorb demand from students that might otherwise have attended a provider that was unsuccessful or did not apply for educational oversight. Privately funded HE providers also share wider concerns with the publicly funded institutions over negative perceptions of the UK’s willingness to welcome overseas students, linked to the government’s target to reduce net immigration to under 100,000 per year by 2015.

Conclusion

Overall, this project has developed our understanding of the privately funded HE providers currently operating in the UK, and of the experiences of their students. As discussed, many useful insights have been gained, from the size and make-up of the sector, to the type of provision and the student experience. Nevertheless, we emphasise that this is a dynamic, changing marketplace; even since our fieldwork in 2012, notable new providers have begun recruiting students. Because of this dynamism and because of a lack of participation by many providers, there is a limit to the degree of coverage a single research project can provide. We therefore encourage future research, or other forms of data collection, to update and extend this study and to track trends within the sector.

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