



Department for Business, Innovation & Skills

Applying Student Number Controls to Alternative Providers with Designated Courses. Response form

There is no obligation to use this form when responding, but doing so will make your responses easier to analyse. There is no obligation to answer all questions. We look further to receiving your feedback.

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

The closing date for this consultation is **23 January 2013** (*extension granted to 25 January 2013*)

Please return completed forms to:
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Question 1

Name of organisation (or name of person if the response is a personal response and is not submitted on behalf of an organisation)?

Higher Education Better Regulation Group (HEBRG)

What type of organisation is it? (e.g. Alternative Provider, HEI, FEC, Regulatory Body etc.)

Sector/agency partnership body

Question 2

Do you have a preference for Method 1 (control based on eligible students) or Method 2 (control based on students accessing funding)? If so, why is this?

We suggest BIS adopt Method 1, as described in the consultation document. Including all funding-eligible students supports a more sensitive management of the English higher education system and allows for more effective management of the public cost of the new financing system. Method 1 permits greater consistency between the 'HEFCE-supported' and 'alternative provider' segments of the UK higher education sector in the short term, and may make convergence of regulatory frameworks easier in the medium-term.

However, BIS should also introduce greater flexibility on student number controls at an institutional level (discussed in our response to Q5, below).

Question 3

What is your view on submission of data to HESA? Do you think designated courses at alternative providers should participate in the Key Information Set and therefore complete the National Student Survey and Destination of Leavers in Higher Education survey (if student numbers are large enough to permit this)?

We feel that Student Loans Company (SLC)-designated courses offered by alternative providers should be included in the Key Information Set (KIS). Students will reasonably expect to access program and graduate information for programs eligible for SLC funding. The non-inclusion of alternative providers in the KIS would suggest two tiers of higher education programs in England; one tier providing student information and one that is less transparent.

Although it is possible that alternative providers would choose to provide program and graduate information for prospective students as a marketing strategy, it is important that this data be reliable and provided consistently across all SLC-eligible institutions so that students may make accurate and informed comparisons between programs.

Participation in HESA returns, the National Student Survey (NSS), and the Destination of

Leavers from Higher Education (DLHE) survey also provide an opportunity for all providers to learn more about their students and how they are functioning within the changing higher education sector.

Alternative providers and HESA should be consulted by HEFCE to determine the ability of alternative providers to submit the relevant data to HESA in the timeframes proposed in the BIS consultation document. Given student application cycles, including alternative providers in the KIS for the purposes of the 2013-14 academic year may prove challenging.

Question 4

Are there any other methods for controlling student numbers on designated courses at alternative providers that you would recommend instead of Method 1 or Method 2?

BIS should begin to look toward a harmonised higher education regulatory framework which captures the entire higher education sector. In this light, it may be useful to consider the implications of institutional designation for SLC-eligibility across the entire higher education sector, rather than course-based designation for a portion of the sector. We would not suggest that such a change is possible in the short term.

Question 5

Do you agree that there should be an exemption from student number controls for alternative providers with small numbers of students accessing student support? If so, do you have suggestions as to how the Department should define 'very small'?

HEBRG recommends that all institutions (HEFC-supported and alternative) be permitted a percentage leeway in meeting their enrolment targets based on full time equivalent student numbers (FTEs), and that this percentage be applied in a stepped approach tied to enrolment targets. For example:

Institution Base Enrolment Size (FTE)	Enrolment Variance Tolerance	Max Allowable FTE Variance
1-100	20%	20
101-500	15%	75
501+	10%	-

Institutions maximum allowable FTE variance could be a function of their actual enrolment target.

This proposal would provide all institutions more flexibility in their enrolment planning by permitting providers to respond to changes in annual application fluctuations. It would also ensure that all institutions are subject to student number controls regardless of institutional size while responding to the challenges of relative scale. BIS could empower HEFCE to negotiate base enrolment sizes for each SLC-eligible institution/course to be included in annual institutional accountability agreements. BIS would be able to budget based on maximum allowable FTE variance, permitting institutions to respond to annual changes in student demand. Significant changes in student enrolment behaviour could necessitate a re-negotiation of an institution's base enrolment size.

This proposal is not intended to replace existing policies around 'core and margin' enrolment. However, we would note that HEFCE-supported institutions, particularly smaller institutions, would also find this policy change useful to meeting emerging student demand.

Question 6

Equality considerations: Do you think that the proposals for applying student number controls will have any equality implications (e.g. positive, negative, or neutral) for people with protected characteristics (as set out in the Equality Act 2010), or people from low income groups?¹ What impacts might there be and do you have any evidence of possible impacts?

Provided that additional flexibility is introduced to student number controls, along the lines of those recommended in our response to Q5, we cannot foresee equality considerations requiring immediate policy attention.

Question 7

Do you have any other comments on the proposals within this consultation document?

The English higher education sector regulatory environment is evolving to:

- *Reflect the student-centred flow of funding; and*
- *Include new, 'alternative' providers.*

In this new higher education sector, it is reasonable to expect regulators to reconsider the data returns they require for the purposes of institutional accountability. With the withdrawal of direct public grants to institutions, and the increasing use of private capital to support all higher education institutions, one would expect a reduction in regulatory requirements associated with reporting to government.

This reduction in government regulation may be replaced by self-regulation or new reporting to students and other stakeholders. However, it should not be the case that new regulation is simply layered over existing regulation. The emerging regulatory framework, including student number controls, should be part of an overall re-casting of higher education regulation including a pruning exercise to eliminate redundant or non-essential reporting.

We also strongly advise that any new regulatory approach applied exclusively to alternative

¹ Section 149(1) of the Equality Act 2010 imposes a duty on Ministers to have due regard to three specified equality matters when exercising their functions. These are: a) eliminating discrimination, harassment, victimisation and any other conduct that is prohibited by the Act; b) advancing equality of opportunity between people who share a relevant protected characteristic and people who do not share it; and c) fostering good relations between people who share a relevant protected characteristic and people who do not share it. The Equality Duty covers the following protected characteristics: age, disability, gender, gender reassignment, pregnancy and maternity, race, religion or belief and sexual orientation. The duty to have due regard to the need to eliminate discrimination also covers marriage and civil partnerships.

providers be designed with an aim to harmonisation of regulatory frameworks into one regulatory framework for higher education. Harmonisation will increase transparency of accountability and increase the possibility of enjoying a strong, integrated higher education sector. A future single regulatory framework may be risk-based and flexible, supporting entrepreneurial behaviour, if it is guided by the principles of proportionality, effectiveness, and equitability.

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

Please acknowledge this reply

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

☒ Yes

☐ No

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