



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**

Please return completed forms to:

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Telephone: 0114 207 5015

Email: HE.consultation@bis.gsi.gov.uk

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)?

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

University of Sussex (HEI)

Submitted by:

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 strongly favour Method 1 as it aligns to practice applied to the rest of the sector, and will remove a level of uncertainty in determining student numbers against SNC. Method 2 would raise the concern that alternative providers would be incentivized to influence whether their students actually apply for state support, in order to engineer funded numbers outcomes, and the risk of discriminatory admissions practice in favour of those able to afford a course without needing student funding.

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 agree strongly with this proposal, principally because it is important that participation in HESA, NSS and DLHE is mandatory so that policy-makers can see what is happening in the alternative provider part of the sector, and so that the rest of the sector has access to this data for the purposes of its own business planning. Currently there is serious absence/asymmetry of management information. Open access to this information should be a good thing for all types of providers, and would have a healthy long-term influence on performance and standards. It should be clarified that alternative providers must be part of these processes, with the same expectations in relation to timing and subsequent publication of information as HEIs.

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?

A possible variant on Method 1 would be that a pooled number for all alternative providers could be capped and be allocated by a bidding process, renewable every three years. Changes (either up or down) to the total available to alternative providers would be considered against appropriate criteria. However, we do not suggest that this offers major benefit against Method 1 as stated.

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'?

Our position is that any threshold for exemption should be set very low, if allowed at all. The data provided in the consultation, combined with the consideration that recent rapid growth of the alternative provider sector is likely to accelerate, seems to argue for **no** exemptions. In 2011/12 70 providers that had (after rounding) 50 or fewer students accessing support amounted in total to over 1600 places and almost £13M of support. If a 50 place exemption was introduced then these providers alone could legitimately increase support to £29M (3550 places), which seems too large a number to leave at risk. That argues for a very low exemption threshold, e.g. no more than 20 places, and if that is the case one must ask whether it is appropriate/worthwhile having any threshold at all.

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?

We feel that Method 2 would pose real equalities risk (unlike Method 1). As per our response to question 2, there is a clear risk that Method 2 might disadvantage those from low income backgrounds by incentivising and allowing unrestricted recruitment of those students who are not seeking student finance support. Although the effect might be indirect, there is a clear risk of impact on legally protected equalities groups, including BME groups, in addition to socio-economically disadvantaged groups.

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.

Question 7

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

a) Paragraph 11's statement is very disappointing and gives no rationale: we do not accept that fee regulation and OFFA requirements should not apply to alternative providers.

b) The consultation acknowledges that a significant amount of detail would remain to be filled-in later if these proposals go forward, and it is important that there is a commitment to further consultation with the sector on non-trivial aspects of that process.

c) Principal amongst those issues is: how will BIS/HEFCE approach the incorporation of ~10K funded student number places from the existing alternative provider group? The student support costs of these students outside of the current numbers control system is already being borne by the public purse and is not new. That argues strongly for the funded-numbers places in question being additional to, and not shoehorned within, the current total of places.

d) In relation to 1.3.4 (FSMG checks: proposed new providers) – we feel that there should be greater clarity regarding the approach/criteria to be used in determining whether the track record of a potential new provider meets expectations. In particular, where a new provider seeks to enter the HE field from a very different business area, it is not clear how evidence of suitability will be evaluated. Financial statements showing general solvency that are not based on HE-similar business may be a poor guide to likely future performance. We therefore ask BIS to clarify that an existing track record in an area allied to HE, prosecuted at some scale, is expected before permission to be an HE provider is granted.

Guidance relating to FSMG checks in considering new providers should also clarify, as a minimum, that business plans, forecasts etc. should be in identical format to those required of HEIs.

e) In relation to 1.3.6 (FSMG checks: ongoing monitoring) – we would ask BIS to stipulate that the 'relevant information .. submitted by the provider on an annual basis' should be available to public and stakeholders to the same standard and timetable as the requirements on HEIs. This should include expectations in relation to publication of accounts. Similarly, we would ask BIS to clarify that the financial monitoring and audit requirements for alternative providers should be identical to those set out within the current HEFCE financial memorandum.

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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