

Higher Education reform consultation

The Greater London Authority (GLA) welcomes the opportunity to submit its views on the Higher Education Reform consultation. London's universities make an enormous contribution to the city, and the Mayor of London is committed to being a champion for London's Higher Education sector, pushing hard for the resources and access to students and talent the sector needs to continue flourishing. Alongside the reforms set out in the consultation, with the recent loss of the London Weighting the Mayor echoes London Higher's call to grant London's institutions fair and equal access to the Strategic Priority Grant and Capital Grant funding, to ensure London's higher education sector offering is not levelled-down.

This paper sets out the GLA's response – on behalf of the Mayor – to the relevant questions set out in the consultation document.

The key points made in the GLA's response to the consultation are summarised below:

- The Mayor urges the Government to reconsider proposals to cut off access to student loans on the basis of GCSE results, which risks further exacerbating existing inequalities for the most disadvantaged learners in London. Focus should be placed on providing appropriate support for learners to ensure they are ready to undertake a Higher Education (HE) course.
- GLA commissioned research on higher level skills in London examined a number of the questions posed in this consultation on level 4 and 5 courses. The full report can be found here: [Higher Level Skills in London - London Datastore](#) . The report looked in detail at the competition effects at play amongst level 4 and 5 providers in London across Further Education (FE) and Higher Education Institutions (HEIs), and the adverse impact that regulatory decisions have had on provision at Levels 4 and 5 in London in some cases.
- The GLA supports the focus in the Government's proposals on positive graduate outcomes but believes social outcomes should be included and their importance recognised. Social outcomes such as improved health and wellbeing, social integration and resilience are an essential part of the learner's journey to employment, in-work progression and further studies.

Consultation Questions

Student Number Controls

1. What are your views of SNCs as an intervention to prioritise provision with the best outcomes and to restrict the supply of provision which offers poorer outcomes? Please explain your answer and give evidence where possible. If you consider there are alternative interventions which could achieve the same objective more effectively or efficiently, please detail these below.

The Mayor is clear that more needs to be done to improve graduate outcomes, however controls on student numbers should not be used to limit the positive progress that has been made to increase participation in higher education.

GLA commissioned analysis¹ shows that there are clear differences in graduate outcomes by ethnicity and socio-economic status, which are not explained by subject of study. For example, Black graduates are less likely to be in graduate employment and less likely to be earning £25,000 or above compared to White graduates, when controlling for subject of study. Restricting supply will not address the root causes of these disparities in outcomes, or effectively address any issues in quality of provision.

In line with the Mayor's priorities for the Adult Education Budget, a greater emphasis should also be placed on social outcomes such as improvements to health and wellbeing, improvements to social integration, learner self-efficacy and volunteering.

The GLA and Mayoral Combined Authorities (MCAs) should have a role in determining priority sectors. There is a high risk that a national approach to deciding priority sectors will lead to restrictions on courses that are important to London's economy, such as the creative industries.

2. What are your views on how SNCs should be designed and set, including whether assessments of how many students providers can recruit should be made at: • Sector level? • Provider level? • Subject level? • Level of course? • Mode of course.

See response to Q1. The GLA does not support SNCs as a means to improving graduate outcomes.

3. The Government is considering which outcomes should be used if SNCs are introduced and has identified the three broad categories as quantifiable, societal, and/or strategically important. What are your views of the merits of these various approaches to consider outcomes and/or do you have any other suggestions? Please explain your answer and give evidence where possible. (For further explanatory detail, please see pages 37- 40)

¹ [Graduate outcomes in London – London Datastore](#)

The GLA does not support SNCs as a means to improving graduate outcomes.

The three categories do not adequately capture social outcomes such as improvements to health and wellbeing, improvements to social integration, learner self-efficacy and volunteering.

The GLA recommends that social outcome measures must be considered to provide a holistic understanding of provider performance. These have been largely overlooked in this proposal. The consultation document is focused primarily on economic outcomes such as entry into employment. Whilst these are very important, in London, through the Adult Education Budget the Mayor has also recognised and is capturing, the importance of social outcomes such as improved health and wellbeing, social integration and resilience, which are an essential part of the learner's journey.

As outlined in response to question 1, the GLA and MCAs should have a role in determining priority sectors. There is a high risk that a national approach to deciding priority sectors will lead to restrictions on courses that are important to London's economy, such as the creative industries.

4. Do you have any observations on the delivery and implementation of SNCs, including issues that would need to be addressed or unintended consequences of the policy set out in this section?

See responses to Q1 and Q3.

Minimum Eligibility Requirements

5. Do you agree with the case for a minimum eligibility requirement to ensure that taxpayer-backed student finance is only available to students best equipped to enter HE?

No - the case is extremely flawed and risks entrenching existing inequalities and undermining efforts to enhance social mobility.

London has made great strides in improving access to higher education over the last decade and has the most diverse student population in the country. Focus should be placed on providing appropriate support for learners to ensure they are ready to undertake a HE course. The proposal to restrict access to student loans on the basis of GCSE results and other criteria risks further exacerbating existing inequalities for the most disadvantaged learners, particularly as we know the pandemic has had a disproportionate impact on the GCSE attainment gap. We know that 49.4% of free school meal eligible learners in outer London, 40.1% of Black pupils and 86.1% of

special educational needs (SEN) pupils do not achieve a grade 9-4 pass in English and Maths GCSE.²

This approach may also overlook the wider outcomes derived from undertaking a HE course, as outlined in response to Q3. While there may be some instances where learners without minimum eligibility requirements (MERs) achieve better outcomes (including social outcomes) by pursuing an alternative route to HE, there is an evidence gap in this area at present.

It is essential that we focus on removing barriers and making higher education more accessible for all through support to those who need it most, rather than introducing additional barriers. We must also recognise that full-time students will go on to become taxpayers, who contribute to the cost of their studies and the economy.

6. Do you think that a grade 4 in English and maths GCSE (or equivalent), is the appropriate threshold to set for evidence of skills required for success in HE degree (L6) study, managed through their eligibility for student finance?

The GLA does not agree that grade 4 in English and maths GCSE is appropriate as a blanket threshold for accessing student finance. Analysis conducted by GLA Economics found:

- The proposed MERs at GCSE level could impact around 24,100 students in England and approximately 3,000 students in London.
- Across both England and London, the proposal would disproportionately impact Black (particularly male) students, as well as students eligible for free school meals.
- The five London boroughs with the highest share of students not achieving grade four in English and maths at KS4 were: Lewisham, Lambeth, Croydon, Barking & Dagenham and Enfield. These boroughs tend to have a higher proportion of Black and disadvantaged students, which suggests these proposals could further entrench disadvantage.

Additionally, requirements for English and maths are likely to vary by course, and it should be the responsibility of HE providers to set appropriate entry criteria and assess capability for individual courses, rather than managing this through eligibility for student finance. GLA commissioned research showed that some universities in the capital and elsewhere have put in place specific programmes and partnerships to help prepare students for higher education with some success.³ Further work should be done to explore the case for universities collaborating to support students during the months leading up to starting university. The preparation does not need to be module or content specific but focusing on academic skills such as note taking, referencing, maths ability etc.

² London Education Report, March 21 -

https://www.london.gov.uk/sites/default/files/3.secondary_march2021.pdf

³ [Building-on-Success.pdf \(smf.co.uk\)](#)

As outlined in response to Q5, there may be some instances where learners without MERs achieve better outcomes by pursuing an alternative route to HE, however there is an evidence gap in this area at present.

7. Do you think that two E grades at A-level (or equivalent) is the appropriate threshold to set for eligibility to student finance, to evidence the skills required for success in HE degree (L6) study?

No, as outlined above additional MERs for student finance should not apply.

8. Do you agree that there should there be an exemption from MERs for mature students aged 25 or above.

Yes. Additional MERs should not apply for any learners to access student finance.

9. Do you think there should be an exemption from MERs for part-time students

Yes. Additional MERs should not apply for any learners to access student finance.

10. Do you agree that there should be an exemption to the proposed MERS for students with existing level 4 and 5 qualifications?

Yes. Additional MERs should not apply for any learners to access student finance.

11. Do you agree that there should be an exemption from any level 2 eligibility requirement to level 6 study for students with good results at level 3

Yes. Additional MERs should not apply for any learners to access student finance.

12. Do you agree that there should be an exemption to MERs for students who enter level 6 via an integrated foundation year, or who hold an Access to HE qualification?

Yes. MERs should not apply for any learners to access student finance.

13. Are there any other exemptions to the minimum eligibility requirement that you think we should consider?

See response to Question 5.

Foundation Years

14. Do you agree with reducing the fee charged for foundation years in alignment with Access to HE fees? (yes/no)

Yes.

15. What would the opportunities and challenges be of reducing the fee charged for most foundation years, and of alignment with Access to HE fees?

It is clear there is a lot to be learned from the FE sector and the delivery of Access to HE courses, and value for money for learners should be a top priority. However, we also recognise that London universities have already faced cuts to the London weighting in recent years, and there is a risk this additional fee reduction may result in some courses becoming unviable. This might be mitigated by an increase in volume of learners undertaking foundation years, if fees are reduced.

It is also important that foundation years are used appropriately, to benefit learner progression. A full foundation year might not always be the right approach to supporting a learner with the transition to undergraduate level study.

16. Do you agree there is a case for allowing some foundation year provision to charge a higher fee than the rest? Or is there another way for government to support certain foundation years which offer particular benefits? Please explain your answer.

The GLA defers to providers and other relevant organisations to respond to this question. Foundation year provision should offer value for money for the learner.

17. If some foundation year provision were eligible to attract a higher fee, then should this eligibility be on the basis of: • particular subjects • some other basis (for example by reference to supporting disadvantaged students to access highly selective degree-level education)

Any additional costs involved in supporting disadvantaged students to access highly selective degree-level education should not be passed on to the learner through a higher fee. However, additional funding should be made available to providers through subsidies to support these learners. The GLA defers to providers to respond to this question more fully.

18. What are your views on how the eligibility for a national scholarship scheme should be set?

In 2019 the GLA commissioned research into the non-continuation rate of learners in London's HEIs, which identified limitations to the use of the Participation of Local Areas (POLAR) classification.⁴ It recommended that POLAR should be considered alongside other data to provide a fuller picture of disadvantage. This is particularly important when considering the use of POLAR data in setting a university's access and participation targets, as required by Access and Participation Plans.

POLAR suggests less than 6% of London HE students are from the lowest participation quintile. However, this provides a limited account of widening

⁴ [Building on Success - Social Market Foundation. \(smf.co.uk\)](https://www.smf.co.uk/building-on-success)

participation and does not capture broader disadvantage. The number of London pupils on Free School Meals (FSM) is steadily increasing. A growing number are progressing on to higher education - in 2014/15, 45% of FSM pupils in Inner London progressed to HE, significantly higher than other areas of England. It is clear that supplementing POLAR with other indicators, such as Free School Meals and additional socio-economic data, would allow HEIs and others to more accurately assess the success of widening participation outcomes and eligibility for scholarships in London.

There is a growing body of evidence showing that POLAR is likely to understate the numbers of students from less advantaged backgrounds in the capital. This view is shared by the Universities UK's Social Mobility Advisory Group, which has also recommended the need for expanding datasets to enable universities to better assess their work on social mobility. This includes the development of a shared basket of indicators in relation to socio-economic disadvantage.

Level 4 and 5 courses

19. How can Government better support providers to grow high-quality level 4 and 5 courses? You may want to consider how grant funding is allocated, including between different qualifications or subject areas, in your response.

In order to support providers to grow high-quality Level 4 and 5 courses, the barriers to delivery outlined in response to Q24 must be addressed. Learner demand for courses must also be stimulated. GLA commissioned research⁵ found demand for Level 4 and Level 5 courses is variously described by providers as stable, flat, soft or downward. Regulatory decisions have impacted adversely on provision at these levels in London (see response to Q24).

20. What drives price differences at level 4 and 5, where average fees in FE providers are significantly lower than in HEIs?

In London, providers of education and training at Levels 4 and 5 operate in a highly competitive market. GLA commissioned research examined the competition effects at play amongst level 4 and 5 providers in London, across FE and HEIs. Key findings from interviews with providers and key stakeholders in London include:

- All providers commented on the effects of a decade of market-led reforms, especially the removal of the cap on the number of domestic students. For the HEIs involved in this research, a sharpening of competition for home and international students is the context for their addition of a foundation year to selected bachelor programmes. The bachelor degree remains the signature programme.
- For colleges and FE providers, the markets for higher education are predominantly local and regional. A number of alternative providers had hoped to attract students from other EU countries to their courses at Levels 4 and 5. This is seen to have met with limited success. At these levels, there is often competition with, and dependence on, neighbouring universities. The

⁵ <https://data.london.gov.uk/dataset/skills-and-employment-higher-level-skills-in-london>.

broader access and larger recruitment to universities afforded by foundation years is widely regarded as a competitive advantage, not least by colleges at risk of losing students from their Access to HE courses. The extent of these effects, including that of the rise of degree apprenticeships, is difficult to evidence. Colleges, in turn, can choose between individual universities for their validation services and partnerships.

- On sub-contracting, colleges encountered shifting policies and positions on the part of some universities. On both sides, this volatility is attributed to conditions of uncertainty, induced or increased by market-led reforms.
- While there is a measure of price competition between colleges, alternative providers and universities at levels 4 and 5, this research suggested this was insufficient to increase participation overall or switch demand to further education institutions.
- The bidding for IoT status revealed its own competitive behaviours. In one IoT, the university partner is not the local HEI but one that is located outside the capital with a London campus. In another, the university partner initially thought ‘the IoT might be a competitor’ and so decided to be part of it. At the third IoT, the university and college partners ‘are not in competition’ and it is important that nothing is done to ‘blur the relationship between the two institutions’.
- See from p.111 of [Higher Level Skills in London](#) for full analysis.

21. To what extent do the drivers of fees at levels 4 and 5 differ from those for level 6 (including between universities, further education colleges and independent providers)?

See response to Question 20.

22. How can we best promote value for money in the level 4 and 5 market to avoid an indiscriminate rise in fees?

See response to Question 20.

23. Which learner types are more or less price-sensitive and what drives this behaviour? As part of your response, you may want to specifically consider the learner cohorts described above and the equalities considerations set out in the level 4 and 5 section of the equality analysis document, published alongside this consultation.

Cost is a particular barrier for those experiencing severe inequality and disadvantage, learners with caring responsibilities and those with protected characteristics. As outlined in the consultation, under a loans based system, debt aversion amongst certain communities will play a significant role in price sensitivity.

The cost of living in the capital was already a challenge before the pandemic, with 2.4 million Londoners living in poverty. With inflation rising and Londoners facing 50 per cent price rises in their energy costs, the rising cost of living is putting further pressure on Londoners and hitting the poorest households the hardest. Polling by YouGov on behalf of the GLA shows 79% of Londoners reported an increase in their

cost of living over the last six months. Londoners were most likely to report larger increases in their food and energy bills. In response to rising living costs 45% of Londoners are spending less on non-essential items.⁶ This comes on the back of the COVID-19 pandemic, which has particularly affected those on the lowest incomes and those in insecure work.

This financial pressure will have a significant impact on a learner's ability to undertake a level 4/5 course in London.

24. What are your views on the current barriers, including non-financial barriers, that providers face in offering and marketing level 4 and 5 courses?

GLA Commissioned research found:

- There is broad recognition that the highly competitive conditions which attended recruitment to bachelor level undergraduate education have been less than favourable to building and strengthening provision at levels 4 and 5.
- As one employer observed, 'it feels like providers are fighting with each other'. Across this space, 'there is a competitive edge rather than collaborating'. Franchising, validation and progression agreements require collaboration but there is an active market for these services. In some settings, colleges and their partner universities are neighbouring institutions.
- In other cases, colleges seek or prefer relationships with universities outside London, even if some distance away. In this context, the approval for three IoTs in London is welcomed. There is appreciation of the importance attached to collaboration, specialisation and the expertise and resources of existing institutions and partner employers.

This research also highlighted that regulatory decisions have impacted adversely on provision at levels 4 and 5 in London, particularly for FE colleges seeking to register with the Office for Students. A major consequence of regulatory decisions has been a reduction of provision at levels 4 and 5 in North East London.

⁶ [The rising cost of living and its effects on Londoners - London Datastore](#)