

Student Number Controls: Consultation on arrangements for 2014-15 onwards

GUILDHE RESPONSE

Responses must be made online via <http://www.hefce.ac.uk/consult/?survey=2013snc> by 5pm on Friday 28 June 2013.

1. Do you agree with our proposed approach to offering ongoing flexibility and some increase to the student number control allocation for those institutions demonstrating strong demand?					
1a	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
		Agree			
1b	<p>The proposed approach provides welcome flexibility for institutions. Over a number of years it has become increasingly difficult, yet increasingly important, to hit very precise SNC targets. This stems from a number of factors: tighter penalties for over-recruitment; changes brought about by the 2012 HE reforms and consequent uncertainty around student demand; year on year changes to number controls; and the impracticality of an institution recruiting to such a precise number given the nature of HE recruitment and admissions. The resulting pressures upon institutions work against stated aim of HE policy for a more competitive and dynamic market for HE provision.</p> <p>Although there will still be pressures, the proposed flexibility will help to alleviate these problems while providing institutions with more certainty and stability. Increased flexibility is especially welcome when it allows for increased financial and planning stability.</p> <p>We now urge policy-makers to ensure that there is a period of stability going forward, to allow institutions to adjust to the proposed policies and manage their provision and spending. Taken broadly, the proposals represent a balanced solution and allow some institutions to grow. It will still be difficult for institutions to model their position within the market given the overall cap on growth and application of a scaling factor based on sector-wide recruitment. Alongside this there may still be an incentive for institutions to pursue a strategy of over-recruitment to protect themselves against any scaling down at sector level. Allowing the policy to 'bed in' over a number of years, with HEFCE being sensitive to the remaining volatility in the new tuition fee environment, will help to provide certainty and mitigate against instability.</p> <p>The approach proposed will prioritise growth where there is demonstrable demand; we support this, and note it is consistent with other policies recently introduced. HEFCE must ensure that demand is considered irrespective of the scale of individual HE providers. Demand for places and quality of provision must be the measures used, not volume.</p>				

	<p>We support the continued application of the ‘opt-out’ from the high grades policy for Creative specialists, which is compatible with the proposals in this consultation. We note that no change to the opt-out policy has been proposed in this consultation.</p> <p>We have outlined above what will be needed to ensure stability and successful adjustment to the proposed changes in the number control policy in the immediate term. This includes a period of minimal change in SNC policy. More broadly, however, there are still issues with the number control policy which this consultation alone will not, and is not intended to, resolve. In the longer term, it will be important to review whether the current range of mechanisms is effective across a very diverse sector. The current proposals would bring more flexibility to the system and allow some institutions to grow, but they do not fully free the sector from number controls. Sector-wide recruitment patterns will continue to constrain individual opportunities for growth. Institutional strategies – whether for growth and innovation in provision, or for maintaining existing numbers and portfolios – will continue to be affected by the existence of number controls. The current funding and number control systems, taken together, allow HEFCE to protect strategically important and vulnerable areas of provision or student characteristics, but funding for this purpose is vulnerable going forward and the number controls do not encourage market correction.</p> <p>Over the longer term, therefore, as well as in HEFCE’s other policy development, there are a number of aspects that could be sensibly considered in relation to a more dynamic system.</p>	
2.	For institutions whose SNC allocation has been reduced, should we offer a) only a degree of flexibility equivalent to that provided to those that have not had their allocations reduced, or b) as we have proposed, the potential of further flexibility for one year that provides a greater opportunity to recover?	
2a	<p>Only a degree of flexibility equivalent to that provided to those that have not had their allocations reduced</p>	 Yes, (b)
2b	The proposal to offer further flexibility to institutions whose SNC allocation has been reduced allows for sensitivity to unexpected and temporary fluctuations in demand which may be outside of institutions’ control. As with the main flexibility mechanism, this would also help provide financial stability, which is in the interest of current students.	
3.	Do you agree that the proposed characteristics of an approach to flexibility will meet the needs of those institutions that wish to grow, while	

	appropriately protecting others from volatile changes in student number control allocations?				
3a	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
			Neither agree nor disagree		
3b	<p>We broadly agree, but with some important caveats.</p> <p>On its own, the proposed approach does not have regard to the diversity or regional distribution of HE provision in England, and how this may change as a result of this policy. The continued application of the Creative specialist 'opt-out' is helpful in this regard but only for some providers which make up the sector's diversity.</p> <p>For smaller institutions, the risk of downwards SNC adjustment associated with the 3% figure is harder to manage, since overall entry numbers are small and a change of only a handful of students could push an institution below their flexibility range. Although the student support budget remains capped, it is arguable that such small numbers do not present the same level of risk for Treasury as they do for smaller institutions.</p> <p>At the top end of the flexibility range, conversely, we would argue that in order to genuinely encourage strategic growth in smaller institutions, a larger absolute figure of flexibility will be required. The figure currently used (5 students) is too small to encourage a strategic approach to growth through the flexibility range – for example, for the provision of new courses or facilities, or for new providers to enter into the required regulatory arrangements. We are aware that some institutions have proposed that a minimum of 30 students would be required to encourage a strategic approach to growth. Institutions awarded these places must be able to demonstrate that they have high demand and high quality.</p> <p>The policy may concentrate growth strategies away from widening participation students. Exempted students are included in measuring recruitment against the flexibility range. We note that students from widening participation backgrounds are less likely to be part of exempt numbers (i.e. possessing high grades) than core numbers. Consequently, the proposed approach may drive expansion on account of recruitment which is not even across different participation groups, and may continue to encourage recruitment from more advantaged backgrounds. The proposal to exempt some combinations of qualifications will help to address this, but we expect that students from backgrounds which are traditionally less likely to participate in HE will still be under-represented in exempt numbers.</p> <p>We also note that this may play out differently in different institutions across the sector. It is critical that students' choice of institution is influenced by the 'best fit' between them and their chosen institution. If new policies drive students towards institutions which would not suit them, this could create retention issues down the</p>				

	<p>line.</p> <p>It is not certain that the proposed approach would allow institutions to adopt a long-term strategic approach to recruitment, and/or to change in institutional portfolio or profile. The overall cap on numbers, and the application of an annual scaling factor, create obstacles for modelling for planning purposes in individual years.</p> <p>At the same time, the policy should seek to avoid creating perverse incentives for institutions to grow without consideration of their existing size and character. Not all institutions will wish to expand, and institutions must have confidence that they can pursue a strategy of maintaining their current size within the proposed flexibility limits, if they so wish. Institutions should not be penalized simply for recruiting to target. The flexibility range as proposed should protect institutions which recruit to target from heavy number-loss. It is crucial that HEFCE have regard to this when operating the flexibility range, but also when considering scaling factors. If the sector is incentivised to grow at all costs it would threaten the diversity of the English HE sector – impacting for example on students who wish to study in small, specialist institutions.</p> <p>The proposed flexibility should be afforded to all institutions each year, irrespective of whether their SNCs increased, decreased or stayed the same in the previous year.</p>								
4.	Will the proposed approach offer students more choice while also protecting the student support budget?								
4a	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Yes</td><td style="padding: 2px;">No</td><td style="padding: 2px;">Unsure</td><td style="width: 50%;"></td></tr> <tr> <td></td><td></td><td style="text-align: center; padding: 2px;">Unsure</td><td style="width: 50%;"></td></tr> </table>	Yes	No	Unsure				Unsure	
Yes	No	Unsure							
		Unsure							
4b	<p>The proposed approach may offer more choice to some students but not to all of them. We have outlined our concerns about the regional spread of HE in our response to Question 3, as well as about smaller and specialist institutions. If there is more volatility at these institutions than others, it would disadvantage the interests of students who wish to study in these providers.</p>								
5.	Can you envisage any unintended or undesirable consequences of the proposed approach?								
	See our response to Question 3, above.								
6.	Do you have any comments on the proposed methods for publicly funded institutions who wish to enter into a relationship with HEFCE so that their								

	students are able to receive student support from 2015-16 and beyond?				
	<p>For providers that do not currently have a relationship with HEFCE but which currently have students claiming student support, we agree with the approach outlined in paragraph 113. As the consultation document states, students at these institutions who are already claiming student support do not represent an additional draw on the student support system.</p> <p>For new providers currently outside of the student support system, we agree with the proposal for a bidding process. HEFCE needs to be assured of the quality of and demand for all provision which it oversees.</p> <p>In finding the numbers for such providers, HEFCE should have due regard to the impact on all existing institutions whether they are recruiting above or below their SNC. A combination of the approaches outlined in paragraphs 115 and 116 may therefore be appropriate. HEFCE's decisions should be guided by the same concern to avoid institutional instability which informs this consultation's main flexibility proposal. This will help protect the interests of students currently in the system.</p> <p>If the number of students entering through these new providers is very small, it would be appropriate to consider whether these additional numbers can be incorporated into the overall student support envelope without significant impact on public spending. This may not always be possible, but it may be appropriate under certain conditions and it would be consistent with the principle of increasing student choice. It would also prevent further reductions to existing, established providers based on a factor entirely outside their control (i.e. the entry of new providers to the system).</p>				
7.	Do you agree that the key requirements we have set out are reasonable? Are there other key requirements that you think we should take into consideration?				
7a	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
		Agree			
7b	We agree that the requirements outlined are reasonable.				
8.	In Table 1 we have set out a number of options for exempting combinations of qualifications from the student number control which we do not believe are viable. Do you agree that we should discount these options?				
8a	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree

		Agree			
8b	Do you think there are other options that we should consider?				
8c					
9.	<p>We have set out proposed criteria in this section for exempting a limited number of the most common combinations of qualification types from student number controls. Do have any comments on the proposed criteria? Do you have any comments on the approach in general?</p>				
	<p>The proposed exemptions of the most common combinations is intended to provide welcome choice for approximately 4,000 students holding those combinations.</p> <p>The approach also recognises that many students hold combinations of qualifications – although we recognise that only some of those students would be exempted.</p> <p>The number of students expected to benefit is not large within overall sector numbers. However, it is possible that the numbers falling into these categories will grow over time.</p> <p>While institutions will benefit from a period of stability, in the longer term we expect policy-makers will want to monitor the list of exemptions and identify whether there are cases for expanding the list of exemptions.</p> <p>It will be important to monitor the impact this has on the take-up and distribution of combinations of courses in the pre-HE sector, and on pre-HE institutions' behaviours. Linking combinations solely to A levels could potentially distort the choices of pre-HE qualifications which learners take up or the advice they receive on their choices.</p>				
10.	<p>Do you have any further suggestions for additional or different criteria for excluding combinations of qualifications?</p>				
	<p>We recognise that HEFCE will be concerned to take a balanced approach and minimise the instability created for particular institutions as a result of its number control policies. To that end we expect HEFCE will be interested in the views of institutions which recruit heavily from particular qualifications.</p> <p>The responses of specialist institutions may prove particularly instructive here, but others with particular student demographics will also be of interest.</p>				

11.	<p>Do you have any comments on our proposed approach for implementing a change to the exemptions list? Are there other aspects which we should consider?</p> <p>Individual institutions may not see a large increase in their entrant numbers as a result of the policy. We are aware of concerns that, from an institutional perspective, this proposal will not balance well against the burden of managing changes to planning systems to adjust to the new exemptions – for example flagging high-grade students.</p> <p>There also needs to be sufficient predictability for institutions as HEFCE fine-tune the detail of policy changes.</p> <p>With respect to these concerns about burden, complexity and predictability in managing any changes, we note that there is considerable interest in the sector in whether HEFCE and UCAS could play a greater role in providing planning information for institutions within the recruitment cycle.</p> <p>UCAS is already looking at reforms around qualifications information, including the gradual removal of the UCAS tariff. UCAS also manages a vast amount of information on applicants to HE. HEFCE possesses a sophisticated system for gathering data on student numbers and characteristics which it operates each year. Given the sector's interests in better availability of information for planning from HEFCE and UCAS, and the tools with which both organisations already operate, it would be appropriate to consider what options are available.</p> <p>As well as the above, institutions will also benefit from clear and timely guidance from HEFCE as the policy is implemented.</p> <p>The system potentially becomes more complex for applicants (as well as institutions). IAG to applicants, as well as to schools and college advisers. We expect UCAS will be interested in this aspect of the proposals but non-UCAS routes will also need to be covered.</p>
12.	<p>Do you consider that there are any equality considerations we have not taken into account? Does the proposed approach require an institution either to disadvantage a particular group of students, or prevent steps being taken to assist a particular group? If so, which group(s), and how may the approach be modified to reduce these effects?</p> <p>The high grades exemptions policy inherently advantages some groups of students over others. In particular, mature students or those studying specialist routes may be less likely to have taken combinations including A levels.</p> <p>We still do not know what the impact of the Department for Education's proposed reforms to vocational qualifications may be, but it will be necessary to monitor this going forward.</p>

The high grades policy is, however, only part of the Government's stated intention to free up the HE system from student number controls. In the immediate future, allowing the proposed policies time to bed in will provide greater stability to the sector and therefore to students accessing HE in England. In the longer term, we continue to hope that, over an appropriate timescale, further progress can be made towards this goal across all types of students, not just those possessing high grades in particular combinations.

Achieving this would require a different policy approach from the current one – see our response to Question 1. It is important to balance the flexibility within, and freedom from, number controls enjoyed by students with different pre-HE profiles. Whilst the proposed flexibility mechanisms are welcome, and whilst we feel the proposed new exemptions are positive developments on the whole, in the longer term we remain concerned to see policies which provide opportunities for greater numbers of students with other characteristics than those currently prioritised in policy. This will be particularly important in institutions with large proportions of exempt students where core numbers are progressively reduced.