

## Russell Group response to DfE Higher Education reform consultation

### 1. Summary

- 1.1 We welcome the DfE's ambition to prioritise provision which offers the best outcomes for students, society and the economy. Russell Group universities offer excellent teaching and have in place robust systems and processes to assure the quality of teaching and the wider student experience. This is borne out by high continuation rates and progression to graduate jobs and further study, and also by the success of our universities in attracting high quality international students in a fiercely competitive global market.
- 1.2 Rather than implementing student number controls (SNCs) or minimum eligibility requirements (MERs) for student loans at a system level, which could have broader negative implications for students especially those from disadvantaged backgrounds, the Government should continue to utilise the new B3 conditions to address pockets of lower quality provision. Any blanket SNC would be particularly regressive, reducing choice and access for learners.
- 1.3 If MERs were implemented, our preference would be for a Pass at GCSE (or equivalent) English and Maths, reflecting entry requirements across many Russell Group courses. However, a broad range of exemptions would be needed to ensure mature and/or disadvantaged students were not impacted.
- 1.4 Foundation years play an essential role in supporting students with low prior attainment to enter and benefit from higher education, such as mature students and those from disadvantaged backgrounds. In the future, they may also be key for those with T Level qualifications wishing to access many courses at higher tariff institutions.
- 1.5 Cutting foundation year fees would make provision in universities unviable in many instances, especially for high-cost subjects including medicine and engineering. If the Government decides to implement a cut, exemptions should apply for high quality or high-cost subjects including price groups A, B and C.1 and for other subjects with high quality access and progression outcomes.
- 1.6 We welcome the introduction of a national scholarship scheme as a supplement to existing university activity that provides financial support. A range of markers of disadvantage should be used to target talented and able students who would not be able to access university or complete their course without financial support. These should include free school meals status, care leaver status and those with disabilities.
- 1.7 To continue delivering excellent outcomes for students, the economy and society, universities need a sustainable base of funding. The additional investment of £300m into the Strategic Priorities Grant for England as well as the maintenance of the capital budget is welcome, especially in the context of rising costs and student demand.
- 1.8 However, we expect the unit of resource for teaching across all subjects will continue to decline, even with the additional grant funding. Universities will continue to take steps to address this by working more efficiently and attempting to protect the quality of education they provide as well as the wider student experience.
- 1.9 To ensure high-quality teaching provision can continue and to ensure universities can be responsive to the country's skills needs, the Government should monitor trends in the unit of

resource for teaching and ensure investment in teaching is sustained in real terms. This should apply across the four nations to ensure the UK has the pipeline of high-level skills to build our economy and accelerate our recovery from the pandemic. We would also welcome a wider discussion on principles for a more sustainable funding system for the longer-term.

## **2. Context**

2.1 We welcome the opportunity to respond to the proposals and questions outlined in the Higher Education Policy Statement & Reform consultation.

### ***Russell Group universities deliver significant impact to the UK***

2.2 Russell Group universities deliver significant economic, social and cultural value to the UK and their local communities, towns, cities and regions. They:

- Inject nearly £87 billion into the national economy every year through their education, research and export<sup>1</sup> activities, and support over 261,000 jobs (full-time equivalent) – more than the entire population of cities such as Aberdeen and Plymouth
- Train four in five doctors educated in the UK, over a third of engineers and over half the maths and science graduates so vital to the UK economy and society
- Act as strategic assets for the UK and are major drivers of growth and innovation, in particular through their work with business, charities, the NHS and other partners including in the cultural sector
- Provide local leadership and investment, bringing together key stakeholders at city, regional, national and international level, and driving efforts to level up and address regional inequalities
- Act as anchor institutions attracting inward investment to the whole of the UK
- Provide a diverse range of opportunities for students and local communities to build social and cultural capital.

2.3 We look forward to working with the Government to consider how this value can be maximised to support a rapid post-Covid recovery, providing economic and social benefit to regions and nations across the UK, and assisting efforts to level up opportunity for all.

### ***Ensuring a high-quality student experience and a sustainable HE sector***

2.4 The consultation acknowledges the need to build a more sustainable system for students, institutions, and taxpayers and we welcome the additional investment of £300m into the Strategic Priorities Grant (SPG) as well as the maintenance of the capital budget, with a particular focus on high-cost subjects which experience the largest deficits. This investment is crucial to help institutions continue to deliver excellent outcomes for students, the economy and society, especially in the context of rising costs and student demand.

2.5 We recognise the Government's priority to deliver value for taxpayers and reduce the cost of the loan book. However, an IFS report<sup>2</sup> has noted the limited benefit to students and taxpayers of the decision to cap student fees up to 2024/25, whilst warning that this constitutes a further significant cut in university resources. Rising student demand, rapidly increasing costs coupled with this decision to freeze tuition fees up to 2024/25 means that

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<sup>1</sup> For example, fee income from international students is officially counted as an 'export' in government accounting terms.

<sup>2</sup> [Student loans reform is a leap into the unknown](#), April 2022

the unit of resource available to deliver teaching across all subjects will continue to decline<sup>3</sup>, even with the additional grant funding the Government is providing in England.

- 2.6 The unit of resource for teaching is the amount of money per student that universities receive from fees and the Government to build, maintain and run the teaching facilities, employ staff to teach students and provide support services to ensure an excellent student experience. Following recent announcements, Russell Group analysis<sup>4</sup> estimates that without further intervention all subjects will continue to face deficits and the average deficit universities would incur for teaching each undergraduate student would increase from £1,750 in 2021/22 to approximately £4,000 in 2024/25.
- 2.7 As the unit of resource declines, universities will continue to take steps to address deficits by working more efficiently and attempting to protect the quality of education and support they provide students. This will include wrap around support for students in areas like mental health and wellbeing, careers and employability, as well as helping under-represented students to access their institutions.
- 2.8 Despite these efforts, a continued decline in the unit of resource will inevitably start to impact on the quality of teaching and learning in the longer term. This has the potential to increase class sizes, lower staff: student ratios, reduce investment in practical teaching, infrastructure, support services or reduce intake onto courses with the largest deficits, usually STEM subjects. If this is not addressed, there are likely to be knock-on impacts on the graduate pipeline for the economy, stymying universities' ability to innovate and respond to skills gaps, and disrupting efforts to level up.
- 2.9 Looking to the future, Russell Group universities aim to increase their activity to support their students, their local communities and deliver on Government ambitions. This will include further support to raise attainment in schools and embarking on exciting new initiatives such as expanding modular provision through the Lifelong Loan Entitlement. If we are to meet our ambitions to create a successful and enduring innovation economy, it will also be necessary to maintain the strength of the UK higher education landscape across the full breadth of subjects including science, engineering, arts, humanities and medicine.
- 2.10 **To ensure high-quality teaching provision can continue to be responsive to the country's skills needs, the Government should monitor trends in the unit of resource for teaching and ensure that the investment in teaching is sustained in real terms.** This should apply across the four nations to ensure the UK has the pipeline of high-level skills to build our economy and accelerate our recovery from the pandemic.
- 2.11 We would **welcome the opportunity to work with the Government to develop a new funding formula to apply after 2024/25.** This will be critical in ensuring high quality education can be maintained for the benefit of students and the wider UK economy and society. This will also support universities to sustainably deliver on new government ambitions such as the Lifelong Loan Entitlement.

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<sup>3</sup> The unit of resource that universities have available for teaching domestic students has been decreasing since 2015/16. In 2019/20, universities in England made a 4.2% loss on publicly funded teaching activity and even the most inexpensive classroom-based subjects faced deficits of c.£970 per student. Source: [Development of the OfS's approach to funding, 2020](#).

<sup>4</sup> Assumes 3% increase in student figures and uses OBR inflation figures from March 2022.

### 3. Student number controls (SNCs) and minimum eligibility requirements (MERs)

- 3.1 We welcome the DfE's ambition to prioritise provision which offers the best outcomes for learners. The UK's higher education sector has an international reputation for quality, attracting record numbers of students to study here.<sup>5</sup> Russell Group universities offer excellent teaching and have in place robust systems and processes to assure the quality of teaching and the wider student experience. This is borne out by low non-continuation rates and high employment in graduate jobs.<sup>6</sup>
- 3.2 Providing an open market for higher education increases choice for learners, with the availability of provision driven by the diverse wants and needs of students and employers. Such a system has incentivised universities to provide a high-quality student experience in order to remain internationally competitive. Since the removal of SNCs in 2015/16 (apart from medicine and dentistry), record numbers of disadvantaged students have entered the system and the ratio between the most under-represented (POLAR Q1) and the least under-represented (POLAR Q5) has continued to decrease.<sup>7</sup> Introducing a blanket SNC would be particularly regressive, reducing choice for students and stymying efforts to further diversify campuses.
- 3.3 Our universities already have entry requirements and processes in place that ensure students who are accepted are the most likely to succeed. These requirements are tried and tested, and exemptions to them have been developed over many years. University autonomy in the selection process helps to prevent the exclusion of talented students who may not have a specific qualification but are likely to benefit from a Russell Group education and succeed beyond their degrees.
- 3.4 Even if exemptions were applied through a new SNC model to ensure disadvantaged student numbers were uncapped, past experience of this policy in England shows there could still be unwelcome restraints on opportunity for other students who met entry requirements. This would put pressure on the ability of institutions to maintain a fair admissions system.
- 3.5 **Rather than implementing SNCs and/or MERs at a system level, which would have broader negative implications for students, the Government/ OfS should utilise the new B3 conditions to address pockets of lower quality provision.** At the very least, we would encourage the Government to assess the impact of the new B3 conditions following risk-based implementation, before considering any further intervention.
- 3.6 B3 conditions can be implemented in a proportionate and risk-based manner prioritising those with the most severe breaches against minimum thresholds (based on distance between the indicator and the threshold), and so addressing the biggest risks to students. By contrast, interventions such as SNCs or MERs are likely to add significant complexity for applicants and would increase the bureaucratic burden for Government and institutions. The Government would also need to consider the complex cross-border implications of these policies.

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<sup>5</sup> UK higher education providers hosted 605,130 international students in the 2020/21 academic year, hitting the Government's 600,000 target a decade earlier than expected.

<sup>6</sup> Across Russell Group universities, the non-continuation rate for new full-time undergraduates starting in 2019/20 was just 2.5%, compared to the UK sector-wide figure of 6.9% - which is low by international standards. According to the Graduate Outcomes survey, 80% of Russell Group graduates were in highly skilled employment 15 months after graduating, compared to 67% at other UK universities.

<sup>7</sup> OfS Access and Participation data, 2022

- 3.7 **If the Government were to introduce MERs, we would suggest that they focus on a Pass at GCSE English and Maths or equivalent, which reflects entry requirements across many Russell Group courses.** We would strongly discourage setting MERs at an A Level or equivalent to minimise impacts on access to university.
- 3.8 **If MERs were implemented, we would encourage a broad range of exemptions** to ensure that widening participation initiatives were not impacted. We would strongly support the exemptions proposed in the consultation document for:
- Students progressing from a foundation year or access course
  - Mature students
  - Part-time students
  - Learners who already have existing level 4 or 5 qualifications
  - Students who have achieved good grades at Level 3.
- 3.9 We would also recommend including exemptions for applicants:
- Who were granted extenuating circumstances during their A Levels
  - With widening participation indicators, for example those with FSM status, those identified by the Index of Multiple Deprivations (IMD), care leavers, those with disabilities, those from low participation neighbourhoods or gaining a place through a recognised access pathway.
  - Who are studying subjects where proficiency in maths is not a central factor in achieving the learning outcomes of the course e.g. English Language and Literature or History.

#### 4. Foundation years

- 4.1 Foundation years (FYs) play an essential role in supporting students with low previous attainment to enter higher education. There are three main reasons a student studies a FY which align with Government priorities for higher education:
- (a) Firstly, they support **disadvantaged students** to access higher education. This includes learners who are talented but may not have had access to the same opportunities or facilities as their counterparts in better equipped schools. These students will use foundation years to complete their learning ready to start a degree and integrate into a higher education environment. In England, between 2010/11 and 2017/18 the proportion of foundation year students from the most disadvantaged IMD quintile grew from 25% to 32%.<sup>8</sup> For Russell Group universities specifically, FYs are crucial in helping our universities meet their goals for widening participation. For example, in 2020/21 at the University of Southampton, 100% of students on their medical FY were from disadvantaged backgrounds. A number of Russell Group universities also reduce barriers to entry onto FYs by offering financial support.<sup>9</sup>
- (b) Secondly, FYs are especially crucial for students looking to move into STEM degrees at university who don't currently have the requisite qualifications. This group is especially

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<sup>8</sup> [Year 0: A foundation for widening participation?](#) HESA, 2019

<sup>9</sup> For example, the University of Manchester offers a Foundation Year bursary, worth up to £4,000, to eligible UK students from low-income households.

important for Russell Group universities as in 2020/21 82% of students studying FYs in our universities were doing so in a STEM subject (compared to 40% at a sector level in England).

- (c) Thirdly, mature learners use FYs to upskill or reskill. In 2020/21 59%<sup>10</sup> of students on FYs in England were aged 21 or over.

4.2 Going forward, we expect that FYs will need to play an important role in supporting those who wish to progress from a T Level qualification into a course at a Russell Group university.

### ***Delivering FYs through universities***

4.3 FYs play an important role in supporting learners to enter higher education. In 2019, OfS found that FYs have a significantly higher proportion of students progressing straight into a degree than from other access courses (70% for FYs versus 47% for Access to Higher Education courses)<sup>11</sup> and a higher proportion of students progressing to a degree within four years compared to an Access to Higher Education Course (79% for FYs versus 62% for Access to Higher Education courses).

4.4 At Russell Group universities, continuation rates from FYs are as high as 95% and outcomes for FY students are often on a par with direct entry students. For example, at the University of Sheffield in the last three years 88% of the Science and Engineering Foundation Year students who went on to year one at the University achieved a First or 2:1, the same proportion as direct entry students.

4.5 Russell Group universities successfully partner with FE institutions to deliver some FYs. For example, the University of Manchester partners with local FE colleges on Biology, Medicine and Health foundation year courses and the University of Liverpool partners with Carmel University Centre<sup>12</sup> to deliver a wide range of FYs. The viability of forming such partnerships will depend on local contexts such as the availability of aligned FE provision, but reducing funding for FY is likely to impact both HE and FE.

4.6 However, for many providers there are courses that could not successfully be delivered through FE colleges alone as universities provide continuity, quality and access to facilities that are not available in other organisations:

- (a) **Continuity and increased support improves continuation:** FY students at our universities have access to the same teachers and facilities as an undergraduate student and are often offered an increased level of support to suit their circumstances. For example, the University of Sheffield has three members of staff who provide direct support for FY students. This builds confidence and creates an easier transition into a full degree by reducing some of the mental and practical barriers to starting university. This is especially important for those from an educational background where going to university is not an expectation. This supports the high continuation rates achieved through FYs.
- (b) **Students are prepared for university:** At Russell Group universities, FY students do not solely repeat A Level material but are prepared for the rigours of a Russell Group university degree. At Queen Mary University London, FYs have a similar number of teaching contact hours as the first year of the degree and are taught in the same format in terms of modules,

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<sup>10</sup> HESA data, 2020/21

<sup>11</sup> [Preparing for degree study](#), OfS, 2019

<sup>12</sup> See [University of Liverpool Degrees](#) for more information

delivery, exam style, problem solving classes/tutorials, and advisor sessions. At the University of Cambridge, FYs are focused on academic content and the skills necessary for successful study at a higher tariff university, preparing students who have faced disadvantage for academic rigour and a multidisciplinary approach. Students who complete their FYs also receive a Level 4 qualification (HE Cert) unlike HE Access courses.

- (c) **Students can access essential facilities:** Studying a foundation year in a university allows students access to facilities that are often not available in FE providers, including research labs with industry standard equipment, software and libraries. This is especially important for mature students or those coming from less well-equipped schools or colleges who want to study STEM subjects to ensure their practical skills are as practiced as other first year undergraduates.

### **Costs of delivering high quality, highly effective FYs**

- 4.7 The costs of delivering foundation courses at university are reflective of the access to university-level facilities, teaching provision and support services, and so in most cases are in line with delivering the first year of an undergraduate degree.
- 4.8 **Cutting foundation year fees to c.£5,500 would make most foundation year provision for most universities across the sector unviable.** In 2019, KPMG<sup>13</sup> found the weighted average unit cost of delivering the least expensive foundation years (social sciences, history, economics) in universities was over £8,000 for the 2016/17 academic year. The most expensive courses to run (all STEM), needed to be cross subsidised as they cost over £10,500 to run per student. This will have risen in recent years in line with other operating expenditure. Some FY provision is already offered at below undergraduate fee levels, often at a loss to support widening participation (WP) ambitions, but the ability to do this will vary significantly by the individual circumstances of the provision and in most cases undergraduate funding is required.
- 4.9 To continue to support high value FYs that widen participation and support mature learners to upskill and enter STEM subjects **we would strongly advise against implementing a sector wide reduction in FY fees.** However, if the Government did look to implement this policy, **we would encourage maintaining parity with undergraduate fee caps for FYs in high-cost subjects including those in price groups A, B and C.1 and those with high quality access and progression outcomes in other subjects.** The Government would also need to consider the impact that a differential fee approach might have on student choice, especially for WP students, who may be disincentivised from choosing a high quality, STEM FY due to price sensitivity.

## **5. Supporting access and participation**

### **National Scholarship Scheme**

- 5.1 **We welcome the introduction of a £75m national scholarship scheme as a supplement to current university activity.** In 2020/21 English universities spent £870m on bursaries, prizes and scholarships from their own funds<sup>14</sup>. Russell Group universities provide bursaries and scholarships as part of wider packages to support disadvantaged students, many of which are aligned to long-term access and participation strategies, with some funding also ring-fenced where supported by donors. In allocating funding, universities are well-placed to

<sup>13</sup> [Understanding costs of undergraduate provision in Higher Education](#), KPMG, 2019

<sup>14</sup> HESA data, 2019/20

understand the type of scholarships and bursaries appropriate for their contexts, for example based on their student characteristics and course offerings.

- 5.2 Whilst the £75m national scholarship scheme would not replace existing financial support, the additional funding announced can provide a valuable complement to ongoing university-level spending. We look forward to working with the DfE on the details of the national scholarship scheme as it develops and recommend the DfE considers the following:
- (a) **Eligibility criteria:** the national scholarship scheme should target talented and able students who, without financial support, would not have been able to access university or complete their course. We recommend that a range of markers of disadvantage are used to target students and applicants including but not limited to: FSM status, care leavers, those with disabilities, estranged students, first in family and those with caring responsibilities.
  - (b) **Use of existing evidence-base:** there is an existing wealth of knowledge within universities regarding the most effective methods of delivering financial support to disadvantaged students. In deploying this new funding, the DfE should work closely with the sector to understand insights on what works from the various existing successful schemes.
  - (c) **Early confirmation of eligibility:** Ideally confirmation would be received by September of the academic year prior to starting their courses. This would give students the confidence to know they can support themselves financially through university as they complete their applications. Knowing that they will have scholarship funding on top of their student finance may help influence a student from a disadvantaged background in their decision to go to university.
  - (d) **Ongoing support:** Eligible students may benefit from receiving ongoing support from this scholarship in each year of study, rather than receiving a one-off lump sum. This could help support a recipient's sense of future financial security on their course and so support continuation from year to year.
  - (e) **Pre-arrival costs:** Some students will struggle with pre-arrival costs such as purchasing equipment and items for their accommodation and travel costs. An option for students to access part of their scholarship amount before they arrive may be beneficial for those students.

### **Ensuring a transparent admissions system**

- 5.3 We also look forward to working with the DfE to further improve the university application and admissions system. Transparency in the admissions system is paramount to widening access and participation and in assisting universities to attract the best talent, regardless of background. We understand that DfE may want to achieve this by encouraging universities to publish outcome and continuation data; our members are keen to engage further and assist by providing expertise as this work develops. Prior to this announcement, many of our members were already engaging in working groups with colleagues in the wider HE sector to discuss measures to increase transparency.
- 5.4 Many of our members already publish data and information to improve transparency in the admissions process. For example, the University of Cambridge publishes detailed information on their website about how they use different widening participation markers to



flag applicants who have faced additional challenges in their lives and education<sup>15</sup>. The University of Birmingham has also developed an online calculator to help potential applicants gain a sense of whether they might be likely to receive an offer, with the aim of enhancing transparency. For every undergraduate course, applicants can input information about the grades they've achieved, predicted grades at level 3, and any socio-economic indicators. Potential applicants then receive an initial indication as to whether the University might be likely to make them an offer or not or, for subjects conducting interviews, whether they are likely to be shortlisted or not<sup>16</sup>.

- 5.5 We are also supportive of UCAS' work to consider reforms to personal statements, and our members look forward to discussing their initial findings. **We would encourage that this work includes reform to references as well.** Any changes to personal statements and references should remove barriers to applicants from disadvantaged backgrounds, especially those enrolled in large, less well-performing schools. **To make ensure these changes are effective, sector-led development and collaboration is needed.** We will continue to work closely with Government to support this work.

*April 2022*

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<sup>15</sup> See [here](#) on the University of Cambridge website

<sup>16</sup> For example, see [here](#) the page for BSc Computer Science, where you can access the 'am I likely to receive an offer' calculator