

## million+ response to the Social Mobility and Child Poverty Commission call for evidence – July 2014

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million+ is a university think-tank which works with universities in England and Scotland and other stakeholders. We are pleased to respond to this important call for evidence to provide input into to the Social Mobility and Child commission's annual report.

We restrict our responses to the section on higher education.

### **What progress is being made in access to the most selective universities? What further steps should universities and the Government take to widen participation?**

1. Access to the most selective universities is an important measure of social mobility. However, it is also a limited and limiting measure. It perpetuates a notion of success in a narrowly defined way namely that the 'right' (and only) route is to take A-levels and then progress to a particular set of universities. This downplays the contribution of a broad range of other universities, particularly modern universities, in widening participation. It also means that too often conversations about access to universities focus only on young students. The reality is that many people progress to university later in life, studying professionally and vocationally orientated courses that help them move on into new careers. In 2012-13, there were 1,945,000 students in higher education (undergraduate and postgraduate). 1,222,730 of these were over the age of 21 – a total of 63%.
2. The million+ / NUS report *Never too late to learn* (2012) confirmed that a third of university students enter university for the first time when they are over 21. There is also a strong trajectory of older students who begin their journey into higher education by studying Level 3 when they are over 24. The Coalition Government's changes to funding in this area, including the introduction of Advanced Learner Loans and the current proposals to change eligibility risk damaging these routes into higher education.
3. Looking at access for young students, though, it is clear that modern universities are achieving significant success in this area, providing opportunities for students to obtain a higher education qualification and the subsequent income benefits and social capital that a degree confers. In England, in 2012/13, 32.8% of the full-time young (18 year old) first degree undergraduate population came from the most disadvantaged backgrounds – that is from NS-SEC classes 4-7.<sup>1</sup> 66 English institutions had a higher percentage of NS-SEC 4-7 populations while 54 institutions were below the English average. The top and bottom 25 institutions by this measure appear at Table 1 in Annex 1 where the contribution of modern universities to providing younger students with the opportunities to study for a degree and acquire the equivalent social capital is clear.
4. The picture for young participation is similar when viewed through a measure of progression linked with low participation neighbourhoods. The English figure is 10.9% of students, with only 49 institutions recruiting a larger proportion of students from low participation neighbourhoods. The list of the top 25 and bottom 25 recruiters in Table 2 Annex 1 again confirms the

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<sup>1</sup> We have restricted our comments to England since higher education policy is a devolved matter

contribution of modern universities. It is worth noting that while much store has been placed on the POLAR measure by UCAS and by Government Ministers, the POLAR data is based on wards and fails to capture the diversity by income of some wards in urban conurbations and, in particular, London where wards may have low participation rates but also include households which are already high achieving in terms of income and university participation

**Progress on: coordinated outreach; shifting spending to attainment raising and away from bursaries and fee waivers; use of contextual admissions and foundation programmes; and access to postgraduate study**

5. Contextual data has historically been used by many universities with better records on access to assess student potential. While some progress appears to have been made in its wider application by these universities, this is not the only limiting factor in terms of access to these institutions. For example, insistence on the study of certain subjects which may be unrelated to the degree course has the potential to limit access. Again, this is partly a consequence of seeing higher education success through a limited lens.
6. The current moves towards a more coordinated approach to outreach are positive. Collaborative activities, particularly when it comes to a complex issue such as raising aspiration to apply to university, are far more successful than individual university efforts. Universities with long term experience in collaborative outreach work talk of the need for at least four separate contact / engagement 'points' over an extended period of time before significant impacts in application behaviours are noticed. This kind of work requires sustained efforts that are difficult for individual institutions to manage. A return to an Aim Higher style operation, possibly focused more regionally than nationally will be an important addition to the 'aspiration' agenda.
7. In general terms million+ supports shifting spending to 'attainment raising' and away from bursaries and fee waivers. We also support the use of contextual admissions and foundation programmes which modern universities have used for many years to enhance access to higher education for students with potential. Research also confirms that state school students who enter university with A-level grades perform as well as and in some cases, outperform students from independent schools who have the same or higher A-level grades.
8. Overall the increased participation of BME students is one of the success stories of British higher education and the institutions at which they study. Nevertheless, wherever they study there is evidence that BME students do not attain the same degree outcomes as their white peers who enter university with the same pre-entry qualifications. This attainment gap cannot be explained by a 'deficit model' and we support the increasing focus by institutions, OFFA, HEFCE and the NUS to address this issue which is long-standing but also complex.

Postgraduate funding

9. According to a report published by HEFCE in 2013<sup>2</sup>, only 40% of postgraduates start their courses between the ages of 21 and 25. This means the majority of PG students are older learners, and usually part-time learners – the majority of those studying PG over the age of 31 are doing so part-time.

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<sup>2</sup> Postgraduate education in England and Northern Ireland July 2013/14

10. Postgraduate study up to masters level attracts no funding or loan support (aside from some courses that lead to public sector professions). The lack of funding is possibly one reason why between 2009/10 and 2012/13, the number of postgraduate students in England fell from 315,975 to 281,800 – a drop of 11%.
11. The analyses of undergraduate participation are not replicated in postgraduate participation, so there is little understanding about the background of students, especially when it comes to low participation neighbourhoods or NS-SEC. However, it is reasonable to assume that access is as much of an issue in postgraduate as it is in undergraduate study. A series of pilot projects is currently being funded by HEFCE to encourage access to postgraduate study. The Council is also improving its data collecting at PG level in order to gain a better understanding of the demographics.
12. million+ has called for the government to use the proceeds from the sale of the student loan book to provide funding to universities for 50,000 additional postgraduate places over a 5-year period. Two-thirds of these should be allocated to part-time postgraduate study that is linked with profession, industry or public-service based programmes.

**Question-marks have been raised about the sustainability for the current university funding settlement. What would a socially mobile-friendly future settlement look like?**

13. It remains too early to analyse exactly the effect of the 2012 fee regime on applications and participation by particular groups of students. The UCAS figures published on 10 July 2014 showed an overall increase in applications of around 3% in England since 2013. However, there were 20,000 fewer applicants in England in 2014 than in 2011, the year before the new fee system. There remains the risk that those students that did not enter in 2012 have been ‘lost’ to the system.
14. million+ raised concerns about the long term sustainability of the new funding regime before it was introduced, using modelling produced by London Economics to demonstrate that the estimates by the Department for Business Innovation and Skills of the cost of the RAB charge were likely to be underestimates. The RAB charge is far higher than the 33% originally estimated by BIS. In recent parliamentary answers the Universities Minister has given estimates that vary between 40 and 45% (i.e. for every £100 loaned out by government for tuition fees and maintenance, £45 will not be paid back).
15. In 2013, million+ published analysis of two alternatives to the current tuition fee regime – a fee of £6000 and a system similar to a graduate tax. This research, undertaken with London Economics, concluded that both were options were potentially sustainable, could provide comparable levels of investment to universities as the 2012 system and could be delivered at no additional cost to the Treasury with some amendments to the graduate repayment regime.<sup>3</sup>
16. The deregulation of numbers in 2015 may trigger perverse behaviour which may not assist the access agenda. For example, there is nothing to stop institutions and in particular private providers, from seeking to recruit large numbers of EU rather than UK students. While the former may not be entitled to maintenance support they will be entitled to fee loans. Accordingly complete deregulation of numbers may not in itself promote widening access and participation for UK domestic students.

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<sup>3</sup> <http://www.millionplus.ac.uk/research-policy/reports/latest-reports/research-report-do-the-alternatives-add-up>

17. In addition, there are concerns about the sustainability of the deregulated numbers system and the risk that the remaining streams of direct funding will be placed under further pressure. The Chancellor's Autumn Statement made clear that the funding of deregulated numbers would be supported by the sale of the student loan book with the associated treasury documents predicting that the sale of the latter would result in a £12bn Treasury receipt over a 5 year period.<sup>4</sup> This stands in stark contrast to the predictions of experts that at most, £200m of the loan book is likely to be sold with any sale likely to be subject to heavy discounting because of the increased RAB charge, resulting in an even lower receipt.
18. It is not only the headline tuition fee policy that is important when considering how funding of higher education affects access. million+ has concerns about other areas of policy where government is risking gains in access by removing funding streams that are of particular value to the universities that have done the most work to widen participation.

### Student Opportunity Allocation

19. In early January 2014 million+, the NUS and Vice-Chancellors campaigned extensively to oppose a proposed 60% reduction to the Student Opportunity Allocation (SOA). In 2013-14 the Student Opportunity Fund was worth £326,999,991. A cut of 60% would have totalled £196,199,994, meaning the SOF allocation for 2014-15 was potentially going to be reduced to £130,799,996. As a result of these representations, the HEFCE grant letter was delayed and the overall cut in HEFCE funding was in the order of 5% (discounting the fact that the settlement was not inflation proofed) with the reduction in student opportunity funding focused on access.
20. Some of the motivation in government to remove the SOA arose as a result of concerns that returns of SOA had not been adequately evidenced in economic and social terms by the HE sector. Such an approach arises from the view that the SOA is akin to the pupil premium, and should be a) spent specifically on those students that trigger the allocation and b) judged on the attainment of that particular cohort of students (the success of pupil premium funding is judged by improved attainment and progress of those pupils, both in absolute terms and relative to other pupils in the school – e.g. narrowing the gap).
21. In reality, for higher education, the picture is more complex and nuanced. Both HEFCE and OFFA have encouraged institutions to invest the SOA in ways which are likely to enhance their institutional strategies recognising that universities with more diverse profiles will wish to invest in ways which are different from those with much smaller numbers of students. We regard the SOA as an important part of the HE funding landscape and the only significant tranche of public funding which remains that specifically supports the higher costs of educating students with diverse entry qualifications and from diverse backgrounds. We remain concerned that the SOA will again be targeted for further reductions and a focus of attention in the round of discussions leading up to the annual grant letter for 2015-16. We believe that the Commission should support the SOA's retention and expansion.

### Research funding concentration

22. Research funding is the biggest cause of inequity in student and university resource. The funding made available via research benefits students who access the same facilities as research staff. Unlike in many Nordic countries the UK does not guarantee funding for investment in research

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<sup>4</sup> Office for Budget Responsibility Fiscal Sustainability Report July 2014, pp169  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/328923/41298\\_OBR\\_accessible.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/328923/41298_OBR_accessible.pdf)

infrastructure for universities which have research degree awarding powers. Unless the inequity in this funding stream is addressed, universities will have little alternative but to use increasing amounts of tuition fee income to support investment in research.

23. Over the four year period between 2009-10 and 2012-13, research funding increased by just over 3% across the Russell Group but the total allocated to all other universities has reduced by 10%. Across the UK countries, only Scotland has seen an increase in this period.<sup>5</sup> The other three countries have all seen a reduction in research funding: in England of 1.94%, in Wales of 5.10% and in Northern Ireland of 6%. However, the most significant declines of any group of institutions are those suffered by universities with the most socially inclusive profiles - a reduction of almost 17% between 2009/10 and 2012/12.<sup>6</sup>
24. In addition, in 2012-13, of the total recurrent research allocated to UK universities (£1.9bn), 25% went to five universities, 50% to twelve universities and 75% to 31 universities. The remaining 130 universities shared 25% of recurrent research funding.<sup>7</sup>
25. million+ believes that there would be considerable merits in the Commission undertaking further research to assess the implications of the current research funding regime upon the unit of resource in institutions and the implications of the latter for students from more disadvantaged backgrounds.

#### Changes to Disabled Students' Allowances

26. BIS is currently drafting regulations and guidance to explain the changes to DSA. The regulations will be part of the Student Support Regulations laid down annually. The changes take effect for students applying for DSA from the start of the 2015/16 academic year. Continuing students already in receipt of DSA will not be affected, but students currently at university, or starting in 2014/15, who do not apply for DSA until the 2015/16 AY will be subject to the new rules.
27. The broad thrust of the changes involve restricting DSA to pay for IT equipment that is higher than standard specifications with institutions expected to make reasonable adjustments for a larger number of students who would previously have been covered by DSA. BIS anticipate fewer students receiving DSA to access support in Bands 1 and 2 non-medical help, but it does not currently envisage taking a blanket exclusion approach to this. There are concerns that the changes to the funding to support disabled students will hit modern universities hardest and harm their ability to support these students in accessing higher education.

#### **How much of an issue are declining numbers of part-time students an issue for social mobility? What can the Government and universities do to address this decline?**

28. The HEFCE report published at the end of April 2014<sup>8</sup> showed a drop of almost 50% in part-time study since 2010-11. Part-time study appears to be the area most damaged by the introduction of the 2012 fee regime. What is concerning is that most of the decline is occurring in

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<sup>5</sup> Though its increase of 2.94% it is still less than the increase in total funding received by Russell Group universities

<sup>6</sup> In RAE 2008, research intensive universities were assessed as having 62% of research at 3\* or 4\* level, but by 2012/13, they were in receipt of 68% of the funding council recurrent research and 71% of the total amount of funding available from the funding councils and research councils combined. In contrast, modern universities were assessed as having 9% of research at 3% and 4\* but only received 0.07% of funding council recurrent research in 2012/12, and 5% of the total funding council and research council allocations.

<sup>7</sup> million+ analysis of HESA Finances 2012-13

<sup>8</sup> 'Pressure from all sides' <http://www.hefce.ac.uk/pubs/year/2014/201408d/name,87100,en.html>

undergraduate study that is short of a full first degree – HNC, HND and foundation degrees. These qualifications, as well as being valuable to students in their own right and strongly focused on employer needs, are also key routes to progressing to further higher education study. The decline in the numbers of students studying these qualifications should concern the government and other stakeholders who wish to see access and participation widened to encompass all students who can benefit.

29. Part-time fee loans were introduced via the 2011 Education Act but the Government ignored the opportunity to introduce a more flexible loan and funding system. As a result, different criteria and repayment systems are still applied to part-time students making it more challenging and complex to switch mode. For their part universities are restricted to charging at the highest fee cap per annum even though they may wish to offer a 3 year course in 2 years. This means that the maximum that they can recoup in fee income for a two year course is £18,000 rather than £27,000 for the same course taught over three years.

### **Recommendations**

- i. million+ supports support the use of contextual data in admissions and the emphasis on raising attainment rather than fee waivers and bursaries.

In addition we recommend that the Commission should:

- ii. draw attention to and support the work which is being undertaken to address the differentials in higher education attainment of BME students;
- iii. support the retention and expansion of the Student Opportunity Allocation in England;
- iv. recommend that some of the proceeds from the sale of the student loan book should be allocated to provide funding to universities for 50,000 additional postgraduate places over a 5-year period. Two-thirds of these should be allocated to part-time postgraduate study that is linked with profession, industry or public-service based programmes;
- v. monitor the outcomes of the reduction in public investment in the Disabled Students Allowance;
- vi. undertake further research to assess the impact of the research funding regime upon the student unit of resource and the implications of the latter for students from more disadvantaged backgrounds across the sector.

### **Conclusions**

Widening participation and increasing access to higher education is critical to social mobility. A degree provides an individual with higher earnings potential and a greater range of social capital that will bring them significant benefits over their lifetime. Too often the debate in this area is focused on increasing access of young people to a small number of higher education institutions. This is a limited and limiting view of widening participation, and fails to take into account the needs of students of all ages and backgrounds. It also risks ignoring the significant successes in widening participation and increasing access to higher education that have happened due to the efforts of modern universities. Government policies on increasing access must take into account this broader context, rather than simply looking at recruitment by a small number of highly selective institutions.

**ANNEX 1**

**Top and bottom 25 institutions recruiting students from ‘non-traditional backgrounds’ in 2012-13**

Table 1: NS-SEC4-7

	<b>Top 25 recruiters by NS-SEC4-7</b>	<b>% from NS-SEC classes 4,5,6 &amp; 7</b>	<b>Bottom 25 recruiters by NS-SEC4-7</b>	<b>% from NS-SEC classes 4,5,6 &amp; 7</b>
1	The University of Greenwich	<b>54.4</b>	The Royal Veterinary College	<b>23.2</b>
2	The University of Wolverhampton	<b>53.2</b>	The University of Sussex	<b>23.0</b>
3	Newman University	<b>52.1</b>	Loughborough University	<b>22.9</b>
4	The University of East London	<b>51.9</b>	The University of Southampton	<b>22.4</b>
5	University College Birmingham	<b>51.5</b>	The University of Birmingham	<b>22.4</b>
6	The University of Bradford	<b>51.3</b>	The University of York	<b>20.7</b>
7	London Metropolitan University	<b>51.2</b>	The University of Leeds	<b>20.2</b>
8	Middlesex University	<b>50.6</b>	University College London	<b>20.2</b>
9	The University of Westminster	<b>49.3</b>	Heythrop College	<b>20.0</b>
10	The University of Bolton	<b>48.7</b>	The University of Sheffield	<b>20.0</b>
11	London South Bank University	<b>47.5</b>	London School of Economics and Political Science	<b>20.0</b>
12	Teesside University	<b>46.9</b>	The University of Warwick	<b>19.5</b>
13	The University of Huddersfield	<b>46.5</b>	The University of Newcastle-upon-Tyne	<b>19.2</b>
14	Harper Adams University	<b>46.3</b>	The University of Nottingham	<b>19.1</b>
15	University of Bedfordshire	<b>45.7</b>	Royal Academy of Music	<b>18.9</b>
16	Birmingham City University	<b>45.7</b>	Royal Northern College of Music	<b>18.8</b>
17	Birkbeck College	<b>44.9</b>	Imperial College of Science, Technology and Medicine	<b>18.4</b>
18	Oxford Brookes University	<b>44.9</b>	Royal College of Music	<b>18.2</b>

19	University Campus Suffolk	<b>44.2</b>	The University of Bath	<b>16.8</b>
20	University of Derby	<b>44.2</b>	The University of Exeter	<b>15.8</b>
21	Leeds Trinity University	<b>43.9</b>	The University of Bristol	<b>14.3</b>
22	The University of Sunderland	<b>43.9</b>	University of Durham	<b>12.5</b>
23	Staffordshire University	<b>43.7</b>	The University of Cambridge	<b>11.7</b>
24	The University of Central Lancashire	<b>43.0</b>	The University of Oxford	<b>9.6</b>
25	The University of Salford	<b>42.9</b>	Courtauld Institute of Art	<b>5.9</b>

Table 2: POLAR

	<b>Top 25 recruiters by POLAR</b>	<b>% from low participation neighbourhoods</b>	<b>Bottom 25 recruiters by POLAR</b>	<b>% from low participation neighbourhoods</b>
1	The University of Sunderland	<b>27.9</b>	The University of Bath	<b>5.2</b>
2	University Campus Suffolk	<b>27.6</b>	The University of Sussex	<b>5.1</b>
3	Teesside University	<b>26.2</b>	Royal College of Music	<b>5.1</b>
4	Leeds Trinity University	<b>22.8</b>	University of Durham	<b>5.1</b>
5	The University of Bolton	<b>22.4</b>	The University of Westminster	<b>5.0</b>
6	Newman University(#2)	<b>22.0</b>	Brunel University	<b>5.0</b>
7	Staffordshire University	<b>21.8</b>	The University of Warwick	<b>5.0</b>
8	The University of Salford	<b>21.8</b>	Roehampton University	<b>4.9</b>
9	Liverpool Hope University	<b>21.8</b>	The University of Exeter	<b>4.7</b>
10	Edge Hill University	<b>21.8</b>	Imperial College of Science, Technology and Medicine	<b>4.2</b>
11	Bishop Grosseteste University	<b>21.6</b>	Queen Mary University of London	<b>4.1</b>
12	University of Derby	<b>19.5</b>	King's College London	<b>4.0</b>
13	The University of Wolverhampton	<b>19.3</b>	Guildhall School of Music and Drama	<b>3.9</b>
14	The University of Central Lancashire	<b>19.1</b>	Birkbeck College	<b>3.9</b>
15	Liverpool John Moores University	<b>18.8</b>	Royal Agricultural University	<b>3.8</b>
16	The University of Lincoln	<b>18.7</b>	The University of Cambridge	<b>3.6</b>
17	The University of Hull	<b>18.4</b>	University College London	<b>3.5</b>
18	Norwich University of the Arts	<b>18.3</b>	London School of Economics and Political Science	<b>3.4</b>

19	The University of Huddersfield	<b>17.6</b>	The University of Bristol	<b>3.3</b>
20	Sheffield Hallam University	<b>17.2</b>	The University of Oxford	<b>3.2</b>
21	University of Cumbria	<b>17.1</b>	The City University	<b>3.0</b>
22	University of St Mark and St John	<b>16.7</b>	The School of Oriental and African Studies	<b>2.8</b>
23	York St John University	<b>16.7</b>	Harper Adams University	<b>2.4</b>
24	The Manchester Metropolitan University	<b>16.2</b>	Royal Northern College of Music	<b>2.2</b>
25	University of Chester	<b>15.2</b>	Courtauld Institute of Art	<b>0.0</b>