

The impact of the TEF, changes to degree awarding powers and university title in a marketised HE landscape

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The impact of the TEF, changes to Degree Awarding Powers and University Title in a marketised HE landscape

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A TALE OF HEROIC ASSUMPTIONS IN TWO ACTS

ACT 1: THE PROBLEM OF STUDENTS
GOING TO THE *WRONG* UNIVERSITIES

ACT 2: THE WRONG UNIVERSITIES
FAILING THE STUDENTS

Context: Green Paper and the market

- TEF and differentiation by price
- Supply and demand - new entry and exit mechanisms
- Degree Awarding Powers
- University Title
- The 'failing university'
- consultation closed 15th January 2016...
rumours of a HE White Paper before June

Differentiation and competition

Marketisation of HE systems is based on institutional differentiation

Differentiation can appear in indicators of value, quality and prestige (vertical differentiation)

or

In different *types* of HE: by discipline; by learning mode; by relevance to labour markets (horizontal differentiation)

Vertical differentiation: 'better than' way of seeing sector

- from Oxbridge at the top to the 'bog standard ex-Poly' and FE college at the base
- League tables show how institutions compare on a linear scale
 - entry requirements
 - staff-student ratios
 - proportion achieving good degrees
 - income from research
 - no. of post-grad students
 - TEF scores? price??

Horizontal differentiation: 'different to' way of seeing and valuing the sector

Higher education	
Learning type	academic ---distance--vocational---- work based learning
inst. type	university ----- specialist institution -----polytechnic
social aim	social mobility ----- ---widen participation for all underrepresented groups
policy aim	fair access ----- system diversity
workforce	philosophers --- lawyers -----engineers----- nurses--??

Horizontal differentiation encouraged in policy

A diverse HE service should be able to provide choices of curriculum offer; choices as to the mode, pace and place of delivery; choices regarding the physical and intellectual environment available; and choices between a range of different institutional forms and missions.

(HEFCE: 2000, para 14).

Context of English access policy

Policy shift since 2000

- steadily more pro-competition policy 2003 HE Act; Browne Review 2009; 2011 White Paper
- Overtly marketised - attempts to create a price differential
 - AAB+
 - expansion of New Alternative Providers
 - lifting the cap 2015-16
 - Green Paper

Overt marketisation

- League tables emerge mid-2000s
- Browne review of student finance (2009)
- Conservative/Liberal Democrat coalition (2010-15) - fee increase
- 2011 White Paper 'students at the heart of the system'
 - variable fee market
 - driven by student choice based on information
 - best institutions can expand numbers of higher qualified students
 - weaker institutions would have to lower fees to maintain numbers

Act 1: THE PROBLEM OF STUDENTS GOING TO THE *WRONG* UNIVERSITIES

Students at the Heart of the System (BIS 2011)

Key information sets = informed choice

redistribution of 'brightest students' to 'best institutions'

market levers - AAB+ equivalents - expanded outside the SNC but within the overall capped numbers

the other margin - 'competing on price and quality'
- also outside the SNC

Discourses of division: the 2011 White Paper

... “We will move away from the tight number controls that constrain individual higher education institutions, so that there is a more dynamic sector in which **popular institutions** can grow. We propose to allow unrestrained recruitment of **high achieving students**, scoring the equivalent of AAB or above at A-Level. Core allocations for all institutions will be adjusted to remove these students. Institutions will then be free to recruit **as many of these students as wish to come**.

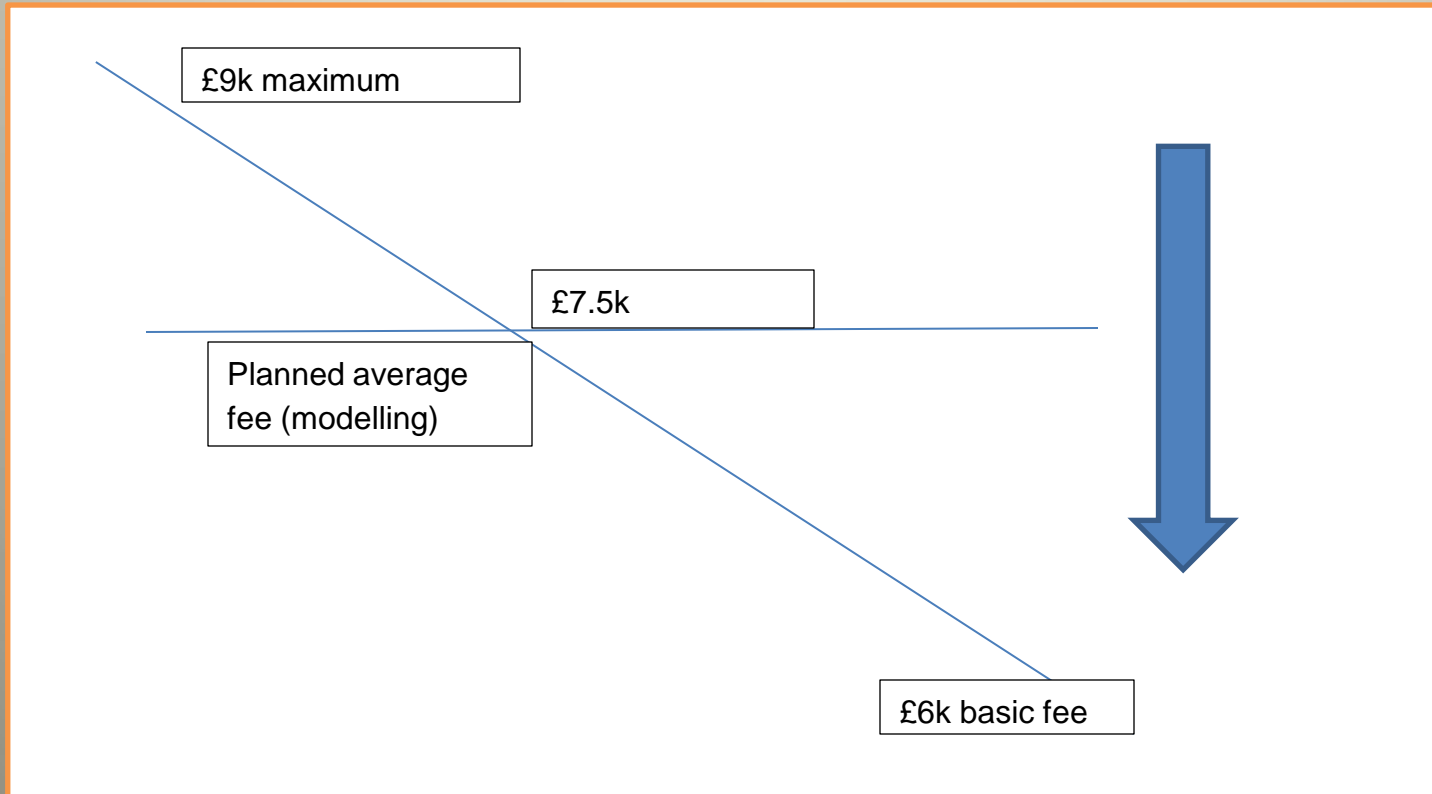
..... This should **allow greater competition for places on the more selective courses** and create the opportunity for more students to go to their first choice institution if that university wishes to take them”.

“The second element is the creation of a flexible margin of about 20,000 places in 2012/13 to support expansion by providers who combine **good quality with value for money** and whose average charge (after waivers have been taken into account) is at or below £7,500.” (BIS 2011: paras 4.18; 4.19; 4.20)

AAB+ and the 'heroic' assumptions

- The 'most popular' institutions would expand by enrolling more students with higher grades
- Applicants would read the market signals (KIS) and make better informed choices
- Other HEIs would have to reduce tuition fees to compensate for lost AAB+ students

How the fee market was supposed to work



So what actually happened?

The 'most popular' universities didn't expand their high grades numbers

No reported shift of AABs from post92s to pre92s

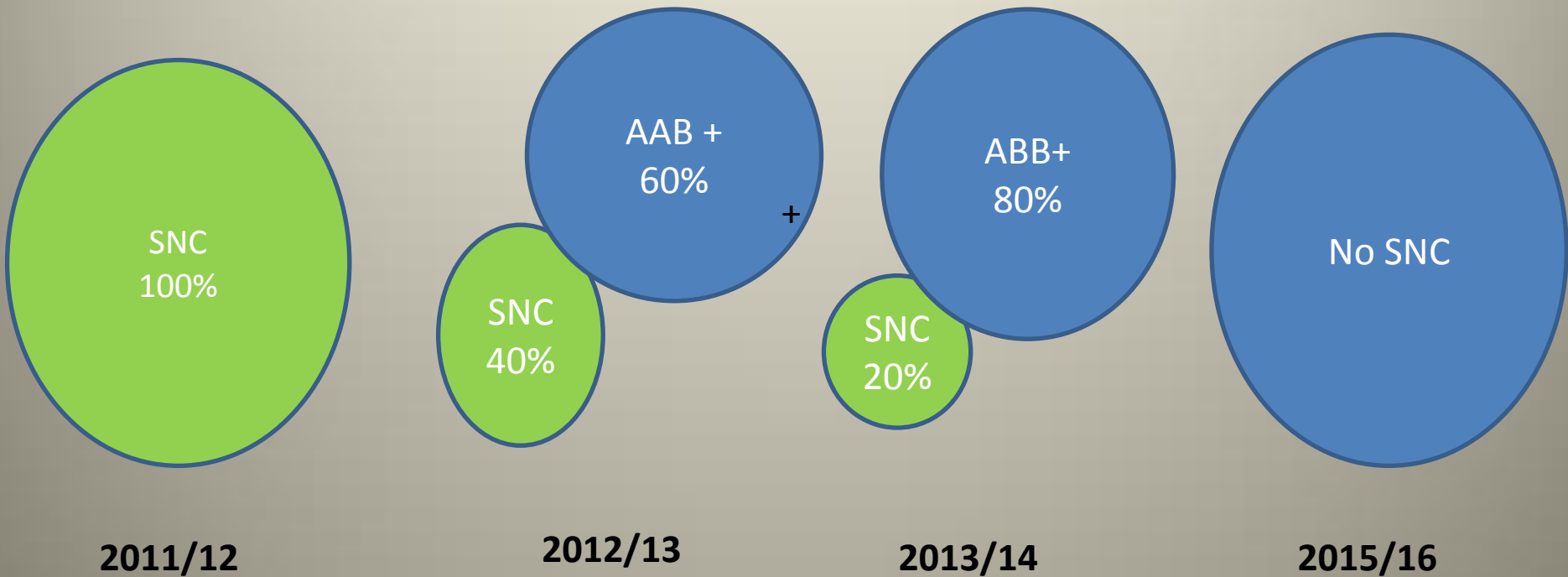
BTEC demand remained high in post-92s

Issue created for pre-1992s

Any expansion of 'high grades' students would shrink the core SNC, in some cases to 20% of overall (capped) places (ABB+ from 2013/14)

(Taylor & McCaig report for HEA, 2014; McCaig & Taylor *Strange Death of Number Controls*, Studies in HE, 2015)

The squeezed core SNC: What has this meant at a 'typical' Pre92 institution?



The great non-migration

- Most 'high grades' students are in STEM and medicine (mostly offered by pre-92s)
- 22 HEIs with > 50% AAB+*
- 17 were Russell Group, 5 Specialist Institutions*
- Most AABs in post-92 sector were BTEC
- Few 'selective' HEIs accept BTECs

(*HEFCE 2011 modelling of AABs)

Unintended consequences of misreading the market

- Subject breadth was threatened among some of most selective HEIs as AAB became ABB
- ... especially courses that are in high demand from traditional applicants whose choice is supposedly sovereign
- e.g. humanities, social sciences, MFL, arts
- Led to centralised admissions systems clawing back numbers

Impact on post-1992s: risk averse behaviours

- raising of entry requirements
- dropping of lower entry, sub-degree and part-time courses
- survey reported they expected age profile to lower and negative effect on social diversity
- emphasis on employability
- 90 institutions chasing a place in the 'Top 50'

ACT 2: THE WRONG UNIVERSITIES *FAILING* THE STUDENTS

- The Green Paper = marketisation v.2
- TEF - using teaching quality to open up price differential
- UT, DAP, failure and exit - using market entry to open up price differential
- New providers = increase the supply, meet and exceed the demand = price should fall
- Loan outlay and thus public expenditure exposure reduced

Is there are a quality problem?

- "BIS are trying to **solve real problems of quality and regulation**. But it is not clear they have figured out how and there is a risk that the bodies and rules they will establish in legislation will **not solve teaching quality**".

Briefing memo seen carried into No.10 Downing Street (April 2016)

Opening the sector to new providers

Widening the range of high quality higher education providers stimulates competition and innovation, increases choice for students, and can help to deliver better value for money. **Our aspiration is to remove all unnecessary barriers to entry into higher education**, and move from parallel systems to a level playing field, with a clearer choice for students...

Higher education in England rightly has an excellent global reputation, and we **must ensure that reputation is maintained**. (BIS 2015, p.42)

Provider exit

Recent reforms to higher education policy are changing the shape of the sector. Prior to 2010, fluctuation in the sector was limited, the sector was very stable, and so the **need for a provider to exit has historically been very low**. But the 2011 reforms created a much more open sector, and allowed significant numbers of alternative providers to expand their student cohort and compete directly with other providers for the first time.

In a changing and more competitive sector, providers that innovate and present a more **compelling value proposition** to students will be able to increase their share of total students – in some cases this may be **at the expense of** other institutions.

Continuing to support providers that are struggling is undesirable for various reasons. Difficulty attracting students or poor quality provision would not be in the long term interest of students, and could **damage the reputation of the sector**. Removing provision **may indeed** lead to it being replaced by **higher quality** provision.

..... However, there may be limited circumstances where it might make sense to support an institution on a temporary basis, for example in a location where there are no other higher education providers in the area, **and to give time** for an orderly exit.
(BIS 2015, pp.54-55)

Student protection...?

The outcomes Government will want to see are that students and the reputation of the sector are protected as well as **minimising any impact on public finances**. This student protection should primarily be focused on academic continuity but failing that could be financial (i.e. recompense which protects the student from complete financial loss, which may include tuition fees, maintenance etc.). In designing student protection, we would seek to ensure that the regime does **not create unnecessary barriers to exit**.

The contingency arrangements would be expected to apply in any type of course closure or exit, and should cover the following:

- Continuity of provision for the student – offer the student an alternative course or support them in organising an alternative course at another provider – which the student accepts. [e.g. through] collaborative or bilateral agreements with other institutions or awarding body

if a student does not accept a new place, then the provider **must give the student a rebate for the (unspent prepaid tuition fees)** with recompense being made in the same way it was paid (direct to student if directly paid or to SLC if it was a loan). **Any such requirement would need to be carefully designed so as not to create a barrier to new entrants.** (BIS 2015, p.55)

Implications

- Low cost provision - more competition - zero sum?
- Access for underrepresented groups - will they accumulate at 'the bottom' of distribution?
- Transfer for students' whose institution has 'failed' - Credit Accumulation and Transfer back on the agenda?
- Staffing? insecurity, casualisation, risk-averse provision and pedagogy

Reading

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