

# Yorkshire Universities' Response to the Department for Education Consultation on Higher Education Reforms

May 2022

## About Yorkshire Universities

Yorkshire Universities (YU) represents eleven universities and one specialist higher education institution (HEI). The members of Yorkshire Universities are: Leeds Arts University; Leeds Conservatoire; Leeds Beckett University; Leeds Trinity University; Sheffield Hallam University; University of Bradford; University of Huddersfield; University of Hull; University of Leeds; University of Sheffield; University of York; and York St John University. The vice-chancellors and principals of these institutions form YU's Board of Directors.<sup>1</sup>

YU provides a collective regional voice for our diverse group of member HEIs. Our mission is centred around employing a place-based approach driven by regional collaboration. In line with our current strategy,<sup>2</sup> we are responding to the consultation through the lens of the place agenda, particularly highlighting the importance of the proposed changes to Yorkshire's labour markets, economy and society. Our response also covers the potential effects on collaboration, both between HEIs and with other stakeholders, building on our experience and knowledge of facilitating and leading partnerships.<sup>3</sup> This approach is designed to complement and add value to the responses of individual YU members, and so specifically does not aim to replicate their understanding of the varying practical implications for HEIs, but instead focuses on areas that are core to our work: place and collaboration.

## Student number controls

On the proposal to introduce student number controls to prevent the growth of 'low-quality courses', as assessed by outcomes, there could be a range of potential impacts based on what measurements are used to manage numbers. Using outcomes that are based on employment – and specifically earnings – would, as the Office for Students (OfS) has illustrated,<sup>4</sup> have geographic implications. If restricted at an individual provider level, it could disproportionately impact providers in geographies with lower earnings, including Yorkshire,<sup>5</sup> or students that are more likely to pursue creative portfolio careers. Focusing on the suggested categories of outcomes measures also does not fully account for what students themselves perceive as successful outcomes and includes no measures relating to the quality of the course or teaching, or the broader benefits of the course. It is important to consider, and emphasise, graduates own priorities for success, including the fact that many graduates are increasingly prioritising a broad range of factors relating to their work-life balance and wellbeing.<sup>6</sup> It is also important to consider the context that those who prioritise

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<sup>1</sup> YU. (2022). [Members and governance](#).

<sup>2</sup> YU. (2019). [YU Strategy 2019-22](#). Yorkshire Universities: Leeds.

<sup>3</sup> See, for example: YHC & YU. (2021). [Yorkshire and Humber Councils Memorandum of Understanding with Yorkshire Universities](#).

<sup>4</sup> OfS. (2021). [A geography of employment and earnings: Autumn 2021](#). Office for Students: London.

<sup>5</sup> OfS. (2021). [A geography of employment and earnings: Autumn 2021](#). Office for Students: London.

<sup>6</sup> UPP Foundation & Bridge Group. (2021). [Staying local: understanding the value of graduate retention for social equality](#)

staying in their local area, or have caring responsibilities, may have their opportunities limited by the inequalities that are currently entrenched within the UK economy and society.<sup>7</sup> Therefore, it is important that providers who support students who wish to stay in local areas with weaker labour markets are not penalised and are instead supported, within this broader context, to help their students realise their full potential and achieve their aspirations.

The success of the UK's research capabilities is testimony to the breadth and depth of the UK Higher Education (HE) system and depends on having a strong pipeline of talent across all subjects.<sup>8</sup> It is important to take into account the broader benefits from the wide range of choice in the UK HE system and the value of subjects that may not perform as well against the suggested outcomes metrics, but nevertheless contribute to UK economy and society. For example, creative HE courses are essential for supporting the UK's vibrant and world-class creative industries, which will play a central role in levelling up. Creative courses are also important in developing increased innovation overall,<sup>9</sup> and supporting other sectors, including tourism and tech.<sup>10</sup> The wider value of a highly educated graduate workforce is also revealed in the fact that graduates, irrespective of earnings, make fewer demands on health and social welfare systems.<sup>11</sup>

These proposals also have a strong overlap with the OfS B3 condition, which could increase duplication and added bureaucracy, because it is unclear why there would be a need for further intervention if this is already regulated by OfS.<sup>12</sup> There is already a growing regulatory burden, which is in direct opposition to the expectation that universities should generate efficiencies in the context of fee freezes and rising costs.<sup>13</sup>

This form of proposed regulation should also be considered in its wider context. UK dropout rates are low by international standards and have reduced over time. Universities in Yorkshire invest heavily in supporting students to progress and complete their studies. However, dropout rates should not always be simplistically defined as a failure, as there are valid reasons why students may cease studies. Participation in HE, even if partial, still creates benefits, and it is important not to lose sight of the learning gained and the distanced travelled. This should align with the principles of the proposed Lifelong Loan Entitlement (LLE) in opening up more flexible options to participate in HE at different stages, through a variety of routes and exit points.<sup>14</sup> We have prepared a separate response to the current LLE consultation.

### **Minimum eligibility requirements (MERs)**

Adoption of MERs could have significant implications on students from Yorkshire's most disadvantaged communities.

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<sup>7</sup> LUHC. (2022). [Levelling Up the United Kingdom](#), Department for Levelling Up, Housing and Communities: London.

<sup>8</sup> Vignoles, A. (2022). [Shrinking UK universities to boost vocational skills is short-sighted](#). The Financial Times

<sup>9</sup> Muller, K., Rammer, C. and Truby, J. (2009) 'The role of creative industries in industrial innovation', *Innovation: Organization and Management*, 11(2): <https://www.tandfonline.com/doi/abs/10.5172/impp.11.2.148>

<sup>10</sup> Northumbria University. (2022). [The Case for Culture: What Northern Culture Needs to Rebuild, Rebalance and Recover](#). Northern Culture APPG Levelling-up Inquiry: The Case for Culture.

<sup>11</sup> Husbands, C. (2022) [The UK government's Augar response locks in deep generational inequality](#), Times Higher: 25 February 2022.

<sup>12</sup> Jarvis, A. (2022). [New rules: Unpacking the post-Augar political & funding settlement for universities](#). [Online meeting]. 8 March 2022.

<sup>13</sup> Jarvis, A. (2022). [New rules: Unpacking the post-Augar political & funding settlement for universities](#). [Online meeting]. 8 March 2022.

<sup>14</sup> WonkHE. (2022). [New rules: Unpacking the post-Augar political & funding settlement for universities](#). [Online meeting]. 8 March 2022.

Social and spatial inequalities in educational attainment start at an early age, and there is a growing gap in GCSE and A level results between Yorkshire and London and the South East, which has worsened since the start of the pandemic.<sup>15</sup> The gap between the proportion of top grades awarded in Yorkshire compared to London has grown from 7.9 percentage points difference in 2019 to 10.1 in 2021 for GCSE grades 7 or A and above, and from a gap of 3.7 percentage points in 2019 to 8.8 in 2021 for A level grades at A and A\*.<sup>16</sup> Conversely, there are no gaps in results between regions for technical qualifications.<sup>17</sup> The impact of regional inequalities in secondary education could be further entrenched should minimum entry requirements to HE, which focus on specific GCSE and A level results, be introduced. Limiting participation in HE, especially based on school grades, could undermine the levelling up agenda as it will have the greatest impact on young people in areas with the lowest levels of educational attainment, access to HE and graduate employment.<sup>18</sup>

Analysis reveals that cities in Yorkshire, such as Bradford and Hull, could be amongst the places most impacted by the changes, suggesting that up to 62% and 58% respectively of disadvantaged children, including those eligible for free school meals, looked after or adopted from care, could be cut off from financial support.<sup>19</sup> The analysis also showed that, on a national level, Gypsy, Roma and Traveller children would be disproportionately impacted as 77-86% would not meet the proposed threshold.<sup>20</sup> Children from a Black Caribbean background were also found to be disproportionately likely to be excluded on a national level (20-52%).<sup>21</sup>

Philip Augar has identified potential negative impacts of enacting this proposal without taking into context the full package of measures suggested.<sup>22</sup> If there is a reform of level 4 and 5 to offer alternatives and the possibility to build up towards a degree, then there would still be opportunities for those not eligible for a degree, as there would be alternative routes. However, currently, there is still nothing similar on offer, due to Further Education (FE) not having parity with HE and LLE being in its early stages of development.<sup>23</sup> Bringing in MERs now would cut off access to HE before improving alternative routes and opportunities across both HE and FE.

Taking the approach of capping degrees could also work against strengthening other tertiary options, as they are more likely to be considered as routes for those with no options due to lower grades, and therefore be seen as less attractive, which would further entrench a two-tier system.<sup>24</sup> Instead, the government should prioritise ensuring a comprehensive tertiary offer by investing in FE and lifelong learning. Strengthening the availability of other attractive

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<sup>15</sup> Ofqual. (2021). [Infographics for GCSE results, 2021](#). and Ofqual. (2021). [Infographics for A level results, 2021](#).

<sup>16</sup> Ofqual. (2021). [Infographics for GCSE results, 2021](#). and Ofqual. (2021). [Infographics for A level results, 2021](#).

<sup>17</sup> Cuff, B. & Sully, K. (2021). [An analysis of grades awarded for VTQs in spring and summer 2021](#). Ofqual: Coventry.

<sup>18</sup> Millward, C. (2022). [Lift, don't limit](#). Research Professional.

<sup>19</sup> van der Merwe, B. (2022). [Exclusive: Majority of poorer pupils could be barred from university under loan rules](#). The New Statesman.

<sup>20</sup> van der Merwe, B. (2022). [Exclusive: Majority of poorer pupils could be barred from university under loan rules](#). The New Statesman.

<sup>21</sup> van der Merwe, B. (2022). [Exclusive: Majority of poorer pupils could be barred from university under loan rules](#). The New Statesman.

<sup>22</sup> Augar, P. (2022). [New rules: Unpacking the post-Augar political & funding settlement for universities](#). [Online meeting]. 8 March 2022.

<sup>23</sup> Augar, P. (2022). [New rules: Unpacking the post-Augar political & funding settlement for universities](#). [Online meeting]. 8 March 2022.

<sup>24</sup> Millward, C. (2022). [Lift, don't limit](#). Research Professional.

routes and supporting the provision of advice and guidance to prospective students to help them decide the best route would then reduce the need to cap HE.

There are also concerns from the FE sector that introducing MERs could impact HE provision from colleges providing employment focused HE to those who are less likely to access HE elsewhere, often due to their GCSE or A level grades.<sup>25</sup> This is a challenge to the creation of a more collaborative post-compulsory education system that encourages a broad range of routes and opportunities across providers, as is essential for the LLE.

There is a need for contextualised admissions processes that are able to take into account the wide range of background circumstances prospective students face and their potential, combined with the requirements of the course and the range of support available to students during their time in HE.<sup>26</sup> The range of exceptions that the government is considering would go some way to contextualise students' experiences and avoid locking students out of HE who have gone on to gain other qualifications or experience that would prepare them for employment. One such potential exception is accessing HE through other routes, such as foundation years, which would be essential for keeping routes to HE open and reducing negative impacts on widening participation. However, the security of foundation years as an alternative route into HE is less certain given the potential impacts of reduced fees. Furthermore, not all courses have entry criteria of Maths and English, but students may be encouraged to take a foundation course as a route to HE that would allow them access to loans, extending their period of studies and the debt they will build up that would not otherwise have been needed.<sup>27</sup> Despite the alternative routes, these requirements may also deter people who do not reach these qualification levels at school from considering HE as an option for them, working against access and participation work and the levelling up agenda.

### **Foundation years**

Bringing fees for foundation years in line with 'Access to HE' courses' fees could, in some cases, result in more than a 40% reduction in fee income for foundation courses, threatening course continuation and risking an established and effective route into HE for many mature students, and those who are less likely to access a degree directly, especially under the proposed MERs.

There is value in both Access to HE and foundation years, as they generally serve the needs of different people in different contexts and times in their life, with those on foundation courses more likely to have a level 3 qualification, such as A levels, and more likely to be aged 20 or younger.<sup>28</sup> There is a need for both types of courses to be supported with the necessary resources to facilitate a diverse range of routes into HE and as part of broader efforts to make a more collaborative and connected tertiary education system. Both HE and FE should be supported and funded to thrive in their unique but overlapping roles, which are both essential for the UK skills system, economy, and society.

The Department for Education (DfE) has commissioned research into the costs (but not value) of foundation years, but it is unclear how and if this will be taken into consideration for

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<sup>25</sup> Hughes, D. (2022). [Higher Education Reforms - College Sector response](#). Association of Colleges.

<sup>26</sup> WonkHE. (2022). [New rules: Unpacking the post-Augar political & funding settlement for universities](#). [Online meeting]. 8 March 2022.

<sup>27</sup> Todd, M. (2022). [Will Augar Review Proposals Threaten Leeds Trinity's Mission to Open Up Higher Education to All?](#) Leeds Trinity University.

<sup>28</sup> OfS. (2019). [Preparing for degree study Analysis of Access to Higher Education Diplomas and integrated foundation year courses](#).

fee changes.<sup>29</sup> The Foundation Year Network has offered to help gather information so that evidence-based decisions can be made that fully considers the potential consequences of changes.<sup>30</sup>

There are many high-quality foundation courses that are committed to providing value for money through high quality provision that is committed to equipping people from disadvantaged backgrounds to succeed at university and beyond, and this fee cut will hit those courses the hardest. High-quality foundation years cost as much and frequently more than first year provision at the same institution, as the contact hours are the same or more, teaching staff are equally qualified, and there is often extra pastoral and academic support provided.<sup>31</sup> Cutting the fees for foundation years will be detrimental to quality as it will be much more difficult for these high-quality courses that are dedicated to providing tailored support to absorb the cuts. If the government is worried that there may be 'poor quality' courses that are focused on increasing recruitment through cheaply delivered courses, this policy will not prevent such courses, as they would be able to absorb the cuts to fees more easily and continue.<sup>32</sup> Furthermore, if 'poor quality' courses do not already exist, this policy could have the unintended consequence of creating them, or increasing their prevalence, as quality is likely to be negatively impacted as universities are forced to cut costs.<sup>33</sup>

Disadvantaged students should not have to pay to mitigate their own disadvantage, but this is a question about the broader system and not of the foundation year fee level.<sup>34</sup> We should be careful not to undermine the resources for an effective pathway into HE, which sees 79% of students progressing to a degree programme within four years.<sup>35</sup> Taken on its own, students having to take on less debt to access HE would be a good thing that could encourage more disadvantaged students to consider this option, but in this system the proposal to cut fees cannot be isolated from the reduced unit of resource and the knock on impact on quality.

### **National scholarship scheme**

Whilst we welcome plans for a new scheme to support disadvantaged students, we are concerned that the £75m allocated to this scheme falls short of what is needed. The government has promised 'up to' £75million over the spending review period (until 2024/25),<sup>36</sup> and initial analysis, before the time period was clarified, suggests that even if this were an annual figure it is likely to only support a small number of students, and would be less than the government spent on the last national scholarship programme in 2013.<sup>37</sup>

This should also be considered in the context that the recommendations made in the Augar Review on making the maintenance system fairer have not yet been addressed. The large potential positive impact of a return to grants for the most disadvantaged has often been

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<sup>29</sup> Hale, S. (2022). [Fees cut will undermine the foundations of opportunity](#). WonkHE.

<sup>30</sup> Foundation Year Network. (2019). [FYN letter to Office for Students regarding Augar review](#).

<sup>31</sup> Hale, S. (2022). [Fees cut will undermine the foundations of opportunity](#). WonkHE.

<sup>32</sup> Hale, S. (2022). [Fees cut will undermine the foundations of opportunity](#). WonkHE.

<sup>33</sup> Hale, S. (2022). [Fees cut will undermine the foundations of opportunity](#). WonkHE.

<sup>34</sup> Hale, S. (2022). [Fees cut will undermine the foundations of opportunity](#). WonkHE.

<sup>35</sup> OfS. (2019). [Preparing for degree study Analysis of Access to Higher Education Diplomas and integrated foundation year courses](#).

<sup>36</sup> Spinali, A. (2022). [Financial sustainability of the higher education sector in England](#). Public Accounts Committee Meeting. 21<sup>st</sup> March 2022.

<sup>37</sup> Dickinson, J. (2022). [There's a giant student-shaped hole in the government's Augar response](#). WonkHE..

highlighted.<sup>3839</sup> Meanwhile, students are also becoming worse off due to the freeze on the parental earnings threshold and increases to the maintenance loan that are well below inflation.<sup>40</sup>

The impact of falling real terms maintenance support will vary across Yorkshire, but it will be the most disadvantaged students who are in the worst position to deal with the rising costs of living, reinforcing the need for comprehensive support. As inflation impacts those on lower incomes more due to their basket of goods, it is estimated that inflation could reach 10% for students (compared to an estimate of 7.4% inflation of the Consumer Prices Index (CPI) for 2022),<sup>41</sup> while maintenance loans are due to increase only 3.2% in September in England.<sup>42</sup> Recent data published by the Bank of England has, in fact, forecast CPI in the UK to average over 10% by the end of 2022.<sup>43</sup> A 2021 survey found that overall across the UK term time income was still below 2019 levels while costs are rising and average monthly student rent increased 18.5% since 2020,<sup>44</sup> and 61% in the last decade.<sup>45</sup> Research by the National Union of Students (NUS) found that over half of students do not feel that their loans cover the cost of living and over three quarters are worried about managing financially.<sup>46</sup> Support for disadvantaged students must address the challenges and anxieties they are facing, particularly before issues arise in relation to student mental health and wellbeing.

It is also important to consider this within the context of the broader work on levelling up and widening access and participation to ensure that there is a coordinated approach. For example, the four Uni Connect partnerships in Yorkshire bring together a wide range of educational providers, schools, colleges, local authorities, and employers around the aim of reducing gaps in HE participation. They work towards this aim by equipping people from groups that are underrepresented within HE with information about the full range of routes through education and employment, allowing them to make informed choices. Since 2017, in Yorkshire, UniConnect has supported over 179 schools delivering targeted support to just under 80,000 young people, and nationally HE participation rates have been 11 percentage points higher among students from underrepresented groups who have participated in Uni Connect. We are, therefore, concerned at the implications of further potential reduced programme budgets for Uni Connect and what this means for learners and the support they receive from skilled staff and experts in this field.

## **Level 4 and 5 courses**

Encouraging the expansion of level 4 and 5 provision, including Higher Technical Qualifications (HTQ), in a flexible way to suit the needs of different types of learners and employers could support the development a LLE system that better meets the needs of a broader range of learners, and relates more closely to local skills needs. DfE have identified a gap in these qualifications, as only 10% of adults in the England have their highest qualification at Level 4 or 5 compared to 20% in Germany and 34% Canada.<sup>47</sup> Encouraging

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<sup>38</sup> Dickinson, J. (2022). [There's a giant student-shaped hole in the government's Augar response](#). WonkHE.

<sup>39</sup> Skidmore, C. (2022). [Tread carefully](#). Research Professional.

<sup>40</sup> Dickinson, J. (2022). [The living standards rollercoaster is much worse for students](#). WonkHE.

<sup>41</sup> Office for Budget Responsibility. (2022). [Overview of the March 2022 Economic and fiscal outlook](#).

<sup>42</sup> Dickinson, J. (2022). [Low-income students will be hardest hit by the stealth that underpins the spring statement](#). WonkHE.

<sup>43</sup> BoE (2022) [Monetary Policy Summary and Minutes of the MPC Meeting, 5 May](#). Bank of England: London.

<sup>44</sup> NatWest. (2021). [Student Living Index 2021](#).

<sup>45</sup> NUS. (2022). [NUS research exposes cost-of-living crisis for students](#).

<sup>46</sup> NUS. (2022). [NUS research exposes cost-of-living crisis for students](#).

<sup>47</sup> DfE. (2019). [Higher technical education: the current system and the case for change](#).

opportunities at these levels could help to fill skills gaps locally and nationally, as part of addressing the human capital dimension of levelling up.

It will be important that increased level 4 and 5 provision can support a range of learners with different needs, including those who want to use this level of education to build on recent level 3 qualifications, those who are returning to education to upskill, those looking for routes into a degree, and those looking for alternatives to degree qualification.<sup>48</sup> Employer engagement to shape HTQs must ensure broad engagement from a range of businesses with representation from all sizes of businesses.<sup>49</sup> This is important for Yorkshire as, in March 2020, microbusinesses accounted for 88.3% of the total number of businesses and 17.3% of employment in the region and SMEs accounted for 11.2% of businesses and 28.5% of employment.<sup>50</sup>

There is also a need for a holistic view that considers how expanding and encouraging alternative routes to a traditional degree could impact universities' performance against ongoing expectations to attract and support more disadvantaged young students.<sup>51</sup> It will be important to develop an environment that encourages collaboration over competition between different education pathways to ensure that the learners' best interests always remain central. As with all elements of the reforms that contribute towards the development of the LLE system, it will be important to build on existing partnerships between HE and FE, such as Institutes of Technology, as well as exploring new ways to support collaboration towards local skills development.

FE and HE should be seen as an interconnected system. The UK needs more workers with more advanced technical skills, and also needs to draw upon and utilise the wide benefits of the HE sector, especially as demand for graduates is forecast to grow.<sup>52</sup> FE and HE are both essential for a high-skilled economy underpinned by world leading research and innovation.<sup>53</sup> It is important to take into consideration all of the benefits of universities for students, skills, society, research, exports and trade, etc.<sup>54</sup>

It is important that the regulatory and funding environment encourages collaboration between HE and FE to enable the development of a more joint up tertiary system at a place-based level, with broader options for students that allows them to choose what is right for them. Supporting new and existing attractive alternatives to an undergraduate degree and increasing support for these routes will be a more effective way of encouraging diversity of the skills system rather than penalising those who wish to choose the currently most popular route, especially through measures that disproportionately impact the most disadvantaged (like minimum entry requirements) and so negatively impacting levelling up.<sup>55</sup>

Universities in Yorkshire are committed to collaboration within the HE sector, and with other partners including FE, employers and local, sub-regional and national government. Such

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<sup>48</sup> McVitty, D. (2022). [In the Augar response ministers are trying for a third way between capping opportunity or letting the HE market run amok](#). WonkHE.

<sup>49</sup> Walker, T. (2021). [Striking a Balance: Engaging Employers in the Skills System to Achieve Better Outcomes for Learners](#). Work Foundation. Lancaster University.

<sup>50</sup> Own calculations based on: ONS. (2021). [Analysis of enterprises in the UK by local authority district for employment size bands in the SME ranges 2020](#).

<sup>51</sup> AdvanceHE. (2022). [Department for Education Higher education policy statement and reform consultation \(Augar response\)](#).

<sup>52</sup> Ball, C. (2022) [Busting graduate job myths](#). Universities UK.

<sup>53</sup> Vignoles, A. (2022). [Shrinking UK universities to boost vocational skills is short-sighted](#). The Financial Times

<sup>54</sup> Vignoles, A. (2022). [Shrinking UK universities to boost vocational skills is short-sighted](#). The Financial Times

<sup>55</sup> Millward, C. (2022). [Lift, don't limit](#). Research Professional.

collaborations will be essential to ensuring the expansion and development of more flexible routes through education at all levels. It will be important that there are the resources available to sustain and create partnerships, that funding facilitates and encourages collaboration, and that regulation supports collaborative working by minimising additional burdens that could create disincentives.

## **Contact**

Dr Peter O'Brien  
Executive Director  
Yorkshire Universities  
[p.obrien@yorkshireuniversities.ac.uk](mailto:p.obrien@yorkshireuniversities.ac.uk)