

## **UCU Brief 2 - November 2007**

### **Withdrawal of public funding for teaching of HE students studying for equivalent or lower qualifications (ELQs)**

In September the Department for Innovation, Universities and Skills (DIUS) instructed the Higher Education Funding Council for England (HEFCE) to withdraw public funding for students registering for an HE qualification equal to or lower than one they already hold (so-called ELQs). Starting from 2008, the funding must be reduced by £100m by 2010/11. There was no prior consultation and no parliamentary debate in advance of this major change of policy. Instead, the HEFCE is consulting only over how the decision is to be implemented.

The Government claims that the removal of public funding will affect only 'second degree' students or 'serial degree chasers'. In fact, the decision affects a very wide range of students and universities in England, including many involved in short-courses, part-time, vocational and professional education and training.

Ministers have said that the £100 million will be redistributed to support government priorities, including the challenges posed by Sandy Leitch on increasing graduate level skills and the continuing need to widen access to higher education. However, the current ELQ proposals will have exactly the opposite effect to the government's stated aims. Modern labour markets require up-skilling *and* re-skilling, and ELQ students are the very ones re-training, updating professional skills and accessing the life-long learning which the Prime Minister and Lord Leitch espoused.

### **The impact of the withdrawal of funding for ELQs**

Currently, universities receive public funding for all UK and EU students following approved courses of study. Under the proposed changes, English universities would not receive funding for UK/EU students who are studying at a level equivalent to or below that of a qualification they hold already, even though other UK/EU students on the same course would continue to be funded.

### **Implications for part-time students and institutions**

Modelling by HEFCE and UCU suggests that part-time students and the institutions which teach them will be badly affected by the proposed cuts. For example, the Open University is set to lose over £31.6 million in teaching funding by 2014-15 and Birkbeck is set to lose £7.8 million over the same period. But this is not just an issue affecting these two special institutions. Universities like London Metropolitan, Wolverhampton and Sunderland - who

do wonderful work to support widening participation and employment engagement - will also experience significant reductions in public funding.<sup>1</sup>

### **Increase in fees for ELQ students**

ELQ students currently pay the same fees as other home students. Many study part-time and have family and work commitments. It is wrong to label them as 'free loaders'. When public funding is scrapped universities will have no option but to treat these students like international students (i.e. where full-time tuition fees start at £7000 per year). British residents with an overseas qualification awarded years ago but who haven't previously accessed UK higher education will also be charged the same fees as international students. The Government's suggestion that these students will all get funding from their employers to undertake their studies is not borne out by current statistics or evidence. Significant numbers of adults, therefore, will discontinue their lifelong learning because they cannot afford it. Their withdrawal will also make large tracts of university continuing education unviable, often in the research-led institutions that are criticised for not doing enough to widen participation.

*Does the government accept that home 'ELQ' students will be non-fundable and effectively have to be treated by universities in the same way as overseas students?*

*Has the government assessed the impact of the proposals on continuing education and widening participation in higher education?*

### **Exemptions**

The government and HEFCE have suggested that there should be exemptions, for example for doctors, dentists, veterinary sciences, teacher training, architects and other strategically important or vulnerable subjects (SIVS). Also, all foundation degrees are exempt from the funding withdrawal.

While we welcome continuing public support for these courses, it is difficult to see the logic behind the exemptions.

*Why are ELQ students involved in land management and courses related to the EU accession countries publicly funded while ELQ students on courses related to business, management, psychology and housing receive no public funding for their studies?*

*We are also concerned that a foundation degree is not necessarily the most appropriate form of qualification for a student to enhance their skills or develop a new career path (e.g. professional bodies may not validate foundation degrees).*

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<sup>1</sup>The full analysis of the funding cuts is available at: <http://www.ucu.org.uk/elqfundingcuts>

*Further exemptions, although welcome, fail to address the fundamental flaws in the ELQ funding withdrawal. Besides, as HEFCE is charged with withdrawing £100m of funding from ELQs, we are concerned that they will have to ignore other worthy requests for subject and course exemptions.*

### **Retrospective 'fines' and increased bureaucracy**

Institutions will have their teaching grant reduced on the basis of incomplete data and for students recruited in 2005 – a retrospective fine if ever there was one.

*What is the justification for withdrawing funds from HEIs on the basis of their past/retrospective recruitment of HE students?*

In addition, there is no national register of people who have degrees, unless they are very recent graduates. The complex additional bureaucracy needed to police the new system flies in the face of the government's own ambition to reduce the burden of regulation in higher education.

*How are universities going to be able to verify whether students have an existing HE qualification?*

### **Equality issues**

The ELQ funding withdrawal has the potential to impact adversely on women returning to work and older men. A number of the hardest hit institutions, such as London Metropolitan and University of East London, are very successful in recruiting Black and Minority Ethnic students.

*Has DIUS conducted an equality impact assessment of the ELQ policy?*

### **Conclusion**

The government alleges that these cuts are being made in the cause of 'fairness'. In reality, they are extremely unfair, not just to students with existing qualifications, but to those first time learners the government claims to be helping.

**The University and College Union (UCU) is very concerned about the principle and effects of the proposed policy. Alongside the National Union of Students and the heads of 26 higher education institutions, we recently wrote to the Guardian (November 7) calling on the Government to defer implementation of the ELQ policy and asking for it to be referred to the 2009 Fees Commission. We are pleased that the new Innovation, Universities and Skills Select Committee has picked up on the importance of this issue, although we are disappointed that Ministers continue to say that they cannot wait until the Fees Commission. Rather than continuing with the current ELQ policy, we believe that the government**

**should consult widely with the sector on how to provide proper support for part-time students and institutions.**

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