

## Higher education in further education colleges

### Key facts (2009):

- There are 353 FE colleges in England: of these 269 provide some HE, usually vocationally orientated.
- Colleges have specialised for over 30 years in 'short cycle' (two year full-time) HE, currently teaching 73% of Higher National Certificates (HNCs), 60% of Higher National Diplomas (HNDs) and now over half of all Foundation Degrees<sup>1</sup> (FDs), plus a relatively small amount of HEI franchised full degree provision
- Since their inception in 2000, more than half of all FDs are taught in FECs, and 91% of FECs teach FDs
- FECs may, since the FE and Training Act 2007, apply to the Privy Council for FD awarding powers, in a process overseen by the QAA
- 172,000 students study HE in FE, over 10% of the total undergraduate population, of which 65% are 21 or older and 48% study part-time
- HE income (including HEFCE grants, HE tuition fees and franchised income) is an increasingly important part of total college income, at £425m in 2007/08 some 6% of college income, the highest level so far
- Although very much an exception, Newcastle College will, in 2009/10, receive £11,826,260 in HEFCE teaching grant, more than some small HEIs
- Although there are small 'pockets' of HE in FE in over 250 colleges, the majority of HE in FE is relatively concentrated, geographically and strategically, in a small number of colleges led by the two HE in FE 'mission groups', the Mixed Economy Group (MEG) and the 157 Group
- QAA reviews have consistently and serially remarked on the improving quality of HE in FE provision, and since HE in FE was added to the National Student Survey two years ago, HE in FE students have put their institutions at the top of the list for 'academic support'

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<sup>1</sup> Introduced in 2000, FDs are 2 year F/T (although many students are part-time) vocationally orientated 'short cycle' higher education (Level 4) qualifications, which must have 'articulation agreements' with HEIs to progress on to full honours degree courses, and should not be confused with 'accelerated' 2 year honours degrees

## Background

The current structure of the English two-sector system of FE and HE was legislatively established in 1988 and 1992 on two assumptions: that FE and HE were distinct and different levels of learning and that each was best provided by institutions concerned with one or the other.

The 1993 Dearing Review of HE analysed and supported this separation, proposing expansion, via the example of Scottish HE in FE, of 'short cycle' HE in FE *only*. Waves of government policies after 1997 to grow HE in FECs to support higher skills formation and widening participation in 'higher level' education<sup>2</sup> proliferated, creating 'an HE in FE sector' that is only now experiencing post-recession funding constraints.

HE in FE students are more likely to be older, to study part-time and to come from areas with lower rates of participation in HE than students in universities<sup>3</sup>. Serial reviews of HE in FE by the QAA have shown both continual quality improvement and increased access by 'non traditional' students, defined by the QAA as students with no immediate family experience of HE.<sup>4</sup>

Since 2008 the National Student Survey (NSS) has included HE in FE provision, resulting in very high student satisfaction scores for FECs, especially for 'academic support', which is underpinned by high HE in FE staff-student ratios.

The extent to which HE in FE is now embedded in English post-compulsory education is the clear acceptance by HEFCE that it is "a distinctive part of the higher education system", responding quickly to local and regional student demand, skills needs and employers within a context of lifelong learning and a turbulent market<sup>5</sup>.

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<sup>2</sup> After the National Qualifications Framework and the QAA Framework for HE qualifications were aligned together, HE is defined as all provision at Level 4 or above, where A Level is Level 3.

<sup>3</sup> 'Higher education in further education colleges: consultation on HEFCE policy'; HEFCE 2006/48

<sup>4</sup> 'Judgments on the quality of teaching and learning on offer to students taking higher education courses in colleges of further education are "overwhelmingly positive", a QAA report has found', 'THE', February 7, 2009.

<sup>5</sup> 'Higher education in further education colleges: Consultation on HEFCE policy', HEFCE 2006/48, paragraphs 32, 33.

## Structure, funding and control

Since 1997 government policies to expand HE in FE have challenged the 'two sector' assumptions of separate HE and FE systems but this inherited structure - separate administrative, funding and quality regimes - accounts for much of the complexity and differences in pay and conditions of service surrounding HE in FE.

### Prescribed HE

Prescribed HE is higher level education provided in colleges and funded by HEFCE either *directly* to the FEC or *indirectly* via a franchising HEI which passes on funding and student numbers to a partner college or colleges in an HE-FE consortium, charging the FEC for administration, quality assurance and award validation. 'Short cycle' HE awards provided in colleges includes:

- Higher Nationals (HNDs and HNCs), Edexcel awards provided either directly or under licence via an HEI
- Postgraduate diplomas and certificates and diplomas in HE awarded by HEIs, again under licence
- Foundation Degrees validated and awarded by an HEI, but FECs may, since the FE and Training Act 2007, apply to the Privy Council for FD awarding powers
- Professional qualifications awarded by HEIs, including the Diploma for Teaching in the Lifelong Learning Sector (DTLLS)

Prescribed HE provided in FECs also includes first honours degrees and masters degrees, again predominantly via an HEI franchise and validation agreement. A small number of FECs have sought and gained taught degree awarding powers (TDAP), some remaining in the FE sector but with HE faculties, some successfully transferring to the HE sector. Birmingham College of Food and Tourism recently became an HEI, the University College Birmingham, so is now an HE sector institution that nonetheless retains a considerable proportion of FE provision. Currently, Bradford College is seeking TDAP for its education and health faculties, yet remains in the FE sector.

### Non-prescribed HE

Non-prescribed HE covers higher level professional awards provided by national awarding bodies like Edexcel, City and Guilds, The Association of Accounting Technicians, The Institute of Legal Executives and many others. It includes programmes in teaching, management, accountancy, marketing and other specialist vocational subjects, including higher level National Vocational Qualifications.

HEFCE does not fund non-prescribed HE. The LSC was given the power - but *not* the obligation - in the Learning and Skills Act 2000 to fund non-prescribed HE. Consequently, although this wide range of non-degree higher level professional qualifications has been a routine aspect of the FE curriculum offer for many years, central government funding has continually diminished since the elaboration of a central FE funding mechanism, the FEFC,

in 1993. Government justification has been that full cost recovery from employers and/or employees seeking further professional accreditation or up skilling is not, and has not been, a disincentive to enrolment.

## **Directly and indirectly funded HE in FE**

In 2009/10, 124 FECs were *directly funded* by HEFCE with £185.2m (recurrent teaching grant only - FECs delivering HE are not funded for research), a £9.0m (5.14%) increase on 2008/09 providing for 52,000 students undertaking HE courses in directly funded FE colleges. The funding and control mechanism is similar to HE, so directly funded colleges are responsible for tuition fee assumptions, student numbers, data requirements and quality assurance. Similarly, new provision can only be funded if it falls within currently allocated student numbers or additional student numbers (ASNs) have been granted by HEFCE.

Again in 2009/10, 146 colleges delivered *indirectly funded* HE provision to 56,000 students in HE to FE franchised, quality assured and validated licensing agreements, either in a one-to-one relationship or a multiple partnership consortium. In contradistinction to directly funded colleges, HEIs retain variable amounts of the HEFCE funding per student (the 'topslice'); fees are determined by the HEI, and may by agreement be lower than the HEI's fees; and the HEI student numbers belong to the HEI, which also retains responsibility for the student numbers, the curriculum, quality of provision and the student experience.

The proportion of directly funded HE provision has increased dramatically in recent years, probably as a result of FECs' success in recruiting, retaining and certificating students the government has targeted through widening participation policies: adults, returners to learning, 'non traditional' students in low HE participation areas and employees. Put in perspective for the totality of HE provision, the increase of more than 5.0% in the 2009/10 funding round amounts to only an extra £9.0m due to the small amount of HE provision in FECs relative to the sector as a whole, some 4% of the total HEFCE teaching grant payable.

## **Analysis and critique**

### **Funding**

For the institutions involved, funding and control necessarily has to work across the two sectors. For directly funded HE in FE providers, HEFCE principles and practices for allocating, monitoring and, potentially, clawing back HE funding differ significantly to those of the LSC and demand specialist knowledge and attention, not always at a premium in FECs where the volume of HE provision is relatively low. The same is true for indirectly funded FECs, who must make data returns to their HEI for HEFCE purposes. Again, college senior managers need a specialist understanding of the HE funding system to make and monitor financial projections which is not always adequately present.

Nationally, the number of students enrolling on FDs has grown by 40% in the past two years, meeting the government target for 100,000 FD enrolments by the end of 2010 a year early. But cuts by HEFCE will have an impact. HEFCE has recently withdrawn £24m in additional FD set-up money. Similarly, cuts in funding to HEIs and the cap on student numbers mean that HEIs may claw back student numbers to their core operations<sup>6</sup> and may also withdraw from validation agreements. Both the BA and FD in furniture design at Oxford and Cherwell Valley College face this situation: if no replacement for their validating HEI can be found, staff will be made redundant.

## Quality

External quality review of both direct and indirectly funded HE in FE is now through the Integrated Quality Enhancement Review (IQER) process, a uniform external quality assurance process based upon the principles of peer review developed by the QAA to monitor HE in FE provision. But the QAA and IQER do not cover two of the major HE in FE subject areas, Health and Education, which are inspected by OfSTED, the 'dominant' inspectorial presence in FECs.

Again, this can cause confusion and misapprehension as Ofsted and its significantly different inspection methodology dominates FE senior management understanding of quality assurance and its processes. OfSTED classroom observation methods, especially when applied through 'no notice' classroom observation as part of college pre-Inspection self evaluation reports, are not required by and have no role in the IQER methodology but are nonetheless illegitimately imposed by some college senior management teams.

Both the QAA and the HEFCE see HE in FE staff access to remitted time away from classroom contact as an irreducible element of practitioner professionalism and quality improvement that should be integral to all HE in FE staff contracts, a view that UCU actively promotes.

HE in FE 'quality' is required by the QAA to be equal to that in HEIs. However, the Association of Colleges actively promotes the inferior pay, terms and conditions of HE in FE staff in their support for HE in FE expansion:

...colleges have a lower cost base. All of their resources are devoted to teaching and student support. College staff are teachers, not researchers, and they develop their skills accordingly...because of the greater number of hours taught by staff, the flexible approaches taken to staffing by colleges and lower salary and facility costs,

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<sup>6</sup> <http://news.bbc.co.uk/1/hi/education/8521911.stm>

college-delivered HE provision is cheaper and offers better value for money for all concerned'.<sup>7</sup>

## **UCU Policy**

UCU has always held the position that FDs and HE in FE are a welcome development in widening participation and access terms but that HE in FE 'should not be HE on the cheap'. So it is unfortunate that the AoC has chosen to meld the considerable widening participation strengths of HE in FE, FDs and the way that FECs deliver them with an argument that suppresses the terms and conditions of academic staff.

UCU has developed policy and is conducting research amongst our HE in FE members to ensure that HE in FE staff have clear and comprehensive access to remitted time away from teaching to engage in necessary scholarly activity and research that will deepen and update both their subject knowledge and pedagogy to consistently underwrite a high quality learning experience for all HE in FE students.

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<sup>7</sup> AoC briefing paper, 2009