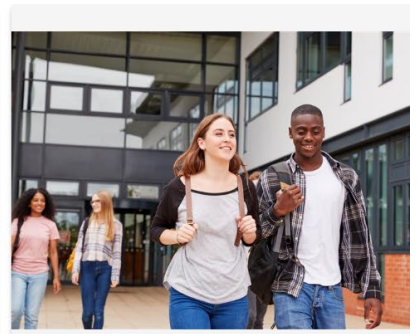




Lifelong
Education
Institute

Taking Higher Education Further:

Widening Opportunity through College Based Higher Education



In partnership with:



LEI Thinks – March 2025

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A note on terminology

For the purposes of this paper, '**higher technical education**' refers to any qualifications and apprenticeships which align to higher technical occupations; '**higher level skills**' refers to the outcomes of any education and training which enables people to undertake higher level jobs and may include on the job training or courses which aren't necessarily qualification based.

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FOREWORD



Dame Ann Limb DBE DL
Chair
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Dr Sam Parrett CBE
Chair
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The role of further education colleges in delivering higher education has been sadly neglected by governments over many years. This report is designed to correct this by offering a clear and concise account of not only the range of HE courses colleges provide, but also the reasons it is such an important part of the nation's educational provision.

The report comes out at an opportune time. The arrival of a new government is always a good moment to refresh our thinking about policy, and the report makes a number of recommendations for important steps that would enhance and strengthen the contribution colleges are making to the challenge of raising higher skills levels, particularly for adult learners.

These recommendations are based on the work of the Mixed Economy Group of colleges and therefore reflect the real-life experience of staff and students across the country. We are very grateful for the support and encouragement of MEG for this initiative.

The Labour Party election manifesto contains several significant commitments to the future development of our higher education sector. Amongst them is the aim to "better integrate further and higher education", alongside a promise to bring forward a comprehensive strategy for post-16 education. This is very welcome and makes it even more essential that College Based Higher Education is understood and embraced by policy makers.

Working together, colleges and universities can open up accessible opportunities and make a real difference to people's lives. For the health of our economy and society, this is a crucial mission.

EXECUTIVE SUMMARY

With economic growth and productivity topping the new government agenda, raising skill levels in Britain's workforce is more urgent than ever. All skills from basic to graduate are important, but the 21st century's high-value growth industries – digital technology, green skills, advanced manufacturing, life sciences – among others - depend on a strong supply of employees with higher technical skills. Critically, the number of students accessing higher technical education falls short of the country's needs.

This paper highlights the solution to the problem: our national network of Further Education Colleges, already delivering the bulk of higher technical education in England, and which have the potential to do much more.

College Based Higher Education (CBHE) delivers higher technical programmes which are accessible countrywide, which are immediately relevant to the skills needs of employers of all sizes, and which offer excellent value for money. This paper examines what makes CBHE so distinctive and effective: long standing relationships with local employers; comprehensive levels of student support; good quality teaching; and affordability, especially for adults with family and work responsibilities who need to study locally.

Emphasising the value of CBHE doesn't downplay the role of other higher education institutions in higher level skills development, many of which are also focused on delivering skills solutions in their locality. College and university provision is complementary and strong, partnerships benefit students, communities and the economy. While most college and university leaders would support closer working ties, the paper reviews how funding and policy decisions have curtailed more effective collaboration.

The paper also explores the wider policy landscape identifying barriers that have been created – mainly inadvertently – to growing college higher education and suggests remedies to address this. The Mixed Economy Group, representing over forty Colleges in England and Wales which deliver skills at FE and HE levels, has produced a Manifesto for College Based Higher Education which sits at the heart of this paper.

The Augar Review of Post-18 Education noted that FE Colleges are mission-driven, so the arrival of a mission driven government is timely. This paper makes the case for giving colleges the lead in the mission to close the higher technical skills gap and support economic growth.

Recommendations

The Mixed Economy Group's Manifesto for College Based Higher Education highlights ten key needs for sustainable growth of College Based Higher Education:

1. Further **increase core funding** for FE Colleges to enable the growth of CBHE. Expand access to capital and revenue grants, along the same lines as the development funding allocated over the past few years to expand T-Level courses.
2. Make **colleges' track record of delivering higher technical education** a key criterion for becoming a Technical Excellence College.
3. Establish a much **lighter-touch OfS regulatory regime** for colleges delivering CBHE in partnership with universities.
4. Design and implement **a functional credit transfer framework** across the UK to facilitate modular provision enabling students to build their higher qualifications step by step over time.
5. Ensure that Higher Technical Qualifications can be funded by employers through the proposed **Growth and Skills Levy** and explore ways of delivering them more flexibly to suit working adults.
6. Introduce **grant funding to supplement student loans** as part of the roll-out of the Lifelong Learning Entitlement, targeting courses in areas of skill shortages and high priority growth sectors.
7. **Endorse FE colleges as the best vehicle to deliver level 4 and 5 provision** (high-level courses below full degrees) to working adults as part of place-based economic development, as well as contributing to local Level 6 and 7 delivery, where necessary in partnership with universities .
8. **Strengthen Careers Information, Advice and Guidance** to ensure all school children are informed about higher technical education and raise awareness of working adults about the opportunities available to them.
9. Develop a **sustained campaign to raise the profile of CBHE**, with activity at both national and local level in partnership with local authorities and those responsible for Local Skills Improvement Plans (LSIPs).
10. Provide **greater access to research and development funding** to encourage tripartite collaboration between colleges, universities and employers to develop innovative technical training solutions, and encourage the application of new technology.

1 INTRODUCTION

Further Education Colleges have delivered higher education courses for decades. But as England faces the growing problem of skills shortages, College Based Higher Education (CBHE) is back in the spotlight, as the type of higher education colleges offer is exactly what is needed to help meet the skills and productivity challenge the UK economy faces.

College programmes are different from most university courses in three key respects. They are:

- Highly vocational and focused on career progression;
- Geared to the needs of local industry;
- Typically delivered in mixed modes to suit working adults and employers.

The distinctive role of College Based Higher Education is increasingly recognised by successive governments. Despite this welcome trend, the last government sponsored in-depth review of CBHE took place over 10 years ago in 2012.¹ Given the many radical changes to Higher Education funding, regulation and policy that have taken place since then, it is timely to reflect on current challenges and opportunities for the development of higher-level skills delivery.

Based on evidence from formal reports and insights gathered from the 42 colleges which are members of the Mixed Economy Group, this report sets out the reasons why Colleges are a vital part of our HE system and explores what policies should be put in place to strengthen them.

¹ BIS, *Understanding Higher Education in Further Education Colleges*, Parry, G, Callander C, Scott, P & Temple, P, Research Paper number 69 June 2012].

2 REACHING PARTS OTHERS CANNOT

For many people, higher education is chiefly associated with universities with the picture of tens of thousands of school leavers arriving each year in universities to start three-year degree courses. But these students represent only a minority of those enrolled in UK HE institutions - 37% according to the latest data.²

The UK HE student body is diverse and includes many who are not undertaking full time, taught three-year degree courses. And apart from the 100 or so main UK universities, there are a wide range of other types of HE providers, including most further education colleges.

Colleges are a vital strand of the UK's higher education tapestry and complement the work of universities and other higher education institutions. Today, over 130 Further Education Colleges are on the Office for Students (OfS) register of institutions approved to deliver higher education courses and several have degree awarding powers, with more applications in the pipeline. Colleges recruit around 100,000 students a year to higher level programmes, the majority of whom are adults.

For decades, College Based Higher Education (CBHE) has been filling a persistent gap in England's HE system. In fact, it fills three overlapping but distinct gaps: in Higher Technical Skills, in Widening Participation, and in local economic development.

2.1 CBHE is the largest provider of higher technical education.

In the national qualification framework for England, levels 4, 5 and 6 are defined as the academic levels of the three years of a degree programme. Many FE colleges specialise in Level 4 and level 5 qualifications, such as Higher National Certificates and Diplomas, professional qualifications and Foundation Degrees. In 2021/22 colleges delivered 80% of HNCs and 53% of HNDs, as well as 61% of Level 5 Foundation Degrees.³

Figure 1 shows recent trends, with the number of learners taking first degrees at FE Colleges slightly declining, while those classified as "Other Undergraduates" - learners taking sub-degree courses such as Higher Nationals at Universities or FECs - also declining and at similar rates irrespective of provider. There is currently no sign that enrolments to Higher Technical Qualifications are growing, but the data indicates that FE colleges continue to be a vital platform for the delivery of HTQs.

² OfS, Student Numbers 2021-22, 30th May 2024, www.officeforstudents.org.uk].

³ AoC, *College Key Facts 2023/24*, Association of Colleges, 2023, p12.

Figure 1 - HE student enrolments at HE AND FE Providers by level of study: academic years 2017/18 to 2021/22.

	2017/18	2018/19	2019/2020	2020/21	2021/22
HE Providers					
Postgraduate	582,005	602,710	642,135	743,335	820,310
First Degree	1,656,830	1,690,035	1,735,410	1,847,455	1,883,710
Other Undergraduates	174,245	162,100	153,045	159,765	157,460
Total HE Providers	2,413,075	2,454,845	2,530,590	2,750,560	2,861,480
FE Providers					
Postgraduate	2,740	2,625	2,620	2,820	2,620
First Degree	24,285	21,620	21,125	21,640	20,440
Other Undergraduates	159,315	151,535	142,445	137,355	123,000
Total FE Providers	186,335	175,780	166,190	161,820	146,065
Total	2,599,415	2,630,625	2,696,780	2,912,380	3,007,545

Source: <https://www.hesa.ac.uk/news/19-01-2023/sb265-higher-education-student-statistics/numbers>

2.2 CBHE widens adult participation in higher education.

Colleges attract very high proportions of older, part-time students, mostly combining higher level study with work. In 2021/22, over 70% of CBHE students were 21 years old and above, with more than half over 24. Although there is no reliable national database of CBHE students (it's currently under construction by the Higher Education Statistics Agency), local data from FECs indicate that these students are overwhelmingly from groups traditionally under-represented in universities, having typically not done well at school, being in lower-earning jobs, and coming from families with no history of HE engagement.

The role of FE Colleges as anchor institutions within their localities is now well acknowledged and means that the higher education they deliver is place-based, with students predominantly recruited from a tight travel-to-learn catchment area. CBHE therefore has a key contribution to make to local economic development as England moves towards an industrial strategy based on giving responsibility to devolved authorities at regional and sub-regional level. While more universities are now developing place-based strategies, for example through Civic University agreements, there is a growing recognition of the need to work in closer partnership with FE Colleges to make skills strategies fully effective.

CBHE Employer Partnerships

The process of employer engagement is natural and instinctive for most FE Colleges. Many of their higher education courses have been developed through close dialogue with companies of all sizes. Prominent examples from MEG member colleges include:

- Bridgwater & Taunton College's National College for Nuclear, developed through a ten-year partnership with EDF Energy, to meet the skills needs of the new Hinckley Point C Reactor.
- Weston College's partnership with GKN Aerospace, offering Engineering courses and apprenticeships up to degree level in collaboration with the University of West England.
- Bradford College's degrees in Ophthalmic Dispensing in partnership with the Association of British Dispensing Opticians and a range of specialist optical industry employers.
- Blackpool & the Fylde College are the Vodafone Group's preferred partner to deliver degree apprenticeships in Digital & Technology Solutions.

Closing the higher technical skills delivery, widening participation and local economic development gaps in England's HE provision is a pressing priority. **Despite compelling social benefits, the strongest arguments for strengthening higher technical skills pathways are economic** as the UK's economic growth and productivity performance is seriously hampered by skills shortages and gaps. Improving the supply of skilled technicians and professionals, ensuring that economic prosperity is fairly distributed amongst cities and regions, and further dismantling the barriers to working people's access to high-level vocational training are essential components of a higher education system that supports economic success. With the right policies and funding, CBHE can play a vital part in delivering all three.

Maintaining the current Higher Technical Education architecture will not facilitate improvement. Despite recent efforts to re-energise this area by introducing a new generation of Higher Technical Qualifications, the numbers studying at Level 4 and 5 continue to dwindle. In 2021/22, only just over 51,000 students in England enrolled on them, representing less than 2.5% of total undergraduate enrolments. This decline has continued despite every major review of higher education for the past 30 years urging the government to grow Level 4 and 5 provision.

Sir Ron Dearing's seminal report, "Higher Education in the Learning Society", which in many ways set the policy template for the modern HE system, came out in 1997. On CBHE, the report notes, "it can be especially important for students regarded as 'non-traditional' to higher education institutions, many of whom need to be able to study near their homes". The report was unequivocal in recommending that, "priority in growth in sub-degree provision should be accorded to further education colleges".⁴

The next major review of HE in England, Sir Philip Augar's "Post-18 review of education and funding", published in 2019, reached a similar conclusion envisioning, "a national network of collaborative FECs that provide high quality technical and professional education with a clear focus on Levels 3, 4 and 5, delivered flexibly and aligned to the needs of local economies."⁵

The Augar Review's recommendations have only partly been implemented. Since 2019 there has been a significant increase in capital spending for colleges and the creation of a network of Institutes of Technology with colleges at their centre. However, regulatory bureaucracy remains burdensome – if anything, with the creation of the Institute for Apprenticeships and Technical Education (IfATE) in 2017 and the devolution of Adult Education Budgets to Mayoral Combined Authorities since 2019, it has worsened. Similarly, apart from a welcome injection of funding in 2023, there has been insufficient progress towards higher investment in the critical matter of college staffing.

Between Dearing and Augar one fact stands out: the inexorable decline in the number of people studying higher technical courses, reflected in the decline in part-time and sub-degree HE enrolments. Dearing reported that 13% of higher education was delivered by FE colleges in 1994/95. The latest data from the Higher Education Statistics Agency (HESA) indicates this has more than halved to 5% in 2021/22 with a 37% fall in enrolments overall in England at this level.

⁴ Dearing, *Higher Education in the Learning Society*, HMSO, 1997.

⁵ Augar, *Review of Post-18 Education and Funding*, HMSO, 2019, p118.

Figure 2 – HE student enrolments (undergraduate only) by level of study: Academic years 2018/19 to 2022/23

Level of Study	2017/18	2018/19	2019/20	2020/21	2021/22
Undergraduate					
First degree	1,657,020	1,690,225	1,735,570	1,847,635	1,883,860
Foundation degree	35,045	33,630	31,600	30,880	29,080
HNC/HND	28,240	23,615	20,985	20,540	18,065
Professional Graduate Certificate in Education	1,375	1,100	1,010	1,175	1,120
Other undergraduate	58,060	54,130	54,920	63,950	63,600
Institutional credit at undergraduate	52,995	51,140	45,940	44,345	46,585
Total other undergraduate	175,715	163,615	154,450	160,890	158,455
Total undergraduate	1,832,735	1,853,840	1,890,020	2,008,525	2,042,310
Total	2,414,745	2,456,545	2,532,165	2,751,865	2,862,620

Source: <https://www.hesa.ac.uk/news/19-01-2023/sb265-higher-education-student-statistics/numbers>

The lack of data on CBHE makes it difficult to investigate forensically the decline in Level 4 and 5 enrolments. However, given the high proportion of college students studying Higher National and Foundation Degree courses, it's no surprise that college enrolments have declined recently - Foundation Degree enrolments reduced by 19% over this period, and Higher National enrolments by 30%.

The time is overdue to implement effective policies to tackle the problem and avoid further decline of CBHE. To do that, it's important to understand exactly how CBHE works and what makes it effective. It's also important to reflect on why recent developments have had little or no impact on plugging the gaps CBHE fills.

2.3 What makes CBHE work

Since Ron Dearing's 1997 report the distinctive merits of College Based Higher Education have remained the same: **CBHE works because it is accessible; delivers a more personalised style of teaching than most universities; and offers a high level of individual student support.**

2.3.1 Accessibility

As Parry et al noted in 2012, "a key advantage enjoyed by FECs is their ability to reach students that HEIs, even those with a strong widening participation ethos, struggle to reach".⁶ Despite the significant increase in widening participation encouraged by the

⁶ BIS, Understanding higher education in further education colleges, 2012, p18

Office for Students' insistence on institutional Access and Participation Plans as a condition of registration, this remains true by virtue of the fundamental structure of FE college provision.

The accessibility of College Based Higher Education rests on four pillars. First, it is primarily place based: colleges serve well defined catchment areas and have over decades developed very strong relationships with local communities, including employers. They provide training at every level to local SMEs as well as high-profile large employers. The vast majority – over 85% - of British employees don't work in large corporations, but in local businesses which require a range of staff, including those with higher technical skills and competences. Employers come into contact with their local Further Education College regularly, and in a variety of ways, which makes identifying and facilitating their training needs more straightforward and easier to meet in a timely fashion.

Secondly, the FE culture is open and welcoming. Most colleges are located on high streets and in town centres and are a familiar part of the local landscape. In some communities and sectors of the population, there is a natural reluctance to embrace the idea of "going to uni" which doesn't exist for FE colleges.

Thirdly, FE colleges offer a much more incremental approach to gaining qualifications, with multiple entry and exit points to courses, and a high proportion of part-time and increasingly modular study options. Many CBHE students have prior experience of studying at their local college on pre-degree courses and apprenticeships and see returning to study at their college at higher levels as a natural progression.

Fourthly, colleges typically offer HE courses that are good value for money, as students studying locally don't incur the additional costs of residential accommodation and living expenses away from home. This in turn means less recourse to maintenance loans and from a government perspective, eases the pressure on the student loan system.

2.3.2 Applied Teaching

Research has consistently indicated that CBHE students value the greater level of personal contact with their teachers compared to their university counterparts. This is partly because CBHE courses offer regular face to face contact through timetabled classes and easy access to informal support inside and outside the classroom. It's also because CBHE class sizes are usually smaller than university, providing more opportunity for students to receive personal attention.

In colleges there is less emphasis on the need for staff to have a PhD, compared to their university counterparts, although most college staff have higher level qualifications as well as industry or professional experience and many undertake research. A key attribute of CBHE lecturers is that they are industry experts, many with recent experience of working in the occupations for which their courses are preparing students. The ideal model is that of the

“dual professional”, who combines up-to-date vocational expertise with strong pedagogical skills, which is a key feature of the most successful providers.

However, the widening gap in pay between those who work in industries such as computing and engineering and the salary levels colleges can afford means that there is now a considerable challenge for FE Colleges to recruit and retain dual-professional staff.⁷ Staffing shortages, particularly acute in scientific and technical subjects, are now a major barrier to sustaining and expanding CBHE.

2.3.3 Personal Support

Until recently there was a significant difference between the level of access to welfare and wellbeing support for students studying at college compared to many HEIs although this gap is narrowing. Additionally, there is evidence that many CBHE students enrol and stay on their courses because of what Parry et al describe as, “the familiarity and safety of colleges’ learning environments”.⁸ This is partly a function of size. Whilst thousands of students are studying together in most universities, in colleges HE student cohorts are generally much smaller. Arguably, for students enrolled in CBHE, the process of accessing personal support is quicker and more straightforward and colleges’ emphasis on safeguarding staff and students, including mental health and wellbeing, is also a notable differentiator.

⁷ ResPublica/CIFE, *Developing Industry-Expert Teaching for Higher Skills*, 2023

⁸ BIS, *Understanding higher education in further education colleges*, 2012, p155

3 THE PATCHWORK OF POLICY

The Augar Review highlighted the extraordinary level of “policy churn” to which the FE sector has been subjected, with 28 major pieces of legislation affecting FE since the 1980s, a constantly revolving door of ministers responsible for FE and Skills and major funding and regulatory agencies changing at regular intervals.⁹ This has been unsettling for the FE sector as a whole and has been specifically damaging for CBHE, making it difficult for college Principals and senior leaders to maintain consistent HE strategies and procedures.

Significantly, there has been a remarkable consistency in the calls for CBHE to be strengthened and expanded, a recurring theme in the Robbins Report (1963), the Dearing Report (1997), the Foster Report (2005), the Browne Report (2010) and most recently the Augar Report (2019).

In stark contrast, the policies implemented since 2010 have weakened and constrained CBHE, as reflected in the steady decline in higher-level enrolments at FECs over this period. The patchwork of policy initiatives during this period, some aimed at universities, some at colleges, but few designed to improve the overall coherence of the tertiary sector have not helped. In particular, the policies introduced to stimulate the growth of higher education have favoured the expansion of traditional taught, three-year degrees and undermined alternatives. This has left CBHE without a clearly recognised role and having to cope with an increasingly complex policy environment.

3.1 The Student Loan System

The HE student loan funding system introduced following the Browne review in 2010, revived university finances and created a strong platform for expansion of higher education. It had many significant benefits but hasn’t worked well for CBHE. The system encourages HEIs to focus on the growth of three-year bachelor’s degrees, to the exclusion of everything else, including sub-degree and part-time provision.

The decline in sub-degree courses - Higher Nationals, Foundation Degrees and others – as a result of the loan system has already been highlighted, and it’s unclear whether the attempt to counteract this trend through the introduction of a Lifelong Learning Entitlement from 2026, will be successful as it’s currently conceived. While school leavers may not see loans as a barrier, adults especially those with family or other financial commitments may do.

⁹ Augar, *Review of Post-18 Education and Funding*, HMSO, 2019, p122

3.2 The Removal of the Student Number Cap

The removal in 2013 of limitations to student recruitment accelerated universities' growth and introduced an era of vigorous competition for applicants. Between 2014/15 and 2018/19 there was an overall increase of 24% in the number of HE enrolments nationally (an increase of over half a million), with some universities growing even faster.

To maintain market share, some institutions chose to lower their entry requirements, and many introduced or expanded existing Foundation Year programmes, an additional year of study designed to prepare students without the normal entry grades for undergraduate courses, effectively creating a four-year degree course and increasing fee income per student correspondingly. The latest figures (for academic year 2020/21), show that Foundation Year student numbers had increased by over 700% since 2010/11, from 8,470 to 69,330.¹⁰ This adversely affected the numbers of students progressing to university via FE College pathways, such as the well-established Access to HE route, which in some colleges has been decimated. The growth of Foundation Years, combined with a trend for many HEIs to lower entry grades, has contributed to the overall decrease in CBHE enrolments although the recent decision to introduce a lower fee cap for Foundation Years may improve the situation for colleges.

3.3 Higher and Degree Apprenticeships

The previous government enthusiastically supported the development of degree apprenticeships since their introduction in 2015/16. They are a popular new pathway for achieving a degree, especially since degree apprentices are fully funded through the employer levy. They have grown exponentially, from less than a thousand starts in 2015/16 to over 70,000 in the current year, with around 90 universities offering them. In contrast, overall apprenticeship numbers have fallen by 36% over the same period.¹¹

For those FE colleges with a thriving Higher Education offer, Higher and Degree Apprenticeships have represented a welcome opportunity for growth. But their impact on CBHE has been very variable, depending on local circumstances.

¹⁰ DfE, 19th October 2023, *Foundation Year Participation, Provision & Outcomes at HE Providers*, <https://explore-education-statistics.service.gov.uk/find-statistics/foundation-years-statistics/2021-22>

¹¹ Bolton P & Lewis J, *Degree Apprenticeships*, Commons Library Research Briefing, 8 May 2024.

Figure 3 - Full year Starts, Achievements, Participation by Level, Levy, Age, Region, Provider type' for Advanced Apprenticeship, Higher Apprenticeship and Intermediate Apprenticeship in England between 2018/19 and 2022/23

		2018/19	2019/20	2020/21	2021/22	2022/23
Total	Starts	393,380	322,530	321,440	349,190	337,140
	Percentage	100.00%	100.00%	100.00%	100.00%	100.00%
Intermediate Apprenticeship	Starts	143,590	99,220	84,150	91,520	76,280
	Percentage	36.50%	30.80%	26.20%	26.20%	22.60%
Advanced Apprenticeship	Starts	174,730	140,840	138,490	151,310	147,930
	Percentage	44.40%	43.70%	43.10%	43.30%	43.90%
Higher Apprenticeship	Starts	75,060	82,460	98,810	106,360	112,930
	Percentage	19.10%	25.60%	30.70%	30.50%	33.50%

Source: <https://explore-education-statistics.service.gov.uk/data-tables/fast-track/7fb87ade-eb51-4992-661e-08dc0dea598f?featuredTable=true>

The requirement to have an embedded degree qualification, makes it difficult for most FE Colleges to offer Degree Apprenticeships without a supporting HEI, and only those with the largest CBHE provision have done so. Most FE colleges concentrate on sub-degree apprenticeship programmes aligned to their traditional strengths at this level but face increasing competition from private training providers especially in business, finance and accountancy. Only one FE college has been able to reach 1,000 starts a year, and most are well below this.

The growth of Higher & Degree Apprenticeships (HDApps) has further eroded CBHE numbers. Although the requirement to be in full-time employment is a barrier for many students, the opportunity to gain important professional and vocational qualifications without paying a fee or taking out a loan is a big attraction, especially for those already on a professional career path. Many working adults who might have studied part-time at their local FE college now undertake an HDApp instead, encouraged by employers keen to utilise their Levy allocation. However, these are overwhelmingly full-time programmes and do not meet the needs of adults who are aspiring to change careers by gaining new qualifications. HDApps take a long time to complete – typically three or more years – have little or no in-built flexibility, other than elements of on-line study, and require stable employment throughout. While they are a welcome addition to the choices available to adult learners, they don't fill the gap that CBHE fills for students and employers wanting short, flexible, locally accessible courses for re-skilling or upskilling.

There is also extensive evidence that HDApps do not recruit students from disadvantaged backgrounds. A 2020 Sutton Trust report ¹² found that only 13% of

¹² Cullinane, C & Doherty, K, *Degree Apprenticeships – Levelling Up?* Sutton Trust, May 2020, p31-33.

recruits were from the most deprived 20% of the population, while 27% were from the most advantaged quintile. A year later, a report from the Higher Education Policy Institute ¹³ observed that degree apprentices were more likely to be white and male and less likely to be disabled or from deprived areas. The success of CBHE in attracting higher proportions of recruits from less advantaged backgrounds, particularly ordinary working adults, is not replicated in Higher & Degree Apprenticeships.

3.4 University Partnerships and Degree Awarding Powers

Studying in one institution for a degree that is awarded by another has a long history in England. A large proportion of CBHE depends on validation or franchise agreements with one or more universities. However, since 2008 there has been another option for FE colleges - applying for Degree Awarding Powers, although this is only realistic for larger CBHE providers.

Validation partnerships between colleges and universities work well where there is strong strategic alignment between parties, excellent communication at all levels and well coordinated operations. Some university leaders have chosen to withdraw from partnership agreements in the past at short notice, resulting in significant reputational and financial damage to their college partners. Collaborative relationships carry risks for all parties, but Agreements tend to be asymmetrical in the sense that the HE partner usually dominates and colleges may have little or no influence over aspects of the university's decision making. At an operational level, many college managers are concerned about the length of time validation agreements can take to finalise, high university costs, and some partners' reluctance to support the development of new provision. Of course, there are very sound reasons why a university may be unwilling to develop a specific programme with a partner, not least because they may not have the expertise to provide support or because they consider the development too risky or resource intensive. As a result, many colleges have negotiated validation agreements with multiple partners which carries additional administrative complexity, costs and risks.

Degree Awarding Powers (DAPs) are available for various types of awards up to and including postgraduate programmes. The application process, currently overseen by the Office for Students, is lengthy, time consuming and complex. Only a handful of colleges have applied, mostly for Foundation Degrees although so far, three have Bachelors Degree awarding powers and one has taught degree awarding powers. In 2020, the OfS appointed the Open University to develop a speedier and less costly process, and to date seven FE colleges (five in Northern Ireland) have taken advantage. However, it's not yet clear whether this initiative will resolve some of the problems

¹³ Willetts, D, *Boosting HE While Cutting Public Spending*, HEPI Report 142, Sept 2021, p33-34

associated with validation agreements, as the Open University, despite its unique national footprint and pioneering work on facilitating adult access to higher education, is still operating within the same regulatory and financial framework as other HEIs.

3.5 Higher Technical Qualifications

The government introduced Higher Technical Qualifications (HTQs) from 2020, building on existing Higher National Certificates (HNC) and Higher National Diplomas (HND) and Foundation Degrees. Seen as a vital way to boost the volume and quality of technical education across England, there was a commitment to investing in the growth of HTQs.

The programme is not yet wholly successful, although it is still in the process of full implementation, with more subjects on stream in 2024 and 2025. Uptake is low, although precise figures are unavailable because data on HTQs is not yet reported separately. There is no sign of the kind of upsurge in HTQ enrolments that would reverse the downward trend of the past decade, and anecdotal feedback from MEG member colleges offering these courses suggests that student demand is disappointingly low.

A recent report from Policy Connect ¹⁴ points to a number of reasons for what they describe as, “a generally weak understanding of HTQs” amongst employers and prospective students, including uncertainty over their value in the jobs market, the lack of flexible delivery options, and difficulties in finding appropriately trained staff to deliver them. But above all, HTQs have been overshadowed by the high profile built up around university degrees on the one hand, and Apprenticeships on the other. Most employers and students have gained the impression that university or apprenticeship are the only credible options for study at a higher level, and there is low awareness of HTQs. For working adults, the fact that student loans are the only way to get help to pay for HTQs is an additional disincentive to taking a qualification of uncertain value.

3.6 Institutes of Technology

The Institutes of Technology (IoTs) network launched in 2019, is an initiative designed to expand the numbers of students undertaking higher technical education. All 21 IoTs are now in operation, involving 77 FE colleges working alongside partner universities and employers. FE colleges are the lead institution for the majority of IoTs.

¹⁴ Policy Connect, *Higher Technical Qualifications: How to Liberate Employers and Skill Workers for the Future*, Dec 2023

So far IoTs have had mixed success, although there hasn't yet been any formal evaluation of their impact. Based on feedback from MEG members, their progress has been hampered by low general awareness of HTQs, difficulties in recruiting teaching staff, and the variable strength of partnerships between colleges, universities and employers on which they are dependent. Although the government has provided relatively generous grant funding for capital equipment, which acknowledges the importance of costly technical equipment for successful delivery of industry-standard skills training, the lack of revenue funding is cited by some as another factor inhibiting IoT growth. In line with a recurrent theme of this report, the lack of flexibility in delivery of HTQs is also a barrier to take-up.

4 POLICY PROPOSALS FOR THE NEW GOVERNMENT

The Department for Education is invited to consider the Mixed Economy Group's Manifesto, on which this report's recommendations are based. The Labour Party's general election manifesto included a number of significant commitments which could have a big impact on CBHE, so the final part of this report focuses specifically on these proposals.

4.1 Skills England

The proposal to establish a new national body to coordinate skills development plans across the country has the potential to create a step-change in support for CBHE, through forging a strong link between a national Industrial Strategy and a national skills strategy. As place-based institutions, MEG colleges already have a strong focus on providing opportunities directly related to priority sectors in local areas, often working in tandem with HE partners at higher levels of skills provision. Greater clarity over which occupational sectors will be prioritised to invest in "home-grown" skills will aid colleges' forward planning.

4.2 Tertiary Strategy

One of Labour's most striking commitments is to, "better integrate further and higher education and...set out the role for different providers". This is another opportunity to respond to repeated calls to recognise colleges as the institutions best placed to lead the delivery of Level 4 and Level 5 higher education. This is not to suggest any kind of exclusivity. In some areas universities will be well placed to deliver HTQs and some colleges will be best placed to deliver full degree courses. In some areas the 2 +1 or 2 +2 model, widely available in Scotland, through which students start their higher education courses for two years in FE and move seamlessly to HE for one or two final years, might be the best option. A diversity of provision, properly regulated, is required to meet different needs.

Although CBHE could benefit from greater tertiary integration, there are three important provisos:

Firstly, the tendency for all higher education to culminate in a degree qualification has to be resisted. The intrinsic value of higher technical education at Levels 4 and 5 in its own right has to be valued and much more loudly promoted by local and national governments.

Secondly, as the MEG Manifesto highlights, the burden of regulation is already too high for CBHE colleges. The development of Skills England and closer tertiary integration should be an opportunity to review and simplify post-16 regulation and untangle the overlapping spaghetti of regulatory agencies – the OfS, ESFA, SFA, IfATE, Ofsted and QAA – which is burdensome and costly for colleges. Many regulatory measures target 'graduate outcomes' which are unsuited to sub degree study.

Thirdly, the 1992 Further and Higher Education Act established a legal and regulatory framework which severely restricts the options for formal partnership between colleges and universities. The only viable process – one which requires specific permission from the Secretary of State for Education - involves one institution being dissolved and merged into the other, which in the four cases since 2018 (Bolton, Derby, London South Bank and the University of West London) have all entailed the FE College becoming a wholly owned subsidiary of the partner university. There has been one example so far of an HE Institution becoming a subsidiary of an FE college group, when Leeds Conservatoire was absorbed by what is now known as the Luminate college group in Leeds. If tertiary integration is to meet the diverse needs of different localities, work needs to be done to widen the available range of options for FE/HE partnerships.

4.3 Devolution of Adult Skills Budgets

The logic of skills funding devolution – to establish much better articulation between local skills needs and provision – is sound and the Labour Party’s notion of, “empowering local leaders to have greater control of skills development in their areas” is one which colleges actively embrace, not least through engagement with Local Skills Improvement Plans. But the commitment to greater coordination via Skills England is important if we are to avoid a form of “postcode lottery” in the cost and availability of skills development. For colleges working to develop alternative pathways into higher education for adults, it is important to ensure that there are no major disparities between local offers.

4.4 Technical Excellence Colleges

The Labour Party proposal to, “transform Further Education Colleges into specialist Technical Excellence Colleges” builds on the good practice that MEG colleges have already established in many areas. But the proposal leaves many questions unanswered. What will it mean for the network of Institutes of Technology already in operation? Through what process will colleges be selected to be designated as Technical Excellence Colleges? From the perspective of CBHE, it is important for selection criteria focus on colleges’ track record of delivering higher technical education, not on generic quality ratings that are not specific to higher technical provision.

It will also be helpful to avoid the kind of competitive bidding processes that have become endemic over the past few years, which risks creating unnecessary competition between providers, is costly and resource intensive. To regrow adult student numbers at Levels 4 and 5 successfully, the contribution of all college based higher education, including those providers which enrol relatively small numbers each year, needs to be recognised and affirmed.

4.5 A Flexible Growth and Skills Levy

The apprenticeship levy has hampered the growth of Apprenticeships in colleges, particularly at Level 2 and for 16–18-year-olds, but also at higher levels. Labour’s commitment to a more flexible levy is therefore welcome, especially if it enables HTQs to be funded.

It is unclear how the Government sees the future of the Lifelong Learning Entitlement (LLE), a flagship policy for higher education under the Conservatives. Assuming the LLE is introduced as planned, there is an opportunity for the kind of short, modular courses many employers are calling for to be funded through a more flexible levy, enabling adults to “pick and mix” between loan-funded longer qualifications and levy-funded shorter courses. If these shorter courses are also available at Level 4 and 5, this has the potential to encourage far more working adults to engage with higher education.

To ensure that students can move between institutions on their learning and career journeys, it is essential to develop an effective credit accumulation and transfer system that includes all HE providers. Greatly enhancing the ability of individuals to develop their higher level skills through a step on/step off process is a model familiar to FE colleges and would facilitate adult access to higher skills. Whatever the future of the LLE, there needs to be a sustained commitment to lifelong learning from the Government.

4.6 Boosting Teacher Recruitment

The Government’s commitment to recruiting an extra 6,500 teachers, including into shortage subjects, is very welcome. However, the terms, conditions and pay of schoolteachers are very different from college lecturers, with teachers earning on average 9% more and with a national system of responsibility and retention supplements. There will need to be a specific strategy to address the CBHE sector’s staff recruitment and retention crisis if it is to expand to provide increased higher-level skills training and development.

5 SUMMARY AND CONCLUSIONS

College Based Higher Education is a vital bridge between national skills strategies and effective delivery in local areas. As the Augar Panel emphasised in their review of FE colleges, “their existing, national coverage means that they can and should be the cornerstone provider for the rejuvenation of higher and intermediate technical and professional education”.¹⁵

The Seven Keys to CBHE Success

- Sector skills based – targeting areas of specific need
- Socially responsive – widening participation and inclusion for all
- Sensitive to the needs of communities – economically and socially
- Student centred – valuing and supporting all students
- Successfully promotes partnership working – with other providers and employers
- Supports student careers – and meets employer needs
- Strong value for money – its affordable for students, employers and taxpayers

To achieve this, CBHE needs a stronger and clearer national policy framework. As a first step, FE colleges need to be acknowledged and supported to take lead responsibility for Higher Technical Education at Levels 4 and 5, with universities and others in a supporting role where necessary.

The ten recommendations in the Mixed Economy Group’s Manifesto summarise the key changes required for sustainable growth of CBHE and were developed before the recent general election. They will however, work with the grain of many of the Labour government’s post-16 policies. In particular, the proposals to establish Technical Excellence Colleges and to create a flexible Growth and Skills Levy, directly align with the MEG recommendations.

Critical to all MEG’s recommendations in developing CBHE is the ability to recruit and retain suitable staff to deliver higher technical education.

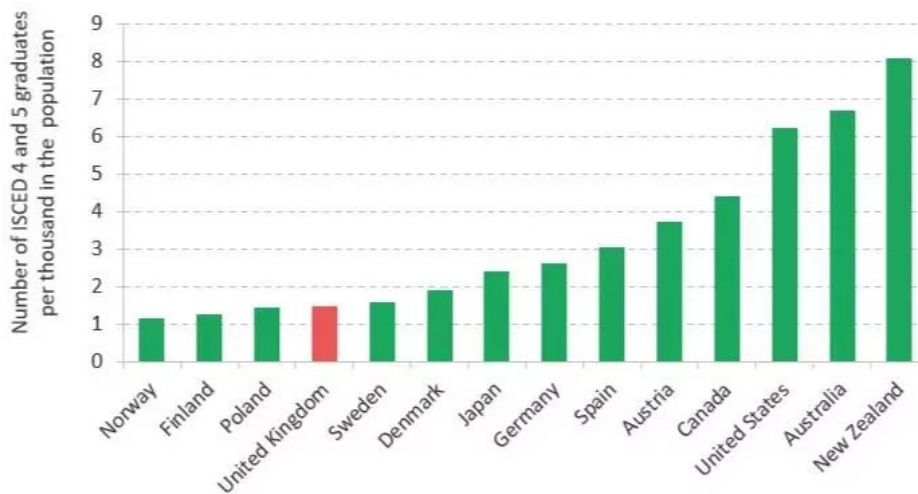
Recent research by the Institute of Fiscal Studies showed that only 1.5 adults per thousand in the UK undertake higher technical education, which puts this country

¹⁵ Augar, *Review of Post-18 Education and Funding*, HMSO, 2019, p118.

behind almost every other in the developed world – the figure for the USA, for example, is 6 per thousand.¹⁶

Figure 4 – Number of first-time Level 4 and 5 graduates per thousand

Number of first-time graduates from ISCED Level 4 and 5 programmes per thousand in the population



Source: <https://ifs.org.uk/articles/missing-middle-higher-technical-learners>

To tackle this skills deficit, we need to greatly increase take-up, and to do this we need to at least double the size of the CBHE sector, which delivers the bulk of existing provision at this level. With the right policies in place, this is eminently achievable.

¹⁶ Tahir, I & Field, S, *The Missing Middle of Higher Technical Learners*, IfS & FE News, September 22nd 2022.

Taking Higher Education Further:

Widening Opportunity through College Based Higher Education

With economic growth and productivity topping the new Government's agenda, raising skill levels in Britain's workforce is more urgent than ever. All skills from basic to graduate are important, but the 21st century's high-value growth industries – digital technology, green skills, advanced manufacturing, life sciences – among others - depend on a strong supply of employees with higher technical skills. Critically, the number of students accessing higher technical education falls short of the country's needs.

This paper highlights the solution to the problem: our national network of Further Education Colleges, already delivering the bulk of higher technical education in England, and which have the potential to do much more.



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