

A New Model for Higher Education Delivery – A Flexible Work-Based Learning Approach to Higher Level Skills that Develops Business Productivity and Enhances Social Mobility

1. Introduction

This paper has been prepared as the UVAC contribution, with the support of HE@Work, to the Independent Review of Higher Education Funding and Student Finance. The paper outlines the wider strategic issues which UVAC believes the Review should consider if HE is to play a fuller role (through work-based learning programmes) in supporting businesses to develop the skills and knowledge of their employees - which is essential to UK economic growth and performance and if employees are to develop the skills they need for their career development. Developing higher level work-based learning programmes is also fundamental if the potential of young people and adults who have followed level 3 vocational programmes and apprenticeships (a large proportion of whom are from lower socio-economic groups currently under-represented in HE) is to be realised and if social mobility for those who have followed vocational qualifications and apprenticeships is to be enhanced. Thereafter the paper outlines recommendations for a new work-based model for HE delivery, a model which is currently marginal to the HE funding system.

2. Definitions and Coverage

Our overall observation is that the Independent Review of Higher Education Funding and Student Finance is skewed towards traditional models and concepts of what HE is and of traditional modes of HE delivery. This is a continuation of existing educational policies that prioritise and invest heavily in formal education, focus upon participation rates of young people in higher education and place an emphasis on increasing the number of graduates entering the UK labour market, but which historically have placed little emphasis on those in work, work-based learning and increasing the skills of the existing workforce - the development of the Foundation degree in recent years being a notable exception. Individuals learn a substantial amount through work; the HE system should support, encourage and recognise this learning – which is of significant benefit to learners, employers and the economy more broadly. To date, the favoured funding model for HE has been full time provision and long courses focused on young people prior to their entry to the formal labour market. A ‘one size fits all’ model is no longer fit for purpose and will not support HE in playing a full role in developing the skills of the existing workforce or enhancing social mobility for those following work-based and vocational qualifications at level 3.

UVAC has long argued that HE should be seen as encompassing all higher-level learning programmes and qualifications at level 4 and above (those in the FHEQ **and** QCF **and** those awarded by professional bodies), if the UK is to develop the skills of those in the workforce and ensure individuals of all backgrounds have the opportunity to fulfil their potential. Too often higher education is associated with young people, rather than young people and adults; with entry to the workforce rather than with lifelong learning; with ‘going to university’ rather than learning at work, at college or through e-learning and distance learning models and with large qualifications, particularly honours and Foundation degrees, rather than the provision of a range of flexible programmes, qualifications and credit that meet the needs of

specific groups of learners and employers. 'Studying' is equated and used interchangeably with 'learning', when learning can take place in a variety of ways through practice, reflection, observation etc. and in a variety of environments - the workplace being one of the most important. 'Student' is used to encompass all types of learners, even though an employee learning in and through work may not regard themselves primarily as a student. If HE is to play a full role in developing the skills of the UK workforce and in enhancing social mobility, a change in perception is needed of what HE is, can do and where it takes place. HE must focus on key customers, particularly employers and employees in the workplace. Crucially, there must also be a shift in focus within Government policy, which should not simply be concerned with providing HE up to the point of an entry into full-time employment, but instead must also encompass the provision of HE in full-time employment as an equally important pathway to gaining accreditation for higher level knowledge and skills. In its response to the *Independent Review of Higher Education Funding and Student Finance* the Welsh Assembly Government, when considering widening access, the economic contribution of higher education and addressing the challenge of demographic change concluded as follows, a view UVAC fully supports:

*'A better targeted student support regime is one way of addressing this. Increasing the diversity and flexibility of higher education programme design, duration and delivery is another: allowing students to move between employment and learning during the course of their lives, increasing their knowledge and skills and building credits towards higher qualifications as they go. We need to move beyond the conception that higher education is normally experienced as one full-time course soon after leaving school.'*¹

Recommendation 1 - The HE funding system must champion, recognise and support a broader concept of higher education (i.e. any higher level learning programme e.g. Foundation degrees, honours degrees, HNDs/HNCs, smaller technical qualifications at level 4, higher-level NVQs, other higher-level qualifications awarded by awarding bodies regulated by Ofqual and recognised professional bodies including 'bite-size', accumulative progression) based on the best interests of a learner and, where appropriate, their employer. The HE funding system should recognise the importance of non-campus based learning and the value of work-based learning delivered by employers.

3. Rationale for the Development of a New Model for Higher Education Delivery in Work-Based Learning

There are four core reasons why a new model for Higher Education delivery in work-based learning should be developed.

¹ Letter from Leighton Andrews AM, Minister for Children, Education & Lifelong Learning, the Welsh Assembly Government to Lord Browne of Madingley

3.1 Social Mobility – Young people from the top three socio economic classes are twice as likely to participate in higher education as those from the bottom four classes². At 16 – 19 young people from lower socio economic classes are far more likely to pursue vocational courses and apprenticeships than those from higher socio economic classes. Indeed, the Milburn Review (the Panel on Fair Access to the Professions) stated that twice as many young people from lower socio-economic classes choose vocational routes as do young people with parents in professional occupations³. Young people from lower socio economic classes are often more averse to incurring debt (and therefore tuition fees) than those from higher socio economic classes. Noting the high propensity of individuals from lower socio economic classes to follow vocational programmes, it is instructive to consider the proportion of individuals following such programmes that progress to HE.

- 6 per cent of level 3 apprentices progress to HE⁴
- 40 per cent of holders of level 3 vocationally-related qualifications (VRQs – BTEC Nationals etc.) progress to HE⁵
- In contrast – 90 per cent of those with general and applied A levels progress to HE⁶.

The reasons for the low proportion of apprentices and vocational learners progressing to HE are complex and varied and analysed in various reports⁷. An inappropriate HE offering, a need for better IAG on work-based progression opportunities, poorly articulated progression routes and lack of employer commitment are among the most important factors. What, however, is particularly interesting to note is that in a recent study, the National Apprenticeship Service⁸ found that 50 per cent of apprentices who completed an Advanced Apprenticeship showed an interest in pursuing a degree-level equivalent course – yet, as noted above, only 6 per cent do so. How this interest in progression to HE is translated into actual demand is a complex issue – but having the right supply of HE programmes is undoubtedly a key issue. The ‘right supply’ for the

² Full-time Young Participation by Socio Economic Class, 2007/08 – quoted from the Independent Review of Higher Education Funding and Student Finance call for evidence

³ The Panel on Fair Access to the Professions (2009) p.22

⁴ Skills Commission (2009) Progression through apprenticeships; The final report of the Skills Commission’s Inquiry into apprenticeships

⁵ HEFCE (2007) Pathways to higher education: BTEC courses

⁶ HESA Online statistics

⁷ See in particular Progression from vocational and applied learning to higher education – A report for the Rt Hon David Lammy MP, Minister of State for Higher Education, Carter. J UVAC 2009 and Progression of vocational and applied learners to higher education and higher level learning programmes in Scotland, Wales and Northern Ireland, and comparisons with England, to be published 2010, UVAC/UK Commission for Employment and Skills

⁸ At NSA FE HE Collaboration, Maintaining Successful Collaboration conference, London 2 Feb 2010

majority of learners following such work-based programmes is not the traditional three year full time study model or a part-time variation of this model, but instead, as the Carter report⁹ outlined, a variety of programmes are needed, including a new range of smaller technician qualifications at level 4. Parallel pathways to and through HE, which focus on the development of knowledge and skills through work-based learning are needed, which have equal priority and status to traditional programmes. To ensure employer support, such work-based HE provision must have immediate business and individual benefit and be delivered on the basis of individual and employer need. To ensure individual support, the learning programme must enable the former apprentice/work-based learner acquire the knowledge and skills they require to progress in their chosen career.

Too often the solution to tackling social mobility through higher education is seen as making individuals from lower socio economic groups accept and follow existing (and in many cases inappropriate) delivery models developed for the particular needs of 'A' level and 'traditional' learners. Typical of such an approach would be to offer financial incentives to apprentices and other work-based learners to follow existing HE programmes, regardless of their suitability. Why, for example, would an employer want an apprentice in whom they had invested substantial financial and human capital to leave to follow a full-time degree programme? Similarly why would a former apprentice (particularly in the current economic climate) want to give up work, their income and associated job security and pursue a full-time degree? Instead, the HE funding system should support individuals to learn and acquire higher level skills in a manner that best meets their needs and, where appropriate, those of their employer. If a short, level 4 programme best meets the needs of a learner and their employer, why can this not be provided and funded on an appropriate basis? If work-based learning programmes best meet the needs of a former apprentice – should not the HE funding system meet this need? Ironically, at a time when social mobility in general and apprenticeship progression to HE in particular is so high up the political agenda, state funding for higher level qualifications in the QCF (via the Skills Funding Agency) and the funding of Higher Apprenticeships are not part of the *Independent Review of Higher Education Funding and Student Finance*.

Recommendation 2: The HE funding system should ensure it provides equitable funding for individuals who have undertaken vocational qualifications and apprenticeships at level 3 to follow appropriate higher level learning programmes that best meet their needs and, where appropriate, those of their employer. The default funding model must not be a system that favours one particular group of learners, i.e. 'A' level entrants over others who could potentially benefit from HE.

3.2 Developing the Skills of the Existing Workforce – As growth in employment in the UK economy will predominately occur in higher skilled occupations and as approximately three-quarters of the 2020 workforce is already of working age,¹⁰

⁹ *ibid* 7

¹⁰ BIS (2009), *Higher Ambitions: The future of universities in a knowledge economy* and BIS (2009) *Skills for Growth: The National Skills Strategy*

developing the higher level skills of the workforce will be critical to the future of the economy. The UK Commission for Employment and Skills¹¹ predicts a 23.8 per cent growth in the number of managers and senior officials in England between 2007 and 2017, growth of 20.3 per cent in professional occupations and 19.1 per cent in associate professional and technical occupations over the same period. The Leitch review¹² of long-term skills proposed an objective that 40 per cent of the working population should have a level 4 qualification by 2020, this figure was adopted by Government in 2007 and as at 2008, 31 per cent of the working population was in possession of a level 4 qualification¹³. UVAC noted in the UK Commission for Employment and Skills commissioned publication *'Progression of Vocational and Applied Learners to Higher Education and Higher-Level Learning Programmes in Scotland, Wales and Northern Ireland, and Comparisons with England'*¹⁴ that *'The rising age profile of the workforce... is shifting the focus from young people to increasing emphasis on developing the skills of people in work.'* This issue is illustrated by the fact that in the next 10 years there will be a 10 per cent decline in the number of 18 year olds.

Although none of the above analysis should undermine the important role HE does and should have in developing the knowledge and skills of young people entering the workforce, it does emphasise the critical importance of developing the skills of those already in the workforce. Regrettably, however, while participation rates for young people in higher education have improved, those for adults have not. While there have been targets for the participation of young people (those aged 18 – 30) in higher education, far less interest has been shown in developing the skills of older adults in the workplace.

There is, however, considerable potential for HEIs to play a major role in this agenda. By linking the world class expertise the HE sector has in research and learning to the development of the skills of the workforce, the UK would have a powerful vehicle, through HE, for economic growth. Regrettably, this role is in its infancy with the HE share of the market for higher level CPD estimated at only 6 per cent by the UK Commission for Employment and Skills.¹⁵ Roodhouse and Mumford noted in their three year longitudinal analysis of a study of over 4,000 employees over the period 2008-2010 that:

¹¹ SSDA/UK Commission for Employment and Skills (2008)

¹² HM Treasury, (2006) Leitch Review of Skills, December 2006

¹³ DIUS Annual Report 2009 page 33

¹⁴ *ibid* 7

¹⁵ Mike Campbell, UK Commission for Employment and Skills at UVAC Conference, November 2009

*'Employees continue to see employers and professional bodies as much more credible deliverers of work-based learning than higher or further education institutions and the gap is progressively widening.'*¹⁶

The reasons why this is the case are numerous, but can quite usefully be summarised as follows:

- Businesses do not generally perceive HE as the solution or of being capable of providing a learning and accreditation service to develop the skills of their workforce and therefore business performance. University services are perceived as unresponsive, out of touch and impractical. As Roodhouse and Mumford note *'Mechanisms to connect business needs with higher education provision are generally disorganised.'*¹⁷
- HE has (with notable exceptions) not focused upon or been encouraged to focus upon the workforce as a major market for its services (instead the 'A' level entrant and international student market have been of particular importance). With the demographic decline in the number of young people (as noted earlier), which is particularly concentrated in certain regions and increased competition for international students, some HEIs may need to focus on the workforce for reasons of financial expediency. Whether the HE funding system will support HEIs to develop such a focus is currently questionable.
- HE (again with notable exceptions) lacks the products and services needed to provide a workforce development service. Supporting quality and funding systems also prevent HE playing a fuller role in this market.
- The HE funding system and employment and training funding policies (operated by the LSC/Skills Funding Agency) have, with some notable exceptions, neither supported or encouraged higher education or other providers of higher level learning to engage in higher level workforce development as a mainstream activity.

Recommendation 3: The HE funding system should facilitate the HE sector to play a major role in developing the skills and knowledge of individuals in the existing UK workforce, through the provision of workforce development services for employers which support and recognise the development of the knowledge and skills of employees.

3.3 The State, Employer and Individual Contribution to the Cost of HE Provision –

A traditional argument for business to pay more towards the costs of HE delivery is that employers benefit from a plentiful and substantially increased supply of

¹⁶ Roodhouse S and Mumford J, HE@Work: Three Year Longitudinal Employee Learning Attitudes Survey of Large Private Business, 2008 – 10, to be published in Work Based Learning Futures 4, UVAC

¹⁷ Ibid 16

graduates and therefore employers should contribute to the financial costs of HE. Typical of the arguments made is that advanced by the University and College Union in its response to the *Independent Review of Higher Education Funding and Student Finance*.

'Employers benefit enormously from the plentiful supply of graduates in the UK but despite having one of the most lenient corporate tax regimes in the world provide little direct or indirect financial support to HE.'

There is undoubtedly some logic in this position, but business has frequently criticised HE for not delivering the knowledge and skills employers require and has questioned why business should be asked to pay for a service that is not necessarily requested and that is unresponsive to its needs. Business needs to have a greater input into the outputs and design of HE programmes. More ambitiously, HE should be encouraged to work with business to jointly design and deliver HE programmes, with delivery increasingly taking place in the workplace in work time, supported by the HEI and funded, in many cases, by the employer and individual learner.

There is of course a tendency to argue that HE programmes delivered for those in the workforce should involve employers making a major financial contribution to the cost of such provision. In many cases this is entirely appropriate and policies and operational activities should pursue this objective. UVAC has researched and published various case studies illustrating how major national and international businesses, such as Airbus, Ford and BT have used higher level learning programmes to develop the skills of their employees and hence their business performance. Such models should be replicated. The suggestion of the state subsidising the training costs of major international businesses at a time when state expenditure needs to be reduced would seem bizarre. Equally, UVAC would argue (with many others) that a key objective of Government in this area would be to encourage business to invest more in the training and development of their workforce, with incentives such as tax breaks on training and development provided to encourage the development of this role and responsibility.

In some sectors (accountancy being a particular example) even SMEs and micro businesses invest substantially in the development of the higher level skills of their employees as part of their approach to the development and growth of their business. In other cases this may be inappropriate for the business concerned. For example, in hairdressing, the technical skills required to practice the occupation stop at level 3. Many hairdressers will, however, have an aspiration to progress and own and manage their own salon. Management skills developed and accredited through an appropriate HE programme would therefore be of considerable benefit to a former apprentice aspiring to run their own hairdressing businesses. To expect an apprentice's employer to support and contribute to the financial costs of such a programme which developed the skills of a potential competitor would be naïve. In hairdressing, as in other sectors dominated by micro businesses, alternative models of employer co-funding would be needed.

From a social mobility perspective, expecting a greater financial contribution from a work-based learner and/or their employer to the costs of an HE programme than from a former 'A' level learner would seem perverse, especially given the higher propensity for learners from lower socio economic groups to follow work-based learning programmes and apprenticeships. More investigation is needed into these issues and funding models which balance issues of equality and social mobility with the need to maximise the financial contribution from employers and individual learners to the costs of work-based learning HE programmes.

3.4 Developing a Sustainable HE sector – In coming years the HE sector as a whole will need to develop new markets for its services to compensate for the decline in the size of the 'A' level cohort and increased competition for international students. It is also quite possible that with young people being increasingly asked to pay more and incur greater debt for their higher education, new higher level learning and development pathways may be developed that bypass university. Work-based routes already exist from level 3 programmes through to the highest echelons of the accountancy profession. Similar, work-based progression routes could be developed in other professions and occupations - developments that could be supported by the flexibility offered by the QCF at HE equivalent levels and developments with Higher Apprenticeship and professional qualifications. Young people may increasingly question the value of a traditional university education, with its associated debt and may question the employment value of some full-time degree programmes when work-based progression pathways to higher level job roles supported by employers are available. If it chooses to ignore work-based pathways, the university sector risks leaving this market to private sector providers and denying itself a major income stream. This comes at a time when HE's monopoly on the awarding of degrees is being eroded. Four private sector providers have gained degree awarding powers and the Further Education and Training Act 2007 allows FE colleges to apply for Foundation degree awarding powers. Alternatively, HE is very well placed, with its unique offering of the accreditation and credit towards higher education qualifications and an enviable reputation, to play a major role in this market.

Recommendation 4: The HE funding system must encourage and support HEIs to develop new income streams through the provision of higher level work-based progression routes and training and development services to businesses and their employees.

4. A New Model for Higher Education Delivery – In the paragraphs that follow a new work-based model for HE is outlined, that, if supported and funded appropriately, could:

- Help tackle the issues of social mobility outlined
- Support HE to play a fuller role in developing the skills of those in the workforce
- Provide a framework to enable businesses to pay, on the basis of the benefit received, a contribution to the cost of the development and delivery of appropriate HE programmes.

4.1 Culture and Language – Terminology such as ‘part-time’, ‘student’, ‘studying’ and even ‘higher education’ can convey the wrong message and handicap HE in developing and extending its role in developing the skills of the UK workforce. This agenda is not about employees studying part-time at university or through distance learning, but learning in, though and at work, with appropriate support through distance learning, studying at university or college, tutoring, mentoring etc. ‘Part-time’ conveys the wrong message because the learner is learning in and from a full-time or part-time job role. ‘Study’ can convey a message of learning through books, in contrast to ‘learning’, a far broader term, which encompasses learning in and through work. ‘Training’ is frequently not seen as an appropriate activity for HEIs by some in HE, but is fundamental to the development of businesses and the state continually implores UK business to invest more in the training and development of their staff. ‘Training’ is also a term business understands and is a service businesses purchase. HE must decide if it is in the training market. From a public funding perspective, training has also been predominantly associated with learning to level 3, as exemplified by apprenticeship policy where, for no economic or business reason, apprenticeships until recently stopped at level 3¹⁸. Until very recently the HEI role in work-based learning and CPD was marginal to providing courses or undertaking research of an international standing. Indeed, work-based learning as an important skill for practitioners in HE, or as an academic discipline was not supported either through staff development programmes or promotion structures. The term ‘higher education’ itself is too often associated with young people, ‘going to university’ and full-time bachelors and Foundation degrees. HE must be, and be seen to be, core to approaches to developing the vocational skills of the existing workforce and gaining accreditation for knowledge and skills acquired in the workplace. HE should therefore not only encompass the activities of HEIs, but also of FECs, professional bodies and private sector providers in the development of the higher level skills of those in, as well as those entering, the workforce. A change in perception of what HE is and can do to develop the skills of those in the workforce is accordingly needed.

Recommendation 5: The HE funding system should support a change in culture as to what HE is, what HE can do, particularly in terms of developing the skills of the existing workforce and the provision of CPD and training services.

4.2 The HE Product and Service – Clarity is firstly needed on what HE is delivering and selling and the products and services needed to support businesses to develop the skills of their workforces and the support individuals need to progress within their career. The large qualifications that dominate the HE landscape, Foundation degrees, Bachelors degrees and post-graduate degrees have a fundamental role, but are only part of the solution. Smaller ‘bite-size’ programmes that can, through a

¹⁸ Apprenticeships have been available to level 3, Higher Apprenticeship frameworks until recently a pilot; have been developed in engineering, ICT, telecommunications and accountancy. They comprise NVQs or NVQ units up to level 4, functional skills and an HE ‘technical certificate’ typically a Foundation degree. There were 850 Higher Apprenticeship starts in 2009.

process of HE credit, lead to full qualifications are needed. In addition to the need for learning programmes to be of varying size, the skills requirements of employees may call for programmes that support individuals to develop and can accredit knowledge and skills at different HE (and FE) levels. HE credit systems should also meaningfully connect with the QCF and professional qualifications to enable individuals and their employers to combine learning outcomes in a flexible manner that most appropriately meet the needs of learners and their employers. A funding system that enables and supports the combination of units/credit from the QCF with HE credit would widen participation by creating more diverse entry routes to and through HE for apprentices and other full-time employees.

What businesses need from HE to develop their workforce is a consultancy, learning and assessment service that will meet a particular defined business need. HEIs need to focus their activities on providing a solution to a workforce development need – the HE funding system should support and encourage HEIs to do so and lever in employer and individual financial contributions to the cost of this service. A qualification is only part of the solution and therefore other services will be needed. HEIs will often need to identify the skills needs of the workforce and individual employees through a diagnostic process involving training needs analysis; the use of AP(E)L will therefore be critical, as will the design and accreditation of appropriate training and work-based learning programmes to meet the needs of employees. A consultancy type service with core services and options is needed, linking HEI expertise in research, teaching and accreditation and validation. Employers often do not value qualifications when developing and investing in their workforce, preferring instead to fund short unaccredited programmes of learning. Primarily focusing on the promotion and sale of qualifications will therefore not, in many cases, be the ideal approach for HEIs to develop this market. This contrasts with the views and perceptions of individuals, for whom qualifications are important because they demonstrate knowledge and skills have been acquired, mark achievement and are of value in the labour market and for internal and external promotion. Employers can, however, value qualifications when used as a license to practice or alternatively to demonstrate that the employer values learning and therefore can assist in recruiting and retaining a high quality workforce.

Recommendation 6: The HE funding system should enable and encourage individuals to combine learning with work and support the mainstreaming of work-based HE programmes in overall HE provision for individuals in full-time employment.

Recommendation 7: The HE fees system should allow for and support different programmes and courses in accordance with employer and individual need – whether a three year full-time honours degrees or a three month employer developed and HEI accredited in-house learning programme.

4.3 Employer and Learners Demand – The work of Roodhouse and Mumford¹⁹ points to some interesting perceptions on the potential demand for HEI workforce development services. While individuals are seen as valuing degrees and higher degrees in preference to vocational qualifications such as NVQs, employers are seen as the most valued deliverer of learning and the workplace is seen as a highly valuable location for learning. Positively, university qualifications and university accreditation are valued highly. This could suggest the basis of a partnership where employers provide the work-based learning and an HEI provides the assessment, validation and qualification for the learning. When examining what is offered by employers and what individuals want, further interesting findings are apparent. Whereas employers prefer to offer short, in-house, non accredited courses, employees indicate a preference for short in-house accredited courses. The typical university offer of programmes delivered over a long period of time and physically based at the institution indicates the mismatch between what universities are currently able to supply and what individuals and employers demand.

Recommendation 8: The HE funding system should support HEIs to develop and deliver the services employers demand and which employers and individual learners will pay for. This means HEIs need a sophisticated and flexible consultancy offering to support individual and business need, rather than be seen as deliverers of long courses and a limited range of qualifications.

4.4 HE Supply and Delivery – Delivery models based on three semesters, commencing in September/October and concluding in May/June are not fit for purpose for many business needs. With the business financial year running from April to March a disconnection may be experienced with an academic year running from August to July. An apprentice or work-based learner and their employer may want a learning programme to start in January or March and would question the logic of why HE programmes start in September or October – start dates designed again to meet full-time traditional entrants to HE progressing from school and full-time college programmes. Flexible start, stop off and completion dates are essential to meet business requirements – learners need to be able to dip into and out of learning and take breaks on the basis of their own employment and personal needs and circumstances. The current funding system does not facilitate the delivery of short programmes commencing at different times during the year – issues of great importance in work-based learning and employer engagement activity. Validation cycles also need to be able to respond to business requirements and develop and accredit knowledge and skills in response to a particular business need, be that the launch of a new product or service, restructuring, succession planning etc. In some cases work-based programmes will be delivered entirely by the employer with the HEI primarily involved in validating and awarding. This of course raises the question as to when a learner should be registered on a programme and the appropriateness of a fee regime based on time and length of study, rather than the actual costs of

¹⁹ Ibid 16

providing a learning service or the value of a learning service to the customer, the employer and learner.

Anomalies are apparent throughout the HE funding system. 90 per cent of part-time students (the category incorporating work-based learners) receive no financial support from Government and, unlike full-time students, they do not qualify for up-front loans. Despite a tendency for many part-time students to come from under-represented groups in HE and lower socio-economic groups there has been a tendency for part-time students to be marginalised in the fees debate. As Professor Christine King noted in her submission to the HE Review:

*'Despite the growing importance of part-time higher education, it could be argued that part-time students are consistently disadvantaged by the current system and that the very phrase 'part-time' implies a norm of full-time and hierarchy between the two.'*²⁰

Others have come to similar conclusions. The funding of HE part-time provision has been described as an 'afterthought' by the university teachers' association, 'inadequate' by a vice chancellor and 'precarious' by the Select Committee on Innovation, Universities and Skills.²¹ The importance of part-time learners is demonstrated by the fact that part-time students account for 44 per cent of the intake to first degree programmes.

In 2010 the whole notion of 'part-time' student is questionable, with an increasing number of 'full-time' students working a full-time equivalent number of hours, yet the funding model still takes the 18 or 19 year old full-time student as a norm, when they will potentially be an increasing minority of students. Equally many so-called part-time students i.e. those in full time employment, can have an equal number of study hours a week to a full-time student. From studies of and practice derived from apprenticeship it is apparent how attractive the notion of 'learn as you earn' is to many groups of learners and particularly those from lower socio-economic groups.

- 4.5 Validation and Assessment** – Core to business needs will be to demonstrate that an individual employee has the skills and knowledge to perform a defined role. Assessing knowledge and competence and the outputs of a learning programme is tangential to the activities of most businesses. Assessing learning outcomes and validating the acquisition of skills and knowledge is, however, core to what HEIs do both internally for their own students, externally through international partnerships and through partnerships with FECs. If qualifications or credit is used as a mechanism for demonstrating individual competence in a role required in a business, then employers will value the service provided and the qualification awarded. The processes needed to assess learning outcomes achieved in the workplace are,

²⁰ C.King, Part-time Study in Higher Education, 2008

²¹ HEFCE Review of the teaching funding method: Consultation January 2006. Response from AUT and NATFHE; Professor David Latchman, Master of Birkbeck College; Select Committee on Innovation, Universities and Skills Third Report, March 2009

however, totally different to assessing learning outcomes achieved through academic study. Currently, the overall HE role in assessing and accrediting work-based learning outcomes is in its infancy and needs to be developed if HE is to develop a full role in supporting employers to develop the work-based skills of their existing employees. The HE funding system needs to support HEIs to move in this direction and develop a service that is of value to employers and also which employers will be willing to pay for.

- 4.6 Work-based Progression Pathways** – Work-based progression pathways into and through HE are notable by their absence and where they do exist they are often difficult to navigate. What is needed is national acceptance of the importance of a work-based learning pathway from apprenticeship and employment into and through HE, which is equitably funded and supported in comparison with traditional full-time HE pathways developed and offered to individuals entering HE with ‘A’ levels. Foundation degrees represent a potential first stage in the development of such pathways, but work-based progression to and through bachelors and post graduate degrees is essential. The professional doctorates provided by the University of Middlesex, for example, which are followed by 150 learners, demonstrate the potential for a work-based route to the highest level of HE qualification.

Recommendation 9: The HE funding system should support the development of work-based progression pathways to and through HE at all HE levels.

- 4.7 Costing and Pricing** - HEI workforce development services are frequently priced too cheaply or even given away. Precisely what an employer pays for e.g. programme design, training needs analysis, registration fees, programme delivery and related consultancy needs to be determined. Whether a ‘payment in kind’ approach secures business for HEIs or alternatively acts as a deterrent to charging realistic changes based on the actual costs of programme development and delivery is a moot point. Businesses, used historically to a benign HE funding environment, may expect HEIs to provide a service free of charge, yet will pay handsomely for an alternative private sector training or consultancy service. Ironically, at lower learning levels employers have invested and contributed substantially (i.e. paid the majority of the cost of the programme) in Government sponsored learning programmes such as apprenticeships, of which engineering is a particularly good example. In HE, the evidence that is available demonstrates that if an HEI provides a business solution that does impact positively on the bottom line, a business customer will pay. Generalisations are easy to make and major variations will be apparent between sectors and especially between large businesses and SMEs. In contrast to large businesses, special approaches will be needed for SMEs that will, in most cases lack work-based progression pathways. Whereas for large companies ‘train to retain’ may be a growing maxim, for SMEs and micro businesses training an employee to the next level of their career, when no suitable position is available will lead to a well trained and qualified employee seeking employment external to their current employer. Work-based learning presents particular challenges for any HE ‘student fees’ regime. The programme of learning may not be time related and could vary substantially depending on the level of APEL and extent to which a business trains

and develops its staff prior to the engagement of an HEI validation partner. In work-based learning programmes, learners, unlike their peers following traditional campus based courses, will not need to be registered for an award at the start of a learning programme. Assumptions are often apparent that higher level work-based learning is cheaper, than 'traditional' academic programmes – such assumptions are frequently incorrect. Work-based programmes cater for complex learner and employer needs and are not as straightforward and as easy to design and deliver as programmes developed for 'A' level learners. Work-based learning is not a cheap alternative to 'traditional' academic programmes, but with an appropriate flexible funding system HEIs could develop and deliver higher level work-based learning programmes that levered in a greater employer contribution to the costs of HE provision, enabled public funding for HE to 'go further' and support greater numbers of learners and provide a mainstream service to business to develop the skills of their employees.

Recommendation 10: A study should be undertaken to outline potential HE costing and pricing models (reflecting the commercial approaches of private sector providers and consultancies and lessons from HEFCE SDF projects including the long-term sustainability of SDF models) and issues in relation to student fees for HEI workforce development services that could be adopted by HEIs seeking to work with large businesses, SMEs and micro businesses.