

THE LOST PART-TIMERS

The decline of part-time undergraduate higher education in England

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Contents

Foreword	2
Executive Summary	3
Recommendations.....	5
1. Introduction and methods.....	6
Introduction	6
Presentation and terminology.....	6
Data and Methods.....	7
2. Changes prior to the 2012 reforms of part-time student funding.....	8
Explanations for the longer-term decline of undergraduate part-time study.....	8
3. 2012 reforms of part-time student funding and their effects	17
2012 changes in fees and student financial support in England.....	17
Changes since 2012 in fees and student financial support in England.....	18
2012 changes – entrant numbers.....	19
2012 changes - entrant numbers by qualification aim	19
2012 changes - entrant numbers by intensity	23
Loan eligibility and take up across the sector	30
2012 changes and the subjects studied	31
2012 changes and the entrants' age, POLAR category and entry qualifications.....	34
4. Can the decline in part-timers be attributed to higher tuition?	42
Did the 2012 funding changes affect the numbers of entrants? Comparing England, Scotland and Wales.	42
5. The effects of decline in part-time entrants and policy issues	48
How did the 2012 funding changes affect employer support?	48
Will reduced supply bring further decline in entrant numbers?	50
Does the decline in part-time matter?	50
Social mobility and social equity	51
Skills and productivity.....	52
Financial constraints and incentives.....	54
6. Future policy developments	57
Will maintenance loans lead to increased demand for part-time study?	57
Clearer and more accurate information for students.....	57
Information for policy development	58
Reversing the decline: what can be done without increased public expenditure?.....	58
What could be done with an increase in public expenditure?	60
7. Annexes	63
8. References	71

Foreword

The recent announcement of the government's review of post-18 education was a welcome one. It has become increasingly clear that the student finance system for young people is broken. The Sutton Trust has consistently campaigned for radical reform to tackle high fees and a lack of maintenance support. But the media debate too often focuses on young, full-time undergraduates, and another sector of British higher education is frequently forgotten: part-time study.

As this report shows, part-time study in England has been decimated over the last decade, with numbers collapsing by over half. While this is in the context of a wider decline, this new research demonstrates the extent to which the tuition fee changes of 2012 have affected participation in the part-time sector. It is little surprise, therefore, that former universities minister Lord Willetts has expressed his great regret at the effects of the 2012 reforms on part-time and mature students.

Studying later in life is an important 'second chance' route to social mobility, and part-time learners are more likely to be from less well-off backgrounds than those on full-time courses. Yet since the 2012 tuition fee rise, the numbers nationally have decreased by 51%. This is a serious blow for those who missed out on university when they were teenagers.

It is imperative that something is done to arrest this decline, as lifelong learning is only going to become more important. Sutton Trust research with the Boston Consulting Group has shown that up to 15 million jobs in the UK will come at risk through automation, and that the jobs most in danger are roles more likely to be performed by those from modest backgrounds. The ability to upskill will become even more crucial in the context of these dramatic changes, and it is essential that those from less well-off backgrounds are not left even further behind. Part-time and mature learning will become vital for those seeking to adapt to this new environment, and we must ensure there are varied, high-quality and accessible learning opportunities for those who wish to develop their skills. Lack of financial resources cannot be allowed to block access to these opportunities.

That is why we are calling on the government to task the review of higher education with changing the game on part-time and mature study. We need to move away from a 'one size fits all' approach to higher education and develop financial solutions that work for the particular circumstances of part-time learners. We need both government and universities to recognise the different barriers that part-time and older students face in taking up study and offer them tailored solutions. This should include grants for tuition fees and wider eligibility for student support.

Opportunities to get on in life should not be restricted to a one-off decision at age 18. Genuine social mobility would empower all those in society to gain the skills they need to succeed, regardless of age or background. Part-time and mature education is key to this.

I'd like to thank the authors, Prof Claire Callender and John Thompson for this essential new research.

Sir Peter Lampl
Founder and Chairman of the Sutton Trust and Chairman of the Education Endowment Foundation

Executive Summary

- Part-time undergraduate study has an important role both in widening participation and in developing skills. Since 2010, the number of part-time undergraduate entrants living in England attending UK universities and English further education colleges has fallen annually. By 2015, the numbers nationally had decreased by 51%, by 63% at the Open University, and by 45% at other UK universities and FE colleges. These numbers continue to fall.
- This report focuses on the role of the 2012 reforms of student funding, which abolished means-tested fee and course grants, introduced fee loans and reduced teaching grants leading to big increases in tuition fees. Between 2011 and 2012, the Open University increased its fees for English-domiciled students on average from £1,400 to £5,000 per full-time equivalent. At other English universities, the average (median) fee for degree courses was £5,000, with some institutions charging up to the equivalent of the full-time fee cap of £9,000.
- These falls sit in the context of a long-term decline in part-time study. Explanations for this decline include: above inflation increases in tuition fees; the ending of funding for most graduates taking a second degree; the impact of the recession; the declining 'stock' of potential part-time students; and supply factors as universities' income from part-time fell behind the income that was possible from full-time provision. Another reason mooted for the decline is the rise of unrecorded learning opportunities, including unaccredited courses at universities, courses delivered by 'alternative providers', and massive open online courses (MOOCs). These factors are not mutually exclusive, as others suggest, there was 'pressure on all sides'.
- This report shows that the fee increase significantly exacerbated these earlier trends. Open University data provides the most convincing evidence. Between 2011 and 2012, home students from England saw a real increase in fees of 247%, compared to 2% for those from Scotland and Wales. By 2012, the number of entrants living in England had declined 43% compared to 2010, whereas in Scotland and Wales there was little change. Since 2012, a further decline in England has been matched by falls in Scotland and Wales. In 2015, numbers in Scotland were 22% down on 2010, Wales 46%, and England 63%. This indicates that a decline in the English numbers would likely have occurred regardless of the 2012 changes, but that it is much higher as a result of the fees increase.
- Approximately 40% of this decline is attributable to the fee changes. If the numbers in England had declined by the same proportion as those living in Wales – who were unaffected by the tuition fee increases – in 2015 there would have been 149,000 part-time students instead of 106,000.
- The drop in part-time numbers since 2012 has varied by age, qualification aim (degree or sub-degree), institution type (university, FE college, Open University) and intensity of course. The biggest drops have been among mature students over-35, those pursuing sub-degree qualifications, such as courses leading to institutional credit, and low intensity courses (lower than 25% full-time equivalent). There have also been significant declines in students from England not eligible for loans, particularly at the Open University, suggesting that loan ineligibility combined with higher fees acts as a further barrier to entry.
- The part-time sector is not just smaller, it is different. The nature, breadth and flexibility of part-time provision have changed as a result of the 2012 reforms and especially the incentives provided by the loan system, with drastic drops in take up of sub-degree, low intensity 'continuing education' type courses. However, between 2010 and 2015, the number of entrants to universities and FE colleges taking a degree also fell by 33%,

challenging the claim that degree numbers have held up, though this is smaller than the 57% decline for those aiming for 'other' qualifications.

- Employer support plays an important role in the part-time sector as, without it, many students would not be able to support their study. Between 2010 and 2015, there was a 54% fall in the numbers of students living in England receiving employer funding. The Open University has seen the biggest decline, a drop of 88%. However, outside the OU, the proportion of students receiving employer support out of all those attending part-time courses has not declined. This indicates that the money available from employers may not be declining, but is being spread across fewer beneficiaries.
- The decline in part-time study has significant knock-on effects for widening participation, particularly as young part-time students tend to be less well-off than those studying full-time. Using the POLAR measure of disadvantage, 17% of young part-time students are from the most disadvantaged group, compared to just 12% of full-time. In 2015, there were almost 2.5 times more full-time students in the most advantaged group compared to the most disadvantaged, while for part time students, the numbers were almost equal.
- However, the drop in numbers between 2010 and 2015 has been higher for the most advantaged group of young entrants - 59% compared to 42% for the most disadvantaged group. Nevertheless, this 42% drop is extremely significant for a group that need greater access to higher education. Moreover, the decline in disadvantaged part-timers partially offsets the increases in disadvantaged participation at full-time level.
- The dramatic decline of mature and part-time study has consequences for social equity and social mobility. Mature entry provides a way into higher education for those who have not followed the traditional route from school and part-time study offers an opportunity for those whose work or family responsibilities make full-time study impractical. It is crucial that such students, whether young or old, do not suffer from reduced educational options. Any student finance system for part-time students must take the circumstances of such students into account, and there must be a move away from a 'one size fits all' approach to student finance, which has not worked for English part-time students since 2012.
- The government's current answer to reversing declining part-time numbers is to increase opportunities to take out loans by relaxing the loan eligibility criteria, and by introducing maintenance loans. While these measures are welcome, the evidence suggests that more loans will not have a great impact. In 2012, non-means tested loans were introduced in England for part-time students, which it was believed would more than compensate for tuition fee rises. Most of those who are eligible to take out a loan do so or have support from employers or fee waivers. But the decline in numbers shows that for many the alternative to loans is not paying up-front, it's deciding study is not for them. Government research shows that many potential part-time students are very price-sensitive and highly debt-averse. Their study will often have to fit round work and caring responsibilities, and the risks of non-completion are high while the financial returns are uncertain. Policy solutions must take these factors into account.

Recommendations

- 1. The government's Review of Post-18 Education should recognise that the costs of tuition for part time and mature students need to be tackled to reduce barriers to entry.** The review should acknowledge the end of a 'one size fits all' approach to student finance, and recognise that the mature and part-time sector requires tailored solutions. One option, which calculations for this report show would come at a low or zero additional cost per student, would be to give students who are eligible for the new part-time maintenance loan the option of a tuition fee grant for the first two years of their course instead of having to take out a maintenance loan. This measure would help to reduce debt aversion as a barrier to participation, but with additional resources for student support a greater impact could be achieved.
- 2. In the longer term, government should consider the most effective use of additional resources to combat the decline in mature and part-time study.** Options include widening eligibility for student support (in terms of means-testing and relaxing equivalent qualification conditions), or increased teaching grants to universities through a 'part-time premium'. The latter option could particularly help to alleviate declines in the supply of part-time courses.
- 3. Information on fees and loan eligibility should be much clearer for prospective students.** Providing accurate, up-to-date data on fees and 'fees per full-time equivalent student' in an easily accessible form should be a priority for the Office for Students. Eligibility criteria should be streamlined to make them less complex and easier to understand.
- 4. Resources should be invested in reinvigorating lifelong learning, particularly for the less well-off.** In a rapidly changing economy, the need to upskill is likely to become greater and greater. It is essential that this doesn't lead to a two tier-workforce. Additional resources for supporting lifelong learning should be directed at those with lower levels of education and from low socio-economic backgrounds who would benefit the most.
- 5. Data collection that can inform future policy should be improved.** There are four sets of information which, if they were available more systematically, would make future analysis much more effective: part-time tuition fees, loan eligibility and loan take up, and means to measure the impact on social mobility of mature entry to higher education. Ideally these data items would be routinely included in the HESA student records. Additionally, survey and interview research could assess to what extent the observed decline of part-time study is the result of a movement to unrecorded activity, and to what extent the decline has resulted in a reduction in the choice, or even the chance, of part-time study for potential students.

1. Introduction and methods

Introduction

Participation rates for young full-time undergraduates have grown through the increase of tuition fees to £3,000 (2006/07) and a further increase to £9,000 (2012/13). However, the number of mature entrants for full-time provision has not been so robust and the number of mostly mature part-time undergraduate entrants has been declining since 2008/09.

While not ignoring the variety of possible explanations for the long-term decline in the number of part-time entrants, the main focus of this study is to look at the changes in student funding introduced for undergraduates starting in 2012/13 and later. Prior to this, most part-time students, or their sponsors, had to pay for their tuition fees 'up-front'; there were means tested grants for tuition fees and course expenses available to a minority of students, but there was no system of subsidised, non-means tested loans, like those available to full-time students.

From 2012/13, for the first time, part-time tuition fees were capped at £6,750 per annum. In addition, for the first time, non-means tested loans became available to some of those studying part-time, which, it was believed, would more than compensate for any increase in fees following the reduction in governmental (HEFCE) teaching grants. These changes were presented as a major step in terms of 'opening up' access to higher education.¹

Overall, it seems the funding changes have led to a further 'closing down', rather than an 'opening up', of part-time study. It is widely accepted, including by government, that this is of concern for the economy as well as for individuals and higher education providers. Since the first investigations of these reforms,² there are now enough data to make a fuller assessment of the impact of the 2012/13 changes, which should help to inform discussion as to how best to stem the decline in part-time study.

Presentation and terminology

UK public higher education institutions (HEIs) will be referred to as 'universities' or 'UK universities' even though some HEIs do not have university status – an example is the Liverpool Institute of Performing Arts. Similarly, 'universities in Scotland' refer to HEIs in Scotland.

Further education colleges in England will be referred to as 'FE colleges in England' or just 'FE colleges', Further education colleges in Scotland (Wales) will be referred to as 'FE colleges in Scotland (Wales)'.

For convenience, from here on academic years (1 August to 31 July) are shown with the first year. So '2012' refers to '2012/13'.

All entrant counts are rounded to the nearest five.

'Intensity' refers to a percentage of full-time study. A six-year part-time course, which would take three years of full-time study, would have an intensity of 50%. One year of full-time study will be assigned 120 credits, and so one year of a part-time course with a 50% intensity is worth 60 credits.

Most statistics used in this report are based on entrant counts. In some cases the full-time equivalents (FTE) are used. For example, 15 students taking a 60 credit course would have an

¹ BIS, 2011.

² Thompson et al, 2013; HEFCE 2014a.

FTE of 7.5. Similarly, tuition fees may be expressed 'per FTE' so a 60 credit module with a tuition fee of £1,000 would have a fee per FTE of £2,000.

Details of data sources, processing and definitions can be found at Annexes 1 to 4.

Data and Methods

Most of the statistics in this report relate to the number of part-time undergraduate entrants domiciled in England, or, for comparison, domiciled in Scotland or Wales, attending public UK higher education institutions (referred to as 'universities') and further education colleges ('FE colleges') in England. The main data sources are the Higher Education Statistics Agency (HESA) student records and Education and Skills Funding Agency Individualised Learner Record (ILR) for students registered at FE colleges. These data were merged across both sources and duplicates deduplicated or deleted (See annex A1). Examples of the need to deduplicate include those instances when both a university and an FE college wrongly return student records for a student registered at the university and taught the college. A deletion of both records would occur if one of a pair of records were for a full-time student and for a part-time student. Because of these processes the numbers of entrants counted will not exactly match those published elsewhere.

Time series not only provide a description of what has happened, but also inform assessments of the impact of new policies, in particular the changes in 2012. To further isolate the impact of new policies time series of entrants domiciled in England are compared with time series of entrants domiciled in Scotland and Wales.

Ensuring that the counts of entrants are consistent through time is often not trivial, and both the time period and coverage involve a balance between usefulness and cost. For example, the plot of entrants to give a longer-term perspective (Figure 1) does not include entrants registered at FE colleges. A longer period than the 2011 to 2015 time period for loan eligibility might have provided more context, but the effort required did not justify it.

In most figures and tables in this report, the Open University is shown separately. Its size and central organisation mean that changes to the University's provision can be made on a scale and within a timescale that they can shape the trends found for the whole sector. Other universities and FE colleges are usually taken together.

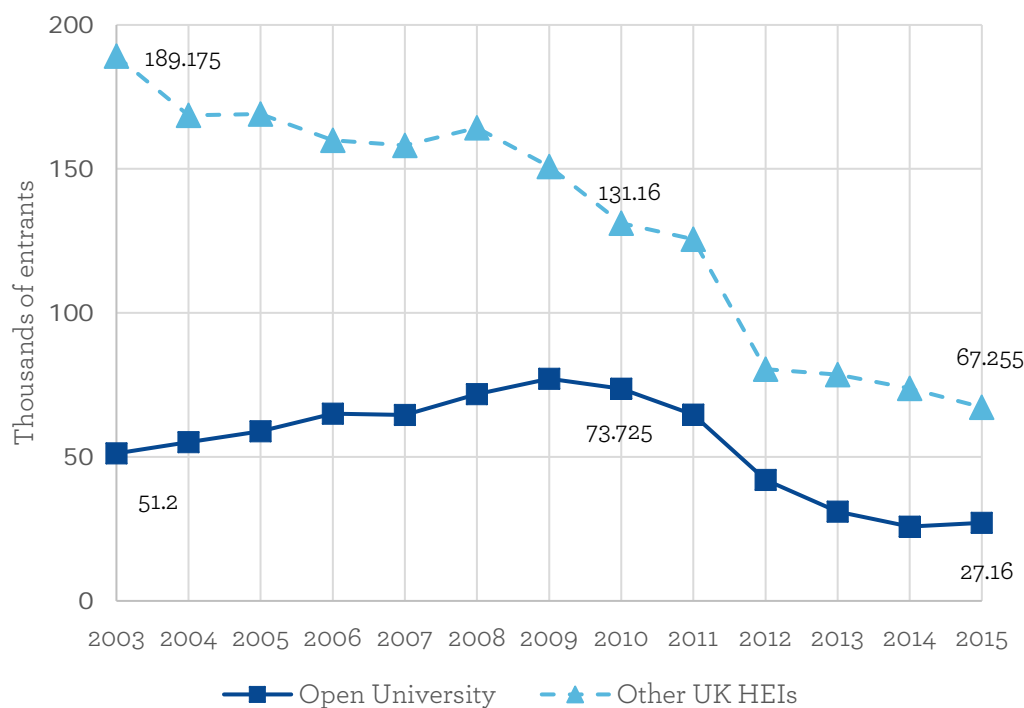
In addition to the data described above, for some questions the HESA and ILR data has to be configured differently, and in others completely different sources have been used. In each case the sources and definitions are described in outline in the text and figure and table titles, with more details in annex A4.

2. Changes prior to the 2012 reforms of part-time student funding

Explanations for the longer-term decline of undergraduate part-time study

The impact of the 2012 funding changes should be set in the context of the longer-term decline.

Figure 1: Part-time undergraduate entrants domiciled in England to UK universities (2003 to 2015)*



Note: Source and data definitions at annex A4

* There were problems with the Open University data in 2004, so that year is not plotted.

Numbers of entrants to the Open University peaked in 2009, while the trend for other universities was one of falling numbers, with two small annual increases over the whole period from 2003 to 2015. The total number of entrants overall fell each year between 2008 to 2015, a total decrease of 58% in all.³ The various explanations that have been proposed for this longer-term decline are discussed before a more detailed look at the impact of the 2012 changes.

2006 full-time variable fees, part-time tuition fees and part-time demand

There was no cap on part-time undergraduate tuition fees before 2012, nor was there any regular systematic collection of part-time fee information. Providers charged whatever they thought the market would allow. By contrast, the maximum 'variable' tuition fee that home and EU full-time students could be charged was controlled by the government,⁴ and in 2006 the maximum was set to £3,000 compared to the £1,175 full-time fees in 2005.

³ The 58% figure for the decrease includes entrants to FE Colleges in England. Figure 1 does not include entrants from FE colleges because these data were not available for the whole period, the equivalent figure without FE entrants is 60%.

⁴ 'Variable' fees, often called 'top-up' fees, were introduced with the Higher Education Act 2004 and applied to full-time students starting from 2006.

The best evidence we have for part-time fees across the sector before 2012 comes from surveys carried out by the Higher Education Funding Council for England (HEFCE) for the years 2001 and 2007.⁵ We also have information provided by the Open University.

Table 1: Full-time and part-time undergraduate tuition fees per full time equivalent (FTE) before 2012

Year	Maximum FT tuition fee	Average PT tuition fee at universities and FE colleges in England	PT tuition fee at Open University
2001	£1,075	£1,059	
2007	£3,070	£1,815	£1,130
2011	£3,375		£1,400

Note: Sources at annex A4

The figures for the Open University are based on the fees for standard 60 credit modules.

In 2006, the introduction of so called ‘variable’ fees of up to £3,000 for full-time courses produced a step change increase in full-time fees. In the first variable fee year, the average full-time fee loan was £2,760.⁶ Very quickly, the maximum became the norm for full-time courses. Providers were more cautious about increasing part-time fees, no doubt mindful that subsidised loans were not available, and fee grants were not available to most students.⁷ Nevertheless, the average part-time tuition fee of £1,815 per FTE in 2007, was a real 41% increase since 2001.⁸ We may conclude that to some extent such increases would affect demand, particularly for courses where students viewed part-time study as a discretionary consumption rather than a necessary investment.

2006 full-time variable fees, part-time tuition fees and part-time supply

As we have seen, following the introduction of variable fees for full-time students in 2006, it soon became clear that most universities could charge the maximum £3,000 full-time fee without there being any noticeable reduction in demand,⁹ while many were more cautious about increasing part-time fees by an equivalent amount. While evidence indicates that part-time provision, all other things being equal, is more expensive than full-time,¹⁰ universities were likely to find their income from part-time was lower as fees could not be raised as quickly. Up to 2008, although student volume for each university was limited within tolerance bands, universities could replace part-time numbers by full-time,¹¹ thereby increasing income and reducing costs. Many institutions have a commitment to part-time provision, and would not pull out simply to maximise income but, even in these cases, if recruiting to part-time places were getting more difficult, there would need to be a strong case to continue.

⁵ HEFCE, 2003; HEFCE, 2009b

⁶ SLC, 2008.

⁷ The percentage awarded a grant has been estimated at 15% (BIS, 2010) and as the fees increased the grant in some cases would not be enough to cover the full fee.

⁸ 2001-02 average fee per FTE £1,059 (HEFCE, 2003), 2007-08 £1815 (HEFCE, 2009b), 2007-08 after adjusting to the 2001-02 subject profile and inflation £1,494 (2001/02 prices). Subject adjustment described in HEFCE (2009a). Inflation adjustment using ONS RPI Q3 2001 171.8, Q3 2007 207.1 (Jan 1987 = 100).

⁹ As noted the average full-time fee loan was £2,760 in 2006 (SLC, 2008). The lack of impact on demand (other than a temporary fee avoidance effect) was evident from UCAS data (Thompson et al. 2013, pages 27 to 36).

¹⁰ JM Consulting Ltd, 2003.

¹¹ For 2009-10 HEFCE asked institutions to avoid any increase in full-time undergraduate numbers and in the following year more formal number controls were introduced.

We have looked at the trends in the number of courses, using combinations of institution qualification aim and subject, to see how these are decreasing, and find that choice for future part-time study is reducing, but much less than might be expected given the fall in entrant numbers. (See page 49)

Restriction in funding – Equivalent or lower qualifications 2008

The increases in fees from 2006 provided universities with additional funds; they did not result in a reduction in the teaching grants distributed by HEFCE. Indeed, accepting the case that part-time provision would not benefit from loan backed variable fees available for full-time, additional HEFCE funding was directed to some part-time providers through a part-time widening access fund.

However, in 2008, HEFCE withdrew institutional funding for most 'ELQ students', that is those studying for a qualification at a level equivalent to, or lower than, the level of qualification which they already held. There were a large number of exemptions to this restriction, like, for example, students in receipt of the disabled students' allowance or those studying towards a foundation degree. The ELQ measure applied to both full and part-time provision, but it affected part-time to a much greater extent because a much higher proportion of part-time entrants already had a higher education qualification.

Some full- and part-time providers responded by charging ELQ students a tuition fee supplement to cover full costs and the lost HEFCE income; some immediately, from 2008-09, some later. When, in 2012, the HEFCE teaching grant had been almost completely eroded, most providers reverted to charging the same fee to home students, whether aiming for an ELQ or not. However, some providers are continuing to charge an ELQ supplement taking their full-time tuition fee over the £9,250 'maximum' in 2017. Others, notably the Open University, have never charged ELQ students a higher fee.¹²

Given the complexity of the ELQ funding restriction, and the differing ways institutions have responded, it is difficult to assess to what extent the impact of this measure has had. In *'Recovering from ELQ: A Cambridge view'*, Rebecca Lingwood describes the actions taken to ensure the university's continuing education and part-time provision were viable.¹³ These included:

- Raising fees
- Closing courses
- Developing short online courses
- Restructuring courses as non-credit bearing

Similar strategies will have been considered across the sector. There is little doubt that the ELQ policy in combination with rising fees did contribute to the decline in entrant numbers before the 2012 changes. What is far from clear is the size of this contribution. (See the comparison with students domiciled in Wales, which suggests there were other factors, page 46).

A decline in part-time or a decline in non-degree qualifications?

'Decline in part-time study isn't about degrees', declared the press release of a HEFCE report on the trends in higher education.¹⁴ It concluded that rather than talking about a 'part-time' effect on declining numbers we should be asking what has happened to 'other', that is non-degree undergraduate study, both full and part-time.

¹² Even Open University students, or students at institutions which managed the ELQ change in the same way, would not be eligible for fee grants, introduced in 2004.

¹³ Lingwood, 2015.

¹⁴ HEFCE, 2014b.

The HEFCE report shows that there has been a general decline of 'other' undergraduate entries to both full and part-time courses, and concluded that this is unlikely to be due to a single cause. It also suggests that some of the decline in 'other' undergraduate entries was probably due to changes in the way the courses are recorded and returned to HESA, with courses that had an 'other' qualification aim with an option to progress to a degree instead returned as a degree course. Such 'rebadging' seemed most likely for 'other' courses leading to HNDs, foundation degrees and institutional credits.

Even after making allowances for rebadging, other non-degree qualifications have been in faster decline than bachelor degrees. However, it is wrong to say that decline in part-time study is not about degrees. With the further data available since the HEFCE report, we can see the decline in degree entrant numbers coming through as the rebadging runs out of courses to convert, and the increase in fees after the 2012 changes take effect. (See section at page 19.)

Macro-economic factors

Some have argued that the decline of part-time study is associated with macro-economic factors. There have been two recent studies looking at the influence of economic factors on part-time higher education in the UK.¹⁵ While it seems likely that more difficult economic conditions have been making tuition fees less affordable for some potential part-time students, there is a risk of spurious correlations when selecting economic indicators to compare with entrant data. In the Oxford Economics study,¹⁵ time series of gross value-added (GVA), unemployment, disposable income and public-sector employment were plotted against numbers of part-time entrants. It was concluded that unemployment rates were "arguably the most relevant macroeconomic variable which will affect part-time students, given that the majority of part-time students rely on income from employment or employer funding to finance their study".¹⁶ This was further supported by comparing part-time entry with unemployment rates across the English regions. In contrast, the London Economics study¹⁷ found theoretical reasons to conclude that it is higher earnings, not reduced unemployment rates, that will increase part-time study. This was supported by data up to 2015, when a four-year period of falling unemployment rates without a corresponding rise in earnings, nor any increase in part-time numbers, was apparent. The Oxford Economics study only had access to data up to 2012, before the combination of falling or static wages and decreasing unemployment had become clear.

Finding a correlation between a trend in entrant numbers and an economic indicator, backed by an economic model, can seem convincing, but there are two complications to be considered. Firstly, the reasons for taking up part-time study are not just economic. 'To study something I've always been interested in' or 'to achieve something new' can come before 'to progress my career'.¹⁸ Secondly, the impact of various economic effects will depend on the particular circumstances of individuals. For example, a buoyant economy leading to rising incomes may make it possible to 'purchase education services', but to the extent that an increased income is associated with a different job or role, it may also leave less time and energy for study. Such a change might also satisfy the desire to 'achieve something new'. The distinction made by London Economics and others, between full-time and part-time in relation to the labour market may be too simple, given the diversity of motivations for, and types of part-time provision.

Declining 'stock' seeking part-time

Jo Johnson, Minister of State for Universities, Science, Research and Innovation until 2018, has argued that the increase in the proportion of people entering higher education at a young

¹⁵ Oxford Economics, 2014; London Economics, 2017.

¹⁶ Oxford Economics, 2014, 21.

¹⁷ London Economics used employment rates rather than unemployment rates, but these two measures are highly correlated.

¹⁸ Examples of studies which have found a mix of motivations for part-time study include Ellison et al, 2015, section 6.1 and Butcher J, 2015, page 31.

age had resulted in a smaller stock of potential students seeking to participate in part-time and mature study later in life.¹⁹ This suggestion only makes sense if we solely consider first-time entrants.²⁰

The Higher Education Initial Participation Rate (HEIPR) provides measures of the number of entrants entering higher education for the first time. Table 2 shows the changes in the number of initial entrants by age and mode.

Table 2: Number (percentage) increases in initial entrants 2010 to 2014

Age	Full-time		Part-time	
17-19	25,745	(12%)	-2,070	(-22%)
20-24	575	(1%)	-4,470	(-27%)
25-29	-315	(-3%)	-5,290	(-38%)
30-34	-455	(-7%)	-5,665	(-47%)
35-40	-330	(-8%)	-4,750	(-49%)
40-60	-505	(-8%)	-12,350	(-53%)

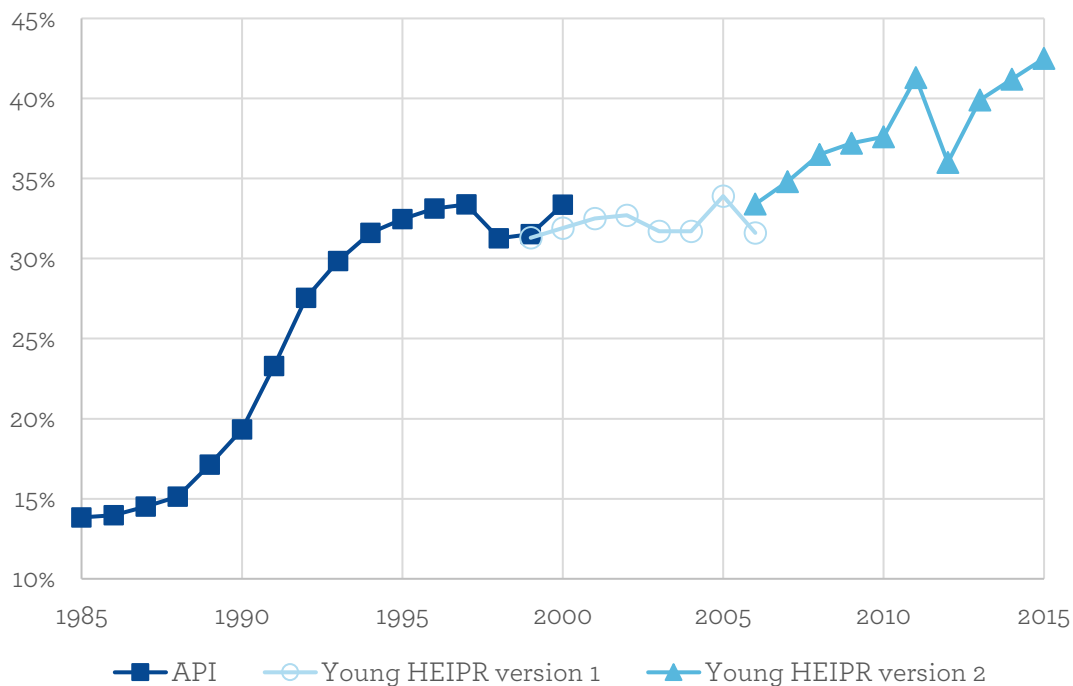
Note: Source and data definitions at annex A4
2010 data adjusted to take account of the change in population profile by 2014.

The growth in young participation has gone through three phases over the last 30 years. From the late 1980s to the mid-1990s the participation rate more than doubled, this was followed by ten years of little or no change ending with a transitory blip followed by a dip in 2005 and 2006 as some of those aged 19 in 2006 who would have entered that year, decided to enter aged 18 in 2005, avoiding the fee increase to £3,000. From 2007 to the most recent results for 2015, there has been a steady year on year rise in participation with another 'blip' and 'dip' as students aged 19 in 2012 avoided £9,000 fees by entering aged 18 in 2011.

¹⁹ House of Commons Hansard Emergency Debate on Tuition Fees, 19 July 2017.

²⁰ London Economics responded to the reduced stock explanation by estimating the number of full and part-time students in 2014, had the numbers of students in 2005 changed in line with the changes in population. This showed that after adjusting for population changes the decline in part-time numbers was greater than the increase in full-time numbers. This calculation treats returning students the same as students entering for the first time.

Figure 2: Young HE participation, 1985 to 2015



Note: Sources and data definitions at annex 4 ²¹

The most recent period of increasing young HE participation will only reduce the stock for the youngest ‘mature’ entrants. For example, those aged 18 in 2010, four years into the most recent young participation growth period, were only 22 in 2014. Those aged 25 to 29 in 2014 were aged 18 in 2003 to 2007, a period when young participation rates were flat. Therefore, at least for this age group, a reduced stock cannot account for the decline in part-time numbers. It could be argued that the HE expansion in the 1980s and 1990s has reduced the stock of potential part-time entrants for those in their late thirties in 2014, compared to those in their late forties, but this reduction in ‘stock’ between these age cohorts has existed since before the decline in part-time entrants. The idea that there is some fixed proportion of the population who can benefit from higher education is somewhat discredited. During and following expansion in the 1980s and 1990s there was also an increase in the number of mature entrants. Seeing so many going to university, some of those that did not, thought ‘me too’.

Unreported ‘undergraduate’ higher education learning

Most of the analysis in this and previous studies of part-time trends have been based on the HESA student records for UK public universities and the equivalent FE college records. These sources do not capture all part-time undergraduate higher education. There is activity which is unreported or can only be described using rudimentary statistics. This ‘dark’ provision is not always accredited so the level could not be established with certainty, even if the reporting were more elaborate. These known unknowns are described below.

Non-credit bearing courses at public universities in England

Some provision may be packaged as ‘leading to institutional credits’ or as ‘non-credit bearing’ without this making much difference to the students’ learning experience. It does, however, make a difference to the counts of part-time students.

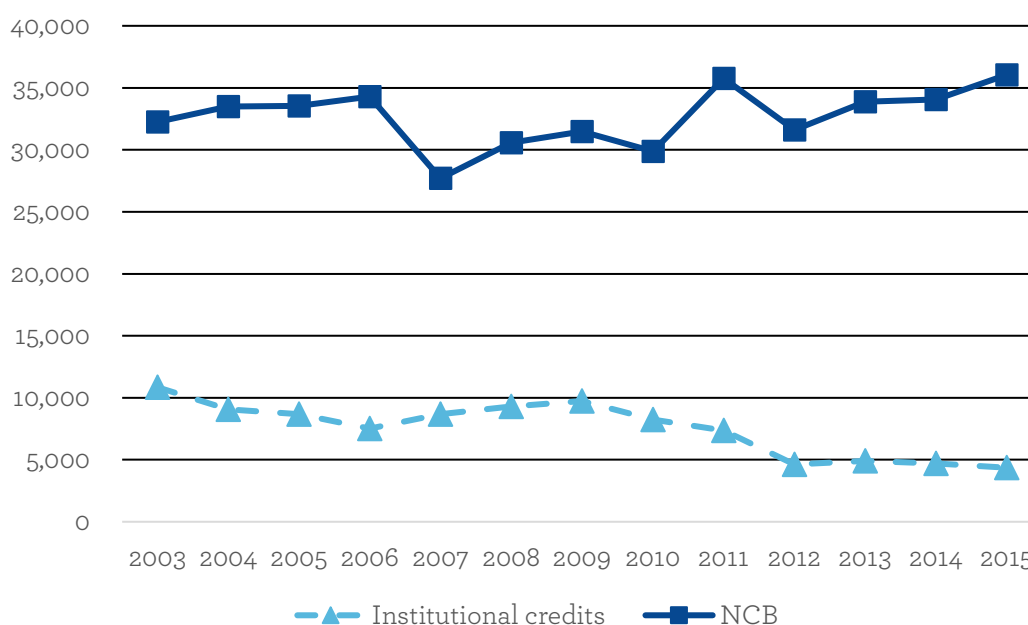
²¹ There is no one measure of young participation for the whole period. The Age Participation Index (API) and the Higher Education Initial Participation Rate (two versions) (HEIPR) use different definitions but are broadly similar as shown in the overlap years of 1999, 2000 and 2006.

In 1995 HEFCE changed the way the courses that are part of universities' short 'continuing education' courses were funded. Previously this activity had been funded through grants separate from the main funding formulae, but from 1995 these short courses began joining the 'mainstream' funding. To qualify, the courses had to lead to a qualification, or credits that would count towards a qualification, and individual student HESA records had to be returned. Because of these overheads the 'mainstreaming' took place over several years, so boosting the reported part-time provision.

With the decline of HEFCE funding the incentive to accredit courses and make individual student returns to HESA has since been much reduced, and this has led to some short courses returning to the old format, leading to an apparent decrease in part-time student numbers. (This is what happened at the University of Cambridge - see page 10.)

Figure 3 shows the total full-time equivalent (FTE) of non-credit bearing (NCB) courses alongside the total FTE of students on courses leading to institutional credits.

Figure 3: Total FTE of NCB courses and entrants to institutional credit courses



Note: Sources and data definitions see annex A4
(Universities in England except Open University, all domiciles)^{22 23}

It is important to appreciate that the NCB summary data collection does not have the rigour of the individual student collections. In addition, for individual institutional returns, there can be large year-to-year fluctuations. These may be the result of putting on courses that have a short shelf life, or may be due to weaknesses in the systems for identifying and recording this activity. In particular, the 'spike' at 2011 can be explained by some exceptional returns from a small number of institutions. Finally, the non-credit provision is larger than the 'institutional credits' provision, which means that only a very large switch in a short time would show up clearly and unambiguously in the time series. While undoubtedly there has been some movement from

²² One credit is equivalent to 10 hours of study, including preparation and reading etc. The NCB unit, the 'learner day', is 8 hours of contact time. Study periods outside of the class are not included. We assume that 8 hours contact will involve 12 hours total study, equivalent to 1.2 credits. FTE = learner days / 100

²³ The Open University has relatively few NCB course entrants and the numbers declined year on year from 2009. In 2009, the OU had 2.6% of NCB courses at universities in England, by 2015 it was 0.6%.

institutional credit courses to uncredited courses, it is hard to determine the scale of this change from the NCB data. We would suggest that new low intensity courses which do not lead to a qualification are more likely to be 'unaccredited' than 'leading to institutional credits'.

Figure 3 does show that there is much part-time learning that goes unreported, and that, with some fluctuations, the scale of activity is slowly increasing. However, this may in part be due to improvements in recording, as well as conversions from courses leading to institutional credits.

'Alternative' providers

Universities in receipt of direct annual public funding, sometimes referred to as 'public universities', are required to make the data returns to HESA, which, with the data supplied by FE colleges in England, form the basis of most of this report. HE providers not in receipt of this funding had, until recently, not been required to return these data. One private university, the University of Buckingham has, since 2004, voluntarily made data returns to HESA. These data have not been used in this report, but this makes no material difference, given the very small number²⁴ of home part-time undergraduate students that would be added.

Research commissioned by government has identified 674 alternative providers.²⁵ If the providers returning student data were representative, the number of home part-time undergraduates studying at these alternative providers will have been 17,000 in 2011.²⁶ This figure is for all students, not just entrants. Two thirds of this total are described as being on 'distance learning' courses.

Further research found 732 alternative providers.²⁷ It is not possible to estimate the number of home part-time undergraduates with the data as presented, but by using the proportion of home students from the earlier study we get a range of 34,000 to 41,000 for 2014.²⁸ The authors stress that the totals for this and the previous work cannot be used to estimate a change in the number of students. The aim of the second study was to get as complete a picture as possible, not to be consistent with what had been done before. Nevertheless, more such providers reported an increase in home and EU students than a fall.

Alternative providers may apply for courses to be 'designated', which enables eligible students to take out student loans and to apply for disabled students' allowances. Alternative providers with designated courses are now required to return data on their students to HESA. The first collection was in 2014. In 2015, the coverage was extended and HESA collected data from 97 alternative providers; the first year part-time undergraduates count was 3,230, 12% of the full and part-time total.²⁹ Provision on this scale is very unlikely to have changed the trends observed using data from public providers only, and it will be possible to include these students in future analysis. However, the research suggests that we may still be missing hundreds of providers and tens of thousands of part-time students on non-designated courses.

MOOCs

Massive open online courses (MOOCs) combine the opportunities made possible by 21st Century communications with new business models to provide free courses. Given MOOCs are borderless,

²⁴ 65 part-time home undergraduate enrolments (2015) – HESA Statistical First Release 242

²⁵ Hughes et al, 2013.

²⁶ Hughes et al, 2013, table 12, page 39, gives 8534 home part-time undergraduates. The estimate of 160,000 total HE students (page 28) with 78,327 identified HE students (table 7, page 35) gives $160,000 \times 8534 / 78,327 = 17,433$,

²⁷ Shury et al, 2016.

²⁸ Shury J et al, 2016 table 8 page 76 gives 16,902 part-time undergraduates. Using estimate from the previous study (Hughes et al, 2013) this gives 10,177 home part-time undergraduates, 14% of all the HE students. This fraction is taken of the HE range 245,000 to 732,000 (page 30).

²⁹ HESA Statistical First Release 244, table 5- undergraduate first year alternative provider student enrolments on designated courses in England. NB Includes all domiciles. The number of 'first year' students is an approximation to the 'entrants' in this report, 3230 part-time, 22915 full-time.

it is difficult to get an estimate of the number of students domiciled in England. However, FutureLearn, wholly owned by the Open University, has given us estimates of its student numbers in the UK.

FutureLearn provides the platform but the content does not only come from the Open University. Initially, in 2013, twelve UK Universities produced courses. Today more than 155 partners from around the world are involved, including almost 100 universities and over 50 specialist education providers. Table 3 shows the number of students (or 'learners') taking FutureLearn courses in 2016/17.

Table 3: Numbers of UK domiciled FutureLearn learners (2016/17)

'Active' (Entrants)	'Completing'
346,000	66,000

Source: data provided by FutureLearn

'Active' = Learner indicated first 'step' of a course has been completed.

'Completing' = "Learner indicated at least 90% of steps (including assessments) completed.

By 2013, the number of entrants on short part-time courses, usually leading to institutional credits, had already dropped dramatically. (See page 19). FutureLearn MOOCs could not have contributed to this decline because FutureLearn was only launched in 2013. Other providers, mostly based in the USA, had been founded by 2007, but we do not have figures for take up by learners in the UK.

If, as seems likely, the decline of short courses leading to institutional credits was in part due to potential students being priced out, then this will have created a gap in the market for more affordable courses, a gap that FutureLearn was able to meet. What the growth in FutureLearn numbers does show is that there is a market for short courses, as long as the price is right. How far the right price can rise from zero is yet to be determined. FutureLearn is introducing 'programs' linking 'courses' to gain credits towards formal qualifications. (For 'programs' think of 'courses', and for 'courses' think of 'modules'.) These will involve some charges, but the cost will be low compared to traditional learning.

Hidden part-time higher education study - summary

Most analysis and policy discussions focus on accredited courses at public universities and FE colleges. This is not surprising. Most public expenditure is directed at this provision and analysis is supported by a world class data collection. But we need to acknowledge that this is only a part of the lifetime learning at an advanced or higher level that is going on. For the most part, it seems the observed decline in part-time learning on accredited courses at public institutions is not due to a move to other provision. However, the decline of low intensity short courses has created an opportunity for other models that can reduce costs and meet the resulting unmet demand. The growth of MOOCs in particular makes it less likely that the short 'continuing education' type courses typically leading to 'institutional credits' will return to the levels seen ten years ago.

The provision identified here, non-credit courses at universities, courses at alternative providers, and MOOCs should be taken as examples, not a complete catalogue, of 'hidden' learning. There are many specialist companies providing training for higher level skills, sometimes in competition with what universities offer. Then there is range of formality in learning from the fixed length full-time or intensive part-time through to MOOCs and then to self-directed learning, making use of the wealth of material available online, 'TED talks' being a well-known and popular example. Such riches are more easily accessed by those with the confidence to do so, a confidence often gained through the higher cost provision which makes possible greater learner support.

3. 2012 reforms of part-time student funding and their effects

2012 changes in fees and student financial support in England

In 2012 there were four main funding changes impacting on part-time study: the abolition of means-tested fee and course grants, the introduction of a fee cap, tuition fee loans for part-time students, and the reduction of HEFCE teaching grant which led to higher fees.

Abolition of tuition fee and course grants for entrants domiciled in England

First introduced in 2004, these grants were means tested. They were not available to students aiming for equivalent or lower qualifications (ELQ) already held, or on courses with less than 50% FTE.³⁰

Table 4 shows what students received in 2011. Note this includes all students receiving the grant, not just those in their first year of study.

Table 4: Tuition fee and course grants paid to part-time students domiciled in England or EU (outside UK) in 2011

	Number of students	Average paid	Maximum (50% intensity)
Course grant	74,000	£260	£265
Tuition fee grant	71,300	£790	£820

Note: Sources at annex A4

To be entitled to the maximum course and fee grants a student's household income had to be less than £28,065 and £16,845 respectively.

Fee cap and fee loans

A fee cap of £6,750 was introduced for public institutions, but only for students who were eligible for loans. The fee cap was the same whatever the intensity of study.

At public institutions, loans covered the whole cost of the fee for eligible students and were not-means tested. See Annex A3 for full details of the loan eligibility, but the main course criteria were:

- Leads to a recognised undergraduate qualification
- Intensity 25% or greater
- Length one year or longer
- Length no greater than four times an equivalent full-time course
- Course applied for not equivalent or lower (ELQ) than a qualification already held by the student

The ELQ criterion is similar to that introduced in 2008 removing students from the HEFCE funding model, though there are fewer exemptions.

³⁰ Grant conditions from Student Finance England 'A guide to financial support for part-time students in higher education 2011/12'.

Repayment terms were the same as for full-time student loans except that part-time students became liable to make repayments in the April four years at the latest after they start their course, even if still studying. By contrast, full time students do not begin to repay their loans until the April after they leave their course. Like full-timers, students' repayments were only required for those earning £21,000 or more (in 2016), with this threshold to be uprated annually in line with average earnings. In addition, as for full-time students, any outstanding debt is written off after 30 years.

Higher fees

The reduction in direct governmental (HEFCE) funding was greater than anything hitherto, and it was inevitable that there would be large increases in tuition fees. The Open University increased its fees from £1,400 to £5,000 per FTE between 2011 and 2012, a real rise of 247%.³¹ We do not have data on fee levels for the rest of the sector for 2011 but estimates are available for 2012. For university part-time degree courses the median was £5,000 per FTE,³² and some institutions charged the same as the full-time maximum, or £9,000 per FTE.^{33 34} Across the whole sector, fee increases were greater than anything experienced before.

From grants to loans – winners and losers

The new loan-based student support is not means-tested, covers the tuition fee for all courses up to the £6,750 maximum, and is available to students studying at 25% intensity, rather than 50% under the abolished fee grant.

For the minority of students receiving the maximum course and fee grants, the grants would not usually cover all their fee and study costs.³⁵ However, for such a student studying a 50% module at the OU in 2011 with a typical fee of £700, course and fee grants of £265 and £700 are clearly preferable to a £2,500 loan that would be needed to cover the tuition fee in 2012. In addition, they would no longer receive any help towards their course costs.

At the other end of the income scale, for those with household incomes of £28,066 or more, the opportunity to take out a loan provided an alternative to paying the whole fee up-front. However, given their income, it is likely they would have to start repaying the loan four years after starting the course, or earlier, probably when they were still studying.

Between these extremes different students would view the changes from different perspectives. Some would decide not to study with the new arrangements, some might change their plans to ensure they qualified for a loan, but even by 2015, a little more than half of part-time students were ineligible for loans and all would be affected by the increase in tuition fees that was expected from the new arrangements.

Changes since 2012 in fees and student financial support in England

Repayment terms

The earnings threshold triggering the repayment of loans set at £21,000 for 2016 was to be uprated annually in line with average earnings. In 2015³⁶ it was decided that this commitment would not be met and that the threshold would be frozen at the initial 2016 level for at least

³¹ These fees are for two standard 60 credit modules. The real increase was 247% but the nominal increase from 2011 to 2012 was 257%. , See page 54.

³² HEFCE, 2014a.

³³ Thompson et al, 2013, page 8; Callender, et al, (2012), page 52

³⁴ The regulations would allow loans for fees up to £6,750 for 25% intensity part-time study for eligible entrants, equivalent to 4 x £6,750 = £27,000 per FTE.

³⁵ Callender et al, 2010; Callender, 2013.

³⁶ Department for Business, Innovation & Skills, 'Freezing the student loan repayment threshold - Government response to the consultation on freezing the student loan repayment threshold' (November 2015)

five years. Then, in October 2017, it was announced that the threshold for 2018 will be £25,000 and will be increased in line with average earnings³⁷.

Eligibility for loans – exemptions for ELQ requirements

From 2015, honours graduates studying a second honours degree in engineering, technology or computer science were eligible for a loan.

From 2017, the minister stated in a written answer that the exemption would be extended to all STEM (science, technology, engineering, mathematics) subjects. However, this has not been included in the guidance prepared for students. The only additional exemptions are for certain nursing, midwifery or allied health professional courses, replacing the NHS bursaries which have been withdrawn.

Increase in fees

From 2017, the fee cap will increase from £6,750 to £6,935. It was planned to increase the cap in line with inflation, but it has since been announced it will remain at £6,935 for 2018.

Maintenance loans

Maintenance loans for part-time students will be introduced for the first time in 2018. Initially they will only be available for non-distance learning degree courses. They will be means tested and closely aligned to full-time maintenance loans.

2012 changes – entrant numbers

Summary of changes in entrant numbers

- Between 2010 and 2015 there was a 51% fall in the total number of part-time undergraduate entrants to UK universities and FE colleges in England.
- Over the same period, there was a 63% fall in the number of entrants to Open University and a 45% decline in entrants to other UK universities and FE colleges.

2012 changes - entrant numbers by qualification aim

In this section, the changes in entrant numbers between 2007 and 2015 are shown first by qualification aim (Figure 4) and then by intensity of study (Figure 6 and Figure 8). All results are shown separately for the Open University and for other UK Universities along with FE colleges in England.

The qualification aims are assigned to four groups:

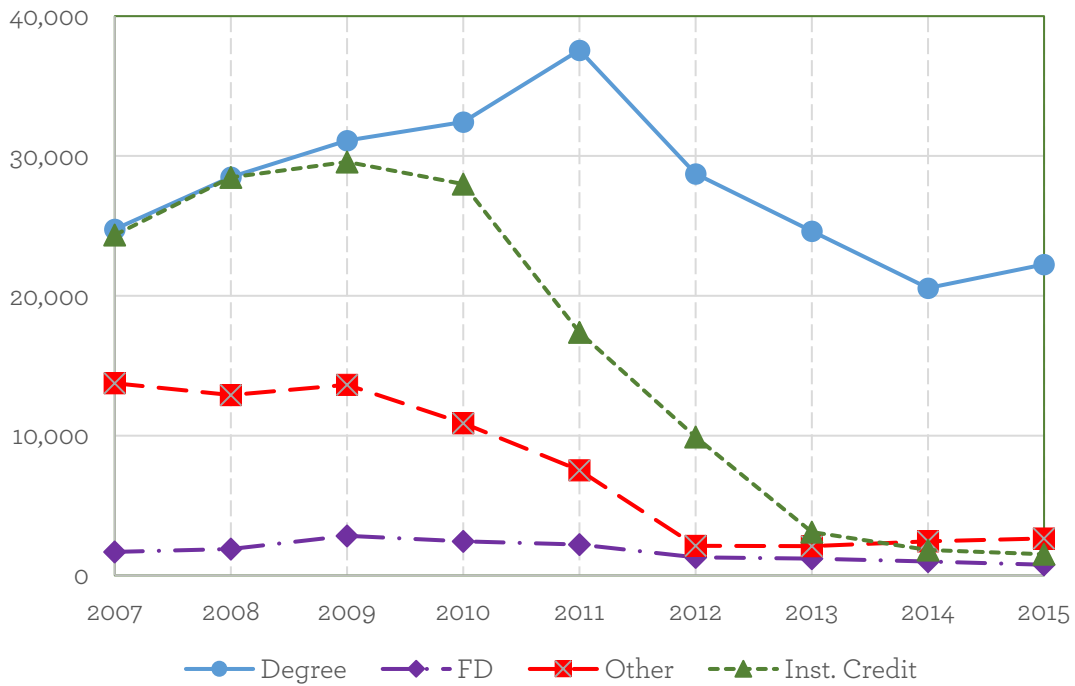
- Degree – undergraduate bachelor degrees both ordinary and with honours.
- Foundation Degrees (FD), HND and HNC. (The Open University only has FDs.)
- Other higher education qualifications, for example Certificate of Higher Education.
- Institutional Credits – credits that can be aggregated to qualify for a higher education award but which do not constitute an award in their own right.

³⁷ Student finance update: Written Statement – HCWS145, made by Joseph Johnson (09/10/17)

Summary of changes in entrant numbers by qualification aim - all UK universities and FE colleges in England

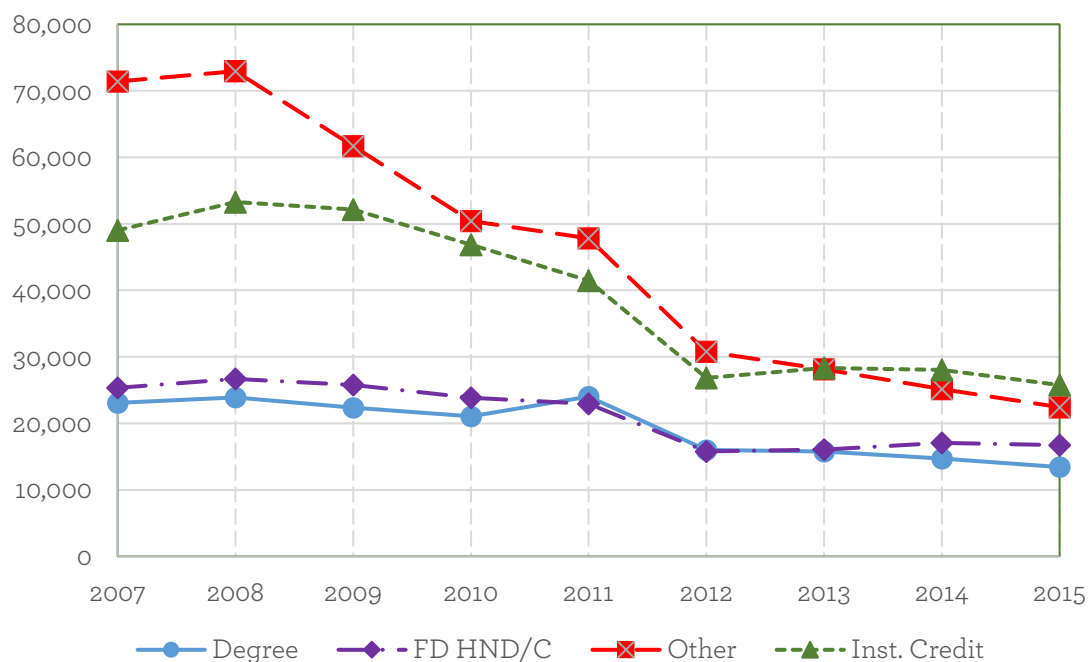
- Between 2010 and 2015, there was a 33% fall in the number of entrants to universities and FE colleges in England taking an undergraduate bachelor degree and a 57% fall in entrants aiming for a sub-degree qualification (Table 5).
- These headline figures hide a much more complex story and significant variations between the Open University and other UK universities and FE colleges in England. The fall in degree entrants would have been greater without changes to how qualification aims were recorded.

Figure 4: Part-time undergraduate entrants domiciled in England by qualification aim (Open University)



Note: Sources and data definitions at annex 4

Figure 5: Part-time undergraduate entrants domiciled in England by qualification aim (UK universities and FE colleges in England except OU)



Note: Source and data definitions at annex A4

Table 5: Part-time undergraduate entrants domiciled in England by qualification aim (Open University, Other UK universities and FE colleges in England)

Provider	Qualification	2010	2015	% decrease
Open University	Degree	32,425	22,235	31%
	Sub-degree	41,305	4,925	88%
Other universities, FE colleges	Degree	21,070	13,420	36%
	Sub-degree	121,110	64,910	46%
All	Degree	53,495	35,655	33%
	Sub-degree	162,415	69,835	57%

Note: Source and data definitions at annex A4

Entrant numbers by qualification aim - Open University

Between 2007 and 2011, numbers of entrants to degree programmes at the Open University grew (Figure 4). This growth may in part have been due to a move away from institutional credits and in part as a result of a decision not to charge higher fees for ELQ students, thus attracting students who might otherwise have studied elsewhere. The peak in 2011 a year before a fee rise, followed by a fall in 2012 is something seen with full as well as part-time entrants, as entrants brought forward starting a course of study to avoid the rise in fees in 2012.

The decline in the number of entrants to programmes leading to institutional credits and 'other' qualifications started sooner and was more dramatic. Between 2009 and 2015, the number of

'other' and institutional credit course entrants fell from 43,200 to 4,200. Part of this decline will have been due to a move from institutional credits to degree qualification aims; the decline in institutional credit courses in part driving the growth in degree courses.³⁸ The number of foundation degree entrants also peaked in 2009. This is probably in part due to the end of the stock of potential students for courses aimed at professions like teaching assistants not previously served before foundation degrees were introduced, and also may be partly due to the phased discontinuation of the 'premium' or 'targeted' funding for foundation degrees in 2010 and 2011.

Entrant numbers by qualification aim – UK universities (not OU), FE colleges in England

The trends of other providers taken as a whole do not follow the Open University's rollercoaster. Entrants to degree programmes declined steadily from 2008 to 2015 with the familiar fee increase avoidance blip in 2011. Courses leading to institutional credits, HND/C and foundation degree, and 'other' courses also declined from 2008 or 2009 at varying rates.

The 'all other providers group' brings together very different institutions, each of which have their own characteristics. Table 6 provides some summary statistics for three contrasting groups: Birkbeck, University of London (a part-time provider though now also offering full-time evening programmes), FE colleges in England, and the Russell Group members based in England, self-described as 'world-class, research-intensive universities'.

Table 6: Part-time undergraduate entrants domiciled in England by qualification aim (Contrasting providers: Birkbeck, FE colleges and the Russell Group)

Provider	Qualification	2010	2015	% decrease (increase)
Birkbeck	Degree	1,520	540	64%
	Sub-degree	4,945	1,605	68%
FE colleges	Degree	1,225	930	24%
	Sub-degree	9,790	10,155	(4%)
Russell Group	Degree	1,150	735	36%
	Sub-degree	12,460	6,100	51%

Note: Source and data definitions at annexes A2 and A4

The Birkbeck trends have some similarities with the Open University. The degree programme numbers increased from 2007-08 to 2011-12 and then fell sharply in 2012-13 followed by a gradual decline. By 2015-16, 91% of the sub-degree programmes were for 'other' qualifications. Unlike the Open University, the number of institutional credit programme entrants was very low to start with and fell to zero.

The FE colleges showed a slight increase in overall numbers between 2010 and 2015. This in part is due to the move from franchise arrangements with universities to registering students directly with the FE college where they were taught. It may also be due to the lower fees charged

³⁸ In 2002 and earlier, the Open University returned all its undergraduate students as aiming for institutional credits, many of whom went on to graduate. Since then the proportion of entrants returned as aiming for degrees has increased so that by 2015 82% of entrants domiciled in England were returned as aiming for a degree.

from 2012.³⁹ Some 94% of the entrants to sub-degree programmes were aiming for an HND, HNC or foundation degree.

The Russell Group (in England) started with very low numbers of entrants to degree programmes, and the numbers have fallen further, so there are now fewer than at FE colleges. In 2015, 95% of the sub-degree programmes were for entrants aiming for 'other' qualifications or institutional credits.

Key conclusion - overall degrees have declined

It has been claimed that the decline in part-time is 'not about degrees'. With the data now available, it is clear that this is not the case. The starting year for the decline in the number of all part-time entrants was 2008; the numbers declined every year to 2015 with a total decrease of 58%. Over the same 2008 to 2015 period the decline in entries to degree courses was 32%.⁴⁰ This figure does not take into account the lift in degree course entrant numbers as courses were returned as leading to a degree rather than institutional credits, especially at the Open University.

2012 changes - entrant numbers by intensity

The qualification aims returned to HESA by universities may mean less than they appear. This is because programmes, with a variety of possible completion points, may be legitimately assigned a variety of qualification aims. Intensity of study provides a different way of describing courses, and it should correspond to real differences in study activity.⁴¹ Courses leading to degrees, foundation degrees, HNDs and HNCs will tend to have higher intensity than courses leading to 'other' qualifications or institutional credits, so there will be some similarities between the 'qualification aim' and the 'intensity' plots.

The intensities are grouped as follows:

- Less than 25%
- 25% to 50%
- More than 50% to 75%
- More than 75%

Summary of changes in entrant numbers by intensity of study - all UK universities and FE colleges in England

- Between 2010 and 2015 there was a 64% decline in the number of entrants studying on courses of less than 25% intensity, while the decline in the number on courses of 25% intensity and over was 41%.
- The higher decline of entrants on the less than 25% intensity courses was driven by a fall of 94% at the Open University, compared with a fall of 46% at other UK universities and FE colleges. These falls were probably due to supply as well as demand effects.

³⁹ See HEFCE, 2014a, pages 10 and 11. The median fee for a degree programme was £4,000, compared to £5,000 for HEIs. The median fees for 'other' qualifications are higher for FE colleges, but the mix of 'other' qualifications is quite different for FE colleges and HEIs.

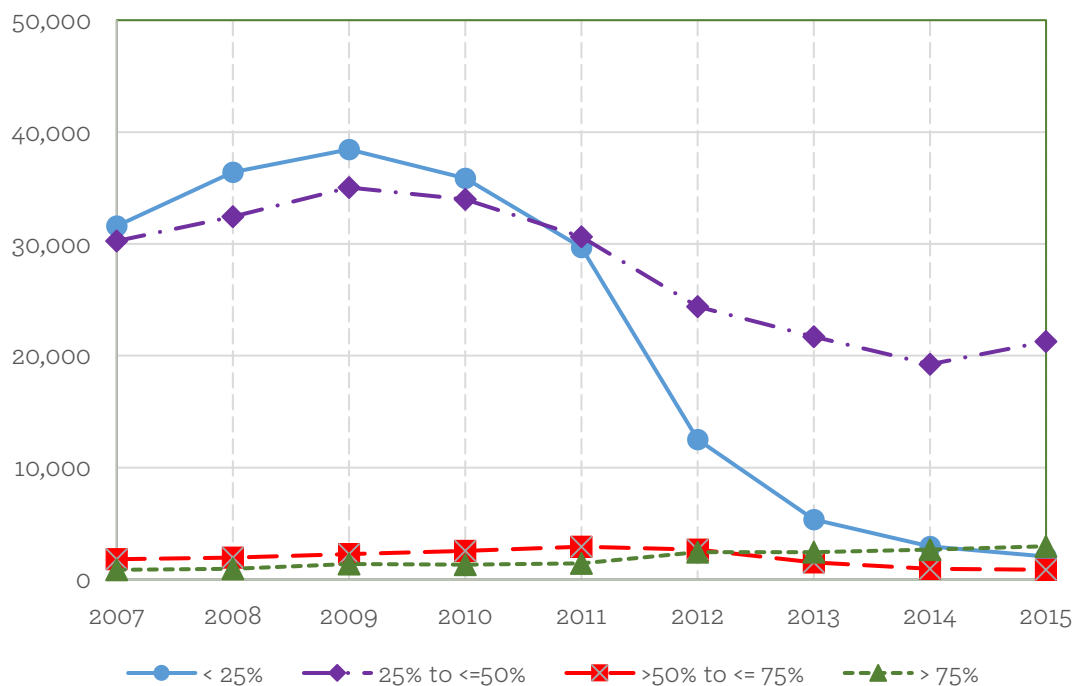
⁴⁰ The decline in part-time entrants on degree courses from 2007 to 2015 was 25%. Looking at data for years 2003, 2005, 2006 and 2007, 2007 was the lowest total, and consequently the lowest percentage decline to 2015. (NB these data did not include FE colleges. In 2004 there were problems with the Open University's HESA return. Before 2003, the Open University returned all its students as aiming for institutional credits.

⁴¹ 'Intensity' refers to a percentage of full-time study. A six-year part-time course, which would take three years of full-time study, would have an intensity of 50%.

Entrant numbers by intensity - Open University

Low intensity is a feature of courses leading to ‘other’ qualifications and to institutional credits, and, given that these have declined dramatically, it is unsurprising that low intensity courses have also declined (see Figure 6). However, the size of the decline of courses with less than 25% intensity from 38,410 in 2009 to 2,055 in 2015 – a fall of 95%, is more than we would expect from ‘other’ and institutional credit courses alone.

Figure 6: Part-time undergraduate entrants domiciled in England by intensity of study (Open University)



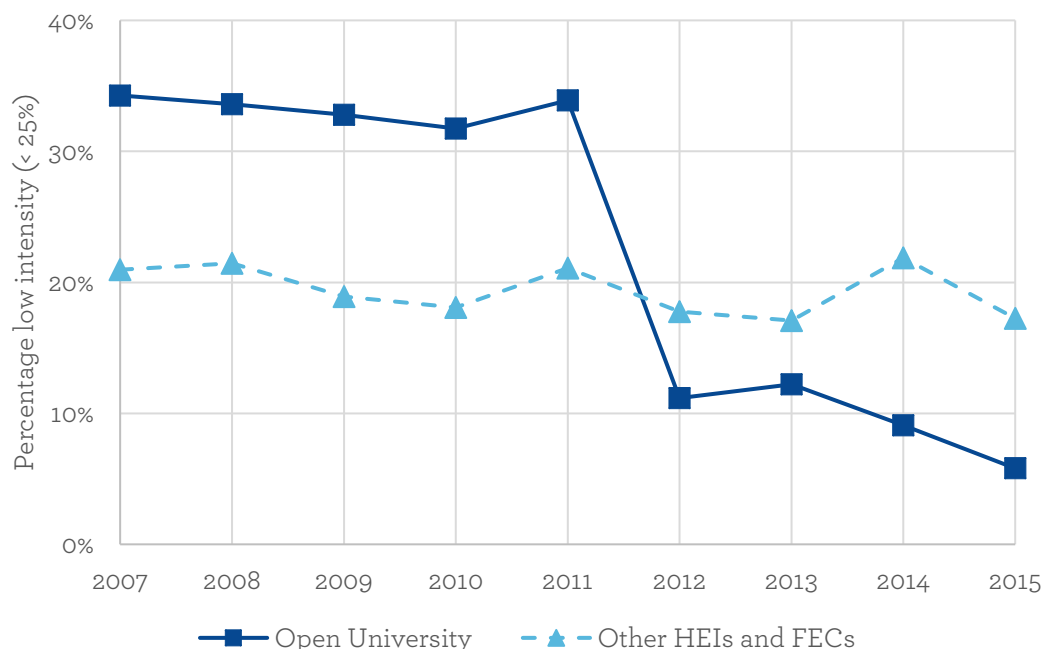
Note: Source and data definitions at annex A4

Figure 7 shows how the proportion of low intensity entrants on degree courses has changed for Open University entrants and for others. We see that for the Open University degree entrants, though not for other universities and FE colleges, there is a step change in 2012 with the proportion of low intensity entrants falling from 34% in 2011 to 11% in 2012, and then to just 6% in 2015. This is probably the result of both supply and demand factors.

Entrants intending to seek a tuition loan, available since 2012, need to study at an intensity of 25% or more. This may deter entrants from starting their studies at lower intensities. The Open University puts a lot of effort into advising students about financial support and their entrants may be better informed than part-time students applying elsewhere. Also, the module basis for Open University courses makes it easier for entrants to pick a module or modules to meet the intensity criteria. However, this is not the whole story, because the percentage of low intensity entrants to degree courses at the Open University who are domiciled in Scotland and Wales show a similar, though less pronounced drop in 2012. For Scotland the 25% incentive was not new, being a condition for a fee grant before 2012, and in Wales the incentive came in 2013 when they adopted a loan system similar to that in England. It may be that this sudden and general drop in the proportion of low intensity degree courses was due in part to a reduced supply of modules suitable for degree programmes of less than 25%; the proportion of all modules with less than 30 credits had decreased steadily.

The 25% to 50% trends are similar to those seen for the Open University degree programmes. Higher intensities are at very low levels for the whole period from 2007 to 2015.

Figure 7: Percentage of part-time undergraduate entrants domiciled in England on degree courses studying at less than 25% intensity



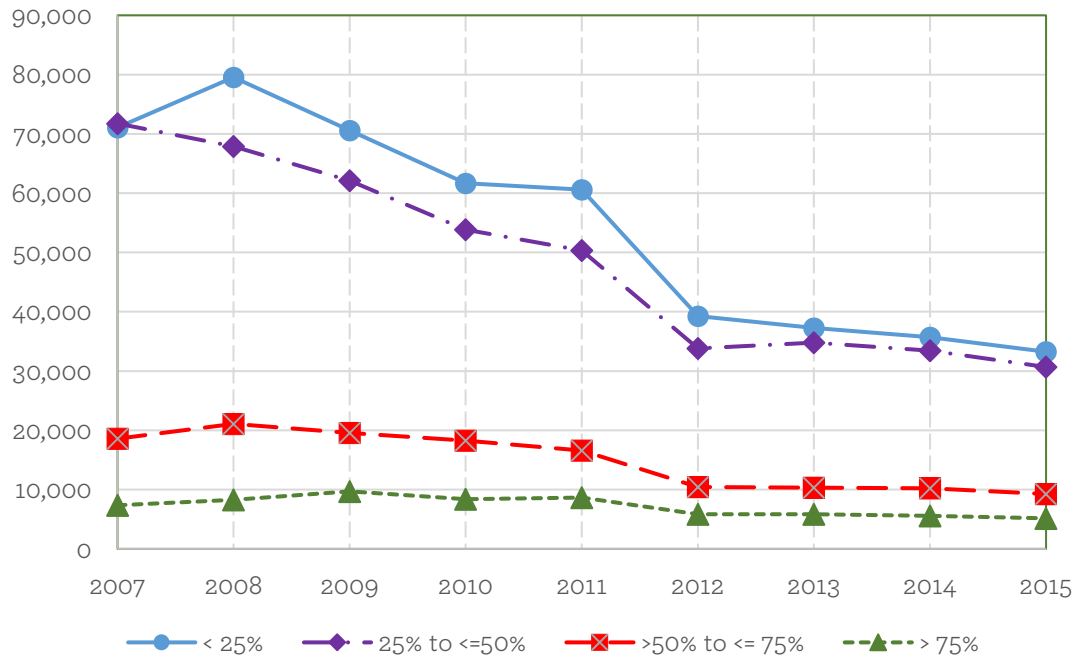
Note: Source and data definitions at annex A4

Entrant numbers by intensity – UK Universities (not OU), FE colleges in England

Figure 8 shows that across all intensities the largest drop in numbers occurred between 2011 and 2012. For intensities of 75% and lower there is a continuing decline in entrant numbers from 2007 or 2008 to 2015; with similar declines of 57% or 58% for the three intensity levels (less than 25%, 25% to 50% and 51% to 75%). The highest intensity (greater than 75%) was stable until 2011, but then declined, though not as much as lower intensities.

Relatively few entrants choose high (greater than 50%) intensity programmes. Both Birkbeck and FE colleges are exceptional in this respect. In 2015, 44% of Birkbeck entrants and 38% of FE college entrants studied at more than 50% intensity, and together they accounted for 28% of all the high intensity entrants across all the sector, including the Open University.

Figure 8: Part-time undergraduate entrants domiciled in England by intensity of study (UK universities and FE colleges in England except OU)



Note: Sources and data definitions at annex 4

2012 changes - loan eligibility

The loans introduced in 2012 do not depend on household income, but have other criteria: the course has to lead to a higher education qualification, not credits towards a qualification, and the intensity has to be 25% or higher. Also, students who already have a higher education qualification are usually not eligible unless the qualification aimed for is higher – the ELQ criterion. (The figures and tables in this section consider four groups of entrants.)

Eligible – entrants who meet all the criteria to take out a loan

Ineligible – entrants who would not meet the loan criteria even if they had no higher education qualification

ELQ – ineligible entrants who would have been eligible had they not had a higher education qualification

Undetermined – entrants whose qualification aim makes it difficult to determine whether they are eligible to take out a loan.

The criteria for the 'eligible' group are the same up to 2014, but in 2015 some entrants who would have been ineligible previously, were eligible thanks to an exemption to the ELQ requirements. The 'ineligible' group consist of those entrants who do not meet one or more of those conditions that apply to all entrants, whatever their prior educational qualifications, for example those whose course intensity is less than 25%. The 'ELQ' group are those entrants on courses with intensity of 25% and more, and who met all the other criteria, apart from the ELQ requirements. These requirements changed in 2015 with an ELQ exemption, which is looked at more closely at page 29. The undetermined group are those entrants studying for a qualification which may or may not be judged as valid qualification aim when deciding if an entrant is eligible for a loan.

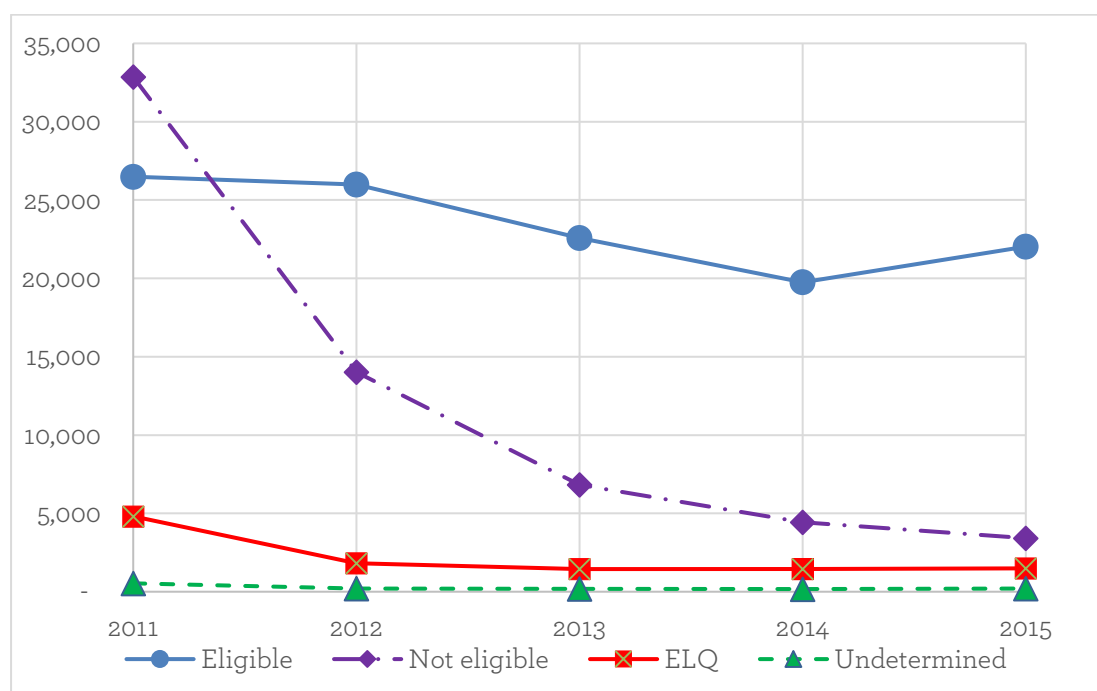
Figure 9 and Figure 10 show how entrant numbers in the four eligibility groups changed between 2011 and 2015. In 2011 no students were eligible, but the numbers show how many would have been eligible had the loan criteria from 2012 to 2014 applied. In 2015 the criteria for that year, with the newly introduced ELQ exemption, were applied.

Summary – Loan eligibility - All entrants to UK universities and FE colleges in England

- In 2012, when student loans were first introduced for part-time undergraduates in England, 41% of all part-time entrants to UK universities and FE colleges in England were eligible for a loan.
- By 2015, the proportion of all entrants eligible for loans had risen to 47%. This is in large part due to the continued decline in low intensity courses, particularly at the Open University.
- Most entrants who are not eligible for a loan do not meet a variety of the loan eligibility criteria unrelated to their higher education qualifications on entry and not just the ELQ restrictions.

Loan eligibility - Open university

Figure 9: Part-time undergraduate entrants domiciled in England by loan eligibility group (Open University)



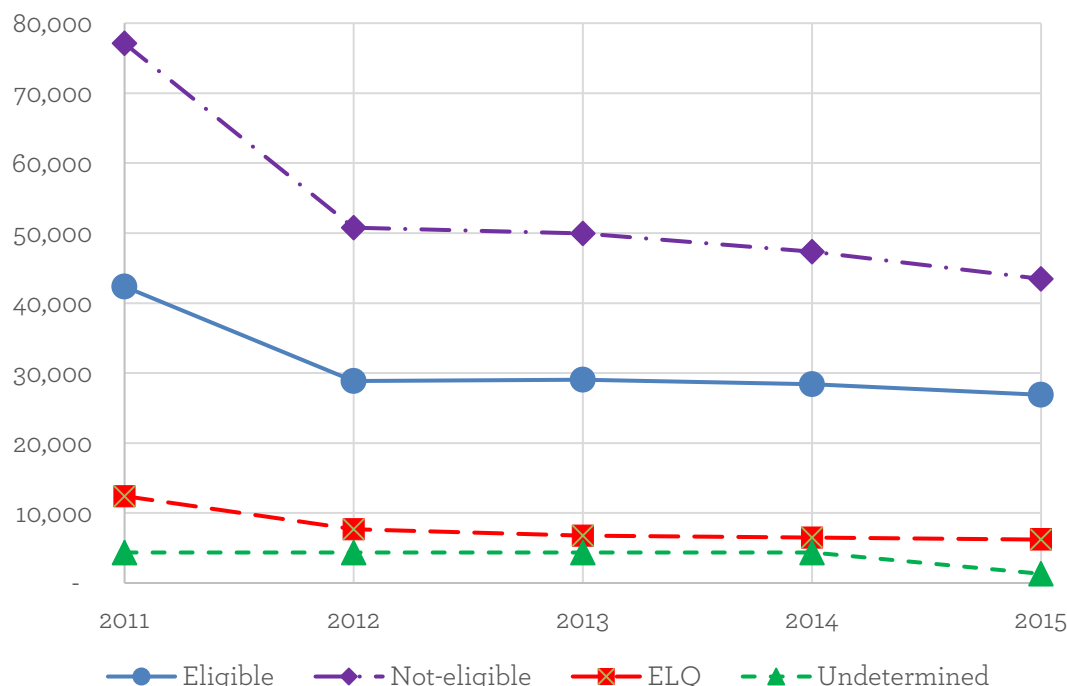
Note: Source and data definitions see annexes A3 and A4

Given the falls at the Open University in both the number of entrants on courses leading to institutional credits (Figure 4) and in the number on low intensity courses (Figure 6), we would expect the number of ineligible entrants to fall, which is what we find with a 57% fall between 2011 and 2012. We also see large percentage falls (62% between 2011 and 2012) in the number of 'ELQ' entrants who would have been eligible had they not had a higher education qualification. By contrast the number of entrants eligible for a loan is relatively stable, with just a 2% fall between 2011 and 2012. Further falls followed but nothing on the scale of seen for ineligible entrants, which resulted in a rise in the proportion of eligible entrants to 81% in 2015.

In 2015, an exemption to the ELQ conditions was introduced which coincided with an 11% rise in the number of eligible entrants from the year before. However, the exemption only accounts for, at most, a very small part of the rise in eligible entrants. (See page 29)

Loan eligibility - UK Universities (not OU) and FE colleges in England

Figure 10: Part-time undergraduate entrants domiciled in England by loan eligibility group (UK universities and FE colleges in England except OU)



Note: Source and data definitions see annexes A3 and A4

Figure 10 shows the trends in eligibility for other UK universities and FE colleges in England. Unlike the Open University, the trends are similar for the eligible, ineligible and ELQ groups, though, like the Open University, the eligible group shows a smaller decline than those not eligible, leading to the proportion of entrants eligible for a loan increasing slightly from 31% in 2012 to 35% in 2015.

As we have seen when looking at qualification aims and intensity of study, this ‘all other’ grouping brings together very different providers.

Table 7 illustrates this by comparing the proportion of entrants eligible for a loan for Birkbeck, FE colleges and the Russell Group.

Table 7: Percentage of part-time undergraduate entrants domiciled in England eligible for a loan

	2012	2015
Birkbeck	54%	65%
FE colleges	89%	92%
Russell Group	10%	12%

Note: Source and data definitions at annexes A2, A3 and A4

Loan eligibility - estimates and interpretation of ineligibility overall

For 2015, the overall percentage of entrants eligible for a loan was 47% (81% for the Open University, 35% for other universities and FE colleges in England). (Note that these figures assume that all the entrants with undetermined eligibility were ineligible.)

Table 8 presents the distinction in terms of ineligibility, and shows the contribution of ELQ requirements to ineligibility in total.

Table 8: Percentage of part-time undergraduate entrants domiciled in England ineligible for a loan (All UK Universities including the Open University and FE colleges in England)

Reasons for ineligibility	2012	2015
'Not eligible' – course requirements, etc	48%	45%
'ELQ' – eligible apart from ELQ criterion	7%	7%
Ineligible total*	56%- 59%	52%-53%

* Including and excluding entrants with undetermined eligibility
Note: Source and data definitions at annexes A3 and A4

The percentage of ineligible entrants arising from the ELQ criterion is much lower than previous estimates.⁴² This arises because here we have only counted entrants as 'ELQ ineligible' if they did not satisfy the ELQ conditions and they did meet all other criteria. If all the graduates and others with HE qualifications who did not meet the ELQ requirements were counted, we would get a much bigger figure. There is no 'right' answer but with the definition used here we get a measure of the percentage of entrants that would potentially benefit from a relaxation of the ELQ conditions while, keeping the other conditions the same.

Loan eligibility - the 2015 ELQ exemption

From 2015, honours graduates studying a second honours degree part-time in engineering, technology, computer science, or a mixture of these subjects, were eligible for a loan.

Table 9 shows the number of part-time entrants who: -

- have an honours degree;
- studying for an honours degree;
- would have been ineligible entrants before 2015 though would have been eligible had they not had an honours degree;
- studied engineering, technology, computer science, or a mixture of these subjects.

⁴² Callender, 2015.

Table 9: Part-time undergraduate entrants domiciled in England satisfying ELQ exemption for engineering, technology and computer science

	2012	2013	2014	2015
Open University	120	90	120	150
UK universities (not OU) and FE colleges in England	60	50	35	90

Note: Source and data definitions at annexes A3 and A4

The numbers of entrants are far smaller than expected. The eventual cost of the exemption was put at £23 million per annum,⁴³ which translates to something like an extra 2,000 or more entrants.⁴⁴

For 2017, the exemption has been extended to cover all STEM (science, technology, engineering, mathematics) subjects, though the change has been poorly advertised. We estimate that about 585 entrants in 2015 met the conditions to take advantage of this change. Even if the publicity had been more effective, we think this exemption extension would not have led to more than a few hundred extra entrants.

Loan eligibility and take up across the sector

Summary – loan take-up

- In 2012, an estimated 24% of all entrants to UK universities and FE colleges in England had taken out a loan.
- Of those entrants who were eligible for a loan (41% of all entrants), about 59% had taken out a loan while a further 15% received employer support or a fees waiver.
- Loan take up was estimated by combining data from HESA and ILR records with SLC information. This introduces further uncertainties and the resulting statistics should only be taken as rough approximations.

The percentage of entrants eligible for a loan has increased, largely because of the declines in numbers of ineligible entrants on low intensity ‘continuing education’ courses. But we are unable to assess the proportion of these eligible entrants who take out a loan because the HESA data-item which might be expected to identify those taking out a loan was found to be unsuitable for identifying loan take up. The Student Loan Company publish counts on students taking out part-time tuition fee loans and this provides a measure of the number of entrants in 2012. Table 10 shows the take up of loans along with employer support and fee waivers.

⁴³ Morgan, 2013.

⁴⁴ If each entrant goes on to study the equivalent of three (2.5) years full-time, at a fee of £9,000 (£6,000) per FTE, assuming the RAB charge of 50% gives 1,700 (3,000) pa extra entrants.

Table 10: Part-time undergraduate entrants domiciled in England eligibility and take up of tuition fee loans, employer support and fee waivers (2012). (All UK Universities including the Open University, and FE colleges in England)

	No. entrants	All entrants		Eligible entrants	
		%	Cum.%	%	Cum.%
All entrants	133,705	100%			
Eligible for loan*	54,830	41%		100%	
Loan taken out	32,335	24%	24%	59%	59%
Employer support**	6,805	5%	29%	12%	71%
Fee waiver**	1,430	1%	30%	3%	74%

Note: Sources and data definitions see annexes A3 and A4

* Assumes all undetermined eligibility entrants are ineligible.

** Only includes those with employer support or a fee waiver who were also eligible for a loan. Assumes those with employer support or a fee waiver did not take out a loan.

Given that Table 10 combines figures from different sources, it should only be taken as giving a general indication of the level of support provided by tuition fee loans and other support. The figure for employer support will usually only be captured when the employer pays directly, and so will underestimate the total level of support. This means we can be confident that most entrants who are eligible for a tuition fee loan are not paying upfront from their own savings.

The take-up of loans among part-timers is lower than for full-time students,⁴⁵ which is what we might expect. Part-time entrants will usually have a lower fee, even if their fee per FTE is £9,000, the maximum for full-time entrants in 2012. In addition, they will usually be in employment so some may be able to pay up-front; they may already have a student loan and not want to add to the total outstanding debt; or they maybe debt averse, which we know is more likely for mature part-time students.⁴⁶ The decline in entrants suggests that for those reluctant to take out a loan, the alternative is deciding not to study.

2012 changes and the subjects studied

Summary of changes in entrant numbers by subjects studied - All entrants to UK universities and FE colleges in England

- Between 2010 and 2015 enrolments in all subjects fell at UK universities and FE colleges in England, except for in engineering and technology, which saw a growth but of just one per cent.
- The largest fall was for those studying Combined subjects with the number of entrants falling by 85%. This was due to the decline in modular 'open' courses, especially at the Open University, which accounted for 81% of the combined studies entrants in 2010.

⁴⁵, Full-time student loan take up in 2015 for those domiciled in England and at public providers equalled 93.8%, (SLC, 2017).

⁴⁶ Ellison, et al, 2015. See discussion of ‘

Financial constraints and incentives’ at page 72

Table 11 shows the changes in entrant numbers to the Open University for different subjects between 2010 and 2015.

Combined subjects decreased by 88%, more than any other subject. A large decline would be expected given the decline in courses leading to institutional credits. Also, up to 1998, students might choose to take all their modules in one subject area, but their 'open' degree would not be 'named' to reflect those choices. Even after named degrees were introduced all study was still returned to HESA with subject as 'combined subjects' until 2002. Since then the named subjects have been returned to HESA and the Open University have introduced an increasing number of named degrees, with entrants encouraged to take this option. Clearly these changes will also tend to give a boost to some other subjects as well as reducing 'combined studies'.

Three subjects saw increases: subjects allied to medicine, law and creative arts. It is unclear whether these are real increases or whether the increases would have been described under the combined studies heading in 2010.

Table 11: Part-time undergraduate entrants domiciled in England by subject of study (Open University)

Subject	2010		2015		Decrease (Increase)
Subjects allied to medicine	915	1.2%	960	3.5%	(5%)
Biological sciences	5,920	8.0%	4,970	18.3%	16%
Physical sciences	2,025	2.7%	840	3.1%	59%
Mathematical sciences	1,855	2.5%	925	3.4%	50%
Computer science	2,155	2.9%	1,770	6.5%	18%
Engineering & technology	1,325	1.8%	1,060	3.9%	20%
Social studies	6,470	8.8%	3,015	11.1%	53%
Law	1,700	2.3%	1,820	6.7%	(7%)
Business & administrative studies	5,165	7.0%	2,390	8.8%	54%
Languages	3,510	4.8%	1,485	5.5%	58%
Historical & philosophical studies	3,120	4.2%	1,420	5.2%	54%
Creative arts & design	265	0.4%	535	2.0%	(102%)
Education	3,275	4.4%	1,600	5.9%	51%
Combined	36,025	48.9%	4,380	16.1%	88%

Note: Sources and data definitions at annex A4

UK Universities (except OU) and FE colleges in England

Table 12 shows the changes in entrant numbers to UK universities and FE colleges in England for different subjects. The only subject to show an increase in the number of entrants is 'engineering and technology' and, without the contribution from FE colleges, these numbers would have declined as well. There were 3,350 FE college entrants in 2010 and 5,135 in 2015, more than half all entrants from universities (excluding the Open University). As noted previously, the number of entrants registered at FE colleges has increased in part due to the move from franchising arrangements.

In 2010, 32% of entrants were studying 'subjects allied to medicine'. Numbers declined but less than average so that by 2015 'subjects allied to medicine' accounted nearly half, 44%, of all part-time entrants. This provision includes some honours and foundation degree courses but also many specialist short courses usually described as 'continuing professional development' (CPD), with titles like 'primary diabetes care', 'hearing aid audiology' and 'leg ulcer management'.

Table 12: Part-time undergraduate entrants domiciled in England by subject of study (UK universities and FE colleges in England except OU)

Subject	2010		2015		Decrease (Increase)
Subjects allied to medicine *	45,000	32%	34,265	44%	24%
Biological sciences	3,120	2%	1,810	2%	42%
Agriculture & related subjects **	3,465	2%	2,185	3%	37%
Physical sciences	1,890	1%	630	1%	67%
Mathematical sciences	360	0%	160	0%	56%
Computer science	2,330	2%	1,260	2%	46%
Engineering & technology	9,025	6%	9,365	12%	(4%)
Architecture, building & planning	4,765	3%	3,060	4%	36%
Social studies	10,015	7%	4,045	5%	60%
Law	2,810	2%	995	1%	65%
Business & administrative studies	17,385	12%	6,790	9%	61%
Mass communications & documentation	675	0%	145	0%	79%
Languages	5,030	4%	1,945	2%	61%
Historical & philosophical studies	3,085	2%	830	1%	73%
Creative arts & design	3,525	2%	1,135	1%	68%
Education	21,280	15%	7,335	9%	66%
Combined	8,410	6%	2,375	3%	72%

Note: Sources and data definitions at annex A4

* Includes 235 (2010) and 40 (2015) returned as studying 'Medicine and Dentistry'

** Includes 15 (2015) entrants returned as studying 'Veterinary Science'

2012 changes and the entrants' age, POLAR category and entry qualifications

Summary of changes in entrant numbers by age profile

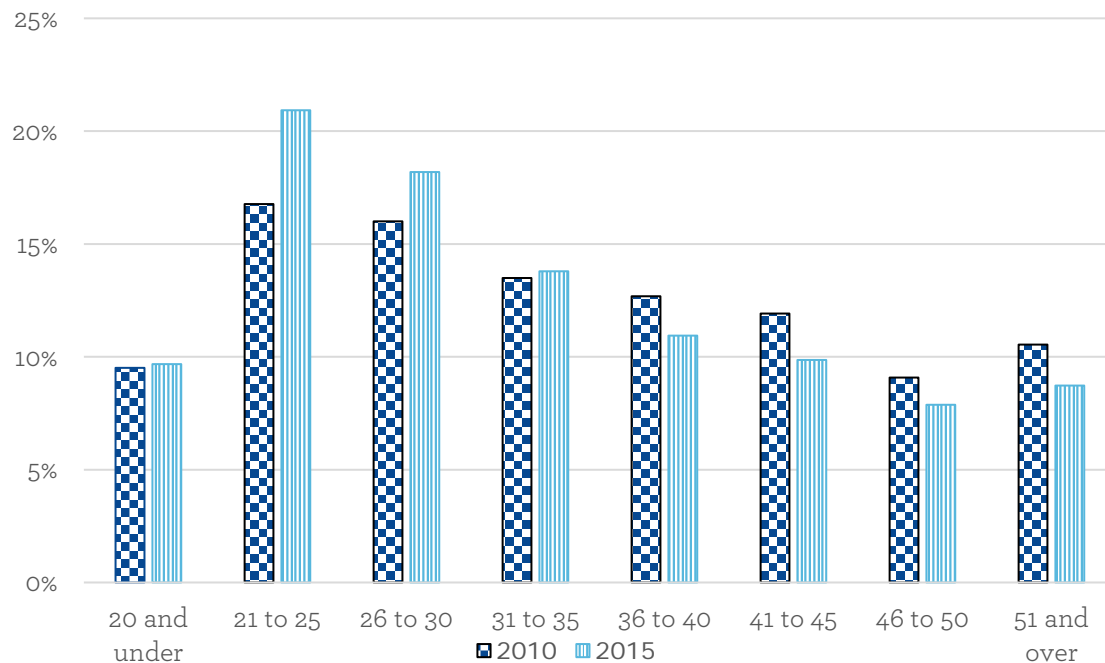
- Between 2010 and 2015, there were large falls in the number of entrants to all UK universities and FE colleges in England in all age groups.
- The largest falls were among those in the age group 36 to 40 and older, so that overall, the age profile of part-time students is becoming younger.

Age profile

Given the size of the decrease in part-time entrant numbers we might expect that we would see a change in the entrants' characteristics. This section provides a short overview of these changes between 2010 and 2015, and shows how the part-time entrant population now compares with full-time entrants. Note that all the counts are based on part-time entrants domiciled in England at UK universities (including the Open University) and FE colleges in England.

Age profile of entrants

Figure 11: Percentages of part-time entrants domiciled in England by age group; 2010 and 2015 (UK Universities and FE colleges in England)



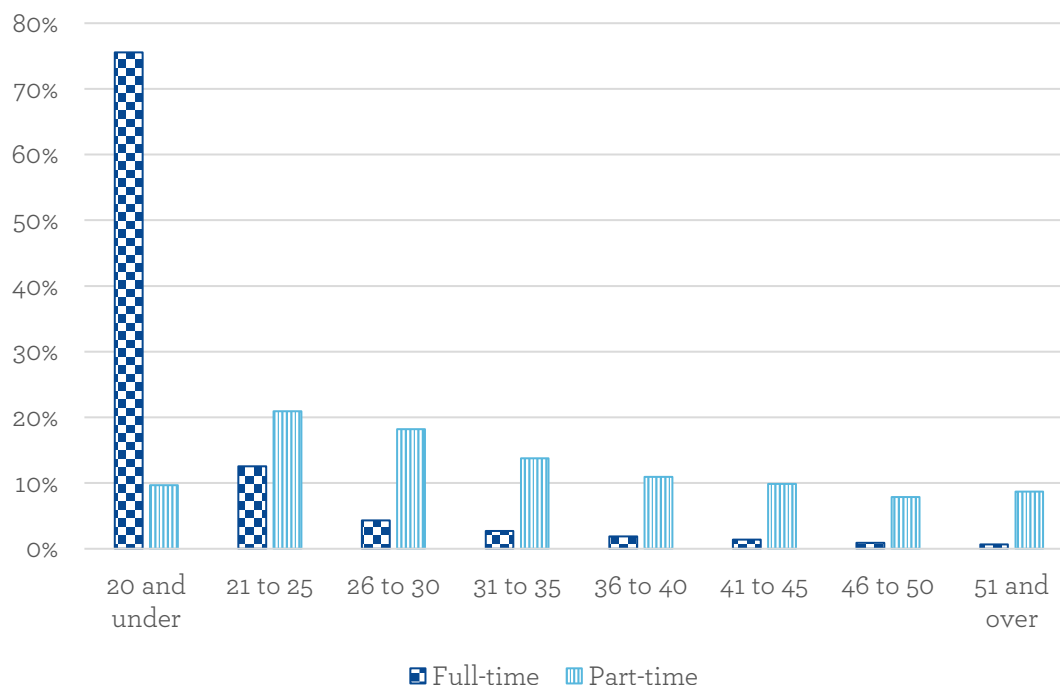
Note: Sources and data definitions at annex A4

All age groups have seen large decreases in the number of entrants between 2010 and 2015, but the older age groups have decreased more so that the profile for 2015 is slightly younger than in 2010 (Figure 11). For instance, among mature students over 35, their numbers have fallen from 95,000 in 2010 to 39,000. This is what we would expect given that the short 'continuing education type' courses declined more. However, in comparison with full-time entrants, the part-time profile is still much older.

Figure 12 shows the differences between full-time and part-time age profiles in 2015. Although the number of full-time entrants was nearly four times the number of part-time entrants (393,000 to 105,000), in the age group 26 to 30 and older age groups the numbers of part-

time entrants exceeded the number of full-time entrants. This is a result of the concentration of full-time entrants in the younger age groups; 76% of full-time entrants were 20 or younger, 88% were 25 or younger.

Figure 12: Percentages of full-time and part-time undergraduate entrants domiciled in England by age group; 2015 (UK Universities and FE colleges in England)



Note: Source and data definitions see Annex A4

POLAR measure of disadvantage for young entrants

Summary of changes in entrant numbers by socio-economic background

- Between 2010 and 2015, the number of young entrants (aged 20 and under) to all UK universities and FE colleges in England fell by 51%.
- The falls were greater among those from the most advantaged POLAR group (5) than among those from the most disadvantaged group (1) – 59% compared with 42%.
- In 2015, a higher proportion of young part-time entrants than young full-time entrants came from disadvantaged POLAR groups.
- POLAR is an inappropriate measure of disadvantage for mature entrants.

POLAR is a classification of small areas based on the proportion of the young population that participate in higher education. It is widely used to measure the extent to which participation of relatively disadvantaged young people has changed.⁴⁷ However, POLAR is inappropriate for measuring changes among mature entrants.

Figure 13 shows how the profile of young (20 and younger at the start of their course) part-time entrant groups changed between 2010 and 2015. There are five groups ranging from 1 – most disadvantaged to 5 – most advantaged. The number of entrants in all groups declined between 2010 and 2015, but not to the same extent, with the number of most advantaged entrants

⁴⁷ See <http://www.hefce.ac.uk/analysis/yp/POLAR/>. The data for this section are based on POLAR 3. Note that the statistics presented here do not take account of population changes, presenting the profile of entrants, not participation rates. The counts used include some who had entered previously. For details of the deduping employed see annex A1.

(group 5) declining 59% compared to 42% for the most disadvantaged (group 1) and 51% for all the young part-time entrants.

Figure 13: Percentages of young part-time undergraduate entrants domiciled in England by POLAR group; 2010 and 2015 (UK universities and FE colleges in England)

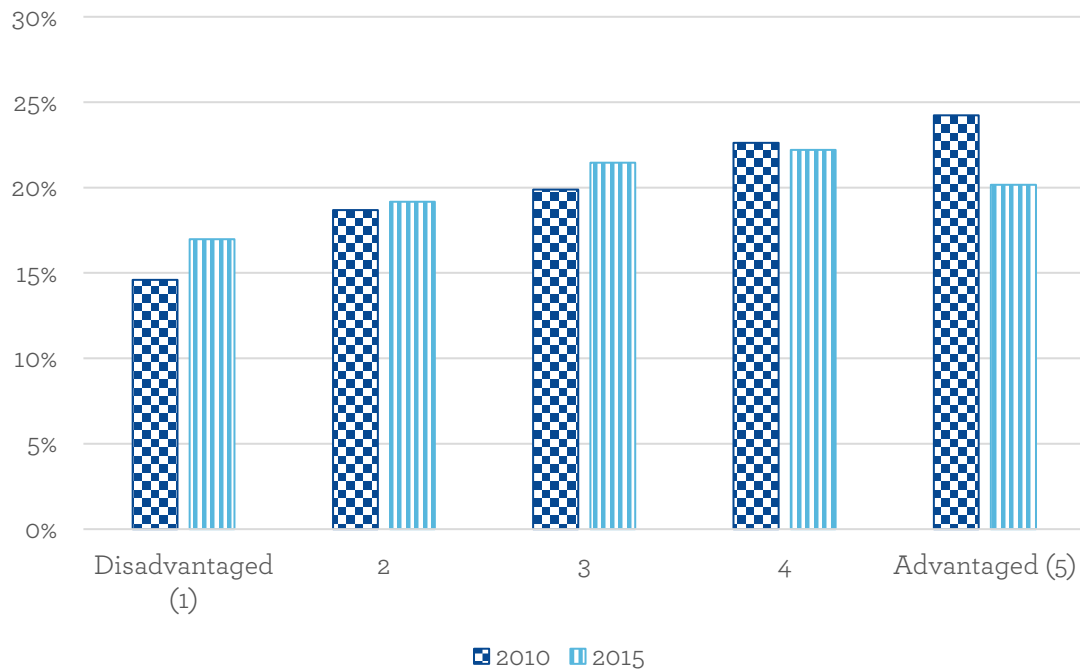
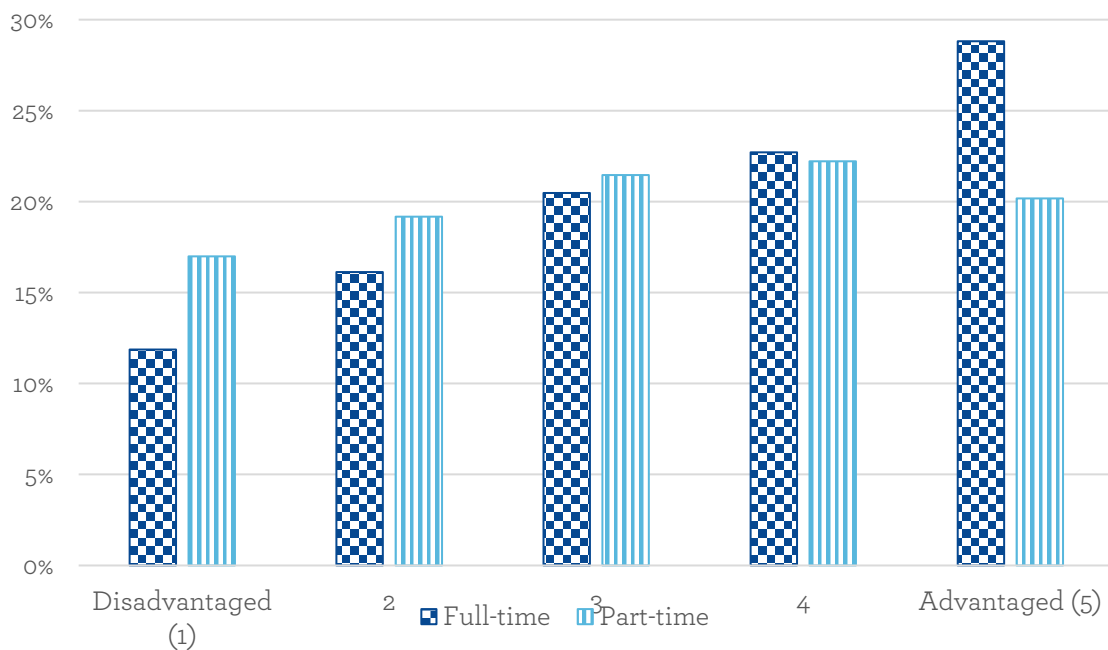


Figure 14: Percentages of young full-time and part-time entrants domiciled in England by POLAR (2015, UK Universities and FE colleges in England)



Note: Source and data definitions at annex A4 (figures 13 and 14)

The large decline in entrants from the most advantaged group (5) may in part be due to a reduced number of students taking a module, typically with the Open University, while still at school, supplementing their other studies in preparation for application for full-time higher education elsewhere. As an 'extra' we would expect this to be more price sensitive.

The POLAR groups were constructed so that each group had approximately the same population of young people, with group 1 having the lowest participation rate, and group 5 the highest, yet by 2015 the number of group 5 part-time entrants was lower than for groups 3 and 4. The low number of 'advantaged' part-time entrants may seem at variance with this definition of the POLAR groups, but, given most (97%) of the young entrants are full-time, the overall participation rates will be close to the full-time rates. Figure 14 compares the POLAR profiles from full-time and part-time young entrants; the full-time entrant profile shows the percentage of entrants increasing from 1 to 5 as expected. The contrast with the part-time profile is marked, demonstrating the contribution that part-time provision makes to widening participation, an interpretation which is consistent with the published widening participation performance indicator.⁴⁸

Measures of socio-economic disadvantage for mature entrants

Measuring socio-economic disadvantage of mature entry, and part-time mature entry in particular, is difficult. Part-time students do not apply to university through UCAS, where data items like parental education are collected, and so are not available from the HESA and ILR records. The postcode, which can be used as a measure of socio-economic disadvantage, reflects the student's current rather than background position. The wide age range of mature entrants creates further complications. While it is tempting to use the POLAR classification for mature students, given that the classification would be based on the entrants' current address it would not identify the background of many mature entrants.⁴⁹ Further, the POLAR classification was designed to monitor young entrants, with approximately an equal number of young people in each of the five groups. It is not safe to assume that there would be an equal number for other age groups.

Highest qualification on entry

Summary of changes in entrant numbers by highest qualification on entry

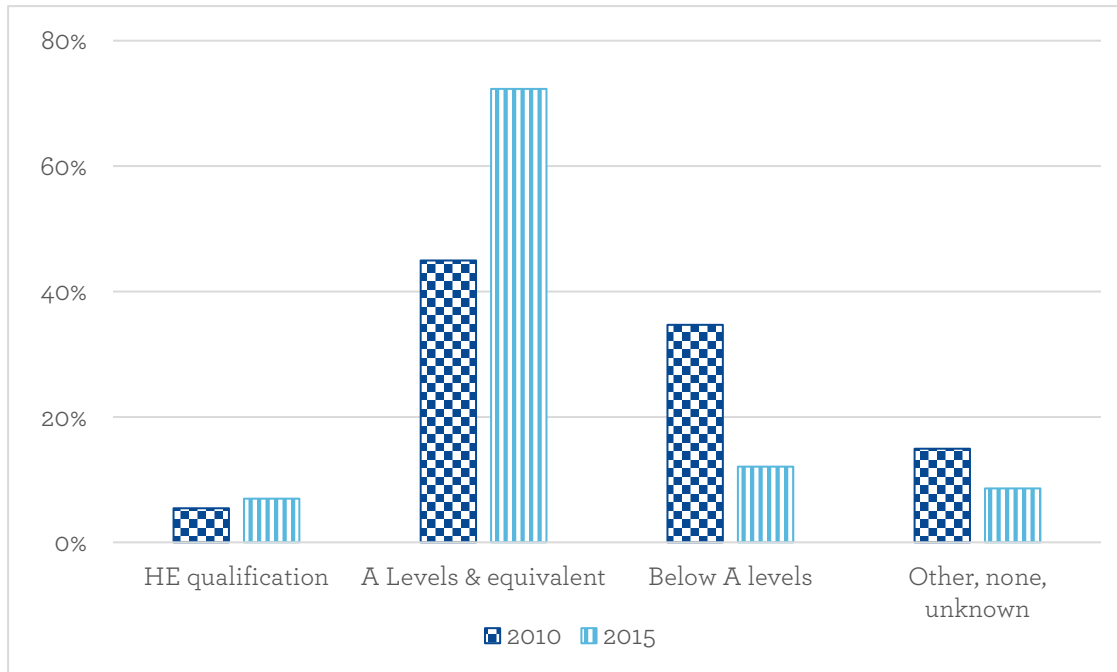
- Between 2010 and 2015, among young part-time entrants to all UK universities and FE colleges in England, the biggest change in their highest qualification on entry was the increasing share of entrants with A-levels and their equivalents.
- Over the same period, among part-time mature entrants, the biggest change was also the rise in the proportion with A-levels and their equivalents.
- By 2015, 55% of mature part-time entrants already had a degree, or some other higher education qualification, compared with 33% of mature full-time entrants.

⁴⁸ The percentage from low participation neighbourhoods (LPN) for HEIs in England was 11.4% full-time and 14.8% part-time in 2015. These percentages are not strictly comparable because the part-time figures exclude entrants with previous HE qualification, probably reducing the percentage from LPN. See www.hesa.ac.uk/data-and-analysis/performance-indicators

⁴⁹ HESA publish performance indicators for mature entrants (both full and part-time) as if they were young entrants apart from excluding those students who had previously obtained a higher education qualification. HEFCE/OfS have informed us that these measures will be reviewed.

Highest qualification on entry – young entrants

Figure 15: Percentages of young part-time undergraduate entrants domiciled in England by highest qualification on entry 2010, 2015 (UK universities and FE colleges in England)



Note: Source and data definitions at annex A4

Figure 15 shows the change in highest qualification on entry for young entrants between 2010 and 2015. Over this period, the biggest declines in young part-time entrant numbers were for highest qualifications below level 3 (A-levels and their equivalents) and for entrants where the highest qualification was unknown.⁵⁰ Some of those with qualifications 'below A-levels' will have taken a higher education module alongside their A-levels in preparation for application for a full-time course.

This change brought the profile of highest qualifications for part-time entrants closer to what we find for full-time. Figure 16 shows how full and part-time compared in 2015.

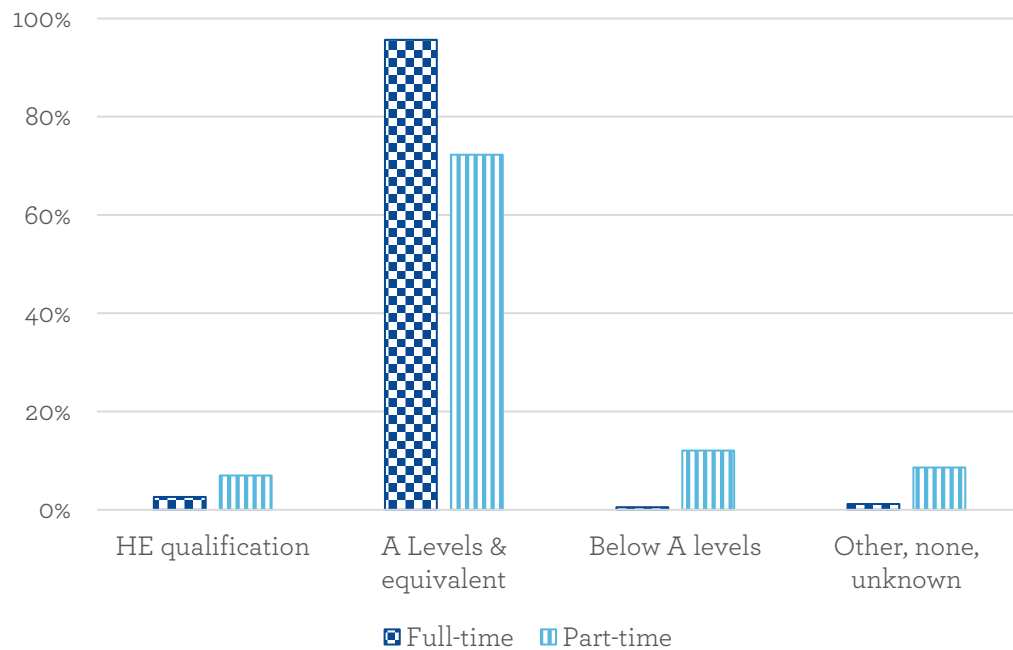
A-level or other level 3 qualifications were the most common highest qualification on entry for both full-time (96%) and part-time (72%). There were some part-time entrants with HE qualifications, almost all below degree level, and also entrants with qualifications below A-level. The higher percentage of part-time entrants returned with unknown or no qualification is expected, given that part-time entry does not go through UCAS, especially for some short courses where the data collection is less relevant and so likely to be less thorough.

Highest qualification on entry – mature entrants

Between 2010 and 2015 the biggest decline in mature part-time entrant numbers were for entrants with the highest qualification unknown, something also found for young part-time entrants. This is probably due to the more rapid decline in short courses, where the data collection is likely to be less thorough.

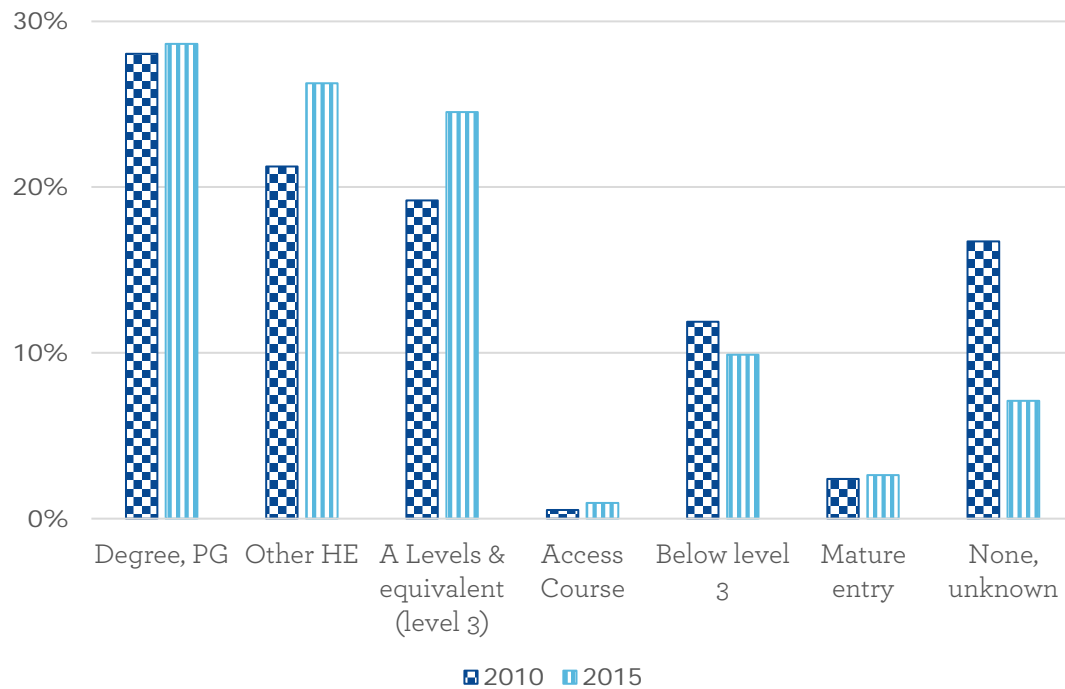
⁵⁰ We interpreted 'no formal qualification' as qualification unknown, along with qualifications of unknown level and unknown qualifications. It seems unlikely that an entrant would have no formal qualifications; it is more likely that the data was not collected. For young part-time entrants in 2015 there were 110 'other qualification level not known', 50 'no formal qualification' and 570 'qualification not known'.

Figure 16: Percentages of young full-time and part-time undergraduate entrants domiciled in England by highest qualification on entry (2015) UK Universities and FE colleges in England



Note: Source and data definitions at annex A4

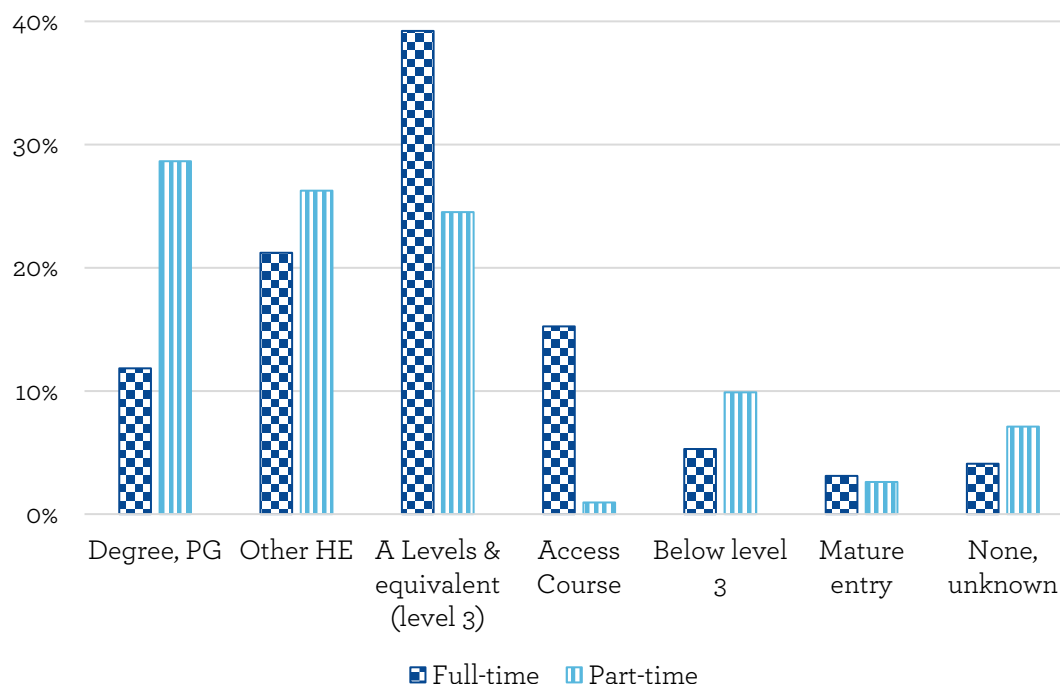
Figure 17: Percentages of mature part-time undergraduate entrants domiciled in England by highest qualification on entry 2010, 2015, (UK Universities and FE colleges in England)



Note: Source and data definitions at annex A4

Figure 18 shows the profile of groups of qualifications in 2015, for part-time entrants, and, for comparison, for mature full-time entrants. In 2015 the numbers of full and part-time mature entrants were similar (95,175 full-time and 94,910 part-time), which means the percentages in Figure 18 also give a good indication of the relative numbers of full-time and part-time entrants for each group of qualifications.

Figure 18: Percentages of mature full-time and part-time undergraduate entrants domiciled in England by highest qualification on entry (2015 UK Universities and FE colleges in England)



Note: Source and data definitions at annex A4

A distinctive feature of mature entrants in general, and especially for part-time mature entrants, is the high percentage who already have a degree, or some other higher education qualification. From 2012 this could mean they were ineligible to take out a tuition loan.⁵¹ However, for many part-time entrants with higher education qualifications, this makes no practical difference because they would not be entitled to a loan even if they did not have a higher education qualification; for example, if the course intensity were less than 25%.

A-levels, or their equivalent (level 3) qualifications, still outnumber higher education entrants for mature full-time entrants, especially if we add in 'Access to HE Diploma' as another level 3 route to higher education.⁵² However, the traditional 'level 3' route applies to only one-in-four mature part-time entrants.

Summary of changes in the profiles of entrant characteristics between 2010 and 2015

The changes in the entrant profiles are largely driven by the decline in entrant numbers, a general decline that affected all groups. Given that the decreases were greatest for low intensity courses, we would expect, and we find, that the decreases were greater for some student groups than for others. Table 13 provides a summary of the main changes.

⁵¹ The ELQ criteria do allow students with a higher education qualification to take an undergraduate qualification at a higher level, so, for example, all the entrants with an 'other HE' qualification could study for a degree and take out a tuition loan.

⁵² Access Courses are designed for people who have been out of education for some time. Completion of what is typically a one-year course to an 'Access to HE Diploma' which is a recognised level 3 qualification. See: - www.accesstohe.ac.uk

Table 13: Part-time entrants domiciled in England -main changes in characteristics between 2010 and 2015 (2015 UK Universities, FE colleges in England)

Attribute	Group(s) with increasing proportions of all part-time entrants between 2010 and 2015	More like full-time?
Age	Younger	Yes
Disadvantage (POLAR) -young only	Entrants from lower participation neighbourhoods	No
Qualifications on entry - young and mature	With A-levels or their equivalent With non-degree HE qualifications	Yes No

Note: Sources and data definitions at annex 4

4. Can the part-time decline be attributed to higher tuition fees?

Did the 2012 funding changes affect the numbers of entrants? Comparing England, Scotland and Wales.

Summary of comparisons between England, Scotland and Wales

- The impact of the 2012 funding changes in England, in part, can be assessed by comparing the number of entrants domiciled in England with those domiciled in Scotland and Wales, where different funding and student support arrangements existed.
- The trends in numbers of entrants to the Open University and to other universities, suggests that without the 2012 changes entrant numbers in England would have declined, but that the 2012 changes increased that decline.

According to Nick Hillman, former special adviser to the then universities minister, David Willetts, those responsible for the 2012 changes briefly thought there could be such an increase in part-time students that their numbers would need to be capped.⁵³ We now have enough data to be sure their fears were misplaced; the changes did not lead to an increase in numbers.

But are the declines in part-time entrant numbers seen since 2012 a continuation of the trends before then, or would numbers have been higher without the changes? The evidence is mixed. Even where the change from 2011 to 2012 shows an accelerating decline it is not clear to what extent this is due to a temporary phenomenon, as some entrants bring their plans forward to start in 2011 and avoid the fee rises.

To get a clearer idea of the impact of the 2012 changes we compare the trends for those domiciled in England with those domiciled in Scotland and Wales, where different funding and student support arrangements pertained. We have not used data for Northern Ireland because of the uncertainties of the relatively small numbers, especially for sub-groups of entrants.

Support for students domiciled in Scotland

Prior to 2013, there were two forms of part-time support: a fee grant from Student Awards Agency for Scotland (SAAS) and a fee waiver scheme funded by the Scottish Funding Council (SFC). From 2013 the tuition fee grant and fee waiver were combined into a single payment with the following requirements:

- A household income eligibility threshold of £25,000.
- Course credits between 30 and 119 (120 for distance learning).

This means testing in Scotland is less stringent than the household income threshold was for the receipt of tuition fee grants for entrants from England up to 2011, and the intensity requirement (30 credits or 25%) is much lower. In 2015, 16,575 students received a fee grant worth an average of £780 (SAAS, 2016). The maximum fee grant is £1,805, slightly less than the notional full-time fee of £1,820 for the equivalent full-time courses (which is usually paid for by SAAS).

It should be remembered that for students domiciled in Scotland full-time fees at a university in Scotland are effectively zero in most cases, so for a prospective student considering a high intensity course, full-time may be more affordable, depending on his or her circumstances.

⁵³ Hillman, 2015.

Support for students domiciled in Wales

Prior to 2014 there were means-tested fee and course grants very similar to what had been available for students domiciled in England prior to 2012, except that the maximum course grant was £1,155 rather than the £265 in England. From 1 September 2014, the fee grant was abolished for new students and replaced by a fee loan, again with conditions very similar to those for students domiciled in England, including ELQ rules and 25% minimum intensity. However, in Wales, students could also claim the course grant as well as the loan, whereas in England the course grant was abolished when loans were introduced. Welsh part-time students are also able to claim pro-rata dependants' grants, although only if the courses are at least 50% intensity.

Funding and tuition fees in England, Scotland and Wales

The Scottish Funding Council (SFC) and the Higher Education Funding Council for Wales (HEFCW) continued to fund part-time teaching in 2012. They had also continued to include ELQ students in their funding allocations when, in 2008, the English funding council (HEFCE) withdrew funding for these students. We would therefore not expect fees to increase as much in Scotland and Wales as in England, where the remaining teaching grant was insufficient to hold down fees. We do not have data for the sectors as a whole but the Open University have provided fee data.

The funding and student financial support arrangements are not the only differences between the three countries, and this needs to be borne in mind when interpreting the trends. As others have pointed out the macro-economic environments differ.⁵⁴

Part-time take-up in England, Scotland and Wales

Entrant numbers have been normalised to show the number for each year relative to that for 2010, the last year before the effects of the 2012 fee increases in England become noticeable. This enables comparisons to be made in the changes to entrant numbers across the three countries with very different populations. However, it should be borne in mind that take up of part-time study for each country, allowing for population differences, are not equal. Table 14 shows the approximate entry rate for the three countries.

Table 14: Part-time undergraduate entrant 'rates' – that is the entrant numbers as fractions of populations* (2010)

Link to countries	Providers	England	Scotland	Wales
Domicile of student	Open University	0.5%	0.5%	0.5%
Domicile of student	Universities (not OU) and FE colleges	0.9%	n/a	1.6%
Location of provider	Universities (not OU) and FE colleges**	1.1%	2.7%	2.0%

Note: Sources and data definitions at annex A4

Populations for ages 18 to 40.

** Follows standard HESA data definitions for 'first year' students. All domiciles, home, EU and overseas included.

⁵⁴ Oxford Economics, 2014.

In this study, our preference has been to focus on entrants domiciled in England, so the natural comparators would be based on entrants domiciled in Scotland and in Wales. This has not been possible with the data available for students at FE colleges in Scotland, so we also use the location of the providers to link students to countries.

The figures in Table 14 show that the numbers of entrants to the Open University with different domiciles are about what we would expect given the differences in the populations. However, the numbers of entrants to other providers are much higher in Scotland and Wales than in England, and this result holds whether countries are identified through the students' domiciles, or the locations of the providers. This provides a context for the trends in entrant numbers.

The Open University – nearly 'like for like' comparisons of England Scotland and Wales

The Open University offers the same courses to students domiciled in the three countries but there are some differences. For example, there is very low take up of foundation degree courses by students from Scotland, and some modules are aimed at students from one country more than others. It is unsurprising, for example, that most entrants to 'An introduction to law in contemporary Scotland' are from Scotland. Nevertheless, the Open University enables us to get closer to a 'like for like' comparison than is otherwise available. It is also helpful that the entry rates to the Open University are similar for the three countries.

Before 2012, as shown above, the support for students domiciled in England, Scotland and Wales differed, but the Open University minimised those differences. Graduates, and other ELQ students, from England were charged the same fee, and fee increases were the same for entrants from the three countries. Table 15 shows how the fees changed between 2007 and 2015.

Table 15: Open University tuition fees per FTE *

	Nominal fee per FTE		Real fee Index (2007 =100)**	
	England	Scotland / Wales	England	Scotland/ Wales
2007	£1,130	£1,130	100	100
2008	£1,220	£1,220	104	104
2009	£1,260	£1,260	105	105
2010	£1,300	£1,300	105	105
2011	£1,400	£1,400	108	108
2012	£5,000	£1,470	377	111
2013	£5,124	£1,510	376	111
2014	£5,264	£1,550	381	112
2015	£5,400	£1,666	391	120

Source: Open University

Fees for two standard 60 credit modules

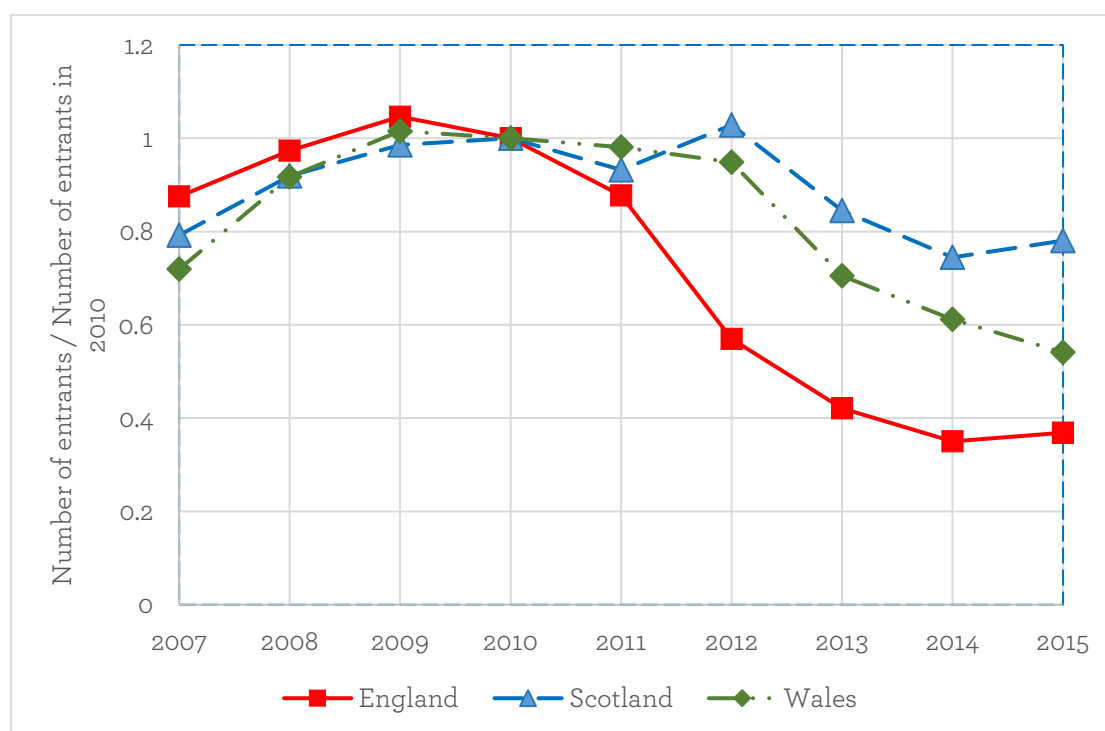
** Adjusted for inflation using ONS annual Consumer Price Index

Figure 19 shows the trends in part-time entrants domiciled in England, Scotland and Wales. Between 2007 and 2011 the fees were the same for entrants from the three countries, so it is unsurprising that the trends are similar. All three increased until 2009 or 2010 and then declined slightly. There is nothing to suggest that the Open University benefited from having more competitive fee levels than some other universities in England, indeed between 2007 and

2011 the numbers of entrants from England were almost the same (0.2% increase), while the numbers of entrants from Scotland and Wales increased by 18 and 36%.

The sharp drop in entrants from England, but not entrants from Scotland and Wales, between 2011 and 2012 suggests the big increase in tuition fees in England had an impact, even with the introduction of fee loans. However, after 2012, the numbers of entrants from Scotland and Wales also began to fall. This suggests that, even without the 2012 changes, entrant numbers would have declined, but not as rapidly.

Figure 19: Part-time undergraduate entrants domiciled in England, Scotland and Wales relative to 2010 entry (Open University)



Note: Source and data definitions at annex A4

Other universities (not the Open University) and FE colleges – less straightforward comparisons of England and Wales

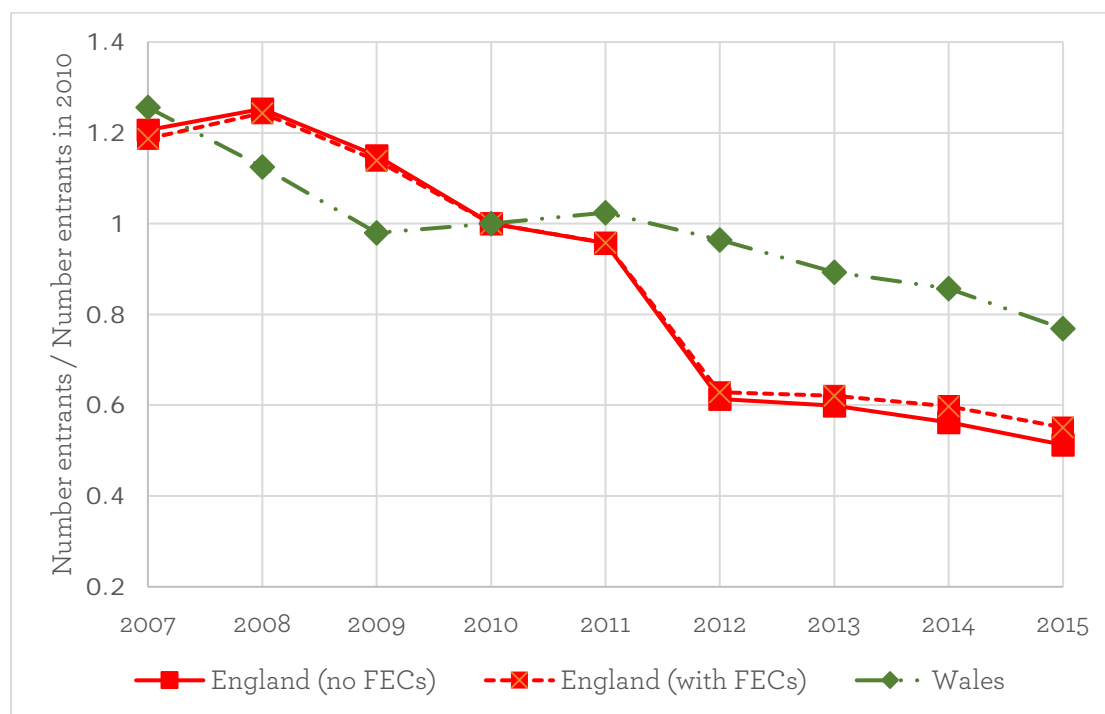
The comparison between entrants from different domiciles to universities other than the Open University and FE colleges is less controlled than the comparison of entrants to the Open University. Because the entrants' country of domicile and study are usually the same, we are confounding differences between providers and courses with differences in the support arrangements and fee levels. Further, while it is safe to assume the fees will be higher on average for entrants domiciled in England, we have no information by how much.

A further difficulty arises in the treatment of entrants registered at FE colleges, which are not returned to the HESA record. For colleges in England the individual data were extracted using the same criteria as for HESA data, and data for students at universities and FE colleges were merged and deduplicated, but this processing was not carried out for entrants to FE colleges outside England. The percentages of entrants registered at FE colleges were 8% for England, 1% for Wales and 55% for Scotland.⁵⁵ Given that less than half the non-Open University

⁵⁵ These percentages are not strictly comparable though they should give a rough indication of extent of FE college provision. The figure for England was based on numbers for entrants domiciled in England from merged HESA and ILR data used throughout this report. The Scotland figure was based on the numbers of first year part-time undergraduate students (all domiciles) at HEIs and FE colleges in Scotland, supplied by the Scottish Funding Council. The figure for Wales used the HESA data for a count of the entrants domiciled in Wales as used throughout this report with a count of

provision in Scotland was returned by universities, any comparison must include FE colleges. To circumvent this difficulty, we plot the trends for England and Wales only. (The small number of FE college students from Wales is ignored and the plot for entrants domiciled in England is shown with and without FE college entrants.)

Figure 20: Part-time undergraduate entrants domiciled in England and Wales relative to 2010 entry (UK Universities and FE colleges in England except OU)



Note: Source and data definitions at annex A4

From 2008 to 2011, the number of entrants from England declined. Given the rising part-time tuition fees following the introduction of variable fees for full-time students in 2006, and ELQ funding restrictions for full and part-time students in 2008, this was expected. Apart from the fee avoidance inflexion at 2011, the annual decreases are constant.

We would not expect the number of entrants from Wales to decline to the same extent because, though top up fees for full-time entrants from Wales were introduced in 2007, ELQ funding restrictions were not. Yet the overall proportional decrease in entrants domiciled in Wales between 2007 and 2011 is similar to that found for entrants domiciled in England.

It has been suggested that particular issues at a small number of institutions in Wales were responsible⁵⁶ for the decline in entrant numbers, so, it is still possible that ELQ funding restrictions were responsible for the decline in entrants from England. However, though there are examples which demonstrate the impact of ELQ funding restrictions,⁵⁷ it is still unclear whether they made a material difference to the overall numbers.

There was a sharp decline in the number of entrants from England between 2011 and 2012, and it seems most likely this was due to the 2012 changes. Since then, however, the number of entrants from Wales has declined. It should be remembered the number of entrants from

entrants at FE colleges in Wales (home and EU domiciles) supplied by HEFCW. Open University entrants were not included in the percentage of FE college entrant calculations for all three countries.

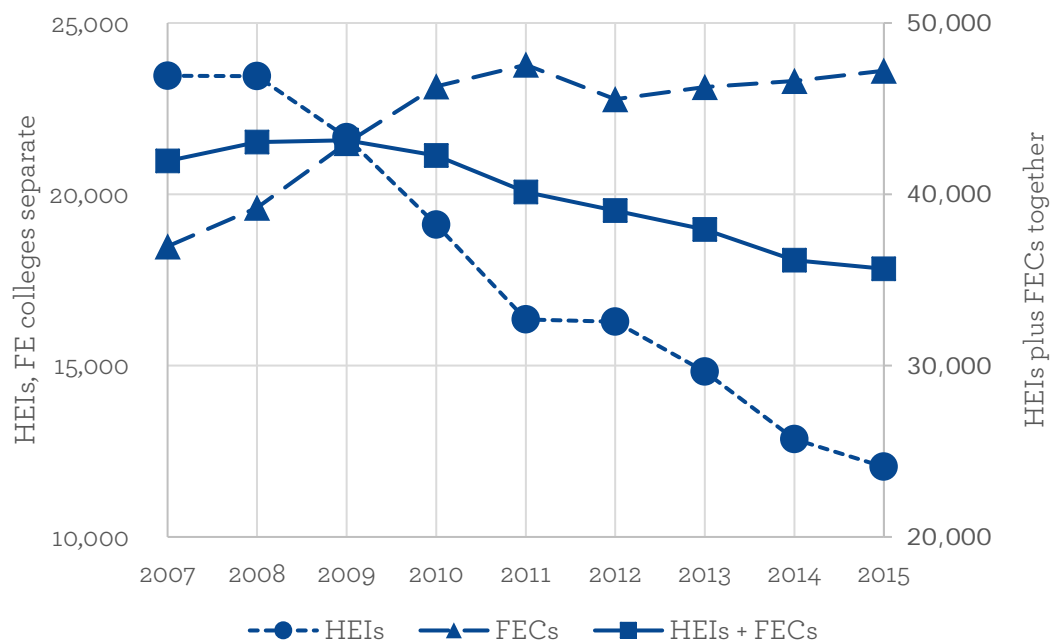
⁵⁶ HEFCW, 2012, page 9, paragraphs 4.9 to 4.11

⁵⁷ See example from the University of Cambridge, Lingwood, 2015.

Wales was much higher than from England, allowing for their populations (Table 14), and the decrease in entrant numbers from England has opened the gap further.

Scotland – a different part-time sector

Figure 21: First year undergraduate students studying at universities and FE colleges in Scotland (UK, EU and overseas domiciles)



Note: Source and data definitions at annex A4

Figure 21 shows how the number of first year students studying at universities and FE colleges in Scotland have changed. The overall decline in numbers (15% between 2007 and 2015) is much smaller than we see for students in England, but that is not the only difference. This overall figure is the result of a 49% fall in the number of students starting courses at universities, and an increase of 28% of those starting at FE colleges. The decline at universities is similar to what we find for England, but in England there is no comparable FE college sector. By 2015, two-thirds of students starting part-time courses were registered at FE colleges. In trying to compare the effects of the different fee and student support arrangements between Scotland and England we would also be comparing quite different sectors, not only in the size of the FE college contribution but in the much higher numbers in Scotland after allowing for the population differences.

What would have happened without the 2012 changes?

The evidence from both the trends in numbers of entrants to the Open University and to other universities, suggests that without the 2012 changes entrant numbers would have declined, but that the 2012 changes increased that decline. In 2010, the last year not to be greatly affected by the 2012 fee increases for entrants domiciled in England, there were 216,000 entrants, by 2015 the number had fallen to 106,000. If the entrant numbers had fallen by the same proportion as for entrants domiciled in Wales, in 2015 there would have been 149,000 entrants domiciled in England. This suggests that something like 40% of the decline in English domiciled entrants can be attributed to the 2012 reforms, with over 40,000 fewer entrants in 2015 than we would expect without those changes.⁵⁸

⁵⁸ See Annex 5 for calculation of the decline in entrants attributed to 2012 changes.

5. The effects of decline in part-time entrants and policy issues

How did the 2012 funding changes affect employer support?

Summary of changes in employer support to part-time entrants in England

- Between 2010 and 2015, there was a 54% fall in the number of English domiciled entrants receiving employer funding.
- The fall of 88% at the Open University was far greater than the fall of 50% at other universities.
- In 2010, 11% of entrants to Open University courses in England had employer funding. This fell to 4% by 2015. So over and above the general fall in entrant numbers, fewer entrants were funded by their employer. However, the percentage of entrants with employer funding held up for entrants to other universities at 20% and to FE colleges at 28% in 2015.

Employer support is important, not only because without it some students would not have enrolled into higher education, but also because it is an indication that the employer values the competencies that the course is expected to bring.⁵⁹ Employer support comes in a variety of forms, including paid study leave, but here we only consider employers who are a 'major source' of tuition fees. These data will usually only capture direct payments from the employer; when a student pays and is able to claim the cost from his or her employer, the funding will not usually be identified. Research based on surveys of part-time students suggests that HESA data tends to underestimate the level of employer financial support.⁶⁰

The number of entrants funded by their employers remained fairly constant up to 2011, then fell sharply in 2012.⁶¹ It was suggested that this may have been due to the fee increases as well as economic conditions. After 2012, the number of entrants with employer support fell further so that between 2010 and 2015 the percentage falls in the numbers of England domiciled entrants with employer funding was 88% and 50%, for the Open University and other universities respectively.

Of course, over this five-year period, there was a general fall in entrant numbers. Was there anything special about entrants with employer funding? In 2010, 11% of entrants to Open University courses had employer funding. This fell to 4% by 2015. So over and above the general fall in entrant numbers, fewer entrants were funded. However, the percentage of entrants with employer funding held up for entrants to other universities at around 20%, and for FE colleges there was an increase from 25% in 2010 to 28% in 2015.

These figures are shown in Table 16 with the equivalent values for entrants domiciled in Scotland and Wales. The pattern is similar for Scotland and Wales, with large falls in the percentage of entrants with employer funding to the Open University while the percentage with employer funding at other universities held up.⁶²

It seems that, apart from the Open University, the decline in employer support following the 2012 changes simply reflects the decline in entrant numbers. Higher fees may have reduced the number of entrants, but not their chance of benefiting from employer support. However, we cannot conclude that some employers who would have supported their employees by paying for all or most of pre-2012 fees would pay for the post 2012 tuition fee. The profile of the entrants after 2012 is different in many respects, it may be that we should expect a higher proportion of

⁵⁹ Mason, 2011; Mason and Hopkin, 2013; Pollard et al, 2012.

⁶⁰ Callender et al, 2010.

⁶¹ HEFCE 2014a.

⁶² In looking at the absolute number of entrants with employer support, these reflect the number of entrants in total. Note that the number of entrants domiciled in Scotland is less than half the total as it does not include entrants to FE colleges in Scotland. See discussion at page 58.

entrants with employer support given the post 2012 profiles. Indeed, those who have no expectation of employer support might be more likely to be put off starting a part-time course. More work is needed to understand fully what drives and deters employer funding.

Given the large increases in fees between 2010 and 2015, it is likely that employers' total expenditure on tuition fees will not have decreased in line with the drop in numbers of entrants receiving support. More work is needed to understand the scale of employer support. Greater thought needs to be given to how employers could be incentivised to support more employees to study part-time. One such possibility is a relaxation of the terms and conditions regarding employers' use of the Apprenticeship levy.⁶³

Table 16: Part-time undergraduate entrants domiciled in England, Scotland and Wales with employer funding.

Country of domicile	Providers	Number (percentage) of entrants with employer funding		% decrease (increase)
		2010	2015	
England	Open University	8,380 (11%)	1,035 (4%)	88%
	Other Universities	26,935 (21%)	13,460 (20%)	50%
	FE colleges	2,775 (25%)	3,075 (28%)	(11%)
Scotland	Open University	735 (10%)	240 (4%)	67%
	Other Universities	3,375 (21%)	1,695 (18%)	49%
Wales	Open University	540 (13%)	130 (6%)	76%
	Other Universities	2,235 (16%)	1,995 (19%)	12%

Note: Source and data definitions at annex A4

⁶³ Since April 2017 employers with a payroll bill of over £3 million are required to pay an Apprenticeship Levy. It is expected to raise about £3 billion p.a. The Levy can only be used to fund apprenticeships that have been approved by the Institute for Apprenticeships. The CBI and others have called for employers to be given greater freedom to spend levy funds on all types of training, to ensure that the system is truly employer-led and meets the economy's needs for higher-level technical skills. The apprenticeship levy could be broadened to a skills levy, as recommended by both the CBI (2017) and the IPPR (2017). Even a small proportion of the levy would transform the employer support of part-time higher education.

Will reduced supply bring further decline in entrant numbers?

Summary of changes in the supply of part-time courses excluding the Open University

- Between 2008 and 2015 there was a decline of 12% in universities' 'courses' (that is combinations of subject and qualification aim) in England (excluding the Open University).

There is a risk that as entrant numbers fall this will lead to fewer courses for potential students to choose from, leading to a further decline. To try and get a rough assessment of the reduction in choice as entrant numbers have decreased, a 'course' was defined as a unique combination of qualification aim, subject and institution. A course is counted if there are one or more part-time entrants of any domicile in a given year. Table 17 shows the numbers of courses in 2008 and 2015 for universities in England excluding the Open University.

Table 17: Part-time 'courses' and part-time undergraduate entrants at universities in England (not Open University)

	2008	2015	Decrease	% Decrease
'Courses'	2,256	1,994	262	12%
Entrants domiciled in England	162,060	65,815	96,245	59%
Entrants / 'Course'	71.7	32.9	38.8	54%

Note: Source and data definitions at annex A4, as expected, shows a decline in the number of 'courses'; between 2008 and 2015 there was a 12% decrease, much smaller than the 59% decrease in the number of part-time entrants. This results in a much lower average number of entrants per 'course'.

These somewhat crude numbers do not mean there are no supply problems. Distance learning courses have relatively high fixed costs, so that the minimum number of students required to provide quality tuition at reasonable cost can be high. Campus-based provision is only suitable for students within the university's catchment area; very few part-time students will be able or willing to move. Many of the short courses, which have seen the greatest decline, are for highly specialist subjects, which would not be captured even with a fine definition of 'subject' as used in the standardised data collections.

Conversely, if part-time provision is integrated with full-time, opportunities could remain, at least in principle, where there were few or no current part-time students. The problem with this is that the part-time student would need to fit in to the full-time arrangements, which many will find impossible because of their working or family responsibilities.

For these reasons there may well be problems that are obvious at the departmental or university level which cannot be identified with the data from HESA student records. There is a need for a mixed qualitative and quantitative study based on surveys and interviews to get a fuller picture of how the part-time sector has changed. This could explore the extent to which the observed decline is a move to unaccredited provision, as well as the supply issues discussed here.

Does the decline in part-time matter?

Part-time higher education is diverse. A four-year 75% degree programme at Birkbeck is more like a full-time course than some other part-time courses. At the other extreme, there are short courses where the students' aims are to enjoy studying a subject that interests them and where there is no expectation or desire for their achievements to be recognised with a qualification. So, the longer degree programme is often assumed to be career orientated, to lead to an increase

in productivity, result in social as well as private benefits,⁶⁴ and thereby justify a subsidy from the public purse, while the short course is more usually recreational, of no wider interest, and does not justify public expenditure.

One of the problems with this argument is that, though part-time study is diverse, the boundaries are fuzzy, with different motivations for different students, and even mixed and changing motivations for the same individual.⁶⁵ There is a risk that in writing off what is perceived to be 'leisure study', the benefits to wider society from advancing social mobility and equity,⁶⁶ and from raising productivity, will not be recognised.

Social mobility and social equity

Summary

- More young entrants studying part-time than those studying full-time come from disadvantaged backgrounds.
- There are no robust data on the backgrounds of mature part-time entrants, but it is clear that a high proportion of mature part-time students have limited means, and part-time study provides a route to economic as well as educational advancement.

Social mobility

For the small number of young part-time entrants, the evidence is clear: the 'widening participation performance indicators (PIs)', published by HESA, show that the proportion of young entrants coming from low participation neighbourhoods (LPN) for universities in England is higher for part-time than full-time study - 11.4% full-time and 14.8% part-time in 2015,⁶⁷ and the results of analysis carried out for this report are consistent with these indicators.

Mature entry, both full and part-time, provides a way into higher education for those who, for whatever reason, do not follow the traditional route from school with at most only a short interval away from full-time study. Mature part-time study provides an opportunity for those whose work or family responsibilities make full-time study impractical. In this sense, part-time provision widens participation and educational opportunities, whatever the socio-economic background of the entrants.

Assessing the contribution to social mobility of mature entry, and part-time mature entry in particular, is difficult. Part-time students do not enter through UCAS, where data items like parental education are collected, and so are not available from the HESA and ILR records. The postcode, which can be used as a measure of socio-economic disadvantage, reflects the student's current circumstances rather than background position. The wide age range of mature entrants creates further complications. The POLAR system, on which current widening participation measures are based, was developed for young entrants,⁶⁸ and the HEIPR measure of participation misses part of the contribution of mature entry.⁶⁹ In principle, these difficulties could be addressed through data matching now that the student records go back twenty years, along with carefully constructed definitions. However, in the meantime we have to look to other sources.

⁶⁴ See Callender et al (2010; 2012) for evidence of these benefits.

⁶⁵ Bennion et al, 2011.

⁶⁶ For a review of the social and economic benefits of higher education and their spill over effects see Brennan et al, 2013 and Callender and Little, 2015.

⁶⁷ These percentages are not strictly comparable because the part-time figures exclude entrants with previous HE qualifications, probably reducing the percentage from LPN.

⁶⁸ The POLAR measure of disadvantage is specific to young entry and the POLAR quintiles are created so that each has the same size cohort from which the young entrants are drawn.

⁶⁹ A student who entered as a full-time student aged 18, discontinued after the first year, and resumed studies ten years later would not be included in the HEIPR.

The Student Income and Expenditure Survey (SIES) provides data on the educational backgrounds of students' families. This survey consists of a nationally representative sample of English domicile full and part-time students. The most recent available data are from the 2011/12 survey, undertaken before the 2012 funding changes.⁷⁰ SIES data suggest that part-time students are less likely to come from families with experience of higher education. Just over a third (36%) of part-time students have parents who experienced higher education compared with over a half (55%) of full-time students. However, some of these differences may be associated with the different age profiles of part and full-time students. Higher education participation rates have grown particularly rapidly since the late 1980s, so the older a person the less likely they are to have a parent who attended university. A more recent survey found that 44% of a sample of part-time students were the first in their family to experience higher education.⁷¹

Social equity

While the HESA data currently provides no reliable information about the background of most part-time students, we can infer something about their situation when they start their studies. In this report we have shown that part-time entrants come from all age groups and that more than half are aged over 30. Many already have higher education qualifications, but many others have non-standard entry qualifications.

The SIES surveys provide details about part-time students' employment and their social class (NS-SEC) status. 43% of part-time students are from managerial/professional social classes, 22% from intermediate social classes and 35% from routine and manual social classes. Over four in five English domiciled part-time students were in paid work while studying in 2011/12. Their earnings were part-time students' most important source of income, forming 80% of their total income. Of those working, their mean earnings were £14,695 per annum while their median earnings were £13,302. These earnings appear low when compared with national earnings data. However, the SIES data does not differentiate students' earnings by whether they worked full or part-time. Across all part-time students, those with the highest average earnings were from managerial/professional social classes (£16,154). The part-time students least likely to work were: single parents, those studying arts or science-based subjects, and students aged 40 or over. Taken in the round these figures suggest a high proportion of part-time students have limited means.

Skills and productivity

Summary

- Lifelong and adult learning, including part-time study, are important for increasing productivity and developing skills, especially in helping people to up-skill and re-skill.

Three recent government documents have reaffirmed the importance of lifelong and adult learning for increasing productivity and developing skills,⁷² and particularly its role in helping people to up-skill and reskill. For instance, the government's 2017 green paper *Building our Industrial Strategy* argues:

“the accelerating pace of technological change means there is a growing challenge with lifelong learning: supporting people to up-skill and re-skill across their working lives. People are living and working longer, but training across working life is going down.....Older workers and low to medium skilled groups are less likely to undertake learning opportunities and adults in the highest

⁷⁰ Pollard et al, 2013.

⁷¹ Butcher, 2015.

⁷² BEIS, 2017a; 2017b; GOfS, 2017.

socio-economic groups are twice as likely to participate in training as those in the lowest.”⁷³

The follow-up white paper *Industrial Strategy: Building a Britain fit for the future* asserts that skills are a key driver of productivity and investing in people across their lifetimes, including ‘career long learning’, is fundamental to economic success. The white paper, like the green paper, argues that automation will change the nature of jobs and skills required and with longer working lives, the education system needs to provide people with opportunities to learn and train throughout their lives.

“That is why the government committed to building the best programme of learning and training for people in work and returning to work. For some, this will mean keeping their skills current in fast-moving sectors. For others, it will mean refreshing their skills after a period out of the labour market. And for others still, it will mean training in order to transition or develop their skills as their sector changes in response to technological shifts.”⁷⁴

Despite this declaration, the white paper has only one proposal specifically aimed at adult learning - the creation of a new national retraining scheme to support people to re-skill. Funds will go on career learning pilot programmes to test ‘innovative approaches to helping adults up-skill and re-skill. The pilots will help us learn more about how to support and incentivise adults to learn skills that will help them, their local economies and national productivity.’⁷⁵ Though it would be surprising if these pilots unearthed any unknown barriers to adults engaging in learning. In addition, an initial £64 million will be invested and targeted at skills shortages in the digital and construction sectors.

The green and white papers’ emphasis on lifelong learning is welcome. Arguably, increases in economic performance and improvements in innovation and productivity depend more on enhancing the skills of the existing workforce than on improving the quality of new entrants to the workforce. Most of the workforce of 2030 is already working now, and past the stage of initial training. However, most of their proposals are concerned with initial education and training, especially technical and STEM, rather than with the needs of adult learners. The emphasis is primarily on new younger labour market entrants, rather than re-skilling and up-skilling the existing workforce, and on workers in specific industrial sectors rather than across the workforce as a whole.

In these government documents, part-time higher education seems to have a limited role to play in the country’s industrial strategy, despite its clear potential. It is only mentioned once in the White Paper in relation to the introduction of maintenance loan support. However, £10m has been allocated to a flexible learning fund to support projects that design and test flexible, accessible ways of delivering learning to working adults with low or intermediate skills.

A somewhat more thorough exploration of lifelong learning can be found in the Government Office for Science’s *Future of Skills & Lifelong Learning*.⁷⁶ One of the five key challenges it identifies is that participation in formal learning declines with age, while adult learning is in overall decline, including formal workplace training. Such learning is disproportionately taken up by wealthier, more highly skilled individuals. In addition, wealthier individuals with greater confidence in their learning abilities are more likely to participate actively in informal and non-formal learning.

Costs and lack of time are identified as the most common barriers to adult learning for all individuals irrespective of their skill levels. However, those without qualifications are more likely to cite attitudinal barriers including lack of confidence, lack of interest, and feeling too old to

⁷³ BEIS, 2017a, page 39.

⁷⁴ BEIS, 2017b, page 115.

⁷⁵ BEIS, 2017b, page 117.

⁷⁶ GOfS, 2017.

learn. Yet, low skilled individuals or those from poor socio-economic backgrounds and minority groups, reap the greatest rewards from learning.

Future of Skills & Lifelong Learning presents evidence on the positive financial returns for adult learners acquiring Level 4+ qualifications. It also discusses how lifelong learning achieves a number of other policy objectives including benefits for the government, such as in terms of health and justice; in addressing regional or economy-wide inequality; and reducing the costs associated with unemployment. Providing individuals with opportunities to address any negative consequences of their initial education 'could also be seen as part of a government's social contract with citizens, especially where there may have been deficiencies in the education system or people's personal circumstances and attitudes to education may have changed'.⁷⁷

The document concludes that:

'There is a case for investing resources in lifelong learning, especially given technological change and the increasing proportion of older age groups who traditionally have lower uptake of learning earlier in life. Investing in education earlier in life has, on average, a higher financial payback and is likely to lead to better equality outcomes. However, important policy outcomes can be achieved from lifelong learning. Decision making can be helped by a better understanding of the inflexion point, where later-life learning begins to have an equal or better return than early life education'.⁷⁸

Financial constraints and incentives

Summary

- The key financial barriers to higher education participation are price, liquidity and debt aversion.
- Mature students are more likely to be price sensitive and debt averse than younger students.
- Part-time study for older students is likely to be more of a risky investment than full-time study is for younger students.

From the student perspective, there are three ways in which money matters can constrain higher education participation. First, there is a price constraint. Some potential students consider the cost of higher education, including the tuition fees, not to be worth its outcome. Second, there is a liquidity or cash constraint, students would like to attend university but feel it unaffordable. They cannot pay for higher education, through savings, income or financial assistance. Finally, some students are debt averse and are unwilling to borrow to pay for their higher education. All three financial constraints may require different policy responses.

The student loans for part-timers introduced in 2012 primarily sought to tackle liquidity or cash constraints arising from the increase in tuition fees. This was presented as creating a 'level playing field' in the financial support available to both full and part-time students. Since then government has responded to concerns about the part-time decline by increasing the opportunities for students to take out loans, either through further relaxation of the ELQ conditions for a fee loan, or through the introduction of maintenance loans. These changes are to be welcomed, though it should be noted that those low intensity courses which have seen the greatest decline will still have the higher post 2012 fees without loans. And for those potential entrants who could take out loans, how many would be willing to?

⁷⁷ GOfS, 2017, page 92.

⁷⁸ GOfS, 2017, pages 93-94.

What makes students debt averse?

Young and old, full-time and part-time, prospective students have concerns about taking out student loans. Many surveys indicate this, and the recent widespread opposition to high fees with loans provided more evidence. In the case of young entrants, almost all full-time, these concerns have not, for the most part, led them to change their plans although some are deterred from applying to university because of fear of debt.⁷⁹ For some, given their career ambitions, there is no choice; they have to go to university. For others, with other or no definite career plans but wanting a 'good' job, going to university is still the default choice; it is what most of their friends and peers are doing. They recognise that higher education is their best chance for a well-paid job. As higher education participation moves from mass to universal,⁸⁰ young people have few alternative options but to enrol in higher education. In addition, for the vast majority who want to go to university, they have little choice but to take out a student loan. In 2015, 93.8% of full-time undergraduates took out a tuition fee loan and 89.5% a maintenance loan.⁸¹ Those with average or better A-levels are likely to graduate, probably with a good degree, and loan repayment seems a long way off. Reflecting the ubiquitous policy rhetoric since 2006, and as Esson and Ertl⁸² show, higher education has been 'sold' successfully to young people as a 'good investment' with a high graduate earnings premium. Income-contingent loans are promoted by government as 'risk free' because of the expected financial returns to higher education and because the government, not students, bears any financial penalties associated with low graduate earnings.

By contrast, the mature entrant will usually be in employment and may have family responsibilities. Part-time study may be the only practical option,⁸³ and it is a high-risk option, with a much greater chance of not completing the course.⁸⁴ Those in low paid or part-time jobs are far less likely to receive financial support from their employers to study part-time.⁸⁵

Though evidence suggests that those gaining an undergraduate qualification aged over 25 – many of whom study part-time – have higher lifetime earnings than similar individuals without such qualifications,⁸⁶ these gains are not guaranteed.

Research findings on lifelong learning show that the financial returns are mixed.⁸⁷ The early employment outcomes and earnings for graduates of part-time study tend to be better than for full-time graduates.⁸⁸ Three and a half years after leaving higher education, graduates from part-time study, especially those with low-level entry qualifications, are more likely to be in full-time employment and to earn more on average than similar graduates from full-time study. This is because they are older, have more working experience, and are not new labour market entrants unlike their full-time peers. However, their salaries grow at a slower pace and are more likely to stagnate between six months and three and a half years after graduation compared with their full-time peers.⁸⁹ Consequently, there are potential financial 'risks' associated with part-time study, especially for those taking out a loan, who have to start repaying their loans before reaping any financial benefits from their studies. They may not get higher salaries to cover the additional costs of loan repayments.

⁷⁹ Callender and Mason, 2017.

⁸⁰ Trow, 1973.

⁸¹ SLC, 2017.

⁸² Esson and Ertl, 2016.

⁸³ "Most respondents [to a survey of part-time students] admitted to preferring the idea of full-time study, but believed the cost was too great; they could not afford to give up a job when they had extensive family outgoings, and they were debt-averse (Butcher, 2015).

⁸⁴ The most recent Performance Indicators, published by HESA (table T3E), show that 37% of students on part-time degree courses aged 30 and under do not continue after two years study; the equivalent figure for those aged over 30 is 34%. A report by HEFCE (HEFCE, 2009a) found that 39% of students on part-time degree courses (excluding the Open University) had graduated after 11 years.

⁸⁵ Callender et al, 2010.

⁸⁶ London Economics, 2011.

⁸⁷ Dorsett et al, 2010.

⁸⁸ Callender and Wilkinson, 2011.

⁸⁹ Callender and Wilkinson, 2011.

Signing up for a part-time course for, say, six years is an exceptional decision, not a default choice. It seems likely that higher fees would be more likely to discourage these potential students, even if they do not have to pay upfront. On average, there are benefits, benefits which also accrue to the wider society, but the risks to the individual may mean the best option 'on average' is not taken up.

6. Future policy developments

Will maintenance loans lead to increased demand for part-time study?

- The new maintenance loans for part-time students, to be introduced in 2018/19, will enable some to take up part-time studies, but are unlikely to lead to a significant increase in numbers of entrants.

New maintenance loans for part-time students taking a degree level course will be introduced in 2018/19. In their response to the consultation on maintenance loans the government stated, 'Government research suggests that individuals see access to finance as a barrier to part-time undergraduate study. The introduction of part-time maintenance loans is designed to arrest the decline in part-time study'.⁹⁰

It is very difficult to see how the research cited led to the belief that maintenance loans were the answer. Yes, it did suggest finance was a barrier, but not that this barrier would be overcome with more loans. Here is an extract from the report cited.⁹¹

'this group [YouGov online research panel] is highly debt averse; this view was shared by both current and prospective students but also observed by educational professionals. This risk averse attitude appeared to some extent to be influenced by the financial commitments some mature learners already had (e.g. mortgage, family) but also for a desire for a financial secure future, especially for those with limited job security.'

This stance came from a desire to avoid additional financial commitments. Given when this research was carried out, it is unlikely that the respondents would have been aware that the government can and has changed the loan terms retrospectively, which may further increase their reluctance to take out a loan.

No doubt, maintenance loans will enable some to take up part-time studies, but it seems unlikely that this measure alone will lead to a significant increase in numbers of entrants.

Clearer and more accurate information for students

- Potential part-time students need more and clearer information on loan eligibility and tuition fees.

As research both here and in the USA suggests, for student financial assistance to be effective, in whatever form, it needs to be simple and easy to understand, transparent, notified early and predictable.⁹² Simplicity is needed in terms of eligibility determination and application logistics; transparency is required so students can easily understand what they need to do to qualify and what they will get if they do; and students require early notification and predictability so they can know about their higher education costs and financial support well in advance of their HE decision-making, and can rely on the financial aid in their planning. Those who are unsure if university is affordable may reject higher education.

⁹⁰ DfE, 2017, page 5.

⁹¹ Ellison, et al, 2015.

⁹² Dynarski and Scott-Clayton 2006; NCIHE, 1997.

Eligibility for loans

The government's research⁹³ found that of those who had looked into starting a course, but did not start one, a third decided against at least in part because they did not know there was funding available, and/or they thought they could not afford the fees.

Two examples illustrate the difficulties. The Student Finance England document *Student finance - loans for part-time study*, published annually, states that to qualify for a loan the course must lead to one of just eight qualifications. This is incorrect, and, what is more, no complete list of qualifications is available. The 2015 Autumn Statement indicated there would be an extension to the ELQ exemptions and there have been at least two clarifications by Jo Johnson since,⁹⁴ yet the Student Finance England document 'Student finance - loans for part-time study for 2017/18' makes no mention of the new exemptions.

Tuition fees

Though data is collected by both HESA and OFFA, neither collections provide the data that prospective students need, unless there is a one-off data linking exercise as was carried out by HEFCE for the 2012 data. Providing accurate, up-to-date data on fees and 'fees per FTE' in an easily accessible form should be a priority for the Office for Students.

Information for policy development

- Currently there are no readily available national data on part-time fees, loan eligibility and loan take up, nor reliable measures of social mobility for mature entry to higher education. These are required to inform policy development and evaluate its effectiveness.

There are four sets of information which, if they were available more systematically, would make future analysis much more effective and able to better inform policy: part-time tuition fees, loan eligibility and loan take up, and means to measure the impact on social mobility of mature entry to higher education. Ideally these data items would be routinely brought into the HESA and SLC student records, but even 'one off' studies would be valuable.

In addition, there is a need for a survey and interview based study to complement the picture based mainly on the standard student records, in particular to see to what extent the part-time offer has changed as a result of the decline in part-time entrants, and to provide an estimate of the extent to which provision has moved to unsubscribed courses.

Reversing the decline: what can be done without increased public expenditure?

- At low or zero additional unit cost, students who are eligible for the new maintenance loan should have the option of a tuition fee grant for the first two years of their course instead of taking out a maintenance loan.

A tuition fee grant instead of a loan could reduce the risk to students considering a part-time programme by providing an alternative to student loans, at virtually no additional unit costs to the public purse. It seeks to tackle all three financial constraints students may encounter: price

⁹³ Ellison et al, 2015 part 6.2.1.

⁹⁴ "This [the ELQ exemption] is being extended for 2017/18 to graduates starting a second part-time honours degree course in any science, technology, engineering and mathematics (STEM) subject" Written answer to PQ 17 January 2017.

and liquidity constraints as well as debt aversion. It provides for a means tested grant to cover most, at least 95%, of the tuition fee. The fee should be less than £200.

The means testing would follow the terms and conditions that are adopted for part-time maintenance loans. This would have the advantage of having a single set of criteria, it also enables the unit costs to be linked to those government is already committed to. If, as is hoped, the availability of tuition fee grants encouraged more students to study that would clearly increase costs overall, but the benefits of such an expansion are recognised by government, and the introduction of maintenance loans are aimed at increasing the take-up of part-time study.

This support would be paid for by making the fee grant an alternative to a maintenance loan. We suggest this option be available for the first two years of study, after which students would be eligible for fee and maintenance loans. Students who met the conditions currently being elaborated for maintenance loans would have a choice of a loan or a grant, but not both. The details of the maintenance loans are not yet published but it has been decided that they will be 'closely aligned to the full-time system'.⁹⁵ Here we work through an example using a 2017 fee and maintenance loan which gives a break-even RAB charge of 42%.^{96 97}

Table 18: Example costs of tuition fee grant

Intensity	50%	
Tuition Fee	£2,864.00	Standard 60 credit Open University fee
Maintenance Loan	£3,548.50	50% of £7079 Living at home FT loan
Tuition Fee grant	£2,720.80	95% of tuition fee
Upfront payment	£143.20	

Some universities charge more than the Open University and higher fees would mean higher break-even RAB charges, but even for a fee of £4,625, 50% of the full-time maximum, would only push the break-even RAB charge to 54%, 7 to 14 percentage points higher than recent estimates of the part-time tuition fee loan.^{98 99}

Another advantage of linking the tuition fee grant arrangements to those being proposed for maintenance loans is that the various safeguards and controls, and the planned gradual widening of what will be eligible, would apply to the grants as well as the loans.

The part-time tuition fee grants could be limited to, say, the first two years of study. After this experience students would be in a much better position to decide whether they could manage what is likely to be around another four years of study to graduate. If a student, after two years of study, concluded they could meet the academic and time management challenges, then tuition fee and maintenance loans would be available.

⁹⁵ DfE, 2017, page 20.

⁹⁶ The Resource Accounting and Budgeting (RAB) charge for student loans is an estimate of the subsidy by government of the loans, expressed as a percentage of the amount the students borrow. It depends on a prediction of the repayments students will make over a period of 30 years.

⁹⁷ For the example in Table 18 the cost of the grant is £2,720.80. The cost of fee plus maintenance loans would be (£2,864.00 + £3,548.50) x RAB charge. A RAB charge of 42.43% equates to a cost of £2,720.82, the same as the fee grant. The current government part-time RAB estimate of 'around 40%' would imply an additional unit cost of the fee grant option of 'around' £155.80.

⁹⁸ The Secretary of State for Education submitted the following answer on 19 December 2017, 'The Resource Accounting and Budgeting (RAB) charge for fee loans for part-time higher education undergraduate students in 2017/18 is estimated to be around 40%, following the decisions to increase the repayment threshold for post-2012 student loans to £25,000 from April 2018 and to freeze tuition fees in the 2018/19 academic year at the same level as in 2017/18'.

⁹⁹ Using the methodology comparable to that described in the recent Sutton Trust report (Cullinane and Montacute, 2017), and allowing for latest loan terms and the most recent OBR medium growth forecasts (22/11/17), London Economics derive a part-time tuition fee loan RAB estimate of 47%. (Gavan Conlon, personal communication, 28/11/17). We would expect the cost of a maintenance loan, on top of a tuition fee loan, to be higher.

The fee grant would be of particular benefit to potential students who were unsure whether they would be able to cope with the course, either academically, or in being able to juggle their commitments as carers or breadwinners, or all of these. For such a student an early exit qualification like a Certificate of Higher Education or the equivalent would, with the fee grant, reduce the risk of ending up with only a student loan debt to show for their efforts.¹⁰⁰

What are the arguments against this proposal? The most likely objection will be based on the principle that there should be 'parity between full-time and part-time' support, even though there has never been parity and there is unlikely to be parity in the future. A better principle would be to devise a support system that is suited to the activity concerned and met government's objective of increasing part-time study take-up.

What could be done with an increase in public expenditure?

- More costly policy reforms include broadening eligibility to student loans by lifting the ELQ restrictions, and introducing a part-time premium for universities and FE colleges to reduce their tuition fees.

The above proposal shows that even with no significant increases in the average public expenditure per student, there are alternatives to what is currently planned. But that is not to say that there is no case for increased spending on student support; the recent Sutton Trust report makes a strong case for additional spending for both full and part-time undergraduate study.¹⁰¹ Here we set out some of the measures that could be taken for part-time provision in particular.

The key limitation of the above 'zero unit cost' proposal is that it would exclude part-time students who do not qualify for maintenance loans; they fall into three groups: -

- Those on short and low intensity courses.
- Those on a course leading to an equivalent or lower qualification.
- Those who do not meet the maintenance loans means test requirements.

With an increase in public spending there are a range of options which may reduce the obstacles to part-time study presented by price, liquidity and debt aversion. There are various ways in which public spending could reduce or remove these obstacles. These include: -

- Widen access to tuition fee / maintenance loans
- Widen access to the proposed tuition fee grants
- Fund part-time teaching to enable providers to charge lower fees.

The first two involve payments to individuals and so can involve means testing using existing systems, though, as with current tuition fee loans, they do not have to. Funding to the providers can be concentrated on identifiable groups, but it cannot easily implement means testing of individuals. There are a large number of possible measures. We would recommend that two are prioritised: further ELQ exemptions and increased teaching grants.

¹⁰⁰ Maintenance loans, and, by implication, fee grants, are for 'students taking a degree level course' and that would therefore be the qualification aim of students applying for a fee grant. However, it is still possible for universities to award other qualifications to students who do not complete their degree course.

¹⁰¹ Cullinane and Montacute, 2017.

Removing ELQ conditions for loans

Broadening eligibility to loans would not tackle price constraints or debt aversion. It would help with liquidity constraints for those currently ineligible for loans and faced with unaffordable tuition fees. Government has already made a start in relaxing the restriction of loans to those studying for higher qualifications, though the ELQ exemptions have not been explained or publicised adequately. The cost of the first exemption in 2015 was much smaller than had been estimated and, even with better publicity, it would seem further exemptions would entail only modest costs.

While supporting study for another degree may not be justified in terms of widening participation, in some cases the need to requalify is real. Those who have taken time out of the labour market, say for caring responsibilities, may need to gain and demonstrate new competencies. Once secure graduate careers can now be threatened by outsourcing, artificial intelligence and the standardisation of professional jobs, in the way manual semi-skilled workers have been in the past.¹⁰² Those who have invested in acquiring specialist skills can be most vulnerable and need to change direction.

It may be that a master's conversion course will provide what is needed which will mean that a loan will be available.¹⁰³ But graduates themselves are better placed to decide what further qualifications would best help them with their career plans; the current undergraduate loan rules imply that, with a few exceptions, only study for a postgraduate qualification is worth supporting.

Funding part-time provision through teaching grants to providers

A revival of this method of financing, that is public funding of higher education institutions, could help towards reducing price and liquidity constraints, and debt aversion.

Such a part-time premium would not be suited to individual means testing, but it could be targeted on provision where there was a particular public interest, typically on certain subjects. The advantages of such a method is that it could incentivise more students to study part-time with lower fees while also incentivising higher education institutions to provide more part-time courses – thus dealing with both the falling demand and supply of part-time undergraduate study. From the potential students' point of view, it is much simpler, there is no necessity to apply for a grant or a loan. It would, for example, enable the Open University to charge the same fees for students domiciled in England that are charged to students domiciled in Scotland and Wales.

Can we afford not to increase support for part-time study?

Making the case for more spending is difficult given the current state of public finances. However, the evidence clearly shows there is a market failure with a worsening skills shortage and declining take up of part-time study caused, in part, by the rising cost to individual students. New sources of finance may be identified, for example an increase in support from employers through a relaxation of the Apprenticeship levy terms. But proposals that do not include some increased funding to institutions, are unlikely to adequately address the problem.¹⁰⁴

¹⁰² Brown, et al, 2011.

¹⁰³ If, that is the loan rules for a postgraduate loan are satisfied, for example the student must not already have a master's degree.

¹⁰⁴ Open University, 2017.

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7. Annexes

Annex A1 – Entrant counts

Part-time provision creates particular challenges in trying to create a time series which reflects changes in the level of provision rather than changes in the way data has been returned. The HESA student records for students registered at higher education institutions and the Education and Skills Funding Agency Individualised Learner Record (ILR) for students registered at FE colleges in England are mature, the first HESA collection was for 1994-95; and the data definitions are rigorous and the quality assurance checks are comprehensive. Despite this, software changes at HEIs can produce large changes in the counts of entrants, particularly for continuing education (CE) students. In most cases these changes represent an improvement; the returns after the change follow the data definitions more closely. However, an improvement in data quality can make a time series misleading.

To reduce the impact of such changes we modified the way counts of entrants are calculated. The starting point was to take the definitions that HESA have used for their publications from 2007-08 but applied to all years.

The further modifications in some cases may reduce the count of entrants from the ‘true’ number, but will give us greater confidence in comparing one year with another. HESA and ILR data were merged across both sources and duplicates deduped or deleted. Examples of the need to dedupe include those instances when both a university and an FE college wrongly return student records for a student registered at the university and taught at the college. A deletion of both records would occur if one of a pair of records were for a full-time student and for a part-time student. Because of these processes the numbers of entrants counted will not exactly match those published elsewhere.

The algorithm used is the same as described in HEPI report 62, Annex A1, paragraph 9. See: www.hepi.ac.uk/2013/10/03/the-impact-on-demand-of-the-governments-reforms-of-higher-education/

Annex A2 - Russell group in England

The same group of institutions were used for all years. They were:

University of Birmingham
University of Bristol
University of Cambridge
University of Durham
University of Exeter
Imperial College
University of Leeds
University of Liverpool
King's College London
LSE
Queen Mary, University of London
University College London
University of Newcastle upon Tyne
University of Nottingham
University of Oxford
University of Sheffield
University of Southampton
University of Warwick
University of York
University of Manchester

Annex A3 – Loan eligibility

In the main report four tuition fee loan eligibility groups were introduced. The algorithm to identify these groups is described here, with a further group, 'Exempt'.

- **'Eligible-2012'** – all and only entrants who meet all the 2012 criteria to take out a loan
- **'Ineligible'** – all and only entrants who would not meet the criteria (any year) even if they had no higher education qualification.
- **'ELQ-2015'** – ineligible entrants who would have been eligible had they not had a higher education qualification, but excluding those with the 2015 exemption
- **'Undetermined'** – entrants whose qualification aim makes it difficult to determine whether they are eligible to take out a loan.
- **'Exempt-2015'** – Honours graduates entering honours degree courses in engineering, technology or computing, or a combination of these subjects and meeting all eligibility criteria in 2015

The same criteria applied from 2012 to 2014. From 2015 the ELQ exemption was introduced. The numbers of eligible entrants were calculated as defined for each year from 2011 to 2015. The actual criteria are shown in table A3-1.

Table A3-1: Actual loan eligibility criteria applying in different periods

	Eligible	Not eligible
2011		Eligible-2012 + Ineligible + ELQ-2015 + Exempt-2015
2012, 2013 and 2014	Eligible-2012	Ineligible + ELQ-2015 + Exempt-2015
2015	Eligible-2012 + Exempt-2015	Ineligible + ELQ-2015

Algorithm for assigning entrants to eligibility groups.

The report default populations were processed, that is part time undergraduate entrants domiciled in England at UK universities and FE colleges, with records merged and deduplicated.

Ineligible:

Non-eligible qualification aim (e.g. institutional credits, Code X in 'Eligibility codes – course aim' spreadsheet OR
 Intensity < 25% OR
 Course length < 1 year OR
 Course length > 4 x FTE of equivalent FT course. Approximated by >16 OR
 the student is eligible for a healthcare bursary – use fee paid by Health Education England or NHS

Undetermined:

NOT (Ineligible) AND Code Z ('Z codes in table A3-3 Excel spreadsheet)
 Eligible-2012
 NOT (Ineligible OR Undetermined OR ELQ pair as shown in table A3.2)

Table A3.2 Identifying ELQ conditions

Highest qualification on entry (SLC qualification groups)	Qualification Aim (SLC qualification groups)			
	Honours Degree, Integrated Masters or other level D	Ordinary Degree level C	HND, Dip HE, or other level B	HNC, Cert HE or other level A
DE	ELQ	ELQ	ELQ	ELQ
C		ELQ	ELQ	ELQ
B			ELQ	ELQ
A				ELQ
Other				

Lookup of SLC qualification groups in Table A3-3 – Excel spreadsheet – available on Sutton Trust website.

Note that the classification of HESA qualification aims and highest qualification on entry by SLC qualification groups (Table A3-3 – Excel spreadsheet) were not approved by the SLC. Table A3.2 is based on an attempt to match HESA codes with the SLC groups shown in table A3.4 shown below.

Table A3.4: SLC summary qualification groups

D	Honours Degree LLB Integrated Masters Medicine, Dentistry and Veterinary courses Scottish MA's Oxford and Cambridge MA's
C	Ordinary Degree
B	HNDs Dip HE Foundation Degrees
A	HNCs Cert HE
L	Below HE

(Table A3.4 from 'Guidance for Student Finance England (SFE) on the administration of Student Support 2015/16', page 42, paragraph 141. See www.practitioners.slc.co.uk/media/1118/201516-assessing-eligibility-guidance.pdf)

Exempt-2015

NOT (Ineligible OR Undetermined OR Eligible-2012) AND honours graduates entering honours degree courses in Engineering, Technology or Computing

ELQ-2015

NOT (Ineligible OR Undetermined OR Eligible-2012 OR Exempt-2015).

Annex A4 Sources and notes on figures and tables

Most of the figures and tables have the same sources and use the same default definitions.

Default sources and definitions

The default sources are the HESA student records for UK higher education institutions and the Education and Skills Funding Agency Individualised Learner Record (ILR) for students registered at FE colleges. Data were merged and deduped as described in Annex A1.

The default population of interest consists of part time undergraduate entrants domiciled in England at UK universities and FE colleges, with records merged and deduplicated. In some cases this population is compared with others, for example with students domiciled in Scotland or Wales, or full-time students. Each figure has a full description in the title. All figures and tables not listed in this annex use default sources and definitions, or have all the relevant information at the figure or table.

Figures with non-default sources and definitions or other differences

Figure 22: Part-time undergraduate entrants domiciled in England to UK universities (2003 to 2015)

This figure does not include entrants from FE Colleges.

The figure does not include a point for the Open University for 2004. This is because of data quality problems.

‘As a consequence of a problem identified with data submitted by The Open University (OU) in 2004/05, a number of students were not returned as first years although included in the all year figure. The error affected data only for the 2004/05 academic year and was corrected for 2005/06. However as a result, the increase in first year enrolments between 2004/05 and 2005/06 appears greater than in reality, particularly in respect of undergraduate entrants.’ (HESA Statistical first release 107, 9 January 2007)

Figure 23: Young HE participation, 1985 to 2015

Sources: DfE and its predecessors.

Definitions: For the two versions of the young Higher Education Initial Participation Rate (HEIPR) see DfE, 2007b. For a description of the Age Participation Index (API) and a discussion of the strengths and weaknesses of different participation measures see HEFCE, 2005, annex E, page 190. The definitional differences mean that only rough comparisons can be made.

Figure 24: Total FTE of NCB courses and institutional credit courses

Sources

- HESA student record (FTE of institutional credit courses),
- HESA HE-BCI record (NCB courses).
- (Collected by HESA in varying formats since 2008, prior to 2008 collected by HEFCE.)
- 2015 location and guidance

Part B Table 2 Head 3 Sub-head 3f: Total learner days of CPD/CE courses delivered

‘Contacts hours should be calculated using the assumption that one day is equivalent to one person receiving eight hours of teaching/training. For example 10 people attending a one-day course equals 10 person days.

The total number of contact hours should include lectures, tutorials, field study and supervised small group study periods.

Contact hours do not include individual study periods outside of the class or period of unsupervised practical work. For example a programme of study comprising of 20 one-hour meetings and 20 hours of unsupervised practical work would be returned on Sub-head 3f as 20 contact hours multiplied by the number of course participants.'

For calculation of credits see QAA document 'Academic credit in higher education in England' at: www.qaa.ac.uk/en/Publications/Documents/Academic-credit-in-higher-education-in-England--an-introduction.pdf

Figure 25: First year undergraduate students studying at universities and FE colleges in Scotland (UK, EU and overseas domiciles)

Source: Scottish Funding Council (SFC).

Definitions: The counts of first year students at universities and FE colleges in Scotland using the HESA standard population definitions without merging and deduping. Note that first year students at the Open University Campus in Scotland are not included. The figures are bespoke using the same underlying data as in the SFC publication at: <http://www.sfc.ac.uk/publications-statistics/statistical-publications/statistical-publications-2017/SFCST062017.aspx>

Tables with non-default sources and definitions or other differences

Table 13: Full-time and part-time undergraduate tuition fees per full time equivalent (FTE) before 2012

Sources

- Maximum FT tuition fee: SLC SFR - 11/2003, 04/2007 and 06/2011
- Average PT tuition fees: - HEFCE 2003, HEFCE 2009b
- Open University standard 60 credit fee per FTE – Open University

Table 14: Number (Percentage) increases in initial entrants 2010 to 2014

Source

- HEIPR by year and age provided by BIS (DfE's predecessor) up to 2014. Definitions as in DfE 2017b.

Table 15: Tuition fee and course grants paid to part-time students domiciled in England or EU (outside UK) in 2011

Sources

- Student Loan Company, Table 5 of 'Student Support for Higher Education in England 2016'. (Number of students, average paid).
- Student Finance England, 'A guide to financial support for part-time students in higher education 2011/2012'. (Maximum 50% intensity)
- (NB the maximum fee grant depends on intensity: £820 (50% to 59%), £985 (60% to 74%), £1,230 75% or higher.)

Table 16: Part-time undergraduate entrants domiciled in England eligibility and take up of tuition fee loans, employer support and fee waivers (2012) (All UK Universities including the Open University, and FE colleges in England)

Figures presented in this table use default sources and definitions apart from the number of 'loans taken out'.

Loans taken out source

- SLC 'Student support for higher education in England 2017 – Supplementary Tables – Table FL v SFR T5A (Posted 8 March 2018.)

Loans taken out

- England domiciled part-time students at public providers with fee loans in 2012 = 32,335. They are entrants as this is the first year of part-time fee loans.

Table 17: Part-time undergraduate entrant 'rates' – that is the entrant numbers as fractions of populations (2010)

Sources – populations 18 to 40

- ONS Table MYE6PE2_mid-2001-mid-2012-unformatted-syoa-data-file

Sources – student counts

- HESA student record
- Education and Skills Funding Agency ILR
- Scottish Funding Council (SFC) – see figure 21 notes.
- Higher Education Funding Council for Wales (HEFCW) HESES return

Calculations:

- Domicile link / OU provider – default counts of entrants for England Scotland and Wales domiciled
- Domicile link / Not OU providers - default counts for England and Wales domiciled at UK universities (not OU) and for England domiciled at FE Colleges in England. Number of domiciled in Wales at FE college approximated with HESES return – just 185 entrants.
- Location / Not OU providers – HESA standard definition counts of first year students (all domiciles) at universities (not OU) at England Scotland and Wales and for FE colleges in Scotland. For England and Wales the totals at universities and FE colleges were approximated with: $T(\text{Loc}) = U(\text{Loc}) \times T(\text{Dom}) \div U(\text{Dom})$

Where:

- $U(\text{Loc})$ = HESA standard first year count for universities (not OU) in England/Wales
- $T(\text{Dom})$ = UK universities (not OU) and FECs in England/Wales entrant default counts domicile in England/Wales
- $U(\text{Dom})$ = UK Universities (not OU) entrant default counts domiciled in England/Wales

Given that FE colleges represent a small percentage of the provision in England and Wales the approximation will be good enough to give an indication of the entrant numbers as fractions of the populations.

Table 19: Part-time 'courses' and part-time undergraduate entrants all domiciles at universities in England (not Open University)

These statistics are based standard default source and definitions except the counts are restricted to universities in England and entrants from all domiciles are included.

The 'courses' are defined as (qualification aim x subject x institution), where:

Subjects = JACS subject areas - see www.hesa.ac.uk/support/documentation/jacs/jacs3-principal

Qualification aims = First degree, Foundation Degree, HND/HNC, institutional credits, Other undergraduate.

Annex A5

Table A5.1– 2010 and 2015 Entrants domiciled in England and Wales

	Domicile	Entrants			2015 index
		2010	2015	Decrease 2010 to 2015	2010 = 1.000
Open University	England	73,725	27,160	46,565	0.3684
	Wales	4,170	2,255	1,915	0.5408
UK Universities (not OU), FECs in England	England	142,175	78,340	63,835	0.5510
	Wales	13,695	10,525	3,170	0.7685
All	England	215,900	105,500	110,400	
	Wales	17,865	12,780	5,085	

Table A5.2 Entrants domiciled in England – actual and with same proportional decline as found for entrants domiciled in Wales

	Entrants	Entrants	Entrants	Decrease 2010 to 2015	
	2010	2015 (actual)	2015 (Wales index)	2015 (actual)	2015 (Wales weighted)
Open University	73,725	27,160	39,868	46,565	33,857
UK Universities (not OU), FECs in England	142,175	78,340	109,266	63,835	32,909
All	215,900	105,500	149,134	110,400	66,766

Table A5.3 Decrease in entrants domiciled in England (UK universities and FE Colleges in England) decline between 2010 and 2015 in entrant numbers assigned to 2012 changes

Total decrease	110,400	100.0%
Wales weighted (assumed = without 2012 changes)	66,766	60.5%
Assigned to 2012 changes	43,634	39.5%

8. References

(Links are only given for references not easily found through a search.)

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