Investigative study into higher education delivery in Wales

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Executive Summary

Wales is at a pivotal moment in its post-secondary education history. The establishment of the Commission for Tertiary Education and Research (**CTER**) provides the opportunity to ensure learners of all ages have access to the full range of education opportunities, and thereby to narrow educational inequalities, expand opportunities and raise standards in Wales.

In preparation for this work the Higher Education Funding Council for Wales (**HEFCW**) commissioned Anna Verhamme Consulting to conduct an investigative study of higher education delivery in Wales. Our study addresses five questions: to what extent is there a diversity in delivery models in Wales; what are the contributing factors driving student choice; is the current diversity of delivery models meeting student needs; what are the barriers to higher education (HE) providers providing more diverse delivery models; and how are funding arrangements driving institutional behaviours.

The study is both qualitative and quantitative. Our quantitative analysis should be seen as a first attempt to develop a comprehensive picture of the diversity of delivery models in Wales and we make a number of recommendations for further data collection and analysis. Our analysis is supplemented by rich qualitative data gained via the extensive engagement we conducted as part of the study. By using a mixed methods approach we gained a broader, deeper and richer understanding of the diversity of higher education in Wales.

Our study found that, whilst there are diverse models of HE delivery in Wales, there is still a dominant delivery model: the three-year, full-time undergraduate honours degree. Other forms of undergraduate higher education provision in Wales are available but there are fewer opportunities on offer. The sector is not homogenous and the extent of diversity differs between groups of providers.

Only 1 in 3 young Welsh people actually chooses to engage with higher education, and the higher the levels of multiple deprivation and the lower the educational attainment of the people around them, the less likely a person is to engage with higher education. People living in Wales who: have a disability, are carers, come from Roma, Gypsy and Traveller backgrounds, from Bangladeshi and White and Black Caribbean ethnic backgrounds, or are young men, have traditionally been underrepresented in higher education.

Around 27 to 31% of people living in Wales who choose to study at higher education level, choose to study outside of Wales, and the majority of those study for a first degree[1] or a masters taught degree. An important driver for whether people living in Wales will study in Wales or outside of Wales is age the younger the person the more likely they are to study outside of Wales. Focusing on full-time undergraduate study only, there are distinct patterns between levels of deprivation, parental education, socio-economic classification and school type, which suggests that privilege is another factor which influences whether a person living in Wales who chooses to undertake higher education level study studies in Wales or outside Wales.

There are a number of patterns to the choices Welsh students make when they choose to study at undergraduate higher education level in Wales which are driven by their personal characteristics.

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[1] **First degree** includes all first degrees at level H/6 (including those with eligibility to register to practice with a health or social care or veterinary statutory regulatory body), ordinary (non-honours) first degrees, first degrees with Qualified Teacher Status (QTS)/registration with a General Teaching Council (GTC), postgraduate bachelors degree at level H/6, integrated and enhanced first degrees (including those leading towards obtaining eligibility to register to practice with a health or social care or veterinary statutory regulatory body), first degrees obtained concurrently with a diploma and intercalated first degrees. (HESA)

With reference to the data, whilst students with a disability typically do not favour specific modes or levels of study at undergraduate level, a higher proportion of students who choose to study at distance have a disability. Of the students who choose to study at a distance there is a higher proportion of students with two or more conditions and a lower proportion of students with a specific learning difficulty compared with students who chose to study face-to-face at a provider or partner. Age is a significant factor driving students to choose specific delivery models. Younger students choose undergraduate degrees, whilst students over 31 choose HNC and Certificates in HE. Younger students choose to study undergraduate degrees full-time, whilst students over 31 choose to study part-time. More students older than 31 choose to study at a distance than students aged under 20. More female students choose part-time delivery models, distance learning and standalone modules and short courses when compared with male students. Proportionally more white students choose to study for foundation programme, Diploma of HE, HND and standalone modules and short courses. Proportionally more white students choose to study part-time. Proportionally more Black, Asian and ethnic minority students choose to study at a provider.

One of the key answers this study sought to find was the extent to which the existing higher education delivery models on offer in Wales are meeting the needs of its learners. Our conclusion is that a growth in 'non-dominant' delivery models is needed to address the needs of people living in Wales and to close the participation gap, and that a need to develop even more alternative delivery models has become even more acute as the cost of living crisis is impacting more students. We argue for innovation in delivery models, but our discussion of higher level and degree apprenticeships also leads us to caution against a focus on diversity of delivery models without considering student outcomes. We attempt to take a look at student outcomes for each of the delivery models. The information we have looked at suggests that different delivery models do not produce consistent patterns of differences in student experiences or of likelihood of entering work or further study; there is a mixture of positive and negative student experiences and the same is true for the proportion of students being in work or further study. There looks to be, however, a pattern in continuation rates between delivery models: HND or diploma qualifications have lower continuation rates. What is more striking is that particular student groups have less positive educational experiences, not necessarily because of the delivery model itself, but because of their broader educational experience. Whilst diverse delivery models may be helpful in addressing the needs of some learner groups, improvements in educational outcomes of particular learner groups should equally be the policy focus.

We identified six financial barriers which reduce or slow the diversity of delivery models being developed and offered by HE providers:

1. As an ecosystem, the student finance system and teaching funding allocated to HE providers favour the dominant delivery model.
2. The long-term impacts of student debt on a student's future finances and life opportunities are not well understood by students and parents.
3. Significant levels of investment are made into funding student loans for Welsh students studying outside the Welsh HE sector. This reduces the amount of funding available to Welsh Government for investment in other priorities, which could include the expansion of alternative delivery models in Welsh HE providers.
4. The continued fall in levels of public funding are causing concern about the sector's ability to sustain its current business models. It has driven HE providers to grow income associated with delivery models with proportionally high margins, which has led to increased competition for international and some UG and PG students. It has also driven a number of HE providers to chase small pots of additional public funding for the development of new

delivery models, which compete for resources with their existing delivery models and which at times unnecessarily duplicate delivery across Wales.

5. HE providers' mix of business models not only makes it difficult for the HE sector to calculate the real cost of its delivery models and to clearly articulate the size of the gap in funding, it also generates overhead costs and makes cost control harder.

6. The way some FEIs, alternative providers and their students currently access teaching funding or student loans leads to additional costs associated with the contractual and regulatory arrangements that allows them to do that. Processes around accreditation and validation add costs to delivery.

In addition, we identified seven non-financial barriers to developing innovative delivery models or delivering good educational outcomes for all student groups:

1. Current HE funding arrangements and quality assurance frameworks make it harder and more costly for providers to innovate and collaborate.

2. There is a gap between analysis and plans developed through the Regional Skills Partnerships and the delivery and implementation of Wales-wide changes to higher education provision. Change is often fragmented in local initiatives, limited to existing partnerships with costly overheads associated with bespoke time-limited arrangements and an ad-hoc infrastructure. Strategic collaborations have worked well when a shared infrastructure has been put in place, but this requires effort and resources.

3. Developing alternative delivery models could free up costs relating to buildings, energy and infrastructure.

4. HE providers' current digital infrastructure is outdated; at best it works for the dominant delivery model and makes supporting non-dominant delivery models difficult and costly.

5. Data definitions describing delivery models are too narrow and too focused on the dominant model, and data relating to non-dominant models often does not exist, or is of poor quality and returned in multiple external returns.

6. Many providers are improving their core education processes to improve outcomes for students and there is an opportunity for the sector to collaborate and develop an evidence base for what works.

7. Some higher education organisational cultures struggle to support their staff to innovate or promote healthy risk taking.

HEFCW is preparing to transition into the Commission for Tertiary Education and Research and work has started on developing a strategy for the tertiary education sector which articulates what is required of it to meet CTER's strategic priorities and how it will support Welsh Government priorities in health, education, civic society and the economy. We make thirteen recommendations which we hope will help shape important aspects of that strategy. These would be for CTER to drive forward, in collaboration with relevant organisations across Wales:

Funding and resourcing

Recommendation 1:
To create an investment strategy that sustains a thriving HE sector in Wales whilst driving institutions to innovate, invest, operate with financial prudence and perform to high standards. To develop and implement a financial strategy that will:
- reduce the costs associated with administering and regulating the system by removing duplication of services,
- remove nugatory competition and foster agile and effective competition,

- make more strategic use of existing funding by reviewing size, scale and effectiveness of current budgets,
- increase the volume of education delivery in Wales to students living in Wales by continuing to raise standards and quality of Welsh HE provision and using policy levers such as fees and support, and
- consider coupling the level of student tuition fees with changes in costs and inflation. (This will only be acceptable if the system and the value of private benefit to the learner is better understood.)

Action: Welsh Government and CTER (Lead)

Recommendation 2:
To redesign the student finance system in Wales so that it releases the latent demand for more diverse forms of HE. The new system will (as a minimum):
- support a much wider range of delivery models (including online),
- be known about and understood by all potential students,
- be simple and easy to use for all but especially those with multiple barriers to education,
- give courses with alternative modes of attendance funding parity with the full time model, and
- make it easier for second chance learners to study in HE (by including funding for Access courses and Maths and English skills boosters).

The new system will be clearly communicated to all stakeholders in a form that can be understood by all.

Action: Welsh Government (Lead) and CTER

Recommendation 3:
To ensure that the regulatory framework facilitates the registration and funding of a broader range of HE providers delivering models that innovatively address learner needs while minimising costs for them to do so.

Action: CTER (Lead)

Recommendation 4:
To support tertiary education providers to articulate fully the cost structures of their delivery models, by commissioning a holistic study of the costs of higher education delivery which recognises the triple mission of HE providers – to deliver teaching, research/knowledge transfer, and to be civic anchor institutions – and, where appropriate, uses existing provider workload data.

Action: CTER (Lead)

Structures and systems

Recommendation 5:
To simplify how teaching funding is allocated and administered.

Action: Funding bodies (Welsh Government, HEIW, CTER (Lead))

Recommendation 6:

To ensure, through review and redesign, that the awarding system can not only support, but also encourage:

- diversity of provision
- efficient provision
- ease of creating varied forms of provision
- ability to create new provision quickly
- international quality reputation of 'Welsh' qualifications.

Action: Qualifications Wales (Lead) and HE providers

Recommendation 7:

To develop and invest in a digital infrastructure strategy for the higher education sector, which gives prospective learners and, initially, HE learners visibility of and access to all delivery models equally (e.g. the creation of a Higher Education Learner Progression – HELP – system which gives school leavers, FE learners and those seeking employer-related provision, visibility of all HE learning opportunities in one place) and gives all providers the opportunity to serve their diverse community of learners (i.e. urban and rural) equally. This might possibly be extended to cover the whole tertiary education provision in Wales.

Action: CTER (Lead)

Recommendation 8:

To develop a data strategy for the tertiary education sector, which:

- maps out how management information system costs (including student records and associated external returns) can be reduced through data architecture and cloud technology,
- simplifies and expands the definitions describing delivery models, and
- improves the availability, consistency and quality of data across all delivery models, with a focus on student outcomes rather than diversity per se.

Action: CTER (Lead)

Recommendation 9:

To include tertiary education providers in regional capital planning and environmental sustainability strategies, and to focus on additional tertiary sector building needs as well as what estates can be rationalised, re-purposed and improved.

Action: Local Authorities (Lead)

Collaboration and collaborative infrastructure

Recommendation 10:

To create a Wales-wide vehicle through which employer-facing provision could be developed and delivered collaboratively through a wide range of education models by experts in the field (either from one or many Welsh HEIs) and be made available to employers, irrespective of the place of employment.

- work with HEIW to pilot the vehicle for the health sector,
- evaluate, review and develop a vehicle blueprint for other sectors, with sector needs driving planning and funding, and

- roll out the approach to other strategic economic sectors.

We sketch out what we mean by a vehicle in appendix 11 to the report.

Action: CTER (Lead) and HEIW

Recommendation 11:
To ensure CTER has the necessary tools to guide, develop and regulate the sector:
- Invest in CTER's planning, analysis and evaluation capacity
- Develop a common set of published data dashboards used to clarify performance expectations, support regulation of the sector, inform stakeholders and support strategy review.
- Develop a CTER sector research function that commissions effective research into how the sector can best deliver. This will:
    - inform policy and strategy development and implementation
    - inform operational improvement
    - support strategically significant innovation.

Action: Welsh Government and CTER (Lead)

Recommendation 12:
To work with HE providers to develop a 'study in Wales' offering to attract Welsh-domiciled students who choose to study outside Wales back to Wales, to study Welsh-medium modules, thus enhancing their bilingual skills.
- Explore, with select English HE providers, the creation of a one-year, primarily Welsh-medium, 'study in Wales' offer along the lines of year abroad offer.
- Work with providers in England so that Welsh-speaking students in England can include online/distance Welsh-medium modules from Welsh providers within their degree programmes. An initial linkage with between five and eight English providers would offer considerable percentage coverage of Welsh-domiciled students in England.

Action: CTER (Lead) and Coleg Cymraeg Cenedlaethol

Further research

Recommendation 13:
To further develop a more comprehensive and nuanced picture of the diversity of delivery models on offer, which should include:
- further development of the typology to include the subjects taught,
- analysis of the additional factors driving students living in the rest of the UK to study in Wales
- analysis of the factors that drive Welsh students to choose to study outside Wales, including the delivery models they choose,
- analysis of the factors driving students from different ethnic minority backgrounds to choose delivery models and programmes, and
investigation into the importance of Welsh medium provision to the choices students make about where and how they study at higher education level.

Action: CTER (Lead)