

FE/HE Practitioner Group Report on Mixed Economy Institutions

July 2004

Background

1. In May 2002, Margaret Hodge, then Minister of State for Lifelong Learning and Higher Education, wrote to the chief executives of the Learning and Skills Council (LSC) and the Higher Education Funding Council for England (HEFCE) asking them to explore how the two councils might work better together to achieve integrated policy development, planning and delivery; to address the barriers that exist to growth in partnership and mixed economy provision; and to minimise bureaucracy for mixed economy institutions (MEIs).

2. Overall, the proportion of higher education (HE) provision delivered by further education colleges (FECs) is just over 10 per cent, and the proportion of further education (FE) delivered by higher education institutions (HEIs) is around 2 per cent. Although it is significant in scale, HE in FE is not the main business of HEFCE, nor is FE in HE the main business of the LSC. In addition, the LSC has statutory planning responsibilities while HEFCE does not. Moreover, in light of the rapid expansion of higher education and the changes in the funding councils' remits and organisation over the last five years, it is not surprising that different priorities, cultures and ways of working, have created anomalies, burden and tensions within MEIs. Current government policy to expand HE through FECs may exacerbate these difficulties unless appropriate and timely action is taken.

3. Mixed economy institutions are defined for the purposes of this report as:

- FECs with higher education provision, funded directly by HEFCE
- FECs with indirect funding from single or multiple HE partners
- FECs with HE provision funded through a HEFCE-recognised consortium
- FECs with a mixture of direct and indirect funding
- higher education institutions (HEIs) with further education provision funded by the Learning and Skills Council.

Outside this definition, there are also FECs offering level 4 provision funded by the LSC as non-prescribed *higher* education. Around 60,000 students nationally are accounted for by this provision.

4. Within MEIs, there is a wide variety of scale and proportion of provision. Of the 160 directly-funded FECs offering higher education, a small number of colleges have fewer than 30 FTEs while 19 FECs have between 800 – 3,000 FTEs on higher education programmes. There are also 47 HEIs that have LSC-funded provision for FE work and some institutions receive significant levels of funding from this

source. There is diversity in mission as well as scale among MEIs: alongside 'generalist' institutions there are specialist colleges in art and design, land-based industries and performing arts.

5. The 2003 White Paper, 'The Future of Higher Education', proposed that in future more HE provision should be offered through FECs, particularly at sub-degree level, and that it might be most securely delivered through structured partnerships between HEIs and FECs. The White Paper again emphasised the Government's wish to reduce the burden on MEIs. Subsequently, a HEFCE/LSC Joint Steering Group was established and following early discussions, it was suggested that a practitioner group be set up to carry out more detailed work and to provide a user perspective. The FE/HE practitioner group has a membership that represents a range of MEIs, including those with both small and large HE provision in FECs, HEFCE-recognised consortia, FE provision in HEIs and a range of related agencies. (For details of membership see Annex A.)

6. At the first meeting of the practitioner group on 31 October 2003 members agreed that it should divide into three working groups to focus on the following topics:

- an integrated approach to progression and planning both regionally and sub-regionally
- funding, accountability and data requirements
- quality assurance and quality control (including some consideration of staff terms and conditions).

The group agreed that in taking forward work to reduce the burden for MEIs, its primary focus would be on the identification of problems and suggested solutions. The group also recognised that some of the proposals it might wish to make would, while not reducing the burden in themselves, contribute to a more coherent approach which could benefit MEIs and, more importantly, learners.

7. In the context of its remit, the practitioner group identified as burden any one or more of the following:

- activity that is carried out on behalf of funders that a well managed institution would not otherwise undertake
- the duplication or replication of activity or information provided for another source
- activity that does not provide value for money
- activity or information that does not take account of proportionality
- the unreasonable diversion of resources that could better be spent on teaching and learning.

However, there is a general recognition among MEIs that some burdens are necessary in order to maintain comparability or assure quality.

8. In considering the issues, the group took account of the five principles which were determined by the Better Regulation Task Force:

- proportionality
- accountability
- consistency
- transparency
- targeting.

9. In the light of a tight timescale that required a final report to the two councils and the DfES in early April 2004, the practitioner group decided to focus its work upon the following:

- short term solutions ('quick wins') to reduce burden for MEIs
- identification of problems which would need further consideration in the medium and longer term, particularly in the light of the emerging joint DfES/LSC/HEFCE progression strategy
- identification of priority issues for the two councils.

10. A considerable amount of work had already been carried out by an implementation group of officers from HEFCE and the LSC, and this helpfully informed the practitioner group's discussions. The group met on five occasions and, to test its findings more widely, a consultative workshop was held in early March, attended by over 50 delegates, evenly representing FE and HE. The representatives of MEIs were asked to comment on the report and contribute additional points and/or case studies to the final report.

11. Members of the practitioner group made extensive use of their own contacts and networks for further consultation, both formal and informal. In this way a further 200 people were able to contribute, through a range of groups including the Association of Colleges HE in FE Forum, the Major Franchisers/Consortia Group, the Mixed Economy Colleges Group (MEG) and the Quality Assurance Agency HE in FE Forum.

12. The following sections summarise the findings of the practitioner group. Annex B contains a set of case studies which illustrate some of the complexities and problems facing MEIs and, where possible, suggests solutions.

An integrated approach to progression and planning both regionally and sub-regionally

Issues to be resolved

13. Most institutions which deliver both substantial levels of FE and HE provision have progression within their institution as a strategic priority. Inequitable access to development funding and capital funding in particular may hinder the implementation of integrated FE and HE provision to support progression within an institution.

14. There are two main problems affecting strategic planning:

- adequacy of information to enable institutions' and councils' planning and support for institutional missions
- burdens upon institutions arising from the need to submit partial or duplicated information to two different councils at different stages of their planning cycle.

15. In particular:

- the funding councils do not currently share information appropriately to develop their own policy for FE and HE
- HEFCE and LSC funding cycles do not correspond
- the anomalous status of non-prescribed HE does not encourage coherence.

Proposals under discussion

16. The group welcomes HEFCE's proposals for a series of lifelong learning networks as part of a joint progression strategy to encourage collaboration between HE and FE and which will have linkages to Aimhigher. Demonstrator models are being explored.

17. HEFCE has agreed to fund an enhancement programme for HE in FE which will involve the establishment of regional networks, an HE in FE web-site and a research centre for HE in FE. It is hoped that the LSC will be a co-funder. This work should make a real difference to colleges offering HE in FE in terms of coherence and sharing good practice.

Easing burden

Short term proposals

18. In the interests of coherence, there is a pressing need to resolve issues relating to joint funding by HEFCE and the LSC of programmes such as the new Basic Skills qualifications (see Annex B, example 3).

19. The interface between Sector Skills Councils (SSCs) and higher education providers needs to be clarified as the first SSCs are developing different practices. Foundation Degree Forward has been asked to work with the SSCs to encourage and to identify good practice in foundation degrees and to liaise with the Higher Education Academy to ensure a more coherent approach.

20. To encourage greater coherence, HEFCE might work more closely with the LSC FE in HE group, to establish a forum for HEIs with FE provision or to include their representatives in existing groups available to colleges with HE provision.

Medium and longer term policy

21. The position, potential and definition of non-prescribed higher education should be explored and resolved. Some of the issues are discussed clearly in the Learning and Skills Development Agency publication, 'Non-prescribed higher education: Where does it fit?' (LSDA, 2002). Delegates to the consultation event in March saw this as a priority. HEFCE and the LSC could usefully explore the potential of incorporating non-prescribed HE into HEFCE funding. Whatever the approach adopted, any resolution will involve reviewing the descriptor of what constitutes higher education, a point also made by the other working groups. (see Annex B, examples 1 and 2).

Data, accountability and funding

Issues to be resolved

22. Institutions have difficulty dealing with different data requirements and census dates for the two councils. Examples of inconsistency include the definition and calculation of FTE, qualification aims and dissimilar levels of funding for some subjects in HE and FE (see Annex B, examples 4 and 5).

23. The data requirements of the Office of Standards in Education (OfSTED) and (Adult Learning Inspectorate) ALI are different from those of the Quality Assurance Agency. This creates problems for HEIs and FECs with mixed provision.

24. There are funding inconsistencies between the two councils: for example, if an HE student fails to complete a year HEFCE will not provide any funding, whereas the LSC provides partial funding for an FE level student in the same position (see Annex B, example 4).

25. Capital funding from HEFCE for directly funded FECs is available only through the Development Fund for Learning and Teaching. Funds are not usually sufficient for those capital developments not normally eligible for LSC funding, such as specialised HE provision in an FE college (see Annex B, example 7). Delegates at the consultation event argued strongly for equitable and comparable capital funding across mixed economy provision.

26. Development of risk management policies in institutions has led to some duplication in order to meet the different requirements of the two councils.

Proposals under discussion

27. The group noted that two other relevant groups are currently reviewing issues relating to the data requirements of HE in FE and FE in HE, both convened by the DfES. One is the ongoing Review of HE in FE/FE in HE, involving HEFCE, LSC and HESA, the other is a project now overseen by the Management Information Across Partners (MIAP) group, which has representatives from a wide stakeholder interest.

Easing burden

Short term proposals

28. In parallel with a consultation about the inclusion of FECs with HE provision in teaching quality information (TQI), HESA, HEFCE and the LSC should discuss the technical issues, largely around consistency and comparability, relating to data to appear on the HERO TQI web-site. If this is part of data alignment, there will be some initial burden but it will not be sustained (see also Annex B, example 6).

29. The work of the two relevant groups convened by the DfES (Management Information Across Partners (MIAP) and the Review of HE in FE/FE in HE), should intersect with the work of the FE/HE practitioner group. This is currently being pursued.

30. There are problems with the existing data transformation facility which was designed by HESA/LSC so that HEIs with FE students could input individual learner record (ILR) look-alike files, generated during the 'live' HESA data collection, into the LSC-supported learner information suite. For instance, the LSC needs to adjust existing conversion software to complete the necessary 'lock and key' mechanism to reduce some of the problems associated with managing data/information (see Annex B, example 5). Further, and in order to put an end to HEIs having to make manual adjustments, the data transformation facility ought to be made available more frequently.

31. A single, simplified learner support system and procedure should be developed. Currently, the LSC and the DfES have their own separate procedures for assessing, recognising and meeting specialist needs, giving rise to anomalies over core learner support funding levels, speed of response and levels of monitoring of such funds in use.

Medium and longer term policy

32. A consultation exercise with MEIs is proposed to explore whether differential returns for HE and FE would be a preferred option (on the basis that the existing reciprocation agreement is not working effectively in certain important respects – it is perceived to be a burden for institutions and it does not meet end user requirements). The basis of this suggested data collection model is a move away from reporting by type of institution, as is current practice under the reciprocation agreement, to reporting by type of provision. The consultation exercise in March expressed strong support for this, seeing it as a more acceptable burden. There would have to be clear benefits to this or it would simply be seen as an increase rather than a reduction in bureaucracy. An absolute definition of what is HE would be needed before such a model could be implemented.

33. There are funding issues which should be addressed. Capital funding is generally only available for HE (from HEFCE) or FE (from the LSC). This leaves HE in FE and FE in HE provision in a capital funding limbo. Moreover, there are HEFCE funding allocations that are not available to FECs – such as research, funding that supports libraries, listed buildings, and staff performance. Similarly, HEIs are excluded from some LSC funding streams like the Standards Fund.

34. FE colleges with HE provision require an appropriate level of funding to support development and existing provision, especially where they are indirectly funded. There is concern that some funding which ought to reach such colleges, such as widening participation premia, is not passed on by the partner HEI. Further work directed at encouraging greater transparency for indirectly funded relationships should be undertaken. While the increased transparency of the allocation of capital funds provided by HEFCE is welcomed, there is no real evidence that transparency in itself is sufficient to ensure that funds reach intended targets. Moves towards joint capital funding would reduce or remove any issues of cross-subsidy.

35. At the heart of many of the difficulties for MEIs outlined above, is the existence of two quite different funding methodologies for HE and FE, with different levels of prescription and accompanying data models. Acknowledging the political and legislative realities, the prospect of a single funding system, or at least some convergence of funding methodologies in the long term, should be considered.

Quality Assurance

Background

36. The external monitoring of academic quality, including the maintenance of academic standards, has been the subject of considerable debate in both the FE and HE sectors. The burden imposed by this scrutiny is often particularly acute for MEIs.

37. Currently the experience of MEIs is very varied. The one common factor is that all experience scrutiny from both OfSTED/ALI and QAA. Beyond that, as the case studies indicate, the amount and intensity of scrutiny is affected not simply by whether the institution is defined as an HEI or FEC but also by the nature of the provision offered. For example, there is additional scrutiny in relation to:

- OfSTED inspection of teacher training (on behalf of the Teacher Training Agency)
- QAA major review (on behalf of the National Health Service)
- professional, statutory and regulatory bodies' (PSRBs) scrutiny for accreditation purposes.

38. A consultation with over 150 FECs and HEIs confirmed a preference for the QAA approach to external scrutiny which was experienced as providing more of a peer ethos and greater opportunities for quality enhancement. The practitioner group recognises that many of these comments were based on experience of QAA academic review of subjects, contrasted with OFSTED/ALI inspections. Although most MEIs which are FECs have had experience of both inspection and academic review, few of the consulted HEIs which are MEIs were able to compare 'like with like' or have an overview of the many different models operated by QAA since most have yet to experience both QAA's process of institutional audit and OFSTED/ALI inspection.

39. There are some discernible similarities (also some significant differences) in the current approach of QAA and OfSTED/ALI to subject scrutiny. However, institutional level scrutiny – the basis of QAA methodology for HEIs – is conducted very differently. QAA examines evidence that the institution is effective in assuring quality and standards. OfSTED/ALI gathers direct evidence and derives questions from teaching observations. This leads to different demands on institutions, different processes and procedures and some differences in outcomes. Therefore, any attempt to reduce the quality assurance burden is dependent upon the commitment of the funders/contractors and the three agencies to greater alignment. This alignment will need to:

- take account of the current mission, values and standards of each agency and appropriate legislative frameworks
- recognise the status and requirements of institutions which are awarding bodies

- provide value for money (as per the Commons Committee for Public Services and Expenditure (Inspection) requirements for all external review and inspection agencies for public services).

40. While the operating methods of QAA and OfSTED/ALI are different, most of the purposes of external scrutiny are broadly similar:

- to ensure that institutions are accountable for their use of public funds
- to assist funding bodies to meet legislative requirements
- to examine the quality and standards of the student learning experience and stimulate urgent improvement action where quality and/or standards are found wanting
- to judge whether levels of achievement are acceptable
- to provide public information
- to enhance quality by promoting self-assessment and continuous improvement.

41. There are other important purposes of the agencies' work which are not shared. For instance, the QAA is required to help UK HE to maintain and/or improve its position in the worldwide market. OFSTED and QAA use different approaches to report on the quality of teaching.

Issues to be resolved

42. The current distinctive QAA process for reviewing HE in FE (academic review) means that it is not possible for comparisons to be made with HEIs. The different presentation and reporting as a consequence of the different methods makes it more difficult for the public to readily compare HE in FECs and HE in HEIs.

43. There is unevenness within FECs of QAA academic review for directly funded provision and almost no scrutiny for indirectly funded provision (unless it is included as part of collaborative audit). (See Annex B, examples 2 and 10.)

44. There is a completely different approach for HEIs with FE, resulting in more than one agency scrutinising at institutional level. (See Annex B, examples 8 and 9.)

45. One of the major constraints on enhancing the quality of HE in FE is the fact that FE staff contracts and conditions of service are substantively different from those of staff in HEIs. Although there is significant variation within different types of HEI, it should be recognised that the higher number of contact hours expected of most HE teachers in FE impacts on their ability to undertake systematic subject updating and scholarly activity. There is some evidence that some colleges are attempting to address this through local arrangements.

46. Given that teaching qualifications for new entrants are becoming a requirement in FECs and HEIs, the HE Academy and Further Education National Training Organisation (FENTO), along with other relevant agencies such as the Lifelong Learning Sector Skills Council, should ensure a comparability of curriculum, assessment and recognition across the further and higher education sectors.

Proposals under discussion

47. The practitioner group anticipates the completion of the round of reviews of directly funded HE in FE in 2005-06. It notes that the Teacher Training Agency and OfSTED are consulting about a new method, as are OfSTED and ALI. QAA institutional audit and the teaching quality information will be evaluated at the end of a transitional period from the summer of 2006. The timing of these evaluations presents an opportunity for a radical rethink that could lead to greater coherence and reduce burden for institutions.

48. The group welcomes the discussions taking place between the Better Regulation Review Group and the Further Education Bureaucracy Group and hopes they will continue to discuss areas of common concern and encourage the sharing of good practice with the Higher Education Review Group when it is established.

Easing burden

Short term proposals

49. Align the documentary requirements associated with monitoring and inspection/audit activity. For example, self assessment reports to the LSC, self evaluation documents to the QAA.

50. The concept of a single framework for external scrutiny, which could be applied differentially to all MEIs according to the balance of FE and HE and which completes within one engagement, received strong endorsement during consultation and is a major recommendation from the practitioner group. Accordingly, it is proposed that the quality agencies progress ideas for a single framework for MEIs, utilising some of the proposals in this report noting that:

- the framework should have a common structure for reporting to enable interested parties to retrieve information easily
- processes adopted by the agencies need not be identical, thus enabling each agency to develop procedures which achieve the required outcomes and which can be tailored to the context and provision of each MEI

- core elements, such as standards set and achieved, quality of teaching and learning, student support, staff development would be applicable to all visits
- additional prescribed components of visits would be dependent on the nature of provision offered, for example, accuracy and reliability of TQI, processes for programme approval, attendance patterns
- one agency (possibly decided in accordance with an algorithm to be developed and related to the enrolments and balance of HE and FE provision) would take responsibility for the visit and its components. Team members would be drawn from personnel of any of the agencies and the composition would reflect the balance of provision to be scrutinised.

51. Identify and disseminate examples of good practice in relation to the differentiation between FE and HE staff contracts and conditions of service. This could yield some immediate solutions.

Medium and longer term policy

52. The design of a single framework for the quality scrutiny of MEIs is a major task which will involve extensive consultation and piloting. It also has implications for data requirements. As such it is unlikely that such a framework could be in place before 2007. Meanwhile, in the medium term, the alignment of documentary and data requirements and negotiation with MEIs over the scrutiny schedules and new 'pilot' opportunities based on the ideas above, may help to relieve some of the burden.

Conclusion

53. The report demonstrates that the areas the group was asked to address all involved extremely complex issues for MEIs. The reasons for this complexity are diverse and may be historical, regional, volume-related and/or the unforeseen consequence of wider policy drivers. Notwithstanding this complexity, and despite the lack of direct 'ownership' of MEI issues by either funding council, institutions with mixed economy provision form a crucial component of the further and higher education sectors and, as such, the matters raised in this report (which we acknowledge extend beyond burden) must be taken seriously. It is not in the group's remit to suggest the most appropriate organisational arrangements by which this might best be achieved, but there is one further, related, recommendation the group wishes to make: that consideration be given to finding a way in which the practitioner voice can continue to be heard in future. Whether this is best done through extending the work of the current group or through some quite different arrangements is for others to decide, but if the matters raised in this report are to be taken further then an input from those most closely involved could only be helpful.

Annex A

FE/HE practitioner group: membership

Sub-groups:

A – An integrated approach to progression and planning

B – Data, accountability and funding

C – Quality assurance

Name	Institution	Sub group
Penny Blackie	City College Manchester	Chair of FE/HE Practitioner Group
Pam Boulton	University of Derby	C (joint convenor)
Roger Breakwell	The London Institute	C (joint convenor)
Jeffrey Brown	University of Sunderland	C
Gillian Hayes	QAA	C
David Jenkins	Staffordshire University	A
Trish Taylor/Sue Weall	Bournemouth, Dorset and Poole LSC	A
Lynn Parker	Hull College	A
Russell Moseley	University of Warwick	B (convenor)
Michael Thrower	Northbrook College	B
Ian Tunbridge	University of Plymouth	A (convenor)
Edmund Wigan	Leeds College of Art and Design	B
Jane Wild	HESA	B
Jane Wills	City of Bristol College	A
Officers		
Sarbani Banerjee	HEFCE	
Alison Felton	HEFCE	
Wendy Staples	HEFCE	
Madeleine King	LSC	
Neil Moreland	LSC	

Annex B

Practices and procedures which are complex or unhelpful and require resolution.

(Where possible, solutions are suggested.)

Example 1: An indirectly funded further education college with multiple partners

A large FE college has 1200 students studying on higher level courses, 800 of whom are on HEFCE-funded higher education courses. Approximately half the provision is with a HEFCE funding consortium, the remainder being franchised from four university partners. The diverse partnerships have arisen for a complex combination of historical, specific sub-regional and subject specialist reasons which are not now easy to rationalise.

The college has no direct funding from HEFCE. There are differing levels of support and demands from partner HEIs. One level of relationship involves no demands beyond the subject curriculum link. 'Partnership' relates to course design and delivery and facilities are offered to the students. By contrast, another larger link involves the FE institutional representatives visiting the HE partner at least 12 times per annum. The HE representatives also visit the FEC. Visits at the subject level are frequent and take many forms. Consultation on all matters of partnership is expected on both sides – this leads to at least thrice weekly contact in one form or another.

While this in many ways embodies the true meaning of HE/FE partnership, it is burdensome for a college with a range of partnerships. It is time consuming and involves travel over some distance. This presents problems for a multi-function FE college because it cannot maintain the partnerships to the highest standard. As more HEIs have come to embrace the true spirit of the QAA code of practice on collaborative provision, other HEIs have started to expect more active involvement of partner FEIs.

Some FECs cannot afford the necessary infrastructure to support multiple partnerships. In addition the varying practices and procedures of different HEIs create divisions and different experiences for the HE staff and student populations within a single college – in terms of what is offered and expected, and in the demands made on them.

Possible solution

- The revised codes of practice on indirect funding from HEFCE and the QAA code on collaborative provision should offer clear guidance and models which are convergent and do not encourage bureaucracy.
- On the basis of the numbers involved, revert to direct funding so that growth does not have to be through partner HEIs.

Example 2: A further education college with mixed higher education provision

This case study highlights the inconsistency in the status and funding of non-prescribed higher education (level 4 and 5 funded by the Learning and Skills Council). There is widespread concern over the anomalous position of this provision.

A college makes comprehensive and coherent arrangements for the staff and students on HEFCE-funded HE programmes in terms of:

- institutional level monitoring and review
- staff development programmes
- terms and conditions of service
- opportunities for scholarly activity
- inclusion in internal 'good practice' networks
- separate resourcing models
- student facilities and services

and so forth.

The college also delivers non-prescribed higher education programmes which are LSC-funded, for example: NVQs at level 4 and 5, some professional qualifications awarded by various 'institutes', some C&G and BTEC awards at level 4, and a range of pre-and in-service teaching and training qualifications.

It is not clear whether the staff and students involved in these programmes regard themselves as engaged in 'higher education' provision; although they are clearly engaged in 'higher level' provision. There is a lack of coherent progression routes in this provision, in contrast to carefully planned or negotiated routes for the HEFCE funded students.

Possible solution

- Establish a broader definition of 'higher education' which can embrace non-prescribed HE.
- HEFCE funds all programmes which can be included under this definition.

Example 3: Confusion in professional development for basic skills tutors

This case study illustrates the potential of lifelong learning networks to facilitate and support the work of a range of organisations (HEIs, FE Colleges LSC, RDA) in delivering a new initiative.

In September 2002, it became mandatory for those in FE working with adult basic skills tutors to possess qualifications at levels 2, 3 or 4, depending on the type of work they were engaged in. The legislation was premature as some of these qualifications were not yet available. Simultaneously, the LSC was charged with reducing the number of adults lacking basic numeracy and literacy skills. Part of the strategy to achieve this was to increase the number of qualified basic skills tutors.

In autumn 2002, one Regional Development Agency, in collaboration with six local LSCs made funding available up to March 2005, to set up a fully staffed and resourced Basic Skills Professional Development Centre (PDC) in each of these LSC areas to co-ordinate and deliver courses for basic skills tutors. The centres opened during 2003 with four of them located on HEI premises.

The centres are closely linked to the local FE colleges where many of the basic skills tutors are employed and some of the courses are/could be delivered, particularly level 2 and 3, on an outreach arrangement.

The plan is that the Basic Skills PDCs will be sustainable through revenue funding from the courses once the initial development funding ceases at the end of March 2005.

There is an outstanding issue concerning the funding of these courses. The PDCs act as the recipients for all funding (therefore, in the four examples mentioned above this is actually the HEI). Clearly courses at levels 2 and 3 are fundable by the LSC but there has been much unresolved debate nationally about whether courses at level 4 can be funded by HEFCE. This applies both to stand-alone and integrated courses e.g. PGCE/Cert Ed and level 4 in numeracy, literacy and ESOL.

Possible solution

- The presence of a lifelong learning network (currently being discussed by HEFCE) could have helped in the facilitation and co-ordination of this initiative and certainly would have been useful in investigating the level 4 funding issue.

Example 4: Issues affecting a specialist FE college

Specialist College Premium: specialist HEIs and FECs normally receive premium funding – typically 10 per cent, but some HEIs receive much more. Specialist MEIs receive premium funding on only part of their provision – i.e. the HE or the FE, depending on which sector they are in. This appears illogical and discriminates against specialist MEIs.

Data and quality: Higher Education Statistics Agency (HESA) does not collect data from FECs. This has meant that published information derived from HESA data omits the significant volume of HE which is provided by directly funded FECs. As a result these institutions cannot appear in the HESA-derived lists and tables which appear in the broadsheet newspapers. The introduction of the TQI web-site has exacerbated this problem considerably. It will mean, for example, that potential applicants will be able to search the site for ‘music’ and will not find a specialist college, despite the fact that it may be the largest provider of undergraduate music provision in the country.

Omission of FECs from some HE initiatives: a current example is the Centres for Excellence in Teaching and Learning (CETL) initiative, which bars FECs (but not HEIs) with fewer than 500 HEFCE-funded FTEs. Thus a college just falling below this threshold will not be allowed to bid, whilst a smaller specialist institution will be, simply because it happens to be designated as an HEI.

Possible solution

- Address the issues affecting specialist colleges (FE and HE) separately and equitably.

Example 5: Managing data in a specialist HEI with FE provision

The problem is not merely one of the submission of data returns but also one of difficulty with internal management information. The suggestion that is made in the report may make the submission of data returns easier but it will not help HEIs to monitor their FE funding contract in-year. When institution X transferred to the HE sector from the FE sector in 2001, it insisted that its software supplier maintain the capacity to run data files against the ILR suite during the year. Other HE institutions, most of which rely on spreadsheets for in-year monitoring, would wish to do the same. X is currently changing its student records system and has made it a basic requirement of its new software supplier that it retains this capability. As many software houses service both FE and HE institutions, this is not necessarily a difficult request to satisfy.

Possible solution

- HEFCE, LSC and HESA should seek solutions to provide appropriate software as standard not as an extra.

Example 6: Benchmark statistics for HE in FE: a college view

Since HEFCE took over the funding of HNDs and HNCs in 1999, FECs have not had access to information that is valuable for quality assurance and enhancement purposes, including QAA academic review. The last qualification level benchmarks available for HNDs and HNCs delivered by FECs were produced in 1999-2000 by the LSC.

Both the HESA and HEFCE produce statistics that cover HEIs only (although both include students taught in FECs under franchise agreements from HEIs). HEFCE currently publishes performance indicators covering retention/progression rates for full-time first degree students at HEIs. They are also looking to extend the coverage to include full-time sub-degree students, but again only at HEIs.

The LSC has confirmed that the benchmarking data they publish only covers LSC-funded programmes. The only HE data currently produced by the LSC relate to LSC-funded non-prescribed higher education (NPHE).

In the context of the White Paper and the Government's agenda for an enhanced role for HE in FE in widening participation and foundation degree development, there is a real gap here. HEFCE already extracts HE data from colleges' ILR returns to the LSC in order to verify the Higher Education in Further Education Students Survey (HEIFES) return and to calculate the Widening Access and Improving Retention (WAIR) funding colleges receive. ILR data contain all the information needed to produce HE in FE benchmarking statistics. In recent discussion about this issue with one college, HEFCE has confirmed that it would be possible to produce HE in FE benchmark statistics. HEFCE is not currently considering doing so, however, because of the amount of work needed to produce figures that they have confidence in and in the absence of widespread demand from FECs.

Possible solution

- That HEFCE undertake the work necessary to produce benchmark statistics for HE in FE.

Example 7: Capital funding

Colleges can find themselves caught between the two funding councils and their different capital funding approaches.

A college which has just received a high quality QAA Art and Design report is bursting at the seams. Although it would like to build new space, under LSC rules it cannot build for the FE students because:

- a) the provision is too good and therefore doesn't need help
- b) the college is too financially sound and therefore cannot have any more capital funding.

The college cannot build for the HE provision because it is unable to access capital funds from HEFCE. Even if they could, they are not sure how the LSC would take into account this space for its space utilisation purposes – which are more stringent than HEFCE's.

Possible solution

- HEFCE allocates capital funding to directly-funded colleges using the same model for capital funding as for HEIs.
- LSC and HEFCE agree a mechanism for jointly funding capital bids where it is clear the development will benefit both FE and HE students.

Example 8: Quality scrutiny of a University with substantial FE provision

The list below represents the burden of external scrutiny across a five-year period between Autumn 2000 and Autumn 2005. The list is not exhaustive since smaller-scale FE scrutiny and OFSTED/TTA scrutiny is not included. Events in bold are those categorised as major – defined as necessitating substantial preparation and involvement at senior management level and resulting in outcomes that affect the profile and reputation of the university.

Dec 2000 – Further Education Funding Council inspection

Mar 2001 – QAA overseas audit

Apr 2001 – QAA subject review

May 2001 – QAA subject review

Dec 2001 – QAA audit

May 2002 – FE re-inspection of work-based learning

May 2002 – QAA subject review

June 2002 – QAA audit Collaborative

Mar 2003 – QAA developmental engagement

May 2003 – OFSTED 14-16 inspection

Oct 2003 – OFSTED/ALI inspection

Nov 2003 – COVE inspection

Nov 2003 – QAA developmental engagement

Mar 2004 – QAA developmental engagement

Mar 2005 – QAA institutional audit

Aug 2005 – Major health review

n.b. OFSTED TTA and minor FE visits not included.

Possible solution

- The introduction of a more integrated approach to quality assurance as proposed in this report.

Example 9: A university with small FE provision

A university with a small and declining FE provision scattered across its schools and faculties and with no significant concentration of FE programmes within any one school decided to withdraw completely from FE funded provision.

The university had mature quality assurance (QA) procedures for its HE programmes. These procedures were regarded as entirely appropriate when considered by QAA subject reviews and institutional audit. Inspectors of its FE provision, however, were sceptical as to whether these established HE procedures were appropriate for FE. After lengthy debate, the university concluded that, given the extent of its FE activity, it was not viable to generate and maintain parallel, but separate QA systems for HE and FE programmes. A withdrawal from FE provision was decided upon. This was amicably and efficiently achieved, with full assistance from the local LSC. Much of the FE work was taken over by local partner FE colleges, with which the university was already collaborating on other programmes, so that wherever possible progression on to the university's HE programmes was maintained.

Possible solution

- The introduction of a more integrated approach to quality assurance as proposed in this report.

Example 10: A further education college with multiple partners

A large FE college has 600 FTEs pursuing higher level courses. This is made up of:

1. indirectly funded programmes with HEI A and HEI B (foundation degree, foundation year, franchise of one year of a degree, franchise of teaching training) (HEFCE)
2. directly funded undergraduate and postgraduate provision validated by HEI C (HEFCE)
3. directly funded Edexcel programmes which draw down the widening participation premium and learning and teaching development funding (HEFCE)
4. directly funded non-prescribed provision (e.g. NVQ 4, AAT, CIM) (LSC)

Although the college has to follow four quality assurance systems, this of itself causes no problems. The different QA systems are clear and very similar. The provision is subject to QAA academic review for (2) and (3) and to OFSTED and ALI inspection for (4)

The problems arise from:

- a) an unevenness of scrutiny for students in the same institution studying at the same level which ranges from the rigorous QAA scrutiny at the subject level (2, 3) to very little or none (4) and very little or none for (1) pending QAA collaborative audit in some cases
- b) an unevenness in the resource available to teach students and provide facilities for them, particularly when a top slice is applied.

The time and expertise required to manage, monitor and evaluate this provision given these differences – i.e. the need for a specific post to cover a relatively small proportion of the college's total work.

Possible solution

- The introduction of a more integrated approach to quality assurance as proposed in this report.