

Responses to the consultation on supply and demand in higher education (HEFCE 01/62)

Executive summary

1. The report, 'Supply and demand in higher education' (HEFCE 01/62) was published on 22 October 2001, and eight consultation seminars were held around the country. A total of 117 written responses have been analysed, and a further 201 people attended the seminars from 161 different institutions or organisations. The wealth of knowledge and information we have received through the process of this consultation has informed and continues to inform the development of the Partnerships for Progression initiative, future policy on widening participation and the consultations on the HEFCE's strategic plan.
2. The report was generally welcomed as a timely and accurate paper that facilitated useful discussions. There was broad agreement with the conclusions drawn from the analysis, although some commentators thought that there were other drivers of the rapid growth in student numbers in the early 1990s that had not been given appropriate consideration. There was agreement that the biggest potential contribution towards the 50 per cent participation target, was to raise the aspirations, increase staying-on rates and increase attainment of young people. There was unanimous agreement that any expansion would have to be in partnership with others, and that the HEFCE, DfES and the Learning and Skills Council (LSC) should be working together more closely.
3. A number of people commented that more attention should have been given to part-time students and 21-30 year-olds (there was a great deal of optimism from some higher education institutions (HEIs) regarding their ability to make a significant contribution to expansion of these groups of students). However, this comment was generally made without questioning the conclusion that these groups would have only a marginal impact towards national targets for increased participation.
4. With regard to HEFCE's planning role there was broad consensus that:
 - the control on the maximum allocation of student numbers (the MaSN) should be removed (less than 1 per cent of respondents thought that the MaSN should remain)
 - that the HEFCE should not significantly increase its central planning role in the current environment in which it operates
 - that existing controls, checks and balances that are effective in stabilising the sector and limiting the rapid expansion of individual institutions should continue. This was not referring to the MaSN as this was not considered to be an effective control.
5. We received a great deal of detailed feedback regarding the teaching funding model, all of which is being considered.
6. Strong views came through from the sector about two other issues. First, many commented that the economic case for the requirement of 50 per cent of people under the age of 30 to have graduate level qualifications needed to be made in a more convincing

manner, and then to be widely disseminated. Second, only one HEI agreed with the paper's conclusion that it was too early to know the effect that student finance arrangements had had on demand for HE from students from poor backgrounds. There was very strong feeling that it was well known and evidence was widely available to demonstrate that financial concerns are a significant barrier to entering HE for students from poor backgrounds.

Analysis of responses

7. There were 117 written responses and a further 201 people attended the seminar consultations from 161 different institutions or organisations. A more detailed analysis of who responded to the consultation is contained in Annex A. We would like to thank all those that took the time to respond to this consultation process. The information and knowledge that was fed back to us informed and continues to inform our policy development in many areas.

The accuracy of the analysis

8. The report was generally welcomed as a timely and accurate paper that facilitated useful discussions of some important issues in the HE sector. The information presented within the report was, on the whole, accepted as being factually accurate. Improved data sources were recommended for population projections and projections of future high level skills requirements, and we are currently investigating these suggestions. We have taken up other individual queries and the majority of perceived discrepancies in the data have now been resolved (see Annex B for further details).

9. A great many commentators thought that the paper would have benefited from a more detailed analysis in particular areas (see Annex B for a full list). The most frequently mentioned were:

- a. A regional analysis of most of the information within the report.
- b. More detailed analysis of part-time, mature, and post graduate students.
- c. A subject breakdown of most of the information about growth trends.
- d. More insightful categories of institutions should have been used to analyse growth across the sector (although Figure 21 showing institutions grouped by their percentage growth in full-time students from 1989 to 1995 was welcomed). It was thought that variation with each group was more significant than variation by pre/post 1992 institutions.
- e. A detailed analysis of the factors affecting student demand, especially student finances (thought to be greatly underplayed by this paper) and the relationship of demand to the graduate and youth labour markets and differences in the rates of returns for different graduates.

Conclusions from the analysis, in particular on future patterns of demand

10. There was broad agreement with the conclusions drawn from the analysis. Respondents agreed that the biggest potential contribution towards achieving a step change in increasing participation is to raise the aspirations, increase staying-on rates and increase attainment of young people, by making the appropriate social and educational changes in partnership with others. However, a number of people commented that, as a result of the focus on full-time young undergraduates within the report, that the significant potential for increasing participation by part-time students and 21-30 year-olds had been overlooked.

11. It was agreed that full-time numbers could not be increased just by increasing the supply of places any more, but a few people thought the paper was too sceptical about part-

time demand. Commentators believed that if the HEFCE removed the financial disincentives to supply some part-time course, and with appropriately market-orientated and innovative provision, that part-time students could provide a useful contribution towards the target to increase participation (see Annex B for further discussion).

12. The significance of the main drivers of increased demand in the early 1990s were not refuted, but it was thought that the role of other drivers should have been given more attention (such as the apparent 'generation leap' that occurs in HE expansion, and reduced opportunities as alternatives to continuing in education). Some commentators also thought the paper had gone too far with its focus on demand, and as a result had underplayed the importance of supply changes that contributed to growth in the early 1990s by creating a financial incentive for institutions to grow. This also relates to the point raised in paragraph 10, that the paper was too quick to dismiss the potential demand for part-time courses that might exist if the financial incentive was there for HEIs to supply them.

13. Despite this comment, the call for a shift in focus towards a demand-led approach was welcomed. Indeed, some commentators believed that with regard to what might be done to increase demand in the future, the paper failed to make the progression to a demand-led approach, and focused on changes that the HEFCE could make to the supply of places.

Possible actions to increase demand

14. There was unanimous agreement that any expansion would have to be in partnership with others. Strong feeling was expressed about the importance of working with schools, the further education (FE) sector and employers. There was strong opinion expressed about the need for the HEFCE, the LSC and all educational departments of the DfES to work together to ensure joined up policies, and to place aspiration-raising firmly on the schools agenda, as well as to take forward the necessary link between HE and FE. Commentators welcomed the proposed 'Partnerships for Progression' initiative (HEFCE 01/73) published during the consultation process.

15. The responses to this consultation on the supply and demand of HE have identified two distinct types of outreach activity:

- a. Long-term outreach to young children through schools (including primary schools) in partnership. The role of HEIs would be to collaborate with a national agenda to raise aspirations; working with teachers, parents, and communities as well as children, through conducting appropriate activity that is organised on a regional or sub-regional basis.
- b. More direct involvement with potential students in further education colleges (FECs) and local communities to encourage and enable students to progress to the HEI involved in this activity.

16. While the first type of outreach is relevant to all HE providers and for the benefit of the sector as a whole, the second type was clearly identified as being the appropriate activity of institutions that were focused on widening participation (WP). Traditional, research-focused HEIs recognised that they were not suited, or best able, to start the second type of outreach

work. There was unanimous support for the importance of the first type of outreach activity, but many thought that the paper was too quick to dismiss the potential of WP-focused HEIs to generate more immediate demand through the second type of outreach, if this activity was fully funded. Indeed, there was a great deal of optimism - especially from HE colleges, FECs providing large numbers of HE students, and WP focused HEIs - regarding their ability to make a significant contribution to expansion, if existing financial disincentives to undertake this direct outreach activity on a larger scale were removed.

17. A great deal of information about successful activity in both long-term and more immediate outreach projects has been generated through this consultation (see Annex C). A clear message was that where good practice can be identified, there are additional costs involved. The following points were most frequently mentioned as important considerations in any outreach activity

- a. Taking a regional or sub-regional approach.
- b. Working to re-educate teachers and parents (not just students) of the existing access to, and benefits of higher education.
- c. Generating much closer links between HE and FE – encouraging collaboration on curriculum and progression routes in HE.
- d. HEIs becoming more involved in their local communities, providing open access to resources, and getting more involved in the local community.
- e. Undertaking both national and local campaigns to raise aspirations (neither would work as well in isolation).

18. It was also strongly felt that the following activities must be national priorities if other outreach activity is to have a significant impact on demand for HE

- a. An immediate improvement to student finance arrangements.
- b. Establishing aspiration-raising on the schools agenda.
- c. A radical approach to restructure the 16-19 curriculum.

19. Commentators emphasised that student choice is an unknown area, and that more research is needed to understand what activity is most effective in what circumstances. Two examples that were often cited were the effects of student finance arrangements and the graduate and youth labour markets on student demand.

20. One of the most frequently asked questions was whether the economy really required 50 per cent of people under the age of 30 to have graduate level qualifications. It was felt that the economic case needs to be made in a more convincing manner and widely disseminated. Annex D contains further comments on the labour market and economic trends in relation to demand for HE.

21. Only one HEI agreed with the paper's conclusion that it was too early to know the effect that student finance arrangements had had on demand for HE from students from poor backgrounds. There was strong feeling that it was well known and that evidence was widely available to demonstrate that financial concerns are a significant barrier to entering HE for students from poor backgrounds. It was felt that because of this evidence (on top of the numerous examples of first-hand experience that could be cited), there had been an effect

on demand from these students through removing the maintenance grant and replacing it with student loans and a complex system of access funds that cannot be confirmed in advance of study, particularly when these students are known to be averse to debt (see Annex E for further comments).

Possible actions to support HEIs in managing impacts of changes in supply and demand

Maximum allocation of student numbers (MaSN)

22. It was widely agreed that the MaSN should be removed. Less than 1 per cent of respondents thought that the MaSN should remain; around 2 per cent urged the HEFCE to take a cautious approach in its removal over time. Every other commentator agreed with the paper's conclusion that the +/- 5 per cent tolerance band within the teaching funding model was the effective control of growth within the sector, and made the MaSN unnecessary. Following this consultation, the Secretary of State for Education and Skills agreed that the HEFCE no longer needed to set a MaSN, and it has been removed for 2002-03.

23. Many institutions wished to emphasise that removing the MaSN would do nothing to increase demand for HE (overall demand is no longer limited by overall supply), and suggested that any redistribution of numbers in the short-term should be carefully managed by the HEFCE.

Should the HEFCE increase its planning role?

24. There was a great deal of interest in this question of whether the HEFCE should increase its planning role. Despite the range of opinion expressed, there were some clear messages from the sector (further comments are in Annex F):

- a. The HEFCE should not significantly increase its central planning role in the current environment in which it operates. It was thought that central planning will ultimately fail because it can never achieve the more sophisticated allocation and diversity achieved through market forces. A view often repeated was that 'central planning is necessarily supply-based, and obscuring the effects of student choice in HE will drive institutions towards becoming less rather than more influenced by demand. Success for institutions is about understanding their market and intelligent management.'
- b. Existing controls, checks and balances that are effective in stabilising the sector and limiting the rapid expansion of individual institutions should continue (this is not referring to the MaSN as this was not considered to be an effective control). The HEFCE should not allow an uncontrolled system to run.
- c. The various funding levers available to the HEFCE, such as additional student numbers (ASNs) and the Restructuring and Collaboration Fund (R&CF), should be used in a more sophisticated manner. The HEFCE should know exactly what its intentions are and what the likely outcomes will be before it acts to influence the distribution of places in the sector.
- d. Any planning in relation to skills requirements should be done at a regional level and not a national level.

- e. What the sector and the funding council need most is a clear vision of what HE will look like in 10 year's time.

Allocation of additional student numbers (ASNs)

25. The following conclusions can be drawn from the many comments on the allocation of ASNs:

- a. There was wide agreement, and some strongly held opinion, that the DfES must only allocate total ASNs in terms of net increase in demand, and not in relation to projected targets for expansion in specific areas (such as part-time or sub-degree).
- b. The allocation of part-time ASNs should be made more flexible than that of full-time ASNs, to give HEIs additional encouragement to expand their part-time provision where possible.
- c. It was considered both feasible and appropriate to require those bidding for ASNs to demonstrate a local or regional shortfall in the provision for which they are bidding, rather than a national shortfall as suggested in paragraph 157 of (HEFCE 01/62).
- d. A large number of commentators suggested that ASNs should be allocated only where a focus on WP can be demonstrated.
- e. It was suggested that more information could be provided by the HEFCE to HEIs that are developing bids for ASNs, to better inform and improve the process.

Restructuring and Collaboration Fund (R&CF)

26. The R&CF was commended as a welcome and useful source of funds for one-off projects that cannot be funded through running costs. It was considered that, in light of the fact that the HEFCE's major role should continue to be managing the consequences of demand fluctuations, rather than attempt to control the distribution of HE numbers, then the R&CF is essential to facilitate the refocusing and restructuring of parts of the sector. There were three clear messages:

- a. The process of allocating funds should be more transparent.
- b. There needs to be a significant increase in the level of funds available.
- c. In some cases, funds should be available for small projects as well as the big ones.

The postcode premium

27. There was a consensus that the additional costs of recruiting and retaining more diverse – or less well prepared - students are not being met through the existing funding arrangements. There was a great deal of optimism from those institutions who focused on providing for this type of student, about the potential to increase demand from local communities if the existing financial disincentives to do so were removed. Where there was good practice in successful retention, there were also significant additional costs. Many institutions volunteered themselves as case studies for any further investigation the HEFCE undertakes to identify these additional costs accurately (see Annex G for further comments).

28. In relation to the postcode premium, it was widely felt that the following changes should be made
- a. As a matter of priority, to re-evaluate the allocation method in light of the evidence to demonstrate that costs are related to preparedness for HE, not social class. Allocation of a WP premium should be based on pre-entry qualifications (as an indication of preparedness for HE), and other information such as schools data.
 - b. There should be a significant increase of the premium in line with the Select Committee on Education's recommendation (an immediate increase to 20 per cent, with future consideration of an increase up to 50 per cent).
29. Traditional research-focused HEIs recognised the additional costs involved for those institutions whose focus was on this type of WP activity, but stressed that they are strongly against any redistribution of current funding to support these costs. It must be additional funding.
30. Some commentators believed very strongly that any WP premium should be given only to those institutions whose main focus was on WP activity, and not spread thinly across all institutions.

Other comments relating to the teaching funding model

31. There were some strong opinions expressed about changes to the Model for funding teaching that HEIs believed would improve their potential to increase demand for HE (see Annex G). These included:
- a. Part-time provision is not funded sufficiently, and this results in a financial disincentive to run part-time courses in some cases where demand is known to exist.
 - b. A new, more flexible approach to funding by module or semester needs considering, to remove the financial disincentive for HEIs to take on students with a higher risk of non-completion. Other commentators thought that a more appropriate incentive would be to increase funding to improve the retention (in the existing definition of the term) of high-risk students through the increased WP premium.
 - c. The existing aspiration premium (which is given to HEIs that recruit fewer than 80 per cent of their students from state schools) is a misdirection of funds for WP and should be removed immediately. Not one response spoke in favour of continuing this premium.
 - d. Existing WP initiatives should be streamlined. Over 15 different funding sources creates a complex and burdensome responsibility for staff and inhibits flexibility of financial resources. This is unnecessarily complex and funding should be distributed through the mainstream allocation of funds.
32. We have since consulted on our WP policy. We took account of all of these proposals within the WP consultation and will be considering these points within any future review of the teaching funding model.

Better information and guidance

33. Two main areas of need for information were recognised as priorities:
- a. Improved information to students, schools, parents, and teachers. It was considered that national and local measures were needed to improve these information sources.
 - b. For HEIs, consortia groups and those involved in strategic planning within the sector on regional and subject-specific information on trends and demand for management and planning. The HEFCE was praised for the quality of statistical information that it does produce, but the sector wanted more.

Promoting better management

34. This was recognised as crucial to the success of HEIs throughout the sector. Commentators welcomed the existing good practice information and guidance, much of which had proved to be extremely useful. The message that came through this consultation was that the HEFCE should encourage a change to a national approach. It was thought that national management organisations should be involved in the improved availability of staff training, development, promotion and career aspirations. The HEFCE's work to date in staff development was welcomed, and it was felt that more was needed.

Annex A

Analysis of who responded to the consultation

1. There were 117 written responses and a further 201 people attended the seminar consultations from 161 different institutions or organisations. The following table breaks down the responses by type of institution or organisation.

	Written responses	Seminar attendance
Pre-92 HEIs	34	38
Post-92 HEIs	24	35
Specialist institutions	7	16
HE colleges	14	12
FE colleges	16	37
Other organisations	22	23
Total	117	161

2. One of the criticisms of the report was that these groupings were not a helpful way of categorising institutions. The following table uses the categories from Figure 21 in 'Supply and demand in HE' (HEFCE 01/62). It shows institutions grouped by their percentage growth in full-time students during the early 1990s, which was the major growth period. However, these data are only available for English HEIs so more institutions are entered into the category 'other'.

Growth in FT UG from '89 to '95	Written responses	Seminar attendance
>200 %	7	10
100 – 200 %	33	45
75 – 100 %	6	6
25 – 75 %	3	3
0 – 25 %	3	3
Other organisations or institutions	65	95
Total	117	161

Annex B

Accuracy of the analysis

1. A significant number of commentators wanted to see further analysis in the following areas:
 - a. Regional analysis is essential to demand and the majority of information within this report could be presented on a regional basis. This would be very informative.
 - b. As an analysis of full-time students, this report is both accurate and useful, but the analysis of part-time and mature students is not thorough enough. Post-21 part-time students are not the whole solution towards the 50 per cent participation target, but they could be making a much greater contribution than they currently are. One commentator believed that, 'The fall in demand for part-time courses is only approximately 40 per cent a demand problem. Approximately 60 per cent is because of supply problems (institutions are not being responsive enough to local demand), and funding problems (many courses close because it is simply not commercially viable for institutions to run them on a part-time basis because of current funding allocations).'
 - c. HEFCE should be looking at more insightful categories than just the pre/post '92 separation. The analysis of institutions grouped by their level of growth in the early 1990s was very useful, but further analysis of growth across the sector broken down into intelligent categories could be very informative.– for example by how advantageous the location is or management quality or marketing effectiveness. Differentiation within groups is more important in this case. However, commentators did recognise that this type of information is often subjective, and difficult to represent in a factual way.
 - d. This analysis could benefit from a thorough investigation of supply and demand broken down by subject. The variation by subject is significant and it is difficult to discuss supply and demand of HE without understanding the variations.
 - e. Some commentators thought that more international comparisons would be helpful. However, an equal number of commentators felt that policy makers should be cautious in drawing on any international comparisons.
 - f. The paper does not discuss the issue of curriculum and method of delivery.
 - g. The paper is light on work-based learning.
 - h. There should be more discussion of student finance arrangements (see Annex E for summary of feedback).
 - i. There should be more on the effect of the economy and graduate labour market on demand for HE (see Annex D for summary of feedback).

2. A criticism raised by a few commentators was that mature students were not given enough attention within the report. However, the majority of respondents remained sceptical about the potential contribution that mature students can make towards significantly increasing participation in HE. This does not de-value the role of life long learning in any way, which is something the original report made very clear. It is recognising quite a separate point: that the biggest potential contribution towards the target to increase participation will be made by young people – through making social and educational changes to raise aspirations, increase staying-on rates and increase attainment. This main conclusion of the paper received almost unanimous agreement. The question of how to move forward from this point, and the HEFCE's role in any policies, is where opinions start to diverge.

3. One commentator suggested that the lack of attention given to part-time students was as a result of HESES (Higher Education Students Early Statistics) data underestimating the increase in demand for part-time HE since 1996-97. Other commentators also queried why HESES data had been used instead of HESA (Higher Education Statistics Agency) data, and questioned the different sources of data used for the analysis of the period from 1983-84 to 1993-94 compared with 1996-97 to 2000-01.

4. With regard to the different sources of data used for different periods, we tried to be open about the difficulties in constructing a meaningful time series across a period of more than 15 years. There is no one source of data that can be used across this time frame. Our solution was that we analysed these two periods (1983-84 to 1993-94 and 1996-97 to 2000-01) in two distinct chapters clearly noting the different sources of data. We were careful not to compare specific numbers across these two periods of time, but we felt that the trends could be compared and that this was a useful analysis to make. We were open about the limitations of the data, however, and we believe that the overall conclusions drawn are still valid.

5. The main reason for using HESES data for the period 1996-97 to 2000-01 was that, although HESA data are much richer than the HESES return, it would have been more difficult to create a consistent and interpretable time series from the HESA individualised record for this period. This is particularly true of part-time students because, until recently, HESA has used Census count definitions which can be unreliable for measuring part-time numbers. There are also problems about changing coverage that are difficult to deal with using the HESA statistics (for example, a switch from directly funded to franchised provision will look like growth using the HESA data alone).

6. Using published HESA figures rather than deriving bespoke statistics from the data, is even more likely to lead to misleading conclusions about growth over time, because HESA has changed definitions and underlying populations over time to improve the data collections. This is by no means a criticism of HESA: it has always pointed out these changes and has never claimed that annually published statistics should be put together to create a time series. Through using HESES data instead, it was possible to produce an interpretable time series from 1996-97 to 2000-01. Furthermore, we are confident that the

HESES data stand up to scrutiny because we monitor our funding, originally made using HESES, with the HESA data to reconcile the two sets of statistics every year.

7. HEFCE 01/62 recognises a healthy and growing demand for part-time postgraduate HE. With regard to demand for part-time undergraduate HE (95 per cent of whom are mature students), we would agree that this is a potential area for growth. But as the report explained, it is harder to project demand because it is far less predictable than demand for full-time undergraduate HE. Furthermore, because we are considering an increase from a much smaller base, any expansion would be unlikely to have a significant impact on overall expansion of HE.

Corrections to HEFCE 01/62

8. In the section on 'Trends in HE numbers from 1996-97 to 2000-01' on page 8 of HEFCE 01/62, the third main point identifies that 'the number of mature first-year students declined very slightly from 1996-97 to 1998-99'. However, there was in fact a 15 per cent decline in first-year mature entrants. It should be noted that a measure of first-year entrants is always more volatile than total numbers.

9. Paragraph 142 in HEFCE 01/62 states that; 'The few HEIs that concentrate on part-time provision are all post-1992 institutions'. The exception that has been brought to our attention is Birkbeck College, which is a pre-1992 institution.

Annex C

Comments on how to generate an increase in demand for HE

Regional approach

1. 'A regional approach is needed to planning and targets – one solution will not fit all cases. The regions vary significantly in their circumstances as well as progress made towards WP and effective networks of local stakeholders.'
2. 'A regional approach is needed to skills planning.'
3. 'A regional approach is needed to outreach activity. To encourage outreach to schools on an institutional basis would result in some schools being bombarded with well-meaning initiatives.'
4. 'The rural issue must be given proper consideration. Rural poverty is not identified because the "neighbourhood areas" disguise these small pockets of low participation.'

Working with schools and FECs and local communities

Schools: identifying the problems

5. 'Expansion has to come down to FECs and schools. The most difficult question will be how do you incentivise schools to make this mutually beneficial relationship.'
6. 'Many FECs and some HEIs (often in partnership with local FECs) do already work with schools, but reduced funding is resulting in reduced activity in this area. It is an expensive activity and a long-term investment – the returns of which may not be received by the institutions that are investing in the projects.'
7. 'The money needs to be put directly into the schools along with a nationwide commitment to putting aspiration-building onto the school's agenda – both primary and secondary. Ad hoc involvement from the HE sector is not going to have the level of effect that is required in a large number of schools across the country. The FE and HE sectors need to be fully involved with this approach, but the money should go into the schools who are already swamped with targets whilst being under-resourced.'
8. 'The problem with HE taking the lead in terms of aspiration-building and motivation, is capacity. There are too many schools for HEIs to target effectively – this would cause particular problems in rural areas for example.'
9. 'We are just one institution and do not have the capacity to work with every child in the region. The most effective use of our resources has been to work with the teachers of these

children. We have had a much greater impact through re-motivating and fully informing the teachers who we have found to have a very significant influence over the pupils.'

10. 'IES research shows that the main source of information for university is a student's teacher. Research also shows that many teachers have low aspirations for their students - even at primary school.'

11. 'Those not staying on in education with level 2 qualifications at 16, are not leaving because of a lack of aspiration – they are leaving because they hate school. It is a disinterest in school that you have to tackle. They are not taking any level 3 qualifications because they have decided they hate education.'

School: the suggested solutions

12. 'Aspiration raising must be put onto the school's agenda. Joined up policy making across the DfES is required.'

13. 'Better information needs to be made available to students, parents and communities. Again this is something that should not be done only on an ad hoc basis, but should be embedded in part of a national approach towards raising aspirations at all levels.'

14. 'Many teachers had a very traditional conception of HE and going to university, and many considered it still to be for the elite few. Whether directly or indirectly, they were passing the message to many of their students that 'HE is not for you'. Changing their awareness of the variety of courses and methods of learning available, as well as the sort of pupils that can succeed at university, changed their perspectives and had a significant influence on the messages they were sending on to their pupils.'

15. 'Summer schools were a bit hit and miss with their success. What is really needed to turn things around is:

- a. More space in the school timetable for self-development and aspiration building.
- b. More personnel in the schools that are involved with these activities.
- c. More satisfaction of learning – more enjoyment of learning. The attitude of many school children towards learning is very negative. They simply want to get out of education as soon as they can. In the majority of cases, these same children are enjoying learning new skills, new information, and new technologies every day, but this is not reflected on and not associated with any enjoyment of learning.'

16. 'The shortage of demand for specific subjects is very strongly influenced by the very poor supply of high quality teachers in these subject areas. Some consideration of a subject-differentiated approach might be looked at.'

17. 'We have had considerable success with Associate School Schemes where we work to raise the aspirations of 11 year olds and their families. It is a long-term programmes and we have offered many students guaranteed or alternative entry requirements. In the vast

majority of cases, these were not needed because we found that achievement rose in line with aspiration.'

18. 'It is often in primary schools where aspirations don't exist already. It is up to the Government to promote a national effort to raise aspirations in deprived areas. The die is cast at a much younger age than is sometimes assumed.'

FE: identifying the problems

19. 'There is a problem with HE being traditionally very separated from the rest of the education system. It needs to make more bridges with the FE sector.'

20. 'Many FE colleges already have very strong links with deprived areas in their locality. These exist already. Any new policies aimed at creating these type of links on a more systematic basis across the country, must not impede the good work that is already being done. There is a great deal to be learnt from existing activity and policy makers should be sure they are fully informed before they start embarking on new initiatives.'

21. 'The A-level qualification has a class dimension to it. Those from low social classes tend to take GNVQ qualifications, therefore are less well prepared for the traditional HE experience. If you take account of qualifications achieved at level 2, is there still a class dimension to A-levels or is it that the higher achievers take A-levels? For this and for many other reasons, we must at last consider a British baccalaureate.'

22. 'It is essential to look at the issue of curriculum – how HE matches (or doesn't match) with FE and schools curriculums, and whether methods of delivery are appropriate or can be innovated / improved to suit more diverse students.'

23. 'The demand side for WP is extremely difficult. What is frustrating for the sector is that initiatives are set by people who know nothing about what is going on in FE and schools.'

24. 'Curriculum 2000 was a well meaning attempt to broaden post-16 qualifications, but unfortunately, dynamics in the system have inhibited openness at this level. HE is still too great an influence on exams and the type of curriculum that is offered. If you look at Scotland and the US, they have a different conception of the starting level of HE.'

25. 'There are a continually high percentage of students with vocational level 3 qualifications that do not complete or do not progress on to HE. These students are as important, in terms of potential sources of demand for HE, as those students with level 2 qualifications at 16 that do not stay on to take any level 3 qualification.'

26. 'There is a danger involved in interpreting the recent past as the future. If future growth is to be achieved, it will have to be of a new type of student with non-traditional qualifications. 80 per cent of students with no A-level qualifications continuing after their first year, is a success story.'

FE: the suggested solutions

27. 'We need to change the image of 'local' HEIs. The attitude that they are 'not worth going to' is very worrying. Rates of returns for graduates remain significant. The returns of students with strong community/family ties that study locally and then go on to work in the local economy need researching further. If an increased rates of return is identified, it can then be used with conviction to raise aspirations.'
28. 'Students from lower socio-economic groups value economic returns more highly than those from higher groups, for whom the decision about going into HE is more of a lifestyle choice.'
29. 'Graduate wage premiums have sustained on average, but not enough significance is attached to the differences between types of graduates. Graduates from lower social classes, mature graduates, female graduates, graduates with lower qualifications on entry, and graduates from ethnic minority groups get lower returns than other graduates. There are other signals coming from the employer as well in terms of value and promotion. The effect that these differences are having on demand for HE from diverse students needs properly investigating.'
30. 'The challenge is to find intellectually able people who don't have HE qualifications, to contribute to their motivation, and then to provide appropriate routes, flexibility, and support so these students can succeed.'
31. 'There are still deprived areas where post-16 provision doesn't exist within the local area. The LSC however, is a planning body and is undertaking area inspections so that where lack of provision is identified, it can do something to change this.'
32. 'We have been promised "Joined-up Government". This is something that is clearly required, but in reality is not yet taking place.
- a. The LSC has developed very clear key objectives and targets for its operation. Access and progression to HE is currently not a part of these key objectives or targets, and it is essential that it become one of them.
 - b. There is £2.5 billion being spent on Neighbourhood Renewal projects, but what impact is this having in HE? Like the LSC, the Neighbourhood Renewal Unit should put access to HE on its agenda.'
33. 'Local provision is essential to WP and yet HE in FE is often overlooked as a serious option. Why? FECs can work with HEIs to offer courses such as Foundation Degrees so that those FE students that wouldn't go to an HEI can study HE courses within an FEC.'
34. 'The HE sector could be involved in the FE curriculum where appropriate, to a much greater degree than it is at present. A two year FE, two year HE programme, where the HEI was heavily involved in the FE curriculum would make the step to HE a great deal easier for many students. At present this could only be funded through the limited resources with the 5

per cent postcode premium. This kind of innovative activity is not being taken up because the funding is not available within the HEI to run such projects.'

35. 'One solution is to start the HE course in an FEC for two years, and then complete in an HEI. The problem is that provision and planning are not related to a generic progression route through to HE. There is a great deal more potential for HE to take a much larger role in planning at the FE level.'

36. 'HEIs should be encouraged more to work with FECs. The FE sector is bubbling with ideas and it is essential that the FE sector have a direct contribution with any outreach work.'

37. 'Where are we on the post-16 curriculum? Curriculum 2000 was well intended but did not provide the radical change required. It is tinkering with a system that was developed 50 years ago for 10 per cent of students. If A-levels were removed and a new modern system introduced, it could have very dramatic effects on staying-on rates. We seem to be tied to our 'gold standard' of A-levels, but is it not time to accept that we need a British baccalaureate?'

38. 'More careers advice is needed in schools, colleges, and HEIs.'

Local community: identifying the problems

39. 'We cannot tackle WP by taking an institution by institution approach. We need to take a neighbourhood or regional approach. We need to know how they relate collectively within an area. National schemes are parachuted down on very uneven playing fields and this is not helpful. We do not necessarily want to respond to WP in the way it is being forced on us.'

40. 'We need to tackle the diminished status of new universities. There is a raft of assumptions made about these institutions and these are reinforced by the attitude of DfES officials and the press. The impact of these perceptions is a very salient issue if you wish to increase demand for HE.'

41. 'At entry to HE, it is perceived that A-levels are still the filtering mechanism for HE. Furthermore, a perceived hierarchy of institutions is still the employer's filter for the potential of graduates.'

Local community: the suggested solutions

42. 'It is important for HEIs to become more involved in their local communities – provide open access to facilities and contribute to local issues. Local awareness as well as access must be improved.'

43. Some were in favour of a national campaign to raise aspirations and raise the profile of HE, but others were sceptical of a national approach and thought that local campaigns

were more effective. It would seem that neither offer a complete solution and some sort of combined approach using national and local targeting is required.

Stimulating demand in the workplace

44. 'This would require a new approach – a new interpretation of part-time study. This area of potential demand could make up a considerable contribution towards the 50 per cent target.'

45. 'We need to increase the opportunities available to those in work already – not just to 16-19 year olds in schools and FECs. Improving retention and attainment at a young age is essential, but so is increasing the opportunities to those in work already. We must not forget that.'

46. 'There are 3 million people with level 3 qualifications that don't go into HE. The majority of these have BTEC qualifications. People stay-on in school to put off making a decision about what they're going to do. A BTEC is a popular choice because it leaves both doors open to either work or continue studying. The problem is that there is little targeting of these students by the HE sector.'

Part-time provision

47. 'Where there has been success in increasing part-time numbers, it has been a result of greatly improving market intelligence of the local community and economy, and of very targeted provision as a result.'

48. 'Part-time provision requires a great deal of marketing which is very costly. It is also very sensitive to the labour market.'

49. 'We need to move away from the traditional conception of part-time provision. We need to take a more innovative, market orientated, demand focused approach.'

50. 'Research undertaken by individual HEIs has shown the extent to which full-time students are now working an increasing number of hours. A large civic university has found that over two-thirds of its students work more than 20 hours a week, and some work more than 30 hours a week. These students are having to study on a part-time basis and are not competing on equal terms with those who can afford not to have to work. Some HEIs will need to adapt their provision to take account of the need to work as well as study.'

Mature students

51. 'Many FECs cited examples of very capable mature students who they had encouraged to continue on to HE, but once they had entered HE that student had discovered that the HE sector is not geared towards the needs of the mature student in the same way that many parts of the FE sector are. Many students would enrol, but then drop out within the first term. Timetables were the biggest problems, as well as terms not matching school

holidays for those with children. The FE sector has changed a great deal to cope with the needs of mature students, and the HE sector could learn a great deal from many of their practices. It needs to change if it is going to increase the number of mature students.'

Additional comments

52. 'There are a wide range of factors affecting student choices and demand for HE. We do not have enough intelligence on this at present. It is a cultural and perceptual question and is not just about economic determinants. We need to understand the problem in a lot more detail before we attempt to answer it.'

53. 'More often than not, these non-traditional students just don't apply. It is not a question of access discrimination, it is more a problem of aspiration building. HE is being asked to cover up this problem through mentoring and summer schools to raise attainment and therefore aspirations, but let's not forget where the real problem lies. Getting good science teachers into schools and sixth forms is the biggest problem for our recruitment in the medium to long term.'

54. 'A contributing factor to the improvement of staying on rates in the early 1990s that has been overlooked in this paper is the effect of the changes that were made during this time to the social security arrangements. The age at which welfare support was available was increased and benefits for those that stayed in full-time education were improved. Those that stayed on post-16 were not necessarily making a positive choice to continue in education because of their achievement at GCSE level; they may also have been influenced in terms of making a negative choice to stay on in full-time education rather than face the financial alternative. If this proves to be more significant than the introduction of GCSEs, it would have quite different consequences in terms of future policy development to increase participation. It would suggest that the most effective policy might be to make further changes to the social security system to make it more financially beneficial to the student and their family if they are to stay in full-time education post-16.'

Annex D

The economy

1. 'There is research available that suggests that closing the skills gap between us and some other OECD countries such as the US and Germany, is not going to solve the more serious problem of the existing productivity gap between us and these same countries.'
2. 'We have to consider whether the economy needs more level 4 qualifiers. We can ask employers to give signals, but if they don't require higher level skills then the signals won't be there. Many people leave with level 3 qualifications because of the labour market. If every person with level 3 skills goes on to achieve level 4 qualifications then what will happen to the labour market supply of intermediate level skills? The National Skills Task Force concluded that intermediate level skills were one of the main areas of skill shortage, not higher level skills.'
3. 'It is a target for 50 per cent of people under 30 to have had an experience of HE – not necessarily to have gone to university in the traditional sense. This could be through work-based training, through learning in the work place. Either way, we need to look closely at the skills requirement of the economy.'
4. 'Research into the service industry demonstrated that although the service industry requires graduates for their analytical skills, it is currently the case that many employers need skills at levels 2 and 3. The service industry doesn't need what the government thinks it should provide.'
5. 'Employers are the most needed contributors, but the most difficult to get on board to help recruit graduates. To get national momentum fully behind the target and to enable HEIs get employers on board, the Government really needs to make a much stronger case for the economic need for this number of graduates.'
6. 'Employment prospects are a critical factor on demand for HE. Funding levers skew the sector's response to the economy and to employers. The partnership that is needed is with employers. WP and HEROBAC (an initiative to improve links between HE and business) are two sides of the same coin. The skills and the WP agenda are the same agenda and should be linked more effectively. The perception of potential students of the demand for graduate skills is not perfect, but it's not bad. The HE sector will have to promote the demand for graduate skills amongst employers because it doesn't seem that it is happening without intervention.'

Annex E

Student finance arrangements

1. Student finance arrangements are not within the HEFCE's scope of influence. However, they were continually brought up in feedback from the sector in relation to student demand. The general opinion was that you cannot address the issue of demand without addressing student finance arrangements.
2. It was widely recognised that the return of some form of financial support that is guaranteed up front for the full duration of study is required if demand for HE is to increase from students from poor backgrounds.
3. It was also recognised that tuition fees should not, in theory, be a restriction on demand for HE from students from poor backgrounds because they are means tested. The only reason tuition fees might be having an effect on demand from these students is because it is not widely known or understood among many groups with a history of low-participation, that tuition fees are means tested.
4. Can demand be stimulated through provision of grants? How successful have Educational Maintenance Allowances (EMAs) been? Feedback from the FE sector at consultation seminars was mixed. EMAs had increased participation at first, but this rate of increase has now levelled off. It was thought that the provision of grants on their own would not make a significant difference to demand for HE from students from poor backgrounds, but that they are a necessary part of any attempt to stimulate demand from these groups of students.
5. There was widespread agreement that Opportunity Bursaries and Hardship Funds need to be more sophisticated in the distribution of funds available between different HEIs. At present, some HEIs are struggling to find enough eligible students to be able to distribute their full allocation, while other HEIs are having to share out funds among a much larger number of eligible students.

Further comments

6. 'When considering the effects of student finance arrangements on demand, it is meaningless to say that there has been no drop-off in participation of a group that are so under-represented in HE. There is no evidence of drop-off because the students aren't there – the proportion of students from diverse backgrounds hasn't reduced because it never increased, despite high levels of overall growth in the 1990s. Furthermore, there is no way of measuring what demand might have been if student finance arrangements hadn't changed. So saying that there has been no drop-off really proves nothing with regard to the effect that changes have had on demand for HE.'

7. 'Another reason why the statistics cannot be relied upon is because the impact has been upon the perception of student finance arrangements. A delay in response does not mean there has been no effect.'
8. 'Give the funding directly to the students. Continue the success of EMAs and bring back grants to ensure that financial support is guaranteed to follow the student through his/her education. Joined-up policies are required.'
9. 'Students are very influenced by the lack of grant. It does affect demand among some groups of potential students.'
10. 'Student debt is affecting aspiration at lower levels of education.'
11. 'Mature students especially are very affected by financial arrangements.'
12. 'Financial circumstances affect retention as well as demand for HE.'

Annex F

Further comments on HEFCE's planning role

Comments on the MaSN

1. 'The funding model has attempted, quite rightly, to improve stability in the sector. The MaSN was a knee-jerk reaction to concerns of over-expenditure. If the sector had just been subject to the +/- 5 per cent tolerance band then changes would have been a lot smoother.'
2. 'Some people seem to see the removal of the MaSN as a major step towards the 50 per cent participation target, which is very concerning. It implies that they have not understood the real constraint on growth, which is a current lack of growth in demand for HE. We have examined the possible results of the removal of the MaSN for our institution, and one of the most likely outcomes is that we will have to consider downsizing.'
3. 'The capping of popular institutions is only an issue because of the current mismatch between supply and demand of numbers. The allocation of additional student numbers is based on government policy, and not on actual supply. If the supply of places expanded in line with actual growth in demand, rather than with aspiration targets, then the +/- 5 per cent tolerance band would control the rest. The real problem is that this is not what the Government wishes to hear. "We want to expand slowly and gradually in line with demand trends" would not sound good coming from HEFCE, considering the current political climate.'

Comments on part a – HEFCE should not take on a central planning role

4. 'Those with experience of attempting to plan such things on a large scale, gave the advice that it should not be attempted, because central planners inevitably get things wrong whereas market forces tend to be far more sophisticated.'
5. 'The problem with central planning is that is necessarily supply-based, and obscuring the effects of student choice in HE will drive institutions towards becoming less rather than more influenced by demand. Success for institutions is about understanding their market and intelligent management.'
6. 'The focus has historically been on supply and institutions. But we need to turn our focus to demand and understand student demand far better. HEFCE would find it difficult to plan the sector anyway, because of its relationship with the government, and because the government doesn't own the sector. HEFCE needs to differentiate more not less.'
7. 'To justify intervening, the HEFCE would need to know exactly what activity to promote, through which institutions, and exactly what support was required to increase and widen participation. In light of the fact that HEFCE, indeed the sector, still does not know the answer to many of these questions, and still relies on generalisations when discussing these topics, then it would not be appropriate for HEFCE to attempt to intervene. You should not

attempt to plan until you are in possession of expertise and a great deal more research is required before the sector can claim to be in this position.'

Comment on part b – HEFCE should maintain the controls that do exist

8. 'When overall demand is relatively static, the +/- 5 per cent margin should continue to manage the market because otherwise the growth that will occur of a few fashionable HEIs will result in the sector losing all sorts of investments, resources and provision. This is different in periods of growth, but realistically at the moment we are not in that situation. We should not even be considering a more open market until growth resumes.'

9. 'There was strong recognition that redistribution of students to more popular institutions, can result in the closure of some subjects at other institutions and therefore possibly the loss of access for local students.'

10. 'It's a case of free student choice possibly restricting the choices for other students. It's a question of which students you prioritise. The real question we are asking is should the choices of full-time undergraduates be able to determine the shape of the sector?'

11. 'It was suggested that the part-time market should be made a lot freer and that the +/- 5 per cent margin should not apply to part-time provision, while the full-time market is controlled and planned in a non-expanding situation so that redistribution is prevented.'

Comment on part c – more intelligent use should be made of existing funding levers

Allocation of additional student numbers (ASNs)

12. 'If overall demand is static then do not issue ASNs. ASNs should certainly only be allocated to the level of net projected increase in demand as the report suggests.'

13. 'If national demand can be considered in ASN allocation as the report suggests, then perhaps regional or local demand levels can be considered as well.'

14. 'When allocating ASNs, make a WP focus a necessity, not just an advantage in some cases. That way you can be more certain that growth is genuine growth rather than just displacement.'

Use of Restructuring and Collaboration Fund (R&C Fund)

15. 'If you try and run a system as large and diverse as this from the centre you will get it wrong. HEFCE should continue to just set the parameters and then come in with R&C money to help HEIs to reposition themselves when required.'

16. 'HEFCE should be more careful with its allocation of the R&C Fund. Misuse of these funds is when they are used to prop up or bolster provision in one place that results in lack of

recruitment 2 miles away. In the distribution of funds, HEFCE should take more consideration of local or regional levels of demand.'

17. 'Support for restructuring and collaboration does exist but it is being allocated on a very ad hoc basis. Various collaborative links have been set up between pockets of HE and FE, but nothing exists that can bring them together. Duplication of networks is also becoming an increasing problem. Setting up these collaborative networks is extremely time-consuming and expensive. The funding and organisation need to be put in place to drive this forward more quickly.'

Other comments

18. 'Some HEIs are infinitely better positioned to carry out effective outreach and expansion work, but it is difficult to operate and reward genuine diversity within one funding model.'

19. 'There needs to be more collaboration and joint planning done by the HEFCE and LSC.'

20. 'Many WP students and mature students choose not to travel far. The implications are that local provision matters more than the maintenance of particular HEIs. The problem is that this is unpalatable for many HEIs.'

21. 'The majority of HEIs would agree that some rationalisation could be achieved in the sector, but we must ensure that provision and access are maintained.'

Regional planning

22. 'The danger of central planning is that it pushes you into sub-regional groups that are not suitable. It is important that HEFCE allows institutions the freedom to take different approaches and types of partnerships depending on their circumstances. HEFCE's role in terms of regional planning should be to facilitate this level of planning to bring HE and FE together more constructively at this level.'

23. 'As a result of limited resources, we have to make rational choices to improve our institutional and financial health. Current funding methods are such that the growth of our own institution is of primary importance to our strategic planning – growth of overall student numbers on a local, regional or national level is not however. In order to generate new demand for HE, it would be sensible for the Funding Council to find a way of making it in our interest to consider regional and local levels of demand so that we work more closely with other local providers towards regional growth targets rather than individual institutional targets.'

24. 'A better understanding of the demand is needed by 'planners'. This is the danger of central planning. For example, two HEIs in the same city attempted to merge their

engineering departments and discovered that neither set of students were willing to transfer to the other institution because both the students and the engineering departments were so completely different in ways which were irreconcilable.'

Subject planning

25. 'In terms of the demand for individual subjects, there is an increasing need for central planning or at least intervention to help manage decline in some areas, and to protect some subject areas. The national need for qualified graduates in certain subjects is not always reflected by popularity in student demand. However, this is primarily a problem of lack of demand, and the role of HEFCE in the possible control of supply levers, would have limited effect on the real underlying problem.'

Annex G

Funding

The Teaching funding model

1. 'The solution does not lie in yet another initiative, but instead requires the HEFCE to re-examine the principles on which their funding model is based.'
2. 'HEFCE needs to think outside the box. Forget the teaching model for now and consider its funding principles. Re-define these and the funding model will follow to address concerns.'
3. 'We're asking the questions in terms of the popular and traditional HEIs. HEIs that do not fit the 'norm' model should not be penalised. It's not about protection from market influences, but about giving WP-focused institutions the means to be able to increase their supply from non-traditional students.'
4. 'The sector still starts from the position of a three year full-time student and tries to fit everything around this assumption. We have to now focus on potential demand. The structure of HE must be more like FE. We do not need more of the same – we need to move away from what is familiar to us in the HE sector. We have to look at a new type of demand and change the funding model to better suit this demand. The funding model must reflect the aspirations of individuals not institutions. First step is to research what their needs and wants are – curriculum, social, financial. This should be the starting block, not initiatives first and research later. We need R&D to understand their motivations.'
5. 'There are funding incentives that exist but are they the right ones? For example, the aspiration premium essentially gave the most popular institutions a considerable amount of money (a quarter of total WP funding) to take students that would have attended other institutions. Aspiration raising at this level is an important part of WP, but the priority it was perceived to be given above the aspiration raising of those students who would normally not consider HE, gave mixed signals to the sector and possibly contradictory signals to the supposed priority of the 50 per cent participation target. Being introduced at a time of relatively static overall demand, did nothing to help the perceived value of those institutions that were under-recruiting either.'

The WP premium

6. There was agreement across all parts of the sector that the WP premium needs increasing to meet associated costs of outreach and retention.
7. 'If you substantially increase the postcode premium along the lines of the select committee's recommendations, then all of the WP activity you want to flourish would - there is no need for the HEFCE to attempt to plan this from the centre.'

8. There was unanimous support to move away from the postcode premium towards an allocation method of the WP premium that more accurately reflects costs such as previous level of attainment.
9. 'Give a WP premium to those that practise WP as their main focus – don't spread the money around too thinly. It is not appropriate to distribute limited WP funds to all HEIs.'
10. 'There is lots of good practice in terms of outreach, but it is expensive, it has only scratched the surface so far, and its success is very difficult to measure. Existing funding is minimal, and to have a significant impact, resources would have to be greatly increased. This should not be done through a competitive mechanism (i.e. through bidding) but should be for all.'
11. 'Make the 5 per cent premium a 25 per cent premium and it might start to actually incentivise such activity.'
12. 'There is clear evidence that mobility is affected by economic means. Therefore local provision and coverage is an essential part of WP. Many WP focused institutions have seen their incomes reduce, and they are forced to trim down to core activity in many areas. This does not fit well with the WP agenda. The premium for WP is too low and the unit of resource is also too low.'
13. 'If WP is as much a policy priority as research then why not fund them the same way? Fund first class student support in the way that first class research is funded and put some serious money behind it. Despite what is said, the message that comes through the funding of HE is that HEFCE does not prioritise WP above any other activity. HEFCE admits that the premiums are a partial contribution towards additional costs – this is not a clear signal that WP is a priority activity. This results in WP activity being marginalised within institutions.'
14. 'Outreach funding should be concentrated to those institutions who make it their focus. Resources have to be concentrated if they are going to have an impact. The problem with spreading a little money thinly is that all institutions will play, those doing it well will do it at their own expense, and those failing to do a good job don't have the additional costs. What is needed is a great deal more WP funding that is directed to a limited number of institutions. It was recognised that to increase the premium and allocate it through a more accurate measure of cost, would result in an increased selectivity of this funding.'
15. 'Long-term aspiration work is likely to have little effect on the intake of the institution that funds the outreach, and rightly so. The problem with targets is that outcome measures are in terms of the outcome to your HEI and this is not helpful. Targets must not be at an individual HEI basis. More intelligent targets can be used, for example, if we work with a school with a low rate of entry into HE and improve the rate of entry to HE for that school, then that is a measure of the success of our involvement. This type of information would also help us target our outreach work as well.'

The additional costs of WP activity

16. 'Funding these additional costs of retaining less well prepared students, is directly related to increasing demand for HE, because it would remove an existing disincentive to recruit.'
17. 'These additional costs in terms of retention and student success are not related to the social class of the student. The additional costs are a result of the preparedness for HE – therefore best identified through pre-entry qualifications. The funding model should be able to consider this.'
18. 'The sector needs to provide evidence that additional money for WP has resulted in improved success rates by the students: that additional funding will bring results. The LSC has done some research about the additional costs of outreach activity and retention of less well prepared students which the HEFCE might find useful. Learn the costs of WP from those that do it.'
19. There was a strong message from WP-focused institutions that they didn't want 'protecting' from market forces, but they did want to be properly funded for the costs that they incur. Those institutions that are effective in widening participation are working to generate their own new demand, but this is costly and it is a long term investment.
20. 'The full costs of outreach and retention of non-traditional students must be met. The sector should no longer marginalise this activity – marketing costs, costs of maintaining diverse provision, the higher levels of support that are required. If it is said to be a priority for the sector, then this must be reflected in HEFCE's funding.'
21. There was general agreement that the full costs of part-time provision are not being met by HEFCE and that under-funding does not inspire providers to provide.
22. 'Expansion must involve consideration of retention and the cost of success is high when the intake of students is broad. It is not inevitable that less well prepared students will drop-out, it is just more expensive to ensure that they do not. Where there is good practice there is expenditure.'
23. 'Many HEIs have found that it is not financially viable for them to concentrate further efforts on widening participation. They continue to feel a moral obligation which has driven activity for over 30 years, but it simply does not make financial sense for the health of their institution.'

Streamlining of WP funding

24. 'There are 15 different sources of WP money coming in. This is not helpful. The money is welcome but HEFCE needs to co-ordinate its approach, identify best practice, and start providing the required level of investment to meet costs in this area.'

25. 'Summer schools don't work as well in a rural context but equal investment is needed. The HEFCE should rationalise its funding so that regional outreach organisers can use the money as they know to be most effective.'

26. 'Links with schools exist already. These networks should not be duplicated by new initiatives, but funded appropriately so that existing good practice can flourish.'

27. 'Output measure are not helpful. Instead institutions should be funded to work in sub-regional consortia.'