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How will the Ending of Student Number Controls Affect Higher Vocational Education?

In December 2013, the Chancellor of the Exchequer announced in the House of Commons that higher education (HE) institutions will be free to recruit as many students as they wish. When that happens, the Coalition will become the first government to implement the principle enshrined in the Robbins report of 1963 that 'courses of higher education should be available for all those who are qualified by ability and attainment to pursue them and who wish to do so'.

The small print reveals the Coalition expect this commitment to mean an extra 30,000 entrants in the coming academic year and an extra 60,000 each year thereafter. That will roughly mean a 20% increase in the number of full-time first-degree students. It is the Treasury's best estimate and double the figure for untapped demand included in the 2010 Browne report. But it is a guess-timate and no one knows if it will prove accurate. Indeed, when Australia removed their number controls a couple of years ago, they were taken aback by the level of demand unleashed: there were far more enrolments than the government had expected.

Many people have said the Chancellor's announcement was a bolt from the blue. Unlike numerous other official announcements of a similar magnitude, it was not leaked – nor pre-briefed – before the Chancellor stood up to make it a key feature of his autumn statement. There had been no prior consultation with the sector and research-heavy institutions have since expressed a fear the science budget could pay the price. Ministers meanwhile claim the costs can be covered – at least in the short term – by selling off more student loans, although their figures on this have been challenged.

Whatever the whys and wherefores of these debates, which will continue to run back and forth, we should be clear about one thing. More places will mean more high-level skills, more social mobility and, because there will be more competition between institutions, a greater focus on the quality of higher education. When places were tightly constrained, there were fewer people with higher-level skills than there might have been, less competition between institutions and a crowding out of under-represented groups. In Australia, one effect of removing number controls was a blurring of the line separating 'selective' institutions from 'recruiting' institutions: it's a world with more competition in which institutions are free to grab as many students as they can and the overwhelming majority of providers have ended up as 'recruiting' organisations.

The removal of number controls was announced on my final day as a special adviser to the Universities and Science Minister, David Willetts MP. I am proud of being a minor player in the team that put the policy together, as admissions need no longer be a zero-sum game for institutions in which every accepted applicant counts against a fixed total. But the fact that the policy was kept under wraps until the last minute reflects not only the secrecy with which it was prepared; it also reflects the fact that the package was put together at speed, with a limited amount of underlying analysis. That doesn't mean it was picked off a dusty shelf just to spice up the autumn statement: it was firmly in tune with the Government's stated policy, as outlined in the higher education white paper of 2011, of liberalising more higher education places each year.

But the fact remains that the policy is a rather bare vessel. There are three important known

unknowns. First, numbers. England has roughly double the population of Australia and the removal of number controls here also theoretically opens up our institutions to people resident across the European Union. Yet the official predictions assume a demand-led system will produce roughly the same number of extra students as it did in Australia. What if that turns out to be an under-estimate? Will the extra students that have not been budgeted for be shut out (in which case it won't really be the end of number controls) or will they have to be self-funded to enrol? Conveniently, the problem is unlikely to arise this side of the 2015 general election, but that doesn't lessen its importance.

Secondly, quality. Some providers, including relatively new entrants, will look for considerable expansion in the number of students they educate. What might that mean for the quality of higher education? We simply do not know which levers will be pulled to ensure there is no unreasonable diminution of quality when the influx happens. How do you avoid a "pile 'em high, sell 'em cheap" approach? Cheaper forms of higher education are not in themselves a bad thing and we might see greater price variation in a more competitive environment. But many of the students newly able to enter higher education will face additional barriers to learning and these are rarely cheap to tackle successfully.

Thirdly, practicalities. Despite the Coalition's quango cull, there are a multiplicity of bodies involved with regulating higher education. In a newly liberalised world, what additional tasks will be expected of the Higher Education Funding Council for England (HEFCE), the Quality Assurance Agency, the Student Loans Company and others? Will the boundary between the Skills Funding Agency and HEFCE remain the same? In my first Higher Education Policy Institute (HEPI) pamphlet, published in February 2014, I listed eight pinch points in the current system that could come to look even more anomalous as the whole sector grows and as the wait for a new legal framework for higher education continues.

We also do not know much about whether providers and certain disciplines will be treated differently to others. The spin suggested just one system. For example, alternative providers are included in the decision to remove the numbers cap. Yet ministers recently clamped down hard by ending in-year recruitment at a number of private providers offering Higher National Certificates and Higher National Diplomas that were expanding worryingly fast. So it would be odd if such institutions were now to benefit fully from the new liberalisation. Moreover, it is pretty clear that the extra places will not cover some of the most competitive courses, such as medicine, because they are so incredibly expensive to teach.

The end of number controls will make little difference to the top end of the Russell Group: Oxbridge displays no desire to expand their undergraduate numbers and other older universities were effectively freed from number controls a couple of years ago when the Coalition introduced their AAB policy. But it provides a very significant opportunity, as well as a threat, for higher vocational education. In particular, it could mark a rejuvenation of higher education in further education colleges (FE in HE) and a step towards a more coherent FE/HE system. When there are no restrictions on the number of places, there are fewer barriers against the sort of local higher education provision FE colleges can provide and the new students enticed into the system may particularly value the focus on teaching, the local roots and the value-for-money that characterise colleges. In the absence of fines for over-recruitment, the stories of recent years about universities snaffling back places that had previously been offered to their partner FE colleges should become a thing of the past.

Just as importantly, the new policy may offer an opportunity for colleges to offer more pathway courses. The Australian experience saw an unexpected increase in new stepping-stones from vocational providers to traditional universities. Unsurprisingly, the extra students newly attracted to Australian universities typically have a poorer record of

past academic achievement than other students, as well as a relatively higher non-continuation rate. But those who make use of good pathway courses have proved to be more sticky than those that don't.

So what are the threats for colleges? First, a wave of new private providers could challenge them. These could be better resourced, more nimble and more focussed on grabbing new opportunities than well-established colleges with lengthy internal processes and a variety of purposes. Secondly, the alternatives to traditional higher education offered by colleges could suffer reputational damage if higher education is not only the norm for the middle class but the new norm for a majority of young people – the Osborne / Willetts expansion will take England far beyond Tony Blair's target of half of all young people securing some experience of higher education and way beyond some competitor nations, such as Germany. Thirdly, employers could be encouraged to cultivate deeper links with universities and new providers at the expense of colleges when the headroom is created for new courses to start. Fourthly, the necessary backstops to ensure the policy does not backfire could affect different types of institutions differently. Until we know what the backstops are, we won't know if this could disproportionately affect FE colleges. Fifthly, those designing the details of the new system could prove more receptive to the lobbying of the traditional university sector than the FE sector.

The only certainty is that both HE in FE and traditional HE, as well as the interface between them, will be transformed in coming years. Students are likely to benefit as choice and competition change, hopefully improve what is on offer. Within the constraints imposed by the Government and HEFCE, it is now up to institutions to determine precisely what the future higher vocational sector will look like. Prospective students and institutions of all types both currently have the ball at their feet.