
HIGHER EDUCATION IN FURTHER EDUCATION COLLEGES

OUTCOME OF CONSULTATION

5 October 2004

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To: Heads of further and higher education institutions in Wales

Summary: This circular summarises the responses to the consultation undertaken earlier this year on possible future arrangements for the delivery of higher education in further education colleges. It also sets out the initial decisions taken by the Council following the consultation.

Response by: No response required

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INTRODUCTION

- 1 This circular summarises the responses to the consultation undertaken earlier this year on possible future arrangements for the delivery of higher education (HE) in further education (FE) colleges (Circular W04/17HE). It also sets out the initial decisions taken by the Council following the consultation.

BACKGROUND

- 2 The consultation followed an evaluation of relations between higher education institutions (HEIs) and further education colleges (FECs) in Wales undertaken by KPMG during 2003 on behalf of the Council. KPMG had been asked in particular to consider, and make recommendations on, HE offered in FECs and the partnerships which operate between higher and further education institutions for the delivery of that provision
- 3 A main conclusion of the KPMG report was that any future expansion of HE in FE should be undertaken through franchising from HEIs rather than direct funding to FE colleges by the Council. The basis for this conclusion broadly derived from the level of support which the HE institution could provide to the FEC under franchise arrangements and the benefits to the student in terms of access to the facilities of the HEI and potential progression arrangements.
- 4 The report concluded that there was potential for greater focus on local partnerships. It recommended that collaborative arrangements between FECs and their local HEI should be encouraged, but not to the extent that they reduced student choice or jeopardised effective working relationships. The report also suggested that in some circumstances a centre of excellence model might be appropriate, whereby one HEI acted as the centre of excellence throughout Wales for the franchising of a specific curriculum area.
- 5 Another topic addressed in the consultation was the preparation of guidance on institutional agreements for the delivery of HE in FE. The KPMG report identified issues such as: arrangements between institutions providing an acceptable degree of security to the HEI and the FEC; greater transparency so that FECs could compare the services they received from an HEI with the costs involved; and a concept of a fair level of funding to be retained by the HEI.
- 6 The full consultation questions are set out in Annex A. As there was some overlap in the responses made under the different questions, they have been summarised under broad headings below.

CONSULTATION RESPONSES

- 7 Twenty responses were received, 12 from HEIs, six from FE colleges, and from Fforwm (the FE representative body in Wales), and the National Union of Students in Wales. A full list of respondents is in Annex A.
- 8 As might be expected, responses varied according to the circumstances, experiences and aspirations of the institutions concerned. Thus, for HEIs, responses were influenced to some extent by the existing nature and geographical patterns of their current franchise links, and for FE colleges by their perception of the relative merits of delivering HE through franchise or direct funding.

Franchise versus direct funding

- 9 HEIs supported franchise provision rather than direct funding to FECs, emphasising particularly the benefits in terms of integration with the HE partner's quality assurances processes. On the whole, there was stronger support for direct-funding from FECs,

because of the financial advantages and greater control this gave them. Some felt a transfer to franchise could be acceptable provided that funding mechanisms were transparent and fair.

- 10 Some respondents considered that directly-funded provision at FECs was in a stronger position where there was a history of delivery and a significant volume of provision. Concerns were expressed about the vulnerability of smaller pockets of directly-funded provision, particularly if any future expansion was through franchise arrangements. Where direct funding existed, some respondents supported the strengthening of the partnership arrangements with HEIs.
- 11 There was general agreement that FECs should have the option to transfer directly-funded provision to franchise if they wished, if, in future, growth was primarily to be directed through franchise. This should be phased over a reasonable period and some respondents indicated that the choice of franchise partner should rest with the FEC.

Guidance to improve transparency, fairness and security of franchise arrangements.

- 12 There was substantial support for the provision of guidance, with some variation in views on its precise scope. While some emphasised that guidance should not be mandatory or over-bureaucratic, there was also a view that there should be a code of practice setting minimum standards. Both HEIs and FECs were concerned that their respective roles and the costs of these should be fairly recognised. Some respondents noted their willingness to share existing practice with the Council.

Greater focus on local partnerships

- 13 Views here diverged significantly. The nature of individual HEIs' responses depended on how extensive geographically their existing franchise networks were and the extent to which they would like to develop local partnerships further. Attention was drawn to the potential of e-learning/blended learning to improve locally-available opportunities and of the credit framework to provide local progression routes. FECs' responses were influenced by their individual experiences with HEIs, their aspirations for HE provision within their colleges and the extent to which they considered that present arrangements facilitated or hindered these. Amongst some of the FE respondents there was support for creating or extending relationships with local HEIs. There was, however, a consensus in HEI and FEC responses that arrangements should not limit student choice or expectations. Generally there was a view that FE colleges should not be forced to work with a single partner or HEIs be allowed to develop monopolistic positions. One or two responses suggested a more radical redistribution of existing provision so that franchise provision would operate on the basis of local networks.

Centres of Excellence

- 14 No consensus emerged here. Some felt that expertise in delivering provision through franchise arrangements and effective partnership working were at least as important as the notion of subject excellence. There could be potential for a franchise network from an HEI with particular expertise in a vocational area where courses in FECs would benefit local students. There was, however, opposition to imposed centres of excellence and similar comments were made as on local partnerships on the importance of not restricting student choice.

Mechanisms for allocating additional funding for the development of HE in FE

- 15 Various approaches were suggested: allocations to those who exceeded particular targets; funding against plans (or linked to institutional strategic plans); bids including partnerships/consortia between HEIs/FECs; contribution of institutions to widening

access. There was some opposition to a competitive process because of the resources and time involved.

Foundation Degrees

- 16 Concern was expressed about the effect of the absence of a policy direction on foundation degrees in Wales similar to that in England. Some HEIs were more supportive of foundation degrees than others, while the FE colleges saw themselves as natural and important providers for foundation degrees.

DECISIONS BY THE COUNCIL

- 17 In the light of the recommendations in the report and the consultation responses, the Council has taken the following initial decisions.
- There will be no compulsory transfer from direct funding to franchise or redistribution of current franchise numbers amongst providers to create more local partnerships.
 - Any additional expansion beyond normal growth through the teaching funding method will be via franchise provision. However, the Council is not in a position as yet to determine whether it has scope for a specific initiative in the near future.
 - Centres of Excellence will not be pursued at present.
 - FE colleges in receipt of direct funding will be given the option to transfer to franchise within a specified timescale and to choose their HEI franchise partner(s) for the provision. Further information will be provided in due course.
 - The Council will consider whether there is a need to strengthen partnership arrangements for directly-funded provision. An important consideration will be the Council's revised arrangements for quality assurance where the expectation is that quality assurance for all directly-funded provision will be covered by a partnership with a HE institution.
 - Guidance will be prepared on franchise arrangements, some of which may also be applicable to directly-funded provision. We will be contacting institutions about how we plan to take this forward shortly.
- 18 The Council also noted that the Welsh Assembly Government's position on foundation degrees is expected to remain as now, namely, that institutions are free to develop and offer these within their overall portfolios, including through franchise arrangements with FECs, but there will not be a specific policy direction to encourage them.

HIGHER IN EDUCATION IN FURTHER EDUCATION

CONSULTATION QUESTIONS (Circular W04/17HE)

- Do institutions agree that, for the reasons given in the report, any further expansion of HE in FE provision should be undertaken on a franchise basis?
- Should there be any strengthening of the partnerships between FECs and HEIs for existing directly-funded provision, so that there can be seen to be a greater consistency between the HEI support which an FEC and its students receive compared with franchise provision?
- What would be the implications for existing small portfolios of directly-funded provision, if any future expansion is through franchising? Should FECs have the options to transfer the provision to franchise arrangements and how might this be achieved?
- If guidance were provided to improve the transparency, fairness and security of franchise arrangements, what form might this take?
- Under what circumstances and criteria should the Council place a greater focus on local partnerships for the delivery of HE provision in FE colleges?
- What would be the advantages and disadvantages of a "centre of excellence" model? How would appropriate curriculum areas be chosen and what criteria might be used to determine the HE provider?
- What mechanisms could the Council use for allocating additional funding for any development of HE in FE?
- What role could FE colleges play in the further development of Foundation Degrees in Wales?
- What other forms of partnership might be fostered or developed between higher and further education institutions?

RESPONDENTS TO THE CONSULTATION

Responses were received from:

University of Glamorgan	Coleg Sir Gâr
University of Wales, Aberystwyth	Coleg Llandrillo
University of Wales, Bangor	Coleg Menai
University of Wales, Lampeter	Coleg Morgannwg
University of Wales, Swansea	Neath Port Talbot College
University of Wales College of Medicine	Swansea College
University of Wales Institute, Cardiff	
University of Wales, Newport	Fforwm
North East Wales Institute of Higher Education	National Union of Students, Wales
Swansea Institute of Higher Education	
Trinity College, Carmarthen	
Royal Welsh College of Music and Drama	