



New College
of the Humanities

Simon Batchelor,
Higher Education Directorate,
Department for Business, Innovation and Skills,
2 St Paul's Place,
125 Norfolk Street,
Sheffield,
S1 2FJ

21 January 2013

Dear Mr Batchelor,

Re: New College of the Humanities response to student number controls consultation

Please find enclosed a response to your consultation *Applying Student Number Controls to Alternative Providers with Designated Courses*, published on 28th November 2012. This response is made on behalf of the New College of the Humanities, an alternative provider.

At New College of the Humanities (NCH) we continue strongly to support the Government's initiative to liberalise the provision of Higher Education and empower students, while maintaining quality standards. The fact that so much progress has been made in such a difficult economic environment is a great achievement.

We have a number of observations to make on this document, but they are all presented in the context of appreciating the direction of travel and much of the detail of this policy.

There are three key elements to our response:

1. We believe that we are pioneers, hopefully one type of provider among many to come, that will challenge and change for the better the HE world in the UK by providing a new option for students.

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2. For us, equality of access is a fundamentally important point. This is why we have around 30% of our students on 100% scholarships. We would like to continue and extend this generous provision by our founders, but we cannot without Government supported loans. Put at its most simple, without maintenance grants, some scholars cannot study at NCH and benefit from our outstanding education.
3. The policy ambition of achieving a level playing field between higher education institutions and Alternative Providers is a worthy one. At the moment, this is not entirely the case. The most significant barrier preventing new, high quality entrants from entering is the different treatment of FE Colleges and Alternative Providers whose students are enrolled on the University of London International Programme (ULIP).

We hope this perspective is consistent with policy and we are available to address any points of clarification. We look forward to continuing the discussion with Government as the UK continues to strengthen its position as a world leader in Higher Education.

With best wishes,

Yours sincerely,

Professor AC Grayling

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New College of the Humanities response: Applying Student Number Controls to Alternative Providers with Designated Courses

Our response predominantly concerns how the proposed systems will operate in practice, particularly with regard to the proposed designation system on which the subsequent number controls are predicated. Thus we have focused on questions **four** and **five** as outlined in your response form.

We are aware however, that we have a relatively fresh perspective on wider issues, so have endeavoured to give further insights on your other questions in **section 6**.

1: About New College of the Humanities

New College of the Humanities is a new option for higher education in the UK.

Our innovative approach offers:

Depth through intensive learning, with a high degree of one-to-one and small-group teaching.

Breadth with additional courses spanning science literacy to critical thinking designed to feed and develop questioning minds.

NCH marries the best of the US liberal arts tradition of broad learning with the Oxbridge focus on high-intensity, one-to-one and small group teaching. A focus on the humanities and social sciences is also critical to our approach.

Support for our new offer is wide ranging, people that have committed to teach include some of the most distinguished academics in the world, such as Richard Dawkins, Steven Pinker and Daniel Dennett.

Humanities and the social sciences bring a skill set which remains highly desirable to employers: 60% of people at the top of their professions studied arts, humanities or social sciences at university. By contrast, just 15% of the CEOs of FTSE 100 companies, top creative industries and parliamentarians are STEM graduates.

We aim to give our students a particular style of education that makes them compelling recruits for any employer and ensure they have the grounding to pursue extraordinary future careers, including an innovative Professional Programme, endorsed by the CBI.

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With the full support of our funders, we are working towards a completely 'needs blind' admissions policy in the long-term. We want any student with the requisite talent and ability to have the opportunity to study at NCH.

2: Rationale for the NCH perspective

Our starting position is that if the UK is to have a world-beating presence in Higher Education, it should aspire to have strong institutions across all segments: from specialist and professional training to premium academic providers. Moreover, an effective and flexibly regulated sector should encourage both strong incumbent providers and newcomers, who may be more likely to innovate in an industry that is set to provide many opportunities to institutions that can move quickly enough to embrace them.

We speak, of course, as an innovative provider of very high quality education.

At New College of the Humanities, in our first intake, 16 of 56 students are currently paying no tuition fees at all. Despite the fact that the education we offer is extremely expensive to provide, we believe that it is incumbent on us (and indeed on all quality providers) to make the education we offer as widely available as possible.

We would like to be able to increase the number of financial awards (both scholarships and exhibitions) we offer to maximize the number of people who can benefit from an NCH education, regardless of their financial circumstances.

An amendment in the regulation concerning eligibility for student loans would underpin this aspiration and end the curious anomaly where students potentially cannot come to institutions like New College of the Humanities (even though they do not pay tuition fees) because they are not able to receive grants for maintenance or living expenses.

An NCH scholar

Alfo* was a student at a state school in Waltham Forest. One of his parents is a receptionist for a health charity and the other is a health care assistant. He has three younger siblings and has been accepted for Law with Economics.

He was interviewed by Dr Naomi Goulder & Professor Ken Gemes, who were very impressed and highly recommended him. We offered Alfo a 100% scholarship and make a very substantial contribution towards his living expenses in London.

Without such extensive support Alfo would not have been able to study in London.

**Name has been changed*



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3: The importance of the University of London International Programme (ULIP) to top-tier new entrants

The University of London International Programme (ULIP) is an extremely important part of the UK's Higher Education eco system. For many years, some of our best universities have begun by offering University of London degrees. They include institutions which having established themselves have gone on to be globally admired institutions of which the UK can be proud. These include Birmingham, Bristol, Durham, Heriot-Watt, Southampton, Exeter, Newcastle, Nottingham, Manchester, Sheffield, Cardiff, Leeds, Liverpool, Bangor, Aberystwyth, Surrey, Queen's University Belfast, and University College Dublin¹.

ULIP is extremely attractive to new entrants at the premium end of the HE spectrum. The courses offered by ULIP are very high quality and the degree itself is internationally recognized and respected. Any new entrant wishing to teach academic subjects to high standard will have to consider the ULIP offering.

4: Problems for providers wishing to teach ULIP courses

ULIP is a tremendous asset to the UK, but under existing regulation not all of its potential is fulfilled.

While ULIP courses now have been accepted as designated courses and students at FE Colleges are eligible for loans through the SLC, the same is not true for students at independent providers teaching to ULIP. This discrepancy is anomalous and unfair. It could also be easily resolved (see Section 5).

Currently, the system primarily serves a single model: the Validation model. We suggest that if the ambition of current policy is to encourage a broad and diverse range of HE providers, the scope of the regime should be extended to accommodate the ULIP model.

Addressing this would:

- enhance revenue opportunities for Universities wishing to follow the ULIP route
- encourage new entrants by removing a very significant barrier to entry

¹ <http://www.shl.lon.ac.uk/specialcollections/archives/studentrecords.shtml>

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As the system stands, people with high quality and innovative concepts have a deterrent to launch. The education they provide may be unaffordable even to people for whom the tuition fees are completely waived, because these students are unable to access maintenance grants.

5: Resolving the issue

Any resolution of this issue must, of course, be consistent with another important objective: maintaining quality standards.

We understand that ULIP believe that the ULIP Certificate of Recognition would be an effective means of achieving this ambition. The approach laid out below is entirely complementary to that proposal and that either would be welcomed by premium academic Alternative Providers.

We would suggest the following:

- courses must be approved by BIS
- the Alternative Provider must be a UK institution
- for its students to be eligible for loans from the SLC, an Alternative Provider must be quality assured by an external body

We believe the QAA would be most appropriate body to assume functions in this area.

There should be a formal agreement between the Alternative Provider and the QAA. The agreement should stipulate that:

- There should be a periodical review of the institution
- The review should include the areas covered by QAA in the educational oversight work it undertakes in association with UKBA
- If the institution does not satisfy the quality requirements of the QAA and fails to address concerns raised by the QAA in a reasonable time frame, the QAA should not approve the institution
- The QAA's quality assurance activity should be paid for by the institution
- The institution should be obliged to put at QAA's disposal all the material it requires to make a proper review of the institution's teaching activity, including staff, teaching materials, enrolment records, student satisfaction surveys, exam results (if applicable)

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- QAA should have the right to review material or attend any part of the institution's programme at its discretion
- QAA approval is at QAA's sole discretion subject to a right of appeal
- All students of the institution should be properly enrolled at the institution and should all be studying for BIS approved courses
The institution must provide students with an experience which is at least equivalent to that of students taking the course at other institutions, including support infrastructure and pastoral care
- The institution should have in place formal complaints and disciplinary procedures
- The institution should be required to lay out the academic credentials of its teaching staff, including years of teaching experience, qualifications and research pedigree

We have discussed this position widely in the sector and we understand that it is supported by QAA, BPP, Greenwich College, Pearson, Kaplan, ICMP and BIMM.

ULIP is also supportive of the approach, but we understand their preference is for their Certificate of Recognition to be accepted as a sufficient validation method.

Running the numbers

Spreading support: Our central concern in this debate remains our long-term objective to be completely needs-blind in our application process. Access to student support will enable us to share the additional support that we can offer more widely. By way of example, this year, 16 students are receiving full funding from NCH. They would all be eligible for the full means-tested elements of national student support and, if they were able to access it, this would have allowed us to sponsor 13 additional students.

Staying small: It is also critical to understand the likely rate of growth of new premium entrants like NCH. Our projections suggest 375 students per annum at maturity, which could be some years off. Of course, many of these students are likely to have been recruited from outside the UK and EU and a substantial proportion of the NCH UK students would not elect to receive loans.

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6: Further points in the consultation paper:

6.1 Smaller providers

We fully support the position that qualifying Alternative Providers should be subject to high standards of financial sustainability, management and governance requirements. However, some of the standards laid out in the document would represent an insuperable barrier for a new entrant and therefore risks choking innovation.

We note that the Government is considering lighter touch regulation for very small providers (paragraph 1.3.15). We think that this is appropriate and we would suggest that a small provider is defined as one with fewer than 250 full time undergraduate students. The number needs to be reasonably high because some really dynamic new entrants will be able to grow extremely rapidly (see Section 6.ii).

Specifically in paragraph 1.3.4 of the consultation, the requirement for three years of full, independently audited financial statements is a major barrier for new entrants by definition. We would suggest that this is reduced to a single year.

NCH is fortunate in being a well-capitalised start-up. We believe, however, that the requirement above, and that for guaranteed financial backing will greatly increase the cost of investing in the sector and rule out a number of potential innovators.

Since the concern is to ensure that any student receiving a loan from the SLC can complete their course in the event of an alternative provider failing, we would suggest that each alternative provider produces a contingency plan of where the student can complete their studies in the event of the alternative provider no longer operating.

The quality assurance requirements and the role of the QAA in clauses 1.3.8 to 1.3.12 are consistent with what we have set out in section 5 of this document.

We believe that the current policy where tuition loans are limited to £6,000 p.a. for students at Alternative Providers, but where fees are not limited, is a reasonable position. If there is to be a cap on fees it should be applied to the student receiving the loan, rather than across the institution. Otherwise scholarship students at high quality providers, where the education is extremely expensive to provide, will be prevented from attending.



6.2 The Cap

Further to the questions laid out in the document concerning caps on Alternative Providers, we would make the following recommendation:

We believe that the introduction of caps for the 2013/14 academic year would be very damaging to Alternative Providers. We are well into the recruiting cycle and many institutions have made plans and investment decisions predicated on the current system. We therefore believe that the system should be introduced for 2014/15 and our preference would be for the implementation Method 1 outlined in the consultation.

We think that it is appropriate that students with ABB (or IB equivalent) stand outside any cap, so that a level playing field is maintained with HEIs. Moreover, Alternative Providers should pay the same fees as any other body to the regulating agencies OIA, HESA and QAA.

Sanctions on any Alternative Provider exceeding its cap should be governed by the cost to the taxpayer, not calculated on a punitive basis.


The really substantial unaddressed issue in the consultation document is how growth would be managed in this potentially very dynamic sector. We look forward to working collaboratively with the Government as this issue is evaluated in the coming months.

7. Summary

We hope that you will consider the perspective outlined in this submission carefully. As a final point we would like to say, how difficult it is for a new entrant to deal with a heavily regulated sector like higher education. We support strongly the initiative we understand that exists in BIS to create a "How To..." guide for dealing with government. As it stands at the moment, we believe that a new entrant must expect to spend at least £150,000-£200,000 per annum on specialist executives and legal and advisory fees. More serious is the degree of the distraction; as these issues are so important, all senior employees must understand them and participate in resolving the problems that arise as a result of complexity. This inevitably results in lost revenue, although it is harder to quantify what this might be with any degree of certainty. We would all rather spend our time creating world class institutions, teaching students and selling the UK to the world, than grappling with the complexities of the regulatory regime.

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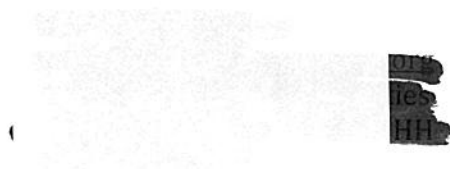


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The cost, resource and complexity consequences of the UK regulatory system are a huge barrier for any new entrant contemplating a launch here.

8. Further information

If you would like to contact NCH to discuss or clarify any of the points raised, please do not hesitate to contact us:



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