Consultation question 1: Do you broadly agree with our statement of the purpose of HEFCE’s funding for teaching?

Yes/No/Don’t know

We welcome paragraph 26 of the consultation document, which states the importance of HEFCE’s teaching funding to high-cost subjects such as physics. This funding will continue to be very important, especially in the context of variable tuition fees, as the actual amount spent on teaching will vary considerably from HEI to HEI.

In addition, as STEM subjects are being defined extremely widely by HEIs, there is a danger that initiatives to incentivise HEIs to move student places into STEM areas are being used to increase numbers in ‘lower cost’ STEM subjects. The Institute hopes that HEFCE continues to emphasise that the subjects on which incentivised funding should be focused are those that have been identified as strategically important and not whatever an HEI labels as STEM.

On the subject of variable tuition fees, despite widely expressed fears, it appears that their introduction has not inhibited students from entering university. Moreover, most HEIs charge the same fees across all subjects. However, if the cap is lifted following the recommendations of Lord Browne’s Review, fees may be considerably higher for laboratory-based subjects such as physics, which could lead to a subject-differentiated market. An already fragile population of physics degree applicants could be driven away to cheaper options, which would threaten the viability of physics departments, and exacerbate the problem of regional physics deserts, leading to more areas without a local university physics department offering undergraduate courses. The government and others, rightly, are keen on increasing the number of women, ethnic minorities, and lower social classes choosing to study strategically important subjects. Among these groups there is a greater likelihood of students planning to live at home. But, if they live in the East Anglia region, where will they go to study physics? There is no undergraduate provision for physics at the Universities of East Anglia and Essex, and the University of Cambridge would not be a realistic proposition for many.

HEFCE can play an important role by monitoring the teaching funding that departments offering undergraduate courses in strategically important subjects receive from both variable tuition fees and the block grant, and taking appropriate action if a department’s income falls below a benchmark or a certain threshold.
Consultation question 2: Do you broadly agree that our funding method should give institutions the freedom to manage provision in a way that best responds to the needs of students, employers and society?

Yes/No/Don’t know

In the current funding method, HEIs have enjoyed this freedom which has led to the closure of a number of departments that offered undergraduate courses in strategically important subjects, particularly chemistry and physics, when student numbers were deemed to be too low.

It is partly in response to these closures that HEFCE intervened and offered an additional £1,000 per student to strategically important and high-cost subjects, on the basis that any department in receipt of this injection of teaching income must remain operational. Therefore, from the Institute’s perspective, HEIs should have the aforementioned freedom but in light of the pressures that will be imposed in the future (e.g. tightened public expenditure, greater international competition for students, a more informed and demanding student market), HEFCE should stipulate a continued prioritisation of support for strategically important subjects and, as stated in paragraph 35 of the consultation document, remove disincentives for HEIs that wish to venture into higher-cost areas such as physics.

An additional point that we wish to make is that HEIs do tend to take the funding bands more seriously than HEFCE intends and, although funds are reallocated, the internal politics of HEIs can be quite different depending on whether one is seen as a ‘giving’ or ‘receiving’ department.

Furthermore, at present, it is difficult to see a mechanism by which, in terms of undergraduate teaching, universities do respond to the needs of employers and society, as there are no incentives to do so. The funding is driven almost exclusively by the choice of students who are not, in general, well informed about their career prospects.

Consultation question 3: Do you broadly agree that our funding method should enable us to incentivise change which is in the public interest?

Yes/No/Don’t know

As mentioned in response to question 2, HEFCE’s ability to introduce a stream of teaching funding outside the core, in support of strategically important subjects, was critical in increasing the teaching income of physics departments across England (in response to a spate of mergers and closures) as revealed by the recently published report, ‘Follow-up Study of the Finances of Chemistry and Physics Departments in UK Universities’, which was commissioned jointly by the Institute and the Royal Society of Chemistry. It is highly likely that this additional teaching income has prevented several chemistry and physics departments from closing.
Consultation question 4: Do you broadly agree that we should achieve this through a ‘strategic margin’?

Yes/No/Don’t know

This approach will permit HEFCE to be more fleet-footed and flexible, allowing it to redeploy funds in response to more urgent national priorities, if they should arise. For instance, the strategic margin may be useful in helping to establish undergraduate provision (e.g. a physics department reopening). However, overall, sustainability is paramount, which can be seen by noting the difference the additional funding for strategically important subjects has made to the teaching income of physics departments.

Consultation question 5: Do you broadly agree that our funding method should be compatible with various modes of study, including flexible provision?

Yes/No/Don’t know

Even though, as stated in paragraph 42 of the consultation document, three year degrees are the most popular, in a number of science subjects such as physics, four-year integrated Masters undergraduate degrees are becoming the norm, especially as they are increasingly seen as prerequisites to professional recognition and further academic study.

But universities should not be forced into flexible provision across the board. Subjects with a great deal of internal coherence, such as many science subjects, have suffered significantly by the introduction of modular systems. Incentivisation of flexible provision per se might not lead to improvements. Even if physics degrees could be taught in two years, covering the same amount of material, it would give students less time to absorb material and develop critical skills. A physics degree requires many different topics and skills to be covered (as given in the Institute’s accreditation programme) and removing material would lead to a significantly inferior degree. Two year degrees might possibly work in other subjects, but not in physics. Such degrees would be significantly less competitive internationally.

HEFCE needs to revisit its policy on equivalent and lower qualifications (ELQs). An exemption is required to safeguard the provision for ELQ learners to study strategically important subjects, which would help address concerns relating to the severe shortage of physics specialist teachers. Teachers qualified in other subjects must be supported in re-skilling as physics specialists through undergraduate level study. In addition, mature candidates, whether or not they are already qualified to degree level, should be supported in studying physics to prepare for a career change, particularly on courses such as The Open University Certificate in Physics, which has been commended by the Institute as a suitable preparation for Initial Teacher Education as a physics specialist.
We are concerned with the impact HEFCE’s ELQs policy has had on The Open University, which is the only provider exclusively delivering bespoke, part-time undergraduate degrees in physics and taught postgraduate courses in medical physics; these are also the only options for studying these topics by distance learning. Indeed, the part-time undergraduate and postgraduate provision for study of all STEM subjects has been seriously challenged by the policy. A full and permanent exemption from the funding withdrawal for ELQs is required, especially for all strategically important subjects.

Consultation question 6: Do you broadly agree that our funding method should be as simple and easy to understand as possible?

Yes/No/Don’t know

Simplifying the funding method is a good proposal, provided it delivers what is needed; it should not be the priority driver if it results in a system that is not operating to its full potential. It needs to be a sensible balance between simplicity and being fit for purpose.

Consultation question 7: Do you broadly agree that our funding method should be responsive and dynamic?

Yes/No/Don’t know

But care must be taken to ensure that universities do not overly respond to the demands of the student market, which is often ill-matched to employers’ requirements. For example, recent growth areas in undergraduate provision have included subjects such as drama studies, and media studies; in terms of HEIs responding to the demands of employers, we very much doubt that employers view such subjects as priority recruitment areas over physics, for instance.

Consultation question 8: Do you broadly agree that, to achieve value for money, our funding method should continue to reflect the impact of income from tuition fees and contributions from employers?

Yes/No/Don’t know

Value for money is important, but we have concerns about the impact of variable tuition fees when employers need more graduates in physics, for instance. What incentives will there be for HEIs or students? In the future, student fees may vary between courses and HEIs. If some HEIs decide to charge higher fees to reflect the extra cost of laboratory-based subjects such as physics, it would be illogical to lower the HEFCE support for those subjects. Students are likely to be unhappy if higher fees for their courses results in lower HEFCE support thereby reducing the quality of their teaching for which they are paying a premium.
Consultation question 9: Do you consider that any other principles or features should be fundamental to our teaching funding method?

No comment.

Consultation question 10: What are the advantages/disadvantages associated with each of the options in paragraph 60? Are there other effective alternatives?

Allocating student numbers is only effective if it is matched in some way by student demand. We are observing large increases in applications for physics, which is good, but many departments are reporting that they have to reject well-qualified candidates. So, the solution is probably to offer flexibility in selected subjects.

In terms of rewarding action that best achieves HEFCE’s policy priorities, we welcome this mechanism, particularly in response to the effectiveness of the money for the strategically important subjects (which for some physics departments has led to teaching activity breaking even financially for the first time in many years). However, in response to the comment that HEFCE will reward quality provision, it is difficult to identify genuine high-quality provision, so it is not obvious how HEFCE plans to carry out this proposal.

In response to the proposal to discourage action that is not compatible with policy objectives, it is important not to make this a box-ticking exercise. The problem with most of the mechanisms that have been suggested is that they imply that HEIs are blocking the market (e.g. by preferring three year degree courses over more flexible alternatives), whereas HEIs tend to follow the market. And, by the way, many coherent subjects do not lend themselves to excessive flexibility and HEFCE would run the risk of promoting subjects that are of no strategic importance simply because they can be delivered more flexibly.

Finally, throughout the consultation document, there appears to be a tacit assumption that policy priorities are agreed and well understood. Often they are not and the blunt fiscal instruments, together with the absence of coherent planning across the sector, have resulted in perverse outcomes such as the steady drip of closures of departments that offered undergraduate courses in strategically important subjects. It is difficult to see how any of these measures can be truly effective, avoiding opportunism for example, without a clearer vision of what we expect the higher education sector to deliver.