Introduction

1. The Open University is the largest provider of part-time undergraduate higher education in Northern Ireland. There are currently around 4,000 Open University students in Northern Ireland and over 40,000 people have studied here with us since our formation in 1969. The Open University has an “open access” policy which means that most of our undergraduate courses have no formal entry requirements. We provide a high quality learning experience to our students and have been the top university for student satisfaction in Northern Ireland every year since 2005.

2. The Open University welcomes the opportunity to respond to this consultation. We congratulate the Department for Employment and Learning in attempting to develop policies with the aim of boosting two highly important but significantly under-developed aspects of our higher education sector: part-time undergraduate and postgraduate provision. The higher education discourse in Northern Ireland has traditionally been dominated by the needs of the full-time undergraduate student who is typically between eighteen and twenty-one. Whilst full-time provision is of high importance, part-time undergraduate and postgraduate taught provision has a huge, but understated, impact on the Northern Ireland economy and on boosting social mobility. There is therefore a need to broaden the higher education discourse beyond full-time undergraduate and to redress the historical imbalance in provision for part-time and postgraduate students.

Part-Time Matters

3. The Open University believes that three core elements are required for Northern Ireland to maximise the impact of undergraduate higher education:
   i. A full-time sector that primarily appeals to school-leavers who are yet to enter the labour market;
   ii. A higher level apprenticeship system focused on direct job creation that allows people to study for a higher level qualification as a core element of their job;
   iii. A part-time system that encourages people who wish to upskill or reskill while balancing other work or caring commitments in order to widen their choice of career progression opportunities.

4. Part-time higher education makes a hugely significant impact on the economy, social justice and social mobility. It is well documented that the people who most benefit from accessing part-time higher education are women, those who are in work, those who are over the age of twenty-one, those who have caring commitments and those who are from non-traditional educational
Engaging with higher education makes a significant difference in the lives of these individuals, opening up a host of life opportunities that were previously unavailable to them.

5. Despite positive signs of improvement in Northern Ireland’s economic position, it still lags behind the rest of the United Kingdom in most measures of economic performance. The impact of the recession has lingered on longer than in other nations of the UK. Concerns are expressed with regards to skills shortages in key sectors related to economic growth. It is widely acknowledged that the forecast pool of full-time graduates will not be enough to meet the skills demands of the future economy, something that will become even more acute in the context of a cut in corporation tax. There is therefore an imperative to incentivise up-skilling opportunities to people who have left formal education and who are either already engaged in the labour market, or who experience a number of barriers that have prevented them from doing so.

6. The primary motivator for most part-time students is to improve their employment prospects. Open University students are acutely aware of the impact that their study has on their future career prospects, for example in 2013/14, 37% of enrolments were in narrow STEM modules, subjects that are deemed to be of critical importance to the growth of the Northern Ireland economy.

7. According to research carried out by London Economics on behalf of The Open University in Northern Ireland, part-time higher education has a significant positive financial impact on our students and for the state. Chart 1 outlines the estimated average increase of earnings per student (male and female) over the course of their lifetime as a result of their degree. Chart 2 outlines the estimated benefit to the public purse per graduate with regards to the increased tax revenue received, minus the public investment made for each student during the period of qualification attainment. The biggest economic impact is for students from a non-traditional higher education background, determined as those in possession of 5 or more GCSEs at grades A* - C (or equivalent) but less than 2 GCE ‘A’ levels. These are students who would not otherwise have been able to engage with higher education, other than by studying part-time with The Open University.

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1 Oxford Economics, 2014. ‘Macroeconomic influences on the demand for part-time higher education in the UK’.
2 PricewaterhouseCoopers, 2015. ‘NI Economic Outlook – August 2015’.
5 C. Callender, R. Hopkin and D. Wilkinson, 2010. ‘Futuretrack: part-time students career decision-making and career development of part-time higher education students’.
8. Northern Ireland has historically had a low part-time participation rate in higher education, although this has been relatively stable over the last decade in comparison to that of Wales, Scotland and particularly England. A relatively stable period with regards to part-time higher education policy combined with the already low participation rate appears to have shielded Northern Ireland from the impact of the wider economic situation on part-time enrolments felt elsewhere.6

9. Nevertheless, part-time undergraduate enrolments have still generally been decreasing from a low base over the last decade. Between 2012/13 and 2013/14, part-time undergraduate FTEs fell by 5.1% across all institutions (2.1% decrease for The Open University and 7.2% decrease for other Northern Irish higher education institutions – see Chart 3). This runs contrary to the aims of Graduating to Success, which explicitly calls for a “significant extension of part-time provision”.7 While numbers of part-time undergraduate students in Northern Ireland have decreased, The Open University’s share of the part-time market has increased (see Chart 4). Therefore other higher education institutions either do not see part-time provision as a priority, or part-time is not coming across as an attractive proposition to prospective students.

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7 Department for Employment and Learning, 2011. ‘Graduating to Success: A higher education strategy for Northern Ireland’.
10. As a university that operates in all four nations of the United Kingdom, we have experienced at first hand the increasing divergence in higher education policy that has taken place in recent years. Enrolments across the University have remained fairly consistent across Northern Ireland, Scotland and Wales; however, enrolments in England have decreased dramatically over a short period of time, albeit at a lower rate than experienced by the rest of the sector, as detailed in Chart 5 below.

![Chart 5: Part-time undergraduate FTEs in the UK from 2011/12 to 2013/14](chart)

Source: Marketing Unit HESA FTE data Feb 2015

11. Three major policy changes have taken place in relation to part-time higher education policy in England:
   
i. The removal of funding for students studying for an equivalent or lower level of qualification than they already have;
   
ii. A rebalancing of the funding responsibility for higher education from the state to the student, leading to higher tuition fees; and
   
iii. The replacement of tuition fee grants with tuition fee loans for part-time students.

12. Analysis from The Open University indicates that the policy decision that has had the most negative impact upon part-time students has been the increase in tuition fees. Given that part-time students tend to be older and have significant financial commitments, they are more price-sensitive when it comes to higher education than their younger, full-time counterparts. The prospect of an additional debt of up to £17,000 from completing a degree is daunting, despite the relatively favourable repayment terms in comparison to other typical forms of lending. It is important that the Department fully considers this when looking at future models of financing higher education in Northern Ireland.

13. In 2014/15, Wales moved to a fully non means-tested loan system for new part-time undergraduate students and removed access to the fee grant. Although it is too early to fully analyse the data, the same decrease in Open University enrolments that happened in England after moving to a loans-based system, has not occurred in Wales. It can therefore be determined
that the most critical factor in England for part-time students has been the fee increase, as opposed to the introduction of loans and removal of the fee grant.

14. However, a key difference in Wales to Northern Ireland is the size of the course grant available to eligible students; in Wales this amounts to £1,155, whereas in Northern Ireland this amounts to £265. Therefore, despite moving to non-means tested loan system in Wales, low-income part-time students still have a very significant course grant available to them.

**Incentivising part-time in Northern Ireland**

15. The Open University agrees with the aim of *Graduating to Success* to increase part-time enrolments in Northern Ireland. We believe that incentivising part-time higher education is important for the following reasons:

   i. Northern Ireland has historically had an under-developed part-time sector, which still continues, and as such our citizens are missing out on life-changing opportunities;

   ii. Northern Ireland must up-skill and re-skill its current workforce to meet the skills needs of the economy;

   iii. The typical part-time student experiences different and often, more significant barriers to engaging in higher education than the typical full-time student; and

   iv. People from non-traditional higher education backgrounds are more likely to study part-time than full-time, making part-time study of critical importance for widening participation.

16. The Open University has experience in catering for the needs of part-time students for nearly fifty years. This makes us uniquely placed in understanding the barriers that part-time students face in coming to decide to engage with higher education. This experience has directly fed into our responses to the consultation questions below.

**Part-time Student Finance Consultation Questions**

Which policy option do you believe best addresses the unique needs of part-time undergraduate students, whilst also taking into account existing and future public spending constraints in Northern Ireland? Please explain your answer.

17. It is important when determining a financial model for higher education that a one size fits all approach is not applied to both part-time and full-time modes of study. Rather, it requires a consideration of the needs and circumstances of part-time and full-time students and the creation of a system that enables anyone who wishes to access higher education to have appropriate financial support, regardless of the mode of study they chose. The Open University believes that the innovative “top-up loan” model proposed in Option 2, provides an excellent basis for the development of the part-time higher education sector in Northern Ireland.

18. Whilst acknowledging that this does not introduce parity with full-time students who do not have access to tuition fee grants, we believe that this option best meets the specific needs of part-time learners. It is also important to note that full-time students have access to a
maintenance grant and/or loan, something that is not proposed to be available for part-time students.

19. Around half of Open University students benefit from statutory financial support for their course fees. A breakdown of the student demographic in receipt of full financial support, partial financial support and no financial support for 2014/15 enrolments is provided below.

![Chart 6: Demographic of Open University students in 2014/15 receiving full, partial and no fee grant](image)

20. As can be seen from Chart 6, the part-time fee grant provides a huge incentive for people from traditional low participation groups to engage in higher education. The lack of a financial liability gives these students the confidence to enrol on courses when ordinarily they would not take the risk. It is very difficult to tell whether or not they would still decide to engage if the fee grant was replaced with a loan. For these students, it is the perception of their ability to pay back the loan that matters, rather than the reality. For many, it is only after they gain their qualification that they really become aware of the career opportunities that have opened up for them.

21. The median age for a student receiving the full fee grant was 30, a partial grant was 32 and no fee grant was 35. This clearly demonstrates the older age demographic that part-time higher education appeals to and is supported by the fee grant, in comparison to the traditional full-time student who is typically of school-leaver age.

22. The Open University agrees with the Department’s observation that the current financial support system is highly skewed towards meeting the needs of low earners and that it provides little incentive for those who do not fall within the income range for fee grant eligibility. For that reason, we believe that a fair solution to this is allowing those not eligible for the full fee grant access to a non-means tested tuition fee loan to make up the shortfall. Higher earners will likely be less daunted at the prospect of having to acquire student debt as paying it off is potentially a more realistic prospect. They are also more likely to be aware of the progression and career development opportunities that their qualification can lead to.

23. The Open University acknowledges that Option 2 does not make the resource budget savings that Option 1 does, however this must be looked at within the context of the wider DEL budget. The expenditure on part-time student support makes up around 1% of the total student finance
awarded by the Student Loans Company in Northern Ireland in 2013/14. The £3.1 million spent on the part-time fee grant that Option 1 proposes to abolish is small by comparison to the £68.1 million spent in the same year on maintenance grants for full-time students.

24. Whilst it is understandable that DEL would seek to find savings within its resource budget given the pressures that it has faced over the last year, we believe that the long-term benefits of the fee grant outweigh the costs. The fee grant undoubtedly gives low participation groups the confidence to engage in higher education and its removal risks providing a disincentive to do so. The return on public investment is clearly demonstrated by the research from London Economics as outlined earlier in Chart 2.

Do you think that the possible introduction of enhanced tuition fee support arrangements for part-time undergraduates should be accompanied by the regulation of part-time tuition fees in Northern Ireland? Please explain your answer.

25. The Open University believes that part-time fees should be capped on a par with the full time cap, based on study intensity. There should not be room for a scenario which could leave part-time undergraduate students paying proportionally more for their fees than full-time students.

Do you think that the number of years for which a part-time undergraduate student will be eligible for support should be capped and that repayments should begin prior to graduation? Please explain your answer.

26. The consultation paper suggests that repayments should begin four years after the start of the course or the April after graduation, whichever is sooner. The Open University is content with a provision being made that could lead to a part-time student beginning repayments before they have finished their course, even though this is not ideal. However, we believe that six years may be a more appropriate time for this to occur as this would be consistent with the amount of time it would take someone to study for a full degree at 50% intensity.

27. If a fixed re-payment period exists (e.g. four or six years after taking out the loan) then The Open University does not believe that the number of years for which a part-time undergraduate student should be eligible for support needs to be capped.

Do you think that students studying at intensities of 25% or above should be eligible to support? Please explain your answer.

28. The Open University agrees that students studying at intensities of 25% or above should be eligible for support. It is important that the intensity of part-time study reflects the time that a student has to devote to it. Students should not feel pressurised to take on more studying commitments then they ordinarily would, simply to get access to student support. This represents a significant improvement on the current 50% intensity requirement for fee support and acknowledges the circumstances of those who because of personal circumstances need to study at a reduced intensity. This will help improve the participation of prospective

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8 Student Loans Company, 2014. ‘Student support for higher education in Northern Ireland: academic year 2013/14’.
undergraduate students with disabilities, caring responsibilities, who are new to higher education and who have significant work commitments.

29. It is also important to recognise that a part-time undergraduate student may only want to study one module or gain a sub-degree higher level qualification. This is often all that part-time students require in order to meet their wider study goals. The part-time undergraduate student finance system should be flexible enough to meet the needs of these learners.

Do you think that the new student finance package should be available to both new and existing students? Please explain your answer.

30. The Open University believes that the new student finance package should be available to both new and existing students. If Option 2 is progressed then this will lead to an additional benefit of access to a non-means tested loan for students not previously entitled to any support and so will cause little difficulty. Retention and progression rates of current students may improve with having greater access to financial support due to the stability and certainty it brings.

31. However if the Department decides to remove the fee grant it is only fair that continuing students who embarked on their studies in the knowledge that they qualified for the fee grant, continue to receive it until they have completed their studies.

Additional comments

Financial support for students in prisons and secure units

32. Northern Ireland has fallen behind the UK with regards to access to financial support for students in prison. Northern Ireland is now the only place in the UK where prison students are expressly denied access to any statutory financial support.

33. The Open University has a long history of supporting prison students in Northern Ireland. Historically, as prison students have been denied access to statutory student support provided through DEL, the first 60 credits of OU study has been provided by the Northern Ireland Prison Service and the rest funded through The Open University’s own student support system. Unfortunately, the Prison Service has withdrawn this support for prison students, including for providing prison tutorials, from the academic year 2015/16.

34. The Open University has been the traditional provider of higher education in Northern Irish prisons and as such, prison students are considered part-time.

35. Northern Ireland is the only place in the UK that has a statutory ban on prisoners accessing undergraduate financial support. The OU is concerned that prisoners’ financial status is a significant barrier to engaging with higher education, which adversely affects the successful rehabilitation of offenders. Those who study with The Open University while serving a sentence in prison are less likely to re-offend, thus having a directly positive benefit for both the student and society as a whole. We believe that the student finance regulations should be amended as a matter of urgency to remove the exclusion of prison students from statutory financial support.

Easing of student finance for ELQ in a narrow STEM subject

36. Currently, students who are studying for an equivalent or lower qualification (ELQ) than they already hold, are not entitled to statutory financial support for their studies. As noted previously, part-time higher education students often study to either up-skill, or re-skill to enable them to pursue a more rewarding or lucrative career. Recognising the need for more graduates in narrow STEM subjects in Northern Ireland to meet the skills needs of the economy, The Open University believes that this policy should be relaxed for students wishing to re-skill to such subjects.

37. Whilst changing ELQ policy does not strictly come under the remit of this consultation, the resulting changes to Student Finance Regulations may provide an opportunity to relax this policy as described above, in order to incentivise studying for subjects that will have a direct impact in boosting the Northern Ireland economy. The Department for Business, Innovation and Skills has already relaxed its ELQ policy for students studying part-time for some STEM-related subjects in England.10

Postgraduate Student Finance Consultation Questions

Which policy option do you believe best addresses the unique needs of postgraduate taught students, whilst also taking into account existing and future public spending constraints in Northern Ireland? Please explain your answer.

38. The Open University supports the introduction of a non-means tested tuition fee loan for postgraduate taught students. The Open University’s preference would be for Option 2, followed by Option 1 which we express no objection to. We believe that there is a strong benefit to be received by encouraging postgraduate study right across the full breadth of academic disciplines. However, we also recognise that the Department may want to take a strategic approach and focus on incentivising subjects that fall within priority areas for the Northern Ireland economy and which suffer from skills shortages.

39. We would strongly discourage the Department from following Option 3. This is modelled on the system recently consulted on by the Department of Business, Innovation and Skills (BIS) for English domiciled students. While little detail is provided within this consultation paper, we must assume that Option 3 mirrors the proposals outlined by BIS.11

40. The Open University has three fundamental problems with BIS’s proposed contribution to costs scheme, namely:
   i. Students who studied on distance learning courses will be excluded and we can see no objective justification for this;
   ii. The scheme is only proposed to be available to under those under the age of thirty; and
   iii. The minimum study intensity from being able to benefit from the scheme is 50%.

11 Department for Business, Innovation and Skills, 2015. ‘Consultation on Support for Postgraduate Study’. 9
41. The above criteria will clearly exclude large numbers of students from being able to access the scheme, thus reducing student choice. Potential students would definitely be excluded from taking advantage of The Open University’s flexible and high quality postgraduate taught provision. The exclusion of over thirties is discriminatory and runs contrary to the concept of lifelong learning.

42. While there may be an attraction to offering students a loan which can be used to contribute to more than just the course fees of a postgraduate course, we do not believe that the increased debt burden and higher interest rates associated with this scheme offers the best deal for postgraduate taught students.

Do you think that the possible introduction of student finance for postgraduate students should be accompanied by the regulation of postgraduate fees in Northern Ireland? Please explain your answer.

43. The Open University believes that it may be difficult to satisfactorily regulate postgraduate taught fees. Postgraduate fees traditionally vary more widely depending on the specialism and quality of the course. For example, all three universities in Northern Ireland offer a Master’s in Business Administration which cost significantly more than the £3,900 to £4,900 range for most courses outlined within the consultation paper. By regulating fees there is a danger that it may provide a disincentive for universities to develop highly specialised postgraduate taught courses which are more costly to run.

An alternative to regulating fees may be to offer a maximum level of tuition fee loan to postgraduate students, whilst still allowing universities to charge more than this amount in the knowledge that students would have to make up the deficit in fees themselves. For example, if postgraduate loans were capped at £4,900 and a university’s postgraduate course fee was £9000, the student could take out a loan for £4,900 but would have to self-fund the remaining £4,100. Most course fees would likely remain below the cap as it is likely that universities will want to attract higher numbers of students to study at postgraduate level. However, it would also mean that those more specialised courses that generally offer greater employment chances on completion could also ask for an element of upfront student contribution towards them.

Do you think that the Department should consider the introduction of a ‘contribution to costs’ loan for postgraduate research students, in addition to the existing postgraduate awards? Please explain your answer.

45. The Open University has very few postgraduate research students in Northern Ireland and those students are not currently eligible to benefit from the existing stipend. We support greater access to financial support for postgraduate research students; particularly those who are part-time and self-financing. As such, we do not object to the introduction of a ‘contribution to costs’ loan for postgraduate research students but stress that the system of repayment rates and scheduling would have to be very carefully managed.

Additional comments

46. The consultation paper does not make any reference to whether or not financial support would be offered to students studying sub-master’s postgraduate qualifications such as postgraduate...
certificates or postgraduate diplomas. We encourage the Department to ensure that as broad a range of students as possible are allowed to benefit from access to financial support.

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