



# **THE COUNCIL FOR INDUSTRY AND HIGHER EDUCATION**

## **CIHE Submission:**

### **Withdrawal of funding for Equivalent or Lower Qualifications (ELQs)**

#### **Response to the HEFCE Consultation Document 2007/27**

**from**

#### **The Council for Industry and Higher Education**

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and Higher Education**

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**December 2007**

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**Response to the HEFCE Consultation Document 2007/27**  
**from**  
**The Council for Industry and Higher Education (CIHE)**

**Background**

1. The CIHE Trustees considered this consultation document at their meeting on 29<sup>th</sup> November.
2. They noted that in the rush to settle the Comprehensive Spending Review (CSR) the Treasury had sought offsetting “efficiency” savings and that the Department for Innovation, Universities and Skills (DIUS) had offered the sought £100 million in the form of removing institutional funding for students undertaking Equivalent or Lower level Qualifications (ELQs). The Government states that it had taken this decision because it believes that teaching such students *“is not ... usually as high a priority for public funding as support for students who are either entering higher education for the first time, or progressing to higher qualifications”*.<sup>1</sup>
3. The Trustees noted that HEFCE propose to:
  - a. Exempt foundation degrees from the withdrawal of funding for Equivalent or Lower Qualifications.
  - b. Continue to allocate co-funded Additional Student Numbers (ASNs) for students studying for ELQs, thereby ensuring that the development of funding partnerships between employers and institutions is not impeded by the withdrawal of funding for ELQs.
  - c. Provide a targeted allocation to support students studying for ELQs in strategically important and vulnerable subjects (SIVS). This allocation recognises that it is in the public interest to support students who are studying SIVS, even if they are aiming for an Equivalent or Lower Qualification.
  - d. Provide a £20 million supplement to the part-time targeted allocation to help preserve part-time opportunities for those entering higher education for the first time by supporting institutions in maintaining part-time courses that are particularly affected by the withdrawal of funding for ELQs.
  - e. Where necessary, provide ‘safety net’ funding to maintain each institution’s grant at a comparable 2007-08 level in cash terms to ensure that the change in funding is introduced in a controlled manner that gives institutions the chance to adapt to changing student numbers.

The CIHE Trustees note that the policy is non-negotiable and that the consultation revolves around the details of the implementation.

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<sup>1</sup> Letter from John Denham, Secretary of State for Innovation, Universities and Skills, dated 7 September 2007.

## Our Response

4. We make the following observations:
  - a. It is unfortunate that such an important decision was taken without wide consultation and in such haste. This can only lead to inconsistencies in policy, unintended consequences and, in this case, the widespread condemnation of what many consider to be an ill thought through policy.
  - b. It is particularly unfortunate that this policy appears to fly in the face of the Government's aim to up-skill the workforce, implement the challenging targets in the report on skills by Lord Leitch<sup>2</sup> and encourage greater engagement on continuing professional development (CPD) between universities, colleges, businesses and individual learners. The international competitiveness of the UK rests on the pillars of greater innovation, more higher value adding businesses and a more highly skilled workforce<sup>3</sup>. The Government needs to have consistent policies to achieve this.
  - c. We appreciate that the case for supporting out of the public purse those who already have a full degree is less strong than supporting those who have no experience of higher education. But HEFCE will want to support those who need to top up their award to ensure they have the skills needed in the workplace. For example, graduates in the creative industries may need an additional module to help them start a business while some students may need to augment their IT skills to get a job. It would not serve the public interest if the ELQ policy deprived students from adding the capabilities they found they needed to get a job
5. We make the following suggestions:
  - a. HEFCE should confirm that the exemption on co-funding applies also to total employer funding of students.
  - b. An additional exemption should be made for those students undertaking a top-up module such as in business skills, self-employment or IT where the student can show this will reinforce their employability skills.
  - c. Longer-term safeguards than those proposed should be made for those institutions such as the Open University, Birkbeck University of London and some specialist institutions that will be particularly badly affected by this policy.

CIHE, December 2007

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<sup>2</sup> Leitch *Review of Skills: prosperity for all in the global economy*; HM Treasury, 2006

<sup>3</sup> See e.g. Lord Sainsbury *The Race to the Top*, HM Treasury, October 2007 and *International Competitiveness; businesses working with UK universities*, CIHE, 2006