

## EXEMPTIONS REQUESTED BY GOVERNMENT

### Consultation Question 1

Have we responded appropriately to the Government's instruction that certain categories of student should be exempt in the light of Student Fees (Qualifying Courses and Persons) (England) Regulations and Education (Student Support) Regulations?

[Strongly agree, Agree, Disagree, **Strongly disagree**, Don't know]

### Comments

CPHC welcomes the decision to exempt categories of students from the ELQ policy.

CPHC also welcomes the exemption for students in teacher training, but draws attention to the lack of suitably qualified Computing and IT teachers in secondary education, and at Key Stage 4 in particular. A recent Microsoft report noted the lack of coordination between school and University curriculum, and industry needs, and whilst curriculum issues are being addressed, for instance through e-skills initiatives, the supply of teachers suitably qualified to deliver this curriculum remains an issue. There are insufficient graduates with Computing and IT qualifications for this problem to be addressed by attracting such graduates to teaching careers. The problem can be addressed by developing high quality CPD courses for existing teachers, and for teachers who wish to move to ICT teaching on the basis of non-Computing/IT qualifications.

CPHC believes that the ELQ policy will cause significant de-stabilisation of the sector, which may have a disproportionate impact on subjects with a high vocational relevance that are making a significant contribution to the Government's Life Long Learning and Widening Participation agendas.

CPHC is also surprised that those holding Professional qualifications but not through publicly funded study should be included in this policy. Many of those who study for professional qualifications without having a degree first are often those who have left school early and have later funded their own up-skilling or received employer support. If they choose to take a degree after this study, they will not be supported by the state but if they follow a traditional route and study for an HE qualification first, they will receive funding.

**Recommendation: CPD qualifications for supporting teachers to move into ICT teaching, students with professional qualifications obtained without state funding, and students with equivalent qualifications obtained more than five years ago, should be made exempt from the ELQ policy.**

## EXEMPTIONS PROPOSED BY HEFCE: FOUNDATION DEGREES

### Consultation Question 2

Do you agree with our proposal to continue to provide public funding for students studying for a foundation degree as an equivalent or lower qualification?

[Stongly agree, Agree, **Disagree**, Strongly disagree, Don't know]

### **Comments**

The Council of Professors and Heads of Computing (CPHC) is the Computing subject body and represents Computing and IT departments in UK Higher Education institutions.

Our undergraduate and postgraduate teaching makes a strategic contribution to the UK economy in three specific ways: (a) we deliver technically qualified Computing and IT graduates; (b) we provide opportunities for up-skilling IT professionals working in a sector with a high rate of change; (c) we provide extensive opportunities for re-skilling graduates from other disciplines who take up IT jobs. CPHC surveys (reported, for instance in the CBI report on "Building a globally competitive IT services industry" <http://www.logicacmg.com/r/350233078/page/400008195> ) show a close and productive relationship with employers. Together with our accrediting professional organizations, the British Computer Society and the Institute of Engineering and Technology, we are committed to delivering qualifications that are current and relevant, and that address the needs of the IT sector.

In that context, CPHC welcomes the proposal to continue public funding for foundation degrees to ELQ students on the grounds stated in the consultation document, because they are important qualifications that address employer needs. The same reasons as stated in the consultation document apply to other qualifications that are equally important in meeting employers needs, such as HNDs, HNCs and other vocationally oriented computing and IT qualifications and diplomas, and honours degrees with placements and work-related components.

**Recommendation: We welcome the decision that Foundation Degrees continue to attract public funding, and we recommend that other employer-focused qualifications should also continue to attract public funding, in particular HNDs, HNCs and Honours degrees with integral placements and work-based components.**

### **EXEMPTIONS PROPOSED BY HEFCE: CO-FUNDED ASNS**

#### **Consultation Question 3**

Do you agree with our proposal to allow students studying for an ELQ to count towards the delivery of separately monitored co-funded additional student numbers (ASNs)?

[**Stongly agree**, Agree, Disagree, Strongly disagree, Don't know]

### **Comments**

CPHC surveys (referenced above) evidence a strong relationship between employers and computing departments. For instance, our feedback indicates there is high employers' demand for Computing & IT students to fill placements, which outstrips the number of students we have available for such schemes. HESA data show that the take-up of sandwich programmes in Computer Science (18,660 students in 2005/6, or 19.4% of all Computer Science undergraduates) is second in numbers only to that of Business

and Administrative Studies (36,250 students in 2005/6, or 18.8% of undergraduates), and higher in percentage points. For comparison, the HE sector average is 6.6% for 2005/6 – also compare to the enrolment on the undergraduate degree in IT for Management and Business (which HEFCE funds through e-skills) which remains around 300 (three hundred) students. Further examples include secondments from and to industry, release of employees for part-time study, use of case studies and access to data and computing infrastructure for the purpose of study or project work.

The profile of the IT industry is such that it will not be able to directly fund student places on the required scale and in a sustainable way. NCC data show that the sector is populated by a relatively small number of large corporates capable of investing in education, but is further characterized by a shrinking number of medium sized companies, and a rising proportion of SMEs, whose capability to engage with education and training is very limited. In addition, the extent to which all sector employers invest in IT and IT training is known to be particularly sensitive to economic fluctuations (source: Computer Weekly seasonal data). Even if they are willing to engage with education by direct funding of places, their ability to do so in a sustainable way depends primarily on other (possibly very short term) factors affecting their business and their profitability.

CPHC is aware that there is a regional dependence to employer contributions, for instance due to the concentration of particular kinds of IT companies (such as games in Scotland, and media related applications in the South-East). It is therefore important that institutions have flexibility in articulating how the co-funded aspect of the employer contributions is constituted.

**Recommendations: CPHC welcomes the proposal to allow students studying for an ELQ to count towards the delivery of separately monitored co-funded additional student numbers (ASNs). To retain the benefits of employer engagement, the widest possible interpretation of co-funding needs to be applied, in particular to take into account student placements, in-kind contributions to projects and case studies, time release and other ways of supporting students. In order to be able to interpret local and regional variations in the type of contribution made by different types of employers, institutions have to be able to articulate how the contribution is constituted. Measures must be in place to ensure that ASNs provision is sustainable and stable over time, and shielded from sharp economic fluctuations.**

## **SUPPORT FOR STRATEGICALLY IMPORTANT AND VULNERABLE SUBJECTS**

### **Consultation Question 4**

Do you agree with the proposal to introduce an allocation for strategically important and vulnerable subjects (SIVS), calculated on the basis of ELQ numbers studying SIVS?

[Strongly agree, Agree, Disagree, **Strongly disagree**, Don't know]

### **Comments**

In the UK, there are an estimated 120,000 IT related jobs advertised each year; technically qualified graduates with Computing and IT qualifications make up just 17% of the IT workforce (source: e-skills). This large mismatch between supply and demand, and the need to deliver a workforce with relevant, up to date IT skills is known as the IT skills gap. Importantly, of all skills sectors, the IT sector is by far the highest employer of graduates, the overwhelming majority of which have no computing or IT related qualifications (source e-skills). As a consequence, the IT sector is disproportionately affected by the ELQ policy because there is an endemic need both for up-skilling existing Computing and IT graduates, and for re-skilling graduates from other disciplines.

Furthermore, the gap between employer demand and the supply of technically skilled graduates will grow for the foreseeable future. E-skills report that proportion of UK advertised jobs that have carry a skilled IT component rose from 60% in 2005, to 72% in 2006. This trend is also noted in the Gartner and Leitch reports. In contrast, there was a 42% drop in students entering Computing and IT degrees through UCAS between 2001 and 2006 (source HESA, CPHC). Since 76% of students take 3 years, and 24% of applicants take 4 years to graduate, the decline will affect the supply of graduates at least until 2010.

One consequence of this combination of factors, is that the need for the IT sector to rely on the re-skilling of graduates from other disciplines is set to increase. However, the ELQ policy also has a disproportionately negative impact on those who engage with education on a part time basis, as part of professional development (such as working towards chartered status), or CPD, since the current proposal affects all students and not just those registered for a second degree level qualification. Also, in computing, there is limited opportunity for re-skilling graduates of other disciplines through post graduate qualifications, because (in an exact parallel with the example in the consultation document, of the History graduate studying Japanese) Computing builds knowledge and skills progressively, and the National Qualifications Framework limits the amount of undergraduate material that can be taught in a post graduate qualification.

CPHC concludes that the impact of ELQ has a disproportionately severe effect on the IT sector and the UK's ability to address the IT skills gap, and dramatically limits the role that universities and Computing and IT departments can play in supporting the economy and the workforce through up-skilling and re-skilling. Given the problem already faced by the IT sector, it is unlikely that either employers or students will be able to find additional resource to compensate for loss of ELQ funding. In fact, by far the more attractive solution for employers is to import suitably skilled graduates from overseas, and to off-shore business.

The consultation document states that STEM subjects (including Technology) are exempt from the ELQ policy. Although Computing is part of the STEM discourse, it is considered as a strategic, but not a vulnerable subject. Under the current proposal, Computing and IT are excluded from the SIV subjects exemption to the ELQ policy and are expected to bear full impact of the funding shift in spite of the extensive need in the IT sector for re-skilling of graduates of other disciplines, as well as the endemic requirement of a fast-changing subject, to keep up-skilling those who already hold Computing and IT degrees.

Nonetheless, the ELQ consultation document states that STEM subjects are eligible for exemption, and that SIVS status is appropriate if "level of provision falls short of demand

from employers". This statement is in line with the recommendations of the Sainsbury report, and receives full support from CPHC. In the case of Computing, the substantial gap between supply of graduates and employer demand described in the previous paragraphs has not been taken into account to date. With respect to the consequences of the current proposal, given the profile of the IT sector and the UK IT workforce, the ELQ policy is likely to have a severe impact on the UK's competitiveness and ability to innovate. For these reasons, an exemption for Computing and IT is justified and within the spirit of the statements made about exemptions.

**Recommendation: CPHC supports the proposals for granting exemptions to STEM subjects and to SIVS. Furthermore, given the disproportionate impact of ELQs on the UK IT sector and the ability of employers to address the IT skills gap, Computing and IT should be given exemption to the policy on a par with STEM SIVS.**

## **SUPPORT FOR PART-TIME PROVISION**

### **Consultation Question 5**

Do you agree that we should provide a supplement to the part-time targeted allocation?

[Strongly agree, Agree, Disagree, Strongly disagree, **Don't know**]

### **Comments**

## **MIGRATION FOR INSTITUTIONS AFFECTED**

### **Consultation Question 6**

Do you agree with our proposal to aim to provide 'safety net' funding to maintain each institution's grant at a comparable 2007-08 level in cash terms?

[Strongly agree, Agree, Disagree, Strongly disagree, **Don't know**]

### **Comments**

## **IMPACT ON THE SECTOR**

### **Consultation Question 7**

Do you consider that the ELQ policy outlined in this document is likely to have a differential impact on students, depending on their gender, race, whether they have a disability, or any other extraneous factors? If so, how might this be mitigated?

[Strongly agree, Agree, Disagree, **Strongly disagree**, Don't know]

### **Comments**

The ELQ policy will have a pronounced discriminatory effect on women in the IT sector, and the ability of women to qualify for IT and Computing related jobs, because of a combination of three factors. First of all, the proportion of women studying Computing/IT as their first degree is very low (Source: HESA) and so for women, the proportion who take up a career in Computing/IT as graduates in another discipline will be higher than for men. Second, more women than men move to Computing/IT after a career break. Third, employers invest far less in women, whilst women are less able than men to fund their own training and professional development (Source Policy Studies Institute), which makes them more vulnerable than men to the ELQ policy. The effects of the proposed policy and exemptions would be that women would be more likely to be attracted to re-skill into the health area (which is exempt), further undermining the supply of women into Computing and IT careers. These effects on women returners in particular would be lessened if Computing was included in the exemptions on a par with SIVS in other STEM subjects, and by applying the ELQ policy only to those with qualifications obtained recently.

**Recommendation: Computing and IT should be given exemption to the policy on a par with STEM SIVS. Students with equivalent qualifications obtained more than five years ago, should be made exempt from the ELQ policy**

## **OTHER COMMENTS**

### **Consultation Question 8**

Do you have any further comments?

#### **1. ELQs, offshoring and immigration.**

The data CPHC has gathered and presented above clearly show that the level of provision of suitably qualified, Computing and IT skilled graduates falls short of demand from employers. They also show that, because of the drop in undergraduate enrolments on Computing and IT degrees, this gap will inevitably widen, as a shrinking cohort of students work through to graduation. The ELQ policy will directly contribute to further widening this gap because it undermines employers' ability to look to the HE sector for up-skilling, and re-skilling graduates from other disciplines.

Employers are likely to address the shortfall through increased recruitment of qualified graduates from overseas, and through off-shoring. Given the number of IT related job vacancies in the UK, the ELQ policy will have a significant impact on immigration.

#### **2. The supply of postgraduates, the impact on research, and the export of key expertise.**

The drop in undergraduate student numbers, and the high demand for Computing and IT graduates are affecting the supply of a healthy cohort of home postgraduate students. Specialist and advanced qualification levels are needed for high-quality, added value, knowledge economy jobs, but currently home students are not taking up postgraduate places (source: HESA) and a minimum 50% of computing and IT postgraduate students in the UK are from overseas. Unless universities have a sustainable supply of funded

home students, they will continue to recruit postgraduates and research students from overseas, effectively exporting expert knowledge, and progressively undermining the UK IT sector's competitive advantage. This knowledge exportation also positions overseas competitors favourably when attracting business through off-shoring, as they build up substantial volume of expert knowledge, putting pressure on the UK's ability to add value. For instance, Indian companies are likely to be responsible for around 20% of the UK IT services market by revenues in 2020. Up to 40% of the UK IT services sector by revenue, and maybe as much as 60% by staff numbers, could be delivered offshore by 2020. (Source: Logica report). The current best-case scenario is that half the postgraduate ICT student population are home students, which means we are already training our competitors in the high level skills which are believed to represent the future market for UK industry (Source Microsoft, Gartner). Without a significant home student population undertaking such qualifications there is a serious threat to the UK remaining globally competitive in this area.

### **3. Erroneous implementation issues**

HEFCE is not currently distinguishing between a student with a PG diploma or certificate, and a Masters student. These are in no way equivalent qualifications and students having obtained a PG Diploma or Certificate should remain funded for the part of study (typically the dissertation component) that allows them to qualify for a Masters degree. Treating them any other way is an error, and not based on a point of substance.

This treatment of postgraduate students raises questions on the policy's implementation at undergraduate level. Students with a Foundation Degree as a first qualification should not be excluded from Government funding for top-up study that allows them to qualify for a full Bachelors (Honours) degree.