Understanding the Market of Alternative Higher Education Providers and their Students in 2014

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This report was prepared by IFF Research on behalf of the Department for Business, Innovation and Skills.

About IFF Research

IFF Research Ltd is an independent research agency specialising in research in the fields of learning and skills, employment and benefits, enterprise and health and wellbeing. Established in 1965, IFF provides research for a range of clients across the public and private sectors.

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Introduction

This report details findings from research commissioned by the Department for Business, Innovation and Skills (BIS) into providers of higher education in the UK that are run privately and;

- are not in receipt of recurrent funding from HEFCE (or equivalent body in the devolved administrations);
- do not receive direct recurrent public funding (for example, from a local authority, or the Secretary of State for Education);
- and are not a Further Education College.

These private providers are also widely known as ‘alternative providers’. There is a subset of these providers with courses which have received designation status for their students to access support in terms of loans and grants. Information is collected on these by BIS, the Higher Education Funding Council for England (HEFCE) and the Student Loans Company (SLC). Reporting obligations for these agencies has increased further since 2014/15.

In addition to such ‘designated providers’, there is a wider and much larger set of providers offering HE level courses at Level 4 and above (on the Framework for Higher Education Qualifications and/or the Qualifications and Credit Framework/National Qualifications Framework). Various agencies collect information on subsets of the wider group of providers, including the Quality Assurance Agency for Higher Education (QAA), the Home Office and awarding bodies. Still, less is known about the wider population since they have not shared the same reporting obligations as publicly funded providers and designated alternative providers.

This report seeks to gather further information on the wider alternative provider sector, and the structure of the market and of the students that it serves. It has antecedents in the form of work conducted by BIS in 2012 (Research Paper No.111) in particular, although issues of methodological consistency and scope severely curtail our ability to directly compare findings with this previous work.

Methodology

The study adopted a multi-stranded methodology consisting of desk and web research to build and develop a mapping database of alternative providers followed by a telephone survey of 276 alternative providers, online surveys of their current and former students (2,732 current students and 740 leavers), and in-depth qualitative interviews with 20 alternative providers.

Data presented in this report

It is important to note that the information provided here is based on:

- an attempt to cover ***all*** *alternative providers including both those that have at least some of their courses designated as eligible for student support and the much wider group of those that do not.*

- mostly self-reported survey data (either by alternative providers or their students) that has not been validated. However the report does attempt to reference more official sources of data where possible.

The data presented on providers comes mainly from a survey of 276 providers. In addition, the mapping database of providers includes information on designation status, size, whether for-profit and subject specialism. This was gathered from other available sources for those that did not participate in the survey to help map the alternative provider market.

The data presented on the student body and their characteristics comes from two sources; the provider survey and the student survey. Where information is drawn from the provider survey it covers all students studying at Level 4 or above regardless of funding status. Where data is drawn from the student survey it covers only those students that report being in receipt of student support funding, rather than representing all students at all alternative providers.

The Alternative Provider Market

Scoping the market

At the point of data collection (Spring 2014), the project identified some 732 alternative providers of higher education which between them served somewhere between 245,000 and 295,000 students.

Comparisons with previous BIS research undertaken in 2012 are hard to establish with certainty due to methodological differences, so it is not possible to say whether the size of the market has changed. However, among the 276 alternative providers that participated in the 2014 survey, just under two fifths (37 per cent) reported growth in the number of their domestic and European students in the previous two years, compared to 15 per cent that reported decreasing student numbers. Almost two thirds of alternative providers (64 per cent) expected to see increasing numbers of (domestic and European) students in the next five years. There is also evidence that delivery outside of the UK (for example via overseas campuses) appeared to be a growing market.

Evidence on fluctuations in size of alternative providers is supported by looking at the subset of 93 providers that completed data returns in both 2012 and 2014. Just over half (53 per cent) of this group remained in the same size band, while a third (33 per cent) had a lower size band in 2014 than in 2012, and one in eight (13 per cent) had a larger size band in 2014 than in 2012. However, the overall student population amongst these providers did not change a great deal over the time period.

The majority of alternative providers with a known size were small (47 per cent had 100 or fewer students), single-site, and based in London and the South East (only 32 per cent of alternative providers in England were based outside of London / the South East, with a handful located in Scotland (four per cent), Wales (two per cent) and Northern Ireland (one per cent). The market was fairly well established, although a third (37 per cent) had been in operation for less than ten years. Most were commercial organisations, operating in search of a profit (64 per cent): their primary source of income was tuition fees charged to students.

Courses offered

Most alternative providers were specialist in terms of the subjects that they offered (79 per cent described themselves as having a subject specialism), with specialist Business and Management and Arts institutions together making up nearly half of all alternative providers. The market was also notable for having a high proportion of institutions specialising in Religion and Religious Studies (such institutions constituted eight per cent of the total market). Newer alternative providers (those operating for five years or under) were more likely to be generalist in the education they provided. Three fifths of alternative providers (60 per cent) anticipated expanding the subjects they offered in the next five years.

The provider survey indicates that postgraduate level courses (including professional qualifications) were available at just over half of institutions (53 per cent) while first degrees were offered by just under two fifths of all alternative providers (37 per cent). Although postgraduate level courses were offered by around half of alternative providers the actual proportion of alternative provider students on these courses was less than one in five (18 per cent).

The proportion of providers indicating that they operate over a non-standard year was around a third; the proportion of students surveyed that were studying over a non-standard year was lower at 14 per cent. This difference may indicate that courses delivered over a non-standard year are less likely to be designated for student support, so less likely to be covered by our sample of students than our sample of providers which include both designated and non-designated bodies.

Four in ten alternative providers only offered one course level, and around half of these (20 per cent of all alternative providers) offered only ‘other HE’” courses, for example professional qualifications and Continuing Professional Development (CPD) courses.

Staffing

Three quarters of alternative providers (75 per cent) employed ten or fewer full-time equivalent staff.[1] Seventy seven per cent also reported using sessional or freelance staff to deliver one off or a small number of sessions on HE level courses.

The majority of alternative providers had a least one full-time equivalent member of teaching staff (82 per cent). Among those that did, over half (56 per cent) had at least one

[1] Size data shows that seven in ten providers had fewer than 250 students

member of staff who was research active and a slightly smaller proportion (50 per cent) said that **all** of their teaching staff had a higher education teaching qualification. Newer alternative providers and those operating to a commercial model were more likely to report a full complement of staff qualified to teach in higher education.

Regulatory environment

Around a fifth of alternative providers (19 per cent) had at least one course designated as eligible for student support funding. These providers tended to be larger and to have been operating for longer. They were also more likely than those without designated status to be not-for-profit and to be specialist.

Around half of respondents reported holding a sponsor licence under Tier 4 of the points-based system[2].Only a very small minority of alternative providers had Degree Awarding Powers. BIS records show that eight providers had DAP status at the time (seven took part in the survey).

Although largely receptive to the need for regulation in the sector (to cement reputations and control against low quality provision), alternative providers – in particular those with course designation - expressed some concerns about the way the sector is currently regulated and the barriers this can create in terms of burden and the impact on their ability to compete with publicly-funded providers.

Fees charged

Not all alternative providers provided data on the fees charged to students. Among those that did, the median minimum fee charged per year across all HE courses was £3,000 and the median maximum fee charged was £5,000.

Partnerships

Partnerships with publicly-funded institutions were important to the alternative provider sector. Half had partnerships in the form of a validation or franchising agreement, around a quarter had partnerships to develop curriculum content and one in six had partnerships for other activities such as research and development. The majority of these were seeking to maintain those links over the next five years. Positive views of the value and importance of such partnerships were reflected in the qualitative interviews – in particular, partnerships functioned well where the publicly-funded university and the alternative provider involved were not seen as being in competition in terms of their offerings, instead complementing each other's provision.

Alternative providers also reported strengthening ties with employers. Almost three-fifths (58 per cent) stated that they had built new links with employers in the last two years.

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[2] A Tier 4 student visa is the main immigration route for students outside of the European Economic Area to come to study in the UK

Growth and barriers to growth

This research was principally concerned with the provision of higher education within the UK, and this accounted for the vast majority of the sector's provision, with most alternative providers operating exclusively in a domestic context. However, delivery of higher education outside of the UK by alternative providers based within the UK appeared to be a growing market. Six per cent had seen an increase in their physical footprint outside the UK in the previous two years (or 35 per cent of those that offer HE outside of the UK) and a quarter were envisaging growth of this nature in the next five years.

The biggest concerns facing alternative providers were scarcity of funding and challenges connected to international recruitment. Among designated providers, however, complying with regulation was the most commonly mentioned factor which may inhibit their future plans.

Looking forward to the next five years, there were high levels of optimism among alternative providers with the majority expecting to increase the range of course offered at HE level (60 per cent) and the overall number of UK and EU students studying HE with them (64 per cent) during this time.

Profile of alternative providers' students

Estimating the student population

Findings indicate that in 2014 there were in the region of between 245,000 and 295,000 higher education students studying at alternative providers. The Student Loans Company provided support for around 50,000 students in 2013/14 at alternative providers[3] on courses designated as being eligible for such support[4] . The findings from this research would suggest that this accounts for 17-20 per cent of all higher education students at alternative providers[5].

Demographics

Data returns from 276 alternative providers showed that their population of students was a diverse one in which men (58 per cent of the known population[6]) and "mature students", aged over 25 at the point of starting their course (51 per cent of the known population) were both represented in greater proportion than in the publicly-funded HE sector (44 per cent and 36 per cent respectively).

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[3] Source: Student Loans Company

[4] Eligibility for student support is restricted to select qualifications – predominantly Pearson HND/C, degrees, foundation degrees, and other University validated provision

[5] This figure is corroborated by the data provided by those providers who completed the data return – the figures given by these providers showed a total of 17 per cent of their students were in receipt of a loan.

[6] The data returns asked for detailed breakdowns of students. Not all providers were able/willing to provide the detail asked for hence in some cases it makes sense to present student breakdowns just on those able to provide each type of data. We have referred to the students of those able to provide a breakdown the 'known population'.

Evidence from the student survey suggests that, among the sub-section of the alternative provider student population who were in receipt of a student loan (representing around 17-20 per cent of the total), the **gender** profile of students was closer to the mainstream (with 51 per cent being male) and confirms the **age** profile of the population supported with students loans is very much weighted to an older demographic (63 per cent of respondents were over 25)[7] There was some evidence from the survey of students that alternative providers were fulfilling a widening participation role insofar as these students were more likely to be from an **ethnic minority** background (46 per cent compared to 19 per cent of students in publicly funded HE institutions), and to have a **disability** (15 per cent) than students in publicly funded HE institutions (nine per cent).

International students

Provider' data returns indicate that a particularly high proportion of alternative providers' students were domiciled internationally, outside of the EU, prior to starting their course. Such students comprised around a quarter of the known alternative provider student population (27 per cent) compared to one in eight (13 per cent) of the publicly-funded HE population. This includes distance learning students who remained outside the UK while studying - these accounted for around a quarter of the known international student population at alternative providers. (Internationally domiciled students would not be eligible to receive student support, and so all would have been self-funded).

Courses studied

Information from alternative providers' data returns suggested that, among the known student population, Business and Management courses were most prominent, with nearly half of students enrolled on these programmes (46 per cent). This rose to over half (52 per cent) of all students on postgraduate courses and three-quarters (77 per cent) of students on HND/C courses. Arts & Humanities subjects were most prominent for first degrees (accounting for 48 per cent of first degree students).

Past employment and qualifications

It was common for students in the sector to come to their course having previously been in full-time employment, and for them to have a comparatively low level of prior academic achievement compared to the publicly funded sector: just under a quarter reported they did not have a prior qualification at Level 3 (although only three per cent had no prior qualifications at all).

Not all students reported a qualification-based entry requirement for their course – for some admission was based on passing an interview or exam or on prior experience. Education courses had the most stringent and numerous non-qualification entry requirements – more likely than all other course type to require an interview, an entrance exam, a UK professional qualification and professional experience.

[7] SLC figures for English domiciled students awarded support in 2012/13 shows that 77% of supported students were aged over 21 at the start of the academic year and 54% were male

Student finance

Data on student finance comes from the student survey, which covers those that report being receipt of student funding towards maintenance or tuition fees. Students reported a variety of sources to help with their fees and living costs - other than a loan, the most common sources of support were family members and personal savings. Students that said they did not take out a *full* loan for their fees (that is, the loan taken only covered part of their fees) were asked to describe what other sources of support they used. Common sources of support were parents and guardians (41 per cent), personal savings (36 per cent) and earnings from employment (28 per cent). For living costs, other than Student Loans Company support, sources most commonly mentioned were again personal savings (27 per cent), earnings from employment (26 per cent) and parents/guardians (19 per cent). Those on other undergraduate courses were more likely to access support from the Student Loans Company for living costs. Students from a White background were significantly more likely to use personal savings, current earnings and parental support to help with living costs alongside their loans, whereas those from Non-White backgrounds were significantly more likely to rely on Student Loans Company support.

Student experience and outcomes

Perceptions of the alternative provider sector

Of students receiving student support, only half were aware that their institution received no direct government funding[8]. Of those aware that their provider was not publicly funded and who considered both public and alternative providers (25 per cent of respondents), they most commonly selected their provider based on reputation (52 per cent), location (46 per cent) and a range of other course-related factors. Fewer (around a third) based their decision on financial reasons: related to the level of tuition fees (29 per cent) or financial support available (16 per cent).

When choosing their course, students placed a strong emphasis on employment outcomes: 75 per cent cited relevance to future career as being a very important reason for choosing that course, and 59 per cent cited graduate employment prospects. However the factor most commonly rated as very important was personal interest in the subject (cited by 94 per cent).

Mode of study

Although some students were studying in unconventional formats (e.g. different course lengths, studying over a non-standard academic year or through teaching not delivered face-to-face), these accounted for a minority of all students at alternative providers. The data returns from alternative providers indicated that around one in five of all students (23 per cent) were studying through distance learning. The survey of students (covering those that reported receiving student support) gave a figure of five per cent whose course was delivered entirely through distance learning. (The difference in these figures could be accounted for by the fact that the sample of students, which covered only those in receipt

[8] Based on responses to the question "When you selected this provider, were you aware that it was not a publically funded institution i.e. does not receive grant funding from government?"

of student support, would by definition have excluded international students studying via distance learning). Provider data indicates that distance learning was higher than average for postgraduate and foundation degree courses and lower than average for HND/C courses.

Completion and pass rates

Data from the Leavers' Survey suggests that around three quarters of students in receipt of Student Loans Company support completed their course. This would appear to be a slightly less positive picture than that presented by alternative providers in the provider survey. However, we would expect drop-out rates to be higher at alternative providers compared with publicly-funded providers due to background of their students (they may be more likely to fail to complete for valid reasons such as financial difficulties or family responsibilities) and the mode and levels of study offered (for example, HND level courses tend to have a larger drop-out rate than higher level courses)[9].

Alternative providers indicated that pass rates are quite high. More than a third of alternative providers gave a pass rate for 2012/13 of 100 per cent for students that sat a final assessment.

Student satisfaction

Satisfaction rates are high (over 70 per cent) in many measures relating to the quality of teaching, academic support and personal development. Overall, 75 per cent of full-time students and 82 per cent of part-time students are satisfied with the quality of their course. However, when compared with the National Student Survey, students of alternative providers show lower levels of satisfaction with their learning experience across all key measures but comparisons can only be indicative due to methodological differences[10].

Almost half of leavers (46 per cent) stated that they would be likely to choose a different institution to study at if they were making their decision again today.

Destinations of leavers

Findings indicate that overall the employment rates of leavers from alternative providers are lower than is the case among publicly funded providers (although it is difficult to make direct comparisons because of significant differences in scale and methodological consistency).

The majority of former students in receipt of student support who left alternative providers in 2012 and 2013 reported that they were in work in June 2014 (67 per cent). Nine per cent stated that education or training was their most important activity and almost a quarter were neither working nor studying (24 per cent).

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[9] See HESA statistics on non-continuation rates https://hesa.ac.uk/pis/09/10/noncon

[10] The NSS is conducted only among final year students (whereas the student survey for this report covered those at various points in their course). The profile of students at alternative providers is also quite different (in terms of their personal characteristics, course type and subject area for example) than that at publicly-funded HE providers and these differences have not been controlled for.

When this data is based solely on those who completed their course[11], the proportion working increases to 71 per cent; the proportion studying remains at nine per cent, and the proportion not working or studying falls to 21 per cent[12].

Conclusions

A state of flux: It has not proved possible to establish detailed comparisons with the 2012 research and so we cannot with confidence establish whether / the extent to which the market is a growing or contracting one. Nearly two fifths of the current market has only been in operation for 10 years or less. At the same time, through the research we have identified 90 providers from the list of 674 compiled in 2012 that have since closed, and a further 24 no longer offering HE.

Widening participation: The student base of alternative providers tends to be more likely to be male, older, more likely to have a disability and more ethnically diverse than the wider Higher Education sector. The student base of alternative providers comprises relatively high proportions of students who have come to their course later in life, having previously been in full-time employment, and with a relatively low level of prior academic achievement compared to the publicly-funded.

Student experience: There was little evidence of students specifically targeting alternative providers as an educational choice because they were alternative providers, as such. That said, the majority of alternative providers' students did not apply to and/or receive an offer from any other institution. The majority of students were satisfied with their learning experience. They cited the reputation of the provider as the most common reason for choosing them; however, almost half of leavers from alternative providers surveyed would choose a different provider to study at if they were making their decision again today. Aside from personal interest in the subject, the most common reason for choosing the course was that it was related to their chosen career.

Diversity of providers: The alternative provider sector covers a range of different types of organisation. They are not a homogenous group, with feedback from the qualitative interviews indicating that a number of providers did not always recognise or relate to the term 'alternative provider.' The diagram below (Figure 1) illustrates six broad "types" of organisation that make up the market. These are not mutually exclusive: there is some degree of overlap between them. And based on imperfect knowledge, it has not always proved possible to allocate alternative providers identified through this project into one of the categories (although the typology identifies some 80 per cent of those surveyed).

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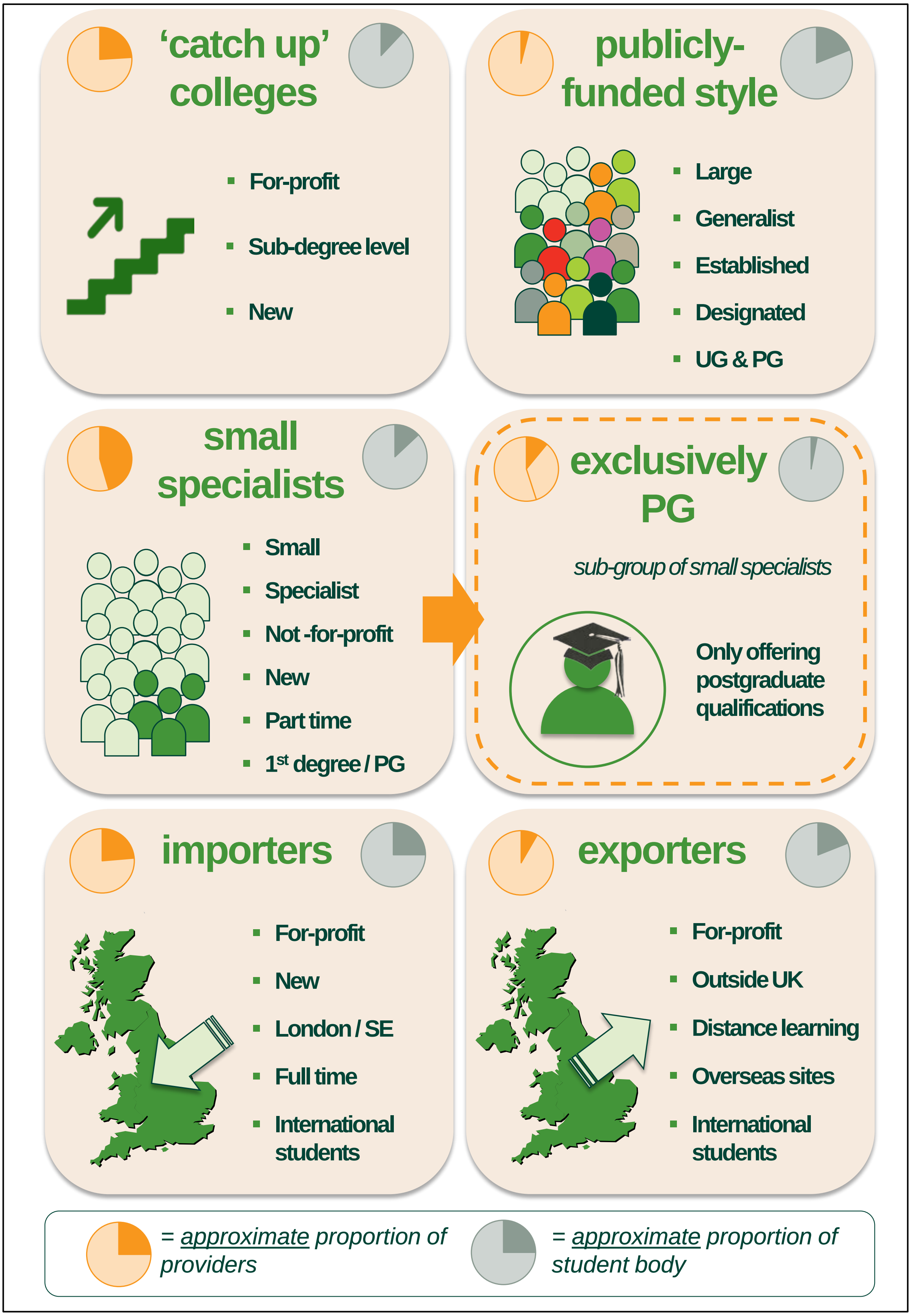
[11] as is the case for the DLHE series of surveys of former students, which covers public providers.

[12] Base: 504 leavers

Figure 1: Developing a broad typology of alternative providers



1. Introduction

This report details findings from research commissioned by the Department for Business, Innovation and Skills (BIS) into higher education providers in the UK which do not access recurrent funding through a higher education funding council; these providers are commonly referred to as alternative providers.[13] The research aimed to build on previous work conducted in 2012 in providing a fuller picture of the structure of the market and of the students that it serves. The research was conducted during 2014 and consisted of a range of primary research methods supported by desk-based research.

1.1 Background

As laid out in the Higher Education White Paper "Students at the Heart of the System"[14], the Government is committed to ensuring both diversity and competition within the Higher Education (HE) sector in order to further improve student choice by and provide more opportunities for part-time or accelerated courses, sandwich courses, distance learning and higher-level vocational study.

As part of this policy government increased the maximum tuition fee loan available to students studying on designated courses at alternative providers, from the 2012/13 academic year from £3,375 to £6,000.

Alternative providers of higher education are an important component of the market but, since they have not all shared the same reporting obligations as publicly funded Higher Education Providers, less is known about them and what they look like collectively. Information is improving; for example, for academic year 2014/15 onwards alternative providers that have courses designated for student support will be required to submit data on students studying on designated courses (whether or not the student is claiming financial support) to HESA. Information is also collected beyond BIS and the Higher Education Funding Council for England (HEFCE), including the Student Loans Company (SLC) on students in receipt of grants and loans, the Quality Assurance Agency for Higher Education (QAA) and the Home Office on providers with Tier 4 status. Although information is improving it is limited with regards to non-designated courses and providers. Alternative providers have not always shared the same reporting obligations as publicly funded providers which has created difficulty in gauging the cumulative, aggregate impact of policy and market changes on the sector, generating an information gap for policy makers who wish to maintain a holistic picture of the HE sector and the way in which it is responding to changes in HE policy (in particular the introduction and expansion of tuition fees and government supported loans which came into place in 2012).

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[13] Full definition: those institutions which are not in receipt of recurrent funding from HEFCE (or equivalent body in the devolved administrations), or do not receive direct public funding (for example, from a local authority, or the Department for Education), and is not a Further Education college.

[14] Department for Business, Innovation & Skills (BIS), *Higher Education: Students at the Heart of the System*, (June 2011), pp. 53 & 73. Accessible at: www.bis.gov.uk/Consultations/he-white-paper-students-at-the-heartpp

In this context, BIS commissioned IFF Research Ltd to undertake an update to the work that was conducted in 2012 to provide a fuller picture both of the structure of the market, and of the students that it serves.

1.2 Method

Our approach consisted of the following stages, described in more detail below.

- Scoping and definitional work – desk and web research to build and develop a mapping database of alternative providers, including some basic organisational details.
- Survey of alternative providers – comprised of a telephone survey and an online data return. (276 responses).
- In-depth qualitative face-to-face interviews with staff at 20 alternative providers.
- Online survey of current students at alternative providers. (2,732 responses).
- Online survey of former students at alternative providers. (740 responses).

1.2.1 Scoping and definitional work

In the first instance, it was agreed with BIS that the providers in-scope for this study would include those that:

- Do not access public funding, either through the relevant HE funding council, or through an FE funding council/agency (student support for tuition fees is not included in the definition of public funding to the provider); and
- Provide HE to students based in the UK.

Our definition of higher education included any courses at Level 4 or above (or equivalent) on the Framework for Higher Education Qualifications and/or the Qualifications and Credit Framework/National Qualifications Framework.[15] This covers a wider range of qualifications than those that can be designated for student support (those are predominantly HND/C, first degrees, foundation degrees, and other University-validated provision). Therefore, many providers will not provide these courses, and so would not ever be designated for student support unless they change their course offerings.

[15] For details about these frameworks please see Ofqual's information accessible at: http://ofqual.gov.uk/qualifications-and-assessments/qualification-frameworks/

Some alternative providers were also offering further education or equivalent courses, alongside higher level courses. Where a provider was **only** delivering further education, they were judged as outside the scope of this research[16].

The starting point for building an up-to-date list of alternative providers was the list assembled during the 2012 research programme. This contained 671 alternative providers. Our scoping and definitional work aimed to:

- Establish whether these organisations still offer HE in the UK;
- Identify "new" alternative providers of HE;
- Build/update key organisational information on **size** (number of HE students), **subject specialism** and **type** (whether organisations are profit or not-for-profit).

The provider survey was a key source for some of this information – in particular, it served to screen out ineligible providers. However, by definition the provider survey could only provide a partial picture of the sector, drawing only on those alternative providers that agreed to participate in the survey. Alongside the provider survey we therefore accessed a range of sources to further populate the mapping database as far as possible, including:

- Direct contact from providers (outside of the survey – for example, we received a number of calls from providers following advance letters informing providers of the survey, some of which opted out on the grounds that they were not eligible);
- Quality Assurance Agency (QAA) educational oversight reports;
- HEAPES (Higher Education Alternative Providers Early Statistics Survey) undertaken by HEFCE;
- Student Loans Company;
- Accreditation Service for International Schools, Colleges and Universities (ASIC) College Directory;
- Education Scotland report;
- Independent School Inspectorate Educational Oversight Inspection Reports;
- Listed bodies list (includes all providers offering a UK degree);
- Ministry Division Inspection report;

[16] Further education was defined as any qualification at levels 1, 2 or 3 in the Qualifications and Credit Framework (QCF) / National Qualifications Framework (NQF).

- Ofsted reports;
- DueDil – a database providing business information on companies registered in the UK;
- Companies House;
- News articles; and
- Individual institution websites.

Through the scoping and definitional work using these sources, we also identified and removed providers that:

- Were duplicates;
- Were further education colleges;
- Had closed;
- Had never offered HE;
- Had ceased offering HE; or
- Were an overseas institution.

Where we were able to confirm that a provider was still in operation and still in the business of providing Higher Education, but unable to source information on subject specialism and institution type (profit vs not-for-profit), we have looked to fill these gaps using information from the 2012 mapping database. This is on the basis that providers' status is unlikely to have changed in these respects. However, we have not brought forward any information from 2012 for size, as this is more likely to have been subject to change.

The "final" list contained 732 named alternative providers and has been provided to BIS as a separate output to accompany this report. The alternative provider market is fluid – this should be seen as a snapshot in time, and is likely to have already undergone some degree of change by the time of publication.

1.2.2 Survey of providers

The survey is based on alternative providers based in England (which covers almost all – 93 per cent – of alternative providers identified by this research). It sought to establish:

- **The nature of their business** – including the number and location of sites, staffing structures and how long they have been operating;

- **The nature of their offering** – including the types of courses offered, the levels of courses offered, delivery methods, fees charged, and changes over the last two years; and

- **The nature of their student body** – including size and split by domicile, delivery method and course type.

It was clear that some alternative providers would not be able to provide all of this information through a standard interview approach and would need to compile data from their internal records in order to respond fully. To deal with this, the 2012 survey collected information through separate data return and telephone interviewing exercises. In 2014, we combined these into a single exercise – this allowed the work among alternative providers to be conducted more quickly and meant that the survey and data return covered the same population. It also meant that the same group of alternative providers supplied data for each element.

The process for undertaking the survey was as follows:

1. We sent a letter introducing the survey to principals/heads of all providers (at the point of beginning the survey process, we had built a list of 1,052 providers potentially in scope). The letter was co-signed by BIS and IFF Research – the aim of the exercise was to secure senior level buy-in to the study. This letter also provided organisations with the option to nominate an individual to be approached for the survey, or to opt out if they wished.

2. We made initial telephone contact to identify the most appropriate person to interview for the survey – in the first instance, this contact was with the principal/vice-principal/head or equivalent (unless they had already nominated an alternative contact); we then navigated on as necessary. Job titles varied from institution to institution depending on organisational structures; we therefore asked for 'the individual with the best overview of the size and structure of the student population'. Once speaking to the appropriate respondent, we introduced the survey and explained that it consisted of a data element and then a small number of questions about the organisation and its ambitions. This stage also established eligibility for the survey and asked for some basic organisational information. As such, it served as a screening exercise, removing any ineligible providers from the population – for example, because they did not currently offer any HE courses, or that they were in receipt of recurrent grant funding.

3. At this point, the smallest alternative providers (those with fewer than 100 students) were invited to undertake the whole exercise as a one-stage telephone interview – i.e. to complete the data return breaking down their student population into the desired categories over the phone. Larger alternative providers (with more than 100 students) were e-mailed the data return (with supporting notes) and we agreed a time to phone them back to collate their information.

4. In the case of those institutions that received the data return via email, we re-contacted the institution at the agreed point and conducted a telephone interview. We also undertook an extensive "chasing" exercise to encourage alternative providers to complete the data return.

In summary, the coverage of the two elements was as follows:

- **Data return**: this consisted of a number of tables breaking down students by broad subject, demographics, level of study, mode of study, age, course fees, and whether students had a loan or not.

- **Telephone survey**: organisational information, awarding powers and accreditation, financial information, staff numbers, student entry requirements and achievement, change over the last two years and future plans.

No quotas were applied throughout fieldwork – instead, the approach was an attempted census. The provider survey took place between May and June 2014 and received 276 complete responses incorporating both the data return and the telephone survey.

1.2.3 Qualitative interviews with providers

In order to gain a deeper understanding of alternative providers and the environment in which they operate, we undertook 20 face-to-face visits. Alternative providers taking part in the survey were asked if they could be re-contacted for this purpose.

Alternative providers were selected to give a cross-section by size, region, past growth and future growth aspirations. Interviews lasted between one and two hours and were a combination of individual and paired depth discussions – these were typically with the participant from the survey but sometimes included other senior staff at the institution, such as Heads of Policy, Programme Directors, and Principals/CEOs/Presidents. Interviews followed a topic guide which covered the following:

- Future aspirations and barriers to growth;

- Views on the alternative provider sector;

- Students at their institutions, their outcomes and experiences;

- Finance;

- Awarding powers and accreditation; and

- The wider environment, such as partnerships with other institutions.

Fieldwork took place between August and September 2014.

1.2.4 Online survey of current students

An important part of this study was to gather the views and experiences of students at alternative providers. In particular, we sought to gather:

- **Demographic information and circumstances:** including information about their course, mode of study, age, gender and domicile.

- **Motivations and experiences:** reasons for choosing that provider, perceived quality of teaching and student experience.

The survey was carried out online – scripted and hosted by IFF Research. We distributed the survey through two means[17]:

- **Through providers taking part in the telephone survey:** at the end of the alternative providers' telephone survey, we asked whether they would be willing to distribute a link to the online survey to their students. If they were willing to assist then we sent them a suggested e-mail inviting participation to distribute to their students which contained a link to the online survey. This link was specific to each institution, enabling us to monitor responses and to follow up with any providers where there had been no/low responses[18].

- **Using details obtained through the Student Loans Company:** because we were able to exercise little control over response to the survey distributed by providers, we supplemented our sample with records from the Student Loans Company (SLC). The SLC were able to provide us with names and email addresses of around 40,000 students at alternative providers who received a student support payment in the 2013/14 academic year. We sent individual links to each respondent, allowing us to identify non-respondents and send reminders – we sent two throughout fieldwork.

Therefore, it should be noted the respondents from the student survey are not necessarily from the same alternative providers as those taking part in the provider survey. Fieldwork for the survey of current students at alternative providers took place between May and July 2014 and achieved 2,732 responses.

Survey responses in this report are based only on students in receipt of support from the Student Loans Company – this is because we are able to weight to a known population of supported students and can be confident in the data. Data based on other students should be treated with caution – for indicative purposes, comparison between these two groups is included in Annex 2.

1.2.5 Online survey of former students

To complement the survey of current students, we also undertook an online survey of those who formerly studied at alternative providers. As well as demographic information and an understanding of student experience, this survey sought to obtain information of

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[17] Note that these were not mutually exclusive: it would have been possible for students to be sent a link to the survey both via their provider and via the Student Loans Company sample; we mentioned this in the cover email to students to reassure them that they would only need to complete the survey once, using either link.

[18] The link to the survey which was distributed by providers was accessed by students across 83 providers, although in 30 of those providers only one or two students accessed the link. This is separate to the sample of students contacted by details obtained through SLC.

student destinations – i.e. the further study or employment former students are undertaking now.

As with the student survey, the leavers' survey was carried out online – scripted and hosted by IFF Research – and distributed through the same two means:

- **Through providers taking part in the telephone survey:** at the end of the providers' telephone survey, we asked whether they had an alumni database and if they would be willing to distribute a link to the online survey to their former students who left the institution in 2011/12 or 2012/13. If they were willing to assist then we sent them a suggested e-mail inviting participation to distribute to their former students which would contain a link to the online survey. Again, this link was specific to each institution, enabling us to monitor response and to follow up with any providers where there have been no/low responses.

- **Using details obtained through the Student Loans Company:** again, we supplemented our sample with records from the Student Loans Company (SLC). The SLC were able to provide us with names and email addresses of around 25,000 students believed to have left in 2011/12 or 2012/13 – who received their most recent payment in those academic years. As with the student survey, we sent individual links to each respondent, allowing us to identify non-respondents and send reminders – we sent two throughout fieldwork.

Because the leavers' survey drew on multiple sources, it should be noted the respondents from the leavers' survey are not necessarily from the same alternative providers as those taking part in the providers survey. Fieldwork for the survey of leavers from alternative providers took place between August and October 2014 and achieved 740 responses from former students who reported leaving a higher education course from an alternative provider up to end December 2013.

As with the student survey, data in this report are based only on former students who received support from the Student Loans Company – this is because we are able to weight to a known population of supported students and can be confident in the data. Data based on other students should be treated with caution – for indicative purposes, comparison between these two groups is included in Annex 2.

1.3 Data presented in this report

1.3.1. Providers covered by the report:

This report includes all providers offering higher education level (Level 4+) courses and not in receipt of recurrent public finance to their core funding. This includes providers with at least one course that have students in receipt of student support in 2013/14 (in the form of loans and grants for tuition fees and maintenance costs) and providers that do not have such courses - who make up the majority of the market and whose students are self-funded.

For the purpose of our analysis, designated providers in this report describe those with either independent specific course designation approved by the Secretary of State or those delivering courses under franchise arrangements with HEFCE funded providers, or initial teacher training courses which had their designation status approved under separate arrangements. It should be noted that designated providers can be offering other courses which are not designated for student support funding and not all students on designated courses will be eligible for, or receive, student funding.

1.3.1 Change since 2012

The data in this report is intended to present the most accurate picture we have available in 2014 of the market of alternative providers, as well as their students and former students. The alternative provider market is dynamic – this report represents a snapshot in time and is likely to have already undergone some change by the time of publication.

We have developed and built on the methodology used in 2012. **Our aim was to provide a fuller understanding of the market but, as a result, the differences in approach mean that direct and robust comparisons with 2012 are not possible.** Specific differences in approach between 2012 and 2014 include:

- The scoping methodology identified a wider selection of providers offering courses at Level 4 and above in 2014;
- More providers, and more larger providers, took part in the 2014 survey which has an upward effect on the estimated minimum size of the student population;
- The 2014 student survey achieved a greater number of responses but is based largely on students in receipt of student support. It is important to remember that these are minority sub-set of the wider population of students at all alternative providers;
- 2012 survey data (provider and student surveys) were not weighted due to gaps in knowledge about the wider population making it difficult to establish representativeness;
- The questions used in the surveys were not always consistent between 2012 and 2014.

In this report, therefore, we have focused on presenting a comprehensive picture of 2014 as possible rather than showing any trends since 2012. We do, however, discuss self-reported change using findings from the provider survey and the qualitative interviews.

1.3.2 Student numbers – higher vs further education

We refer throughout the report to student numbers – in terms of estimating the student population, as well as describing the relative sizes of institutions. Where student numbers are discussed, **we are referring to numbers of higher education students only**. Where it has been possible to identify or approximate numbers of further education (FE) students attending alternative providers, these have been removed from calculations of student numbers.

1.3.3 Summary of data sources

Throughout this report, we draw on a number of sources. The following is intended to provide clarity on what these cover and how the data are constructed.

- **Mapping database of alternative providers:** This refers to the "final" database of 732 alternative providers, following the completion of all scoping and survey work. This is our best understanding in 2014 of the alternative providers market. The mapping database captures a snapshot of alternative providers operational in April to July 2014. Data are **unweighted**.

- **Provider data return**: This refers to the data return element of the provider survey, of 276 alternative providers. Alternative providers have given us information on some 72,745 students attending their institutions. Some alternative providers will have given this information online, others by telephone. Data was returned between May and July 2014. Data are **unweighted**.

- **Provider survey:** This refers to the telephone element of the survey of 276 alternative providers. The survey was conducted between May and July 2014. Data are *weighted* to the known population of alternative providers (from the mapping database) according to size (number of HE students) and type (whether profit or not-for-profit).

- **Qualitative interviews with providers:** Findings from the qualitative element of the research are based on 20 face-to-face visits to alternative providers. Although these were recruited to give a broad representation of alternative providers, the nature of qualitative research is that this is not intended to be representative. Instead, these are included to provide some depth to complement the quantitative findings. Interviews were conducted in August and September 2014.

- **Student survey:** The data reported in the main body of this report are based on a sample of students that reported being in receipt of a grant or loan from the Student Loans Company, who made up the large majority of respondents to the student survey (2,732)**.** Data are **weighted** to the known population of students in receipt of support from the Student Loans Company according to age and gender. An additional 241 students responded to the survey who reported they were not in receipt of student loan funding. Data on those not receipt of support from the Student Loans Company are **unweighted** as it is difficult to establish how (un)representative they are of the wider population of students across all alternative providers. Indicative comparisons with these students are reported separately at Annex 2. The student survey was conducted between May and July 2014.

- **Leavers survey:** As with the student survey, the data reported in the main body of this report are based on all former students who reported being in receipt of a grant or loan from the Student Loans Company (740)**.** In the absence of any other information, data are **weighted** to the same profile as the student survey – i.e. the known population of "current" students in receipt of support from the Student Loans Company according to age and gender. An additional 131 former students responded to the questionnaire who reported they were *not* in receipt of student loan funding. As with the student sample, those reporting they were not in receipt of student support are **unweighted**, and comparisons with these former students are reported separately at Annex 2. The leaver survey was conducted between August and September 2014.

2. The Alternative Provider Market

This chapter considers the size and profile of the alternative provider market in the 2013/14 academic year. It discusses the courses offered by alternative providers, where providers are based, how established they are, who delivers teaching in the sector, and how they operate commercially. This section also looks at the regulatory environment[19], as well as provider perceptions of past and expected change.

The chapter draws on multiple sources, including the provider mapping database, the provider survey, and the qualitative interviews with providers.

The findings in this chapter show that:

- 732 alternative providers of higher education were identified at the point of data collection, serving between 245,000 and 295,000 students, the majority of whom were self-funding.
- The majority of alternative providers were small (nearly half (47 per cent) of providers with a known size had 100 or fewer students), single-site, and based in London and the South East.
- Most alternative providers operated for a profit, and the primary source of income was tuition fees charged to students.
- The majority had a subject specialism, with specialist Business and Management and Arts institutions together making up nearly half of all specialist alternative providers. Newer alternative providers were less likely to specialise in a specific subject area.
- Although clearly still young in comparison with publicly-funded providers, the market was fairly well established: with more than three fifths operating for more than ten years, whereas one in six had been in operation for over 50 years.
- The majority of provision of higher education in the alternative sector was delivered exclusively within the UK (but delivery outside of the UK appeared to be a growing market).
- Around a fifth delivered courses with designated status, and around half held a sponsor licence under Tier 4 of the points-based system[20].

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[19] At the time of this research – there have been a number of regulatory changes since the research was conducted

[20] Non-EU domiciled students wishing to study in the UK need to obtain a Tier 4 (General) student visa to do so; to be eligible for this visa they must have an unconditional offer of place on a course with a licensed Tier

- Alternative providers employed fairly low numbers of full-time equivalent teaching staff in terms of absolute numbers; on average the ratio of students to staff members was 13:1 (compared with an average 18:1 at publicly funded HEIs); however, the ratio of students to staff at larger alternative providers (with more than 500 students) was much higher at 56:1. This figure excludes sessional lecturers who deliver a small number of sessions in their area of expertise but whose main employment is with another organisation or as a freelance teacher/trainer. Around half of alternative providers said that all of their teaching staff have a higher education teaching qualification.

- Partnerships with publicly-funded institutions were important to the alternative provider sector. Most (58 per cent) had some form of partnership (for example validation or franchise arrangements), and the majority of these were seeking to maintain those existing links over the next five years.

- Just over one third of alternative providers reported growth in UK/EU student numbers in the last two years (37 per cent), and just under two thirds expected an increase in the next five years. This tallies with recent SLC data, which shows that the number of students at alternative providers claiming support increased by over 50 per cent between 2012/13 and 2013/14[21]. Alternative providers also anticipated expanding the subjects they offered. Only a small number of alternative providers were anticipating an overall decrease in the number of UK and EU students they will serve over the next five years, while larger numbers were expecting that the number of international students to whom they deliver higher education would decrease.

- The biggest concerns for alternative providers were scarcity of funding and changes to immigration policy. Alternative providers also expressed some concerns about the way the sector is regulated and the barriers this can create in terms of burden and the impact on their ability to compete with publicly-funded providers.

2.1 Size of the alternative provider market

This section sets out the size of the alternative provider market, in terms of the number of institutions and students that it serves. This part of the report draws on a range of sources of basic information of all identified current alternative providers (see Introduction 1.2.1 for a more detailed description of the way in which this mapping database was built and developed). All data are unweighted.

At the time of this research, we identified 732 current alternative providers of higher education.

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4 sponsor. A Tier 4 sponsor is usually an education provider that offers courses of study to full-time in the UK; if a provider wishes to enroll students from outside the European Economic Area they must hold a Tier 4 sponsor licence. See Gov.UK for more details: https://www.gov.uk/apply-for-a-tier-4-sponsor-licence

[21] Source: BIS analysis of SLC administrative data

We are confident that this constitutes an accurate picture *at the point of data collection*[22], but we acknowledge that the alternative provider market is dynamic and is likely to have shifted even since publication of this report. **This should therefore be seen as a snapshot in time.**

The majority of alternative providers are relatively small; two fifths (39 per cent)[23] of providers had 100 or fewer higher education students, and a further fifth (19 per cent)[24] of providers had between 101 and 250 students; while just five per cent had over 1,000 students in higher education. For around one fifth of alternative providers (18 per cent) it was not possible to determine their size; excluding these unknown providers, nearly half (47 per cent) of alternative providers with a known size had 100 or fewer students (Figures 2 and 3).

This profile is in contrast to the publicly-funded HE sector, which is characterised by large universities typically serving thousands of students. Looking at the breakdown of student numbers in 2012/13 at 160 publicly funded universities, just 14 had fewer than 1,000 students, with the smallest having 255 students. Forty-one institutions served over 20,000 students each, and the mean number of students per publicly funded provider was 14,460.[25]

However, the profile of the alternative provider market is closer to that of further education colleges with public funding to deliver Higher Education; looking at student numbers in 2011/12, around a fifth (21 per cent) of these had 100 or fewer higher education students, while nine per cent had over 1,000 students in higher education. The mean number of higher education students per further education college in England was 439[26].

We go into more detail on the profile of the alternative provider market in a later section.

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[22] Provider data was collected and compiled between May 2014 and July 2014

[23] 282 providers out of a total 732

[24] 137 providers out of a total 732

[25] https://www.hesa.ac.uk/dox/dataTables/studentsAndQualifiers/download/Institution1213.xlsx

[26] http://www.hefce.ac.uk/data/Year/2012/Student,numbers,from,HESES,and,HEIFES,March,2012/Title,93102,en.html

Figure 2: The alternative provider market (Provider mapping database - unweighted)

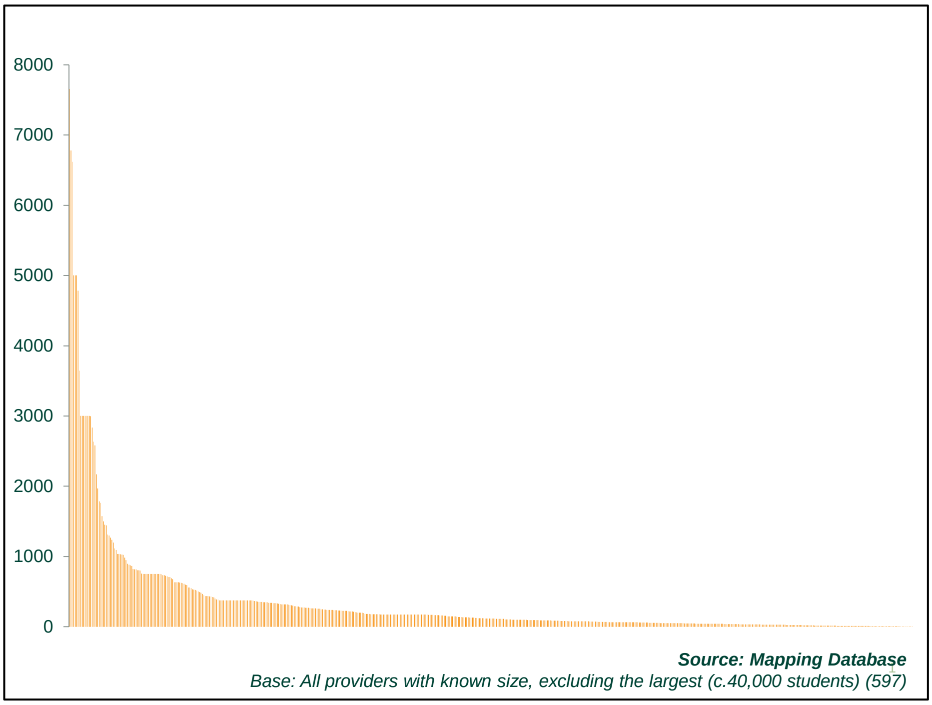
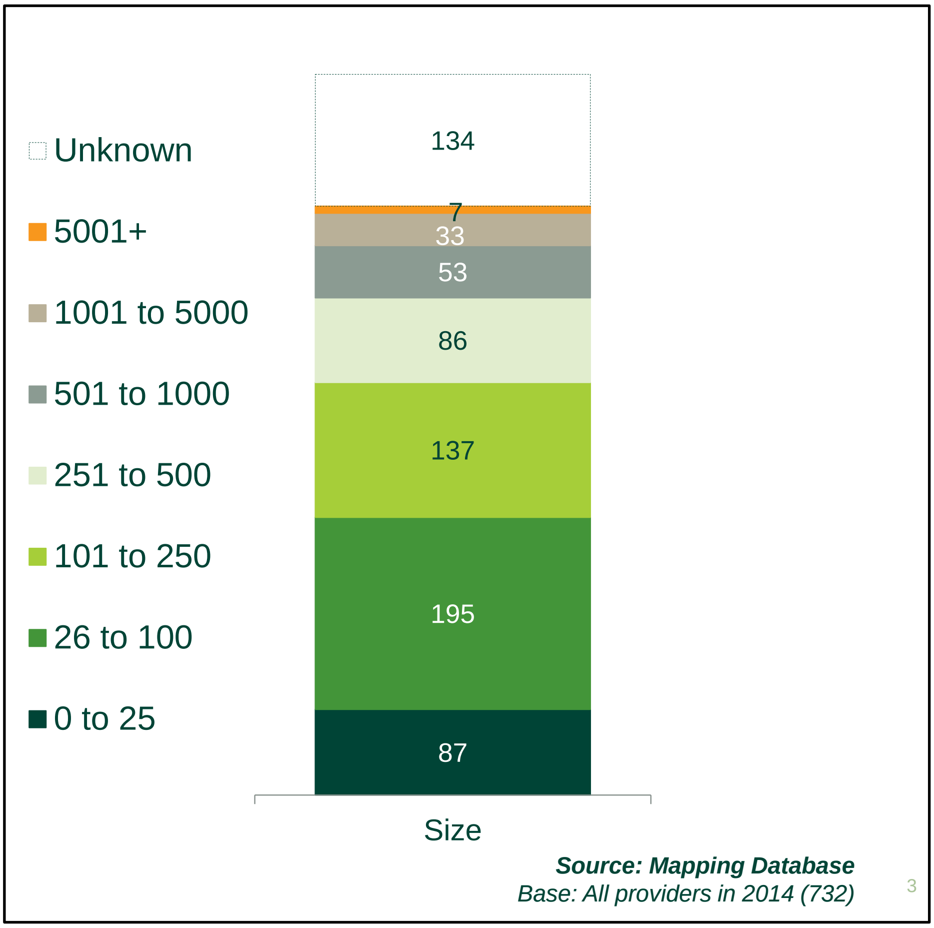


Figure 3: The alternative provider market - banded (Provider mapping database - unweighted)



We estimate that, at the point of data collection (May to July 2014), alternative providers served around 245,000 students in higher education, potentially rising to 295,000 if the size of the 'unknown' providers were equal to the known population. Of these, we know from the Student Loans Company that around 50,000 were in receipt of tuition fee loans in 2013/14 (between 17 and 20 per cent) and the remainder were self-funding students.

To reach this figure, we used the information gathered about the size of alternative providers through the scoping exercise, using the following steps:

- For 598 of the 732 alternative providers, either a precise or an approximate number for their student population was established, using a variety of methods.

  A precise number of higher education students was established for 447 of the 598 providers (from either their survey response or from other sources such as QAA reports); these figures were simply summed together to provide a total for these providers.

  For the remaining 151 alternative providers, we used the mid-point of the size band selected by the institution during the telephone survey screening stage[27]. Any FE students that had been included in the size band given were excluded, and the resulting figures were added on to the total, to give a combined figure for all 598 providers.

- Overall, the number of students identified for these 598 alternative providers was around 245,000 students.

- One specific alternative provider accounted for a very large number of these students. Excluding this "outlier", the average number of students per provider was 348.

- Applying this average to the 134 alternative providers that we did not have data on numbers of HE students for, , we generated an estimated top-end total estimate of 295,000 students within the total alternative provider HE student population.

- If we assume that all of the 'unknown' alternative providers were the same average size as the 'known' population, this figure will be an accurate reflection. However, it is likely that these providers were actually smaller than average, and therefore were harder to find detailed information for. We can therefore be confident that, at the point at which this exercise was undertaken, the true number of higher education students studying at alternative providers was around 245,000 students, but could have been up to 295,000 students if the size of the 'unknown' providers were equal to the known population (Figure 4).

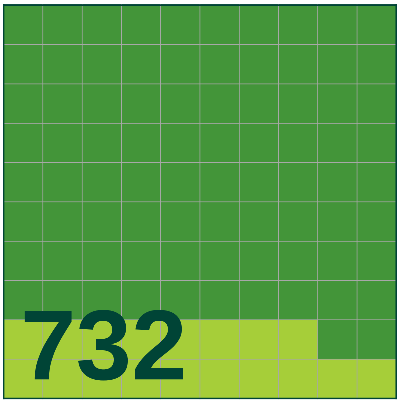
[27] If a provider selected the size band '5001 or more students', and the exact number of students at that institution could not be determined (this was the case for four of the nine providers with more than 5,000 students), the lowest point of the size band (5001 students) was used as a conservative estimate.

Analysis conducted in 2012 estimated a student population among 442 ‘known’ alternative providers at the time to be a minimum of around 160,000 – giving an average of 362 students per alternative provider, or 272 excluding a very large outlier provider). However, as discussed in the introduction, it is not possible to draw reliable comparisons in the size of the market between 2012 and 2014.

Looking at a sub-set of providers that took part in both the 2012 and 2014 surveys (a total of 93 alternative providers), it appears that, within this group, although there has been some movement, the overall size of their combined student population has remained fairly consistent; just over half (53 per cent) of providers had the same size band in 2014 as in 2012, a third (33 per cent) had a lower size band in 2014 than in 2012, and one in eight (13 per cent) had a larger size band in 2014 than in 2012. Looking at a sum of exact student numbers across all 93 alternative providers in each year shows a seven per cent decrease between 2012 and 2014 – however, caution must be taken in interpreting this result due to the relatively low base size.

Figure 4: Estimating the size of the alternative provider student population (Provider mapping database - unweighted)

2014 Alternative Provider Market



Alternative providers of Higher Education

Size was established for **598** (82%)

	2014	2012
“Known” student population among the 598:	**245,000**	**160,000****
Average:	**348***	
Estimated maximum 2014 total population for the 732:	**295,000**	**(Of which, c50,000 have student loans)**

Source: Mapping Database
Base: All alternative providers in 2014 (732)
**Excluding largest provider (accounts for c.40,000 students)*
*** Base: All providers in 2012 with known size (442)*

2.2 Profile of alternative providers

This section considers the shape of the alternative provider market. It sets out what alternative providers look like in terms of:

- The courses they offer;

- Where they are based;
- How established they are;
- The profile of their teaching staff;
- How they operate commercially; and
- Their status and position within the regulatory environment.

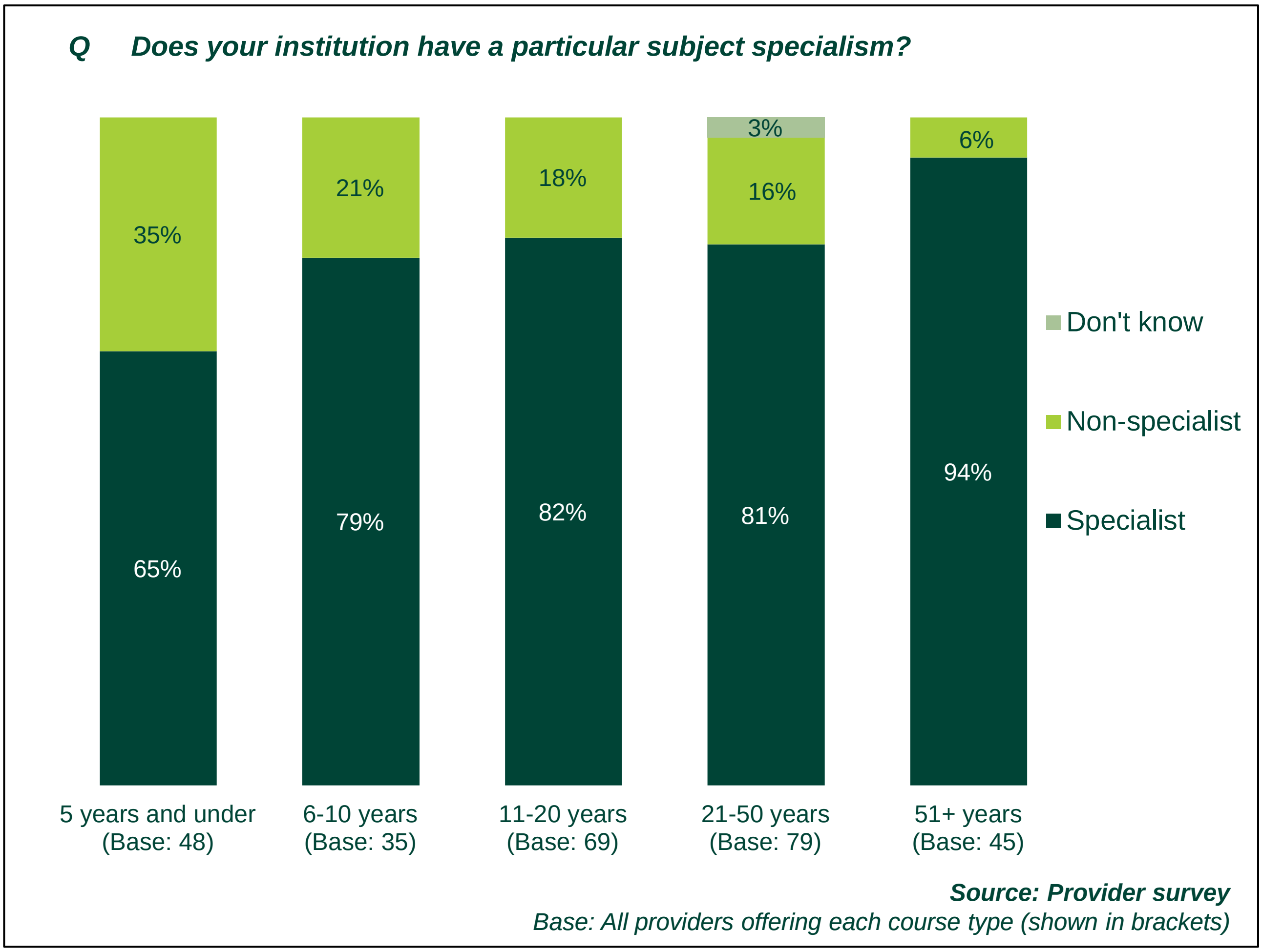
This section draws on data from the telephone survey of 276 alternative providers as well as the wider set of basic information collated on all alternative providers to inform the mapping database. All data from the provider survey are weighted, while data from the provider mapping database are presented unweighted. This section also sets out findings from the qualitative interviews with alternative providers.

2.2.1 Courses offered by alternative providers

Subject specialism

Most alternative providers had a subject specialism (79 per cent). This was particularly prevalent among those offering first degrees (86 per cent), not-for-profit organisations (88 per cent), and among establishments that had been operating for longer, as shown in Figure 5.

Figure 5: Specialism by time in operation (Provider survey - weighted)



Looking among those alternative providers surveyed that reported a specific specialism, three in ten of these specialist providers focused on Business and Management (28 per cent), and nearly one in five specialised in Arts (19 per cent), shown in Figure 6.

- Among all specialist alternative providers, specialisation in Business and Management was particularly common among those offering HNDs / HNCs (64 per cent of these specialised in Business and Management); those offering distance learning (31 per cent); and full-time courses (33 per cent); those operating for-profit (40 per cent); and those based in London and the South East (37 per cent).

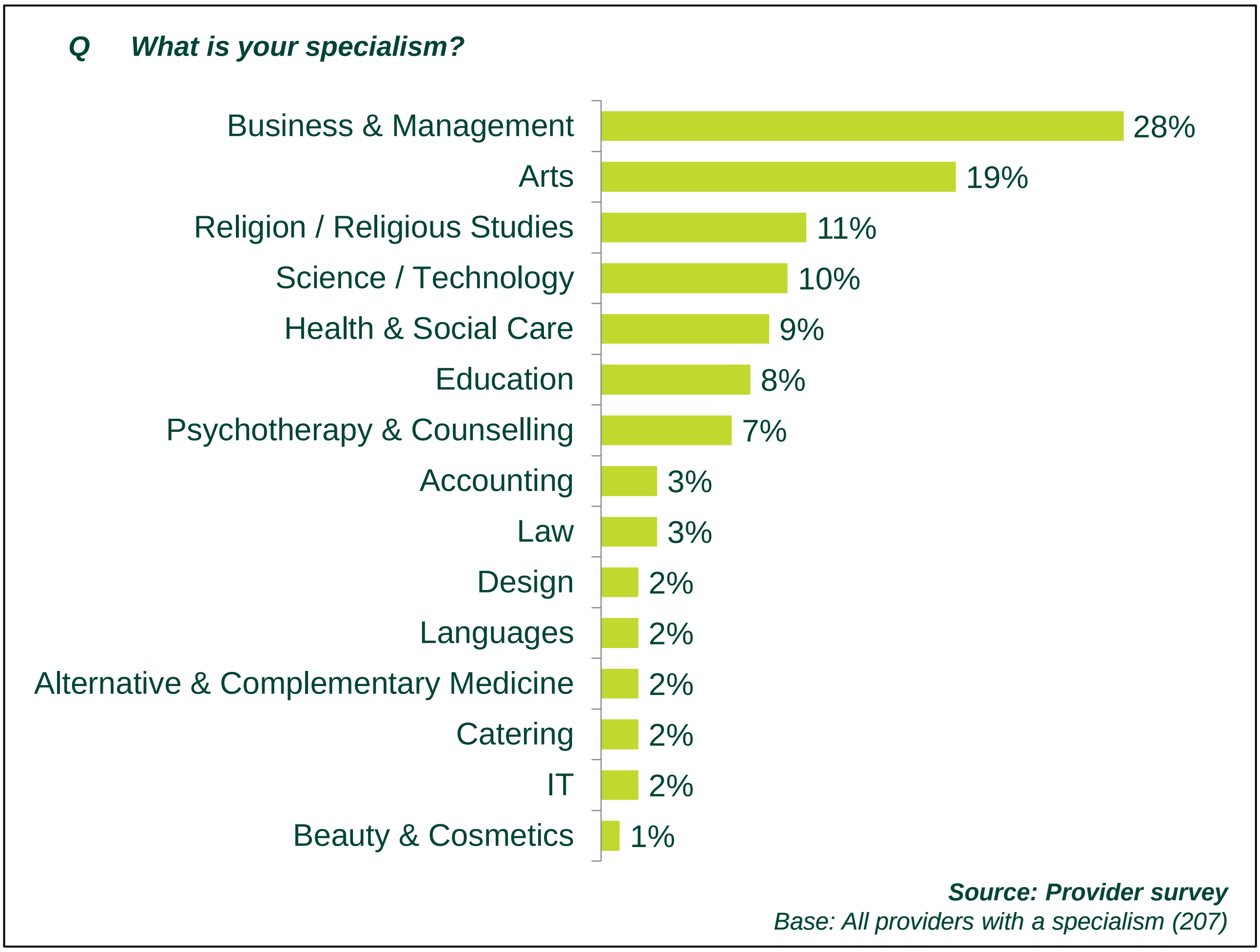
- Specialisation in Arts was most common among those offering first degrees (31 per cent); those offering full-time courses (23 per cent); and those with designated courses (38 per cent).

The market was also notable for having a high proportion of institutions specialising in Religion and Religious Studies, with one in ten specialist institutions (11 per cent) falling into this category (or eight per cent of all alternative providers). Specialist Religion and Religious Studies providers were more likely to be:

- Small (18 per cent of specialist institutions with 1-25 HE students, and 14 per cent of those with 26-100 HE students specialised in Religion and Religious Studies);

- Based outside of London and the South East (19 per cent of specialist alternative providers in this area specialised in Religion and Religious Studies);
- Long-established (35 per cent of specialist institutions aged over 50 years specialised in Religion and Religious Studies); and
- Not-for-profit alternative providers (27 per cent of specialist not-for-profit providers specialised in Religion and Religious Studies, compared with no specialist providers operating for profit).

Figure 6: Subject specialism (Provider survey - weighted)



Overall, one fifth (20 per cent) of alternative providers were generalist, offering a range of subjects. Younger establishments were more likely to be generalist (35 per cent), as well as those offering lower-level courses (HNDs / HNCs - 31 per cent). Profit-making organisations were also more likely to be generalist (25 per cent).

Levels of course offered[28]

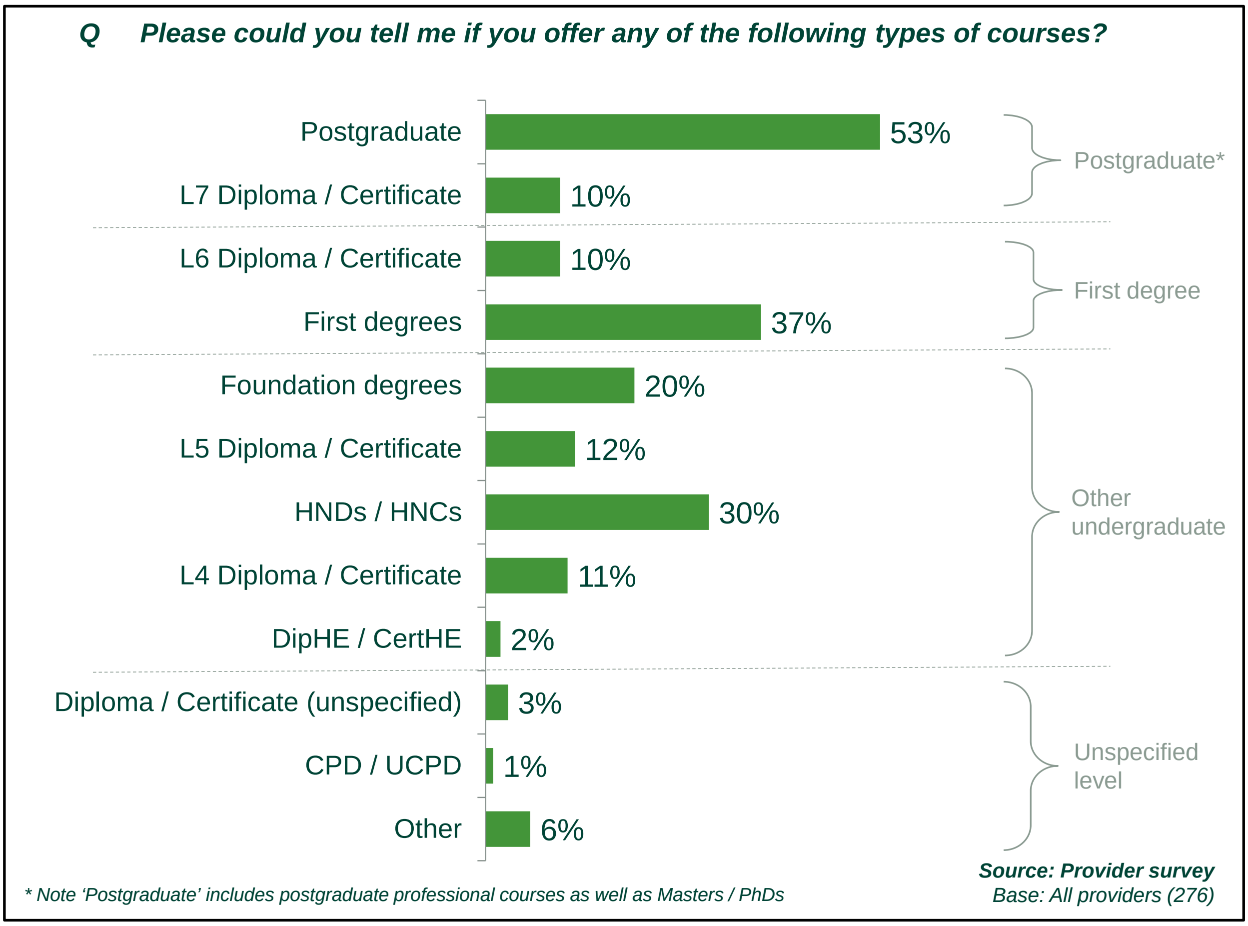
Alternative providers most commonly reported that they offer higher level courses. Postgraduate courses (which covers postgraduate level professional courses as well as Masters and PhDs) were reported to be the single most common course type offered, available at just over half (53 per cent) of all institutions. Postgraduate courses were most likely to be reported by alternative providers delivering part-time courses (62 per cent of those providers), not-for-profit alternative providers (63 per cent) and those delivering higher education outside of the UK (69 per cent). Despite postgraduate courses being the most commonly offered, postgraduate students make up a minority of the student population (18 per cent) (see Table 6). The most common level of study offered by alternative providers is a first degree or equivalent (Figure 7).

First degrees were offered by just under two fifths of all alternative providers (37 per cent). Larger establishments were more likely to offer first degrees (proportions ranged from 22 per cent of those with 1-25 learners up to 100 per cent of those with more than 5,000 learners). First degrees were also more commonly offered by alternative providers with at least one designated course (67 per cent) and not-for-profit alternative providers (51 per cent). Likelihood to offer first degrees also increased with the age of the establishment, ranging from 23 per cent of those operating five years and under, to 56 per cent of those operating for over 50 years. As with postgraduate courses, first degrees were more likely than average to be offered by those delivering higher education outside the UK (52 per cent). This aligns with findings presented on the student profile section on student domicile (see Table 4).

The profile of alternative providers offering HNDs and HNCs was quite different to those offering other course types. Overall, these courses were offered by three in ten alternative providers (30 per cent), but were more likely to be offered by for-profit providers (41 per cent), newer providers (proportions ranged from 52 per cent of those operating for five years and under to just 12 per cent of those operating for over 50 years), and those that did not deliver higher education outside the UK (33 per cent, compared with 15 per cent of those delivering higher education outside the UK). Alternative providers based in London and the South East were also more likely to offer HNDs / HNCs (38 per cent).

[28] Not all courses described would be eligible for designation status for student support funding.

Figure 7: Levels of course offered (Provider survey - weighted)



It is clear from the figure that there is a large degree of overlap in offerings: the percentages of alternative providers providing courses at each level together total more than 100 per cent. In total, six in ten providers (59 per cent) offered courses at more than one level.

Of the four in ten alternative providers (41 per cent) offering only one level of HE course; around half of these (20 per cent of all alternative providers) offered only 'other HE' courses (for example, professional qualifications and CPD courses), while a further fifth of them (nine per cent of all alternative providers) offered only postgraduate level courses. Smaller proportions of alternative providers offered **only** first degrees (four per cent of all providers), HND / HNCs (four per cent), and foundation degrees (three per cent).One third (36 per cent) of alternative providers offered two HE course levels. The most common groupings were 'other HE' with postgraduate and first degrees with postgraduate (each offered by eight per cent of all alternative providers). Overall, 'other HE' courses had the most overlap, with nearly one fifth (19 per cent) of alternative providers offering 'other HE' courses alongside one other HE course level. This was followed by HNDs / HNCs, which were offered alongside one other course (of varying types) by 14 per cent of all alternative providers.

Relatively few alternative providers offered a wider range of courses; just one per cent of alternative providers offered five levels of HE course, and three per cent offered four course levels. One fifth (19 per cent) had an offering of three HE course levels.

***Mode of study*[29]**

Alternative providers most commonly offered full-time courses delivered in attendance at the institution (72 per cent). Delivering full-time courses in attendance was more likely among:

- Alternative providers offering HNDs/HNCs - 89 per cent and first degrees - 82 per cent;
- Alternative providers with at least one designated course (83 per cent);
- Those operating in London and the South East (78 per cent, compared with 66 per cent outside this region); and
- Those that only offered higher education within the UK (75 per cent, compared with 57 per cent of those that also delivered higher education outside the UK).

Around half of alternative providers offered courses part-time and in attendance; this was more common among those offering foundation degrees (71 per cent) and postgraduate courses (62 per cent), as well as among not-for-profit organisations (71 per cent).

Nearly a quarter (23 per cent) offered distance learning (where the individual studied entirely remotely). This delivery model was more common among providers based outside of London and the South East (30 per cent, compared with 18 per cent in London and the South East).

In terms of overlap between modes of delivery, as shown in Figure 8, one in ten alternative providers (10 per cent) offered all main modes of delivery (full time, part time and distance learning). In addition to this, one fifth (21 per cent) of alternative providers offered both full time and part time delivery in attendance.

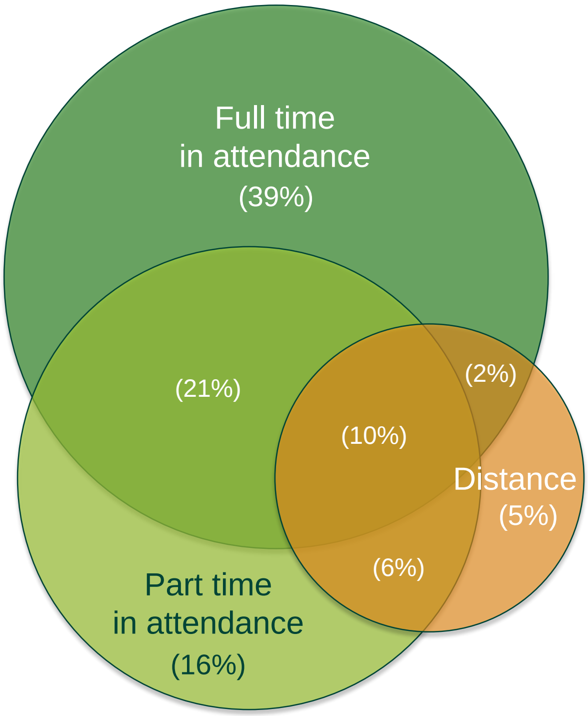
Two fifths (39 per cent) of alternative providers only offered full time courses. The majority of these were for-profit organisations (78 per cent of those only offering full time). Sixteen per cent of alternative providers only offered part-time courses and five per cent offered only distance learning.

The estimated student numbers undertaking each mode of study will be examined in the following chapter on the student profile.

[29] Note: not all providers were able to easily differentiate HE level courses from their wider offering. Therefore this assessment includes some FE level courses.

Figure 8: Mode of course delivery (Provider survey - weighted)

Q And are any of the HE (and FE courses) courses that you offer…?



Source: Provider survey
Base: All providers (276)

Note: not all providers were able to easily differentiate HE level courses from their wider offering. Therefore this assessment includes some FE level courses.

Structure of the academic year

Around two thirds of alternative providers (64 per cent) operated a standard academic year running from September to July with either three terms or two semesters. The alternative providers most likely to operate a standard academic year included:

- Those offering any FE courses (83 per cent), foundation degrees (79 per cent), HNDs / HNCs (76 per cent) and first degrees (76 per cent);
- Those offering full-time courses (74 per cent);
- Not-for-profit alternative providers (73 per cent);
- Alternative providers based in London and the South East (70 per cent); and
- More established alternative providers: 80 per cent of those operating for 21-50 years and 72 per cent of those operating for more than 50 years operated a standard academic year.

Around a third of alternative providers (36 per cent) operated a non-standard academic year. Around two-fifths of these offered flexible start dates, and a further two-fifths offered fixed multiple start dates throughout the year. The remainder offered fixed single start dates, but with course lengths running from between five and 46 weeks.

Those more likely to operate a non-standard academic year included:

- For-profit organisations (42 per cent);

- Those offering ‘other HE’ courses (47 per cent).

Delivery of HE outside the UK

Around one fifth of alternative providers (18 per cent) delivered higher education outside the UK. This was more common among larger alternative providers (44 per cent of those with 1,001-5,000 learners and all of those surveyed with more than 5,000 learners). They were less likely to offer full-time courses in attendance at their institution (57 per cent, compared with 75 per cent of those that did not offer higher education outside the UK). As one might expect, providers that offered distance learning were also more likely to deliver higher education outside the UK (36 per cent). However, looking at the reverse, only half (46 per cent) of alternative providers delivering higher education outside the UK offered distance learning.

Five per cent of alternative providers stated that they were a private subsidiary of a UK public institution, and a small proportion (two per cent) stated that they were a campus of a non-UK university or college; as would be expected, this was more common among alternative providers that delivered higher education outside the UK (nine per cent of these said that they were a campus of a non-UK university or college).

Delivery by alternative providers outside the UK is a younger market than within the UK: over two fifths (45 per cent) of alternative providers delivering higher education outside the UKhad been doing so for five years and under, while a further fifth (20 per cent) had delivered HE outside the UK for between six and 10 years. This could potentially reflect the tighter rules surrounding student visas over recent years, prompting alternative providers to instead look to broaden their provision outside of the UK, rather than bringing international students into the country. One large alternative provider in the qualitative stage of this research mentioned this strategy as a key component of their future growth plans.

2.2.2 Region

Most alternative providers were single-site organisations based in London and the South East, mainly delivering higher education exclusively within the UK. One third (32 per cent) were based in the rest of England, while only a small minority were based in Scotland, Wales and Northern Ireland (four per cent, two per cent and one per cent respectively).

There was a distinct divide between alternative providers based in London and the South East, and those based outside of this region. Alternative providers in London and the South East were more likely to:

- Be single-site organisations (96 per cent among alternative providers in London and the South East, compared with 87 per cent of alternative providers based in the rest of the UK);

- Operate a standard academic year (70 per cent, compared with 56 per cent of alternative providers based elsewhere);

- Offer full-time courses (78 per cent, compared with 66 per cent of alternative providers based elsewhere);

- Offer HNDs / HNCs (38 per cent, compared with 19 per cent of alternative providers based elsewhere).

Overall, the majority (75 per cent) of all alternative providers were single site, while 15 per cent had two sites in the UK, six per cent had three to four sites, and three per cent had five or more sites. Among alternative providers with more than one site, the mean average sites per provider was 3.5, and the median two sites per provider.

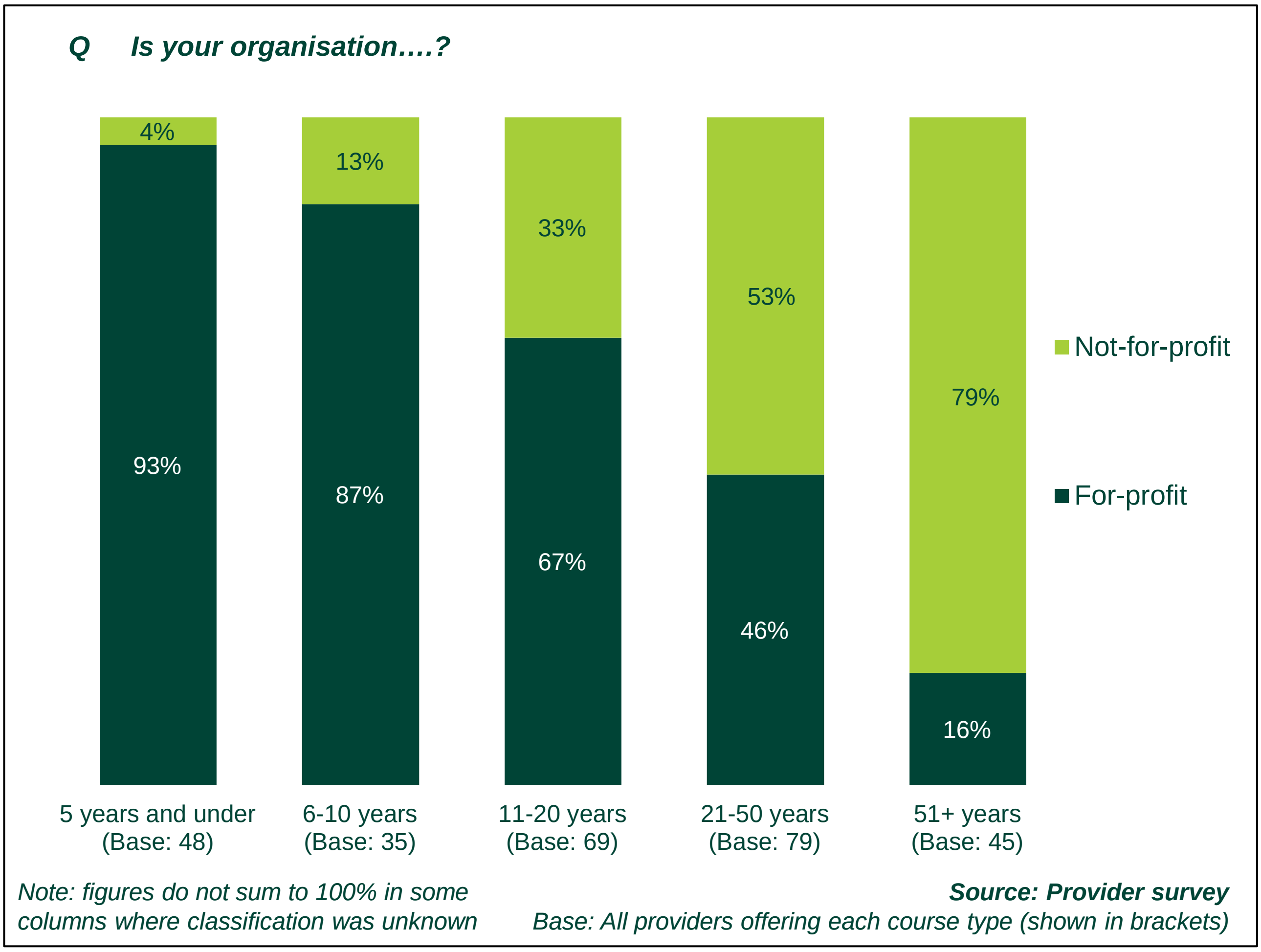
Among multisite alternative providers, more than half (57 per cent) had at least one site in London, while a quarter had at least one site in the South East (26 per cent), and the same proportion (26 per cent) had at least one site in the North West.

2.2.3 Time in operation

Overall, the alternative provider market appeared fairly established, with more than three fifths (63 per cent) operating for more than 10 years.[30] However, there were a number of younger providers, with one fifth (21 per cent) having been in operation for five years and under, and 16 per cent for between six and 10 years. Younger providers are more likely to be operating for profit than more established alternative providers (Figure 9).

[30] Note that this was the number of years the organisation has been in existence, which was not necessarily the same as the number of years they had offered higher education.

Figure 9: Classification by time in operation (Provider survey - weighted)



Younger alternative providers were also more likely than established providers to be generalist rather than specialist (35 per cent of providers operating for five years and under and 21 per cent of those operating for six to 10 years were generalist, compared with 14 per cent of those operating for more than 10 years), and more likely to expect the range of subjects they offered at HE level to increase (73 per cent of those operating for 10 years and under, compared with 53 per cent of those operating for more than 10 years).

2.2.4 Staff at alternative providers

Alternative providers were asked approximately how many full-time equivalent teaching staff were employed by their institution to teach Higher Education courses during the 2013/14 academic year. They were also asked separately for the number of individuals engaged by their organisation on a sessional or freelance basis to deliver one off or a small number of sessions on HE level courses.

The majority of alternative providers employed fairly low numbers of full-time equivalent teaching staff. Three quarters (75 per cent) of alternative providers employed ten or fewer full-time equivalent teaching staff. Over three quarters (77 per cent) of alternative providers engaged individuals on a sessional or freelance basis to deliver one off sessions or a small number of sessions on HE level courses.

Overall, alternative providers had a median of 13 students to each member of FTE teaching staff, compared with an average of 18 students per staff member at public universities[31]. This presumably reflects the fact that a greater proportion of alternative providers are small institutions, with very small numbers of students.

The median number of students per member of full-time equivalent staff at alternative providers by size of provider is shown in Table 1. This shows that the median number of students per staff member increases with the size of the institution. These figures exclude freelance or sessional staff who may deliver a small number of sessions in their area of expertise but whose main employment is with another organisation.

Table 1: Student to staff ratios at alternative providers by size

	Base	**Median student : staff ratio**
All	*220*	13:1
25 learners and under	*44**	4:1
26 to 100 learners	*106*	10:1
101 to 250 learners	*32**	20:1
251 to 500 learners	*18**	25:1
501 or more learners	*20**	56:1

Base: all providers giving numbers for student and FTE teaching staff
Excludes freelance or sessional staff used to deliver a small number of sessions.
**Caution: low base sizes*

Among alternative providers with at least one full-time equivalent member of teaching staff, over half (56 per cent) had at least one member of staff who was research active, while nearly two fifths (37 per cent) stated that none of their teaching staff were research active[32].

Of those alternative providers with at least one full-time equivalent member of teaching staff, half (50 per cent) stated that **all** of their teaching staff held a higher education teaching qualification, or had been recognised by a professional educational body for their teaching expertise. In total 89 per cent stated that at least some of their teaching staff held such a qualification, while four per cent stated that none of their teaching staff held such a qualification[33] (Figure 10).Figure 10: Proportion of qualified teaching staff at alternative providers (Provider survey - weighted)

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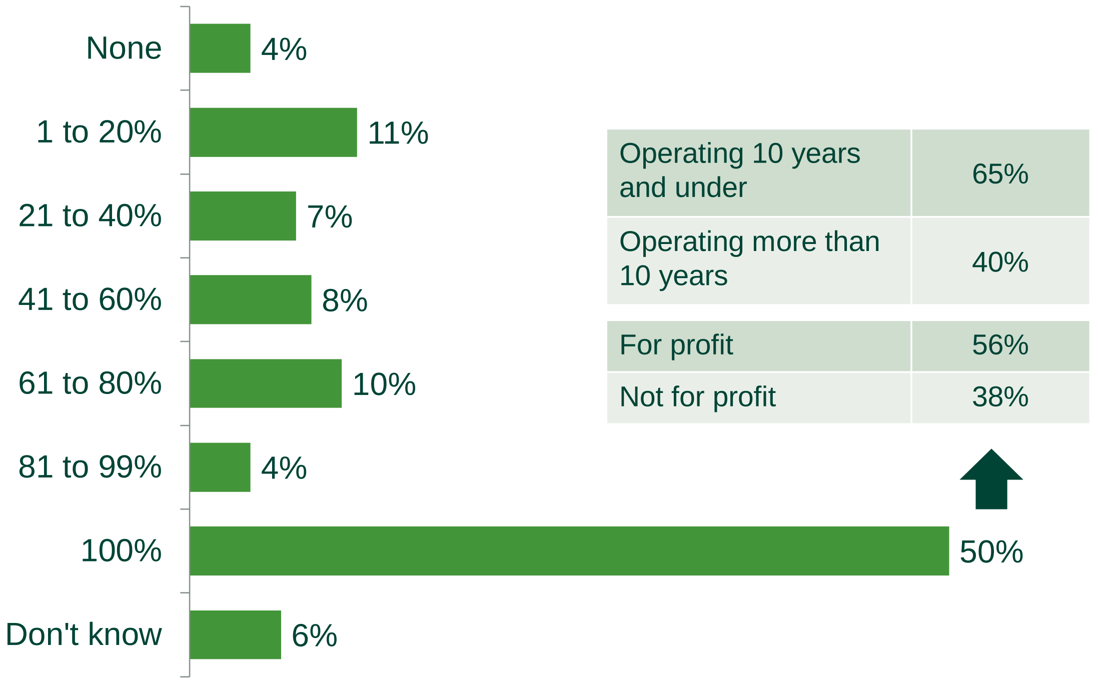
[31] Ratio information for public universities taken in 2105 from http://www.thecompleteuniversityguide.co.uk/league-tables/rankings?o=Student-Staff+Ratio

[32] The remaining seven per cent did not know if any of their teaching staff were research active.

[33] The remaining six per cent did not know if any of their teaching staff held a higher education teaching qualification.

Q Approximately what proportion of your teaching staff hold a higher education teaching qualification, or have been recognised by a professional educational body for their teaching expertise?



Source: Provider survey

Base: All providers with at least one FTE member of teaching staff (231)

More likely to say that all of their teaching staff held a teaching qualification or had been recognised by a professional body were:

- Those offering ‘other HE’ qualifications (58 per cent, compared with 40 per cent of those offering first degrees).
- Alternative providers operating for profit (56 per cent, compared with 38 per cent of not-for-profit providers); and
- Younger alternative providers (66 per cent of those operating for five years and under and 63 per cent of those operating for six to 10 years, compared with 40 per cent of those operating for 11 or more years).

Only a small minority (four per cent) of alternative providers with at least one full-time equivalent member of teaching staff stated that **none** of their teaching staff held a higher education teaching qualification, or had been recognised by a professional educational body for their teaching expertise. The qualitative interviews with staff at alternative providers also suggested that, for certain alternative providers (depending on their offering), holding a teaching qualification was not necessarily something they would prioritise in their staff. For example, one alternative provider mentioned that it was more important for teaching staff to have relevant experience, rather than a teaching qualification, as they delivered primarily vocational courses; but that this approach had led to friction with their university partner:

"With the recruiting of tutors, we have CVs from people all of the time who want to come in and teach. There's no shortage. One of the problems is that to work with our university partners, lots of them restrict us in that they want tutors with either teaching qualifications or a degree from ourselves. So, for example, for us to deliver a Masters programme they would want to see one of our staff with a PhD. When you're teaching vocational subjects sometimes that's just not possible. It's a constant battle."

101-250 learners, for-profit, London/SE

2.2.5 Commercial models of alternative providers

Of the alternative providers surveyed, one third (34 per cent) were not-for-profit organisations, and just under two thirds were organisations operating for profit (64 per cent), with the remaining few categorised as 'other', or unable to say.

Alternative providers with a not-for-profit status were quite different in profile to those operating for profit. Specifically, they were more likely to:

- Be specialist (88 per cent, compared with 74 per cent of private, for-profit providers); and

- Offer part-time courses (71 per cent, compared with 43 per cent of for-profit providers).

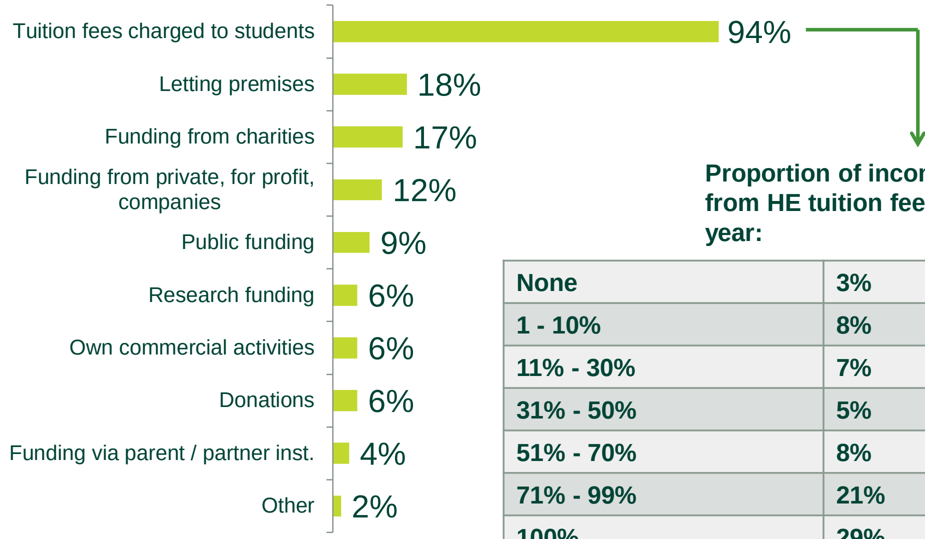
The primary source of income for alternative providers was tuition fees charged to students. More than nine in ten providers (94 per cent) derived at least some of their income from tuition fees (Figure 11).

Of those charging fees, one in three (29 per cent) gained all their income through this channel in 2012/13, and for three fifths of those charging fees (59 per cent) these fees contributed at least 50 per cent of their 2012/13 income (Figure 10). Other sources of income mentioned by providers include funding from charities and the private sector and letting premises.

Figure 11: Sources of income for alternative providers (Provider survey - weighted)

Q Which of the following sources of income did your institution receive in the 2013/14 academic year?

Q Do you know approximately what proportion of your institution's income was generated from tuition fees for HE provision in the 2012/13 academic year



Proportion of income generated from HE tuition fees in previous year:

None	**3%**
1 - 10%	**8%**
11% - 30%	**7%**
31% - 50%	**5%**
51% - 70%	**8%**
71% - 99%	**21%**
100%	**29%**
Don't know	18%

Source: Provider survey
Base: All providers (276) / All providers charging tuition fees (252)

Alternative providers were asked in the data return to give the minimum and maximum fees charged for each of their courses. Only around half of the providers surveyed gave us these figures, therefore **caution must be taken when analysing the figures**.

The overall median minimum fee charged by providers was £3,000 per year, while the overall median maximum fee was £5,000. Fees split by size, classification and course type are shown in Table 2 below. Overall, not-for-profit alternative providers charged slightly higher fees, with a maximum of £5,213, compared with £4,800 among for-profit providers. By course type, the highest fees appeared to be charged for first degree courses, with median fees ranging from £6,000 to £7,500 (Table 2)

Table 2: Course fees (median) by provider size, classification and course type (Provider data return - unweighted)

	Base	**Median minimum fee**	**Median maximum fee**
All	*162*	£3,000	£5,000
25 learners and under	*41**	£3,500	£5,500
26 to 100 learners	*106*	£3,000	£4,898
More than 100 learners	*15**	**	**
Private, for-profit	*72*	£3,075	£4,750
Not-for-profit	*87*	£3,200	£5,175
HND / HNC courses	*36**	£3,750	£4,425
Foundation degrees	*23**	£3,000	£4,900
First degrees	*43**	£6,000	£7,500
Postgraduate courses	*68*	£3,600	£4,750
Other HE courses	*89*	£2,800	£4,000

Base: all providers that give fee figures
**caution: low base sizes*
*** Figures not shown due to insufficient base size*

2.2.6 The regulatory environment

This section sets out the profile of alternative providers in terms of course designation, Tier 4 status, degree awarding powers and validation and franchising agreements. It also reports the views of alternative providers on operating within the regulatory environment. This part of the report draws largely on the provider survey, but also incorporates findings from the wider set of basic information collated from various sources (mapping database) and the qualitative interviews.

Courses designated as eligible for student support funding

For the purposes of this survey, alternative providers have been treated as designated if they delivered a course that was accessible for students to have received student support funding during 2013-14. As course designation status is fluid it does **not** represent a single snapshot in time[34].

Two key sources were used to help profile such providers: information from HEFCE and the Student Loans Company. These sources identify alternative providers with at least

[34] This group includes those with designation that was newly granted or about to lapse around time of fieldwork.

one designated course. These could be providers with specific course designation approved by the Secretary of State or those delivering courses under franchise arrangements with HEFCE funded providers, or initial teacher training courses which had their designation status approved under separate arrangements.

A total of 142 alternative providers were identified as delivering at least one designated course in 2013-14, which equates to about 19 per cent of the 732 providers in the mapping database[35].

A comparison of the key characteristics (in terms of their size, whether for-profit, and specialism status) of alternative providers delivering designated courses and those not delivering designated courses are shown are shown in Figure 12.

Alternative providers delivering at least one course designated for student support funding in 2013-14 were more likely to be:

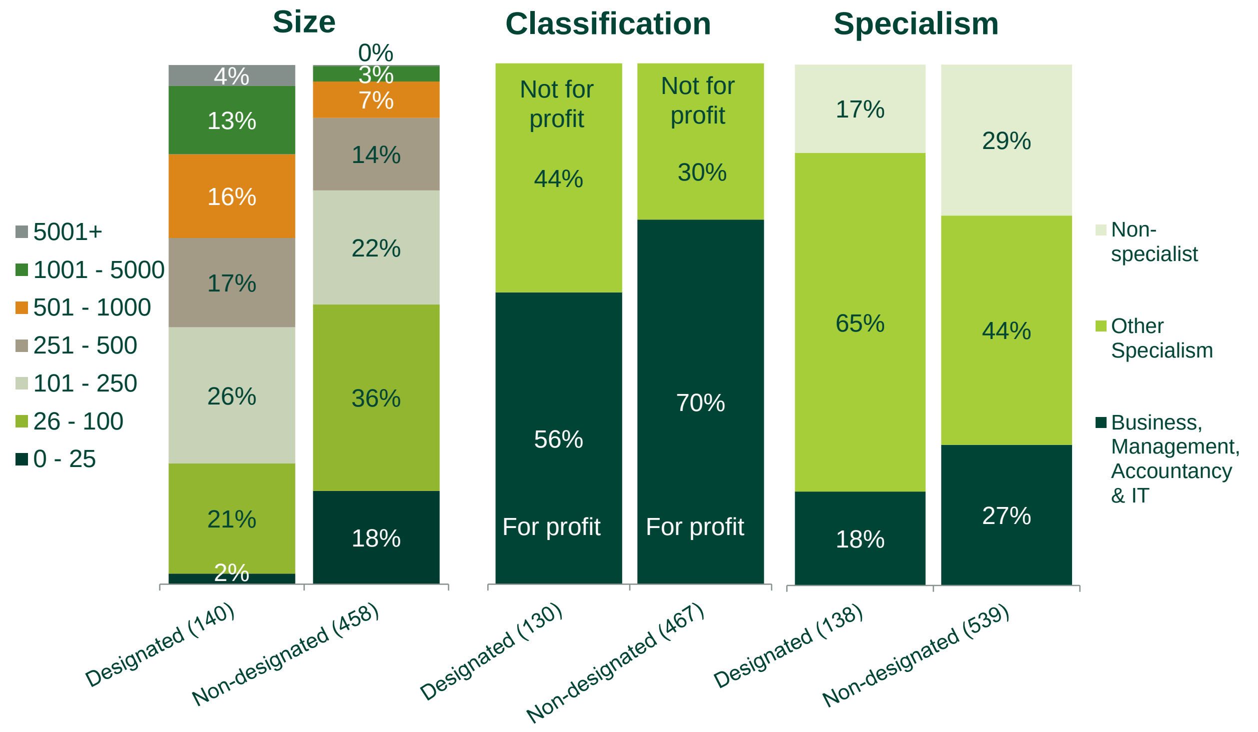
- Larger in size: less than a quarter (24 per cent) of designated alternative providers had 100 or fewer students, compared with more than half (54 per cent) of non-designated providers;

- Not-for-profit organisations (44 per cent, compared with 30 per cent of non-designated providers); and

- Specialist (83 per cent reported having a subject specialism, compared with 71 per cent of non-designated providers). However, non-designated providers were more likely to specialise in business, management, accountancy and IT (27 per cent, compared with 18 per cent of designated providers).

[35] Since the research was conducted, a number of providers have lost designation status and others have gained it. At the start of the 2014/15 academic year there were 102 providers designated for student support. This includes 90 existing providers who successfully applied to retain their designation and 12 new providers.

Figure 12: Characteristics of alternative providers with at least one designated course in 2013-14, and those without (Provider mapping database - unweighted)



Source: Mapping Database

Base: All alternative providers with courses designated for student funding / all alternative providers with no courses in receipt of student funding (excluding unknowns - bases shown in brackets)

Tier 4 status

A Tier 4 sponsor licence allows providers to sponsor international students to study full-time in the UK at their institution.   Nearly half of survey respondents (45 per cent) of stated that they currently held a sponsor licence under Tier 4 of the points-based system, while a further six per cent were included as a partner in the licence held by another institution.

Types of provider that were more likely to hold a sponsor licence included:

- Those offering HNDs/HNCs (56 per cent);
- Those offering full-time courses (60 per cent);
- Providers operating for profit (50 per cent); and
- Providers based in London and the South East (58 per cent).

We will discuss alternative providers' experience of obtaining Tier 4 status and their future plans to do so later in this chapter.

Degree awarding powers

Only a minority of alternative providers had Degree Awarding Powers (seven providers that provided a data return; BIS records show that overall there were eight alternative providers with Degree Awarding Powers at the time of data collection[36]).

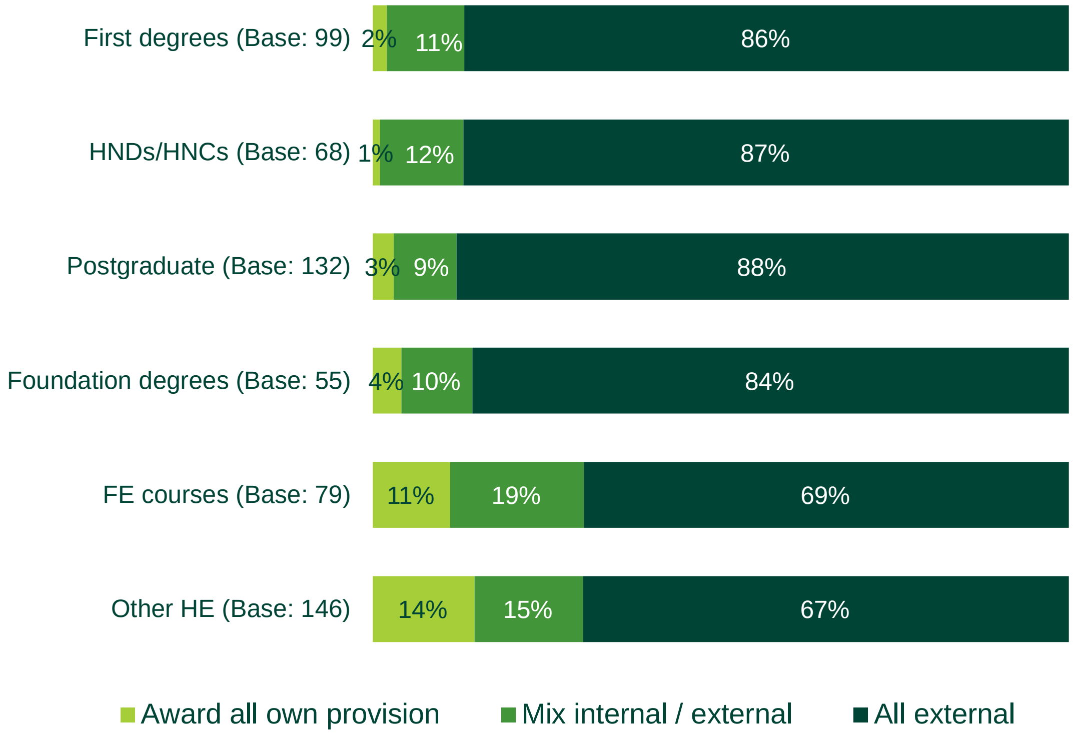
In the 2012 survey, 25 per cent of alternative providers taking part in the telephone survey (approximately 30 providers) indicated that they intended to obtain Degree Awarding Powers within the next five years; although this five year period was not yet up at the point of the 2014 survey, the discrepancy between the number intending to apply and the number that then actually held Degree Awarding Powers could indicate a degree of over-optimism among providers, or a lack of understanding of the strict criteria.

The majority of qualifications offered by alternative providers were awarded by external organisations. As shown in Figure 13, 'other HE' qualifications were most likely to be awarded by the provider itself (14 per cent), compared with just one per cent of HNDs / HNCs, two per cent of first degrees, three per cent of postgraduate degrees, and four per cent of foundation degrees.

[36] http://www.hefce.ac.uk/reg/of/operaterfhe/

Figure 13: Awarding of course provision (Provider survey - weighted)

Q I'd like to know about the awarding of your HE provision. For each of your courses, do you…..?

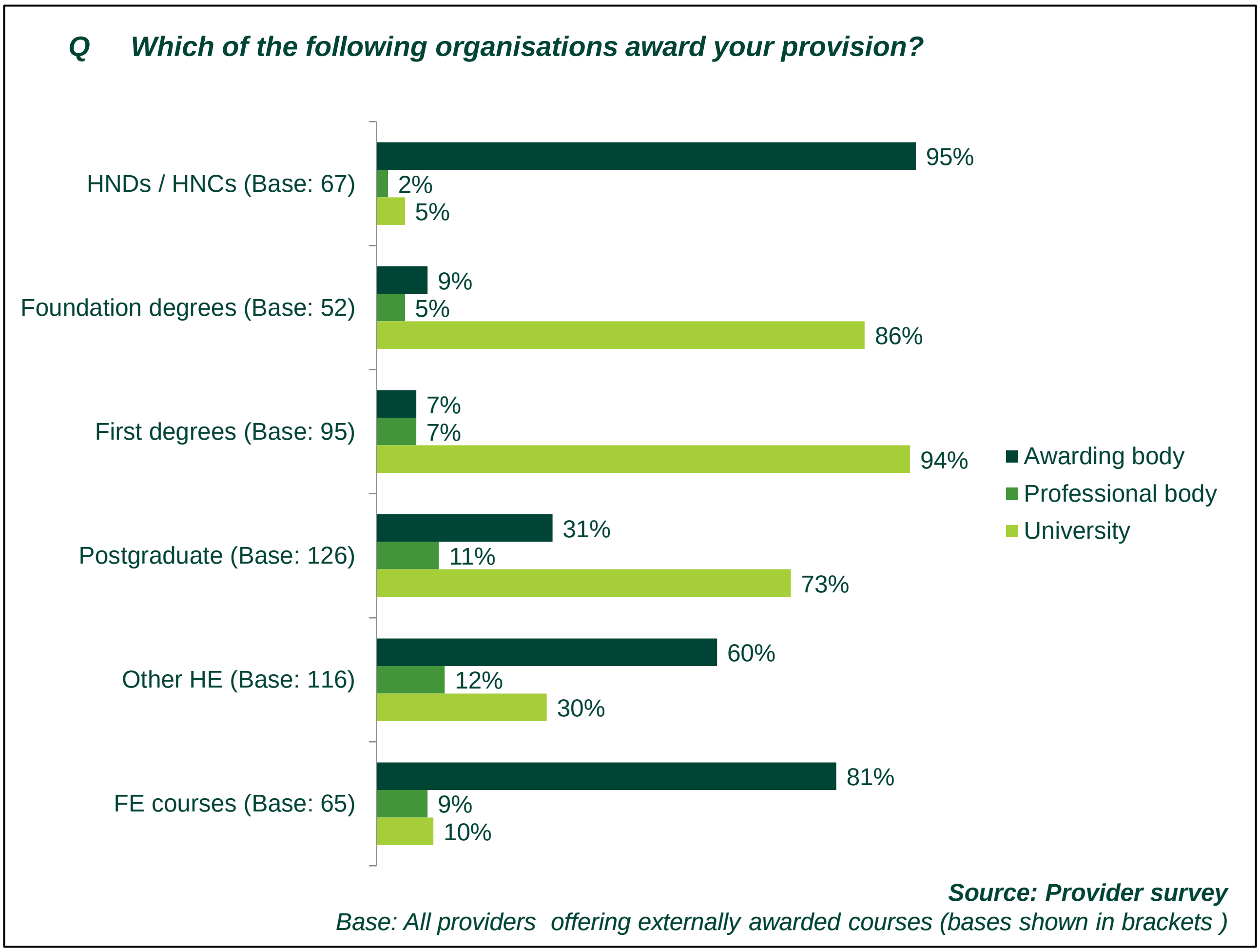


Source: Provider survey

Base: All providers offering each course type (shown in brackets)

As shown in Figure 14, the types of external organisations awarding provision at alternative providers varied depending on the type of course. Overall, HNDs / HNCs and 'other HE' courses were more likely to have been reported to be awarded by an awarding body (95 per cent and 60 per cent respectively).[37]

Figure 14: External bodies awarding provision (Provider survey - weighted)



The most commonly mentioned awarding body for HNDs / HNCs was Pearson/EDEXCEL, cited by 87 per cent of alternative providers using awarding bodies to award their HNDs / HNCs[38]. Commonly mentioned awarding bodies for 'other HE' courses included *EDEXCEL/Pearson,* cited by 36 per cent of providers using awarding bodies to award their 'other HE' courses, *ATHE (Association of Tourism and Hospitality Executive)* - 20 per cent, *CTH (Confederation of Tourism and Hospitality)* - 12 per cent, and *City & Guilds*, cited by eight per cent of the aforementioned group .

As would be expected, foundation degrees, first degrees and postgraduate courses were each more likely to be reported to be awarded by a University (86 per cent, 94 per cent and 73 per cent respectively). Overall, a relatively small proportion of qualifications

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[37] NB Caution should be taken in interpreting these findings due to low base sizes.

[38] Six per cent cited SQA

across all course types were awarded by a professional body, with the largest proportions being for externally awarded postgraduate courses (11 per cent) and externally awarded ‘other HE’ courses (12 per cent).

Validation and franchising agreements[39]

This research wished to establish how much was done by alternative providers in partnership with publicly funded higher education institutions. Half of alternative providers (51 per cent) reported current partnerships in the form of a validation or franchising agreement. This was more prevalent among providers which:

- Offered foundation degrees (74 per cent), first degrees (78 per cent) and postgraduate courses (63 per cent);
- Offered part-time courses (58 per cent);
- Were not-for-profit (69 per cent);
- Were located outside London and the South East (63 per cent); and
- Were more established (59 per cent of those operating 11 to 20 years, 70 per cent of those operating for 21 to 50 years, and 67 per cent of those operating for more than 50 years).

Over a quarter (27 per cent) of alternative providers had partnerships with publicly-funded HE institutions to develop curriculum content. This was more common among alternative providers offering foundation degrees (44 per cent) and first degrees (44 per cent).

One in six alternative providers (17 per cent) worked in partnerships with publicly-funded HE providers on other activities, such as research and development or consultancy services. Such partnerships were more likely among not-for-profit alternative providers (25 per cent) and those that delivered higher education outside of the UK (31 per cent).

Partnerships were mentioned in the qualitative study as working particularly well in cases where the publicly-funded university and the alternative provider involved were not seen as being in competition in terms of their offerings:

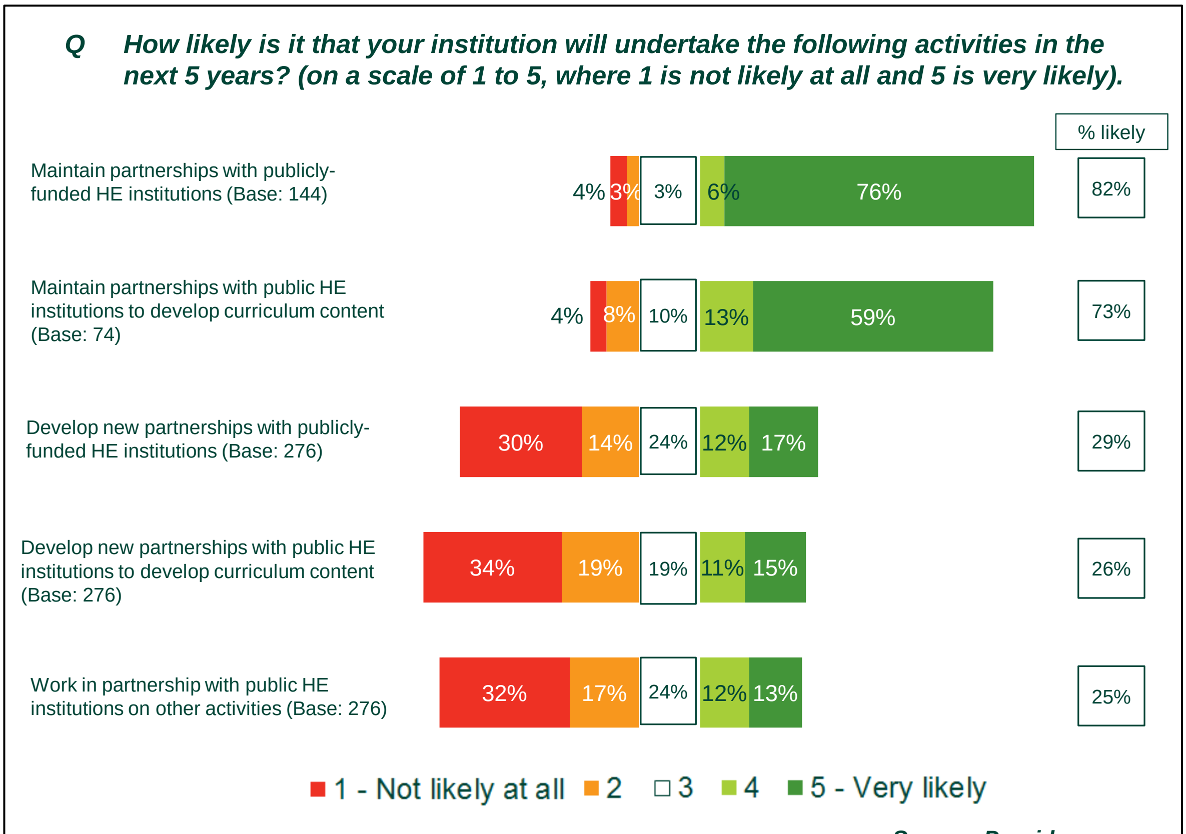
[39] A validation agreement is where an institution has its degrees approved or validated by another institution (and is responsible for developing the content and delivery of the degree in house). A franchising agreement is where an institution has its degrees awarded by another institution, and this other institution also has responsibility for developing the content of the degree, and for quality assurance. Not all of this is done at L4+ so the figures may include other forms of franchising with lower level courses.

> *"As a validating partner [the university's] provision is complementary – they don't have an arts faculty so none of the subjects we offer here at a higher education level are offered at [the university]. Consequently as a partnership it is quite strong in that way."*
>
> **26-100 learners, not-for-profit, London/SE**

A number of these partnerships had come about within the last two years; of those that had current partnerships with publicly-funded HE institutions with which they had a validation or franchising agreement, one third (32 per cent) said they developed these partnerships within that timeframe. Nearly two fifths (38 per cent) had developed partnerships to develop curriculum content within the last two years, and half of all providers with partnerships on other activities had developed these within the last two years (50 per cent).

As shown in Figure 15, there was also strong interest among alternative providers in maintaining their existing partnerships with publicly-funded HE institutions in the next five years; both in terms of maintaining an existing validation or franchising agreement (82 per cent likely) but also specifically to develop new curriculum content (73 per cent likely). Maintaining partnerships was more commonly intended than developing new ones, or in diversifying partnerships into new activities.

Figure 15: Expected partnership activity in the next five years (Provider survey - weighted)



Source: Provider survey

Base: All providers / all providers with existing partnerships (bases shown in brackets)

Positive views on partnerships were also reflected in the findings from the qualitative interviews. The qualitative interviews also showed that alternative providers felt particularly strongly about alternative providers working closely with the public sector in order to combat potential negative stereotypes of the alternative provider market.

> *"As we grow I like to think that we will be doing as much for the sector as any other provider does. Through past institutional history we absolutely recognise the benefit of working together on sharing good practice."*
>
> **501-1000 learners, for-profit, outside London/SE**

> *"People have this view of the private sector that we're these weird capitalists going round doing capitalist things. The only thing where I've really noticed the difference is that we don't have a large estates department."*
>
> **501-1000 learners, for-profit, outside London/SE**

Alternative providers' views on the alternative provider market and regulation

There are a number of differences between publicly-funded HEIs and alternative providers of higher education in terms of the regulatory and reporting requirements placed upon them. In particular, designation for student support – which is automatic at institution level for HEFCE-funded providers – is granted at course level for alternative providers, and must be regularly reviewed[40]. It has also been BIS policy to restrict the number of students at alternative providers using student number controls, which were introduced in 2014-15 for designated courses. There are financial differences, too; HEFCE-funded providers' tuition fees are capped at £9,000 per year[41], and their students can claim the full amount through tuition fee loans. Alternative providers, on the other hand, are not restricted in what they can charge, but their students are limited to tuition fee loans of £6,000 (and only if the course has designated status).

Comments from providers in the qualitative study showed them to be largely receptive to regulation of the sector, including audits and inspection. They welcomed the opportunity to demonstrate their quality and commitment, to help cement their reputations both with students and with the wider academic community, and also as a way to control any lower-quality providers that might bring the sector into disrepute. It was also acknowledged that regulation and monitoring did not need to be onerous once stable processes are in place.

> *"I understand totally why the rules were changed... I agree with it."*
>
> **1001-5000 learners, for-profit, outside London/SE**

> *"Once you have the right style and processes in place, these things [regulation] are not that difficult. Once everything is in*

[40] From 2014/15 alternative providers need to re-apply for course designation annually.

[41] Subject to the provider holding an Access Agreement with Office For Fair Access.

place, as long as you follow them it's not a massive inconvenience."

1001-5000 learners, for-profit, London/SE

However, there was also concern that, although important in ensuring quality, some aspects of current regulation have created barriers for alternative providers, and led some to feel unsupported by the government:

"If you do want a diverse market in higher education, and you want to widen participation, then you need to have a look at what we are doing and support us, instead of throwing hurdles in the way."

1001-5000 learners, for-profit, outside London/SE

Many alternative providers commented that differences in regulations between the publicly-funded and alternative provider sector meant that they were not 'on a level playing field' with publicly-funded higher education providers. First, the £6,000 cap (compared to £9,000 at HEFCE-funded providers) was felt by some to be unfair.

"That doesn't make any sense. We had got degree awarding powers, so the government knows we are a quality institution; we are not competing on a level playing field there."

1001-5000 learners

In order to apply for a Tier 4 sponsor licence or to obtain course designation, providers were required to have a QAA review, for which they had to pay a fee. Alternative providers interviewed during the qualitative phase of the study expressed concern firstly around the amount charged, as well as the fact that the review does not provide them with any kind of rating or endorsement.

Several alternative providers also mentioned issues with delays and difficulties obtaining their course designation, which had detrimental knock-on effects on their ability to market their courses, and on student enrolment. Furthermore, a number of providers felt that changes had often been made to regulations at short notice, and without consulting the sector beforehand. They said that this made it difficult for them to plan for the future and, in some cases, led to wasted expense.

"[BIS] had two windows [to apply for course designation]: one in September, and we couldn't get our QAA review until November, so the only window we could go for was March, with a process that takes several months … So in our second year we didn't get many students."

1001-5000 learners, for-profit, London/SE

Alternative providers tended to be smaller in size than publicly-funded providers, and considerably leaner in terms of staff numbers. Several mentioned that, where public universities might have an entire department or team to deal with particular aspects of regulation, they had to carry out the same amount of work with far fewer staff members (who might also be less experienced):

> *"There is a huge [internal resource] issue for us in the regulatory side things. I used to work in an institution that had an international department, a quality department and a registry and staff in all of those, and here that is us [two], so when we get a QAA review or have to do a return to HEFCE, this is the team."*
>
> **26-100 learners, not-for-profit, London/SE**

In order to overcome these issues, a number of alternative providers felt that clearer planning on the part of the government and regulatory bodies, and improved communication, would improve the situation.

The term "alternative provider" is not necessarily one that resonates – alternative providers do not see themselves as a homogenous group. It was common among the providers we interviewed to see themselves as "different" in some way; offering something that could not be found elsewhere. As such, providers felt strongly that they made a valuable contribution to the higher education market in the UK. Furthermore, there are some aspects of the regulatory environment – most notably the lack of cap on tuition fees – which give alternative providers a freedom not afforded to the publicly-funded sector.

> *"I would see us as different in a sense of having a clear and focussed mandate with the colleges we serve over public institutions. As a result we are not governed by the market in quite the same way. Public institutions are very conscious of fee levels and all that kind of thing and there are a lot of market pressures on them ... it enables us to be small and we offer something very distinctive to students that a bigger publicly funded institution would not be able to offer ... I think we do offer a level of support for students they would not generally receive at publicly funded institutions which is a function of size but also the commitment of staff here ... we are deliberately able to offer HE to a group of people who would be completely at sea at a large publicly-funded university, like the black and minority ethnic people who we are able to give language support to and intensive pastoral support to."*
>
> **101-250 learners, not-for-profit, Outside London/SE**

> *"We can offer a quality of environment and quality of opportunity for students which is partly driven by the fact that we can charge what it actually costs to deliver that. In the public sector, you are always stuck in this situation where somebody outside is telling you how much you can charge."*
>
> **26-100 learners, not-for-profit, London/SE**

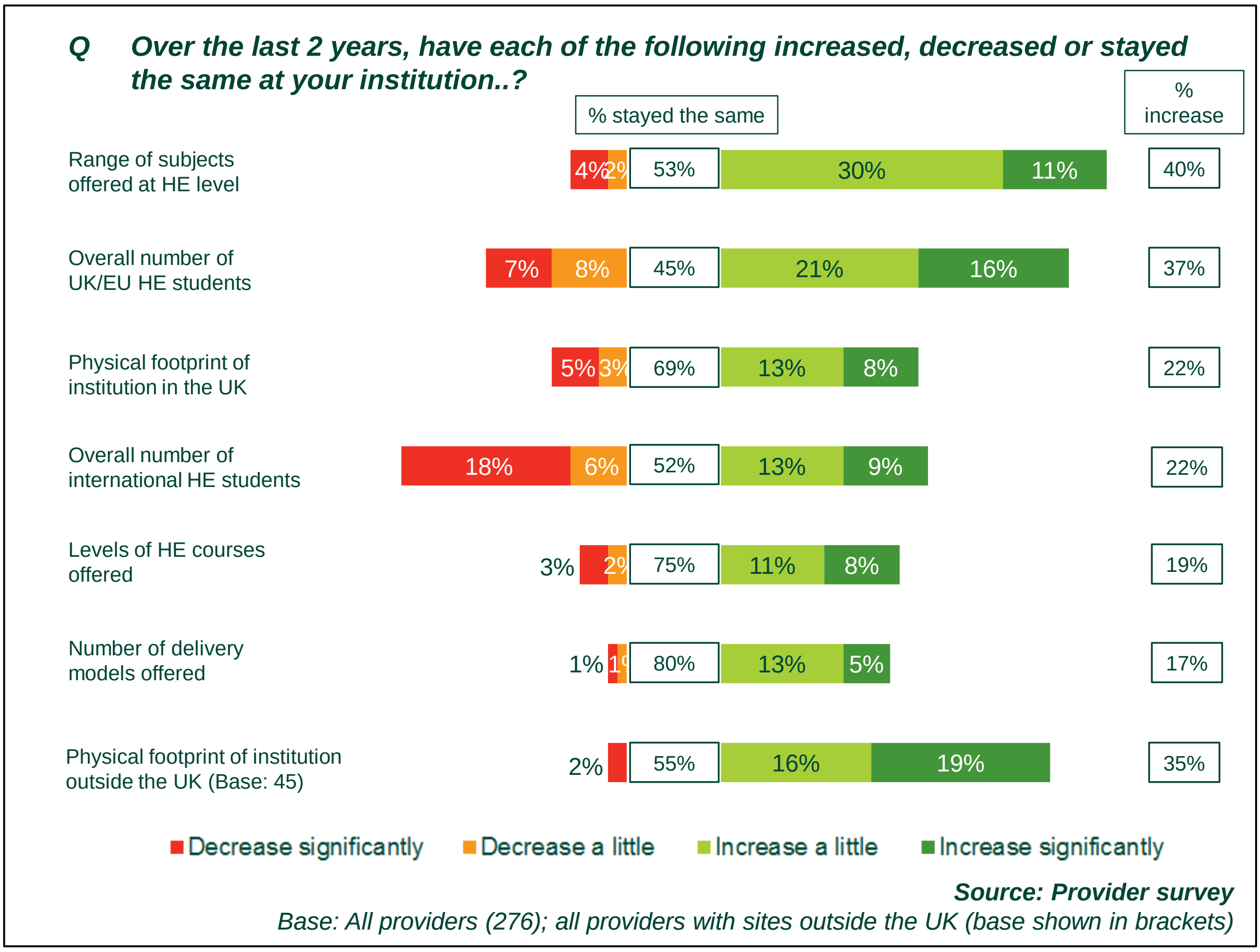
2.3 Reported change in the previous two years

The majority of alternative providers told us that their student numbers, course offerings and physical presence had remained static over the last two years. However, they were more likely to report that they had grown than shrunk in terms of the range of subjects offered, the number of UK and EU students and, to a lesser extent, the physical footprint of their institution. In each of the areas, only a small proportion of alternative providers reported a decrease, as shown in Figure 16. The exception was the overall number of international students, where a quarter (24 per cent) of alternative providers reported a decrease.

In the qualitative study, several alternative providers reported fluctuating growth, or moderate growth, in student numbers over the last two years; there were also mentions of growth being supported by the development of alternate delivery strategies:

> *"There's [been] a gradual growth. That relates to a strategy we've been putting out over the last two years which involves setting up a number of centres. We've come to the point on site here where we're full… We then developed a placement based degree which is an alternative."*
> **101-250 learners, not-for-profit, outside London/SE**

Figure 16: Reported change in the last two years (Provider survey - weighted)



Alternative providers offering first degrees were more likely than average to have reported an *increase in UK and EU students* (50 per cent), as were those with two to three sites (55 per cent, compared with 33 per cent of single site providers), and providers with designated courses (58 per cent, compared with 30 per cent of non-designated providers). Alternative providers in the smallest size band, however, were more likely to have experienced a decrease in the number of UK and EU students studying HE (28 per cent, compared with 15 per cent on average).

Very small providers (those with between one and 25 learners) were particularly likely to have experienced a decrease in the *number of international students* (42 per cent), as well as providers offering HNDs / HNCs (37 per cent). Those offering full-time courses were also slightly but significantly more likely than average to have experienced a decrease (29 per cent). Alternative providers with Tier 4 status, or that were included as a partner in the licence held by another institution, were also asked if they had experienced a fall in the number of international students since the change in regulation stating that students studying at accredited private colleges no longer had the right to work while studying. Just over three fifths (62 per cent of that group) stated that they had; again this was particularly likely among those offering HNDs / HNCs (80 per cent of these had experienced a fall in international students as well as those operating for profit (69 per cent had experienced a fall).

Alternative providers with at least one course designated for student support were more likely than non-designated providers to report an *increase in their physical footprint in the UK* (33 per cent, compared with 18 per cent), but were less likely than non-designated providers to report *an increase in levels of HE courses offered* (10 per cent, compared with 22 per cent).

Reporting an *increase in the range of subjects* they offered at HE level was particularly common among those offering full-time courses (47 per cent), those operating for profit (47 per cent), and those delivering HE outside the UK (56 per cent).

There was no significant difference between specialist and generalist alternative providers as to whether they had increased the range of subjects on offer; while it might have seemed more natural for generalist establishments to increase their course offerings, several specialist institutions in the qualitative study mentioned that they had sought to increase the range of courses offered while still remaining true to their central remit. For example, one religious college stated:

> *"We are charitable for the purposes of religious and educational benefit… so we wouldn't have any plans to move into history or English or any kind of arts subjects. We would also like to keep developing a theological approach, and I know that there are plans to look at our courses and see if something like chaplaincy, for example, can be fitted into those as an area of extension… We would look to extend our reach within that."*
>
> **101-250 learners, not-for-profit, outside London/SE**

The main reasons given by alternative providers for having increased the range of subjects offered in the last two years concerned meeting demand: nearly half (49 per cent) stated that it was to meet student demand, and one in seven (15 per cent) stated that it was in order to meet the needs of industry. Nearly a quarter (23 per cent) increased their range of subjects in order to attract more students, and one fifth (19 per cent) said it was to expand the business or raise revenue.

Looking at other developments in the previous two years, almost three fifths of alternative providers in the survey (58 per cent) had developed new links with employers. One quarter (27 per cent) had had their courses accredited by professional, statutory or regulatory bodies. A small minority (two per cent, or four providers) reported that they had obtained or applied for Degree Awarding Powers (DAP) in the previous two years. Of the 54 alternative providers with designated status that took part in the survey, just under half said that they had secured student support designation for specific courses in the previous two years (48 per cent).

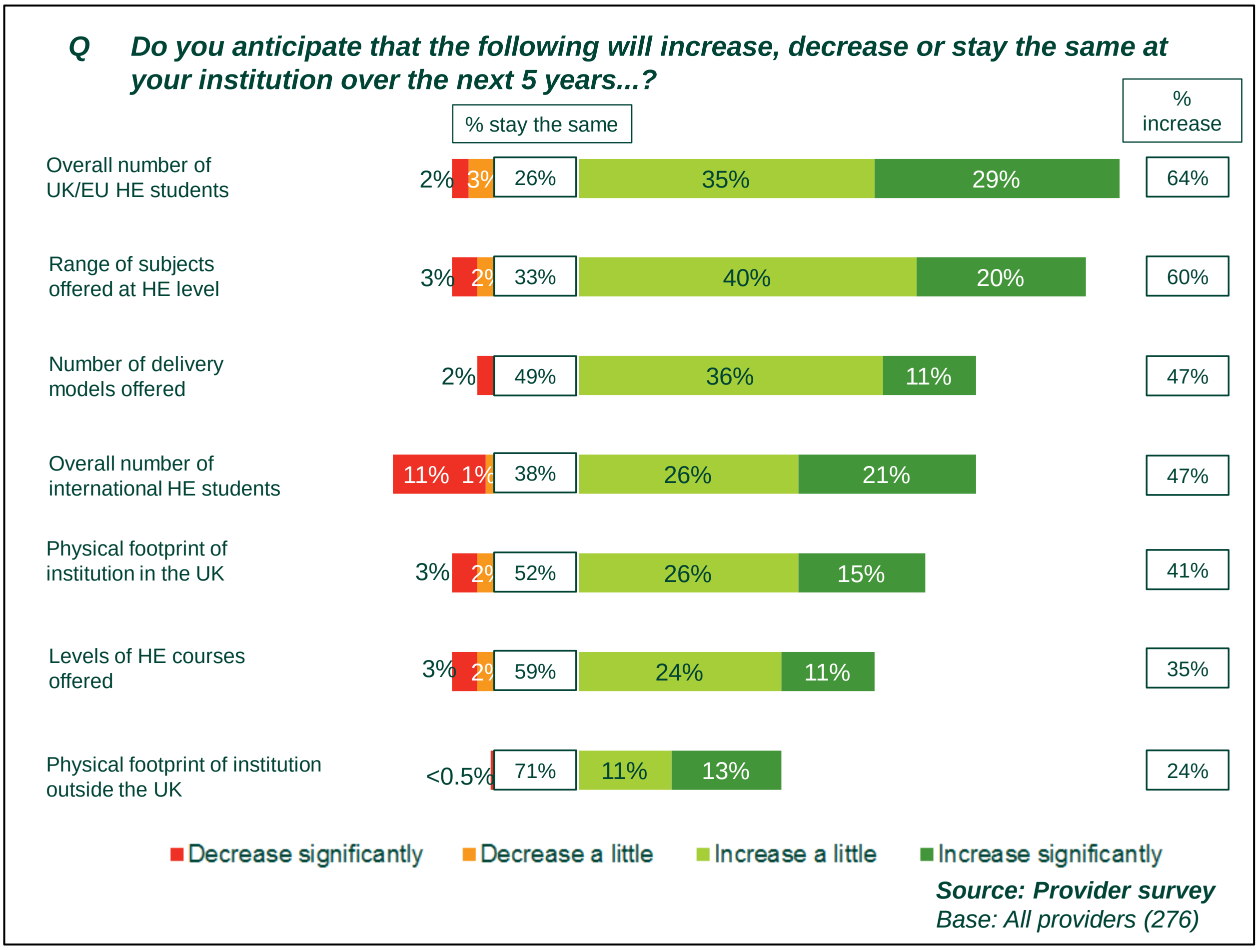
2.4 Expected change and future plans

2.4.1 Expected change in the next five years

Looking ahead to the next five years, there were high levels of optimism among alternative providers, with the majority expecting to increase both the range of subjects offered at HE level (60 per cent) and the overall number of UK and EU students studying HE (64 per cent) during this time.

Overall, only small numbers of alternative providers anticipated any decreases over the next five years, with the obvious exception being the number of international students, where around one in ten (11 per cent) alternative providers expected a decrease (Figure 17).

Figure 17: Expected change in the next five years (Provider survey - weighted)



Alternative providers which were most likely to anticipate an increase in the *range of subjects offered* at HE level over the next five years included:

- Those operating for profit (65 per cent, compared with 51 per cent of not-for-profit providers);
- Those delivering higher education outside of the UK (81 per cent, compared with 56 per cent of those that do not deliver outside of the UK); and
- Younger providers (70 per cent of those operating for five years and under, and 77 per cent of those operating for between six and ten years).

In the qualitative study, one alternative provider mentioned increasing the range of courses offered as a key element of enhancing their status as a higher education institution:

> *"To be a true university you shouldn't just specialize in one subject so that broad portfolio is really important... we are international so where we can introduce an international element to something and hopefully mix it with a degree, so a language offer or cultural understanding... we are led by our international ethos."*
>
> **1001-5000 learners, not-for-profit, London/SE**

Alternative providers that delivered higher education outside of the UK were more likely to say that they anticipated the overall *number of UK and EU students* increasing over the next five years (84 per cent) compared with those that did not offer higher education outside of the UK (59 per cent). This could be indicative of an expectation of growth in the EU market particularly, or that providers delivering to wider markets were more confident of growth overall.

In the qualitative study, there was a feeling among some alternative providers that, although they were planning to grow over the next three to 10 years, this projected growth was deliberately intended to be modest, in order to ensure the quality of their delivery would not be lost:

> *"We have a 2020 vision which takes us up to 2020 and the key element of that is growth but we don't want to become huge. Part of [this institution] is we have that small feel and small teaching groups, with lots of one-to-one contact with tutors, so we don't plan to grow to a massive scale."*
>
> **1001-5000 learners, not-for-profit, London/SE**

In line with those that were most likely to have reported change over the last two years, alternative providers offering HNDs / HNCs were more likely to anticipate a decrease in the *number of international students* in the next five years (18 per cent), and alternative providers operating for profit (14 per cent). Also more likely to anticipate a decrease in the number of international students were those based in London (19 per cent), those operating for five years and under (18 per cent) and those that did not deliver any higher education outside of the UK (14 per cent, compared with no providers that did offer higher education outside the UK).

In the qualitative study, many alternative providers stated that these anticipated decreases in the numbers of international students were closely linked to difficulties surrounding visas and Tier 4 sponsorship:

> *"Essentially almost all of our students are UK; a few EU and very few international students… For many international students who would have wanted to come to us in the past, it is that much more difficult with the regulations the government has imposed."*
>
> **101-250 learners, not-for-profit, outside London/SE**

However, some alternative providers planned to expand their use of distance learning models, allowing them to increase the number of international students using their services, while avoiding the need to deal with the regulations surrounding non-EU students entering the country:

> *"Education may be seen as an export, but in a funny way in order to receive that export you have to come in the country. So we call our strategy a real export in education, students can receive our product or service while in their own country, not necessarily having to come here."*
>
> **1001-5000 learners, for-profit, London/SE**

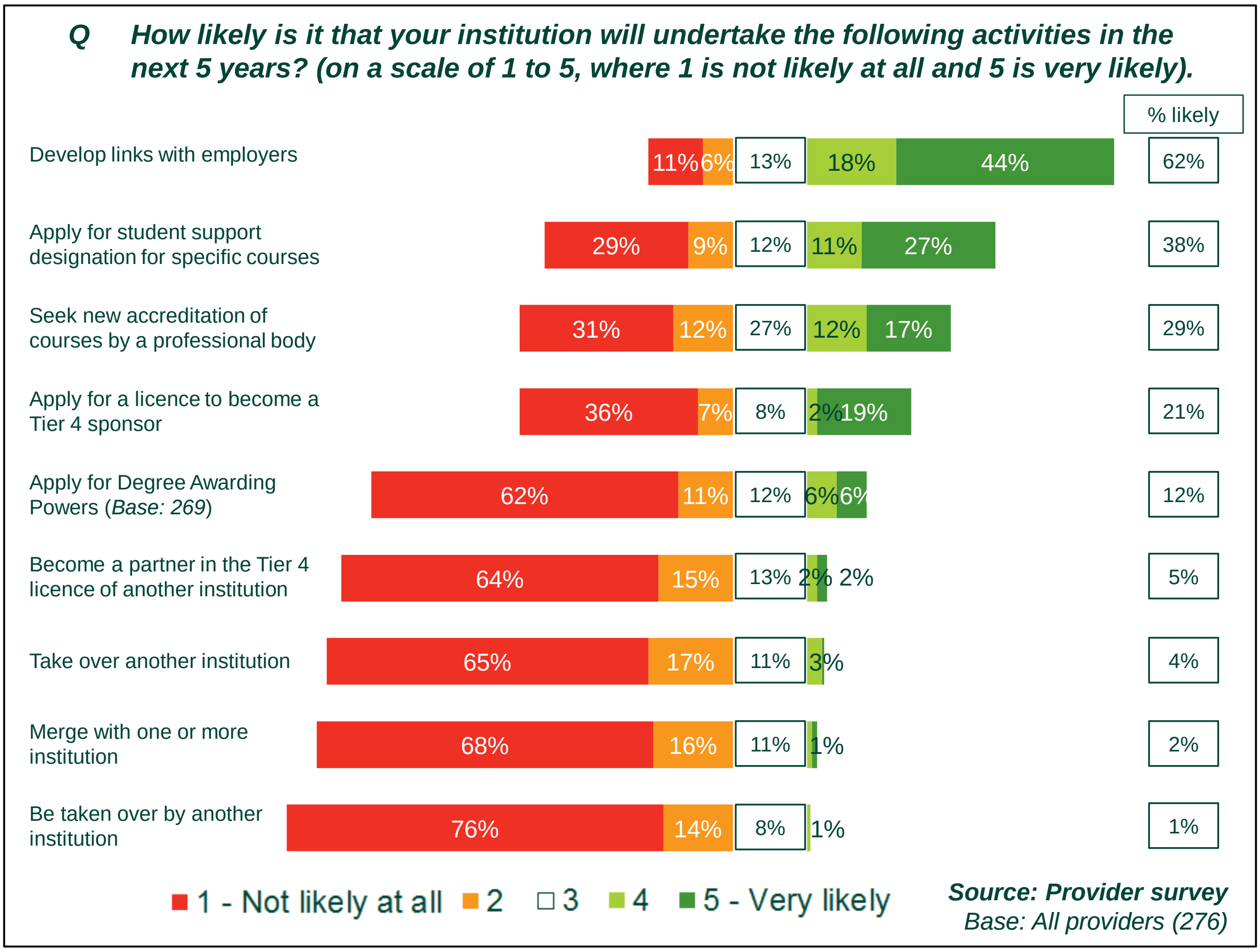
More generally, there was also mention of the use of online distance learning being a way for alternative providers to set themselves apart from the more ‘traditional’ publicly funded universities:

> *“We see significant opportunities in blended learning, flexibility…We can probably offer something different to what is out there being offered by the universities.”*
>
> **501-1000 learners, for-profit, outside London/SE**

2.4.2 Planned activity in the next five years

Alternative providers revealed a strong inclination to work closely with employers in the future, with more than three fifths (62 per cent) stating that they were likely to develop links with employers in the next five years (with 44 per cent stating that this was very likely), as shown in Figure 18.

Figure 18: Planned activity in the next five years (Provider survey - weighted)



A reported likelihood to *apply for course designation status* was more common among certain types of alternative providers:

- Those offering HNDs/HNCs (57 per cent), first degrees (55 per cent) and full-time courses (46 per cent);

- Those that already delivered at least one designated course (71 per cent);
- Those operating for profit (45 per cent, compared with 26 per cent of not-for-profit providers);
- Those based in London and the South East (43 per cent); and
- Younger organisations (with likelihood ranging from 57 per cent of those operating for five years and under to 17 per cent of those operating for more than 50 years).

One in three alternative providers (29 per cent) said they planned to se*ek new accreditation of their courses by a professional, statutory or regulatory body*. This was most commonly mentioned among:

- those offering HNDs/HNCs (42 per cent);
- those offering distance learning (46 per cent);
- those operating for-profit (35 per cent);
- younger organisations (44 per cent of those operating 10 years and under); and
- those with at least one designated courses (34 per cent, compared with 16 per cent of those with no designated courses).

Just over one fifth (21 per cent) of alternative providers said that they were likely to *apply for Tier 4 sponsor licence* in the next five years. This was more likely among those offering full-time courses (28 per cent), those based in London and the South East (26 per cent, compared with 13 per cent based outside of London and the South East), and those that deliver higher education outside of the UK (35 per cent, compared with 19 per cent that did not deliver higher education outside of the UK).

Finally, around one in ten alternative providers (12 per cent) stated that they were likely to *apply for Degree Awarding Powers* in the next five years. This was more likely among those with any designated courses (20 per cent, compared with nine per cent of alternative providers with no designated courses).

2.5 Key challenges faced by providers

In terms of challenges, the two key factors mentioned by alternative providers which could inhibit their plans for the future were scarcity of funding (36 per cent) and changes to immigration policy (33 per cent), as shown in Figure 19.

Scarcity of funding was a particular concern for not-for-profit alternative providers (45 per cent, compared with 30 per cent of for-profit alternative providers), as well as those offering certain types of course: three fifths (59 per cent) of those offering foundation degrees, just under half (45 per cent) of those offering HNDs/HNCs, and just under half (46 per cent) of those offering part-time courses.

Changes to immigration policy were a key concern to a particular sub-set of alternative providers: younger, for-profit providers based in London and the South East, offering full-time HNDs/HNCs. There was substantial overlap between these categories:

- Alternative providers operating for profit (39 per cent, compared with 23 per cent not-for-profit);
- Alternative providers operating for five years and under (44 per cent);
- Alternative providers based in London and the South East (47 per cent, compared with 22 per cent based outside London and the South East); and
- Those offering HNDs/HNCs (48 per cent) and those offering full-time courses (42 per cent).

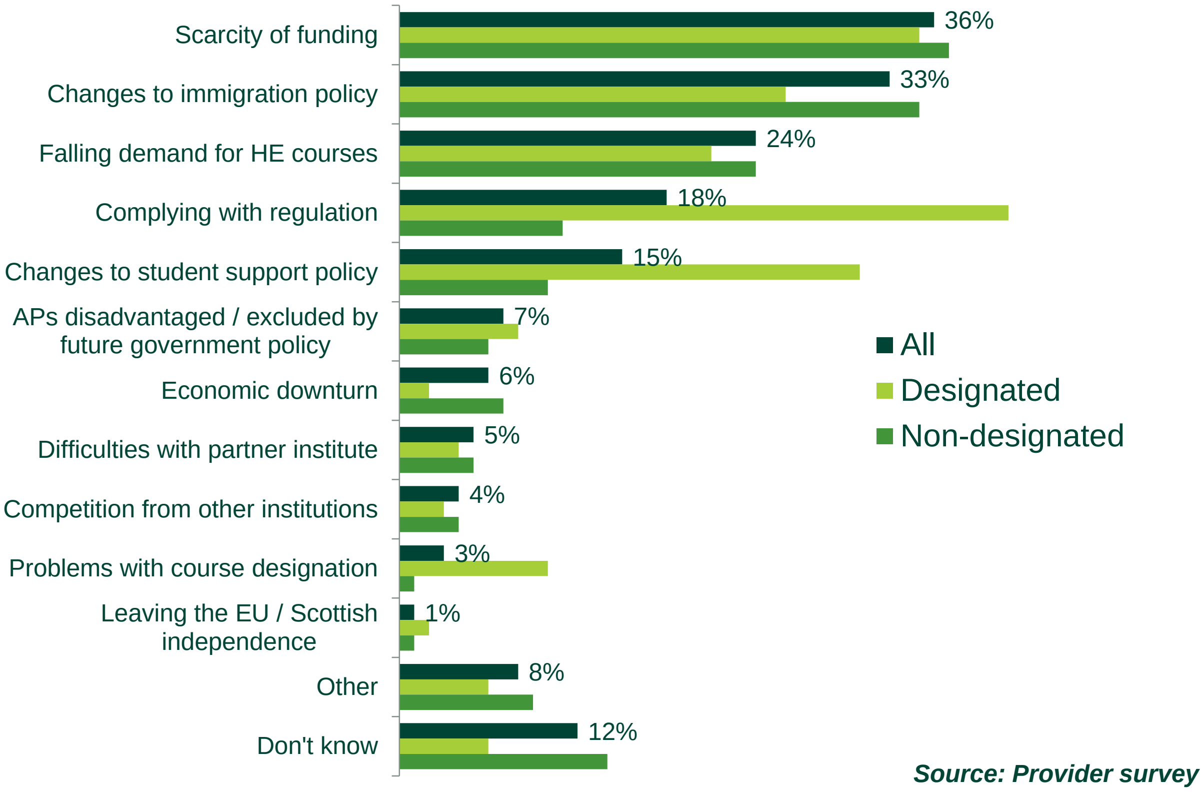
Falling demand for HE courses in the future was a key concern for just under a quarter of providers (24 per cent), but was more likely among not-for-profit alternative providers (35 per cent, compared with 17 per cent of those operating for profit), and those based outside of London and the South East (33 per cent, versus 18 per cent based in London and the South East).

Just under one fifth of alternative providers (18 per cent) stated that complying with regulation would be a key factor that could inhibit their plans for the future. This was particularly the case among alternative providers with designated courses (41 per cent, compared with 11 per cent of alternative providers that did not have any designated courses). This could reflect the greater regulatory burden felt by providers already complying with requirements for designated status.

As discussed previously, regulation was a key issue mentioned by alternative providers in the qualitative stage of the study, with many stating that this was something that would prevent them from growing. In particular, the changes to student support policy – which includes student number controls – was felt to be a barrier to growth among those with at least one designated course (31 per cent, compared with 10 per cent of non-designated providers and 15 per cent overall).

Figure 19: Challenges reported by providers (Provider survey - weighted)

Q What, if any, are the key factors which may inhibit the achievement of your plans for the future?



Source: Provider survey
Base: All providers (276); designated (56); non-designated (220)*
**Caution: low base size*

3. Profile of alternative providers' students

This chapter considers the profile of students studying at alternative providers of higher education in the 2013/14 academic year and – where possible - compares them to students studying within the publicly-funded HE sector. It discusses who the students are in terms of their age, gender and ethnicity, as well as details of the courses on which they are enrolled, how they are studying and their financial arrangements.

The chapter draws on multiple sources, including the provider survey, the provider data return (which relate to the student body of funded and self-funded students across all types of provider), and the surveys of students and of leavers (which relate to those students or former students in receipt of some form of student support funding at providers which delivered designated courses). Where possible, we have drawn comparisons with the wider HE sector using data from the Higher Education Statistics Agency (HESA)[42].The findings in this chapter show that:

- The population of students across alternative providers in 2013/14 was a diverse one in which men, "mature students" (aged over 25 at the point they started their course) and Non-White students were all represented in greater proportion by comparison with the publicly-funded HE sector.

- A high proportion of alternative providers' students overall were domiciled internationally prior to starting prior their course. Such students comprised over a third of the alternative provider student population (36 per cent) compared to less than one in five (18 per cent) of the publicly-funded HE population. Around a quarter of these studied by distance learning from outside of the UK

- Business and Management courses were most prominent, with over a third of students enrolled on these programmes across all alternative providers.

- Among the sub-section of the alternative provider student population who were in receipt of a student loan, there was some evidence of alternative providers fulfilling a widening participation role insofar as these students were more likely to be Non-White, and to have a disability than students in the publicly-funded HE population.

- Similarly, it was common for supported students in the sector to come to their course having previously been in full-time employment, and for them to have a relatively low level of prior academic achievement: just under a quarter did not have a prior qualification at Level 3.

[42] Please note that while the student survey covered English students only, HESA data reflects the whole of the UK.

- Supported students accessed a variety of sources alongside their Student Loans Company support to help with their tuition fees and living costs - other than a loan, the most common sources of support were family members and personal savings.

3.1 Demographic profile – Provider data return

All institutions that participated in the survey of alternative providers were asked to provide a profile of their student body enrolled in the 2013/14 academic year in terms of:

- The level and subject area of the course they were enrolled on;
- Where they were domiciled prior to starting their course;
- Their mode of study;
- Their age at the point of entry onto their course;
- Whether or not they were in receipt of support from the Student Loans Company;

Alternative providers' responses to these questions form the basis of the first section of this chapter. Data are presented on an unweighted basis.

In total, the participating alternative providers accounted for just under 73,000 students – between a quarter and a third of the estimated total population of students in the alternative HE sector. As such, these data probably represent a fairly accurate picture of the student population – although it is worth noting that in a number of cases, alternative providers did not provide all information for their students (suggesting that some institutions may not have systems in place to record the demographic data of their students). For consistency, data are based on all responses, and include the "unknown" responses. Therefore not all columns and rows sum to the total of 72,745.

Where possible, we have included comparisons with the wider Higher Education sector, using figures from the Higher Education Statistics Agency (HESA)[43]. This is based on information from 2012/13, and covers all providers that completed a HESA return – this includes all publicly-funded providers and a small number of (mainly larger) alternative providers across the UK. Full details can be found on HESA's website.

3.1.1 Gender

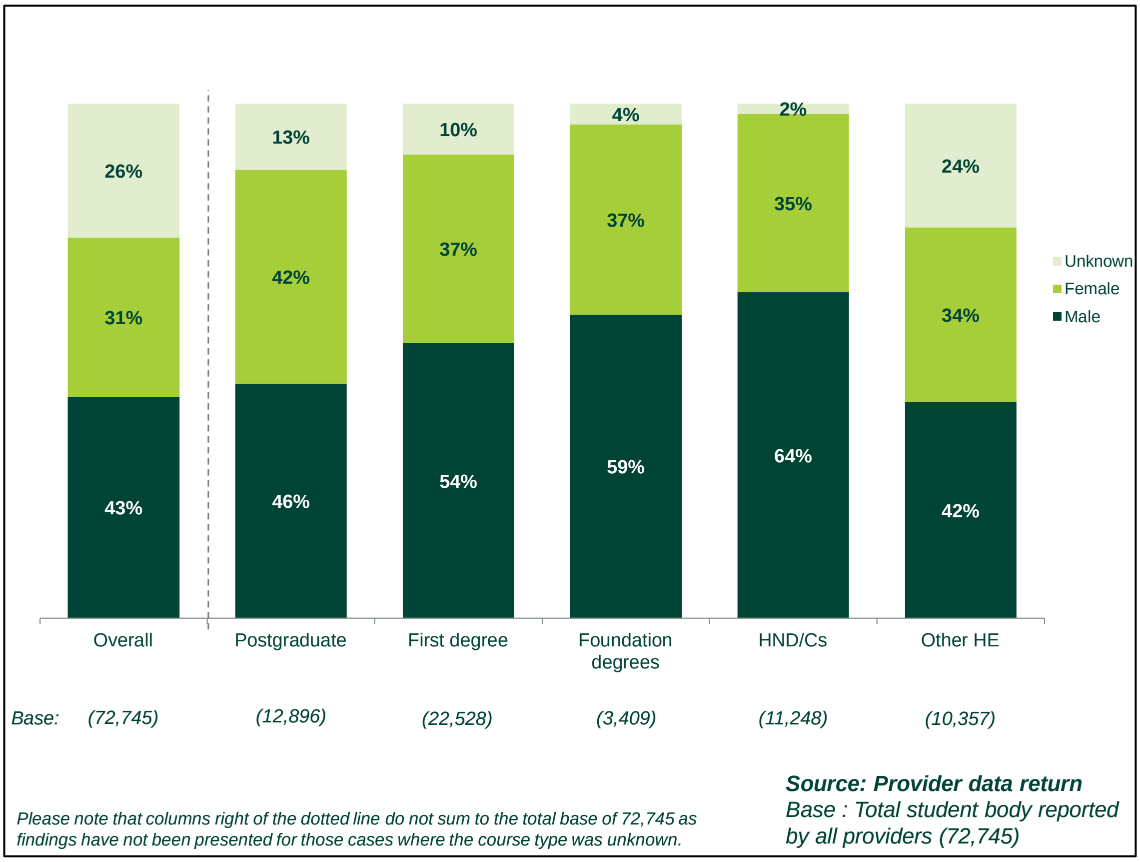
The student population of the 276 alternative providers surveyed included more men than women: 58 per cent of the **known population** were men, and 42 per cent were women. This stands in almost direct contrast to the wider higher education sector, in which 56 per

[43] *Students in Higher Education*, HESA 2012/13 – https://www.hesa.ac.uk/index.php?option=com_pubs&Itemid=&task=show_year&pubId=1&versionId=25&yearId=297

cent of the student population in the academic year 2012-13 were women, and 44 per cent were men[44].

A significant number of alternative providers (46 of the 276 surveyed) were unable or unwilling to detail the gender and age profiles of **all** of their students. These alternative providers did not display any particular characteristics (in terms of size or status, for example) which differentiated them from the bulk of alternative providers, suggesting that this was not an issue that was specific to a particular type of alternative provider. A further 15 alternative providers were unable to detail the gender and age profiles of **some** of their students. Collectively, the students with unknown gender and age from these 61 providers accounted for a quarter (26 per cent) of the total student population. The apparent skew towards men persisted across all levels of course, as shown in Figure 20.

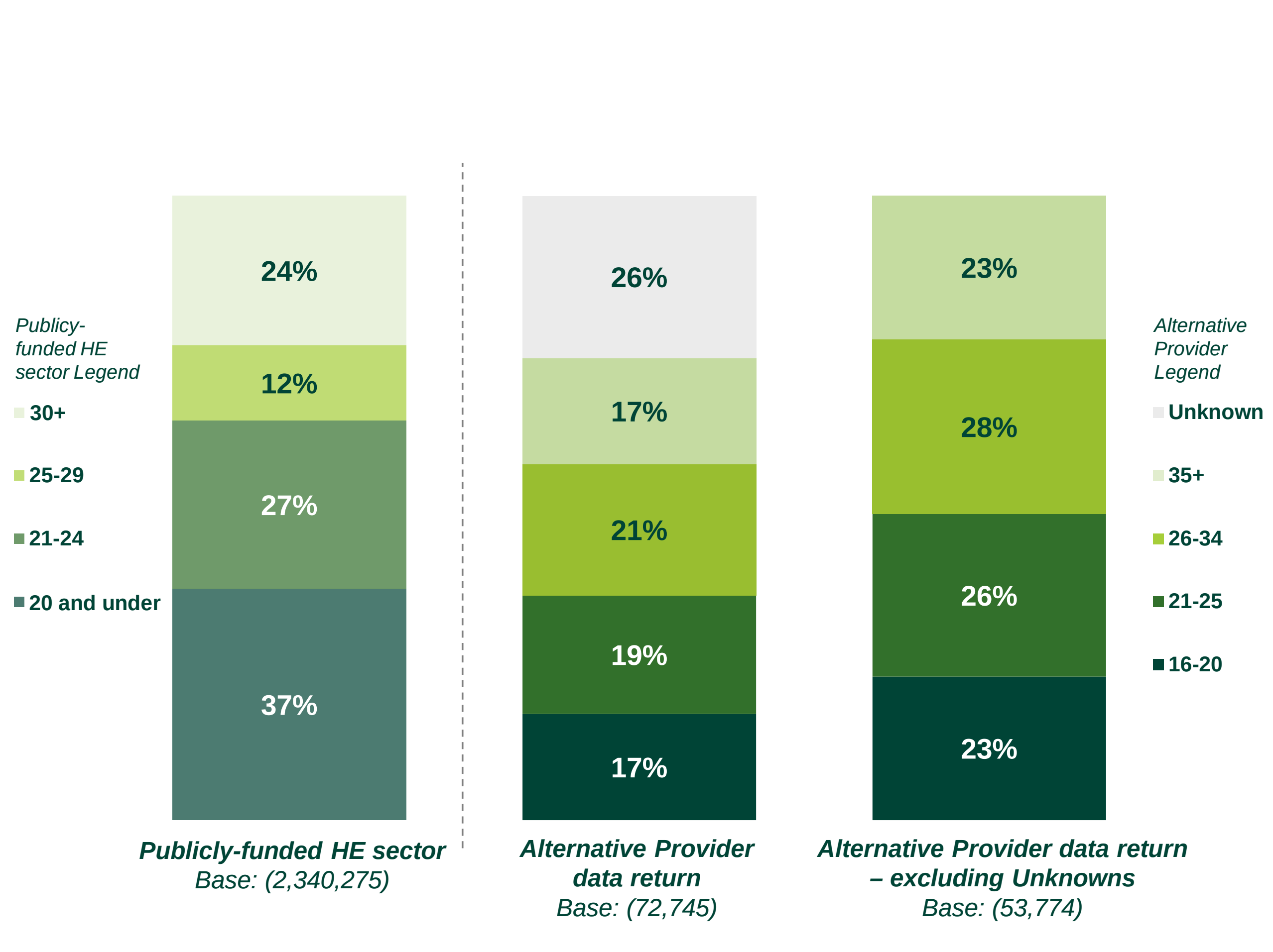
Figure 20: Student gender, by qualification type (Provider data return - unweighted)



[44] *Students in Higher Education*, HESA 2012/13 – https://www.hesa.ac.uk/index.php?option=com_pubs&Itemid=&task=show_year&pubId=1&versionId=25&yearId=297 – All HE students, Table 4g

3.1.2 Age

Figure 21: Comparing the age profile of students at alternative providers and students in the wider HE sector (Provider data return - unweighted)



The evidence suggests that alternative providers are offering higher education to an older body of students than the higher education sector as a whole. Figures from the Higher Education Statistics Agency show that, across the board, more than a third of HE students (37 per cent) are aged 20 or under at the point of entry[45], compared with 17 per cent at alternative providers and 23 per cent of those whose age was known (Figure 21).

This is a view echoed in the qualitative interviews, with alternative providers seeing their student base as distinct from a "traditional" university.

> *"They are typically between the age of 25-28. They are in their early to mid-careers, so they are not right at the beginning, they have five or six years' experience and then they are very driven.*

[45] (*Students in Higher Education*, HESA 2012/13 – https://www.hesa.ac.uk/index.php?option=com_pubs&Itemid=&task=show_year&pubId=1&versionId=25&yearId=297 – All HE students, Table 4g). Note that, due to differences in age bands, a more thorough analysis is not possible.

But driven in the sense that they are looking to get that next experience, next promotion."

1001-5000 learners, for-profit, London/SE

Generally speaking, those studying foundation degrees and first degrees tended to be younger (i.e. aged 25 or younger), whereas those undertaking HNDs, HNCs or postgraduate courses were more likely to be mature students.

The age distributions of men and women did not differ significantly by qualification type. Foundation degrees and HNDs / HNCs courses were exceptions to this – they were more likely to be studied by young men than by young women (67 per cent of men studying foundation degrees were aged 25 or below, compared with 40 per cent of women; likewise, 50 per cent of men studying HNDs / HNCs were aged 25 or below, compared with 39 per cent of women), as shown in Table 3.

Table 3: Age of male and female students (excluding unknowns), by qualification type (Provider data return - unweighted)

	Total	Post-graduate	First degree	Foundation degrees	HND/Cs	Other HE
Base: All male students	*31,429*	*5,873*	*12,077*	*2,011*	*7,162*	*4,306*
Aged 16-20 on entry	23%	1%	44%	40%	8%	9%
Aged 21-25 on entry	28%	20%	25%	27%	42%	25%
Aged 26-34 on entry	27%	44%	18%	19%	28%	34%
Aged 35+ on entry	22%	35%	12%	14%	22%	33%
Base: All female students	*22,345*	*5,397*	*8,274*	*1,247*	*3,885*	*3,542*
Aged 16-20 on entry	23%	1%	47%	25%	11%	13%
Aged 21-25 on entry	23%	23%	19%	15%	28%	31%
Aged 26-34 on entry	29%	40%	18%	27%	35%	30%
Aged 35+ on entry	25%	36%	16%	32%	27%	26%

Please note that columns do not sum to 100% as findings have not been presented for those cases where the course type was unknown.

3.1.3 Student domicile

Analysis of the alternative provider data return shows that, of the 72,745 students identified by the 276 participating alternative providers, over a third were living outside of the UK prior to starting their course, with most of these living outside of the EU. This is in sharp contrast to the wider higher education sector, where less than a fifth lived outside of the UK prior to commencing their course in 2012/13[46] (Figure 22).

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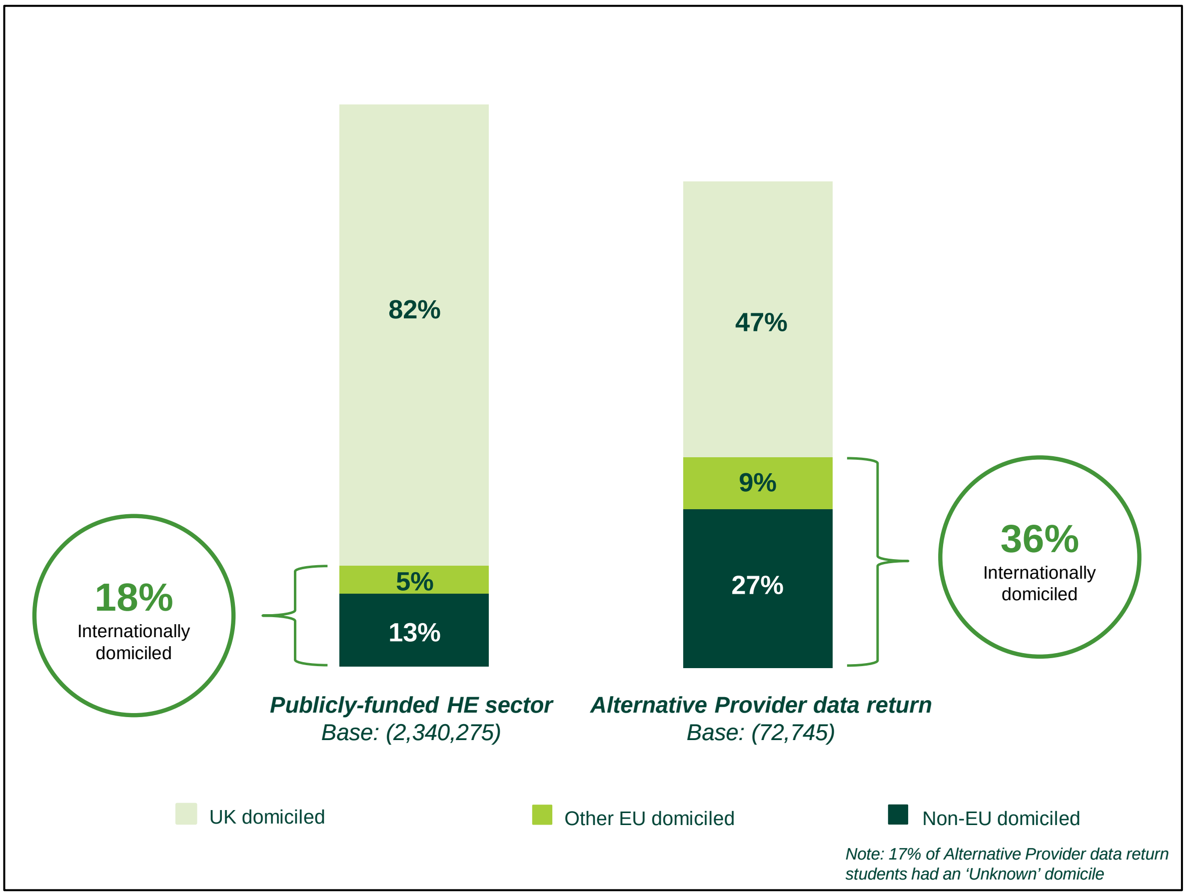
[46] *Students in Higher Education*, HESA 2012/13 – https://www.hesa.ac.uk/index.php?option=com_pubs&Itemid=&task=show_year&pubId=1&versionId=25&yearId=297 – All Non-UK domiciled HE students, Table B

Figure 22: Comparing the student domicile of alternative provider students and students in the wider HE sector (Provider data return - unweighted)



Student domicile (where students had been living directly prior to study) varied considerably by qualification type, as shown in Table 4. Students studying postgraduate courses were most likely to have been living abroad before starting their course (61 per cent), while students on foundation degree courses and HNDs/HNCs were most likely to be UK domiciled (91 per cent and 74 per cent).

Table 4: Student domicile, by qualification type (Provider data return - unweighted)

	Total	Post-graduate	First degree	Foundation degrees	HND/Cs	Other HE
Base: All students	*72,745*	*12,896*	*22,528*	*3,409*	*11,248*	*10,357*
UK domiciled	47%	39%	57%	91%	74%	45%
Internationally domiciled	36%	61%	43%	9%	26%	52%
Other EU domiciled	9%	10%	14%	5%	12%	7%
Non-EU domiciled	27%	51%	29%	5%	14%	44%
Unknown domicile	17%	-	*%	*%	*%	3%

'-' denotes zero; '' denotes less than 0.5% but greater than zero.*
Please note that columns do not sum to 100% as findings have not been presented for those cases where the course type was unknown.

Those on postgraduate courses were also more likely to have been based outside of the UK (61 per cent) before starting their course than those on first degrees (43 per cent); a pattern that was replicated – in less marked fashion - among those undertaking postgraduate courses across the higher education sector as a whole (37 per cent compared with 13 per cent)[47] (Table 5).

Table 5: Comparing the student domicile of alternative provider students and students in the wider HE sector, by First degree and Postgraduate qualification types (Provider data return - unweighted)

	Postgraduate		First degree	
	Publicly-funded HE sector[5]	Alternative providers	Publicly-funded HE sector[5]	Alternative providers
Base:	*536,430*	*12,896*	*1,528,480*	*22,528*
UK domiciled	63%	39%	87%	57%
Internationally domiciled	37%	61%	13%	43%
Other EU domiciled	9%	10%	5%	14%
Non-EU domiciled	29%	51%	9%	29%
Unknown domicile		-		*%

'-' denotes zero; '' denotes less than 0.5% but greater than zero.*

[47] *Students in Higher Education*, HESA 2012/13 – https://www.hesa.ac.uk/index.php?option=com_pubs&Itemid=&task=show_year&pubId=1&versionId=25&yearId=297 – All HE students, Table 8

3.1.4 Providers' views and future ambitions for their international cohort

Those alternative providers that participated in the qualitative interviews had mixed ambitions for the future size of their international cohort. Some were actively trying to reduce their international numbers:

> *"We have to [reduce international provision] otherwise we can't grow because our international market is very difficult and the rules are not in our favour…"*
>
> **26-100 learners, not-for-profit, outside London/SE**

On the other hand, some alternative providers saw the challenges of the international market as an opportunity for growth, rather than a barrier:

> *"We are doing it almost region by region. We are getting ourselves established in the Middle East. We have another two regions where we will be launching shortly on a phased basis… It makes sense for us to have [online] content-production to the East of us and teaching to the West of us. It's just the way that the world turns!"*
>
> **501-1000 learners, for-profit, outside London/SE**

Several alternative providers that participated in the qualitative interviews were either unsure about their future international numbers or were not specifically recruiting international students in particular. This was mainly due to issues surrounding immigration: some were waiting for their Tier 4 status at the time, whilst others felt uncertain about the government's future plans for this area.

Alternative providers described a variety of advantages and disadvantages that a large international student population brings. Some disadvantages were business-related, such as extra administrative costs for visas, extra (language) support and general uncertainty over the future (as touched on above). Other reported disadvantages mainly centred on the challenges involved with integrating international students with the overall population.

However, many alternative providers felt that increased diversity among their student populous was a good thing, especially among those providing creative courses, such as music or culinary courses. The business benefits were varied, from extra capital due to higher fees and attracting the best students through to increasing the provider's international brand and building links with foreign education establishments.

3.1.5 Course level

Although the most commonly offered level of study at alternative providers is postgraduate, alternative providers reported through their data returns that students in the sector were most commonly pursuing first degrees (31 per cent). A further 15 per cent were studying HNDs / HNCs and 18 per cent postgraduate courses (Table 6).

Table 6: Student population, by course level (Provider data return - unweighted)

	Total
Base: All students	*72,745*
HNDs / HNCs	15%
Foundation degree courses	5%
First degrees	31%
Postgraduate courses	18%
Other HE courses	14%
Unknown course type	17%

Note: findings have not been presented for cases where the course type was unknown.

3.1.6 Subject area

Business and Management was by some way the most commonly studied subject area in the alternative provider sector in 2013/14, with over a third studying in this area. A further quarter undertook Arts and Humanities subjects, and one in twenty were studying a science or laboratory based subject (Table 7).

There were some differences in subject area across qualification types. In particular:

- those studying for a HND / HNC were significantly more likely to be studying Business and Management than students on every other level of qualification. There was also a strong representation of Business and Management at postgraduate level. This matches findings from the student survey, which showed a prevalence of business-related courses;

- the most common subject area among those studying for a first degree was Arts and Humanities; this area was also more likely than average to be taken at foundation degree level and at postgraduate degree level;

- the most common subject area for those studying for a foundation degree was science / laboratory-based subjects.

Table 7: Subject area, by qualification type (Provider data return - unweighted)

	Total	Post-graduate	First degree	Foundation degrees	HND/Cs	Other HE
Base: All students	*72,745*	*12,896*	*22,528*	*3,409*	*11,248*	*10,357*
Business and management	37%	50%	35%	10%	74%	34%
Arts / Humanities subjects	24%	23%	47%	27%	6%	23%
Science / laboratory-based subjects	6%	8%	8%	33%	2%	3%
IT	3%	3%	2%	7%	7%	1%
Accounting / finance	1%	3%	1%	1%	*%	2%
Law	1%	*%	2%	5%	*%	1%
Other classroom-based subjects	7%	9%	3%	17%	8%	17%
Unknown	21%	4%	1%	*%	4%	19%

'' denotes less than 0.5% but greater than zero.*

Please note columns do not sum to 100% findings have not been presented for those cases where the course type was unknown.

3.1.7 Mode of study

As discussed, alternative providers offer a range of modes of study – most commonly full-time, in attendance. Accordingly, students at alternative providers most commonly undertook their courses in this way; half of all students studying at the surveyed alternative providers in 2013/14 studied full-time, in attendance. Distance learning was more common than part-time attendance (23 per cent vs. 11 per cent) and most of the remainder were unknown or a combination of modes.[48].

Students studying for first degrees or HNDs / HNCs were most likely to do so on a full-time basis, while distance and part-time learning were most prevalent among postgraduate students and those studying foundation degrees (Table 8).

[48] A comparison with the 2012/13 HESA figures is not possible due to the use of 'Full-time' and 'Part-time' codes, which do not distinguish between attended and distanced learning.

Table 8: Mode of study (Provider data return - unweighted)

	Total	Post-graduate	First degree	Foundation degrees	HND/Cs	Other HE
Base: All students	*72,745*	*12,896*	*22,528*	*3,409*	*11,248*	*10,357*
Full-time and in attendance	48%	37%	64%	32%	79%	56%
Part-time and in attendance	11%	26%	7%	25%	5%	16%
Distance learning	23%	36%	29%	36%	16%	26%
Other	*%	*%	*%	1%	-	2%
Unknown / combined mode of study	18%	1%	*%	6%	*%	1%

'-' denotes zero; '' denotes less than 0.5% but greater than zero.*
Please note that findings have not been presented for those cases where the course type was unknown.

3.2 Demographic profile – Student survey (supported students only)

Beyond the provider survey, we also have additional intelligence on the profile of a sub-set of students in the alternative provider population, namely that part of the population which is in receipt of a student loan (because their course is designated for student support). This support could come in the form of either a tuition fee or a maintenance loan, or both. Based on their responses to the survey of students, we are able to profile these students by ethnicity and health. The data in this section have been weighted to the gender and age profile of the supported student population at alternative providers in England[49].

3.2.1 Supported Student Population - Gender

The SLC student data that was used to weight the survey indicated that gender was evenly represented, with 51 per cent male and 47 per cent female. Nearly two thirds were mature students; 64 per cent were aged 25 and over.

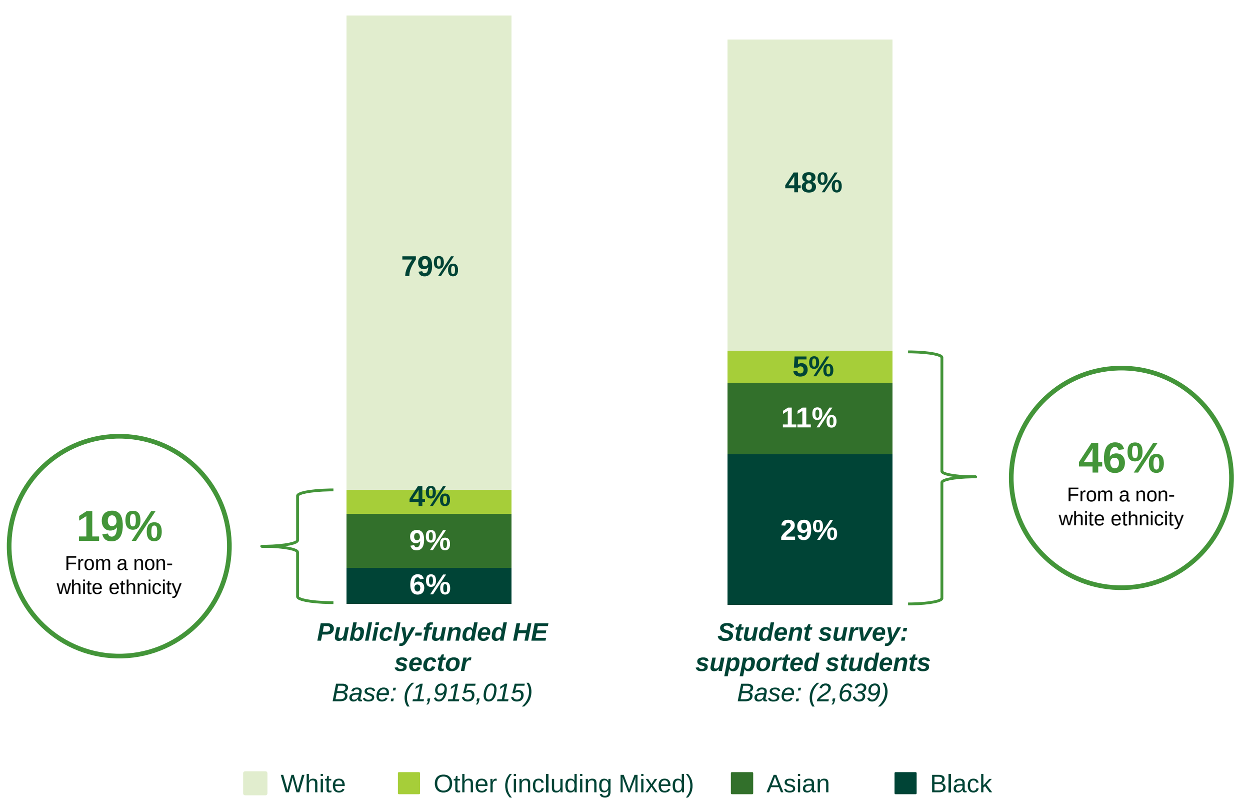
3.2.2 Supported Student Population - Ethnicity

The evidence suggests once more that the alternative provider market is catering for a different audience to the sector more widely in terms of its ethnic profile. Supported students within the alternative provider sector are considerably more likely to be from a Non-White background than the general population of the UK, and the overall HE population[50]; they split more or less evenly between White and Non-White backgrounds (48 per cent vs 46 per cent) as shown in Figure 23.

[49] Source: Student Loans Company

[50] *Students in Higher Education*, HESA 2012/13 – https://www.hesa.ac.uk/index.php?option=com_pubs&Itemid=&task=show_year&pubId=1&versionId=25&yearId=297 – All HE students, Table 4g

Figure 23: Ethnicity of UK domiciled, supported students at alternative providers and overall HE sector (Student survey – weighted)



Note: 6% of Student survey respondents and 2% of the Publicly-funded HE sector had an 'Unknown' ethnicity

Supported students at alternative providers from a Non-White background were more likely to be:

- older (26 per cent were aged 45-64, compared with eight per cent of White students);
- studying for an 'other' (non-first degree) undergraduate qualification (62 per cent, compared with 29 per cent of White students); and
- full-time (95 per cent, compared with 85 per cent of White students).

3.2.3 Supported Student Population - Health

Around one sixth of supported students who responded to the student survey had some form of disability (15 per cent). This compares to just nine per cent of those across the entire higher education population[51], again suggesting that alternative providers are serving a different (more widely drawn) market than the HE sector as a whole.

Those studying part-time and those studying via distance learning were more likely to have a disability than those studying full-time or via face-to-face learning (Table 9).

Table 9: Health, by mode of study and course delivery (Student survey - weighted)

		FT/PT Status		Course delivery	
	Total	**Part-time**	**Full-time**	**Face-to-face**	**Distance**
Base: All students in receipt of SL funding	*2,732*	*216*	*2,478*	*2,432*	*134*
No known disability	80%	75%	81%	80%	78%
Specific learning disability	6%	9%	6%	6%	5%
General learning disability	*%	-	*%	*%	-
Cognitive impairment	1%	1%	*%	*%	1%
Long-standing illness or health condition	4%	7%	4%	4%	8%
Mental health condition	4%	8%	3%	3%	9%
Physical impairment or mobility issues	2%	5%	2%	2%	3%
Deaf or serious hearing impairment	1%	1%	1%	1%	2%
Blind or serious visual impairment	*%	-	*%	*%	-
Prefer not to say	5%	2%	6%	6%	1%
Other type of disability	*%	1%	*%	*%	1%
HAVE A DISABILITY	15%	23%	14%	14%	21%

'-' denotes zero; '' denotes less than 0.5% but greater than zero.*

3.3 Prior activity and course entry requirements

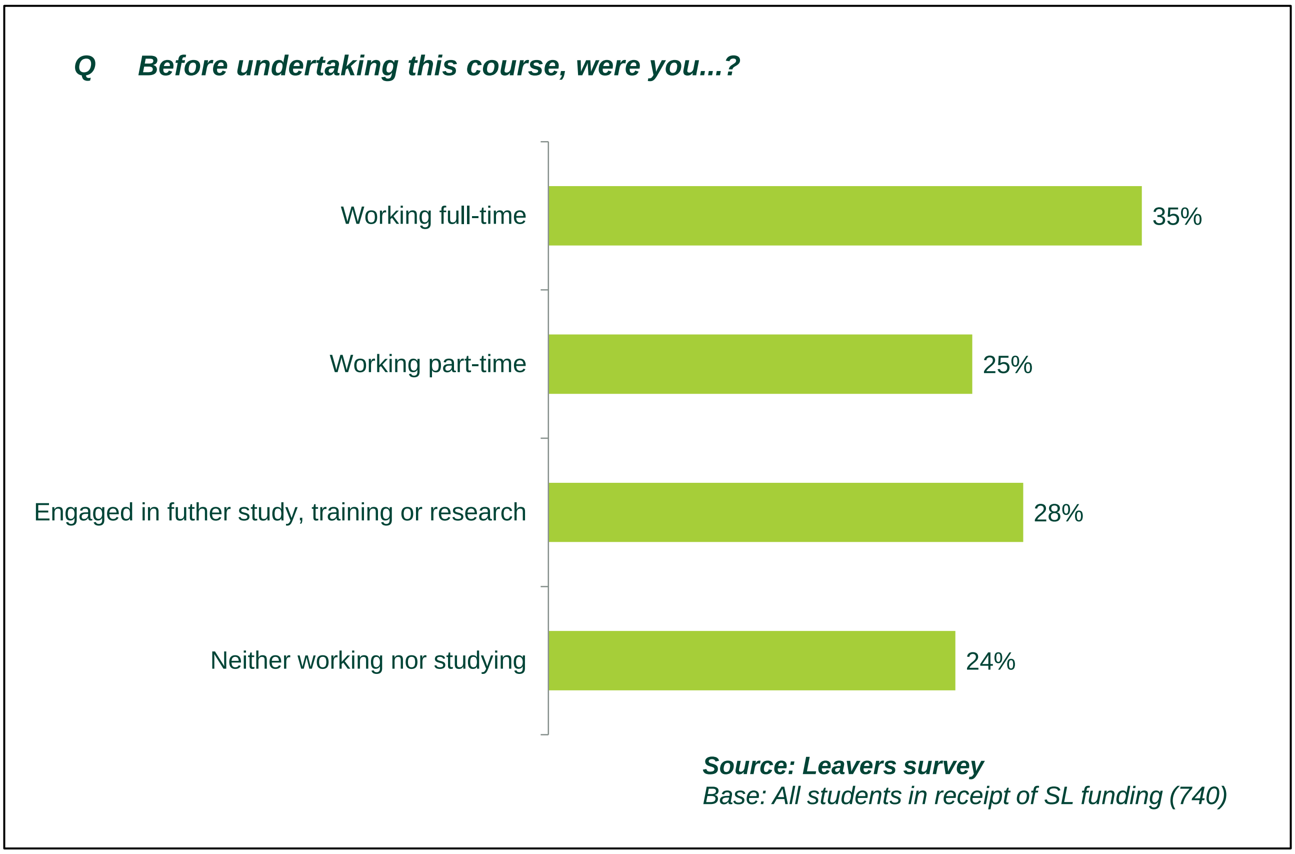
We asked supported students who took part in the Student survey a number of questions about the entry requirements for their course and about their prior academic achievement. We also asked former supported students who took part in the Leavers survey what they had been doing before enrolling. As for the previous section, these data reflect the sub-section of the population that are in receipt of a student loan, and the data have been weighted to the age and gender profile of that population.

[51] *Students in Higher Education*, HESA 2012/13 – https://www.hesa.ac.uk/index.php?option=com_pubs&Itemid=&task=show_year&pubId=1&versionId=25&yearId=297 – All HE students, Table 4g

3.3.1 Activity prior to undertaking course

Supported students at alternative providers had varied work and study histories. There was a roughly even spread of those who were working full-time prior to undertaking their course (35 per cent), working part-time (25 per cent), engaged in further study, training or research (28 per cent), or neither working nor studying (24 per cent), as shown in Figure 24.

Figure 24: Prior activity (Leavers survey - weighted)



This picture was reflected across various levels of qualification, but there were some differences by subject, as shown in Table 10. Arts and Humanities leavers were more likely to have previously been engaged in full-time further study, training or research (43 per cent compared with 25 per cent overall). By contrast, those who undertook a Business and Law course were more likely to have been neither working nor studying prior to course entry (36 per cent compared with 24 per cent overall), as were those who studied at ‘other undergraduate’ level (33 per cent compared with 24 per cent overall).

Table 10: Prior activity by course type (Leavers survey - weighted)

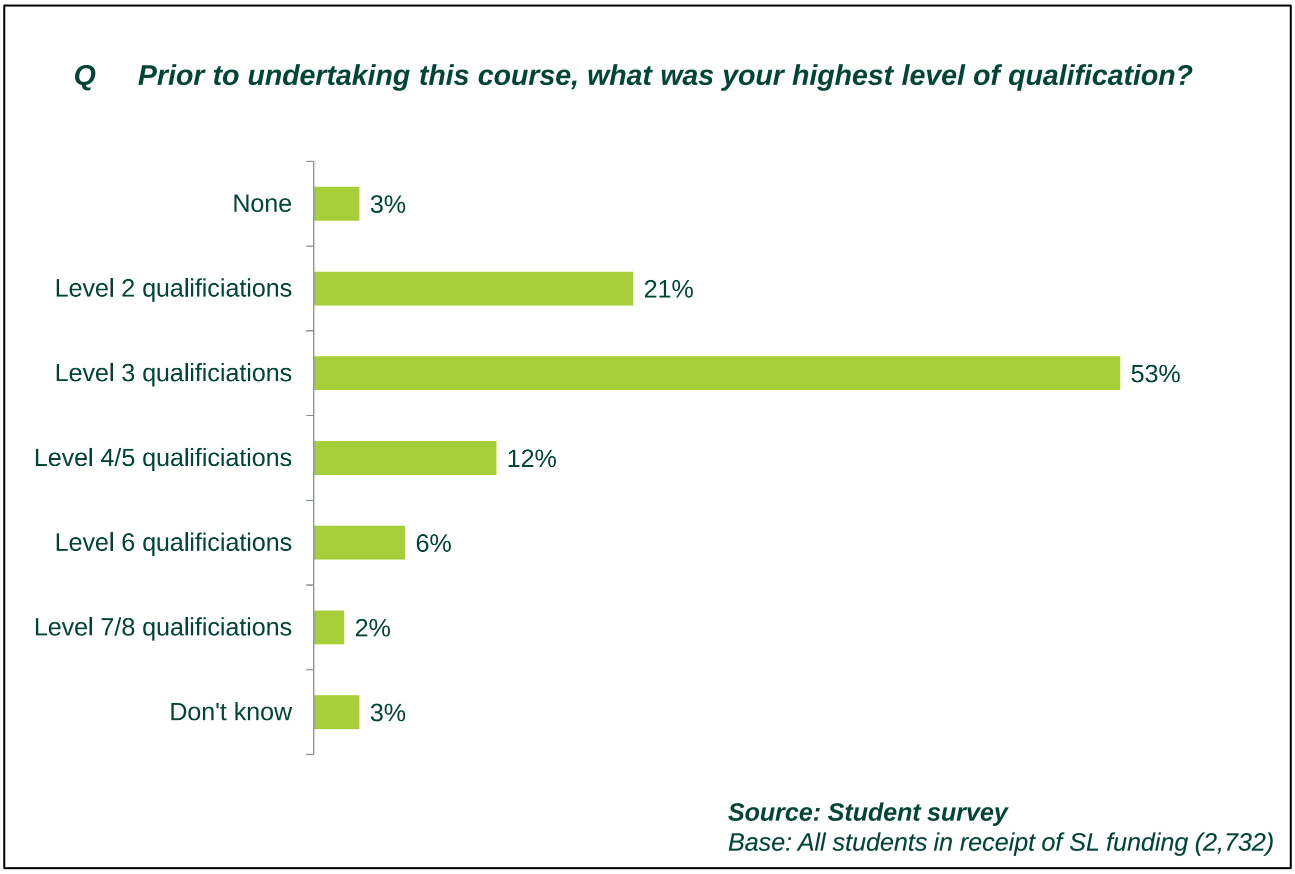
	Total	Medicine	Science & Technology	Arts and Humanities	Business and Law	Education
Base: All students	*740*	*92*	*58**	*222*	*182*	*64**
Working full-time	35%	38%	42%	27%	30%	36%
Working part-time	25%	31%	27%	24%	25%	28%
Full-time further study, training or research	25%	19%	28%	43%	16%	17%
Part-time further study, training or research	3%	4%	2%	4%	4%	2%
Unemployed	14%	6%	6%	11%	25%	16%
Taking time out in order to travel	3%	3%	-	5%	3%	1%
Doing something else	9%	13%	6%	6%	10%	8%
WORKING	59%	69%	63%	50%	54%	63%
FURTHER STUDY / TRAINING / RESEARCH	28%	23%	29%	47%	19%	19%
NOT WORKING OR STUDYING	24%	22%	12%	21%	36%	26%

'-' denotes zero; '' denotes less than 0.5% but greater than zero.*
**Caution – low base sizes*

3.3.2 Highest prior attainment

The most common highest prior qualification level was Level 3, the level of prior qualification reported by just over half (53 per cent) of all students, as shown in Figure 25. However, around a quarter had a lower level qualification or none at all (24 per cent). Again, this may suggest that the alternative provider sector is serving a different profile of students to publicly-funded institutions.

Figure 25: Highest prior attainment (Student survey - weighted)



As one might expect, those who were studying at a higher level within the alternative provider sector were more likely to have a higher level of prior educational attainment. For example, those studying first degrees are most likely to have a Level 3 qualification (68 per cent, compared to 40 per cent of those undertaking other undergraduate courses); as many as two-fifths of those studying for a postgraduate degree had a qualification at level 6 or above (Table 11). Only three per cent (overall) say that they had no prior qualifications.

Table 11: Highest prior attainment, by current study level (Student survey - weighted)

	Postgraduate[52]	First degree	Other undergraduate
Unweighted Base: All students in receipt of SL funding	*167*	*1,363*	*1,201*
None	1%	1%	6%
Level 2 Qualifications	7%	11%	33%
Level 3 Qualifications	30%	68%	40%
Level 4/5 Qualifications	5%	15%	10%
Level 6 Qualifications	40%	3%	5%
Level 7/8 Qualifications	17%	1%	1%
Don't know	1%	1%	4%

Those undertaking Education courses were significantly more likely than any other group of student to have held Level 6+ qualifications prior to undertaking their course (55 per cent); those undertaking Education courses are also more to be studying at a postgraduate level.

3.3.3 Course entry requirements

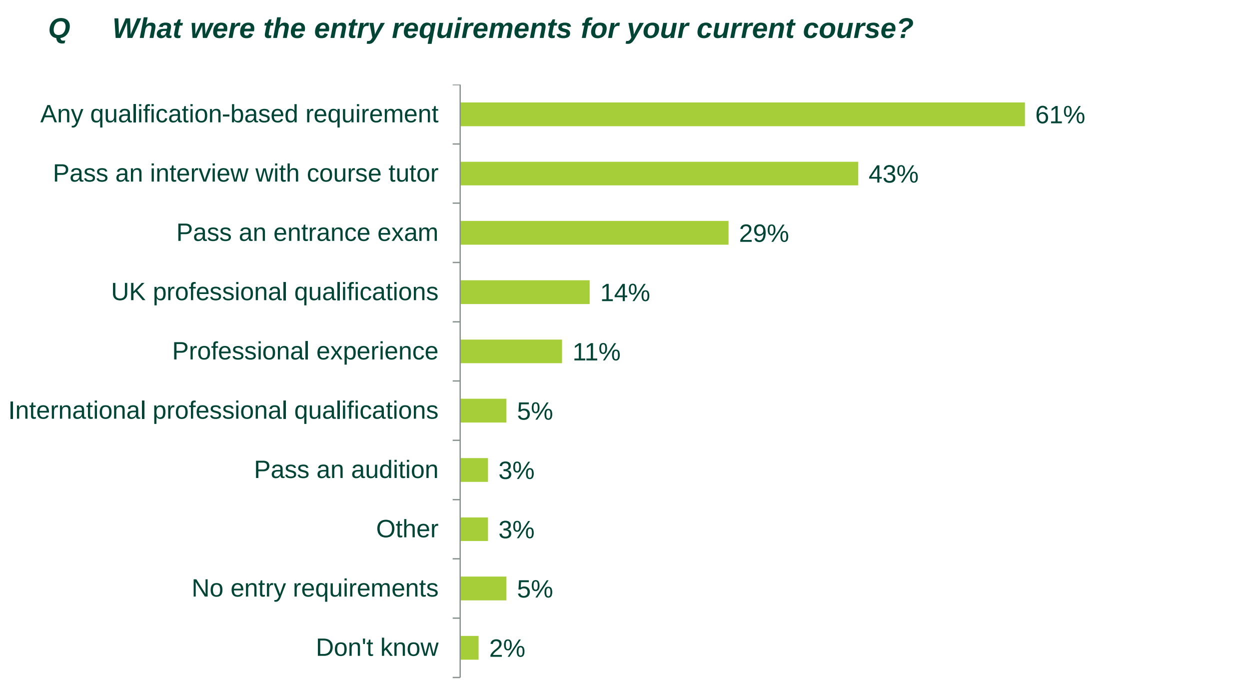
Student perspective

As one might expect, course entry requirements that were qualification-based (i.e. the requirement for prior Level 3-7 Qualifications) closely reflected the prior attainment profile of students at alternative providers: having these prior qualifications was a requirement for students to be able to enrol on their course.

Outside of qualification-based entry requirements, performance-based requirements (such as passing an interview or an exam) were more common than professional-based requirements (such as holding prior UK professional qualifications or having prior professional experience), as shown in Figure 26.

[52] Postgraduate courses include Integrated Masters and some teacher training courses (whose students are entitled to some funding as part of the Equivalent and Lower Qualification exemptions)

Figure 26: Entry requirements (Student survey, weighted)



Source: Student survey
Base: All students in receipt of SL funding (2,732)

Those embarking on first degree courses were, in general, significantly less likely to have had non-Qualification-based entry requirements than those on postgraduate or 'other undergraduate courses' (Table 12).

Table 12: Course entry requirements by level of qualification (Student survey - weighted)

	Postgraduate	First degree	Other undergraduate
Base: n = All students in receipt of SL funding	*167*	*1,363*	*1,201*
Any qualification-based requirement	84%	72%	45%
No entry requirements	1%	4%	7%
Pass an interview with course tutor	54%	42%	43%
Pass an entrance exam	30%	15%	44%
UK professional qualifications	28%	10%	17%
International professional qualifications	6%	3%	8%
Professional experience	23%	8%	13%
Pass an audition	-	5%	*%
Other	7%	3%	2%
Don't know	1%	2%	2%

'' denotes less than 0.5% but greater than zero.*

Education courses had the most numerous and stringent non-qualification-based entry requirements – they were significantly more likely than every other course type to require an interview, an entrance exam, a UK professional qualification and professional experience (Table 13). Education courses were also more likely than other course types to be postgraduate, so this may be driven by PGCE courses. The same pattern was evident in those undertaking courses that fell under the 'Professional qualification' type.

Table 13: Non-qualification-based course entry requirements by current course type (Student survey - weighted)

	Medicine	Science & Technology	Arts & Humanities	Business & Law	Education	Theology
Base: n = All students in receipt of SL funding	*418*	*155*	*566*	*1,172*	*192*	*205*
No entry requirements	4%	5%	8%	5%	2%	1%
Pass an interview with course tutor	49%	34%	54%	30%	64%	71%
Pass an entrance exam	23%	29%	23%	35%	47%	9%
UK professional qualifications	14%	17%	10%	14%	37%	7%
International professional qualifications	6%	9%	3%	7%	4%	1%
Professional experience	12%	14%	6%	10%	36%	8%
Pass an audition	-	-	12%	-	2%	-
Other	4%	3%	3%	2%	3%	4%
Don't know	2%	3%	1%	2%	1%	3%

'-' denotes zero; '' denotes less than 0.5% but greater than zero.*

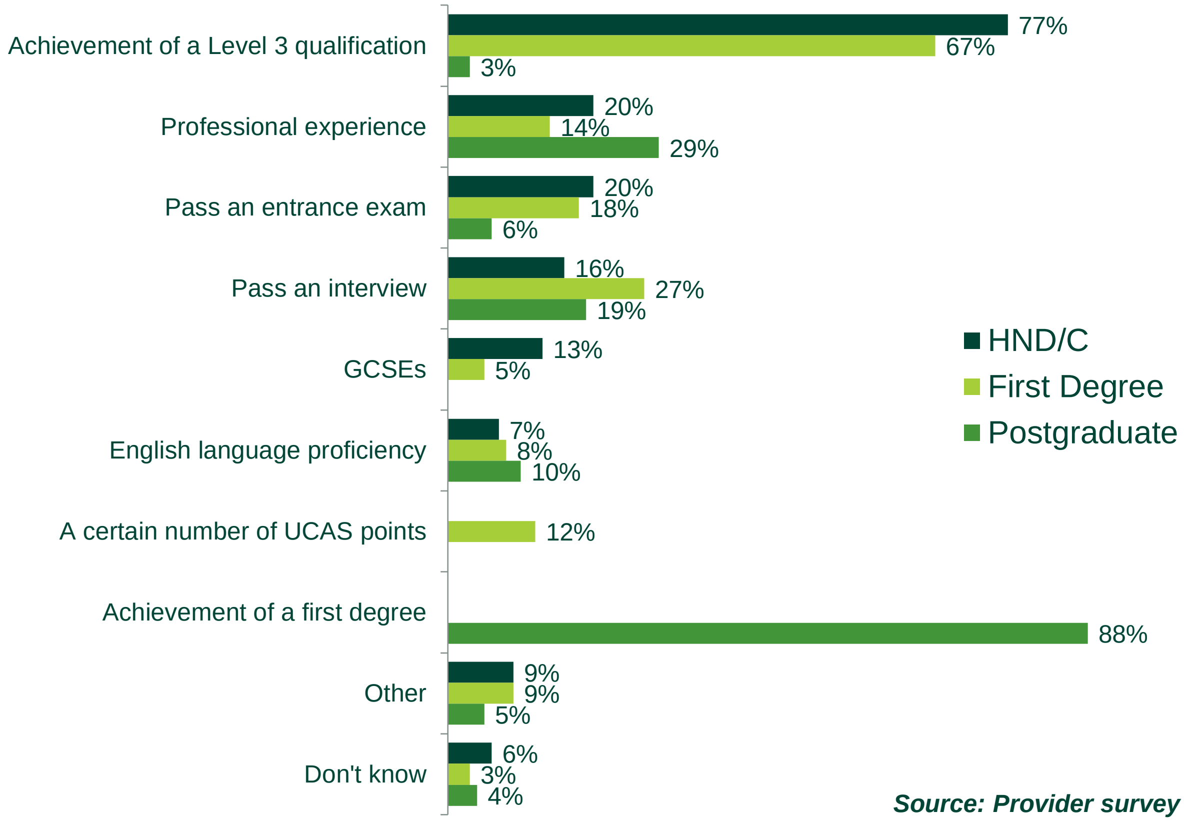
Those on part-time courses (and those studying via distance learning) were significantly less likely than those on a full-time course (and those studying via face-to-face learning) to require to pass an interview or to pass an exam, while those with no qualifications were most likely to have to pass an examination.

Provider perspective

All alternative providers (not just those with students in receipt of any form of student funding) that took part in the survey were asked about the typical entry requirements of courses at their institution. Like students, alternative providers also report that a range of requirements for entry on their courses are in place, which vary by qualification level. Most commonly required for typical HND/HNC courses and first degrees is a Level 3 qualification at a specified grade. As we would expect, postgraduate courses generally require a first degree (Figure 27).

Figure 27: Typical entry requirements (Provider survey - weighted)

Q What are the typical entry requirements set by your institution or the awarding organisation for students applying to study courses at your institution?



Source: Provider survey

Base: All who offer: HND/Cs (68); First Degrees (99); Postgraduate courses (132)

Several alternative providers who participated in the qualitative interviews reported that the course entry requirements for their courses were introduced or changed by their awarding body/affiliated education institution:

> *"We have to work with the universities, so if they decide to increase the amount of UCAS points they need we have to go with that. We work closely with our partners for all of this."*
>
> **101-250 learners, for-profit, London/SE**

In general, alternative providers were not of the view that their entry requirements, when changed by other institutions, have become harder to meet. Some have welcomed such changes:

> *"We have received some recommended changes from universities, but they have not changed significantly…*
> *I don't think it has made it harder or easier, I think there is an acceptance of more equivalence… So more students can get in because there's a wider range of qualifications, but not a lowering of the level."*
>
> **101-250 learners, for-profit, London/SE**

The same was not true for the stricter English language entry requirements; alternative providers generally agreed that they had got harder and were not opposed to the change. This reflects findings from the student survey; around a quarter (27 per cent) of those domiciled outside the UK (base 95 students) said that they did not consider themselves to be fluent in English before starting the course– of these, almost all agreed that they received appropriate support for the English language needs.

One alternative provider told us that they were adopting a more general admissions process, as opposed to a course-by-course approach. They are introducing set academic and work experience entry requirements. In addition, new learners are allowed an initial three-week, ‘trial’ period during which they can withdraw from the course without incurring any fees or other costs:

“We allow learners a three week period to see what it’s like.”
501-1000 learners, for-profit, outside London/SE

3.4 Student finance

3.4.1 Annual tuition fee

Of the 2,732 supported students who responded to the student survey, over two fifths had annual tuition fees of £6,000-£7,999 (44 per cent), and just under a quarter had fees of £4,000-£5,999 (23 per cent). The range of tuition fees was very wide, from less than £2000 to over £12,000, as shown in Figure 28 and Table 14). This is broadly in line with the fees reported by alternative providers in section 2.2.5 of this report.

Figure 28: Annual tuition fee (Student survey - weighted)

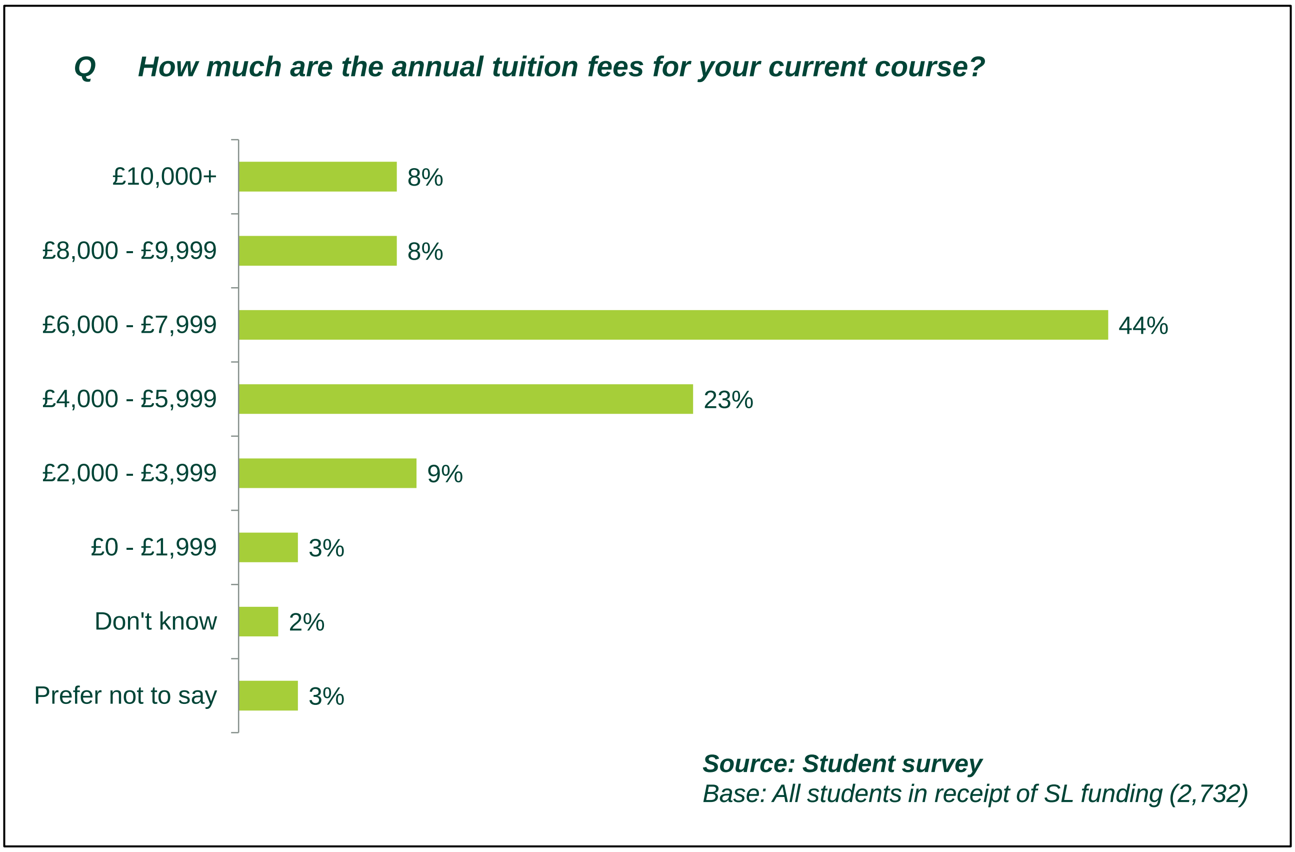


Table 14: Annual tuition fee by level of qualification (Student survey - weighted)

	Total	Postgraduate[53]	First degree	Other undergraduate
Base: All students in receipt of SL funding	*2,732*	*167*	*1,363*	*1,201*
£10,000+	8%	7%	10%	5%
£8,000 - £9,999	8%	14%	12%	3%
£6,000 - £7,999	44%	39%	35%	55%
£4,000 - £5,999	23%	19%	24%	24%
£2,000 - £3,999	9%	15%	13%	4%
£0 - £1,999	3%	2%	3%	3%
Don't know	2%	2%	1%	2%
Prefer not to say	3%	2%	2%	4%

There is little difference between the levels of course studied (Table 14). However, by course type, those doing vocational courses (Medicine, Business, and Education) were significantly more likely to be charged fees in the £6,000-£7,999 band than those doing non-vocational courses, such as Arts and Humanities, who were more likely to be charged fees in the £4,000-£5,999 band.

Arts and Humanities students were also significantly more likely to be charged fees in excess of £10,000 (17 per cent, compared with eight per cent overall).

Table 15: Annual tuition fee by current course type (Student survey - weighted)

	Medicine	Science & Technology	Arts & Humanities	Business & Law	Education	Theology
Base: All students in receipt of SL funding	*418*	*155*	*566*	*1,172*	*192*	*205*
£0 - £1,999	2%	7%	4%	2%	3%	5%
£2,000 - £3,999	19%	9%	6%	8%	5%	12%
£4,000 - £5,999	14%	19%	34%	21%	20%	33%
£6,000 - £7,999	45%	38%	25%	53%	52%	35%
£8,000 - £9,999	10%	12%	11%	5%	8%	6%
£10,000+	5%	9%	17%	5%	8%	2%
Don't know	1%	4%	1%	1%	2%	2%
Prefer not to say	3%	2%	2%	4%	2%	4%

Supported students on distance-learning courses were more likely to be charged fees of less than £4,000 (59 per cent, compared with 12 per cent overall).

[53] Postgraduate courses include Integrated Masters and some teacher training courses (whose students are entitled to some funding as part of the Equivalent and Lower Qualification exemptions)

3.4.2 Receipt of tuition fee loans

Analysis of Student Loan Company data shows that the average tuition fee loan per full-time student in 2013/14 was £4,300, while the average maintenance grant was £3,900 and the average maintenance loan was £5,200. BIS analysis of 2012/13 data indicates that, on average, students at alternative providers receive similar levels of student support than those at publicly-funded providers, although the balance between maintenance and tuition fee support differs. Students at alternative providers receive larger maintenance grants (£2,400 versus £1,500) and maintenance loans (£4,400 versus £3,700) than those at publicly-funded providers. This reflects the different profile of these students, who are more likely to be independent students with a lower household residual income, and more likely to be studying in London (which brings a higher loan amount). On the other hand, students at publicly-funded providers receive higher tuition fee loans on average (£4,800) than those at alternative providers (£3,300), most likely a consequence of the higher tuition fee cap for students at HEFCE-funded providers.[54]

All of the supported students who participated in the student survey reported being in receipt of support of some form from the Student Loans Company – these include, Maintenance Loans (59 per cent) and Maintenance Grants (38 per cent). The majority of them, however, (91 per cent) reported taking out a tuition fee loan to help cover their course fees. Three quarters of all respondents reported taking out a tuition fee loan to cover the **full** amount of their annual tuition fee, while a sixth report taking out a loan to cover part of the amount.

Those paying higher annual tuition fees were more likely to take out a partial loan; this feels logical given the cap of £6,000 on loans available for students at alternative providers.

Those on 'other undergraduate' courses were significantly more likely to take out a loan to cover the full amount of their tuition fee than those on first degree courses (88 per cent vs. and 64 per cent), as shown in Table 16. .By subject type, those studying courses of a more vocational nature were significantly more likely to take out a full loan compared to those doing Arts and Humanities.

[54] Source: Student Loans Company

Table 16: Whether took out a tuition fee loan from the SLC to cover annual tuition fee for academic year 2013-14, by annual tuition fee, by current course type (Student survey - weighted)

	Medicine	Science & Technology	Arts & Humanities	Business & Law	Education	Theology
Base: All students in receipt of SL funding	*418*	*155*	*566*	*1,172*	*192*	*205*
Yes, to cover full amount	77%	77%	60%	84%	80%	61%
Yes, to cover part of the amount	13%	18%	33%	9%	12%	23%
No	4%	2%	4%	3%	5%	11%
Prefer not to say	5%	3%	3%	4%	3%	3%
Not applicable	-	-	-	*%	*%	3%

'-' denotes zero; '' denotes less than 0.5% but greater than zero.*

Those with no prior qualifications or Level 2 qualifications were significantly more likely to take out a full loan (90 per cent and 84 per cent respectively vs 75 per cent overall). Those who say that they chose an alternative provider rather than a publicly funded provider for financial reasons were also more likely to have taken out a loan for the amount of the tuition fee (85 per cent).

Those alternative providers that participated in the qualitative interviews reported little or no increase in the proportion of students receiving tuition fee loans in the last two years, and did not expect any change in the future. For some alternative providers this was down to the type of students they attract:

> *"…most students will continue to be the type that either don't need a loan or are not eligible because they have a first degree…"*
>
> **101-250 learners, not-for-profit, London/SE**

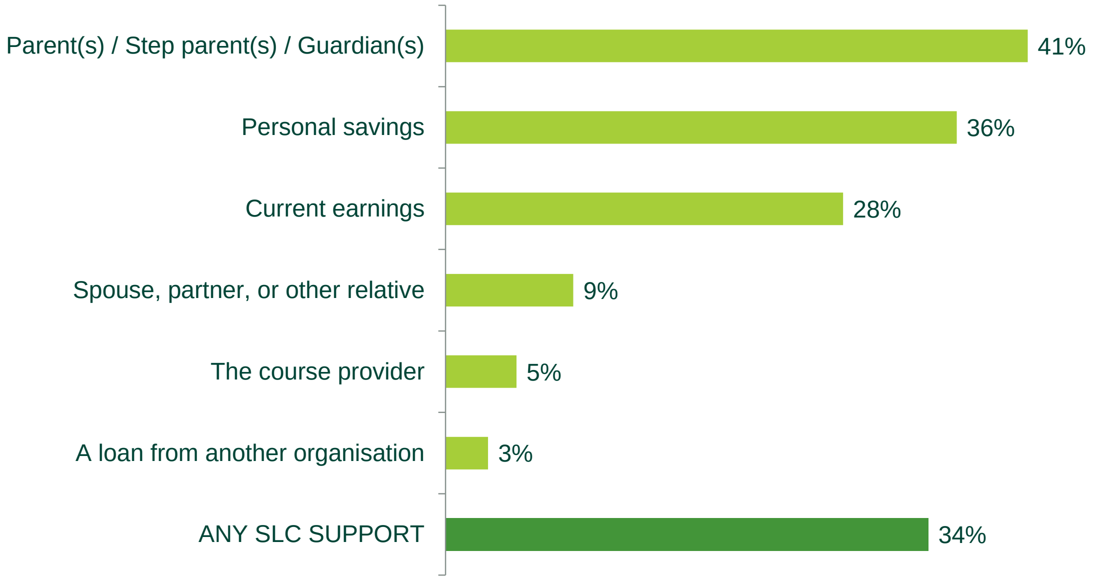
The few alternative providers that had seen or expected to see an increase did so due to internal factors, such as increasing fees or targeting specific students and providing specific course types. For example, one alternative provider was planning to reduce the proportion of their students receiving tuition fee loans from 80 per cent to 50 per cent as they were developing their postgraduate and international provision.

3.4.3 Sources of financial support: tuition fees

Among those who had some form of support from the Student Loans Company, but did **not** take out a full loan to cover the cost of their tuition fees, the main source of financial support was parents or guardians (41 per cent). Self-support, either through personal savings or current earnings, were also common sources. Support from third parties was less common (Figure 29).

Figure 29: Sources of financial support for tuition fees (Student survey – weighted)

Q What sources of financial support have contributed towards the cost of your tuition fees this academic year (2013 -2014)? (Top seven sources)



Source: Student survey
Base: All students in receipt of SL funding who did not take out a full loan (578)

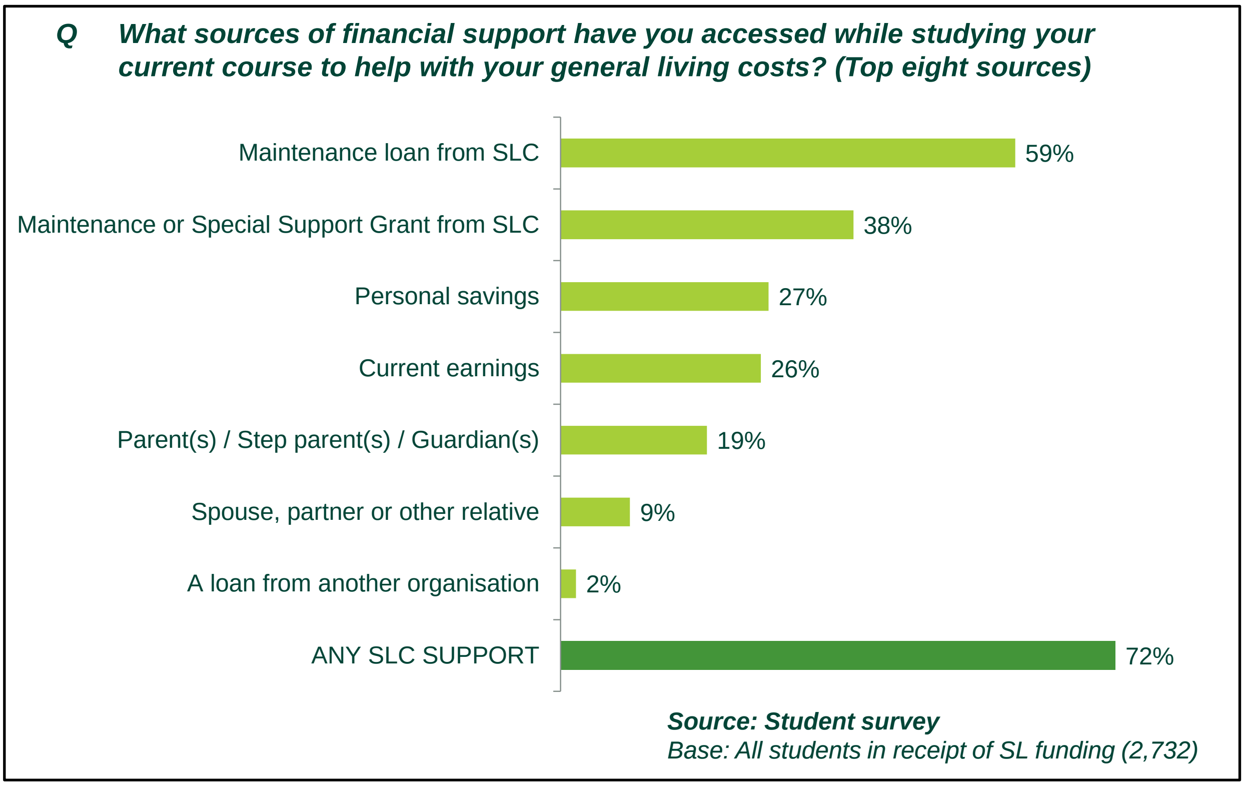
There were notable differences in this respect according to ethnic background. Those from a White background where more likely to use personal savings and support from their parent(s) than those from Non-White backgrounds (42 per cent vs. 20 per cent and 48 per cent vs. 26 per cent respectively). Conversely, those from Non-White backgrounds were significantly more likely than those from a White background to use support from the SLC towards their tuition fees (45 per cent vs. 30 per cent).

Those on part-time courses were significantly more likely to use current earnings as a source than those on full-time courses (47 per cent, compared with 26 per cent); the most obvious explanation being that those on part-time courses were significantly more likely to work whilst studying (70 per cent vs. 43 per cent of those on full-time courses). Those on full-time courses with a non-standard academic year were significantly more likely to use personal savings as a source than those full-timers on a standard academic year (47 per cent compared with 33 per cent).

3.4.4 Sources of financial support: living costs

The main source of financial support to help with living costs among supported students was the Student Loans Company (72 per cent). The proportion of students receiving support from parents for living costs was less common than for tuition fees (19 per cent, compared with 41 per cent), as shown in Figure 30.

Figure 30: Sources of financial support – living costs (Student survey – weighted)



In the same vein as the sources of support for tuition fees, those on 'other undergraduate' courses were significantly more likely to access financial support from the Student Loans Company to help with living costs than those on postgraduate or first degree courses (77 per cent vs 68 per cent and 68 per cent respectively). Meanwhile, those on postgraduate and first degree courses were more likely to access financial support from non-Student Loans Company sources for living costs (Table 17).

Table 17: Sources of financial support for living costs among those with an SLC loan, by current study level (Student survey - weighted)

	Postgraduate	First degree	Other undergraduate
Base: All students in receipt of SL funding	*167*	*1,363*	*1,201*
Personal savings	39%	39%	13%
Current earnings	29%	35%	17%
Support from parent(s) / step parent(s) / guardian(s)	22%	32%	5%
SUPPORT FROM SLC	68%	68%	77%

As with sources of support for tuition fees, there were differences by ethnicity (Table 18). Those from a White background were significantly more likely to use personal savings, current earnings and parental support to help with living costs, whereas those from Non-White backgrounds were significantly more likely to access Student Loans Company support (79 per cent vs. 67 per cent among those from White backgrounds).

Table 18: Sources of financial support for living costs among those with an SLC loan, by ethnicity (Student survey - weighted)

	White	Non-White
Base: **All students in receipt of SL funding**	*1,333*	*1,201*
Personal savings	43%	11%
Current earnings	38%	15%
Support from parent(s) / step parent(s) / guardian(s)	31%	8%
SUPPORT FROM SLC	67%	79%

Those undertaking Arts and Humanities courses were more likely than every other course type to access support from their personal savings, current earnings and parents, with over two fifths doing so in each case.

Mirroring the sources of support for tuition fees, supported students on part-time courses were more likely to use current earnings to help with living costs than those on full-time courses (47 per cent, compared with 24 per cent); the most obvious explanation again being that those on part-time courses were more likely to work whilst studying, as well as the fact that part-time students are not entitled to a maintenance grant for living costs. Those on full-time courses with a non-standard academic year were significantly more likely to use personal savings as a course than full-time students on a standard academic year (33 per cent, compared with 26 per cent).

Those supported students undertaking distance courses were significantly less likely to access Student Loans Company support to help with living costs, with only 13 per cent doing so compared to 76 per cent on face-to-face courses.

4. Student experience and outcomes

This chapter looks at the views of supported students at alternative providers of their learning experience. It also explores the early destinations of supported students. Where possible, the chapter draws comparisons with similar data from students at publicly-funded HEIs.

Most of the information included in this chapter is drawn from the survey of current students and from the survey of recent leavers. In both cases, the data presented is based just on those who were in receipt of financial support from the Student Loans Company for which we can be confident of a more representative sample. Responses were achieved from some students not in receipt of support and key differences between these and the SLC-supported students are commented on in the appendix to this report; however, this chapter will report only on those students in receipt of financial support.

The findings in this chapter show that:

- Only half of current supported students at alternative providers were aware that their institution was not in receipt of public funding.

- Of supported students, three in five (59 per cent) did not receive an offer from any other institution (either because they did not apply to any others or because they applied but were not successful with their applications).

- Although some supported students were studying in unconventional formats e.g. different course lengths, studying over a non-standard academic year or through teaching not delivered face-to-face, these accounted for a minority of all students in receipt of financial support at alternative providers. Evidence from the provider survey suggests that around a third offer unconventional formats, but it would seem this is less likely to be the case for students in receipt of public funding.

- Data from the Leavers' Survey suggests that around three quarters of supported students complete their course. This would appear to be a slightly less positive picture than that presented by alternative providers. Although a completion rate of 75 per cent among supported students also appears less positive in comparison to publicly-funded providers, we would expect drop-out rates to be higher at alternative providers, due to background of their students (they may be more likely to fail to complete for valid reasons such as financial difficulties or family responsibilities) and the mode and levels of study offered (for example, HND level courses tend to have a larger drop-out rate than higher level sources).

- Alternative providers indicated that pass rates are quite high. More than a third of providers gave a pass rate for students taking the final assessment (including supported and non-supported students) of 100 per cent for 2012/13.

- When compared with the National Student Survey, supported students of alternative providers show lower levels of satisfaction with their learning experience across all key measures.

- Almost half of leavers formerly in receipt of a student loan stated that they would be likely to choose a different institution to study at if they were making their decision again today.

Findings indicate that the employment rates of leavers formerly in receipt of a student loan from alternative providers are slightly lower than is the case among publicly funded providers (although it is difficult to make direct comparisons due to significant differences in the scale and approach of this and destinations surveys of students from publicly funded providers[55]).

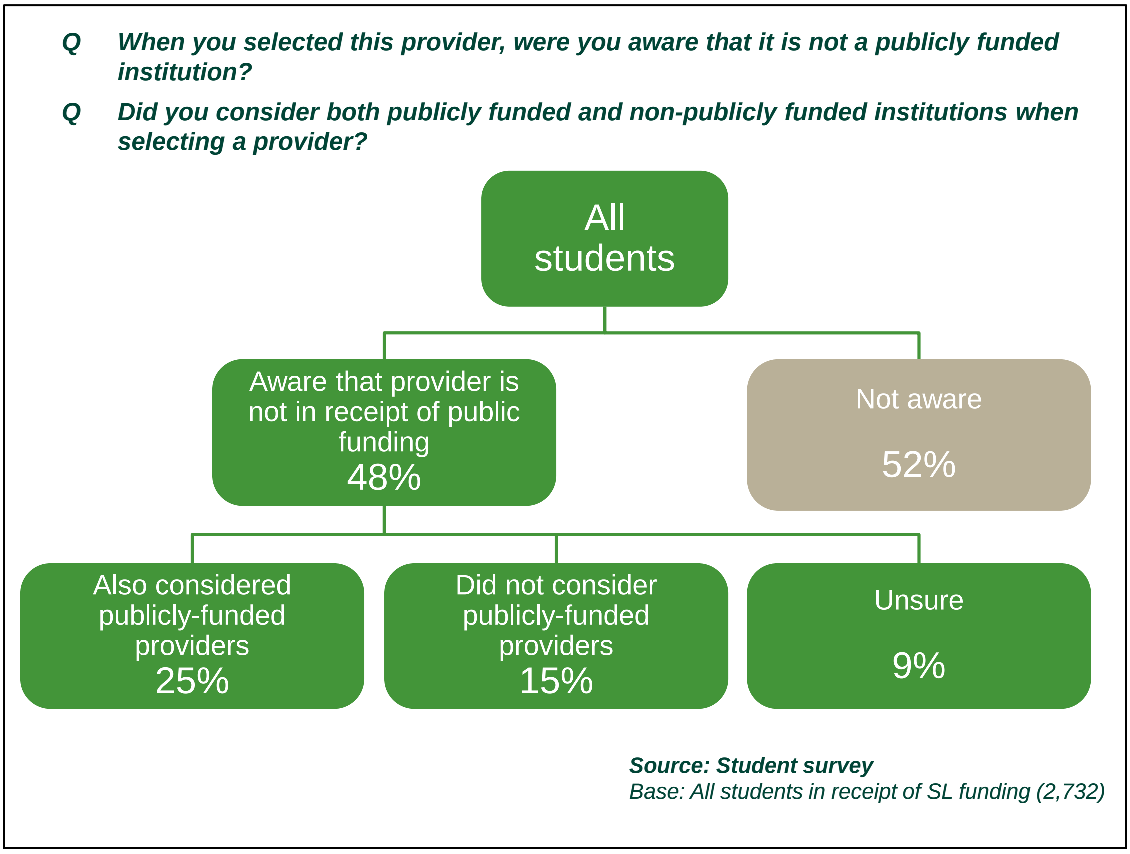
4.1 Deciding to study at an alternative provider

Students were asked whether they were aware of the status of their chosen HE provider. Half of supported students stated that they were aware that their provider was not in receipt of public funding. Hence half were not aware of the distinction between their ‘alternative’ provider and those in receipt of public funding.

Those who stated that they were aware of their provider’s funding status split evenly into those who also considered publicly-funded providers for their course of study and those who either did not or were not sure whether they did. Hence overall only a quarter of supported students consciously decided between providers that were and were not publicly-funded (Figure 31).

[55] Namely the *Destinations of Leavers from Higher Education survey,* and the *Longitudinal Destinations of Leavers from Higher Education survey*.

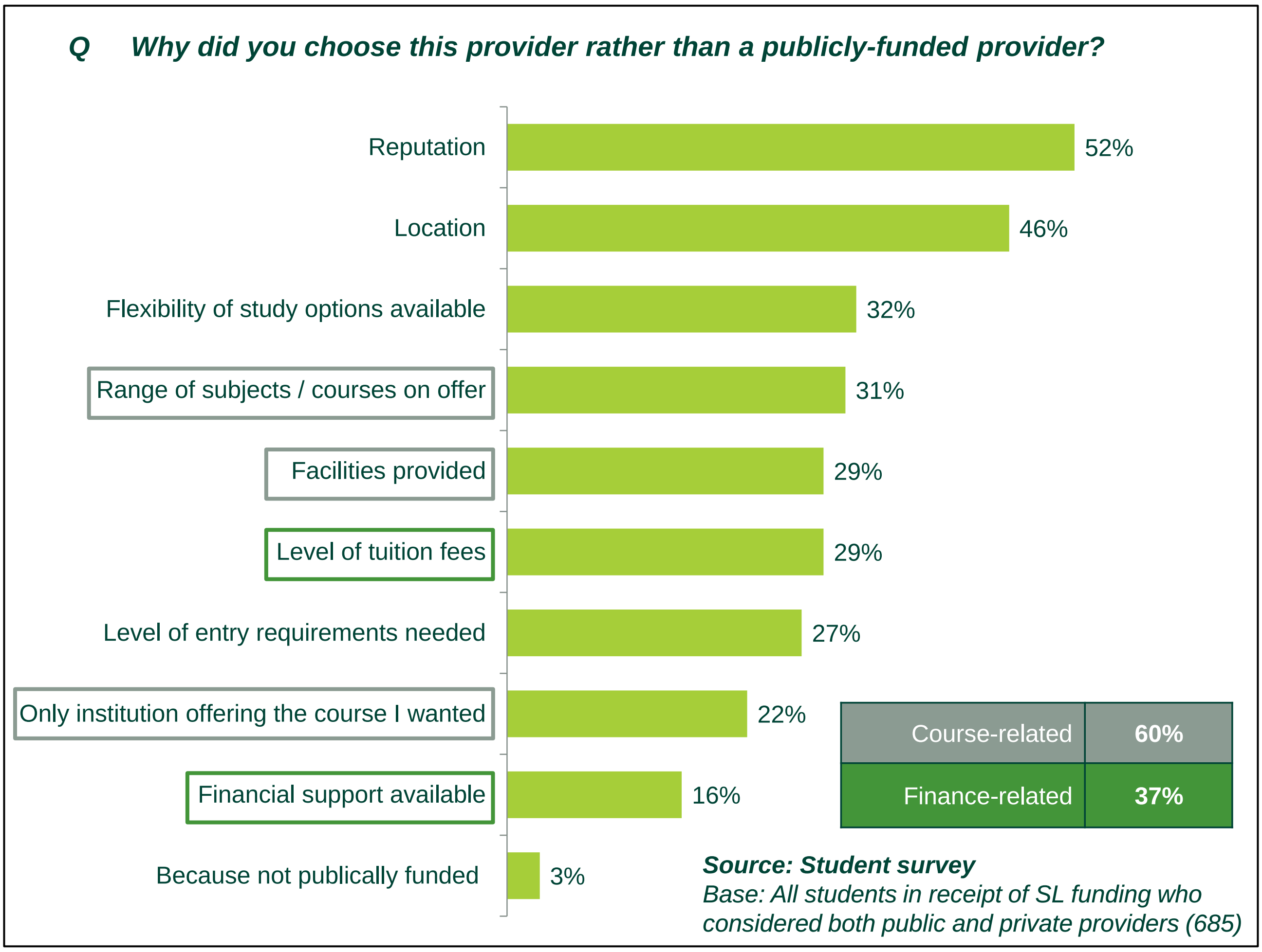
Figure 31: Awareness of funding status of provider (Student survey – weighted)



Those supported students who considered both providers that were and were not publicly-funded were asked why they ultimately selected their chosen provider (Figure 32). The most commonly given responses related to the reputation of the institution and to its location. A range of other reasons were given relating to the nature of the courses on offer, including the flexibility of study options (mentioned by 32 per cent) and the level of entry requirements (27 per cent). Around a fifth (22 per cent) stated that their decision to study with a non-publicly-funded provider was made simply because this provider was the only one offering the course they wanted to study. Those giving this response were most likely to be those studying courses in the Arts and Humanities (32 per cent), Theology (30 per cent) or Education (26 per cent). Financial considerations (either fees or the financial support on offer came into the equation for just over a third of students (37 per cent).

Only a very small minority of those who considered both providers that were and were not publicly-funded stated that they made an active decision to select their provider because it was not in receipt of public funding (three per cent).

Figure 32: Reasons for selecting chosen provider rather than a publicly-funded provider (Student survey – weighted)

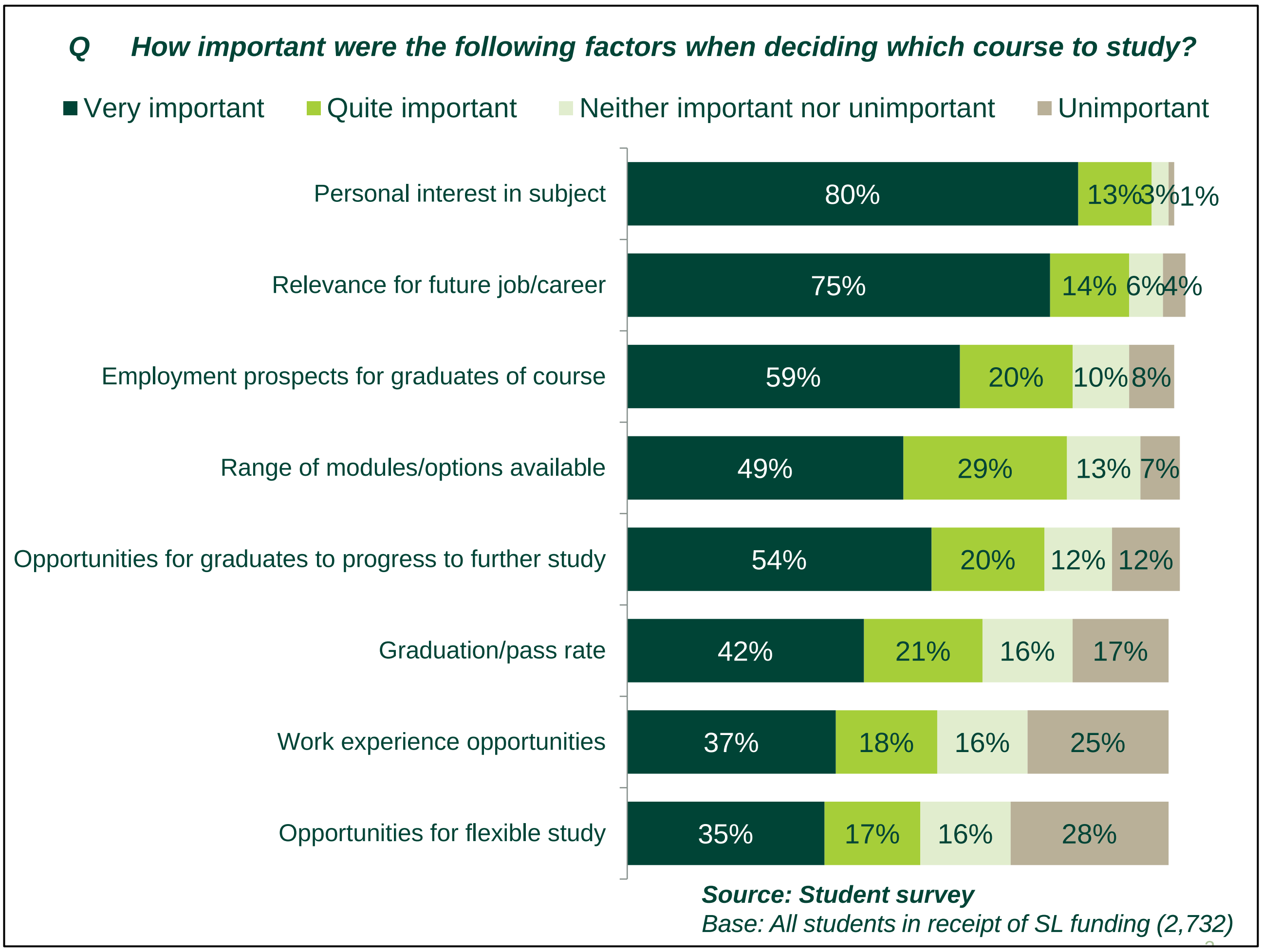


While the pattern of reasons given by supported students for selecting their provider was very similar for both postgraduate students and those studying for their first degree, those studying other undergraduate courses gave slightly different reasons. These students were less likely to state that their decision was based on reputation (39 per cent compared with 57 per cent of postgraduate and 61 per cent of first degree students) or on facilities (27 per cent compared with 35 per cent of postgraduate and 31 per cent of first degree students). They were more likely to cite the financial support available to students (23 per cent compared with 15 per cent of postgraduate students and 10 per cent of first degree students). First degree students were more likely than other undergraduate students to state that their decision was made because their chosen provider was the only one offering the course they were looking to study (27 per cent compared with 14 per cent).

Of supported students, three in five (59 per cent) did not receive an offer from any other institution (either because they did not apply to any others or because they applied but were not successful with their applications).

As well as their motivations for selecting a particular provider, students were also asked how important a range of factors were in their decisions to pick their course. The importance ratings attached to each are shown in Figure 33.

Figure 33: Importance of factors in selecting chosen course (Student survey – weighted)



As the figure shows, supported students placed a strong emphasis on the employment outcomes from their course, with relatively large numbers stating that the relevance of their course to future job plans and the employment prospects for graduates were very important in their decision-making. The only factor rated as very important by a greater proportion of students was a personal interest in the subject. Furthermore, the potential for graduates to progress to further study was seen as very important for over half of supported students (54 per cent).

There were some slight differences in motivations by level of study:

- Postgraduate students were most likely to consider flexible study to be important (50 per cent vs 41 per cent of undergraduate students) and the opportunity to undertake work experience (68 per cent vs 44 per cent of undergraduates).

- Other undergraduate students were most likely to be motivated by the range of modules and options available (82 per cent vs 67 per cent of postgraduate students). These students were also more likely to see opportunities to progress to further study as important (88 per cent compared to 71 per cent of postgraduates and 61 per cent of those on first degree courses).

4.2 Patterns of study

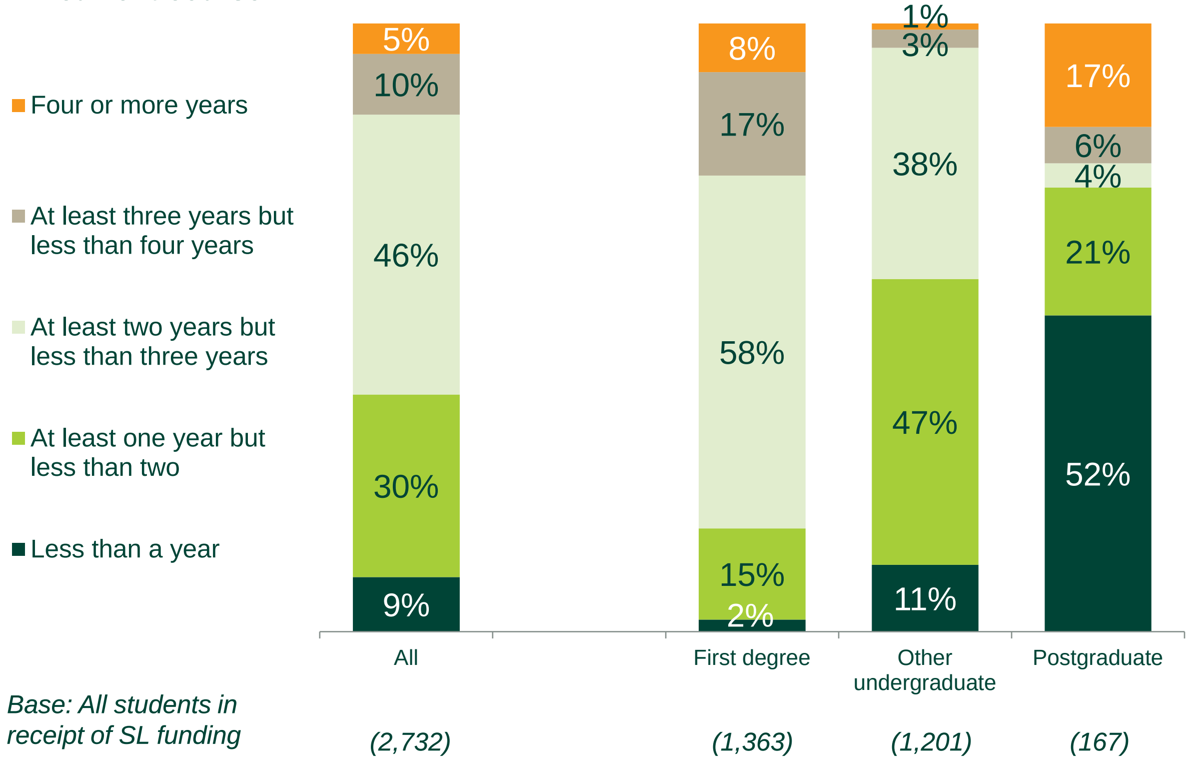
Students were asked about the format of their course to explore whether students of non-publicly-funded providers were more likely than those studying with publicly-funded providers to choose less common study patterns.

Students were asked to provide the start date of their current course and then their anticipated finish date making it possible to calculate course length. Figure 34 shows the pattern of course lengths at an overall level and by level of study.

Figure 34: Course lengths (Student survey – weighted)

Q When did you begin your current course?

Q When did you complete, or when do you anticipate that you will complete, your current course?



Source: Student survey

Although a range of course lengths were experienced, the most common length given for first degree courses was between three and four years; in keeping with the standard course length at publicly-funded providers. Most of those on other undergraduate courses stated that their courses lasted at least a year but less than three years. The lengths given for postgraduate courses were perhaps shorter than would be expected for students at publicly-funded providers (with half giving a course length of less than a year).

The majority of supported students at institutions were studying in a ‘traditional’ format i.e. full-time over a standard academic term (76 per cent). However a minority (14 per cent) were studying full-time over a non-standard year in a way that is not necessarily offered at publicly-funded institutions (particularly for first degrees). Part-time students only made up a relatively small proportion of all students in this sample (eight per cent).

The proportion of supported students studying full-time over a non-standard year was higher among those studying for a first degree (18 per cent) and among younger students (20 per cent of those aged 24 or under).

It is also the case that the majority of supported students were enrolled on courses delivered in the 'traditional' mode i.e. face-to-face (this aligns with the findings from the alternative provider survey reported earlier, which found that alternative providers most commonly offer full-time course delivered on-site). Only one in nine supported students (11 per cent) stated that any of their learning was delivered through another method (5 per cent stated their course was delivered entirely through distance learning, five per cent through a combination of face-to-face and distance learning and 1 per cent within the workplace). The proportion of supported students on courses delivered entirely face-to-face was particularly high for those on 'other undergraduate' courses (96 per cent) but accounted for the majority of those on first degree courses (85 per cent) and postgraduate courses (78 per cent) as well.

Table 19 shows that the number of hours that supported students reported devoting to their studies in an average week – both in terms of timetabled classes and private study. A number of courses were quite short with fewer than 10 hours of timetabled classes – these accounted for the courses studied by a quarter of supported students and a third of those on first degree courses.

Table 19: Hours devoted to study (Student survey – weighted)

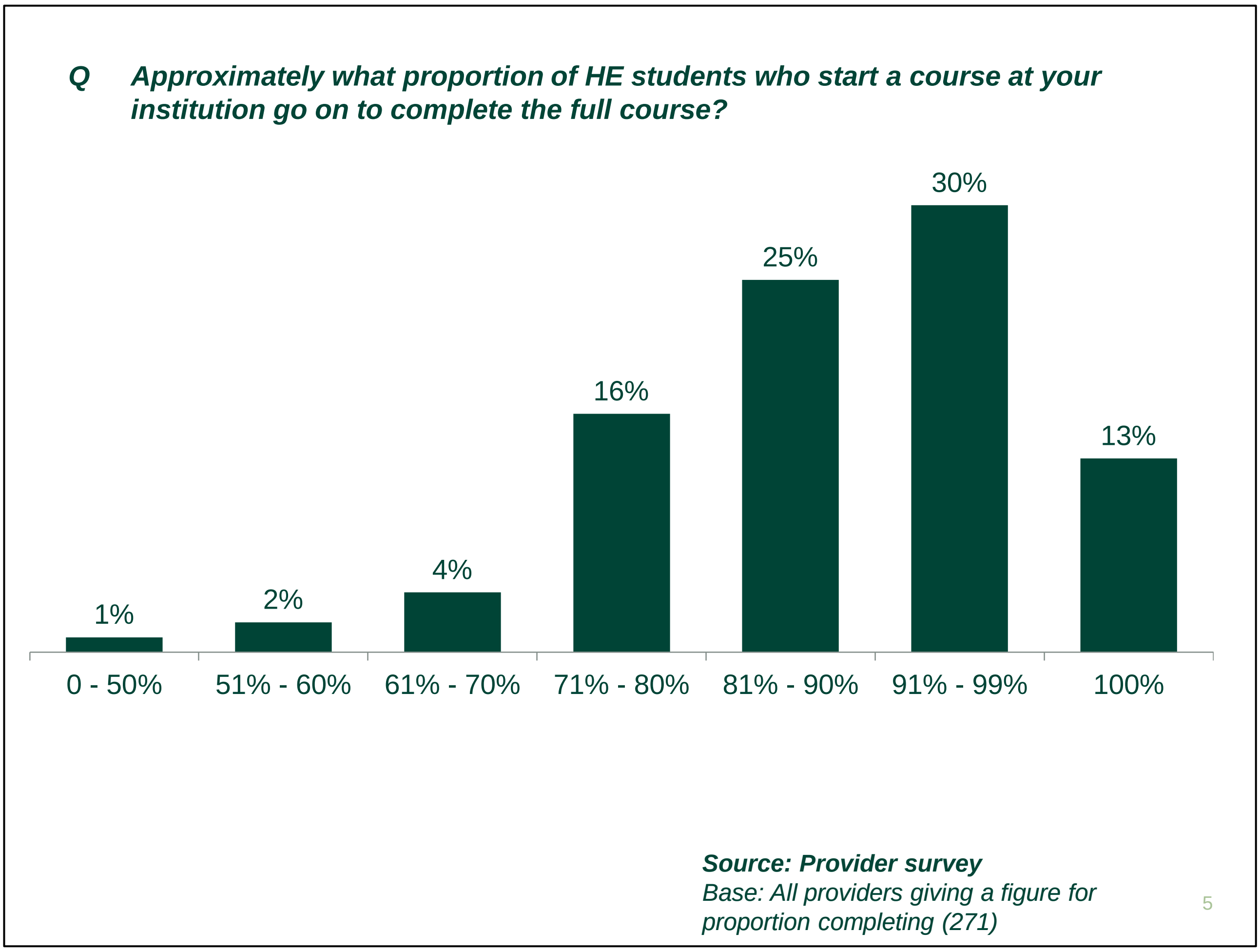
Base: **All students in receipt of SL funding**	**All students (*2732*)**	**Postgraduate (*167*)**	**First degree (*1,363*)**	**Other undergraduate (*1,201*)**
Average number of hours of timetabled classes per week				
Up to 10	26	36	35	15
11 -20	47	21	43	54
21-30	20	34	12	27
31+	5	6	6	3
Don't know	2	4	3	2
Average number of hours of private study per week				
Up to 10	39	28	36	44
11 -20	38	37	40	36
21-30	15	24	16	14
31+	6	9	6	5
Don't know	2	2	2	2

A quarter of supported students stated that their course involved a work placement (26 per cent). This increased to more than a third of all postgraduate students (68 per cent). As perhaps would be expected the incidence of work placements was high for those studying Medicine (61 per cent with a work placement) and Education (80 per cent) although it was also high for those on Theology courses (73 per cent).

4.3 Completion and pass rates

Over two fifths of alternative providers stated that 91 per cent or more of their students (including supported and self-funding students) typically go onto complete the full course (42 per cent), with 13 per cent saying that all of their students complete their course (Figure 35). Providers without any designated courses were more likely than those with designated courses to say that all their students complete their course (16 per cent vs 2 per cent). Less than one in ten stated that 70 per cent of students or fewer do not complete their course (eight per cent).

Figure 35: Proportion of students at alternative providers who complete their course (Provider survey – weighted)



Reported completion rates of 100 per cent were most common among the smallest alternative providers; one quarter of those with 25 learners or fewer said that all of their students go on to complete their course. For-profit alternative providers are also twice as likely than not-for-profit organisations to say that all of their students complete their course (16 per cent vs. eight per cent).

Data from the leavers survey suggests a slightly less positive picture on completion rates, with three quarters of former students completing their course (75 per cent). However it is worth bearing in mind that the leavers survey covers only those students in receipt of support through the Student Loans Company while the figures from alternative providers relate to all their HE students. It is also the case that a small number of alternative providers were unable to give details of their completion rates.

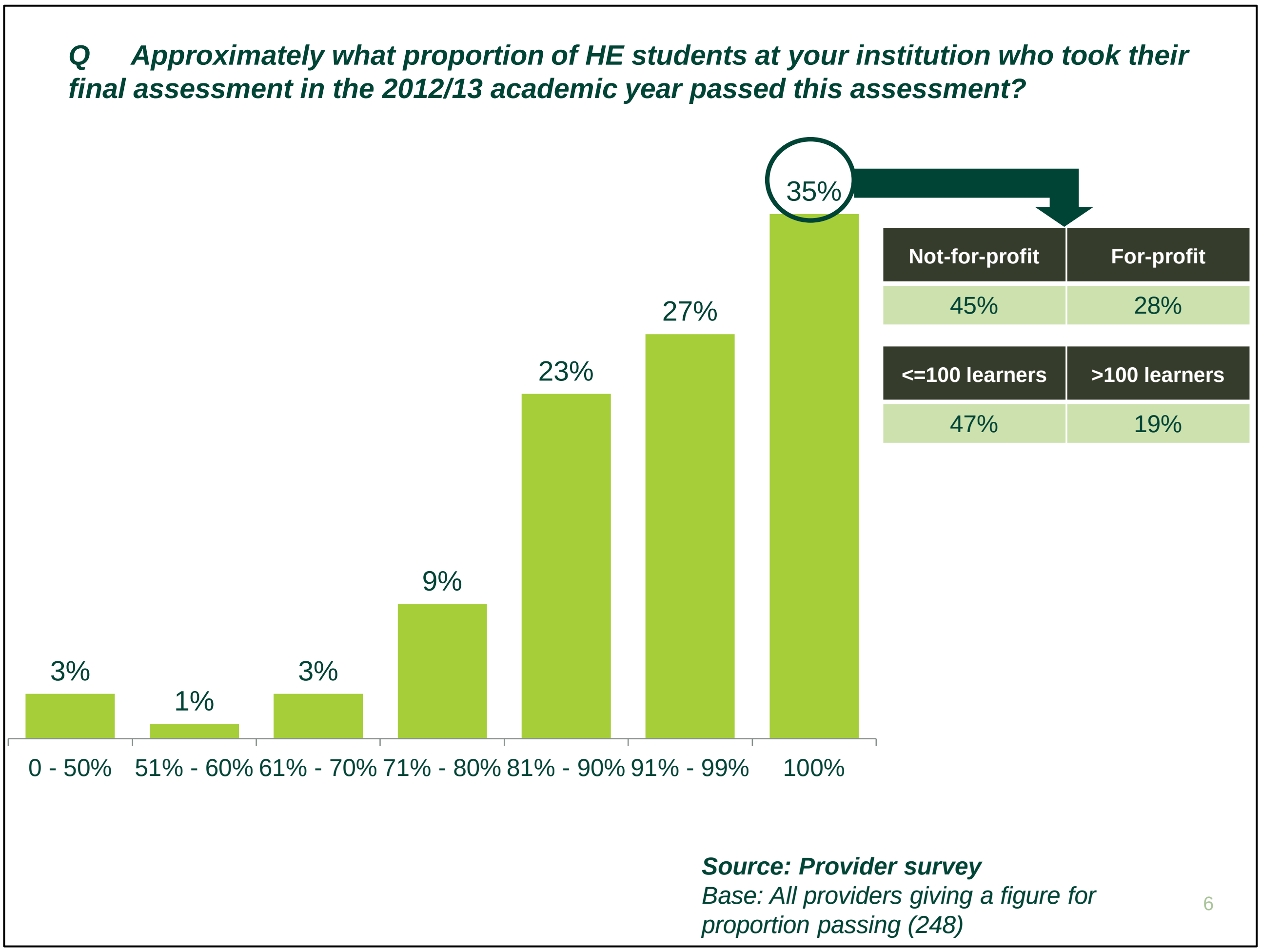
Although a completion rate of 75 per cent among supported students also appears less positive in comparison to publicly-funded providers, we would expect drop-out rates to be higher at alternative providers, due to background of their students (they may be more likely to fail to complete for valid reasons such as financial difficulties or family responsibilities) and the mode and levels of study offered (for example, HND level courses tend to have a larger drop-out rate than higher level sources)[56].

The proportion of leavers formerly in receipt of support stating that they left their course before completion was highest among former Business and Law students (36 per cent), those who studied part-time (32 per cent), other undergraduate students (32 per cent) and distance learners (47 per cent). The most common reasons given for not completing were family or personal circumstances (34 per cent of those not completing their course) and financial difficulties (20 per cent).

Alternative providers also gave us an estimation of the pass rates among students (including both supported and self-supported students) who take their final assessment (Figure 36). More than a third of alternative providers reported that all of their students who took their final assessment in 2012/13 passed (35 per cent). Reported pass rates tended to be higher among not-for-profit alternative providers and smaller institutions (with 100 learners or fewer).

[56] See HESA statistics on non-continuation rates in https://hesa.ac.uk/pis/09/10/noncon

Figure 36: Proportion of students at alternative providers taking their final assessment who passed in 2012/13 (Provider survey – weighted)



4.4 Satisfaction with provider

Students were asked a number of questions about their experience of studying with their provider. These questions were replicated from the National Student Survey, which is conducted annually among all publicly-funded providers (and a few of the larger non-publicly-funded providers). On the whole, it would appear that satisfaction among supported students of alternative providers is slightly below that of the HE sector as a whole.

However, direct comparison of the two should be avoided in explaining the differing experience between publicly and non-publicly-funded providers, for a number of reasons:

- The NSS is conducted among final year students only, while the survey completed for this study included students at various points along their course of study;

- As has been shown earlier in this report, the profile of students by subject area and qualification type differs quite considerably between publicly and non-publicly-funded providers. The results from this survey have not been adjusted to correct for these differences. The NSS has shown satisfaction scores to differ slightly by factors such as these and hence some of the differences between NSS responses and those from this survey may be a result of these differences in course profile; and

- There are some differences in questionnaire design.

Despite being lower than the NSS average on a number of measures, satisfaction is still high across most indicators; in particular quality of teaching, academic support, and personal development. On some of the measures, most notably assessment and feedback, course organisation and feedback and overall satisfaction, part-time supported students were more positive than full-time supported students. However, part-time students viewed learning resources less favourably than their full-time counterparts (Table 20).

Table 20: Proportions of students agreeing with statements about their learning experience (Student Survey - weighted)

	Full-time	Part-time	TOTAL
Base: All students in receipt of SL funding	*2480*	*216*	*2,732*
Quality of teaching		**% agree**	
Staff are good at explaining things.	76	78	76
Staff have made the subject interesting.	75	77	75
Staff are enthusiastic about what they are teaching.	79	77	79
The course is intellectually stimulating.	78	83	78
Staff are sufficiently knowledgeable or expert in their subject	81	84	81
Assessment and feedback		**% agree**	
The criteria used in marking have been clear in advance.	69	75	69
Assessment arrangements and marking have been fair.	66	72	66
Feedback on my work has been prompt.	59	69	60
I have received detailed comments on my work.	68	76	69
Feedback on my work has helped me clarify things I did not understand.	67	71	67
Academic support		**% agree**	
I have received sufficient advice and support with my studies.	71	71	71
I have been able to contact staff when I needed to.	76	79	76
Good advice was available when I needed to make study choices.	69	69	69
There is sufficient contact time between staff and students	72	67	71
I am happy with the support for my learning that I receive from staff on my course	71	72	71
Organisation and management		**% agree**	
The timetable works efficiently as far as my activities are concerned.	73	75	73
Any changes in the course or teaching have been communicated effectively.	65	68	65
The course is well organised and is running smoothly.	64	73	65
Student feedback on the course has been taken on board	60	60	60

	Full-time	Part-time	TOTAL
Base: All students in receipt of SL funding	*2480*	*216*	*2,732*
Learning resources		**% agree**	
The library resources and services are good enough for my needs.	59	57	59
I have been able to access general IT resources when I needed to.	70	61	69
I have been able to access specialised equipment, facilities or room when I needed to.	58	36	56
I have benefitted from extra-curricular activities and non-academic support	48	26	46
I am aware of how to access the support services at my institution	64	56	63
Personal development		**% agree**	
The course has helped me present myself with confidence.	77	72	77
My communication skills have improved.	80	70	79
As a result of the course, I feel confident in tackling unfamiliar problems.	76	72	76
I feel I have developed the knowledge I need to get a job through my course	75	67	74
I feel I have developed the skills I need to get a job through my course	73	65	73
I feel my employment prospects have improved as a result of my course	74	67	74
Employers recognise the value of my course/qualification	63	65	63
The course has prepared me for further study	76	71	76
Overall satisfaction		**% agree**	
Overall, I am satisfied with the quality of the course.	75	82	76

Overall satisfaction ratings for supported students at alternative providers were very similar regardless of their level of course. There were some differences by subject area with the highest ratings in overall satisfaction seen for theology courses (96 per cent definitely or mostly agreeing that they are satisfied), education courses (84 per cent) and medicine courses (80 per cent). Older students (those aged 45 or more) were also slightly more likely to agree that they were satisfied than younger ones.

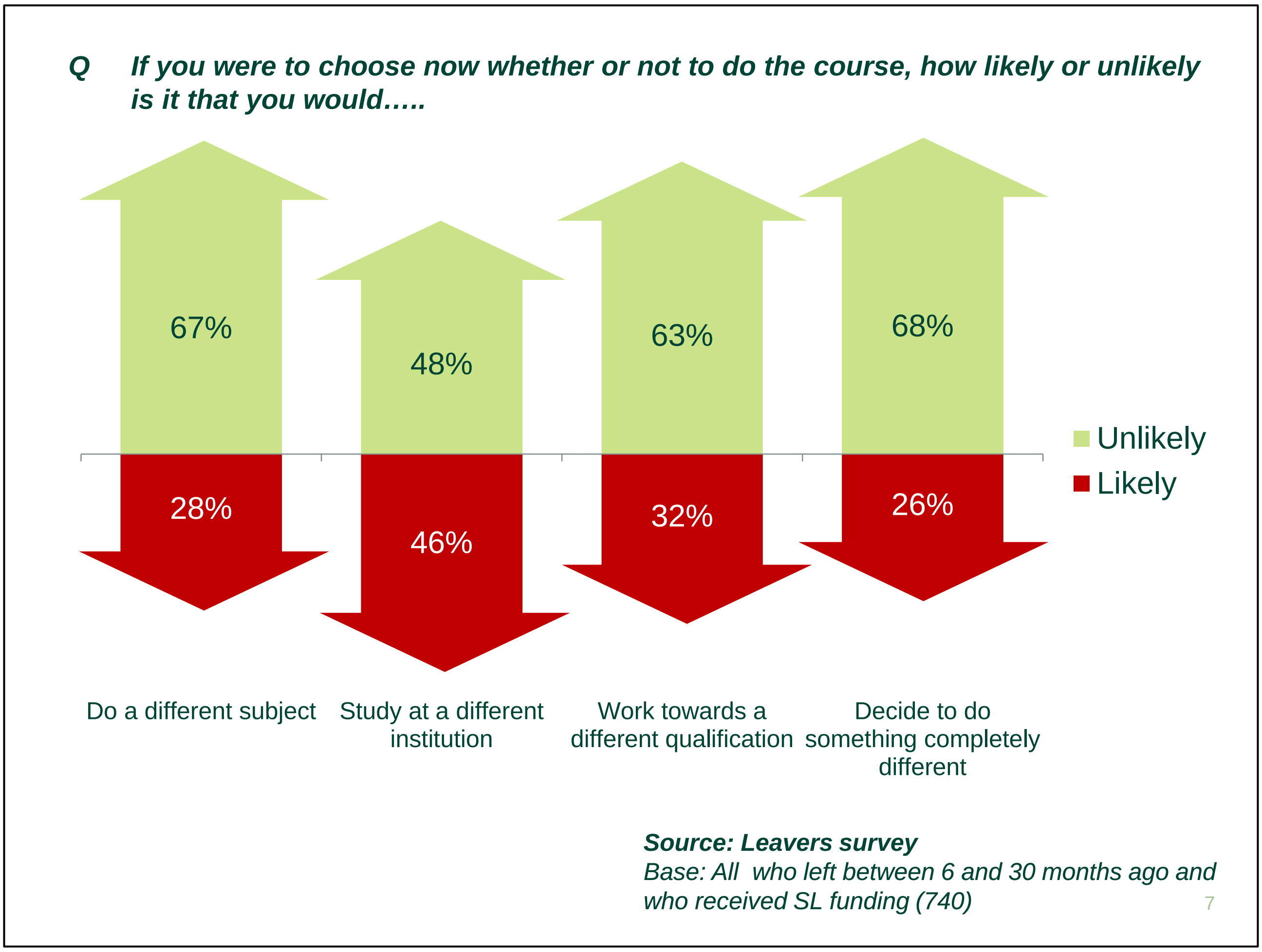
Some of the biggest differences in individual ratings were seen for statements about learning resources (the low agreement scores for extra-curricular activities and support services were partly accounted for by large proportions of students of non-publicly-funded providers stating that these statements were not applicable to them but this is not the explanation for differences regarding ratings for libraries, IT resources and specialist resources). Other than for learning resources, for all other aspects of student experience the gaps between ratings for publicly and non-publicly funded (alternative) providers were mostly of a similar magnitude.

The question about overall satisfaction with the quality of the course was also asked of the sample of those supported students who had recently left their alternative provider. The ratings given at this question were slightly lower than for current supported students (66 per cent for full-time students and 77 per cent for part-time students). They were also higher for those who were in work (72 per cent) than for those who were studying (62 per cent) or doing something else (61 per cent).

The same sample of leavers were also asked a question about whether they would make the same decision about their study if they were making this decision now to further understand whether their views on their alternative provider have changed over time (Figure 37).

Almost half of supported students stated that, with hindsight, they would be likely to choose to study with a different provider (46 per cent). Students stating this were more likely to be those who had studied first degree courses (45 per cent) or other undergraduate courses (54 per cent) than those that had studied postgraduate courses (30 per cent).

Figure 37: Extent to which, with hindsight, would make different decisions about course (Leavers survey – weighted)



4.5 Destinations and income of students at alternative providers

The sample of former supported students of alternative providers were also asked a number of questions about their activity since leaving their course. For consistency, these questions referred to a specific point in time – 30th June 2014. The students included in the analysis in this chapter completed their course in 2012 or 2013 so this reference date represented a point between six months and 2.5 years after completing their course.

There are a number of sources of data for students at publicly-funded providers that we can use to draw comparisons with the data collected from students of alternative providers:

- The early Destinations of Leavers from Higher Education (DLHE) study in which students are asked about their activities six months after graduating;

- The Longitudinal Destinations of Leavers from Higher Education (Longitudinal DLHE) study in which students are asked about their activities around 3.5 years after graduating;

Figures from the DLHE surveys are included here to provide additional context, but comparisons should be seen as **indicative only**. Aside from the fact that the time periods between graduation and the surveys are slightly different, the same point made earlier about comparisons with the NSS also applies; the profile of students at alternative providers is different to those in publicly funded providers (e.g. by age, gender, ethnicity, prior qualifications, subject area and qualification type) and results have not been adjusted to account for this. The alternative providers leavers survey results presented here are also limited to those in receipt of support from the Student Loans Company while the DLHE surveys also cover those who did not take out a loan (although these are a minority of students at publicly-funded institutions). Additionally, the scale of the DLHE surveys are far larger, with the 2012/13 initial DLHE based on 362,605 former students with known destinations, compared with 740 former students participating in the alternative providers leaver survey.

4.5.1 Principal activity in June 2014

Figure 38 shows the proportions of supported students from the alternative provider study who were working, studying or doing something else at the point they were surveyed.

The majority of former supported students who left alternative providers in 2012 and 2013 reported that they were in work (67 per cent). Nine per cent stated that education or training was their most important activity and almost a quarter were neither working nor studying (24 per cent).

When this data is based solely on those who completed their course (as is the case for the DLHE series of surveys of former students, which covers all providers), the proportion working increases to 71 per cent; the proportion studying remains at nine per cent, and the proportion not working or studying falls to 21 per cent[57]. This seems to indicate marginally lower employment rates than are recorded in the DLHE series. The initial DLHE shows 76 per cent of graduates in employment as their main activity six months after graduating[58] while the Longitudinal DLHE found employment rates for the 2008/9 cohort to be 89 per cent at a point approximately 3.5 years after graduation. However, due to methodological differences, caution should be taken in drawing comparisons between this survey and the DLHE series.

Figure 38: Summary of principal activity (Leavers survey – weighted)

Q What were you doing on 30 June 2014
Q Which of these is most important to you?

WORKING	FURTHER STUDY/ RESEARCH	NOT WORKING OR STUDYING
67%	9%	24%

Source: Leavers survey
Base: All leavers in receipt of SL funding (740) 8

As perhaps would be expected, those who left their course longer ago were more likely to be working than recent leavers; 73 per cent of former supported students who left in 2012 were in employment compared with 64 per cent of those who left in 2013. Those who left their course before completion were less likely to be working as their most important activity than those who completed their course (51 per cent vs. 72 per cent).

[57] Base: 504

[58] Higher Education Statistics Agency, Destinations of Leavers from Higher Education Institutions Survey 2012/13 (Chart 7), https://www.hesa.ac.uk/sfr205

Employment rates were highest among those who studied at a postgraduate level (80 per cent compared with 67 per cent overall), while employment rates fell to 55 per cent for those who studied other undergraduate courses.

By subject type, Business and Law students were least likely to be in employment (46 per cent). This compares to 75 per cent among Arts and Humanities Students, 77 per cent among Medicine students and 82 per cent among Education students.

Those who studied part-time were more likely to be working than former full-time students (77 per cent vs 66 per cent).

The survey also revealed a relationship between employment among former supported students and satisfaction. Those who were satisfied with the quality of their course were more likely to be working than those who were dissatisfied (70 per cent vs 58 per cent).

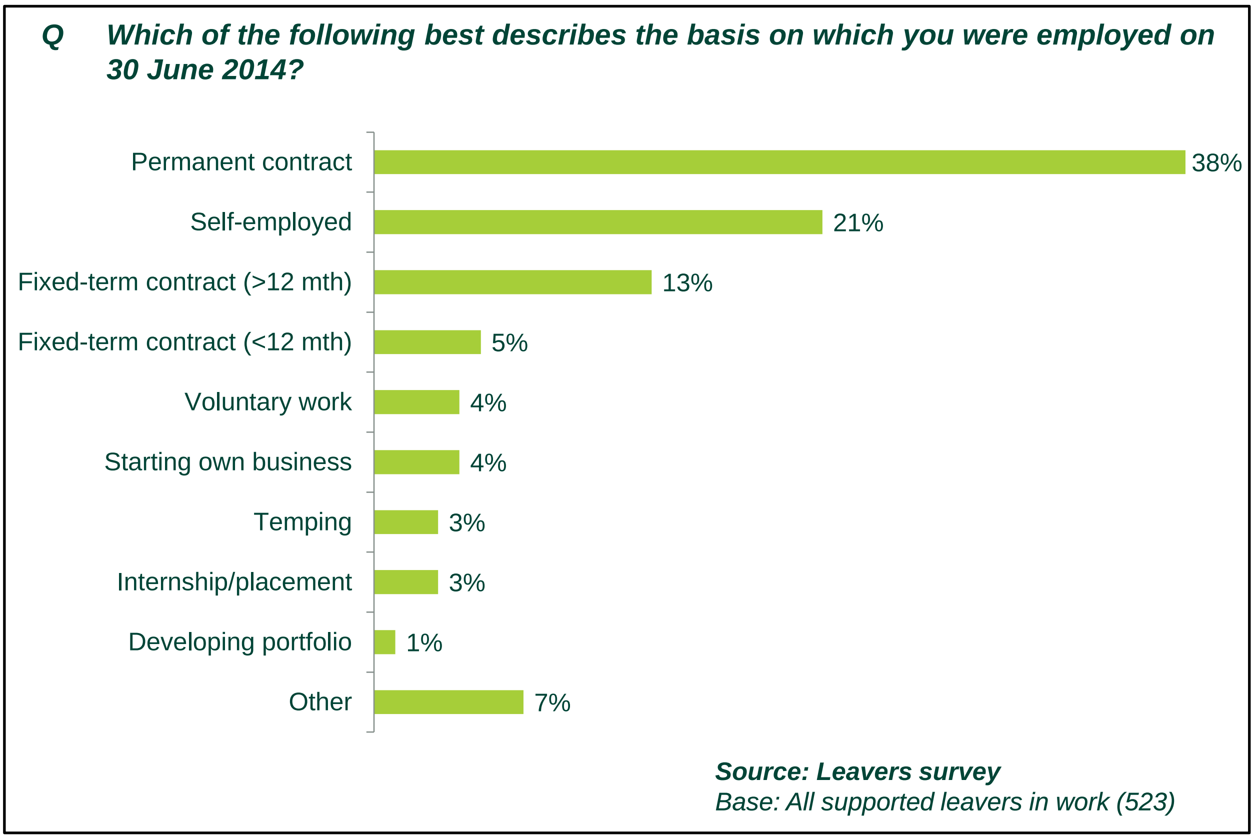
4.5.2 Employment and income

Nature of employment

Among the sample of former supported students who were working on 30th June 2014, most had just one job but a fifth had at least two (20 per cent). Former students of Medicine were most likely to have more than one job (31 per cent vs 20 per cent overall), as well as students from a White background (24 per cent vs 12 per cent of those from a Non-White background).

The most common means by which former supported students of alternative providers were employed was on a permanent contract, with two fifths working on this basis (Figure 39) However, a further one fifth described themselves as self-employed and a similar proportion were on fixed-term contracts.

Figure 39: Nature of employment (Leavers survey – weighted)



Supported students who left their courses longer ago were more likely to be employed on permanent contracts; 45 per cent of those who left in 2012 were on a permanent contract compared with 36 per cent of those leaving in 2013.

By subject area, former Science and Technology students were most likely by some measure to be employed on a permanent contract (68 per cent compared with 38 per cent overall). By contrast, those who had been studying Medicine-related subjects were most likely to be self-employed or freelance (49 per cent).

Returning to a former employer

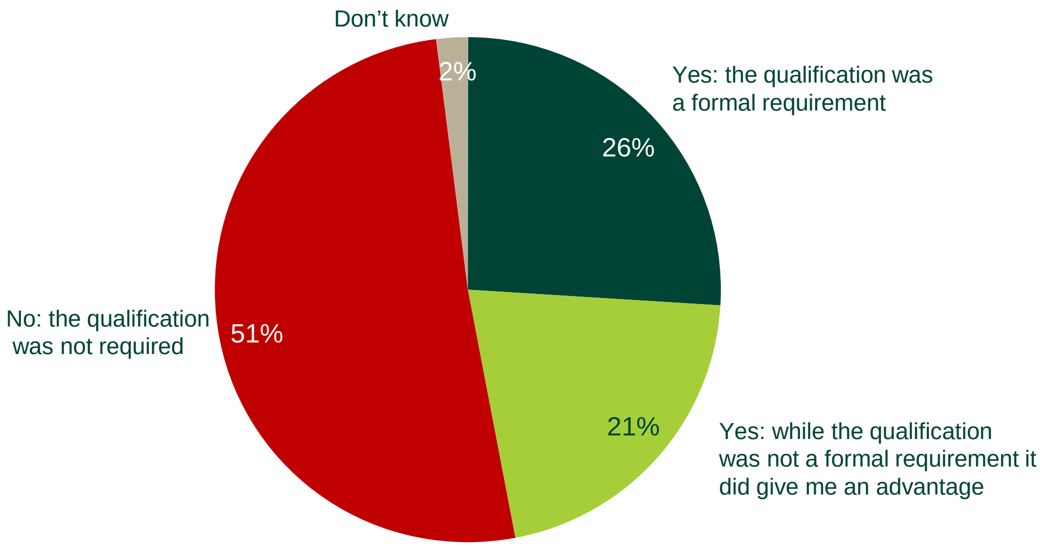
Around a third of the sample of former supported students who were working on 30th June 2014 had previously worked for the same employer (36 per cent), either before their course (9 per cent), during their course (12 per cent) or both (15 per cent). Former students of Business and Law were most likely to have worked for their employer previously (44 per cent vs 36 per cent overall), possibly indicating a prevalence of internships and work experience in this field, or of returning to study mid-way through a career. By contrast, former Arts and Humanities were most likely not to have worked for the same employer (70 per cent vs 64 per cent overall). Part-time students are more likely than full-time students to have worked for their employer previously (16 per cent compared with seven per cent).

Requirement of qualifications to obtain employment

Around one quarter of the sample of former supported students of alternative providers who were working said that the qualification they received was a formal requirement of the employment they now hold (26 per cent) and a further one in five stated that, although the qualification was not a formal requirement it did give them an advantage (21 per cent). Half said that their qualification was not required at all (51 per cent), as shown in Figure 40.

Figure 40: Role of qualifications in obtaining employment (Leavers survey – weighted)

Q Did you need the qualification you obtained from the course you left in 2012 or 2013 to get the job you were doing on 30 June 2014 (the actual qualification, not the subject of study)?



Source: Leavers survey
Base: All supported leavers in work (523)

The sample of former postgraduate students were more likely than other alumni to have formally required the qualification to achieve their employment (68 per cent compared with 26 per cent overall).

By subject type, the sample of former students of Medicine were most likely to have required their qualification (64 per cent vs 26 per cent overall), while former Arts and Humanities and Business and Law students were most likely not to have needed their qualification (69 per cent and 68 per cent vs 51 per cent overall).

Income

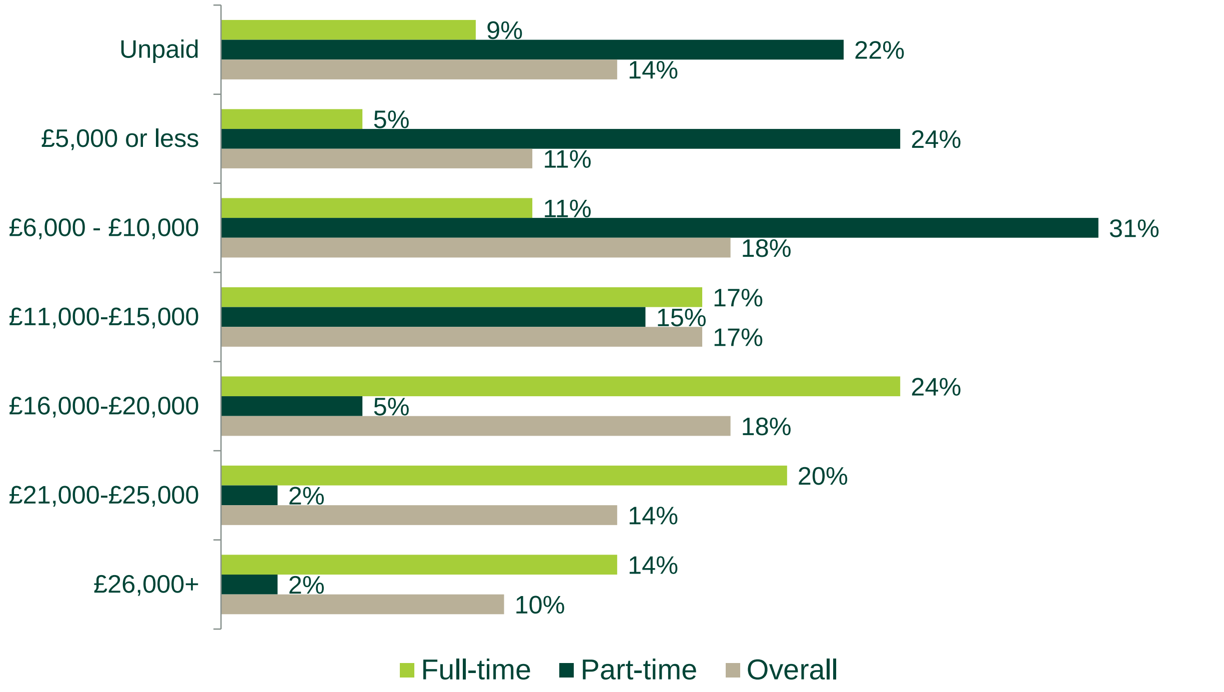
***Caution is advised* on the following findings on income due to the low sample sizes and limitations on being able to generalise to the wider population. These figures are indicative only and include leavers that did not complete their course, unless otherwise stated.**

It appears that among some of those who were working on 30th June 2014, income among former students of alternative providers was low for some groups (Figure 41).

The median annual salary for the sample of former students at alternative providers working full-time was £24,250.These figures are based on all those responding to this question (315 former students); i.e. it excludes a significant number who did not wish to provide this information. This is slightly below the median salary for full-time workers across the entire working population, which is estimated by the Office for National Statistics to be £27,195.[59]

Figure 41: Income (Leavers survey – weighted)

Q What was your annual pay for your main employment to the nearest thousand (£) before tax?



Source: Leavers survey

Base: All supported leavers in employment responding to pay question (315: 212 full-time, 106 part-time)

Note low base sizes. Bases include leavers that left their course before completion.

Across both full and part-time workers, the sample of former supported students who had been studying for a postgraduate qualification tended to earn more; these alumni were more likely to report earnings of £21,000-£25,000 and £26,000 + than first degree students (16 per cent vs eight per cent and ten per cent vs six per cent respectively). Former Medicine students were also among the highest earners, with more than double the proportion of these alumni reporting earnings of £26,000 or more per year than the overall survey population (22 per cent compared with ten per cent).

[59] Office for National Statistics, Annual Survey of Hours and Earnings 2014, (Table 1.7a). http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-337425

As we may expect, those who left their course early were not earning as well as those who completed it; a quarter of early leavers earned £5,000 or less compared with less than one in ten of those who completed their course (24 per cent vs. eight per cent).

4.5.3 Further study

Around one in eight in the sample of former supported students were engaged in some form of study, training or research on 30 June 2014 (12 per cent) with nine per cent stating that this was their most important activity. This equates to only 88 alumni within the survey sample; because of the small numbers involved, a degree of **caution** should be taken with the numbers reported in this section due to low base sizes, and we are unable to report on differences between groups of former students within this.

Around two fifths of those undertaking further study were doing so at the same institution as their previous course (39 per cent) but, for the most part, this was being undertaken at a different organisation (61 per cent).

Alumni of alternative providers who went onto further study were spread across a range of subject types. However, the most commonly studied courses were Businesses and Administrative Studies and Creative Arts and Design (18 per cent in each case). Around one in ten went on to study Medicine (12 per cent), Theology (11 per cent) and Law (10 per cent).

The most common level of qualification being pursued on 30 June 2014, since leaving their course at an alternative provider, was a first degree (47 per cent). This suggests that, for some students, the alternative provider sector had provided a stepping stone to undergraduate study. Most other qualifications being sought by former alternative provider students were postgraduate.

5. In Conclusion

5.1 The nature of the alternative provider sub-sector within the Higher Education market

“Alternative providers” is an umbrella term which encompasses a large number of institutions (in the course of this research we have identified as many as 732 alternative providers) which are quite diverse in nature and in terms of the educational services that they provide.

In order to enhance understanding of the sector, we have identified six broad “types” of organisation. These are not mutually exclusive: there is some degree of overlap between them. And based on imperfect knowledge, it has not always proved possible to allocate alternative providers identified through this project into one of the categories (although the typology identifies some 80 per cent of those surveyed). But categorising institutions in this way can help us to understand the different types of providers which make up the alternative provider market.

Publicly-funded Style Providers
There was a small but distinct group of providers (11 out of the 276 participating in the survey) whose offering essentially mirrored that of the bulk of publicly-funded providers of higher education: they had courses designated for student support, offered both undergraduate and postgraduate degrees, and did not specialise in a single area. They were predominantly large institutions (eight out of the 11 had more than 500 students), and more likely to be well-established. Although a small proportion of alternative providers, their scale would suggest that these organisations serve a significant proportion of the student population.

‘Catch-up’ Colleges
These providers (about a quarter of all alternative providers) did not offer the ‘traditional’ higher education courses of undergraduate or postgraduate degrees. Instead, they exclusively offered the “sub-degree” level courses, such as HNDs/HNCs and foundation degrees.

These providers were more likely to be for-profit institutions (80 per cent vs. 64 per cent overall); and to be new (30 per cent operating for five years or less vs. 21 per cent overall).

Small Specialists
This made up the largest single group of providers (around a third) and they were comprised of smaller institutions (with 250 or fewer students), which were relatively well established (16 per cent had existed for five years or less, compared with 21 per cent overall) and which specialised in a single subject area and offering first degree and/or postgraduate level qualifications. Many of the oldest institutions fell

into this category, with small specialists comprising half of all surveyed alternative providers in operation for more than ten years.

These providers were more likely to offer part-time courses (69 per cent vs 53 per cent overall), operate on a not-for-profit basis (50 per cent 34 per cent overall); and to cite scarcity of funding as a key challenge (43 per cent vs 36 per cent overall).

Exclusively Postgraduate

This group was a sub-set of the Small Specialists, notable for ***only*** offering postgraduate level courses. They were likely to be among the more established of the small specialists, and to have between 26 and 100 students, in the middle of the size range.

Importers

These providers were often based in London and the South East, operating for a profit, and catering for international students. They were more likely to:

- offer full-time courses (89 per cent vs 72 per cent overall);
- be newer institutions (31 per cent have existed for five years or less vs 21 per cent overall);
- have experienced an increase in international students in the past two years (31 per cent vs 22 per cent overall);
- predict an increase in international students in the next five years (59 per cent vs 47 overall);
- predict an increase in their physical footprint overseas in the next five years (34 per cent vs 24 per cent overall); and
- cite immigration policy as a challenge (62 per cent vs 33 per cent overall).

Exporters

These were providers that delivered higher education outside of the UK as at least part of their offering, and were operating for a profit. This delivery outside of the UK could take the form of distance learning, or be offered through overseas sites.

5.2 A changing market?

It has not proved possible to establish detailed comparisons with the 2012 research and so we cannot with confidence establish the extent to which the market is a growing or contracting one.

There is, however, evidence of fluctuation in the market. More than three-fifths of alternative providers are more than 10 years old, which can be read to suggest a relatively established market. At the same time, this then means that two fifths of the current market has only been in operation for 10 years or less. This does not mean that the market has doubled in size in 10 years: some alternative providers will have ceased to operate in that period, and newer institutions are often smaller than their more established counterparts. Analysis in Annex 3 shows that 90 providers (that we have identified) have closed since 2012, with a further 23 no longer offering higher education.

The international context is clearly a key one for the sector. The vast majority of alternative providers' provision is focused on the UK, with most providers operating exclusively in a domestic context. However, delivery of higher education outside of the UK by alternative providers based within the UK appeared to be an important market.

The development of this market could be seen as a response to concerns about the sector's ability to continue to import students from outside of the EU. Immigration policy is felt to be one of the key challenges facing alternative providers (alongside funding). The need for providers to respond to the impact of changing immigration policy on student numbers is heightened by the challenge of regulation. Alternative providers often have fewer staff available to deal with this than publicly-funded providers, and there is a perception within the sector that the regulatory burden hampers the ability of alternative providers to compete.

5.3 A distinct experience?

There was little evidence of supported students specifically targeting alternative providers as an educational choice because they were alternative providers, as such. That said, the majority of alternative providers' supported students did not apply to and/or receive an offer from any other institution. Where students did choose between the public and private sector, reputation, location and flexibility of study were the most common reasons for their choice of institution which might suggest these providers are more suited to students seeking to balance other personal circumstances or commitments alongside their course. The majority of supported students were satisfied with their learning experience, but supported students at alternative providers showed lower levels of satisfaction with their learning experience than students in the wider HE sector across key measures. They also appear to achieve lower rates of employment on completion than those that graduate from the publicly-funded sector (though this may reflect the differing profiles of students). Almost half of supported students at alternative providers would choose a different provider to study at if they were making their decision again today.

5.4 A distinct student base?

The evidence suggests that the constituency that the alternative provider market serves is quite distinct from that of the wider Higher Education sector. Their student base tends to be more male, older, more likely to have a disability and more ethnically diverse than the wider Higher Education sector. The student base of alternative providers comprises relatively high proportions of students who have come to their course later in life, having previously been in full-time employment, and with a relatively low level of prior academic achievement compared to the publicly-funded.

Annex 1 – Key definitions

"Alternative providers"

It was agreed with BIS that the providers in-scope for this study would include those that:

- Do not access public funding, either through the relevant HE funding council, or through an FE funding council/agency (student support is not included in the definition of public funding to the provider); and

- Provide HE to students based in the UK.

Our definition of higher education included any courses at Level 4 or above (or equivalent) on the Framework for Higher Education Qualifications and/or the Qualifications and Credit Framework/National Qualifications Framework.[60]

Student numbers

Providers were given the following instructions regarding which of their students to include on the data return:

"If your institution provides any teaching at a Higher Education level then please include all students who were registered **for all or part of** the 2013/14 academic session and who were aiming towards some sort of qualification or credit which can be counted towards a qualification. Students on courses that do not lead to any qualification - or credit that can be counted towards a qualification - should not be included. The traditional concept of academic year runs from Autumn 2013 to Summer 2014 so we are seeking the number/headcount (not Full-Time Equivalent) of students for this year. If your academic year follows a calendar year or you have variable enrolment dates then please enter the final figures for 2013. Please include students across all years of study."

Domicile

"Domicile" is defined as the place of permanent residence prior to starting a course.

- **UK domiciled** students are those whose normal residence is in the UK, and for the purposes of this survey do not include Guernsey, Jersey and the Isle of Man. (Officially, the Crown Dependencies of Guernsey, Jersey and the Isle of Man are not part of the UK or the EU.)

- **(Other) European Union (EU)** students are those whose normal residence is in countries which are European Union (EU) members. These are Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France,

[60] For details about these frameworks please see Ofqual's information accessible at: http://ofqual.gov.uk/qualifications-and-assessments/qualification-frameworks/

Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Republic of Ireland, Romania, Slovakia, Slovenia, Spain and Sweden.

- **Non-EU** domiciles include any country not listed above. This category includes Guernsey, Jersey and the Isle of Man.

Higher education levels

- A **postgraduate** course is any course for which the normal entry requirement would be a first degree. This includes masters degrees, PhDs and postgraduate certificates and diplomas. It normally equates to levels 7 and 8 in the Qualifications and Credit Framework (QCF) and includes any equivalent qualifications validated by non-UK universities. This category also includes professional qualifications that are at a postgraduate level. Integrated masters and some teacher training courses will also be included in this category.

- A **first degree** normally carries the title "Bachelor of...". This category includes degrees validated by UK and non-UK universities. This normally equates to level 6 in the Qualifications and Credit Framework (QCF) and includes any equivalent professional qualifications.

- **Other undergraduate** includes all sub-degree Higher Education. This includes CertHE, DipHE, HND, HNC, foundation degrees and professional qualifications. This normally equates to levels 4 and 5 in the Qualifications and Credit Framework (QCF) and includes any equivalent qualifications validated by non-UK universities.

Mode of study

- **Full-time** students are those normally required to attend an institution for periods amounting to at least 24 weeks within the year of study, on thick or thin sandwich courses, and those on a study-related year out of their institution. During that time students are normally expected to undertake periods of study, tuition or work experience which amount to an average of at least 21 hours per week.

- **Part-time** students are those recorded as studying part-time, or studying full-time on courses lasting less than 24 weeks, on block release, or studying during the evenings only.

- **Distance learning** students are those who receive their education at a location of their choosing - not physically on-site in a traditional classroom or laboratory. This category includes any students that are being taught mainly over the internet. Distance Learning students might attend occasional tutorials on-campus though this would not be a significant part of their time commitment.

Annex 2 – Indicative comparison of survey responses of supported vs non-supported students

Responses to the Student and Leaver surveys in the main body of this report are based only on students and former students in receipt of support from the Student Loans Company[61] – this is because they represent the overwhelming majority of those responding to the survey (although they represent a minority of students at alternative providers) and we are able to weight to a known population of students and so can be more confident in the data.

Data on those **not** receipt of support from the Student Loans Company is limited due to small sample sizes, and are **unweighted** as it is difficult to establish how representative they are of the wider population of students across all alternative providers.

As Table 21 shows, the profile of non-supported students and former students is quite different to that of in receipt of Student Loan Company support. As noted above comparisons should be **treated with caution**, but are included here for indicative purposes.

Table 21: Demographic profile of supported vs non-supported students (Student Survey/Leavers survey – supported students weighted, non-supported students unweighted)

	STUDENT SURVEY		LEAVERS SURVEY	
Base	**Supported (2732) %**	**Non-supported (241) %**	**Supported (740) %**	**Non-supported (131) %**
Age				
Aged 24 or under on entry	35	29	35	11
Aged 25-44 on entry	47	41	47	64

[61] Publicly-supported students defined as those in receipt of any of the following: Tuition Fee Loan, Tuition Fee Grant, Maintenance Loan, Maintenance Grants

	STUDENT SURVEY		LEAVERS SURVEY	
Aged 45-64 on entry	16	28	16	22
Aged 65+ on entry	*	1	1	-
Gender				
Male	51	46	50	40
Female	47	53	46	59
Ethnicity				
White	48	70	62	66
Non-white	44	22	31	31
Disability				
No disability	80	82	N/A	N/A
Has a disability	15	15	N/A	N/A

Table 22: Prior activity (Leavers survey - supported students weighted, non-supported students unweighted)

	Supported (*740*) %	**Non-supported (*131*) %**
Working full-time	35	68
Working part-time	25	18
Engaged in full-time further study, training or research	25	12
Unemployed	14	3
Doing something else	9	2
Engaged in part-time further study, training or research	3	5
Taking time out in order to travel	3	1
WORKING	59	85
FURTHER STUDY / TRAINING / RESEARCH	28	18
NOT WORKING OR STUDYING	24	6

Table 23: Highest prior attainment (Student survey - supported students weighted, non-supported students unweighted)

	Supported (*2,732*) %	**Non-supported (*241*) %**
None	3	1
Level 2 Qualifications	21	5
Level 3 Qualifications	53	20
Level 4/5 Qualifications	12	11
Level 6 Qualifications	6	32
Level 7/8 Qualifications	2	28
Don’t know	3	2

Table 24: Entry requirements (Student survey, supported students weighted, non-supported students unweighted)

	Supported (*2,732*) %	Non-supported (*241*) %
Any qualification-based requirement	61	67
Pass an interview with course tutor	43	55
Pass an entrance exam	29	14
UK professional qualifications	14	11
Professional experience	11	17
International professional qualifications	5	7
Pass an audition	3	5
Other	3	3
No entry requirements	5	1
Don't know	2	2

Table 25: Annual tuition fee (Student survey - supported students weighted, non-supported students unweighted)

	Supported (*2,732*) %	Non-supported (*241*) %
£10,000+	8	17
£8,000 - £9,999	8	4
£6,000 - £7,999	44	11
£4,000 - £5,999	23	22
£2,000 - £3,999	9	14
£0 - £1,999	3	19
Don't know	2	11
Prefer not to say	3	2

Table 26: Sources of financial support for tuition fees (Student survey – supported students weighted, non-supported students unweighted)

Base: All students who have a part-loan or no loan at all	Supported (*556*) %	Non-supported (*215*) %
Parent(s) / Step parent(s) / Guardian(s)	41	30
Personal savings	36	48
Tuition Fee Grant from SLC	31	-
Current earnings	28	24
Spouse, partner, or other relative	9	9
The course provider	5	15
A loan from another organisation	3	3

Table 27: Sources of financial support – living costs (Student survey – supported students weighted, non-supported students unweighted)

	Supported (*2,732*) %	**Non-supported (*241*) %**
Maintenance loan from SLC	59	-
Maintenance or Special Support Grant from SLC	38	-
Personal savings	27	54
Current earnings	26	44
Parent(s) / Step parent(s) / Guardian(s)	19	26
Spouse, partner or other relative	9	12
A scholarship, bursary or subsidiary from course provider	3	12
A loan from another organisation	2	4
A scholarship or bursary from another organisation	1	11

Table 28: Awareness of funding status of provider (Student survey – supported students weighted, non-supported students unweighted)

	Supported (*2,732*) %	**Non-supported (*241*) %**
Aware	48	70
Also considered publicly-funded providers	*25*	*28*
Did not consider publicly-funded providers	*15*	*32*
Unsure	*9*	*10*
Not aware	52	30

Table 29: Reasons for selecting chosen provider rather than a publicly-funded provider (Student survey – supported students weighted, non-supported students unweighted)

Base: **All students who considered both public and private providers**	**Supported (*678*) %**	**Non-supported (*67*) %**
Reputation	52	72
Location	46	40
Flexibility of study options available	32	30
Range of subjects / courses on offer	31	36
Facilities provided	29	30
Level of tuition fees	29	21
Level of entry requirements needed	27	16
Only institution offering the course I wanted	22	22
Financial support available	16	12
Because not publically funded	3	1

Table 30: Importance of factors in selecting chosen course (Student survey – supported students weighted, non-supported students unweighted)

	Supported (*2,732*) %	**Non-supported (*241*) %**
Personal interest in the subject	94	93
Relevance for future job / career	89	88
Employment prospects for graduates	79	60
Range of modules / options available	78	64
Opportunities for graduates to progress to further study	74	54
Graduation / pass rate	63	35
Work experience opportunities	54	53
Opportunities for flexible study	53	53

Table 31: Course lengths (Student survey – supported students weighted, non-supported students unweighted)

	Supported (*2,732*) %	**Non-supported (*241*) %**
At least four years	5	16
At least three years but less than four years	10	21
At least two years but less than three years	46	29
At least a year but less than two years	30	22
Less than a year	9	12

Table 32: Hours devoted to study (Student survey – supported students weighted, non-supported students unweighted)

	Supported (*2,732*) %	**Non-supported (*241*) %**
Average number of hours of timetabled classes per week		
Up to 10	26	52
11 -20	47	22
21-30	20	12
31+	5	10
Don’t know	2	4
Average number of hours of private study per week		
Up to 10	39	42
11 -20	38	41
21-30	15	8
31+	6	7
Don’t know	2	1

Table 33: Proportions of students agreeing with statements about their learning experience (Student Survey - supported students weighted, non-supported students unweighted)

	Supported (*2,732*) %	Non-supported (*241*) %
Quality of teaching	**% agree**	
Staff are good at explaining things.	76	83
Staff have made the subject interesting.	75	85
Staff are enthusiastic about what they are teaching.	79	85
The course is intellectually stimulating.	78	88
Staff are sufficiently knowledgeable or expert in their subject	81	89
Assessment and feedback	**% agree**	
The criteria used in marking have been clear in advance.	69	72
Assessment arrangements and marking have been fair.	66	75
Feedback on my work has been prompt.	60	69
I have received detailed comments on my work.	69	79
Feedback on my work has helped me clarify things I did not understand.	67	73
Academic support	**% agree**	
I have received sufficient advice and support with my studies.	71	80
I have been able to contact staff when I needed to.	76	87
Good advice was available when I needed to make study choices.	69	76
There is sufficient contact time between staff and students	71	79
I am happy with the support for my learning that I receive from staff on my course	71	81
Organisation and management	**% agree**	
The timetable works efficiently as far as my activities are concerned.	73	80
Any changes in the course or teaching have been communicated effectively.	65	69
The course is well organised and is running smoothly.	65	75
Student feedback on the course has been taken on board	60	69
Learning resources	**% agree**	
The library resources and services are good enough for my needs.	59	65
I have been able to access general IT resources when I needed to.	69	65
I have been able to access specialised equipment, facilities or room when I needed to.	56	61
I have benefitted from extra-curricular activities and non-academic support	46	49
I am aware of how to access the support services at my institution	63	62

	Supported (*2,732*) %	Non-supported (*241*) %
Personal development	**% agree**	
The course has helped me present myself with confidence.	77	81
My communication skills have improved.	79	79
As a result of the course, I feel confident in tackling unfamiliar problems.	76	81
I feel I have developed the knowledge I need to get a job through my course	74	78
I feel I have developed the skills I need to get a job through my course	73	78
I feel my employment prospects have improved as a result of my course	74	75
Employers recognise the value of my course/qualification	63	74
The course has prepared me for further study	76	75
Overall satisfaction	**% agree**	
Overall, I am satisfied with the quality of the course.	76	86

Table 34: Extent to which, with hindsight, would make different decisions about course (Leavers survey – supported students weighted, non-supported students unweighted)

	Supported (*740*) %	Non-supported (*131*) %
Study at a different institution	46	27
Work towards a different qualification	32	23
Do a different subject	28	15
Decided to do something completely different	26	15

Table 35: Summary of principal activity (Leavers survey – supported students weighted, non-supported students unweighted)

	Supported (*740*) %	Non-supported (*131*) %
Working full-time	45	76
Working part-time	22	14
Unemployed	11	2
Engaged in full-time further study, training or research	7	2
Due to start a job in the next month	4	2
Engaged in part-time further study, training or research	2	2
Taking time out in order to travel	1	2
Doing something else	7	2
WORKING	67	90
FURTHER STUDY / TRAINING / RESEARCH	9	5
NOT WORKING OR STUDYING	24	5

Table 36: Nature of employment (Leavers survey – supported students weighted, non-supported students unweighted)

Base: All leavers who were working	Supported (*522*) %	Non-supported (*123*) %
Permanent contract	38	60
Self-employed / freelance	21	11
Fixed-term contract lasting 12 months or longer	13	18
Fixed-term contract lasting less than 12 months	5	1
Voluntary work	4	2
Starting up own business	4	2
Temping (including supply teaching)	3	2
On an internship / placement	3	2
Developing a professional portfolio / creative practice	1	2
Other	7	2

Table 37: Role of qualifications in obtaining employment (Leavers survey – supported students weighted, non-supported students unweighted)

Base: All leavers working	Supported (*522*) %	Non-supported (*123*) %
Yes: the qualification was a formal requirement	26	46
Yes: while the qualification was not a formal requirement it did give me an advantage	21	29
No: the qualification was not required	51	24
Don't know	2	-

Table 38: Income (Leavers survey – supported students weighted, non-supported students unweighted)

Base: All leavers in employment responding to pay question	Supported (*313*) %	Non-supported (*76*) %
£26,000+	10	45
£21,000 - £25,000	14	20
£16,000 - £20,000	18	8
£11,000 - £15,000	17	5
£6,000 - £10,000	18	9
£5,000 or less	11	11
Unpaid work	14	3

Annex 3 – Analysis of providers added or removed since 2012

As the 2014 study was larger in scope and had some differences in approach to the 2012 study (as outlined in the introduction), it is not possible to realistically assess change by comparing the two mapping databases. However, this section provides some analysis of providers which have been added and removed since 2012 in order to provide additional context.

Providers removed from the mapping database

Throughout the scoping element of the study, we consulted a range of sources to confirm whether providers previously identified as alternative providers of higher education should still be in the mapping database. Of the 674 providers listed in the 2012 database, 148 were removed in 2014 as result of this exercise. These were excluded for the following reasons (Table 39):

Table 39: Analysis of providers removed from the mapping database (Provider Mapping database - unweighted)

	Exits	Not currently valid	Never valid
Closed	90		
No longer offered HE	24		
Currently suspended – no HE students		1	
Identified as not being alternative providers			9
Never offered HE			15
Duplicates (i.e. appeared more than once)			8
Exclusively an overseas organisation			1
TOTAL	114	1	33

For the majority of those providers which we confirmed as having exited the market (either through closing down or ceasing to offer HE), we were not able to determine size. However, among those which size was available, the majority were smaller providers. They were almost entirely for-profit organisations (99 out of 114), and covered a range of specialisms: half were generalist, two fifths specialised in Business, Management, Accountancy and IT, and one fifth specialised in other areas.

Providers added to the mapping database

During the 2014 scoping exercise, 206 providers were added to the mapping database that had not been included in the 2012 mapping database.

Of these, 98 took part in the provider telephone survey, allowing us to conduct further analysis. Most said they had been operating for six years or more, suggesting that, although they were new to the mapping database, they were not in fact 'new' providers. In fact, only two said they had been operating for two years or less (Table 22). One explanation for this is that, while established *organisations*, they were new to the Higher Education market; however, as length of time offering higher education in the UK is not known, this cannot be said for certain).

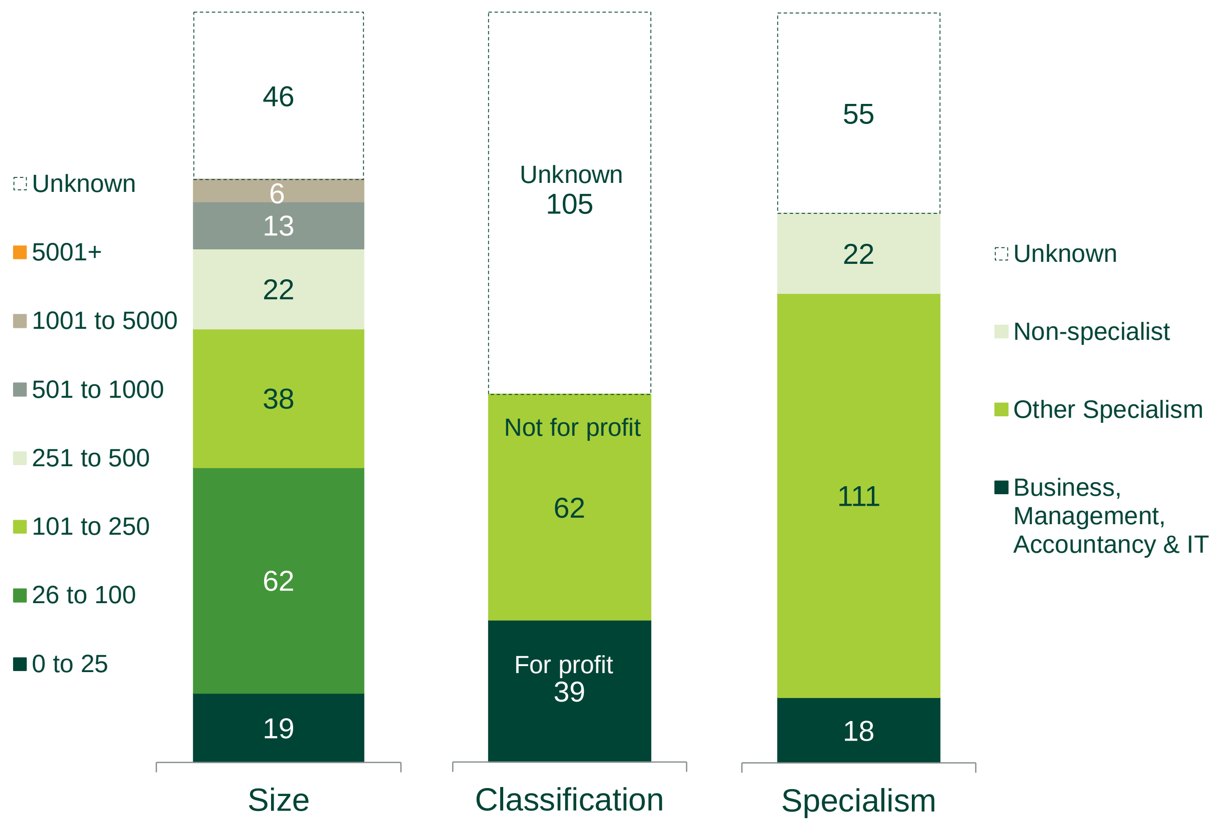
Table 40: Analysis of 'new' providers participating in the provider survey (Provider survey – weighted)

Number of years operating	n.
5 years and under	12
6 to 10 years	9
11 to 20 years	34
21 to 50 years	26
51 to 100 years	8
101 or more years	7
Don't know	2
TOTAL	98

Figure 42 shows the size, classification and specialism breakdown of the 206 providers added to the mapping database in 2014. In terms of size, they showed a similar profile to the providers in the rest of the mapping database, albeit with no providers in the largest size band (more than 5,000 HE students).

Of those with a known classification, the majority of newly added providers were not-for-profit (61 per cent, compared with 39 per cent for-profit). Those for whom specialism was known, three in four (74 per cent) had an 'Other' specialism, while one in eight (12 per cent) were specialists in Business, Management, Accountancy and IT. A further one in seven (15 per cent) were generalist organisations.

Figure 42: Breakdown of providers added to the mapping database since 2012 (Provider mapping database – unweighted)



Source: Mapping Database

Base: All providers new to the database in 2014 (206)

Annex 4 – Note on weighting approaches used in the surveys

Weighting can be used to correct for differences between the profile of survey respondents and the profile of the whole population (universe) where this is known. If the profile of the universe is “known”, and the profile of the survey population is different, then it usually makes sense to apply a weight to correct for this. Without doing so, there is a risk that the survey data is not representative of the population as a whole.

There are also limitations to consider – primarily that we are limited in what we can weight to by our knowledge of the universe. In the case of providers and their students, we only have profile information for a handful of key variables. However, we do feel that in this case it is preferable to weight the data using the information available rather than not weight at all.

The annex discusses our approach to weighting each of the surveys in turn, and the limitations.

Provider survey

This refers to the telephone element of the survey of 276 providers.

The key issue is the extent to which the survey participants are representative of the total population of alternative providers. Clearly, one needs the survey respondents to be representative in order to be able to have confidence that the responses that they have given deliver an accurate picture of the alternative provider landscape.

We compared the profile of the survey population (276) to the *known* population as a whole in terms of size and whether they are profit-making or not-for-profit (732). We found that the 2014 participant providers are generally representative of the population in terms of what we know about their profit status but slightly more divergent from the profile in terms of their size profile – with survey respondents being smaller on average than the wider population of providers

In the case of the provider survey, data are **weighted** to the known population of alternative providers (from the mapping database) according to size (number of HE students) and type (whether profit or not-for-profit).

There are limitations here in that the profile of the universe is based only the “known” population – there are gaps in what we know about both size and type of providers in 134 cases. In addition, the 2012 data was not weighted, so weighting 2014 data creates an additional challenge in terms of comparability.

However, we feel that weighting the data in this way ensures the survey is as robust and representative of the sector in terms of size and their profit status 2014 as it can be.

Provider data return

The provider data returns breaking down student numbers was not weighted as there was no known overall student population to weight to; therefore the data returns provide a minimum set of data on the student profile, but we cannot be certain that it is representative of all providers.

Student survey

Student survey data reported in the main body of the report is data based on students that report being in receipt of support from the Student Loans Company (2,732)[62].

Key variables we have available to us on the profile of the supported student population for 2013/14 are age and gender. We have therefore applied a simple non-response weight to correct for differences in the survey profile and the overall population for these variables.

We have prioritised reporting on supported students as they formed the majority of respondents to the survey and we have no information about the profile of the wider student population not in receipt of student support against which to weight the remainder, making it impossible to know whether survey responses are representative. An additional 241 students responded to the survey who are not in receipt of student loan funding. Data on those not receipt of support from the Student Loans Company are **unweighted**, and comparisons with these students are reported separately (see annex 3).

Leavers survey

As with the student survey, leavers survey data reported in the main body of the report is data based on former students that report that they were in receipt of support from the Student Loans Company (740).

In this case, the best information we have available is the same we use for the student survey weighting i.e. the profile of the supported former student population for 2013/14 by age and gender. We have therefore applied the same simple non-response weight to correct for differences in the survey profile and the overall population for these variables.

As above, the reason we have reported on supported students only is that we have no information about the profile of the remainder, making it impossible to know whether our survey responses are representative and robust. An additional 131 former students responded to the questionnaire who were not in receipt of student loan funding. Again, those not in receipt of student support are **unweighted**, and comparisons with these former students are reported separately.

[62] Publicly-supported students defined as those in receipt of any of the following: Tuition Fee Loan, Tuition Fee Grant, Maintenance Loan, Maintenance Grants