This paper sets out to explore the impact of recent reforms to the English higher education sector that have been overtly designed to further the differentiation of institutions using market mechanisms, such as variable tuition fees, enhanced student choice and student number controls. It draws findings from the research project Evaluating the impact of number controls, choice and competition: An analysis of the student profile and the student learning environment in the new higher education landscape funded by a Higher Education Academy grant. The primary aim of the research is to obtain empirical data via survey and interview from senior institutional leaders to ascertain the extent, nature and type of impact student number controls and other recent changes are having on both the student profile and the student learning environment within institutions and the wider sector.

Key research questions include: how changes are impacting on the student profile; the impact of any changes to financial support due to the introduction of the National Scholarship Programme (BIS 2011b); whether institutions plan to change how and what they deliver in terms of mode, contact time and study support; the extent and nature of any changes in subject offer (i.e. course closures) or level (e.g. withdrawal from sub-degree, funding of post-graduate programmes).

Initial findings from the survey phase of the research found that most institutions are not anticipating an overall drop in numbers: around a quarter predict no change and another quarter a slight increase; however more than a third anticipate a slight decrease. Just under half of institutions that responded are planning to raise their entry requirements (with 50% planning to remain the same). Open comments analysis revealed a degree of concern about the tensions between what they saw as the competing agendas of maintaining or improving their access record and raising entry requirements. However, the largest group were expecting to maintain their current profile and only two institutions were unclear about the future direction.

Few institutions planned course closures, changes to the nature of their offer or mode of delivery, but where changes were planned they were most likely to impact on Arts, Humanities and Social Sciences and were likeliest to take the form of the withdrawal of sub-degree programmes. Well in excess of half of respondents expected some staff to be redeployed and the use of sessional lecturers to increase, while around a third expect redundancy will have ‘some effect’ on staffing, including reduced hours for staff and an increased use of fractional contracts. Over half of respondents anticipated negative effects on contact hours, office hours and tutorial time. Open comments indicated that the instability of the current context was having a negative impact on future planning and modelling and, in a small number of case, this was compounded by uncertainty about meeting recruitment targets. The importance of marketing and branding was seen as increasingly important for ‘outward-facing’ differentiation, while the rationalisation of

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1 As education is a devolved policy area HEIs in Scotland, Wales and Northern Ireland are not covered by these changes
course provision was linked by to the various goals of improving the student experience, enhancing course identity, and refocusing teaching and learning via more innovative use of new technologies.

**Context**
The main driver for these reforms was initially the Browne Report *Securing a Sustainable Future for Higher Education* (Browne 2010), which set out the case for abolishing the maximum level of tuition fees (fixed at £3,000 with inflationary increases only) since 2006. The incoming Coalition Government faced by severe public expenditure restraints opted for a fixed maximum tuition fee of £9,000 per year of study. At the same time the government made cuts of 80% to the teaching allocation to be covered by increased student fees and an extension of the income contingent loan repayment system. Government modelling (assuming an average tuition fee of £7,500) failed to predict average tuition fees of £8,650 (or £8,267 after fee waivers). The White Paper *Students at the Heart of the System* (BIS 2011), published after institutions had set fees, responded by outlining a student number control regime (SNC) within an overall capped number of places.

SNC attempts to make a market in which quality and price are combined, in this case by removing grades AAB or equivalent (ABB or equivalent from 2013/14) and above from the total number of funded places per institution. This 'high-grades' policy allows institutions to recruit as many students with high grades "as they wish, and are able to, outside of their student number control" (HEFCE 2013) and allocated 85,000 places to institutions with a track record of prior recruitment of AABs. The policy also enabled the removal of another 20,000 places reserved for further education colleges (FECs) and new entrant providers willing to offer HE at £6,000 per year of study (thus attempting to match quality and price in a different way). The combined effect was to reduce by a third the total places available, severely squeezing the SNC allocations to institutions unable to attract those with the highest grades (McGettigan 2013).

The trade-off between the cost of student support and the number of funded student places is common to many HE systems and has been a key issue for several decades, especially at times of public spending pressure. Income contingent loans have become more common internationally, including in the Australian and Californian systems (Hillman 2013).

However, the introduction of a mechanism that diverts places away from established institutions purely on the basis of pre-entry grades, coupled with trebled tuition fees and changes to the student support system for the poorest students threatens to impact on widening participation and social mobility, and even the viability of institutions. For some it represents 'The Great University Gamble' (McGettigan 2013). For those that do survive, the changing landscape may threaten the quality of students' experience and student learning environments. The threatened consolidation of disciplines may also impact on the organisation and delivery of teaching and learning as well as student choice (Holmwood and McGettigan 2011).