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Can private providers be expected to improve higher education inclusion, choice and quality in the UK? (0295)

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The UK government is keen to grow the private provision of higher education as a means of promoting greater choice and quality for students and of facilitating faster progress on widening access to higher education. (BIS, 2016).

However, the alternative higher education sector is a largely an unknown quantity. This is principally because there has been no existing up-to-date list of private HE providers. There are few official barriers to entry to the higher education sector. The titles of *University* and *University College*, and degree awarding powers are legally protected, and access to public funds through students' course fee loans is now closely regulated, beyond this there are no restrictions on the establishment of private providers, nor has there been any kind of register. The sector is largely unregulated and uncounted.

Previous attempts to document the area have only been partially successful: a 2012 survey of alternative providers identified 674 alternative providers but achieved a 37 per cent response rate to their survey of the sector. A 2014 survey identified 732 providers and achieved a 38 per cent response rate. This left much of the sector effectively unaccounted for. (Hughes, Porter, Jones, & Sheen, 2013; Shury, Adams, Barnes, Huntley Hewitt, & Oozeerally, 2016).

The Centre for Global Higher Education (CGHE) has developed a comprehensive database of alternative – specifically private – higher education providers in the UK.

This CGHE database was constructed in 2017 and is a web-based census, rather than survey, of all identified private providers located in the UK, this included all 732 providers identified in the 2014 survey. For the purposes of our research private providers are defined as teaching to recognised higher education qualification – level 4 or above - but not identified on the Higher Education Funding Council's (HEFCE) or national equivalents' lists of publically funded higher education institutions, nor receiving substantial financial support from other public sources.

The data base is composed of standardised quantitative data from each provider's website, covering: foundation date; location - specifically post code details; subjects & level offered; details of the highest level course offered (cost, delivery, part / full-time...); external validating/ accrediting relations; external inspection e.g. QAA; and Tier 4 sponsorship. We were also able to identify all the providers identified in the 2014 research. Additional data was gathered from Companies House and the Charities Register concerning the precise legal structure associated with each provider, from which their for-profit or not for-profit status could be inferred, and their current status, whether active or having ceased to operate be identified.

The findings indicate there were approximately 820 active private providers of higher education in the UK. Over sixty per cent are structured as small scale for-profit enterprises, that is, as private limited companies.

The data concerning location allowed us to map the geographical distribution of private providers in the UK. (It also allowed us to compare this against the official administrative Participation of Local

Areas (POLAR) data set which maps relative levels of higher education participation throughout the UK by neighbourhood.

We find that private providers are typically not well-placed to contribute to widening access. A large portion of private providers are located in England's South East, particularly London; they are under-represented in low HE participation neighbourhoods and higher education 'cold spots'.

With regard to greater choice for students, our findings suggest that private providers offer a much narrower range of disciplinary specialisms than public providers. The most frequently offered subjects are business and administration, offered by 56 per cent of providers, subjects allied to medicine, offered by 20 per cent, and creative arts and design, offered by 13 per cent.

The course on offer are often at sub-degree or postgraduate level: although almost 50 per cent of providers offer a level 6 qualification, only around 20 per cent of providers offer a traditional bachelor's level degree.

Although many private providers are validated by a public provider or public body, and many teach courses accredited by professional bodies, only a minority have had any kind of external quality inspection. This finding is suggestive of quality issues associated with a majority of providers, and an absence of information on which students may rely on make an informed choice about enrolling with a specific provider.

Moreover, referencing the providers identified in the 2014 survey, our research and records at Companies House indicate that between 2014 and 2017 23 per cent of providers had ceased to operate, of these 90 per cent were structured as for-profit institutions. A further nine per cent of providers had vanished leaving no trace.

This finding indicates the relatively high level of "market exit" the private, and particularly the for-profit element of the sector, is likely to experience, leading to a greater likelihood of students in the private sector facing the adverse effects of sudden 'provider exit'.

Finally, we conclude that private providers are unlikely to be the answer to the UK government's higher education ambitions. Few are currently involved in the provision of undergraduate bachelor degrees, and those that are typically offer only a restricted range of subjects. The private sector also displays a pronounced volatility, with a high proportion of market exits; expansion, particularly of the for-profit element of the private sector, would be likely to introduce a degree of instability into the UK higher education sector.

BIS. (2016). *Success as a knowledge economy: Teaching excellence, social mobility and student choice*. London: BIS. Retrieved from <https://www.gov.uk/government/publications/higher-education-success-as-a-knowledge-economy-white-paper>

Hughes, T., Porter, A., Jones, S., & Sheen, J. (2013). *Privately funded providers of higher education in the UK*. London. Retrieved from https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/207128/bis-13-900-privately-funded-providers-of-higher-education-in-the-UK.pdf

Shury, J., Adams, L., Barnes, M., Huntley Hewitt, J., & Oozeerally, T. (2016). *Understanding the Market of Alternative Higher Education Providers and their Students in 2014*. London: BIS. Retrieved from <https://www.gov.uk/government/publications/alternative-providers-of-higher-education-the-market-and-students-in-2014>