

Public Accounts Committee - Financial sustainability of the higher education sector in England

About UCAS

UCAS is an independent charity that operates across the UK and internationally to provide careers information, advice, and guidance (CIAG), and admissions services to help students to progress to the next stage of education and training. This service spans undergraduate, postgraduate, technical, lifelong learning, and apprenticeship pathways, with the undergraduate service alone supporting over 700,000 students a year from over 200 countries and territories, with more than 400 different verified qualifications, to access UK higher education (HE).

UCAS is a leading authority on student progression. Our significant role as the gateway to post-secondary opportunities affords us unparalleled insight into the shape of the HE and training landscape. Retrospective and forecasting analysis can both play a valuable role in informing the Public Accounts Committee's (PAC's) understanding of student demand. In addition, our reach with students – ucas.com receives 30 million unique visits per year – and CIAG expertise, which includes tools such as the Careers Quiz, where outcomes and skills data support decision-making, mean that we have the capability to support UK PLC in addressing skills gaps.

Therefore, we welcome the opportunity to input to this [call for evidence](#). UCAS' submission will focus on our **assessment of the HE market, forecasting data** and support for the **full range of post-secondary education pathways**, which will set the context for the upcoming decade, and **UCAS' role in protecting the interest of students**.

We hope this evidence is supportive of the PAC's aims and look forward to furthering our relationship as the inquiry progresses.

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The HE market

We are amid unprecedented demand for education and training. This has implications for the direction of education policy set by DfE, and how the OfS will look to regulate the HE market and promote the interests of students. Record numbers are applying for full-time undergraduate study (+3% on 2020) and more than two million annual searches are being carried out on UCAS' apprenticeships service, which helps students find jobs and degree and higher apprenticeships, (+32% on 2020). Far from lessening demand, COVID saw the UK 18 year old entry rate hit a record 38.3% in 2021 (up from 37% in 2020 and 34.1% in 2019).

With the upcoming introduction of the lifelong loan entitlement (LLE) in England, patterns in mature student recruitment are also of increasing interest. Although lifelong learning is not just about mature learners – it has the potential to transform current patterns of progression to HE for 18 year-olds as well – by definition, it will entail higher proportions of individuals interacting with HE throughout their lives.

UCAS data shows that the picture is more nuanced for mature students. There was a significant rise in mature applicants in 2020, the biggest single year increase in numbers of students aged 21 and over for more than a decade as more sought solace in HE – and were particularly [inspired to study nursing](#). As a result, in 2020, mature acceptances grew by 7% to 127,530. This was ahead of a predicted downturn in the economy at the start of the pandemic, which [has not panned out to the expected levels](#) that some thought possible. By contrast, there are fewer acceptances (-3%) of mature students in 2021.

UCAS data also shows that growth has not been unilateral, with 35% of HE providers experiencing a decrease of more than 10% in acceptances. Certain subject areas, such as creative arts, languages, and architecture, building and planning are also declining in popularity. In general, analysis shows that most providers have fluctuating intake numbers that go up and down over time.

Equally, last cycle saw a decline in EU students; overall, EU applicants fell by 40% year-on-year to 31,670 and acceptances fell by 50% to 16,025. This will be of particular concern to the 43 universities and colleges who had in 2020 recruited more than 10% of their intake from those domiciled in the EU.

Nonetheless, UCAS is forecasting further and significant uplifts in demand for post-secondary education.

The journey to a million

UCAS' analytical expertise and knowledge of trends in patterns of applications and acceptances to education and training allows us to make predictions about future applicant and provider behaviours.

UCAS projects the 2026 cycle will have one million applicants compared to just over 700,000 in 2021. About 40% of this increase will be attributable to a growth in demand from UK 18- year-olds (driven by both an increase in application rates and an increase in the population), with the remaining 60% driven by continued growth in mature and international demand.

This is not only relevant for full-time HE provision, but also for apprenticeships, with UCAS noting that apprenticeships will also need to expand to meet demand – there are around 5,000 apprenticeship opportunities on UCAS.com this month.

The gap becomes even more stark when looking at English 18 year olds. Over 18% of those applying for an undergraduate degree in 2021 – around 50,000 students – said they were simultaneously applying for a degree apprenticeship. This appears to be a considerable mismatch when we note that just 3,600 apprentices (aged 19 or younger) started a higher or degree level apprenticeship in 2020 – 21.¹ UCAS forecasts that by 2026, the number of young students with both a degree apprenticeship application and undergraduate application will increase to 65,000.

This fundamental shift in the supply and demand model that has underpinned post-secondary education in recent years presents several systemic risks for the DfE and the OfS to manage:

- Regulating in a more competitive marketplace as universities, colleges and training providers respond to the changing dynamic, and as the narrative around student choice shifts, with fewer students potentially being placed at their first-choice university, college or training provider (assuming no significant increase in supply of opportunities).
- Mechanisms such as a minimum eligibility requirement for access to student finance to limit public expenditure. UCAS submitted an analysis of the impact of Level 3 MERs to the Augar Review but has recently undertaken [a similar piece of analysis](#) at Level 2 which found that the impact on different student groups is largely the same as implementation at Level 3, with disadvantaged students, some ethnic minorities (especially Black British students) and, to a lesser degree, those in the north of England and London more likely not to meet an MER.
- Risks to widening access and participation and ‘levelling up’, with disadvantaged students particularly challenged by the increased competition for places.
- Supporting students to make aspirational decisions across all routes and pathways, with the need to promote comparable and high-quality information about the full range of options to students – including Higher Technical Qualifications, apprenticeships, and modular/ credit-based study.

We can be confident that demand for HE and apprenticeships will only increase in the coming years. However, the supply of opportunities, particularly for apprenticeships, remains an issue. Supporting far more companies — particularly small and medium-sized businesses — to offer higher and degree apprenticeships to open opportunities for school-leavers must be a current priority. Now is the time to build supply ahead of the forecasted demand.

Diversity of post-secondary education pathways

The post-secondary education and training landscape is evolving. The next decade will see an overhaul of technical education, including T Levels, Higher Technical Qualifications (with the first wave to be taught from September 2022), and the Lifetime Skills Guarantee – linked to the Skills for Jobs White Paper and subsequent Skills and Post-16 Education Bill. Most recently, the Chancellor has committed to a £3.8 billion investment in education and skills, increasing apprenticeships funding to £2.7 billion by 2024-25, and we are awaiting the consultation on the Lifelong Learning Entitlement.

As a package, these reforms present opportunities for students to access new and varied routes into and within post-secondary education. Additionally, they also offer a less costly route for students, education and training providers and the taxpayer.

Inherent in the proliferation of new and diverse routes is the risk that students and their advisers are confused by the available options. We know interest in apprenticeships is growing, with half of UCAS applicants saying they are interested in this route, but one in three students tell us they

¹ [Department for Education: Academic Year 2020/21 Apprenticeships and traineeships](#)

received no information about apprenticeships from their school. This diversification of the landscape needs the highest level of comprehensive careers information, advice and guidance, to ensure students are fully supported to make the right decisions for them. This is a key strategic priority for UCAS, with our ambitions outlined further below.

Alongside comparability of funding, parity of information provision across all routes – including technical education and apprenticeships – will be critical. While a range of data exists around retention, completion and graduate outcomes for students progressing to degree programmes (e.g. data related to average salary and employability), little is available in relation to other routes, nor is it available in a comparable format.

UCAS encourages the DfE and the OfS to work with their counterparts in the devolved administrations, in addition to IFATE, ESFA and Ofqual, to maximise coverage and comparability of data about quality and outcomes to aid student decision-making and further support the CIAG market. This data could, in turn, benefit students as an information tool, supporting informed decision making.

Protecting the student interest

Trusted and accessible information and advice

UCAS is a trusted, free-to-access, personalised source of information and advice for millions of students. Each year there are 30 million unique visits to ucas.com, with students exploring content on the full range of post-secondary options, including technical education, apprenticeships, and flexible learning. Our dedicated customer-facing teams manage more than two million interactions each year and our in-house user experience function ensures that our products meet the needs of Generation Z, as well as being accessible for mature students and those with individual needs.

Our objective is to build UCAS into a leading discovery brand, in line with our charitable mission, positioning ourselves as ‘route neutral’ to ensure parity across all pathways including academic and technical routes.

The pandemic has resulted in several significant and potentially long-lasting shifts in student behaviour. Our most recent survey of Year 12 students in June 2021 found:

- 48% are worried about being able to keep up at university after months of lost learning
- 44% are worried about getting a good job after university
- 24% are worried about not having enough support at university

During COVID, we saw students develop a greater reliance on UCAS for pastoral care – during the first lockdown, we responded to over 250,000 phone calls and social media enquiries. As such, we continue to work collaboratively with external partners to connect students with relevant experts; for example, our Discovery Week was delivered in partnership with the government’s Youth Mental Health Ambassador, Dr Alex George, and we have developed content partnerships with leading apprenticeship employers. UCAS believes the student voice must be a key factor in shaping our approach to information and advice to ensure maximum relevance and impact for students.

Indeed, given the multiple touchpoints across ucas.com and the [Discover Uni](https://discoveruni.com) platform, there is potential, as the OfS considers its strategy, to reduce overlaps by retiring the Discover Uni site in its current form. Then, in partnership with the OfS, the UCAS Hub – which is already used by 92% of applicants each year – and broader ucas.com estate could become the key vehicle for

surfacing outcomes data, such as the Unistats dataset, and metrics related to quality to students. This would create a more coherent experience for students and generate efficiencies for the sector.

Safeguarding students as consumers through our contractual framework

The contractual element of the admissions system also exists to safeguard students' rights as consumers. Having an annual cycle with a standard application, deadlines, and timescales helps to safeguard fairness and transparency for all. It protects students and enables them to exercise their consumer rights within a contractual framework.

Similarly, UCAS operates a robust process for onboarding universities and colleges as customers of our products and services. Criteria includes the delivery of validated provision, registration with the Office for Students (where applicable), financial checks and QAA certification. Adherence to UCAS' terms of service and policies is a condition of joining, which maintains the integrity of the scheme and ensures students are accessing high-quality opportunities through our platform.

In the event of market exit, UCAS is well placed to support students in continuing their studies and, as we have demonstrated in the past, those who need to change providers (e.g. due to changes in their visa status, or financial collapse). We have the capacity and expertise to run focused events for current students, create 'ring-fenced' search services, and liaise with all parties to ensure the best possible outcomes for individuals.