

Two-year accelerated degrees: blue sky or in the red?

Roxanne Stockwell

Over the past decade the UK government has repeatedly tried to encourage universities to offer two year honours degrees for undergraduates (Smith, 2006; Curtis, 2009; Haldenby, 2009; BBC, 2011). The reason given has been to save costs, and as cost-saving now seems to be the top agenda item in UK higher education policy, the prospect of saving a third in undergraduate delivery deserves to be looked at seriously. Indeed, if it really is possible to provide undergraduate degrees in two years instead of three years¹ and at two-thirds of the cost, then that could virtually eliminate the 30% taxpayer subsidy currently predicted by the government through the student loan system (Hansard, 2012). Removing the need for this subsidy should reduce the need for government regulation, meaning greater freedom for universities and even the removal of student number controls². Yet there has been a surprising lack of clarity in the debate about something that could be so financially momentous.

The government's reasoning appears to be that given the long summer breaks of traditional universities, three years of learning could easily be squeezed into two years and at little extra cost to the university, so students would only have to pay two years of tuition. Detractors argue that two years of learning is less than three, and that quality must be the inevitable compromise (Swain, 2010). Such degrees could only be the equivalent of foundation degrees rather than honours degrees, and the graduates would not be as well regarded (Pallis, 2006).

To what extent are either of these positions correct?

The first question is to see if it is possible to deliver a full honours degree in two years. Under The Quality Assurance Agency for Higher Education (QAA)³ guidelines, an honours degree would normally comprise 360 credits of learning (QAA, 2008). Each credit represents 10 notional learning hours (NLH), so a student should undertake approximately 1,200 learning hours a year over three years. So it is not possible for a

¹ Note that this discussion is about reducing typical three year degrees to two years, and therefore it is not about longer degrees such as the engineering or medical degrees.

² Student number controls are the mechanism by which the UK government caps the number of university places in the UK, creating unmet demand and reducing competitiveness.

³ This is the body that regulates higher education quality and standards in the UK.

university to simply cut out a year and call their two-year degree an honours degree – 360 credits must be fitted in somehow.

University years vary, but in most the student learning occurs over a 30-32 week period divided into three unequal terms. This leaves about 20 weeks of holidays typically comprising a major break of 14 weeks in the summer, and several weeks at Easter and Christmas, generally with half term breaks as well. Thirty weeks of learning is enough to fit in 1,200 NLH at about 40 hours a week, and as a three-year degree is meant to be full-time this level of learning activity seems about right. But it does mean that the government is correct in that there does seem to be a lot of space in the typical undergraduate year to potentially add further learning. It would be perfectly possible (from a student perspective) to add an additional 15 week term, thereby completing another 60 credits, and still allow annual holidays of seven weeks. This is achieved without having to increase the intensity of weekly study, but simply by reducing holidays.

By reorganising the year in this manner, universities could allow students to complete exactly the same amount of learning on either a two-year (180 credits a year) or a three-year (120 credits a year) programme. This could be viewed as a simple timetable reorganisation.

Some universities have expressed doubts about the educational value of two-year degrees, voicing concerns that students would be unable to cope and that their academic standards would be lower. I see no reason for this in the plan outlined above. Students would study at the same weekly intensity, but would have 7 weeks holiday instead of 20+. Perhaps there is a suggestion that the long summer break helps with academic performance. If students were known for spending that time thinking about their studies during the past year and debating issues with classmates that may be true, but to me that seems very unlikely. In any case, to ensure equal standards universities could have all students undertake the same modules and assessments, and indeed two-year and three-year students could study in the same classes for two-thirds of the year. If there were any substantial difference in performance, then this could be identified and analysed.

However, reorganising the year is not a straightforward task for the traditional university, given its annual rhythms developed over years (and in some case centuries) of academic activity. Rather than create a new 15 week term over the summer, an alternative approach could be to increase the intensity of weekly study i.e. give students the opportunity to complete 180 credits within the current university terms. In essence this would mean doing an extra module each term, and studying at the rate of 60 NLH a week, instead of the current 40 NLH a week. Some may vigorously disagree with this level of intensity and certainly it will be tougher than existing three-year programmes.

There are, however, three arguments in its favour. Firstly, we already expect this level of intensity from masters students who complete 180 credits in a year within the normal university terms. No one seems to think that is too intense. True, they are more experienced students, but this is offset by the greater level of difficulty of a masters. Secondly, we also de facto expect this level of intensity from part-time students. A typical part-time course is simply the full-time course cut in half and done over 6 years. A student in employment of 40 hours a week, is expected to study for 20 NLH a week (given the annual terms are the same as for full-time students) – and that makes a type of 60 hour week. If we expect this from both part-time and masters students, then why not from undergraduates? We should at least consider giving them the option. Thirdly, NLH are only approximate, and according to many studies students do not work a 40 hour study week. In fact the average student on a full-time three year programme studies about 25 hours a week (Bekhradnia, 2012; NUS, 2008)⁴, and as little as 21 hours a week for some subjects, and that really does make it seem possible to increase the study time by 50% by doing an extra module, therefore having to study 30-33 hours a week. Again, content and assessments could remain unchanged, with two-year students studying alongside three-year students. This helps ensure that the standards of the degree programme are not reduced in any way.

In short, the 30 week academic year and the fact that the average student might only study for 20 hours a week throws doubt on whether current three-year undergraduate honours degrees can really be regarded as full-time. It seems that the government might be right and that there is scope to fit the same amount of learning into two years, whether by adding a 15 week term, by increasing the level of intensity of study, or some mix of the two. Furthermore, this can be done without necessarily diluting content or standards.

So it does seem possible to do this, but does it mean cost savings?

The UK government's view is most definitely yes. Whatever the mechanism, the argument is that universities could teach 180 credits in a year at the same cost (or only a very little more) as 120 credits. This is most clearly seen in the fact that students on two-year degrees are only able to draw down two years of tuition fees from the Student Loan Company (SLC), and that means that they will pay a maximum of £18,000 for a 360 credit degree, as opposed to £27,000 for the same programme studied over three years. This must assume, at least implicitly, that either no extra resources are needed for the delivery of 180 credits, or that universities are inefficient and that there are significant unused resources (such as buildings and staff) that are currently being paid for anyway and could be used on teaching extra credits.

⁴ See also NIESR (<http://goo.gl/GHO3c>); The Washington Post (<http://goo.gl/eDKSa>) and the definition of a full-time student on the DirectGov website (<http://goo.gl/HYmBI>) at 21 hours a week over 24 weeks in the year.

What resources are needed for the delivery of an undergraduate programme? The main marginal costs (i.e. costs triggered directly by the learning and teaching needs of student enrolments) are teaching hours, room hours and facilities, marking, and academic and pastoral support – and all of these costs accrue *whenever* the modules are delivered. The total marginal cost for the delivery of 360 credits is broadly the same, whether delivered over three years or two years.

Then there are central costs i.e. those costs not directly triggered by the teaching and learning needs of student enrolments. These include such things as quality assurance, design of courses and materials, marketing and training of teachers etc. It is true that these costs are not increased by running a course over three years instead of two – but equally they are not reduced by running a course over two years instead of three. These costs by in large need to be ‘repaid’ over the life of the course, irrespective of whether the programme runs for two or three years. For example, the marketing cost (sometimes called the acquisition cost per student) will generally be paid prior to enrolment, but is related to the total income brought in by the student, whether received over two or three years. Similarly, the investment made in the design and development of a new programme will be based on projections of revenue (irrespective of the length of the programme), and if that projection is only two-thirds of the potential fee then the investment must be reduced accordingly.

In short, the cost of developing and delivering a degree, whether to run over two or three years, is largely the same in total. This is assuming that the student experiences the same programme and is taught the same number of modules with the same teaching, learning and assessment design at the same level of quality. The timing is different, but the total cost is not.

The government’s assumption that a three year programme would be substantially cheaper if delivered over two years is therefore incorrect. If a university decided to offer a two-year programme and deliver 180 credits a year, then that will cost the university more per year than the equivalent 120 credits a year delivered as part of a three-year programme.

What about the alternative assumption of significant inefficiencies in the current system?

One of the main costs is teaching hours, and the idea appears to be that outside teaching weeks university lecturers are unoccupied and can therefore easily squeeze in a 50% increase in teaching and learning activity. The reality is that lecturers *are* occupied outside teaching weeks, and the assumption that they are not shows an almost wilful misunderstanding of the typical academic’s job description. In addition to marking, student support (for long term research students), course design and updating, personal Continuing Professional Development (CPD), administration and reporting, there is most importantly the other major activity of the typical university lecturer: thinking and research. Lecturers certainly consider that they work a full-time

work load, and have a system of annualised teaching hours (allowing them to balance teaching and research) as negotiated with the relevant union and their university to support this. Therefore, the addition of extra classes over the summer (or at any time of the year) is an increase of work load, and therefore requires more staffing resource.

A similar but more convincing argument can be made in relation to classroom space in that many university buildings are standing empty over the summer and could therefore be used for additional classes at little additional cost. This argument has merit, as given the typical structure of the academic year there are undoubtedly inefficiencies of building use. However, many universities now hire out their facilities outside term-time to create an income stream, and this would need to be offset against any potential savings. Secondly, this argument only applies to existing traditional universities and not to new providers. New providers are considerably less likely to set up their year so that expensive building space is unoccupied for significant periods. They will either hire when they need space, and not outside that time, or construct a model which uses the whole year in some way.

In short, the only significant inefficiency saving that would be made by switching to a two-year programme would be through classroom use, and that inefficiency is most likely to be the highest in more traditional providers and those who have not yet explored facilities hire income streams.

Even though the cost savings do not appear to be as financially momentous as suggested in my opening paragraph, I believe there are two economic arguments that mean two-year degrees should be encouraged. Firstly, students would need only two years of maintenance loans instead of three and as this amounts to a saving on the total cost of over 10%⁵ this is not insignificant. Secondly, it means students are moved into the work force into graduate jobs a year earlier. This is beneficial to the student, to employers (provided that graduates have the relevant skills), and to the Inland Revenue that would collect student loan repayments sooner. The payment of taxes through enhanced income is often used as a public good argument to support the subsidy of a university education. It follows that the sooner students become employed graduates the better.

Given this, there are good reasons why the government should encourage universities to consider offering two-year degrees. But are they doing so? Despite the enthusiastic rhetoric seen over the past decade, the current funding arrangements actively discourage two-year degree offerings. Universities are only able to charge per year, not per credit. If they deliver 180 credits instead of 120 they cannot increase their tuition fee to cover the cost. It is therefore decidedly against their economic interests to offer two-year honours degrees. Put another way they can receive 50% more tuition per student by continuing with the current three-year programmes.

⁵ The savings on living expenses is something University of Buckingham (<http://goo.gl/GF2SI>) makes much of in its marketing materials, calculating the overall costs of completing a degree with them.

My conclusion is simple. The funding policy should be changed so that universities can charge tuition in proportion to the credits offered in any one year. Universities could then look more closely at the ways that shorter degrees could be offered without any compromise on either academic standards or revenue. Students would have greater choice. Savings would be made. The current estimate of government subsidy of university costs is 30%. One year of maintenance savings would reduce this by a third, and when coupled with an extra year of graduate tax-paying employment this could de facto cut the projected subsidy in half. This will not eliminate the subsidy altogether as suggested in my opening paragraph, nor will it lead to the regulatory freedoms that would be the consequence of that, but it could be a relatively simple way of creating a more financially sustainable long term future for higher education, and one that offers students more choice.

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Roxanne Stockwell is Managing Director of Pearson's Higher Education Awards division, and Principal of Pearson College. She originally studied Arts/Law at the University of Sydney, and then worked as a lawyer specialising in Intellectual Property and Trusts Law. She is now studying for a doctorate in Higher Education Management at the University of Bath.

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