Call for evidence: Approach to OfS public grant funding

The call for evidence closed at 17:00 on Thursday 23 May 2024.

Question 1: What are your views on OfS course-based funding?

Should the distribution of funding continue to primarily reflect the courses and subjects students are studying? Should we also consider additional factors and/or approaches for course-based funding?

Office for Students (OfS) distribution of funding should continue to reflect both the subjects students study and the strategic positioning of those subjects to the UK economy and civic society more broadly. This is particularly important for subjects/qualifications that lead to statutory registration as a healthcare professional.

Universities regulated and funded by OfS are primarily responsible for the education, training and formation of statutorily regulated healthcare professionals, including optometrists and dispensing opticians, as well as other members of the healthcare team, such as pharmacists, nurses and dieticians. This is an important responsibility; the trust and confidence of patients in the delivery of safe and effective primary and secondary healthcare rests on the skill, capacity and capability of our future healthcare workforce.

Most statutory healthcare regulators, including the General Optical Council (GOC) have a statutory responsibility to set standards which universities providing approved qualifications must meet. Our standards for approved qualifications (which we call our Education and Training Requirements (ETR)) ensure that the qualifications we approve in optometry and dispensing optics and lead to statutory registration are fit for purpose, meet patient and service-user needs and ensure optical professionals have the expected level of knowledge, skills and behaviours and the confidence and capability to keep pace with changes to future roles, scopes of practice and service redesign across all four nations of the UK. These are stretching requirements which must be matched by the resource available to universities to ensure successful delivery.

Evidence we have gathered through our annual and periodic monitoring of providers of GOC approved qualifications along with anecdotal evidence from prospective providers suggests that the current OfS funding model does not provide enough total resource to universities delivering these qualifications. This evidence shows that, first, the total resources available to universities, including OfS funding, is insufficient to sustain provision in optometry and dispensing optics at the required standard and to deliver the government's NHS Long Term Workforce Plan for eye-care service redesign (which intends to relieve pressure on Hospital Eye Services by redirecting much outpatient activity and routine/ minor eye care from hospital ophthalmology units to high street optometric practices, with a consequential expectation that optical professionals have enhanced clinical and patient-centred skills as described in our new ETR). Second, that this insufficiency of total resource is a barrier to entry for new providers of GOC approved qualifications (universities). This barrier to entry is a significant cause for concern, and we give more detail on this later in our submission.

In the 2023/24 academic year (the latest year for which we have statistics) approximately 3,454 students in the UK were studying optometry (2,649 in England) and 969 students were studying dispensing optics (950 in England). In England 11 universities offer GOC approved courses in optometry and five universities offer GOC approved courses in dispensing optics. In England in September 2023, 61% of entrants to year one of approved qualifications in optometry entered the new, clinically-focused integrated 4-year masters level qualification at level RQF 7, which is now a regulatory requirement for all qualifications leading to admission to the register as an optometrist.

In terms of diversity, in the academic year 2012/22, 64% of optical students were female. At 31 March 2023, 52.2% of optometry students were Asian / Asian British and 11.1% were white/ EWSNI/Irish; 18.2% of student dispensing opticians are Asian / Asian British, and 43.0% are white EWSNI/Irish. In the academic year 2021/22, most optical students were Asian/Asian British females aged 20 and below.

The distribution of universities offering GOC approved qualifications across the UK is uneven. For example, there are no GOC approved qualification in dispensing optics in Wales, and in England, university provision is centred on large metropolitan areas (London, Birmingham, Manchester, Plymouth, Bristol, Bradford, Huddersfield and Preston for Optometry and London, Norwich, Kent, Bradford and Preston for Dispensing Optics). Research we conducted in 2018 (https://optical.org/media/yjhl2tg4/perceptions-of-uk-optical-education-june-2018.pdf) showed that location was a key influence for prospective students in their choice of course (after career prospects). Evidence reported to us from employers and from members of our Companies Committee is that recruitment of newly qualified optical professionals in geographic areas where there is no local provision for GOC approved qualifications is increasingly problematic, leading to localised workforce shortages, increased costs to optical businesses and potential consequential delays to patient care, which are being mitigated by increased use of locums. As far back as 2015, an Optical Workforce Survey commissioned by the College of Optometrists confirmed that the geographic distribution of optometrists is largely restricted to areas where there are schools of optometry and at the time the survey was published, the number of full-time optometrists was not sufficient to meet estimated potential demand.

Our survey data indicates that in 2023 63% of business registrants faced difficulties recruiting optometrists and 51% recruiting dispensing opticians. There appear to be high vacancy rates, for example the main online jobs board in the sector shows 1670 optometrist vacancies at the time of writing, more than one for every ten optometrists on our register, with 44% of these located in London and the South East and the remaining 56% of vacancies spread across the rest of England.

A 2022 workforce census published by the Royal College of Ophthalmologists highlighted the scale of staff shortages in NHS ophthalmology services. The report cited that 80% of NHS ophthalmology units rely on optometrists and other optical professionals to deliver NHS eye-care services. Given the location of universities offering GOC approved qualifications in England is not evenly spread, and cost of entry for new providers is reported to us as being a key barrier to entry, there is a

material risk that some areas in England (and in the UK as a whole) are particularly vulnerable to workforce shortages.

The second limb of your consultation question asks if OfS should consider additional factors and/or approaches for course-based funding.

Our response is – most certainly. The current model of course base-funding incentivises inherently localised provision centred on the sustainability of specific subjects in the narrowest of terms; whether that subject offers a realistic prospect of an appropriate return on investment and whether that subject on an ongoing basis generates enough revenue to cover the costs of delivery (including supporting wider institutional costs.) This market positioning incentive by non-hypothecated course-based funding does not induce sustainable long-term/strategic interventions, for example, to meet workforce shortages (regional or national) or to enhance capability to meet new clinical demands or service redesign.

Future OfS funding models should seek to incentivise the provision of courses that would not otherwise be delivered, with the effect of not only extending student choice, but also meeting national priorities, including in the investment of the formation of a suitably qualified and competent cadre of healthcare professionals ready and capable to deliver safe and effective patient care in the context of service redesign, as well as deliver value for money for the taxpayer.

Our view is that course-based funding should continue to be targeted to subjects considered of strategic importance. It is frequently reported to us that the factors universities consider when they make a decision about whether to continue to support a subject, or to invest in bringing a new subject to the market, such as optometry, are: the likelihood that the subject will continue to recruit, or will recruit students with the necessary entry grades that supports or enhances the academic profile of the institution; that there is sufficient employer demand for graduates in that subject to boost employability outcomes; and the cost of entry to the market (or maintenance of market position) is less than the total resource available to universities for that subject, including OfS funding allocation. These factors do not incentivise a university to act more broadly to meet a strategic need if it puts it at a financial or other disadvantage.

Indeed, evidence we hear repeatedly from universities providing GOC approved qualifications is of the pressure applied internally upon academic staff by their institutions to reduce the cost of teaching and/or ensure the costs of teaching do not outweigh the subject-level funding available to it (the combination of student tuition fees and OfS funding), which has resulted in consequential demands by providers to us as a regulator to adjust our regulatory requirements for qualifications we approve to ensure their delivery within the total (yet inadequate) resource available. The counterfactual argument is that if we as a regulator set regulatory requirements for qualifications we approve that meet public and patient expectations, but are unaffordable by universities to deliver, the supply of future optical professionals will be restricted and ultimately, public and patients will suffer due to inequalities in accessing primary eye-care services.

Using optometry as an example; optometry qualifications are attractive to new entrants to higher education, with an average entrance attainment in England of 139

UCAS points (approximately the equivalent of AAB at A level). It has high graduate employability outcomes, with average graduate prospects at 92% fifteen months after completing their course, as reported by the HESA Graduate Outcomes Survey. However, costs of delivery of optical education are high, especially in relation to estates, equipment and clinically qualified and registered academic teaching staff. To provide a relevant and GOC compliant qualification universities must replicate the clinical environment found in optometric practice, including hospital eye services which are increasingly being delivered by high street optometry practice and local clinical hubs.

This investment demands that universities provide up to date clinical facilities and equipment to remain relevant to current optometric practice and maintain a sufficient staff to student ratio to maintain patient safety (often between 1:1 or 1:3 ratio). Clinical equipment and associated use of dedicated teaching space is expensive, not easily shared with other subjects, and for most universities, investment in specialist clinic equipment for dry eye, myopia control and glaucoma is necessary to keep pace with current scope of practice.

The practical effect of the insufficiency of total resource is to risk restricting the supply of qualified registrants into the workforce (both number of providers and average cohort size) leading to consequential restrictions in the supply of suitably experienced, qualified and affordable clinical optometric academic staff to teach in higher education. It may also constrain innovation and the necessary reorientation of qualifications we approve in optics to meet our new regulatory and technical requirements for the production of a optometry workforce with enhanced clinical and patient-centred skills.

<u>What should we seek to achieve with course-based funding?</u>

a. First, OfS should ensure that the allocation of subjects to the price bands which underpin course based-funding doesn’t just reflect the actual historical cost of subject delivery, but also anticipates future costs due to changes in technology, workforce planning, service redesign, requirement for multi-disciplinary teaching and assessment, and updated regulatory requirements. For example, rapid innovation in delivery of eye care services requires providers of approved qualifications in optometry to match high street investment in technology to ensure future optical professionals’ skills acquisition remains relevant and safe; requirements for teaching of enhanced clinical and patient centred skills to meet service design in eye care requires additional clinically qualified staff at higher (consultant level) rates of pay; and maintenance of an adequate SSR to ensure safe supervision in clinical patent-facing teaching, multi-disciplinary settings and practice, hospital and domiciliary environments. In April this year, the GOC published the results of its first business registrant survey which showed that whilst is there is innovation across registered businesses and an uptake in digital technologies, workforce challenges which include the recruitment of staff are a key issue.
b. Second, if a course-based method of funding is to continue, to ensure that the funding allocation per subject is sufficient and incentivises universities to invest in the sustainable provision of strategically important subjects that align with national policy objectives, with particular reference to healthcare service and the NHS Long term Workforce plan.

c. Third, any future method of course based funding that relies upon subjects grouped into 'price bands' (or similar) is transparent and is consultative, so that the views and evidence of impact of an allocation of subject (such as optometry or dispensing optics) to a price band takes account of regulatory requirements set by the subject's relevant statutory regulator for register entry.
d. Fourth, in addition to funding for high-cost courses through allocation of 'expensive' subjects to price bands, consideration needs to be given to the continuation of additional sources of funding for high-cost courses as outlined in table 2 of Annex A. The allocation of subjects to these additional funding streams is opaque. For example, nursing, computing and information technology, and archaeology attract additional high-cost subject funding, over and above their price band allocation, but the reason optometry is excluded from this list despite higher course costs has never been clear. The reason optometry is excluded from the 'nursing, midwifery and allied health supplement' is also not clear, nor is it clear how evidence of the impact of this exclusion on provision in optometry and dispensing optics is assessed. Despite evidence to the contrary, optometry and dispensing optics is also excluded from benefiting from 'Very high-cost STEM subjects' supplementary funding and from 'Clinical consultants' pay' even though optometry, given the new ETR, is a 'very high cost' subject to teach, and consultant optometrists are increasingly required to contribute to teaching across England, often at a pay deficit, to ensure learning outcomes are met.

What activity is currently supported in providers by this funding?

Universities offering GOC approved qualifications in optometry and dispensing optics benefit from OfS course-based funding for high-cost courses in price group B. Optometry and dispensing optics do not benefit from any other OfS sources of funding for high-cost courses as outlined in table 2 of Annex A, and it has never been clear to us as a regulator why optometry and dispensing optics is excluded, particularly from the 'nursing, midwifery and allied health supplement'; from 'Very high-cost STEM subjects' supplementary funding; and from 'Clinical consultants' pay' even though optometry, given the new ETR, is a 'very high cost' subject to teach, and consultant optometrists are increasingly required to contribute to teaching across England, often at a pay deficit, to ensure learning outcomes are met.

Are there any areas of important provision that are currently not supported by our funding allocations?

From February 2021 we removed the regulatory barriers which prevented providers of GOC approved qualifications in optometry integrating an approved qualification in additional, supplementary and independent prescribing, so that moving forwards, graduates from the new four-year integrated RQF level 7 qualification in optometry are not only eligible to register as an optometrist but may also register as an independent prescriber. As with similar changes in pharmacy, this will enable our optometry workforce moving forward to better meet patients' needs and service redesign with the necessary professional capabilities. However, provision to teach, assess, and most importantly, safely supervise students in independent prescribing, and to provide students with an exposure to a greater range of pathologies and clinical conditions, is not supported by band B course-based funding. If it were, under the current model, it would most certainly need to be in price group A.

A further area of provision that is not supported by OfS funding allocations include the cost of the required 40 weeks supervised patient-facing professional and clinical experience outside the university environment, including in optical practices, domiciliary care, hospital placements, and other public health settings such as prisons, charities and GP practices.

How should our approach adapt in the future?
As noted above, the OfS approach to funding in the future should adapt to reflect both the subjects students study and the strategic positioning of those subjects to the UK economy and civic society more broadly. Future OfS funding models should seek to incentivise the provision of courses that would not otherwise be delivered due to financial pressures, be targeted to subjects considered to be of strategic importance, and anticipate future costs due to changes in technology, workforce planning, service redesign and updated regulatory requirements.

What assessment is currently made by providers of the impact of this funding?
Whilst universities do not supply a granular analysis of the costs involved in delivering GOC approved qualifications, the impact of current funding which includes the OfS, is to not provide enough total resource to be able to sustain provision at the required standard. A financial impact assessment carried out by Hugh Jones on implementing the GOC's new education and training requirements highlighted a key risk that one or more universities offering GOC approved qualifications will have to exit the market, with a consequential risk of workforce shortages and delays to care.

Moreover, if optical practices and other placement settings perceive the costs of providing opportunities for professional and clinical placements to outweigh the benefits, some may cease to offer those opportunities, which will further limit the size of the workforce.

Question 6: What are your views about how we determine funding allocations?

We are concerned about the long-term financial stability of UK universities, and the ability of UK universities to remain at the forefront of global higher education and research given funding constraints.

A shift from a formula-based funding model for most of a university's course-based recurrent funding to a funding model which relies more upon competitive processes risks further destabilising of the sector. Universities delivering regulated healthcare education, who are primarily responsible for the professional formation of statutorily regulated healthcare professionals, including optometrists and dispensing opticians, carry a significant investment of regulatory and professional input and resource, and the focus must move from a model that encourages competition between universities (for students, academic staff, resource, research funding, etc.) to a model that pro-actively and strategically supports public investment in skill capacity and development across the UK.

Institutional instability, especially financial instability (of which we have had direct experience) can result in withdrawal of regulator's approval or subject closure both of which can have a profound impact not only on student progression and attainment of a registrable qualification, but also local workforce supply, student choice and public trust and confidence in a profession. Students enter 3- or 4-year approved qualifications with the expectation that upon graduation they are eligible for registration as a statutorily registered healthcare professional, such as an optometrist or dispensing optician. Course closure, especially for students who are limited to studying close to home, can have a significant, negative impact on their ability to complete their qualification and benefit from a career in a statutorily regulated profession.

Does non-hypothecation for the majority of funding remain appropriate, and how could the quality of evidence about the impact of this funding be achieved?
The impact of non-hypothecated course-based OfS funding on the sustainability of GOC approved qualifications in optometry and dispensing optics transitioning to meet the new ETR was considered by Hugh Jones in his report. As noted in our response to question 1, Hugh Jones considered that current OfS and other funding sources do not provide enough total resource to be able to sustain provision at the required standard and there is a risk that some providers will exit the market. We encourage OfS to consider alternative approaches to the non-hypothecation of course-based OfS funding. This may be achievable by mandating universities to use the funding allocated to it for its intended hypothecated purpose rather than being used for wider albeit "relevant purposes" potentially leading to less efficient and effective outcomes.

How efficient and effective are our competitive bidding processes, and to what extent could these processes develop better evidence of the impact of this funding?
We understand that some GOC approved qualification providers have received funding through a competitive process for OfS capital funding to upgrade clinical facilities, and although there are clearly beneficiaries of this process, a shift to a system that relies entirely on competitive processes will further de-stabilise the sector. If OfS funding is to incentivise the provision of strategically important quality education and training that would not otherwise be delivered due to financial pressures, it's vital that the funding model allows universities to plan with the assurance that they will receive funding. We consider a recurrent model (albeit one where funding is allocated on a fully transparent basis) is an administratively less burdensome and more stable method of meeting this objective.

Should our funding methodology more explicitly relate to our policy approach for quality and equality of opportunity?
We think it is vital that the OfS funding methodology is directed towards education and training that is of strategic importance and fully reflects costs to deliver. All GOC approved qualifications in optometry and dispensing optics meet robust, quality assured standards to ensure students meet the outcomes we expect on day one of becoming an optical professional. In respect of optical education, our students come from diverse backgrounds. Data from education and training providers indicates that

most optical students are young with only around 5 per cent of students over the age of 40. Most students are Asian with very small numbers of mixed, refugee or black students. Around 9 per cent of students have a known disability. It is vital that equality of opportunity is considered in the context of health outcomes and as we noted in our answer to Question 1, the location of education and training institutions in England is not evenly spread leaving some areas particularly in remote locations vulnerable to workforce shortages which would have a tangible effect on health outcomes. We therefore encourage the OfS to consider areas of England where new education and training opportunities would address acute workforce shortages.

How can we best demonstrate the impact of OfS funding and the value of this public money?

The value of OfS public funding is through its investment in important strategic subjects that align with national policy objectives such as the NHS Long Term Workforce Plan. Universities require the assurance of long-term funding to be incentivised to invest in strategically important quality education and training. The OfS can effectively demonstrate the impact of its use of public money by reviewing its approach to long-term funding allocations and ensuring this are transparent and takes account of national policy objectives and strategic imperatives, such as the need to address workforce shortages in England. Currently there are different elements of OfS funding streams and in respect to course-based funding, some of the allocation decisions appear to be opaque. We strongly consider that the impact of OfS funding can only accurately be measured if the system for funding allocation is entirely transparent. For these reasons, a long-term review is needed that supports strategically the formation of healthcare professionals, promotes stability and certainty, and acts as a strong incentive for universities to continue to provide quality education and training rather than exiting the market due to cost uncertainties.

In summary, we agree that a method of OfS course-based funding should continue to support qualifications that are strategically important and high cost to run. We consider the funding gap between price groups A and B is too wide, leading to clinically-focused subjects in price group B to have insufficient funding, and acts as a barrier for multi-disciplinary teaching and assessment which includes subjects in prices groups A and B. Alongside other sector bodies, we recently met and corresponded with OfS on the need to enhance funding for optometry and dispensing optics qualifications following major reforms to our education and training requirements and recognising the increased clinical nature of eye care services delivered by our registrants in primary care.

Whilst resource requirements will inevitably differ between certain high-cost subjects, recent changes to the delivery of care which include an emphasis on greater upstream preventative treatment, suggest that a new costing review is needed, especially given that a previous KPMG study took place several years ago and excluded optometry and dispensing optics. We would be keen for a review of price group funding allocations and the number of groups which might lead to a reduction in the disparity between the groups.