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Government reform of Higher Education

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Additional written evidence

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Business, Innovation and Skills Committee

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Written evidence

Written evidence submitted by the Alliance of Sector Skills Council

EXECUTIVE SUMMARY

1. This submission is from the Alliance of Sector Skills Councils. The Alliance is the collective voice of Sector Skills Councils, the employer-led organisations on skills for sectors across the UK economy.

2. The Alliance welcomes the Business, Innovation and Skills Committee's inquiry into the future of Higher Education. The Alliance welcomed the Browne Review's ambition to match what Higher Education Institutions (HEIs) provide to what students want and the skills needed by employers and the economy. However the Alliance would like to highlight the concern from employers about the unintended consequences that changes to Higher Education may have on higher level skills needs in sectors.

3. The Alliance wishes to make the following key points:

- A constructive approach to employer engagement and employability is needed, as involvement of industry is key.
- SSCs are a recognised representation of employers and a reliable key route to industry as higher level skills are important in a range of sectors.
- Action is required for high cost subjects that exceed tuition fees.
- High quality subject benchmark statements that employers can engage in and add the employability element to are needed.
- In a market for Higher Education it is vital that students have access to good information and SSCs should have a role in providing this so individuals can make informed consumer choices.
- Higher Education policy and funding must ensure high quality, fit for purpose flexible education and training.
- Thought needs to be given to cross UK nation border finance issues.

FUNDING: A SHARED RESPONSIBILITY

Funding regime

4. Browne's proposals for England on Higher Education funding and the increased competition which should associate with these proposals when implemented should result in higher quality and more efficient and responsive courses. However there will be situations where this is not the case. For example where the true cost of particular courses exceeds the tuition fees payable. In this situation, HEIs could be expected to support successful delivery of these higher cost courses with income generated elsewhere in the Institution, including by higher volume, lower cost courses. But HEIs being willing and able to do this appears to require that all subject costs are as accurate as possible. There may also be relatively small number of cases where the true costs of courses are so high that the assumption of HEIs supporting them internally without some additional external funding ceases to be reasonable.

5. SSCs should be able to influence the QAA benchmarking statements and the costing assumptions behind these, where this is relevant to their occupational areas and especially where there are legislative or regulation requirements. SSCs should also take sufficiently active part in any Higher Education Funding Council for England (HEFCE) led mediation which may commence in the lead up to the White Paper relating to subjects where costs of courses exceed tuition fees. This is especially important in response to Growth Reviews where high cost courses will need employer engagement.

Employer influence

6. The Alliance recognises that investment in skills at all levels is a joint responsibility between the Government, individuals and employers. It is important to note that employers currently invest a significant amount in skills development (£39 billion a year)¹ and employers do invest in Higher Education and in Research and Development with HEIs. The Alliance recognises that in the future employers will need to take more responsibility for investing in the skills of their workforce. With this greater investment (co-funding, sponsorship or placement/internship provision) comes the need for greater employer involvement in informing and influencing the funding regime and provision of Higher Education. Employers would be able to invest more within the higher education sector if HEIs were more responsive to their needs.

7. In growth sectors and for specific skills requirements it is important that there is a collective employer response to investment. This could take a number of forms, including employer sponsorship of courses or direct involvement in course implementation (work placements, secondments etc). Where employers have identified the need for collective action there may need to be different approaches due to the differing nature and requirements of sectors and it is important that consensus can be secured within an industry. Thought needs to be given on how to encourage SSCs/employers to work as a community.

¹ National Employer Skills Survey 2007, LSC.

8. ConstructionSkills is considering how the Construction Industry Training Board levy-grant system may best articulate with the new funding system in England. This could provide a clear and early example of how employers can share responsibility for Higher Education within the changed arrangements

9. More information is needed about how employers can articulate their needs to the Higher Education sector and influence provision. More information is also needed about how employers will be able to feed into and influence quality levels to ensure courses are fit for purpose. SSCs are well placed to manage employer input to Higher Education through their strong links to employers, and are able to work with Higher Education to increase employer involvement in Higher Education provision. The Alliance would welcome further discussion on how this could be taken further, possibly through a pilot scheme.

10. Employers should be able to shape content to be flexible and responsive and change the balance between full time and part time study. It is important that employers are able to influence and focus on increased vocational relevance as it is likely that prospective students may in future be more interested in the employability promised by a course and HEI (including well paid employment) in making their choice, because they will be paying more. This seems particularly pertinent to full time undergraduate courses, but probably applies to other higher education provision to some extent.

A FAIR SOCIETY

Information for students

11. In a market for Higher Education it is vital that students have access to good information. SSCs should have a key role in providing information so that students/parents etc can make informed consumer choices. One set of information currently not available is what employers collectively think about courses/suitability for employment.

12. Proposals from HEFCE indicate that if there is professional body accreditation for higher education courses, then this must be made clear to students and if courses in these particular subject areas have not received accreditation then this should also be made clear. It is important that the information about professional accreditation of courses is entirely accurate and easily understood. Where there are no professional bodies and SSCs offer course accreditation (or offer in addition to professional bodies) this should be included in the information provided by institutions.

13. There is evidence from some SSCs that the Labour Market Intelligence (LMI) they provide is not in general being used appropriately by Higher Education. If this continues, it will be harder for Higher Education to support growth. For example, it might affect its capacity to meet demand for specialist skills which arise. "Future proofing" of provision would also be reduced, resulting in graduates being less prepared for the realities of work and prospective students being under informed, as the "signalling" of employer requirements including of employment opportunities may be insufficient and/or inaccurate. The Alliance would like to emphasise to Government, funding bodies and HEIs to use the LMI that is already available.

Access and diversity

14. It is important that the changes to HE funding do not reduce the opportunity for talented individuals to access learning and development. This is very important as Russell Group Universities are likely to charge full fees and could extend to four year undergraduate degrees. There is a need to ensure that growth areas are tackled as a joint issue with employers and HEIs. Could the American Scholarship model be investigated further?

15. For older workers it is important that HEI entry criteria recognise their significant work experience and their ability to do the job to encourage further learning and progression. The inclusion of mature entrants in categories that may benefit from the National Scholarship Programme is most welcome. However, this is just one of several categories. The National Scholarship Programme is perforce limited, and will be emergent for some time. It would be helpful if the White Paper signalled about older workers and their significant work experience as English HEIs develop their own systems for supporting certain categories of student.

SUPPLY SIDE REFORM

Quality fit-for-purpose provision

16. It is vital that there is fit for purpose provision at all levels and through all types of provision whether this is full time, part time, placements or internships. These should be routes by which employability skills are delivered to the future workforce.

17. The growing emphasis on Higher Education in Further Education is welcomed, as this fits with the preferences of many employers and employees. A potential new role for private providers and University Technical Colleges (UTCs) supported by the Technicians Council is also welcomed. While it is likely that such providers would have more interest in some occupational areas rather than others, the greater emphasis on higher education in further education and new role for private providers hold the possibility of different delivery partnerships which may better serve employers and the workforce.

18. Many HEIs are currently working to reform the way courses are designed and delivered to reflect the growing demand for greater flexibility and to offer more cost effective programmes. Modular courses, the ability to build up credits over time, the ability to customise courses to individual needs, and moving beyond the three-year course format, are all concepts which many HEIs are now putting in place. Government should encourage this trend, and the Alliance is willing to work with HEIs to take this further with employers.

19. Working with Foundation Degree Forward (FDF) Sector Skills Councils have contributed to the target of 100,000 Foundation degree students being exceeded in England. This has enabled SSCs to work with Higher Education much more closely on aligning sector need to provision and is an example of good practice. It also has led to innovation in delivery and growing relationships, including interest by Higher Education in dovetailing provision with higher level vocational qualifications on the QCF and in ensuring sensible progression from QCF qualifications at level 3.

Higher Level Apprenticeships

20. Thought needs to be given to Higher Apprenticeships as the demand for these (at Levels 4 and 5) will vary by sector. Intelligence describing how and where these courses would be most appropriate should be pursued and should be sector-led to ensure relevance. In those sectors where there is demand for HLAs, their introduction would enable movement into Higher Education and significantly increase the pool of technicians in the UK. This would deliver wider, more flexible and CPD-based apprenticeship pathways, enabling an individual to enter at level 2 and progress all the way to level 5 and beyond.

21. However the Alliance is concerned with the potential duplication that may occur between Higher Apprenticeships at Level 4 and 5 and other provision such as NVQs at level 4. There are likely to be situations where the Higher Education sector is already able to deliver on its remit and satisfy employers and in those situations adding Higher Apprenticeships may not necessarily be the right way to promote progression.

22. Consideration needs to be given to flexible and innovative ways to link Vocational Qualifications into Higher Education provision and QCF qualifications at levels 4 or 5. Traditional routes such as UCAS points can be insufficient and limiting, and there are already pockets of good practice where SSCs have collaborated with HEIs to create innovative alternatives. It is essential that Higher Education recognise a range of appropriate Vocational Qualifications, apprenticeships and higher level apprenticeships as entry and progression routes.

23. The Alliance is willing to work with NAS to help them understand the new landscape and employer perspective.

Internships

24. Employers and SSCs have a responsibility to offer and promote opportunities for placements and internships. For example the e-skills Internship offers an industry-backed placement programme that maximises benefits for employers, students and universities. Placements within industry, of various types, need some seed corn funding to enable sustainability. Also a single place to help employers is needed urgently as the offer to employers is confused due to the number of parties involved.

Masters

25. Thought needs to be given to the knock on impact to post-graduate study and the impact on taught masters. Flexible provision that builds to a professionally recognised Masters degree is being encouraged and some initial delivery is being trialled. The Alliance warmly welcomes the recent decision that Professor Sir Adrian Smith reconvenes the postgraduate review panel—which produced a comprehensive report on postgraduate study in March of last year—in order to consider impacts that higher graduate contributions could have on postgraduate study.

Wider issues

26. Thought needs to be given to the cross border finance issues. England has the majority of the UK's higher education including certain cutting edge course provision and there will be implications for the other nations. Already fees have been capped at £6,000 for Northern Ireland whereas it seems likely that fees will be nearer to £9,000 elsewhere in the UK, and particularly in the case of Russell Group and other HEIs. Lack of attention to cross border finance issues could create unwelcome imbalances which prove awkward for employers, employees and graduates and reduce the capacity of the UK's higher education system overall to meet needs.

27. Innovation is an area where employers can work with HEIs to take up opportunities for growth. Research carried out by SSCs shows that employers see the development of new products and processes as a means of coming out of the recession and preparing for growth. HEIs have the capability to help businesses in all areas of innovation. SSCs can provide the access to employers (particularly SMEs) identifying opportunities for employers to work with HEIs. The redevelopment of the Higher Education Innovation Fund may provide unique opportunity to better enable the necessary links between employers/SSCs and HEIs. It is essential that

research undertaken in Higher Education is transferred to industry or into Further Education and Higher Education to equip individuals and businesses for the future.

28. The Alliance welcomes the opportunity to build on this brief response to the inquiry into the future of Higher Education funding and will be working with HEFCE on the future of Higher Education funding especially regarding high cost subjects.

10 March 2011

Written evidence submitted by the Bridge Group

This submission deals in brief with the following issues in relation to the Select Committee's Consultation on the Future of Higher Education:

- The impact of the new fees system on potential students' perceptions and decisions to enter higher education and on their choices of institution and course;
- The need for financial support to be simple and predictable, with detailed information made public as soon as possible;
- The considerable strains that the new system will place on the requirement for impartial, thorough and accurate information, advice and guidance for all ages in order for there not to be a detrimental impact on the efforts of the last 10 years to widen participation to higher education;
- The need for a stronger evidence base on the impact of widening access programmes, particularly in terms of value for money; and
- The necessity to promote research and fund programmes that support outreach work with younger children (pre-16) as well as access to the professions and employability.

The Bridge Group is an independent non-partisan policy association promoting social mobility through higher education. The association offers Westminster and other influencers specialist guidance on policy, drawing on the expertise of our professional network of associates and the collation of research and evaluation.

The Group is non-partisan and its approach to policy is evidence-based, bridging the gaps between research, policy, and programme implementation. The Bridge Group attracts a broad range of experienced colleagues to its network of associates, to provide opportunities to share expertise across various sectors, institutions and bodies, as well as help inform policy recommendations.

The association's inaugural seminar took place at Google, London in November 2010, with Alan Milburn as the keynote speaker. A summary of the proceedings is available on our website: <http://www.thebridgegroup.org.uk> under Evidence. The Bridge Group will publish a policy recommendation paper emanating from that seminar in May 2011.

IMPACT OF HIGHER FEES ON PERCEPTION, BEHAVIOR AND THE MARKET

1. There is little certainty on how the new fees regime will impact on access to higher education. On the one hand, evidence points to the fact that tuition fees have not deterred prospective low-income students from entering higher education in the current system. As Lord Browne noted, "if fees can be deferred, then participation can be protected". Conversely, there is survey evidence demonstrating the negative effect that tuition fees can have on attitudes and aspirations to higher education.² The Sutton Trust has argued that the prospect of £9,000 fees is a disincentive for students from widening participation backgrounds as they consider higher education.³ Further, the Department for Business, Innovation and Skills has argued that "a £1,000 increase in loans or grants is not sufficient to counteract the impact of a £1,000 increase in fees—the coefficient on fees is significantly higher than both loans and grants."⁴ We should not assume that this previous increase in the number of low-income students entering higher education will continue. Evidence from Australia indicates that a sustained long-term rise requires sustained effort and appropriate funding.⁵

² For the views of current and prospective students, see <http://insight.thestudentroom.co.uk/wp-content/uploads/insight/The-Student-Room-Survey-Student-Reaction-to-HE-Funding-and-Fees-Review.pdf> and <http://www.ipsos-mori.com/researchpublications/researcharchive/poll.aspx?oItemId=2627>

³ Sutton Trust (October 2010) "Initial Response to the Independent Review of Higher Education Funding and Student Finance." <http://www.suttontrust.com/research/sutton-trust-initial-response-to-browne-review/>

⁴ Department for Business Innovation and Skills (September 2010) "The Impact of Higher Education Finance on University Participation in the UK." <http://www.bis.gov.uk/assets/biscore/corporate/docs/i/10-1188-impact-finance-on-university-participation>

⁵ Participation by the lowest socio-economic quartile rose across Australia over the 1990s, despite an increase in fees in 1992 and again in 1997. This was probably due to a strong Government focus on widening participation and adequate funding of the HE sector. Over the last decade there has been no further progress; a Government-sponsored review attributes this to a progressive fall in federal funding and student financial support as well as increased competition for places.

Bradley, D (2008) *Review of Australian Higher Education*, Department of Education, Employment and Workplace Relations, Canberra.

www.deewr.gov.au/HigherEducation/Review/Pages/ReviewofAustralianHigherEducationReport.aspx

More broadly, a change of Government in 1996 was also associated with a gradual weakening of expectations for the HE sector to contribute to widening participation.

2. Even if higher fees do not deter low-income students from applying to higher education, this may not be apparent when students are selecting which institutions and courses to apply to. There is some UK evidence at the institutional level of higher prices attracting international students through being interpreted as an indicator of quality. A study by the University of Leicester concludes that UK students will make the same assumption if the new fees arrangements give rise to a differentiated price market.⁶ Some university courses may thus become “Veblen Goods”, with higher prices implying prestige, thereby making them more attractive. This may increase the competition for places at the most selective institutions and courses, making it harder for low-income students to enter them. It is possible that the increased competition for places in recent years has contributed to the slow progress to date in widening participation at the most selective English universities.

3. In addition, given the long-term contributions graduates will need to make towards their loan, there is significant concern that students—in addition to parents and career advisors—will increasingly look to more vocationally-focused courses. This would be to the detriment to social science and humanities courses, which many graduate recruiters and firms prefer. This requires a renewed focus on Information, Advice and Guidance as well as graduate employability, as detailed below.

THE INFORMATION, ADVICE AND GUIDANCE REQUIREMENTS OF A MARKET IN HIGHER EDUCATION

4. For too many young people it is still a matter of serendipity (or, rather, socio-economic background) as to whether they find and are able to benefit from pertinent information, support and opportunities. The proposed changes will exacerbate this situation and increase inequalities of opportunity unless coordinated action is taken. It is essential that the proposed All Age Careers Guidance Service, the initiatives being proposed by Simon Hughes in his role as Advocate for Access, and the approach to widening participation being promoted through the Office for Fair Access (OFFA)’s guidance to higher education institutions are properly aligned.

5. Browne advocates enhanced student choice and increased flexibility. This is a positive move but will inevitably lead to a more diverse and complex system of higher education. For a higher education market to operate to the benefit of all students, and particularly those already under-represented in higher education, Information, Advice and Guidance (IAG) must be improved at every level. The increased complexity of the system could have a disproportionately negative impact on students from less advantaged backgrounds, whose parents and carers may be less confident about researching higher education courses and fees and whose schools may be less rehearsed at supporting students’ university applications, especially to the most competitive courses.

6. With the new fees regime, it is all the more important that applicants and students are well-informed and advised about their options, particularly in terms of graduate prospects. Students are likely to become more discerning about what they can expect from their time at university and long-term outcomes in terms of employability. This may be especially true for applicants who are more financially disadvantaged, where the risks associated with not securing well paid graduate employment are higher. Information relating to graduate earnings and employment must be improved to help students identify the potential return on investment from their course. The Destination Leavers from HE survey is the only indicator of graduate prospects in most university league tables. The survey, which is taken six months after graduation and overlooks students opting for further study, does not paint a sufficiently accurate picture of graduate prospects. The longitudinal version of the survey, taken three years after graduation, is more useful.

7. In general, a properly functioning higher education market will require an IAG provision that is able to embrace and accurately reflect the diversity both of students and of institutions within the sector. The current over-reliance on league tables and on questionable proxies for quality⁷ will reinforce current misinformation and misunderstandings and will not serve the needs of those students who most require effective information and advice. There is a large amount of online information and advice in particular which is high quality, trusted, impartial and has greater currency with young people than “official” sources such as Directgov.⁸ This provision should be quality assured, and supported to become part of a diverse but coherent landscape of provision that targets the needs of all students, particularly those whose access to other forms of support and guidance are limited.

Recommendation 1: Information, advice and guidance should be fit for purpose and its provision professionalised, preferably through use of a kite-mark system of quality assurance. The various current and proposed initiatives and approaches should be aligned. Information about graduate prospects, disaggregated by course, should be enhanced and the longitudinal DELHE survey should be improved and prioritised.

⁶ University of Leicester (September 2010), “University Study Examines Impact of Higher Tuition Fees.” <http://www2.le.ac.uk/ebulletin/news/press-releases/2010-2019/2010/09/nparticle.2010-09-20.5884706788>

Bowman and Bastedo conclude that prestige (in the form of rankings) and price both influence US student choice. Bowman, N, and Bastedo, M. (2009) “Getting on the Front Page: Organizational Reputation, Status Signals, and the Impact of U.S. News and World Report Rankings on Student Decisions.” *Research in Higher Education*. <http://www-personal.umich.edu/~bastedo/papers/BowmanBastedo.ResHE2009.pdf>

In contrast, the introduction in 1997 of three price bands for fees in Australian universities did not result in a change in the proportion of students from low socio-economic backgrounds entering each band. This is likely to be because the bands were determined by subject rather than by university, so were not associated with quality.

⁷ For example, the National Student Survey, which is a relatively unsophisticated measure of student satisfaction, or the provision of data in an uncontextualised format such as Unistats that young people find difficult to interpret.

⁸ See, for example: www.push.com, www.brightknowledge.org, www.accessprofessions.com

FINANCIAL SUPPORT NEEDS TO BE SIMPLE AND PREDICTABLE

8. Prospective students and their families and supporters need clear information about fees and financial support as soon as possible—from both Government and higher education institutions. Claire Callender, in her study of current fee and bursary arrangements, finds that “a quarter of potential beneficiaries who were about to start, or had started, university for the first time in 2008–09, were unaware of bursaries Many students think they are ineligible or are deterred by the complexity of the application procedures because information was unavailable or unclear.”⁹ The Department for Business, Innovation and Skills’ assessment of current funding arrangements finds a similar lack of awareness.¹⁰ While these findings need to be seen in the context of the actual rise in enrolments by low-income students in recent years, £9,000 is significantly more than £3,000, and the timescales for informing prospective students for 2012 entry are limited (a year shorter than was available to communicate the changes for 2006 entry). OFFA has, therefore, rightly encouraged higher education institutions to consider carefully their methods for providing information.

9. The US College Board included simplicity and predictability as two of its seven recommendations for reforming federal student financial aid, published in 2008 (following a national review of arrangements).¹¹ Simplicity and predictability are equally important for UK students: potential students need to have a good idea of their eligibility for financial support before they apply for it. Given the truncated timeline for higher education institutions to respond to the National Scholarships Programme, it is essential that the guidelines are simple and predictable for them too: higher education institutions will need to be able to estimate as accurately as possible how many students are likely to be eligible for various categories.

Recommendation 2: The Government should design the National Scholarships Programme as well as its other financial support to be simple and predictable for students and higher education institutions.

Recommendation 3: OFFA should encourage higher education institutions to publish their proposed bursary arrangements after submitting their access agreements. The Government should confirm and publicise its financial support arrangements as soon as possible, accompanied by information on the benefits of higher education.

EMPLOYABILITY AND ACCESS TO THE PROFESSIONS

10. Fair access to courses at selective universities and professional degrees is a significant step but, as set out in the Milburn report, much more needs to be done to achieve improvements in social mobility through access to the professions. We are pleased to note OFFA’s recognition of higher education institutions’ work on employability as part of access agreements. However, the Government needs to continue to lead on work with the professions and on careers guidance. We advocate a longitudinal approach to social mobility, encompassing outreach work targeted at school pupils, university admissions, student experience, employability and access to the professions.

11. An area of work which is emerging, and could be significantly developed, is the mobilisation of university alumni to support the professional progress of students from more disadvantaged backgrounds. Fundraising from alumni will become increasingly important (to boost bursary/scholarship funds, for example), and we advocate the continuation of the government matched funding scheme,¹² specifically targeted at fundraising aimed at improving student access and employability. While this would significantly increase the capacity and impact of work in this area, inspiring alumni can also contribute to the employability and professional success of students. This could be accomplished through mentoring, by offering structured, paid placements, providing support during application and interview processes and by facilitating students’ access to the types of professional networks more affluent students might have established through family links.

Recommendation 4: The continuation of the government matched funding scheme, targeted specifically at fundraising campaigns aimed at improving student access to the professions. Explore with institutions the development of employability programmes targeted at more disadvantaged students, driven by the mobilisation of alumni.

WIDENING PARTICIPATION OUTREACH WITH YOUNGER CHILDREN

12. Genuine widening participation is a long process requiring long-term commitment. If the Government wishes higher education institutions to follow recognised good practice and continue to work with younger age groups, state funding will be required specifically for this purpose. In its guidance on access agreements for 2012, OFFA encourages higher education institutions to continue to work with younger age groups, but acknowledges that many will wish to concentrate their widening participation outreach on older age groups

⁹ Callender, C. (2010) “Bursaries and institutional aid in higher education in England: Do they safeguard access and promote fair access?” *Oxford Review of Education*
http://pdfserve.informaworld.com/107571__919326248.pdf

¹⁰ Bates, P; Coare, P; Hunt, W; Miller, L and Pollard, E. (October 2010) “Assessing the impact of the new student support arrangements (NSSA) on higher education institutions.” Institute of Employment Studies.
http://www.employment-studies.co.uk/pubs/report.php?id=bis_rp_12

¹¹ College Board (September 2008) “Fulfilling the commitment: Recommendations for reforming federal student aid.”
<http://professionals.collegeboard.com/profdownload/rethinking-stu-aid-fulfilling-commitment-recommendations.pdf>

¹² For more on the government matched funding scheme, see <http://www.hefce.ac.uk/finance/fundinghe/vol/>

(years 12 and 13 and mature students) with the imminent potential to progress to their own courses. The focus on recruitment also reflects the nature of philanthropic funding and sponsorship: external funders generally want to see clear returns for their donations and these are easiest to demonstrate in work with older students from an ability range that reflects current entry requirements. Funds from stretched university budgets may come under similar scrutiny and be focused on short-term goals, particularly with the increased government pressure. Looking internationally, many institutions, such as those in Australia and New Zealand, which receive little or no state funds for widening participation, focus efforts on recruitment-related outreach. Without state funding, aspirations for higher education of the large number of younger students will be at risk.

13. A greater focus needs to be given to demonstrating the impact of widening participation programmes, particularly in terms of value for money. While an increased focus on outcomes of widening participation initiatives should be welcomed, this is easier said than achieved. Tracking and monitoring of students is patchy at best, and there is no comparable, robust quantitative data relating to outcomes for different types of intervention. Both of these factors have profound implications for making informed policy decisions. Much could be done to promote or even require the collection of uniform data, and potentially to encourage specific methodological approaches. Conducting effective monitoring and evaluation has clear cost implications, and unless this is carried out on a large scale and with a longitudinal approach there is a risk that the difficulties of proving impact will further exacerbate the tendency to pursue the “low-hanging fruit” approach to outreach.

Recommendation 5: The Government should continue to focus on and fund the rigorous collection, analysis and transparent provision of data relating to the outcomes of widening participation initiatives, including work with younger (pre-16) children.

Recommendation 6: The Government should continue the current widening participation allocation for outreach under the new fees and funding arrangements, targeting resources at the hardest to reach and at younger age groups.

10 March 2011

Written evidence submitted by the British Academy

INTRODUCTION

1. The British Academy, the national academy for the humanities and social sciences (H&SS), is pleased to respond to the Select Committee’s Inquiry on the Future of Higher Education.

RESPONSE

2. The British Academy considers that the White Paper for Higher Education for England should address the following priorities:

- Develop a long-term vision for higher education. Although higher education has been among the most successful sectors in the UK, it is undergoing a period of exceptional turbulence due to a variety of factors, including changes in the fee structure, problems regarding visas for students and staff, changing methods and criteria for research evaluation, and the introduction of new requirements regarding student access. It is essential that the White Paper for Higher Education sets out a clearly articulated vision for higher education, recognising its significant and wide-ranging benefits to the individual, to society, and to the economy as a whole, and ensures that universities can be sustainably funded both now and in the future. While short-term fiscal constraints have led to a rethink in the way in which higher education teaching is funded, it is vital that the government’s vision for higher education looks ahead to the longer-term, given the social and economic importance of the HE sector.
- Maintain institutional autonomy and academic freedom. It is essential that institutional autonomy is maintained as a central feature of the UK’s world class higher education sector. A stable regulatory environment is also of crucial importance in the HE sector.
- Give explicit recognition to the importance of the humanities and social sciences. The White Paper should make it explicit that the government recognises the vital contribution that H&SS disciplines make to the UK’s higher education sector, as promoters of understanding of ourselves and our world, as contributors to local, national and international policy making, and as a driver of the UK HE sector’s considerable offering to the UK economy.¹³

¹³ For more detailed presentations of the case for H&SS, see the British Academy’s submission to Professor Adrian Smith on the future of UK research in light of the Spending Review, *Investing in excellence: the needs and contribution of the UK research base*: <http://www.britac.ac.uk/policy/Investing-in-excellence.cfm>.

- Maintain quality. Every effort must be made to ensure that the “marketisation” of higher education does not compromise the quality and the international renown of UK higher education. We note the Quality Assurance Agency for Higher Education (QAA) consultation on the introduction of a revised institutional review method from September 2011, which seeks to safeguard standards and quality of HE, and also improve the student experience.¹⁴
- Recognise the importance of maintaining the supply of postgraduates. It is essential that safeguards are in place to ensure that the new funding arrangements do not unintentionally act as a deterrent to postgraduate study.
- Recognise and encourage the international dimension to UK HE. On the subject of student immigration and visas, the Academy has particularly serious concerns and calls for government policy on this issue to be reviewed. The adequacy of access by researchers at all levels for a variety of purposes (from taking up posts in the UK to full engagement in collaborative research activities) should also be reviewed carefully to ensure that the research base is not damaged by an over-restrictive approach.
- Widen participation and access. The British Academy (and many others) is concerned that those from the most disadvantaged backgrounds may be deterred by the new funding arrangements. It will be essential that the government sets out clearly to the wider public (school pupils and their parents and prospective students) what these changes will mean to them.

A LONG-TERM VISION FOR HIGHER EDUCATION THAT GIVES EXPLICIT RECOGNITION TO H&SS

3. The UK currently has a world-class higher education system, which brings considerable benefits both to the individual and to society as a whole. There are currently many uncertainties about how the changes to the funding system for higher education teaching will impact on the health and well-being of the sector. Will the new funding system ensure that the UK HE sector can remain at the international leading edge, in terms both of the quality of its teaching and of its research? What will be the impact on the number of students? Will there be increased demand for some courses at the expense of others? While the government is proposing that there should be in essence a “free market” for higher education, there are questions about how the sector will be regulated that will need to be addressed.

4. H&SS disciplines are a major national asset, ranking first in the world on publication productivity and citations relative to research and development public spend. As David Willetts (Minister of State for Universities and Science) recently said: “the humanities and social sciences are essential to a civilised society. They bring deep fulfilment to us personally. They often give meaning and shape to our lives.”¹⁵ We would add that these disciplines play a particular role in:

- contributing to the international standing and health of UK universities, which are worth £59 billion per annum to the UK economy;
- ensuring an income flow to universities from overseas students: 61% of overseas students in the UK in 2008–09 were studying H&SS disciplines;
- providing crucial expertise for the service sector—which constitutes 75% of the UK’s economic activity;
- building understanding of the world around us and ourselves—as individuals, groups and societies—what we think, how we behave, how we live and how we interact with each other. H&SS disciplines serve to define the moral and ethical context within which scientific and economic advances can be accommodated in a civilised society; and
- offering informed and critical assessments of contemporary debates, providing expert input to policy development and, where relevant, warnings about consequences.¹⁶

5. Given the importance of H&SS to the UK, it is disappointing that government statements often fail to mention the humanities and social sciences. For example, the 2010 election manifestoes of all three main parties upheld the importance of science generally, but made no specific mention of the humanities and social sciences.¹⁷ This failure to state publicly the value of H&SS had contributed to the perception within the H&SS academic community that they were under threat—a perception that has been exacerbated by the removal of HEFCE grant for Band C and D programmes. It is essential that the government’s vision for higher education should embrace all disciplines—the humanities and social sciences as well as the sciences—in order to ensure that its strategic thinking and direction is properly informed by the insights of these disciplines, and to exploit more effectively all that they have to offer.

¹⁴ For further information, see the QAA Consultation on the operational description for the Institutional review process for higher education institutions in England and Northern Ireland: <http://www.qaa.ac.uk/news/consultation/reviewconsultation.asp>.

¹⁵ “The arts, humanities and social sciences in the modern university”. A speech given by David Willetts at the British Academy on 1 March 2011.

¹⁶ *Investing in Excellence*. The British Academy contribution to Sir Adrian Smith’s call for high-level advice on research funding priorities. July 2010.

¹⁷ See article by Sir Adam Roberts, President of the British Academy, in *Times Higher Education* on 3 March 2011.

INSTITUTIONAL AUTONOMY AND ACADEMIC FREEDOM

6. Given that the provisions of the 1992 Act guaranteeing university autonomy have underpinned a hugely successful higher education sector, the British Academy does not believe that there is a need for the White Paper to make changes to governance, either by creating additional regulatory controls, or by concentrating regulatory oversight in a new quango. This threatens to create additional and unhelpful bureaucratic burdens of accountability. We therefore welcome the recent statement by David Willetts that: “Our ambition is to make this framework as de-regulatory as we can. Freeing up student numbers will give institutions more flexibility. We are also looking at other ways of removing unnecessary burdens on institutions or reducing regulation over time.”¹⁸

MAINTAIN THE QUALITY AND INTERNATIONAL REPUTATION OF HE SECTOR

7. The uncertainties about the future shape and size of the UK HE sector come at a time of increasing competition from international education providers. With greater numbers of courses in non-English speaking countries being taught in English, the UK is already finding that its native language is no longer sufficient to confer a special status on its universities, which now have to compete for students on an international stage.

8. In addition, the government has made it clear, as David Willetts, Minister of State for Universities and Science said recently, that it wants “to make it easier for new and alternative providers to enter the new system”.¹⁹ The future role of private providers and international education providers is closely linked to the question of whether the government can free up student numbers, while still managing government spending. If numbers are fixed, encouraging the development and expansion of private providers or overseas providers based here risks damaging the UK’s own HE sector.

9. Every year, the UK HE sector contributes £59 billion to the nation’s economy.²⁰ As such a significant number of students study H&SS subjects, these disciplines are centrally important to the economic value of higher education in the UK. Moreover, the UK’s reliance on the service sector (which accounts for 75% of the economy) places H&SS in a strategically important position, as these subjects supply the sector with skills and expertise that are crucial to its ongoing success. An analysis of the reports of the skills sought by employers shows that there is considerable emphasis on generic skills (such as the ability to think innovatively and creatively, the ability to analyse data and argument in a rational fashion, the ability to synthesise complex materials drawn from a range of sources, and the ability to think critically) that are offered by H&SS as well as by the sciences.

THE INTERNATIONAL DIMENSION

The world class status of UK higher education depends in part on its ability to attract students and researchers of high calibre, both from home and overseas. A large and increasing number of overseas students in UK HE are studying Arts, Humanities and Social Science disciplines. Between 2001–02 and 2009–10 overall student numbers in these disciplines have grown by 40%. 60% of non-EU (higher fee paying) students in the UK study these subjects, and the rate of growth in the numbers of these students (more than 78% between 2001–02 and 2009–10) far outstrips that of the number of non-EU students in the “sciences and other disciplines”.²¹

11. Given the considerable benefits flowing from the recruitment of overseas students, the British Academy is concerned by the current government’s decision to limit the number of visas available for overseas students undertaking below-degree-level courses. These courses often constitute pre-university training, such as that necessary to acquire an appropriate level of English language skills. By reducing the accessibility of these courses to non-EU students, it is likely that this policy will discourage otherwise well-qualified and high-calibre students from applying for degree-level courses at UK institutions. We urge that the evidence provided to the recent Home Office, UK Border Agency consultation exercise on the Student Immigration System should be made available on the web.²² In addition, the Academy draws attention to the recent report published by the Higher Education Policy Institute, *The UKBA’s Proposed Restrictions on Tier 4 visas: implications for University recruitment of overseas students*, which notes that these proposals will “devastate pre-university pathway courses, costing universities c £1 billion in fee income alone”, and which makes a clear distinction between sub-degree and pre-degree courses.²³

12. The Academy recommends that the issue of student immigration should be rapidly addressed, as pertinent not only to the immediate and future health of UK HE but to the UK economy and fiscal planning.

¹⁸ David Willetts, Minister of State for Universities and Science, Universities UK Spring Conference on 25 February 2011.

¹⁹ Ibid.

²⁰ Universities UK, *The Impact of universities on the UK economy* (November 2009).

²¹ Source: Higher Education Statistical Agency (HESA). The figures in this paragraph refer to undergraduates and graduates, and to full- and part-time students, reading Arts, Humanities and Social Science subjects.

²² The British Academy’s submission to the Home Office-UKBA consultation exercise on student visas is at www.britac.ac.uk.

²³ HEPI, *The UKBA’s Proposed Restrictions on Tier 4 Visas: Implications for University recruitment of overseas students*: <http://www.hepi.ac.uk/files/The%20UKBA%20Proposed%20Restrictions%20on%20Tier%204%20visas%20-%20implications%20for%20University%20recruitment%20of%20overseas%20students.pdf>.

13. One further issue arising from the international character of higher education provision is the openness of universities outside England to students from England. The introduction of a new fee regime in England may have as an unintended consequence an increase in the numbers of such students deciding to study outside England. It is important that any such migration (whether to other parts of the UK or overseas) be monitored, with a possible view to adjusting policies if that should prove to be necessary.

14. UK researchers must be able to engage with the best researchers from overseas in order to develop effective responses to national and global challenges. It is important that foreign researchers should be able to take up posts in the UK, both to enhance the research resource base, and to contribute to the formation of robust and enduring links between UK and foreign researchers. While the Academy acknowledges that many of the concerns of the science and research community have been addressed in the formulation of criteria for Tier 2 visas, including the introduction of a salary points weighting for researchers, the overall limit of 20,700 places may prove to be detrimental to the research base. The Academy would urge careful monitoring of the first year of operation, and review in the event of serious and significant pressure on the number of places. The new Tier 1 Exceptional Talent route may prove to be a useful addition, but details have yet to be worked out and it will not have a significant impact on researcher numbers. It is equally vital that conference attendance and short research visits should be easy to arrange, so that networks can be established and research programmes developed. Restrictions and inconsistencies in the issue of visas for such visits do little to enhance the UK's reputation.

WIDEN PARTICIPATION AND ACCESS

15. It will be essential that the new funding arrangements do not discourage those from the most disadvantaged backgrounds from entering higher education. As has been recognised already, the information and guidance provided to school advisers, pupils and their parents, as well as to the wider public, will be critical. It is clear that there are many widespread misunderstandings about the new system. In this context, we support David Willetts' recent call for more explicit information and advice to be provided by schools to prospective HE students. We also recognise the role that universities themselves must play to improve the quality of information that they provide on their HE courses. The recent guide published by the Russell Group to post-16 subject choices, *Informed Choices*, is an excellent example of the way in which universities are working with schools to advise them on the subjects at GCSE and A-level most in demand for particular university degree programmes.

16. We also recognise the role that universities themselves must play to improve the quality of information that they provide on their HE courses. There are also questions about the student experience at university, and how this might be improved. We understand that many of these questions are currently being considered by the QAA, and look forward to its forthcoming report on the findings of its consultation. We also believe that there is a need for more longitudinal data on the earning potential and pathways of degree programmes.

17. Finally, we note the obvious but important point that any changes in rules and regulations regarding fair access must be within certain limits, and must respect the freedom of HE institutions to determine the criteria for the admission of students.²⁴

THE SUPPLY OF FUTURE POSTGRADUATES

18. The Academy welcomes David Willetts' recent statement that a fall in postgraduate numbers would not be beneficial to the UK, and his announcement of the reconvening of the Postgraduate Review Panel chaired by Sir Adrian Smith. Given the possibility that postgraduate fees might rise in line with those charged to undergraduates, Sir Adrian's panel has been asked to re-examine the position of postgraduate education in the UK. The Academy is concerned that such a rise, combined with the debts incurred by graduates of UK universities, will discourage graduates from embarking on postgraduate study in the UK. This would have serious knock-on effects both on UK research capabilities and on the supply of suitable UK applicants for academic posts in the UK.

ENDANGERED AND VULNERABLE AREAS

19. As stated in its position paper *Language matters more and more*, the Academy is concerned that the changes to UK HE funding will precipitate the large-scale closure of language departments, or lead to the concentration of language learning in a few institutions or areas of the country.²⁵ The individual decisions taken by vice-chancellors as they respond to the new funding system may unintentionally compromise the fragile health of these disciplines, including minority languages of strategic national importance where student demand is low. This will not only be damaging to the UK's international role and to its research base, but will also have wider detrimental impacts on UK social, cultural and economic well-being. The UK's capacity to understand foreign countries and their cultures is likely to be diminished, with adverse effects in foreign policy and in international business. UK researchers who have not been able to gain or consolidate good language

²⁴ This is discussed by Dennis Farrington and David Palfreyman in the OxCHEPS Occasional Paper no. 39: http://oxcheps.new.ox.ac.uk/MainSite%20pages/Resources/OxCHEPS_OP39.pdf.

²⁵ For further information, see the British Academy Position Statement, *Language matters more and more*: <http://www.britac.ac.uk/policy/Language-matters-more-and-more.cfm>.

skills are likely to find it more and more difficult to engage with worldwide research—90% of which is currently carried out overseas.

20. The Academy also notes a concurrent problem with the quantitative skills of researchers in the H&SS disciplines. The shortage of skills in this area is well documented. In the last ten years alone, there has been a series of reports drawing attention to this decline.²⁶ For example, a report commissioned by the ESRC in 2009 from Professor John MacInnes called for a range of long-term initiatives to address the skills deficit, which ranged from co-operating with bodies like the Royal Statistical Society and the Royal Society on the teaching of maths at secondary school and ensuring that quantitative materials were brought into secondary school A level and AS level curricula in the social sciences to working with universities to improve standards.²⁷ It is essential that the UK should maintain the health of these (and other) disciplines.

21. For these reasons, the British Academy believes that a mechanism should be found to ensure that the individual decisions taken by universities to close or shrink academic departments do not collectively damage the provision of disciplines that are essential for national purposes. The British Academy would be happy to work with the funding councils and representative bodies for universities to discuss ways in which this threat might be averted.

RESEARCH EXCELLENCE AND IMPACT

22. The Academy recognises that the setting of the impact weighting for the 2014 Research Excellence Framework is a compromise and regards its lowering as a sensible decision. However, the Academy maintains that the figure of 20% remains too high, particularly given the significant sums of money that will be allocated on the basis of the exercise and the fact that we are at early stage in the evaluation and development of impact assessment exercises. The Academy remains firm in its position that this weighting should have been set at 15% at this stage and recommends that the percentage should not be guaranteed to rise in the future.

17 March 2011

Written evidence submitted by the British Dental Association

EXECUTIVE SUMMARY AND GENERAL POINTS

1. The British Dental Association (BDA) is the professional association and trade union for dentists practising in the UK. Its 23,000-strong membership is engaged in all aspects of dentistry including general practice, salaried services, the armed forces, hospitals, academia and research, and includes students.

1.1 The BDA was disappointed that the Browne Review did not address clinical subjects more specifically and did not show a greater awareness of the specific issues facing students and academics on long courses.

1.2 The BDA is concerned that higher fees combined with the length of the course may prove to be a disincentive to students to choose dentistry as a career. What is needed is a full impact assessment based on robust evidence to assess the changes in admission that increasing fees for dental courses will result in and we urge the government to address this as soon as possible.

1.3 Such a disincentive may severely reduce the number of students from low income or black or minority ethnic group families who choose to pursue a career in dentistry. Such a lack of diversity in the workforce could be potentially damaging for future patient access.

1.4 Although the BDA accepts the government's conclusions about lower monthly payments, we remain concerned about the impact of lifetime debt on young dentists' career choices. For instance, there are strong suggestions that the NHS, academia and community dentistry will become less attractive career choices and that young dentists will not want or feel able to purchase practices when their levels of personal debt are higher.

1.5 Higher levels of debt accrued during undergraduate studies may also deter students from engaging in postgraduate training and education.

1.6 While the BDA supports the need for reform to higher education, we urge the committee to recognise that finance is not the only determinant of career choice. For instance, dentistry, like other clinical subjects, requires a solid understanding of science and it is imperative that suitable careers advice exists for students from a younger age to enable them to access certain courses and make a balanced decision for their career.

1.7 Secure funding for academic dentistry must be maintained in order to ensure that universities are in a position to match supply of teaching to demand for places.

²⁶ For example, *A Review of Graduate Studies* (2001), The British Academy. The Commission on the Social Sciences (2003) concluded that, whilst there were real pockets of expertise in quantitative analysis, there was an overall "critical deficit in quantitative skills within the UK". The Higher Education Funding Council for England (HEFCE) *Review of Strategically Important and Vulnerable Subjects* (2005) identified shortfalls in the UK quantitative skills base. ESRC has supported a number of studies that have repeatedly drawn attention to this concern and has also been working with other key funders to develop a strategy to address this concern.

²⁷ The report is available from <http://www.esrcsocietytoday.ac.uk/ESRCInfoCentre/research/resources/quantitativemethods.aspx>

RESPONSE

2. The British Dental Association welcomed the review of higher education funding and participated in the consultations. We were disappointed to note, however, the lack of specificity in the final report. A more detailed focus on the particular issues that face longer courses and courses with multiple funding streams would have been welcome. We hope this will be addressed in the White Paper.

3. The BDA is concerned that raising the level of fees for higher education could have a severe impact on the future of the dental profession. We urge the Department of Business, Innovation and Skills to maintain a clear line of communication with Medical Education England (and its successor bodies) to ensure that adequate workforce planning is undertaken to assess the impact of higher education reform. The NHS reforms suggest that workforce planning should be performed at a local level, based on local needs. The impact of this on university admissions for dental courses is hard to predict and we urge the relevant departments to work together to mitigate the impact of the reforms on access to dental courses.

4. The Browne Review's recommendations reflect the challenging economic climate. We are worried, however, about the impact the proposed reforms will have on students choosing to study dentistry. We would expect a full evidence-based analysis of the impact of raising fees for clinical courses, in particular as they are vital for the future of health provision. Dentistry is a longer-than-average undergraduate course and so will result in higher-than-average levels of debt. Indeed, our preliminary projections suggest that debt could reach up to £57,600 for some dental students²⁸ under the proposed reforms. The impact of incurring such high levels of debt is addressed in our comments below.

5. Our most recent survey on student debt showed that dental students are currently graduating with an average £25,545 of debt, compared to the average student debt of £16,614. This represents a 128% increase from 2000. The government has acknowledged that increased costs are a strong determining factor for students considering university courses. We seek assurances that a full analysis of the impact of price sensitivity on longer, and thus more expensive courses, will be undertaken. 81% of students received additional funding support from their parents, and this is, obviously reliant on parents being able to afford to help. If parental contributions are necessary, this has the potential to severely limit the opportunities for students from lower income families. If fees increase further, many parents may find themselves unable to assist their children. We consider it counter-productive for students to have to focus on financial concerns when they should be focusing on studying. Current students find the drop in income in their fifth year disruptive to their studies without the increased fear over unsustainable levels of debt. Students on shorter or non-clinical courses also generally have more time, in the evenings, weekends or during summer holidays to work to minimise their levels of debt. This option is not tenable for dental students in the fifth year of study whose week of study is often the same as an average working week.

6. Offering bursary assistance to students from disadvantaged backgrounds may not be enough to encourage them to enrol in longer or clinical subjects. Not only is there the issue of greater debt, which may be more off-putting for those from lower income backgrounds, but there is the simple problem of admissions. Dentistry is a clinical subject and requires knowledge of basic sciences such as chemistry and biology. If there is not sufficient investment in secondary education, or adequate careers advice at an early stage, then students from lower incomes may be poorly represented in higher education for clinical subjects.

7. In March 2009, the BDA raised the issue of high levels of debt having an impact on applications from students from lower income families. Raising the tuition fee barrier may well reduce applications, even if extra funding is available, as information about funding is not always easily accessible. Like medical courses, dental courses are often under-subscribed by students from lower socio-economic groups and the rise in tuition fees may exacerbate this. Many students prefer to study closer to home, a trend we expect to increase if fees are higher. With only 12 dental schools, this tendency will have an impact on who will consider studying at a dental school as a viable option.

8. We accept the government's argument that the weekly re-payments will be manageable and that they will have no impact on future abilities to borrow money for a mortgage, for example. Dental services in the UK are, however, reliant on private investment to practices. If debt is higher and takes longer to repay, the impact that this will have on future dentists' decisions to buy or set up in practices must be considered. Current government subsidies for dentistry are very low compared to GP practices. Combined with rising expenses and reductions in earnings, an increased level of debt may have a significant impact on the number of students choosing dentistry as a career. We urge the Department of Business, Innovation and Skills to work with other relevant departments, the General Dental Council and Medical Education England (and its successor bodies) to limit the potentially damaging impact of these reforms on the future workforce.

9. An additional concern that applies to dental students rather than medical students is the lack of incentive to work in the NHS. Not only are there not enough salaried positions in the NHS, if debt is higher it is natural for students to seek to maximise their earning potential. With the potential decline in the number of practice owners (see comments above) the NHS may well suffer from a lack of dentists in the future. This tendency was borne out by the BDA's 2010 student debt survey where over one third of students said that debt would

²⁸ This is a provisional figure based on fees at £9000 and interest rate levels of 2%. The BDA will continue to develop more sophisticated student debt modelling.

influence their career path and encourage them into private, rather than NHS, practice. This could be exacerbated if dentistry is included as a subject justifying the highest tier of fee charges.

10. The need to reduce high debt as quickly as possible would, we believe, also have a deleterious effect on academic dentistry or community dentistry as both are less well remunerated and require postgraduate training and education for progression. There is already considerable evidence of recruitment difficulties in these spheres and the outcome of the changes could be disastrous for the future of the profession.

11. We seek reassurance that dentistry will continue to be recognised as a clinical subject. That this will be the case has been indicated by David Willets MP in response to a Parliamentary Question on 08 November 2010. The importance of this is that it will ensure that part of the cost of training continues to be met by government. There has, however, been no confirmation about what proportion of the costs will be met. We urge the committee to seek clear figures on this important issue.

12. The BDA has worked with other representatives of professions that have a similarly long period of study and rely on a mixture of NHS and BIS funding to simplify the bursary system. There has been no progress on this, despite agreements having been reached in early 2010. Anne Milton MP, in a letter to the BDA, British Medical Association, Unison, Royal College of Nursing, National Union of Students and Royal College of Midwives stated that a “fair and affordable financial package” should be available by March 2011. The BDA urges BIS to ensure that reform of the dual funding stream for students on clinical degrees is not further delayed.

13. We welcome the government’s commitment to reducing bureaucracy and ensuring that, as far as possible, higher education funding is directed to teaching. It is important that in this financially challenging time, cross-subsidy of other courses and of research is not allowed to reduce the resources intended for teaching. An intermediary body between individual institutions and government is necessary and the creation of a reformed HEFCE is welcomed. The future of higher education involves more than just adjusting fees. To safeguard the dental profession and to justify the application of different fees for different courses, the BDA recommends that universities publish transparent accounts of how student fees support the teaching of the course they are on. As dentistry is a long course and requires significant planning for future numbers, we recommend that the government has a clear policy for ensuring that there are adequate numbers of academics to fulfil possible future demand. Clinical academic staff must retain parity with NHS. The BDA cautions against proposals to allow the expansion of private universities opening medical schools, to which dental schools are affiliated. The private nature of these entities would have serious implications for workforce planning and potentially undermine the clinical professions.

10 March 2011

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Written evidence submitted by the British Medical Association (BMA)

SUMMARY

- The BMA remains committed to state funding of higher education and to the “arms-length” principle.
- We are concerned about the impact of funding cuts in higher education on medical education and research, and on the doctors that undertake this work.
- We are disappointed at the proposals regarding student financial support arising from the Browne Review Report and, in particular, its failure to address the concerns of medical students directly and to provide more detail on how courses with significant social benefit will be funded.
- We call for an early decision regarding the NHS Bursary scheme.
- We believe that the impact of the fear of debt of young people, particularly those from low income families, has been given insufficient consideration. This has a disproportionately adverse impact in medicine and needs to be analysed separately.

- We support the efforts being made to widen participation in higher education but argue that specific policies need to be established for medicine which, in turn, need to be analysed separately.
- We argue there has been insufficient transparency in the funding for teaching in higher education and that universities should be compelled to reveal internal cash flow for teaching delivery.
- We are concerned that the creation of a market in higher education will destabilise institutions to the detriment of education and research.
- The BMA believes that focussing research funding on a few institutions may well be fundamentally misguided and will reduce its diversity and likely effectiveness.
- We are concerned by proposals to allow private universities to open medical schools, or increase medical student numbers, especially if the decision is made without reference to NHS workforce planning.

INTRODUCTION

1. The British Medical Association (BMA) is a voluntary, professional association that represents doctors from all branches of medicine all over the UK. It has a total membership of over 144,000, including medical academics, doctors who are employed by universities or work in higher education, and over 22,000 medical students.

CONTEXT

2. The immediate context for higher education policy overall is one of significant cuts in funding arising not only from the comprehensive spending review and but also from cuts announced by the previous government. Whilst science spending is to be held at the current rate, we note that, over the next four years, this effectively means a 10% cut in funding.

3. The BMA is concerned that cuts to other budgets will affect medical education and research. With the general reduction in higher education funding for teaching and a continued lack of clarity about the extent to which institutions will cross-subsidise between courses and between research and teaching, we are concerned that a number of staff that undertake medical research and teaching could be under threat of redundancy. The reduction in the Government's commitment to teaching in higher education could, therefore, have a detrimental impact on the UK's current and future research capacity.

MEDICAL STUDENT FINANCE AND LORD BROWNE'S REPORT

4. The BMA contributed to Lord Browne's Review into Higher Education Funding and Student Finance, and prepared submissions.²⁹ We explained the particular situation of medical degrees, which are longer and more intensive than the usual three year degree, and the specific issues this raises for medical student finance and debt. We also made clear our opposition to the timing of Lord Browne's Review, which came before the first medical students under the current tuition fees system had graduated, preventing full analysis of the impact on students on longer courses of the current £3,000 fees.

5. The BMA was disappointed with the findings of Lord Browne's Review regarding student financial support. Whilst some consideration was given to courses that delivered significant social returns, such as medicine, there was little detail in the proposals about how targeted investment by the state in these courses would affect the fees paid by students. We recognise that students will not have to pay up-front fees and that payments will be made through the tax system once graduates earn £21,000. However, as we outline below, evidence suggests that fear of debt is a factor in young people deciding whether to go to university and what course they would undertake and we believe that this has not been analysed sufficiently.

6. The BMA does not believe the case was made for an early decision to raise the cap on tuition fees. This made no sense before the full higher education funding and student finance package had been published by the Government, without which it is almost impossible to assess the overall impact of increased fees. The BMA was also concerned that the changes did not reflect the specific financial circumstances of medical students.

NHS Bursary Scheme and Review

7. In addition to the proposed increase in fees, the BMA remains concerned about the NHS Bursary Scheme.

8. The NHS bursary is a major part of the support package for medical students. The impact of higher education funding reforms cannot be fully understood without consideration of the future of the bursary. In common with other students, medical students on five and six year courses receive support from the Student Loans Company (SLC) for the first four years of study to cover their tuition fees (in the form of a loan) and maintenance (in the form of a means-tested grant and loan). From the fifth year, students enter the NHS Bursary scheme and the NHS pays their tuition fees. The bursary itself is means-tested and pays up to a maximum of £4,388 (the rate for students outside London). An NHS loan is also available in years five and six but is not means-tested and is granted at the reduced rate of £2,210 (outside London) for all NHS funded students,

²⁹ BMA response to HE funding Review call for evidence, and call for proposals, http://www.bma.org.uk/careers/medical_education/student_finance/highereducationfundingreview.jsp, 2010.

regardless of whether students are eligible for the bursary. Currently, the cut-off for the bursary is significantly lower than that for the means-tested loan available to all students.

9. The inadequate level of loan provided by the scheme leads medical students into higher levels of commercial debt, particularly in years five and six, in part because the maintenance needs of the student do not decrease despite the reduction in student loan allowance.

10. In addition, the current bursary system and application process is incredibly complex to understand and navigate for students and differs hugely across the four nations of the UK. It also does little to address the need to widen participation in medicine. Indeed, this complexity is likely to have a disproportionate effect on students from low income backgrounds because they often have less access to information.³⁰

11. The BMA was closely involved with the review of the scheme and made a detailed submission during the Department of Health consultation.³¹ We supported fully the principles of the review and supported the proposal that medical students from the lowest socio-economic classifications should be included within the NHS Bursary Scheme for the duration of their degree.

12. However, since the consultation closed in 2009 there has been little public progress. Our strong view is that a decision should be made as soon as possible on the future shape of the scheme and that the bursary must provide a sustainable amount of support for students.

Medical Student finance

13. We have calculated that under the current system³² a medical student graduates with an estimated £37,000 worth of debt. This includes only those debts incurred from student loans and does not take into account overdrafts, credit cards and professional loans which many students depend on for additional support.

14. We would also point out that during the medical degree there are higher incidental costs than for most other courses. Medical students are expected to travel to clinical placements and to purchase expensive equipment. Medical students spend approximately 46 weeks per year at university, requiring more in maintenance support and limiting the opportunity for part-time working to supplement their income.

15. Following the vote to increase tuition fees, higher education institutions will be able to charge fees of between £6,000 and £9,000 a year. We would suggest that failure to widen access to medicine seriously weakens the case for higher fees for medical careers. The BMA estimates that if universities charge the maximum £9,000 rate, medical students could see their graduating debts increase to around £70,000.³³ We are also concerned at the lack of analysis of the impact of the deferred payment of student fees on graduates with regard to other future borrowing such as mortgages.

16. A further concern is the Government's plan of charging an interest rate of up to 3% above inflation on loans taken out after 2012–13. Furthermore, the Education Bill does not specify any cap on the interest rate allowing future government to change the system further. These proposals will result in graduates repaying substantially more than the actual value of the original loan and add to their debt on graduation.

17. We believe that a separate analysis of the impact of any changes on longer and, therefore, more expensive courses, such as medicine, should be undertaken and that this analysis should include the extent to which price sensitivity is affected by access to part-time work. We also believe that an analysis should be made of the impact of the new system on courses students choose to undertake and the career choices they make on graduation. We would be concerned if perverse incentives were created that discouraged doctors from entering academic medicine and from practising in the UK.

WIDENING PARTICIPATION

18. UCAS data³⁴ shows that in 2008 the proportion of applicants to Higher Education from lower socio-economic groups was 29.9%. Medicine is particularly under-represented with only 13% of medical students in 2008 coming from the lowest three socio-economic groups.³⁵

19. Although there are multi-factorial causes for the failure to widen participation that need to be tackled, there is evidence that affordability and the fear of debt have a disproportionate impact in medicine. Any plans to increase the contribution graduates make towards the education from which they eventually benefit must, therefore, be considered alongside our wider concerns that the fear of debt will deter students from lower socio-economic groups from undertaking medical degrees.

20. A 2008 study by the Sutton Trust³⁶ found that almost two thirds of students who decided not to pursue Higher Education cited avoiding debt as a major factor in their decision. The Government's explanatory

³⁰ Adnett (2006), Student finance and widening participation in the British Isles.

³¹ "Supporting our future NHS workforce".

³² British Medical Association, A Need for Change, 2008.

³³ BMA student debt calculator, BMA Health Policy and Economic Research Unit.

³⁴ http://www.ucas.co.uk/website/news/media_releases/2008/2008-02-14.

³⁵ The BMA's most recent research shows a slight increase in participation for 2009, however there is no comparative data, British Medical Association, Survey of Medical Student Finance, 2008–09.

³⁶ Sutton Trust, P. Davis *et al.*, Knowing where to study: fees, bursaries, and fair access, 2008.

memorandum on the Higher Education (Higher Amount) (England) Regulations 2010 also acknowledged that ‘there is evidence of price sensitivity among students’ but that this could be off-set by comparable increases in student support. We recognise that the Government has stated that there will be increased support for poorer students. Nonetheless, the length of the medical degree course and the lack of time available to undertake part-time work mean that such support needs to be tailored to the needs of medical students.

21. We recognise the Government’s commitment to measure the proportion of students from disadvantaged background entering higher education as part of their success criteria and support the aims of this proposal. We also note that Universities can only charge fees above £6,000 if they have widening participation schemes acceptable to the Office for Fair Access, and that the OFFA has this week published guidance for HEIs on how to produce an access agreement for those charging fees of more than £6,000. To date, there have been numerous initiatives and schemes run by medical schools and others aimed at increasing applications and entrants from lower income families. Unfortunately, these schemes have had little national effect.

22. The percentage of students from lower income families is slowly improving across higher education but the rate remains stagnant in medicine. It is for that reason that we would strongly urge the Government and OFFA to measure medicine separately so that cross-institutional averages do not conceal the situation in medicine. Given the past failure to widen access, we would argue that the case made by each medical school for fees above £6,000 for medical students must be robust and measurable. Access agreements must specifically address access to medical degrees which are longer and more expensive than the standard three year course. In particular, they must tackle our concerns regarding the difficulties students from poorer families will have in undertaking the necessary work experience because they don’t have the financial support necessary to work unpaid for a period of time, or the personal or family connections to professionals who can facilitate internships, shadowing and work experience.

HIGHER EDUCATION FUNDING AND GOVERNANCE

23. The BMA remains committed to state funding of higher education and to the “arms-length” principle. The Academy of Medical Sciences report *Biomedical research—a platform for increasing health and wealth in the UK* demonstrated that “medical research charity funding relies on a strong, publicly funded research base and infrastructure to achieve its aims.” We also believe that there is an important role for an organisation in the sector between the individual institutions and Government. We would, nonetheless, welcome proposals that streamline bureaucracy, simplify regulation and improve transparency, but suggest that they must bear in mind the plan to establish a medical research regulator.

24. The BMA has argued there has been insufficient transparency in the funding for teaching in higher education.³⁷ We believe universities should be compelled to reveal internal cash flow from Higher Education Funding Councils’ funding towards actual teaching delivery. We acknowledge that funding teaching through the individual student rather than in the form of block funding gives the possibility of achieving the greater transparency we have sought. However, Science, Technology, Engineering and Mathematics (STEM) subjects will continue to receive some funding through block grants and we are concerned that there has been little clarity, as yet, regarding how much such funding will be available and how it will be allocated.

25. The BMA does, however, have concerns about the impact of funding teaching almost wholly through student fees and, by that, the creation of a “market” in higher education. We fear that it could make institutions susceptible to quite rapid fluctuations in student demand, leading to the possible closure of some institutions. This could have a damaging effect on students on those courses affected, who will have committed time and resources to their studies. Degree courses (particularly medical degrees) take some time to plan and implement and are, therefore, not products that can be made available quickly in response to changes in the student market in the course of a year or even within years. The Government needs to have an active policy for managing mergers and acquisitions in the HE sector, thereby protecting teaching and research whilst at the same time saving money on management and administration.

26. We would also be concerned if funding for and from medical students was used to subsidise other courses to an unreasonable extent. We also note that, with much of the medical degree teaching taking place outside the university in NHS organisations, students may question whether their higher education institution is providing value for money for their tuition fees, and NHS organisations may query whether they should receive some of the fees from medical students. The possible destabilisation of the supplementary income for teaching (SIFT) system arising from the Department of Health’s review of the Multi-Professional Education and Training levy does not seem to have been taken into account in the current planning for student fees.

27. The BMA also believes that mechanisms other than the market can enable students to have an influence over the nature and quality of their experience at university and should not be ignored. These should include forums in which student views are aired to senior staff and formal procedures for taking student feedback into account.

28. The BMA is sceptical that the Government’s policy of offering shorter degree courses and of encouraging new modes of teaching would be appropriate for medicine. We note that the recently published report for

³⁷ BMA Response to HEFCE’s Review of the Teaching Funding Method, July 2010.

HEFCE³⁸ on the subject does not consider medicine or other similar vocational degrees. With medical students already spending approximately 46 weeks per year at university, we would suggest that it would be very difficult to shorten the course.

RESEARCH

29. The BMA is concerned that, other than as a short-term device for solving the financial crisis, focussing research funding on a few institutions may well be fundamentally misguided. Pharmaceutical physician members of the BMA (clinical academics working in the pharmaceutical industry) have argued to us that the experience in the industry of focussing on large-scale centres of excellence had failed. The focus of the sector now was on a broad base which encouraged innovation and from which nuggets of research emerged. We believe that the centralisation of medical research would, therefore, reduce its diversity and likely effectiveness. We also have concerns that it would limit opportunities and access to role models for young academics and impede the development and training of the future generation of clinical academics. We have documented how dependent the growth of medical research is on medical academic role models seen early in a doctor's career. Thus the notion of focussing research on a few centres may have long-term harmful effects on the clinical academic workforce and on research and innovation generally.

NON-GOVERNMENT FUNDING FOR HIGHER EDUCATION

30. The BMA supports the principle of academic medicine working more closely with non-governmental funders. Pharmaceutical and biotechnology companies appear to be supportive of this as the way forward for optimising translational research. We have called on the Association of the British Pharmaceutical Industry to promote and develop agreements to facilitate seamless transition of medical academic staff between employers within the NHS, higher education institutions and the industry without detriment to their employment benefits or conditions of service. We would also highlight the role of industry in assuring that there are adequate numbers of transparently funded PhD and MD posts.

31. The BMA also recognises that there is a role for voluntary giving in higher education, but only for additional non-core activity as mentioned in the Academy of Medical Science report noted in paragraph 23. Voluntary giving should not be seen as a substitute for state support but as a complement to it.

32. The BMA would be concerned by proposals to allow private universities to open medical schools, especially if the decision is made without reference to NHS workforce planning: the number of students currently admitted onto medical degrees reflects the workforce needs of the NHS. An oversupply of medical graduates would leave many students without a place on the Foundation Programme³⁹ and therefore unable to pursue a career in medicine. This is especially concerning given the significant cost to the Government of training medical students. The BMA would, therefore, be concerned at any proposal that institutions should face no restrictions from the Government on how many students they could admit. In addition, we would be concerned that "bidding wars" could arise for the necessary clinical placements for students.

33. We would be happy to provide further information to the Committee on any aspect of our submission.

10 March 2011

Written evidence submitted by Professor Roger Brown, Professor of Higher Education Policy, Liverpool Hope University

SUMMARY

1.
 - Any attempt to determine the future funding regime for student education needs to take into account the funding of research.
 - The Browne Committee proposals would if implemented have been a disaster for UK higher education.
 - By retaining the fee cap, the Government's proposals are a slight improvement. But they will still lead to a reduction in the public benefits of higher education as well as massive and unnecessary disruption of the system.
 - Instead of moving towards what is in effect a voucher system, state funding for institutions should be channelled through negotiated multi annual agreements with each institution, which could include "rewards" for those universities and colleges that are serious about widening participation.
 - So far from raising quality, a differential funding regime will almost certainly damage quality, as well as leading to a more complex, and almost certainly more burdensome quality assurance regime.

³⁸ *Costing study of two year accelerated honours degrees*, Report to HEFCE by Liz Hart Associates, February 2011.

³⁹ Upon graduation, medical students apply to the Foundation Programme. Places on the two-year postgraduate Foundation Programme are limited by the workforce planning needs of the NHS but completion of the first year of the Programme is compulsory to gain General Medical Council registration. Without this registration, a doctor can not practise medicine.

- The immense costs of the student support regime should be re-examined. There are various ways in which these can be reduced so as to relieve the pressure on public funds for teaching.
- This evidence is based primarily on work done for the author’s recent book and book chapter (Brown, 2010a and b) and his reports on the American system for the Higher Education Policy Institute (HEPI) (Brown, 2008 and 2011a).

THE NEED TO TAKE ACCOUNT OF FUNDING DIFFERENCES BETWEEN INSTITUTIONS

2. Even before we move into a true variable fee regime (if we do), there are already considerable resourcing differentials between institutions. Work done for HEPI in 2006 found that, taken together teaching and research income per weighted full-time equivalent student, and allowing for subject mix, the best funded institution enjoyed an income of up to two and a half times the mean sectoral figure whilst the most poorly funded institution had an income of just under half the sectoral mean. This was on the basis of 2004–05 data. In the same year, the top 10 universities in the 2008 Good University Guide had an average student/staff ratio of 13.97 compared with an average of 23.2 for the bottom 10n. Similarly, the top ten institutions spent an average of £1,418 per student on academic services like libraries and computing and £326 on facilities such as sports, health, careers and counselling. The comparable average figures for the ten institutions at the bottom were £674 and £198 (Leathwood and Read, 2009).

3. These resourcing differentials stem chiefly from institutions’ varying ability to attract funding for research and private donations. Some 75% of public research funding goes to 25% of institutions, and the Government has signalled that it would like this concentration to continue and even increase. Research income has wider benefits to institutions in terms of better libraries and laboratories and more staff, quite apart from the advantages to institutional standing and reputation. If we do see variable fees, it will be the research intensive institutions that will be able to charge the higher rates, thus putting even greater distance between them and their erstwhile competitors. Yet there is no evidence either that research funding needs to be so highly concentrated, or that students learn more in a research environment (Brown, 2010a). Only Oxford and Cambridge are able to attract significant volumes of private donations, and it will be many years (if ever) before they and other institutions are able to generate endowments on the American scale.

THE BROWNE COMMITTEE REPORT

4. The Browne Committee’s central proposal was that the present fee cap should be abolished, with institutions free to charge what they liked to as many students as they could recruit within an overall resourcing envelope set by the Government. However US experience shows clearly the dangers of such price competition in what is essentially a positional market where price is seen as a synonym for quality, and where the most prestigious institutions simply charge what the market will bear. By doing this and at the same time keeping their student numbers down, they have created a “price umbrella” for less selective ones, what has often been called the “academic arms race”. US experience also shows the dangers of extremes of wealth and income as between different institutions and the social groups they serve, with the best resourced institutions catering for the wealthier students attracting the greatest degree of private and public financial support, and the poorest institutions serving students from less well off backgrounds attracting the least (Brown, 2011a). As a result, the US system has over the past thirty years or so gone from being one that was universally admired for its ability to combine excellence with equity to one that stands as a dreadful warning to anyone who seriously wishes to place the provision of higher education on a market basis.

THE GOVERNMENT’S PROPOSALS

5. By retaining a fees cap, the Government’s proposals may prevent the worst excesses of positional competition. But there is still a possibility of a waste of resources as institutions charge varying amounts. At the very least, any institution charging more than what it would need to offset the loss of teaching grant income (say £7,500) should be required to show what the additional monies will be used for, how they will improve the quality of student learning, and how they will know this.

6. However a more fundamental difficulty is the transfer of funding of teaching away from a combination of grants and fees to one where virtually all the funding for teaching comes through the student fee. This is effectively a voucher system. A recent (2009) HEPI report concluded:

The arguments against vouchers, and the disadvantages that the introduction of a voucher scheme would bring, are substantial and serious, and it is difficult to conclude other than whatever benefits the introduction of a voucher scheme would bring would be more than offset by the disadvantages. Moreover, the only significant voucher scheme in higher education in the world [Colorado since 2005] is judged by those who have evaluated it to have been unsuccessful (Bekhradnia and Massey, 2009: paragraph 28).

7. The main argument in favour of such a system—voiced both in the Browne Report and in the Government’s response—is that the best judges of quality are students and potential students, and that putting funding power in their hands is the best means of improving quality, by getting institutions to “raise their game”. There is very little evidence to support this. But there is a very real risk that by moving from a mixed system of funding, where student and institutional perspectives on what should be taught are able to interact,

we shall lose the benefit of a balanced curriculum without any compensating improvements in quality or efficiency. Ironically, both the Browne Committee and the Government partially accept this because they have retained the possibility of direct government funding for some of the more expensive subjects. If subjects like history, sociology and philosophy are to be left to the market, why not medicine or engineering?

8. The wider issues involved have been well ventilated by Stefan Collini:

What is at stake here is not primarily the question of whether this or that group of graduates will pay a little more or a little less towards the costs of their education, even though that may seem (particularly to those in marginal seats) to be the most potent element electorally. What is at stake is whether universities in the future are to be thought of as having a public cultural role partly sustained by public support, or whether we move further towards redefining them in terms of a purely economic calculation of value and a wholly individualist conception of “consumer satisfaction” (Collini, 2010: 25).

9. The other main planks of the Government’s response to Browne are increased information for students and facilitating the entry of new providers.

10. There can be no objection to students having more information about courses, subjects and institutions. But the costs of what is currently envisaged are likely to outweigh the benefits. Higher education is not a commodity, and there are simply too many variables and unknowns for meaningful comparative information of the kind found in a typical consumer market to be produced. Nor is there any evidence that students would be any more rational in using it than consumers of conventional goods or services (Brown, 2007).

11. Similarly, there can be no objection in principle to the entry of new providers. But again American experience with commercial “for profit” providers—where large amounts of public money had been very poorly used—should give us pause. Two particular concerns are quality—where the Government appears to be contemplating changing the present rules so that institutions that do not teach can nevertheless award degrees—and equity, where the Government appears to be planning to offer access to fee and maintenance loans and grants to students of private providers at the same time as funds for public institutions are being radically scaled back. This again suggests that there should be a very careful consideration of the benefits and costs before the present rules are changed (Brown, 2011b).

AN ALTERNATIVE

12. Internationally, there is a long term trend towards increased private funding of student education. Indeed the UK already has one of the most privatised regimes. If the institutional grant falls as a proportion of institutions’ funding, then serious consideration should be given to a different means of funding teaching, using institutions’ strategic plans.

13. Institutions would submit their strategic business plans to the state funding agency (HEFCE) or its successor. The plans would set out how the institution intended to develop, and would outline the educational, social and economic outcomes proposed. The plans would cover mission, priorities and targets; projected student numbers and subject mix; financial planning, current and capital; prices/costs within the system and the funding agency’s indication of the unit of resource; anticipated income; and organisation, mechanisms and processes, including quality assurance; and performance indicators.

14. The funding agency would assess these in the light of its own policies, its analysis of societal needs, and its commitment to learning and education generally. It would consult the regulatory agency (QAA or its successor). It would then decide what proportion of each institution’s teaching costs to meet. In effect, the agency would be funding the institution’s development over a period of years. This approach acknowledges the reality that a high and increasing proportion of institutional teaching funding will be private; would secure a greater coherence between institutional plans and the allocation of resources; would sit better with institutions’ business cycles; and above all would provide greater incentives for institutions to concentrate on the activities they are best suited to. It also enables the public authorities to steer institutions and students towards students and activities that may be overlooked in a scramble for status.

15. As already noted, there are already considerable resourcing disparities between institutions which the concentration of research funding and variable fees will intensify. State intervention may be needed to see that these disparities do not become any wider. The alternative is to abandon any comparability of educational standards across UK institutions, any notion of a UK degree, and any hope of a distinctive UK “brand” not to mention greater social cohesion (see below). This would be a disaster for our international reputation for quality and the ability of our universities and colleges to attract the overseas students without whose contributions our system would literally be bankrupt.

PROTECTING QUALITY

16. Both the Browne Committee and the Government appear to believe that the best way of raising quality is through market competition. Whilst there is certainly evidence that, at least in its initial phases, market competition increases institutional efficiency and responsiveness, there is little evidence that it raises academic standards, and indeed quite a lot that points in the other direction.

17. One reason for this is that, as the Browne Committee accepted, there can never be valid and reliable quality indicators:

One option is to link funding to a measure of quality. However, there is no measure that we have seen that could function effectively across the whole range of institutions and courses. There is no “national curriculum” for higher education. Looking at student outcomes by institution can be misleading as these reflect which students the institution selected as much as the value added by the institution (Independent Review, 2010: 29)

18. The Committee recommended that the new Higher Education Council should enforce “baseline standards of quality” as well as exercising tight control over the curriculum of directly funded subjects like medicine. In fact we could well end up with a market that is both more customer driven and more heavily regulated and costly for institutions (Brown, 2010c).

STUDENT SUPPORT

19. Neither the Browne Committee report nor the Government’s response resolves the fundamental problems facing British higher education: underfunding, the costs of student support, and the lack of equity.

20. UK higher education is still suffering from serious underinvestment in the 1980s and 1990s. Even now, the unit of funding for teaching is only about 4/5ths of what it was in 1989 whilst the proportion of GDP devoted to higher education is little changed from what it was before the huge expansion of the late 1980s to mid-1990s. Although the Higher Education Minister has recently claimed that institutions charging more than £6,000 will be better off, he has produced no projections for the unit of funding that will result or the share of GDP that higher education spending will represent (it is well known that the UK expenditure on higher education as a share of GDP is below the OECD average).

21. The main problem in recent years has been the cost of student support. This is why, in spite of the proposed changes, respected independent agencies such as HEPI and the Institute for Fiscal Studies doubt whether the Government’s proposals will reduce the costs of the system to the taxpayer in the longer run. In the short to medium term the budget for teaching will continue to suffer at the expense of student support. There are various ways in which the costs of student support can be reduced, for example, charging higher interest rates or having a lower effective threshold for repayment, if not a longer write-off period. It would be a tragedy if the system went through a long and difficult period of disruption only to have to revisit this issue and experience yet further upheaval as a result.

EQUITY

22. There are well evidenced and longstanding differences in social participation in the UK—and especially English—higher education which is unnecessary to rehearse. It is well established that these are linked to differential attainment, and that this is the product of many factors over which higher education policy has little or no influence. In other words, the key to widening participation in higher education is improving school and college participation and attainment (to which actions like abolishing the Educational Maintenance Allowance are hardly helpful). But there is one point here that may be worth highlighting as we move to a more market-based regime.

23. At least since the Laura Spence affair, the public debate on widening participation in higher education has tended to focus on improving working class access to the most selective institutions. There is indeed an institutional dimension to widening participation, but this is arguably the least relevant. What is of far greater importance—and what the US experience of reducing public funding and channelling it via the student shows—is that competitive funding regimes of the kind envisaged by the Government disadvantage those institutions with an access mission, and that this in turn acts as a further obstacle to widening participation.

CONCLUSION

24. Unless there is a very radical rethinking of policy, we shall end up by the middle of the decade with an English higher education system with the following characteristics:

- There will be much greater resourcing and status differentials between institutions than is currently the case. These will arise from the very widely varying ability to attract private and public revenue for both teaching and research. There may also be much wider quality differences even if these are not as great as the resourcing differentials.
- The student population is unlikely to be any more representative of the general population than is currently the case, and may even be less. The existing pattern of students from wealthier backgrounds attending wealthier institutions, and students from poorer backgrounds going to poorer institutions, will be further solidified.
- A much greater proportion of the university curriculum will be “vocational” or concerned with “employability”. Non-vocational subjects—especially, but not only, the arts, humanities and social sciences—will be confined to a small number of elite institutions catering for wealthier students, together with poorer students on scholarships—just like the 1950s.

- Research will be even more heavily concentrated. Staff salaries, terms and conditions will vary to a much greater degree: in the US, a professor at a private university already earns almost 50% more than their counterpart at a public one. A much bigger proportion of the teaching force will be on part-time and/or temporary contracts, again as in the US and again with negative implications for student learning.
- Students will be even more clearly consumers, rather than producers. Institutions will be putting much greater effort into student care and complaints, as well as into marketing, advertising, branding and recruitment. There will also be more conspicuous expenditure: what one American college president called the “amenities arms race” will have come to Britain.
- Most institutions will be experiencing a more complex and more costly regulatory regime because of the inability of markets to police quality in any serious way, and the unwillingness of successive governments to accept this.

9 March 2011

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Written evidence submitted by the Built Environment Skills Alliance

This submission is from the Built Environment Skills Alliance (BESA¹) in response to the Business, Innovation and Skills Committee’s call for evidence in support of its inquiry into the future of higher education. It outlines only matters which appear to BESA to be the most immediately relevant and urgent.

EXECUTIVE SUMMARY

1. BESA warmly welcomes the inquiry, given what is emerging in the lead up to the higher education White Paper. The changes which this White Paper is likely to set in hand will potentially have a significant impact on the future of the built environment sector and its ability to meet the demands placed upon it within the economy in critical areas, including those relating to the low carbon and sustainability agenda.

2. BESA wishes to make the following key points:

- Higher education does not appear to be using information critical to its capacity to meet emerging and future built environment industry needs. If this situation continues, it seems highly likely to reduce the accuracy of “signalling” of employer requirements to prospective students, including of employment opportunities.
- Significant effort has been made by BESA members to work collaboratively with the relevant higher education communities and stakeholders, to prepare for the considerable changes facing the built environment sector in the future. It seems important that these activities develop and continue and are not hampered as the new systems in England move towards implementation.
- More information is needed about how built environment employers can articulate their needs to higher education and influence provision, particularly towards fulfilment of the low carbon and sustainability agenda. More information is also needed about how built environment employers will be able to feed into and influence cost and quality levels to ensure courses are fit for purpose.

- Precipitate cuts by HEIs in the lead up to initial implementation of the new system in 2012 may create mismatches leading to failure in graduate supply and lack of built environment provision, including for update of existing workers necessary to deliver the low carbon and sustainability agenda.
- It seems that there is a need to more closely coordinate and avoid inconsistencies of interpretation in planned changes to higher education funding across the UK leading to unintended consequences that could reduce capacity to deliver what is needed by the built environment industries and so ensure opportunities for future graduates.
- There is a need to consider that a wider range of built environment subjects receive some ongoing teaching grant on the grounds of high cost and/or unique contribution to the UK's economy and its development eg architectural technology, building surveying, building services engineering
- While there are distinct opportunities arising for higher education from the creation of truly valuable work—based route to higher level achievement in built environment occupations, this may prove impossible due to the lack of appropriate part—time provision. Should this route not exist, it is likely to impact adversely on social mobility potential in the built environment industries.

EVIDENCE, CONCERNS, POTENTIAL IMPACTS AND ISSUES ARISING

3. Industry Labour Market Intelligence² to 2014 suggests that there may be sufficient numbers of graduates in general terms, though there are known areas of potential shortage, which primarily associate with growth. These areas include nuclear new build and power redevelopment, for example. However, BESA's significant contact with higher education which has been consistently sustained over the last two years strongly indicates that Labour Market Intelligence across the built environment industries is not in general being used appropriately at course, Department/School or Higher Education Institution (HEI) level. If this situation continues, higher education will not support growth in the built environment industries, and be unable to cope with demand for specialist skills which are already arising. Prospective students will be less accurately informed than is desirable about industry expectations and opportunities.

- Higher education does not appear to be using information critical to its capacity to meet emerging and future built environment industry needs. If this situation continues, it seems highly likely to reduce the accuracy of “signalling” of employer requirements to prospective students, including of employment opportunities.

4. The forthcoming changes may add complexity. BESA members are preparing for the future—both in terms of the higher education financial implications, but also in relation to the considerable changes facing the ways in which the built environment sector needs to operate in the future. For example ConstructionSkills is considering how the Construction Industry Training Board levy—grant system may best articulate with the new funding system in England, which could provide a clear, early example of how employers can share responsibility for higher education within the changed arrangements.³ Furthermore, all BESA members have made great efforts to communicate with the relevant higher education communities and stakeholders in relation to the sector's skills agenda. This is difficult, partly because of the diversity of built environment higher education, merely establishing and maintaining the appropriate mechanisms has required great effort and relatively significant resource. Without such mechanisms, “future proofing” of provision will be reduced, resulting in graduates being less prepared than they might be for the realities of working in the built environment industries

- Significant effort has been made by BESA members to work collaboratively with the relevant higher education communities and stakeholders, and BESA members to prepare for the considerable changes facing the built environment sector in the future. It seems important that these activities develop and continue and are not hampered as the new systems in England move towards implementation.

5. Browne's proposals for England on higher education funding and the increased competition which should associate with these proposals when implemented should result in higher quality and more efficient and responsive courses. However, there will be situations where this is not the case. For example, where the true cost of particular courses exceeds the tuition fees payable. In this situation HEIs could be expected to support successful delivery of these higher cost courses with income generated elsewhere in the Institution, including by higher volume, lower cost courses. But HEIs being willing and able to do this appears to require that all subject costs are as accurate as possible. There may also be a relatively small number of cases where the true costs of courses are so high that the assumption of HEIs supporting them internally without some additional external funding ceases to be reasonable.

6. BESA members should be able to influence the Quality Assurance Agency (QAA) benchmarking statements where this is relevant to their occupational areas and the costing assumptions behind these. BESA members should also take sufficiently active part in any Higher Education Funding Council for England (HEFCE) led mediation relating to subjects where costs of courses exceed tuition fees. This is especially important in response to Growth Reviews where high cost courses will need employer engagement.

- More information is needed about how built environment employers can articulate their needs to higher education and influence provision, particularly towards fulfilment of the low carbon and sustainability agenda. More information is also needed about how built environment employers will be able to feed into and influence cost and quality levels to ensure courses are fit for purpose.

7. Although the majority of built environment firms have been hit hard by the recession, smaller firms have been particularly affected. While it is to their credit that many such firms continue to support higher education of their workers, the numbers tend to be relatively small. Because these are employed workers, part-time provision is preferred, and across all built environment firms and occupations, skills required may be specialised. These factors also lead to numbers offered to HEIs being small by comparison with more “popular” subjects. There is already evidence that HEIs are thinking of cutting smaller courses, and within the next twelve months. This could impact badly on part-time participation.

8. The majority of built environment courses are highly supportive of the agenda for sustainability and low carbon—areas in which the built environment industries are central. It is estimated that half of the work in construction itself is already conservation and/or maintenance. Highly relevant courses for example in regeneration/renewal and building conservation could be under threat, and in the relatively near future. Significant loss of such courses would be likely to reduce the capacity of existing workers to deliver the agenda for low carbon and sustainability. As the prospective students concerned would be employed individuals, they are most likely to mainly seek part-time provision. If part-time courses are reduced, HEI income goes down and full-time built environment provision may be similarly affected over time, as would be postgraduate provision, full-time and part-time. Additionally, key postgraduate courses appear threatened from a number of directions, including by declining numbers which are blamed by many on tightening visa restrictions. BESA warmly welcomes the recent decision by the Minister for Universities and Science to ask Sir Adrian Smith, the chair of last year’s Postgraduate Review panel, to reconvene the panel and look at postgraduate access and finance in the light of the new undergraduate funding system.

9. Redevelopment of existing provision is far less resource intensive than development from scratch. If courses disappear they cannot be redeveloped to serve emerging needs, obviously. Furthermore, should provision disappear completely, it is fairly unlikely to be replaced, mainly because resources have dwindled, and perhaps disappeared, including that experienced staff needed for delivery have been “lost”. While HEIs concerns are understandable, as they must balance their books, precipitate action may damage critical longer term aims. It has been said that the amount of money available to any one course could end up about the same as it is now in 2014–15 when the new system is fully in place in England. While it is hoped that this forecast is correct, it does assume that the course still exists in 2014–15.

- Precipitate cuts by HEIs in the lead up to initial implementation of the new system in 2012 may create mismatches leading to failure in graduate supply and lack of built environment provision, including for update of existing workers necessary to deliver the low carbon and sustainability agenda.

10. Leading edge provision directed towards the agenda for low carbon and sustainability tends to be in England at present. For example Foundation degrees for Building Services Engineering (occupationally critical to development and implementation of environmentally friendly energy systems) do not run in Scotland, as Foundation degrees were ruled out by Scottish Parliament decision in 2003. This also exemplifies issues of future cross-border finance which are potentially far more extensive, of course.

Unintentional effects of policy and funding changes may create unevenness across the UK which would damage the capacity of higher education to deliver what is needed in the built environment industries. It is apparent that there are already potential different interpretations of funding allocation between the home nations.

- It seems increasingly clear that there is a need to more closely coordinate and avoid inconsistencies in planned changes to higher education funding across the UK leading to unintended consequences that could reduce capacity to deliver what is needed by the built environment industries and so ensure opportunities for future graduates.

11. There could be emergent supply difficulties which derive from existing Science, Technology, Engineering and Mathematics (STEM) policy interpretation in higher education and from the related approach known as SIVS (Strategically Important and Vulnerable Subjects). For example, recent figures for undergraduate recruitment issued by UCAS suggest that applications to study civil engineering (recognised as STEM and SIV) are either increasing or holding relatively steady, depending on the figures for the particular month. But in general, numbers fell across built environment subjects, and dramatically in some cases. A number of these subjects are high cost due to their nature and facilities required to support delivery, but are not STEM/SIV. These reductions may have negative impact given future employment requirements, but this prospect is unfortunate for other reasons, not least as these subjects also have significant STEM demand and low numbers may lead to their being cut precipitately by HEIs. It is hoped that there will be HEFCE-led mediation involving BESA members relating to subjects where true costs of delivery will exceed tuition fees, as this could help to address potential difficulties. Subjects such as architectural technology, building surveying and building services engineering are fundamental to the low carbon and sustainability agenda. It was previously mentioned that BESA members must be able to influence the appropriate QAA benchmarking statements and

costing assumptions behind these. In BESA's view, other relevant Sector Skills Councils across all industries should also be engaged here.

- There is a need to consider that a wider range of built environment subjects receive some ongoing teaching grant on the grounds of high cost and/or unique contribution to the UK's economy and its development eg architectural technology, building surveying, building services engineering

12. While Government recognises that "efficient part—time provision may...have additional costs" (Higher Education Funding Council for England—HEFCE—grant letter 2010, para 17), the relatively small numbers generally seen in such courses suggest that they may be in danger. Part—time provision is critical to progression from Apprenticeship and the future of Higher Apprenticeship, probably in all industries. But particularly in built environment, significant loss of part—time provision has negative implications for progression and development of alternative routes to higher level achievement, and so for increased social mobility supported by work—based approaches. Universities should also be encouraged to become more engaged with University Technical Colleges (UTCs). This would make progression to higher education from UTCs clearer and be likely to enhance what UTCs provide.

13. HEIs that do cut built environment provision could be missing a trick as built environment part—time courses are already well within proposed 25% of full—time equivalent, so should be immediately saleable to part—time students eligible for tuition fee loans in the new system from its outset.

- While there are distinct opportunities arising for higher education from the creation of truly valuable work—based route to higher level achievement in built environment occupations, this may prove impossible due to the lack of appropriate part—time provision. Should this route not exist, it is likely to impact adversely on social mobility potential in the built environment industries.

14. Of necessity, this submission does not cover many relevant concerns in the built environment sector, or what BESA is trying to do about them through collaboration between industry and higher education stakeholders. Members of the Select Committee wishing to know more about higher education strategy and related work being undertaken by BESA and its relationships to present and future issues are most welcome to contact David Cracknell, Director of Skills and Lifelong Learning, Construction Industry Council.

REFERENCES

ⁱ The Built Environment Skills Alliance's (BESA) roles include the identification of key collective and shared skills issues affecting the built environment, and devising and promoting positive solutions to them. BESA's membership comprises the Sector Skills Councils and Standards Setting Bodies operating across the built environment. BESA members and occupational interests include Asset Skills (property, housing, facilities management); ConstructionSkills (including Construction Industry Council hence Professional Institutions in addition to numerous forms of professional employment eg civil engineering, majority of surveying, construction management, architecture); ECITB (engineering construction); Energy & Utility Skills (aspects of electricity, gas, waste management, water industries); ProSkills (process and manufacturing, including building products); Summit Skills (building services engineering, includes plumbing, heating and ventilating, refrigeration and air conditioning); Lantra (built environment aspects of the land based industries).

ⁱⁱ See, for example Construction Skills Network CSN Outputs <http://www.cskills.org/supportbusiness/businessinformation/csn/csnoutputs/index.aspx>

ⁱⁱⁱ Initial indications from the review of Construction Industry Training Board levy—grant arrangements indicate that in 2010, at least £10 million in grant supported higher education. This figure seems likely to increase rather than decrease as the study progresses. More than 4,500 graduates were supported by grant in 2008. Both of these figures must be remarked upon as economic conditions were impacting so heavily on construction and related employers across these timescales. Furthermore, actual expenditure on higher education by the relevant employers was far greater, as the grant concerned supports rather than pays whole cost. This indicates the importance which construction and other built environment employers attach to higher education given developments in the industries.

11 March 2011

Written evidence submitted by the Campaign for the Public University

We write to you about the very serious concerns we have for the future of higher education in the light of the Government's proposed reforms. The Campaign for the Public University (<http://publicuniversity.org>) is a broad-based campaign with no party or other political affiliation. We are a group of concerned academics (professors, lecturers, research fellows and research students across the sciences, arts, humanities and social sciences) seeking to defend and promote the idea of the university as a public good.

1.0 We believe that the public university is essential both for cultivating democratic public life and creating the means for as many individuals as possible to benefit from education and to find fulfilment in creative and intellectual pursuits. Precisely because of these wider public benefits we believe that undergraduate degree programmes should continue to receive public funding. We believe that, if implemented in their current form,

Government policies would: damage the teaching of social sciences, arts, and humanities in many UK universities; impoverish the diverse communities of research and teaching that universities now represent; encourage the belief that a university degree is little more than a transaction through which individuals buy themselves a highly paid job; and discourage a significant number of people from taking up a place in higher education. We believe that the university serves a range of functions, from teaching the next generation, to cultivating knowledge and culture, and developing the research that underlies innovations in technology. However, they are also a significant part of our democratic culture. They facilitate proper public debate by generating knowledge, evidence and argument that bear upon pressing public issues (frequently by providing the knowledge base that can be drawn on with regard to issues that are below the public radar, but beginning to emerge as public issues). We also believe that with the growth of public education and mass suffrage, universities have been increasingly important in facilitating social mobility and maintaining the openness of elites that is essential to a properly functioning democracy. **It is precisely because university education meets these public goods that its costs should not be borne only by students.**

2.0 We share Stefan Collini's powerfully articulated criticisms of the introduction of a market in higher education.⁴⁰ We do not believe that a system of higher education can be properly directed through simple student choice (though the latter is an important aspect of any system). Indeed, the designation of some subjects—primarily those of science, technology, medicine, and some modern languages—as priority subjects that will retain some public funding indicates that the market principle is not pursued consistently. We believe that the decision to leave the arts, humanities and social sciences to the vagaries of the market will create serious disruptions in the short run and will also have wider negative consequences. We do not believe that these subjects deserve public support only because of their economic significance, but as the British Academy has noted,⁴¹ the culture and media industries are now bigger employers and exporters than the science and technology sectors in the UK, while the social forecasting undertaken within the social sciences is essential to the functioning both of markets and government.

3.0 The Government recognizes that the UK currently has a world class higher education system and argues that the reforms are necessary in order to maintain it. However, it proposes to cut higher education spending more severely than other areas of public spending and to do this when other countries are increasing their spending on higher education. A recent poll, conducted by the Higher Education Funding Council for England, shows overwhelming public support for spending on higher education, with 80% saying it should increase or stay the same. Yet UK public funding of higher education is set to become the lowest among comparable OECD countries. In the context of the global challenges that the UK confronts, which are not only economic, but also social and political, and, perhaps, most of all challenges of cultural understanding, we believe that this is quite the wrong time to be cutting public spending on higher education. It is also dangerously short-sighted to seek to narrow the perspective within which higher education is viewed and valued.

4.0 The present proposal is that fees will be set between £6,000–£9,000 (although it is clear that the £6000 fee may be undercut by FE Colleges and for-profit providers, while the Browne Review itself contemplated no upper cap on fees and envisaged fees at the upper level being significantly higher than £9,000). This is accompanied by claims that under a market-oriented system, student choice will drive quality. However, if fees are set at £6,000, this will involve a significant cut in funding (approx £1,250 per student for most courses in the social sciences, arts and humanities). It is hard to see how a 20% cut in teaching resource can secure an improvement in teaching quality. Students are being asked to pay fees that are nearly double the present amount for fewer resources to be devoted to their education. Reference is made in a number of documents (for example, the Browne Report) to “achieving efficiencies” in teaching, but it is difficult to see what this will mean in practice other than a reduction in teaching standards, by the reduction of face-to-face teaching or increased staff-student ratios.⁴²

5.0 Any institution that charges the premium fee of £9000 will be able to cover its current teaching costs and, perhaps, be able to invest additional resources in teaching. However, it is clear from comments by some Vice-Chancellors that the expectation is also to use the additional income to cover the reduction in real terms of research income. This should not be surprising. The Browne Review's recommendation for differential fees did not envisage that the additional income would straightforwardly be invested in teaching. Indeed, the US Universities that are the model for a system of universities with differential fees use their fee income for a much wider set of purposes. It is clear, that the Browne Review is arguing for higher fees in order to strengthen the *research capacity* of those universities charging higher fees. While we accept that the integration of research and teaching defines a university education, and, therefore, that it is appropriate that research should be funded for its benefits for teaching (one of the justifications of QR funding), we do not believe that student fees should

⁴⁰ Stefan Collini “Browne’s Gamble” London Review of Books (November 4, 2010). <http://www.lrb.co.uk/v32/n21/stefan-collini/brownes-gamble>

⁴¹ “Investing in Excellence: The Needs and Contribution of the UK Research Base” (July 2010) <http://www.britac.ac.uk/policy/Investing-in-excellence.cfm>

⁴² Some of the argument on “efficiencies” is supported by data from TRAC, where it is suggested that there is no driver to reduce indirect costs in research, which can now be charged out by universities following the introduction of Full Economic Costs. It should be noted that, in contrast, there is a driver for teaching, since indirect teaching costs cannot be charged out but must be absorbed locally. It might be argued that teaching resources are diverted to support research. However, it is precisely the integration of research and teaching that characterises a university education.

be seen as a way of supplementing declining research funds and we are very concerned that some Vice-Chancellors advocate the lifting of premium fees, as recommended by the Browne, Review for precisely this reason.

6.0 Universities in the UK are not currently differentiated in terms of teaching quality. The National Student Survey shows that there is a very high degree of satisfaction of students across all universities with their courses (in the region of 85%). Although there are various rank orders of Universities that are produced using the NSS (by THE and the Guardian newspaper) all studies and evaluations of NSS show that those rank orders are illegitimate, precisely because nearly all Universities are clustered within a few points of each other and the differences among them are, for the most part, not statistically significant.⁴³ In fact, we are concerned that with the introduction of a market, HEFCE is seeking to enhance the use of the NSS to facilitate student choice. We strongly recommend that Universities UK be required to establish a Code of Practice on the Use of Information to prevent misleading claims and the mis-selling of courses.

7.0 We believe that differential fees will not reflect current differences in teaching quality. However, if some universities suffer a significant cut in their resources and others an increase in resources, then such differences will be produced as a consequence of Government policy. The only current difference among universities is in the entry qualifications of the students and the selectivity practiced by the university with regard to those qualifications. Just as we would not contemplate that secondary schools should receive less funding according to the abilities of their students, we do not believe that universities should receive differential funding for their teaching.

8.0 We are aware that it is not entirely clear how the new fee system will work how many universities will charge £6,000 and how many the premium fee of £9,000. We believe that the Higher Education Policy Institute has provided conclusive evidence that it is likely that most Universities will seek to charge £9,000. It has also shown that on the current mode of repayment of fees, this would be in the interests even of low-earning graduates, who would pay just about £300 overall than they would for a debt based on tuition fees of £6,000 (for which they would then have the benefit of having their teaching better resourced). We believe that HEPI has also shown that the costs of the system of student finance are such that any savings to the public finances are “artefactual” and arise only because their costs do not appear on the books. They are, however, no less real. They are real both to the students who will incur the additional debt and to the Government finances.⁴⁴

9.0 This brings us to broader issues of fairness before addressing specific aspects of the present proposals. The Government justified the cuts to higher education funding in the broader context of the fiscal deficit, arguing that it was unfair to future generations to burden them with repayments for this debt. In the context of student tuition fees, the proposal is to do exactly this, burden future generations with debts that current and past generations never had (while receiving the benefit of public education).

10.0 There has been some debate about the “fairness” of the new system of student support. Of course, with increased fees the issue of fairness becomes more acute than it was in the past. However, the debate has not addressed the consequences of the emerging system of differential fees. Lord Browne’s Review argued that the introduction of fees in 1998 after the Dearing Review did not affect the pattern of applications. However, Lord Browne’s review did not consider the impact of differential fees, despite the fact that this is what it was recommending. This will be further compounded in postgraduate education (where fees will also rise in line with undergraduate fees and where students must contemplate a significant rise in the cost of postgraduate education on top of an increased burden of debt). Here the Browne Review relied on the Smith Report⁴⁵ to suggest that the introduction of fees in 1998 had no impact on postgraduate applications. Once again, the Browne Review failed to address the consequence of differential fees and the consequence, too, for the lifting of postgraduate fees.

11.0 This introduces another issue of fairness. Students whose families have previously paid for private secondary education will face three further years of university fees at about the level they have been paying in school fees. Students from low income backgrounds will potentially have access to bursaries (we will return to this). The group that will be most seriously affected are those middle class parents with high aspirations for their children who have used state education. Recent research reported by the Sutton Trust (<http://www.suttontrust.com/news/news/comprehensive-pupils-outperform/>) is illuminating about who does best at University. Students from state schools do better than those from private schools. This is so across the university system, and at the most selective universities. As the report states, “Comprehensive school pupils also performed better than their similarly qualified independent and grammar school counterparts in degrees from the most academically selective universities and across all degree classes, awarded to graduates in 2009.” In fact, we believe that a new divide in education will emerge, with universities increasingly responsible for

⁴³ See, “Enhancing and Developing the National Student Survey”. Report to HEFCE by the Centre for Higher Education Studies at the Institute of Education, August 2010. http://www.hefce.ac.uk/pubs/rereports/2010/rd12_10/; Cheng, J.H.S, and H.W. Marsh (2010) “National Student Survey: are differences between universities and courses reliable and meaningful?” *Oxford Review of Education*, 36: 6, 693–712.

⁴⁴ “The Government’s proposals for higher education funding and student finance—an analysis.” November 11, 2010. <http://www.hepi.ac.uk/466-1875/The-government's-proposals-for-higher-education-funding-and-student-finance-%e2%80%93-an-analysis.html>; “Addendum.” December 14, 2010. <http://www.hepi.ac.uk/478-1905/HEPI-publishes-analysis-of-Government-concessions-on-HE-funding-and-student-finance.html>

⁴⁵ “One Step Beyond: Making the Most of Postgraduate Education” <http://www.bis.gov.uk/assets/biscore/corporate/docs/p/10-704-one-step-beyond-postgraduate-education.pdf>

creating a division within the middle class by distinguishing an upper layer from other, lower middle-class positions. Rightly, much attention has been given to the problems of recruiting children from disadvantaged backgrounds into higher education, but less attention has been given to a new alignment that is being created between universities charging “premium” fees and independent schools that will also serve to create differential recruitment with students who have previously attended state secondary schools.⁴⁶ We believe that the introduction of higher fees and differential fees will have an impact at all levels of family income, but the impact will be disproportionate for those on middling and lower incomes.

12.0 We are also concerned that children from poor backgrounds (in receipt of free school meals) will also be discouraged from attending university, notwithstanding the suggestion that they might have a bursary to cover two years of premium fees. It is not clear why this should be so only for premium fees and not for all fees. However, what will dissuade prospective students is not only fees, which after all are not paid up front, but also living costs which do occur as upfront costs. The support for these, whether in terms of grants or loans, is less than the real cost of maintenance during the period of study and so the emphasis on the fee component of indebtedness seems misplaced. Studies suggest that such students seek entry to Universities where they can live at home to reduce their costs, or where they can work during term-time (something explicitly denied by the two most selective of our universities).⁴⁷ We believe that the same studies show that a high level of prospective indebtedness, as such, is a disincentive for some students, no matter how favourable the terms of repayment. Many students from poor backgrounds are being asked to contemplate a debt that their parents could not contemplate. The sums of money involved will seem daunting to them. This is not simply a “perception” that can be overcome by better “information”, since the very information about the scale of their potential indebtedness is precisely the problem.

13.0 We are also concerned about other aspects of policy toward higher education, for example, the attrition to QR funding and the concern to achieve greater concentration in the distribution of research funding. The language used is “concentration and selectivity”, but we believe that this masks a contradiction. “Selectivity” should entail funding the best research. This is not the same as “concentration”. The latter is driven by a requirement of efficiency in research infrastructure, but is being pursued regardless of whether the research in question has demand of large-scale facilities. The way in which the Research Assessment Exercise functioned was precisely to be selective in its judgments about excellence. These showed that excellence wasn’t concentrated but distributed. The argument about concentration uses concerns about efficient use of research infrastructure, which apply to *some* activities within *some* disciplines—for example, “big science”—and uses them to apply to all.

14.0 We are also concerned that a market-driven policy for higher education is being used to direct research-funding toward short-term economic objectives and toward “bureaucratically” determined research objectives. We believe that this involves an attenuation of the Haldane Principle by which government-funding of research was administered through autonomous Research Councils which funded the best proposals, as determined by peer-review. We are concerned that increasingly Research Councils are being asked to provide research on themes and topics determined (or approved) by Governments with the balance shifted too far away from project ideas generated from within the different research communities. We believe that this is not only damaging to research, but also self-defeating in so far as research success (as considered in terms of the impact of the research upon other research activities and knowledge transfer) cannot easily be predicted in advance.

15.0 Taken together, we believe that Government proposals represent a fundamental change to higher education with potentially very serious and deleterious consequences. We believe that one of the likely outcomes is that a number of universities may be forced to close. We do not believe this to be warranted in terms either of quality or contribution. Every location with a significant HE presence benefits because of raised skill levels in the local population, engagement with local industries and community groups and in terms of contribution to the enhancement of local cultural life. In all the discussion of universities as international players, we should not lose sight of their important local and regional contributions, especially in a context where regional policy has been disrupted by the closure of Regional Development Agencies.

CONCLUSION

The present reforms were not put to the electorate and no mandate was secured for them. Some Vice-Chancellors, who believe that their own institutions may benefit financially, have supported them, but the overwhelming view of commentators and those who work within universities is that they are misconceived and threaten to undermine the diverse functions that we mentioned in Paragraph 1.0 and will diminish the international reputation of UK higher education. For those of us who work in universities, this is not a matter of protecting our jobs. It is a matter of protecting our vocation for the wider values that the public university represents.

It is sometimes said that the Browne Review, itself, represents a proper consultation. However, it was set up as a five-year review of the introduction of fees. As Baroness Blackstone put it in the debate in the House of

⁴⁶ This is set out in Roberts, K. (2010) “Expansion of higher education and the implications for demographic class formation in Britain” *21st Century Society: Journal of the Academy of Social Sciences* 5(3) 215–28.

⁴⁷ Callender, C. and Jackson, J. (2005) “Does Fear of Debt Deter Students from Higher Education?” *Journal of Social Policy* 34(4): 509–40; Callender, C. and Jackson, J. (2008) “Does Fear of Debt Constrain Choice of University and subject of study?” *Studies in Higher Education* 33(4): 405–29.

Lords, “no-one could have predicted that such a review would double the fees then proposed and assume that the public funding of 80% of undergraduate tuition would be abandoned. Nor would anyone have predicted that this review would be based on a commitment to the free market that is so extreme that it abandons, to quote Sir Peter Scott, a much respected vice-chancellor and former member of the HEFCE board, ‘the very idea of a public system of higher education, built with such care and effort since Robbins’” (Col. 1238–9)

<http://www.publications.parliament.uk/pa/ld201011/ldhansrd/text/101027-0001.htm#10102748000335>

4 February 2011

Written evidence submitted by the Chartered Society of Designers

The Chartered Society of Designers is the professional body for designers practicing across all disciplines. It is a registered charity and operates under Royal Charter.

1.0 THE REVIEW

1.1 The Society welcomes the report and its commitment to simplifying what has become a complicated mechanism that has proved short lived.

1.2 The Society must however question whether just four public days, 36 witnesses and 150 submissions provides enough evidence upon which to base a plan for the whole UK higher education system for the foreseeable future?

1.3 The report is a serious and welcome starting point and perhaps could benefit from an ongoing process of review and evaluation. Whilst addressing specific issues of funding and finance it raises many questions as to how the system may perform and be enhanced in the future to remain fit for purpose.

1.4 The Society would welcome the opportunity to assist in the implementation of this report in any way it can and also in collaborating with the Higher Educational Council on an ongoing basis in order to address many of the ancillary issues that are raised in the report.

2.0 PROFESSIONAL BODIES

2.1 Consultation with professional bodies

2.1.1 The Society notes that the recommendations of the report are “based on written and oral evidence drawn from students, teachers, academics, employers and regulators” as stated in the Foreword. It also notes the organisations consulted, the Review Panel and the list of witnesses interviewed are listed in Annex B.

2.1.2 The Society is greatly concerned that there is no evidence of professional bodies being consulted at any stage of this report.

2.1.3 Whilst the development of the UK economy is not specifically within the terms of reference of the review as set out in Annex A, it is made clear throughout the report that a “strong higher education system is an important element in the economy and culture of a leading nation” (1.1 page 14). Not surprisingly therefore the views of employers have been sought and it is proposed that their needs should inform student choice (4.3 page 12) and influence HE reforms in order to increase the quality of higher education (2.4 page 23).

2.1.4 However, the views of the professional bodies are equally important in this respect as many of them represent individuals who are employers and are placed to offer a comprehensive view across the broad spectrum of employers. This is especially true in respect of professional bodies such as our own which works within the design sector which itself operates on a “cottage industry” basis which consists of many sole proprietors and with more than 60% of the estimated 10,800 UK design consultancies employing less than five people (Design Council Research 2009).

2.1.5 The Society believes that the failure to consult with the professional bodies could be prejudicial to; an understanding of industry’s requirements of graduates, the development of HE awards, enhancing HE course quality, careers guidance for those approaching HE, continuing professional development of both the workforce and academic staff and increasing the perception of UK HE globally.

2.2 Accreditation by professional bodies

2.2.1 The single mention of professional bodies occurs on page 30 where “Professional bodies that recognize the course” is listed as course information that is “very useful” to students when choosing a course.

2.2.2 The Society considers that the accreditation of courses/awards by professional bodies is also a driver for enhancing the quality of HE and will indeed be an important factor in influencing not only students’ choice but also influencing parents and career advisors’ recommendations.

2.3 *Careers advice from professional bodies*

2.3.1 It is evident from the report that those considering a degree require clearer, simpler and more robust career guidance than is currently on offer (4.2 page 12). The professional bodies harbour a wealth of information on career progression and are well placed to deliver such advice through their own communications vehicles or in collaboration with education. The low status of careers advisors in schools as reported (4.2 page 29) could be addressed by a supply of professional advisors from the professional bodies. A collaborative programme of careers advice from professional bodies could identify and inform potential students.

2.4 *Professional bodies and academic CPD*

2.4.1 The Society welcomes the conditions being proposed that, “require all new academics with teaching responsibilities to undertake a teacher training qualification”. The Society would further propose that all academic staff should undertake regular and structured Continuing Professional Development (CPD) which could be developed in collaboration with the relevant professional bodies. This would also address issues such as the reported gap between graduate and employers expectations if academics were fully aware of the current environment under which employers operate and are kept abreast of industry evolution. This in turn will also provide academics with information useful in assessing candidates for courses.

2.5 *Professional bodies and part time and career long learning*

2.5.1 The Society welcomes the proposal to treat those studying for a degree part time equal to full time students. Again the Society sees a strong role for the professional bodies in supporting this mode of study by providing professional support over a period of time covering both a working and studying environment.

2.5.2 The Society has developed an accreditation programme which aims to smooth the transition “From Learning to Earning”™ by interacting with students over their period of education in order to develop their university PDP into a CPD plan and then providing automatic entry for successful graduates from such courses to the CSD Associate Membership programme being the first stage in the Career stage development structure leading to full membership of the professional body. The support now being offered for part time students will mean that the Society can provide an overlapping professional support structure to encourage career development within the design profession.

2.6 *Professional bodies in dispute resolution*

2.6.1 Where the Higher Education Council is engaged in dispute resolution (6.6 page 13) the professional bodies would be well placed to provide input on specific matters such as course provision related to professional expectations and graduate outcomes.

2.7 *HE Academy and professional bodies*

2.7.1 The Society welcomes the development of a professional standards framework by the HE Academy (6.3 page 48) and recommends the input by professional bodies in establishing the credibility of that framework within particular industry sectors alongside making sense locally and meeting nationally recognised standards.

3.0 EARNING & PAYING

3.1 The Society welcomes the proposed Student Finance Plan as a means of ensuring a sustainable future for HE provision and prefers this solution to a graduate tax.

3.2 Whilst there are safeguards built into the plan in terms of paying back by way of a scaled payments related to earnings and a write off after 30 years, it is clearly in the interests of the sustainable HE funding, the viability of institutions, the taxpayer and the UK economy, that the student loan and its interest is paid back in full.

3.3 It is therefore important that graduates are able to maximize on their efforts and investment (time, stress, lifestyle, wealth) and increase their earnings capacity throughout their career and employment. The more competent and employable the graduate becomes in later life the greater the chance of repayment.

3.4 The Society, in keeping with most professional bodies, considers professional development and/or lifelong learning, to be essential for career enhancement both in developing specific skills to perform employment and in ensuring transferable skills are gained should a career or job change be required.

3.5 The provision of career structured and consistent CPD is therefore not only desirable but also necessary for career prospects and thus employee and employer benefit resulting in growth.

3.6 The Society would therefore propose that any repayment of a student loan should take into account any expenditure on career development within the repayment schedule. This would mean considering training expenditure as deductible from the gross annual earnings figure used to calculate repayments. For example, a graduate who earns £25,000 would in the table shown on page 41 repay £30 per month. However, if the graduate were to invest £1,000 during the year in CPD or training then they would come under the threshold for repayments at £24,000.

3.7 Clearly a limit would need to be set as to the maximum amount that could be set off. There would also be the need to recognize only “accredited” CPD and training possibly that offered through professional bodies. The professional bodies would be well placed to advise and provide this which could be brought under the umbrella of the HE Academy.

4.0 DESIGN AS A PRIORITY SUBJECT

4.1 Despite the absence of professional bodies from the consultation process the Society notes the inclusion of representation from the engineering and medical sector.

4.2 These subjects are cited as priority subjects together with science.

4.3 The Society believes that design is not only a priority subject but that its application is fundamental to the growth and success of all other sectors.

4.4 Innovation is widely regarded as key to economic growth (Cox Review 2005) and design delivers innovation. A knowledge based economy is also seen as one that advantages countries economically and socially. Therefore innovative and creative ways of “knowing”, has the potential to provide a cutting edge to knowledge based economies. Design thinking is about delivers innovative and creative ways of “knowing”.

4.5 Not all design education would warrant priority status but particular areas of study such as design management or implementation might. The society would welcome the opportunity to explore this possibility with the Higher education Council.

5.0 ACCESS, QUALITY & FUNDING

5.1 The Society accepts that a fine balance is needed to ensure courses are accessible to those who are able to gain academic acceptance but who may be deterred by costs and the need to allow universities to increase income to invest in quality provision.

5.2 However, the issue of increasing recruitment from disadvantaged sectors of society cannot merely be addressed by the HEI targeting funding. Inspiring applicants from such backgrounds requires interventions from a much earlier stage in secondary education than merely at the point of HE consideration and application. The extent and costs of such interventions would be well beyond the scope of the HEI and their funding allocation drawn from the course fees and this has been addressed in the reports proposals for stronger targeting (6.4 page 48).

5.3 Comments made in this response in respect of the role of professional bodies could play a significant part in addressing a lack of aspiration in more disadvantaged sectors and perhaps there could be consideration of an element of the access related expenditure that could be channeled into initiatives delivered by a consortium of professional bodies to intervene at the early stages of secondary education.

5.4 The proposal to be “tougher” on institutions seeking to charge over £7,000 would seem a low cut off point given that £7,000 per year is “roughly equivalent to what institutions will have to charge to maintain investment at current levels” (6.4 page 49). There are many courses that already require an investment greater than £7,000 and up to £10,000 to currently deliver according to reports by University Alliance.

5.5 The Society understands and agrees with the principle of ensuring access for all but questions if the proposed balance is correct. As well as access to education for all, HE should also be ensuring access to quality education for those who participate.

5.6 A £7,000 limit before measures for fair access are applied appears arbitrary and well below what may be required to ensure a sustainable quality HE provision. The Society would ask that if this cannot be currently revised then it be reviewed at regular intervals based on fair access evidence.

5.7 In order to achieve the levels of quality education that are now required to allow us to compete with leading nations we not only need to allow tuition fees to rise to maintain the current quality but we also need to allow for fees to be set that allow for quality and provision that can gain a competitive edge on our economic competitors. Restricting the level of fees that can be charged would appear to repress such ambitions.

5.8 The proposal to set limits will require constant review and evaluation in keeping pace with economic performance. The Society has concerns that limiting tuition fees may restrict the ability of some courses which require to set fees higher than £9,000 to develop a quality provision in excess of our competitors. Would it not be better that rather than set limits on tuition fees in response to economic factors that economic performance removed the need for tuition fee limits?

6.0 CONCLUSION

6.1 The Chartered Society of Designers welcomes the report and broadly agrees with its proposals and the principles on which these are based.

6.2 It sees the proposals as a good starting point for reforms in the HE system.

6.3 The Society would be pleased to input in whatever way it can to achieve a quality HE system and to assist in the further development and widening of the scope of the proposals to ensure that a good quality HE provision is matched by good quality education and training provision across the board.

7.0 PROPOSALS

7.1 Set up a review structure with defined time scales to monitor the implementation and success of the proposals contained in the Browne Report

7.2 Engage with the professional bodies and examine funding possibilities for the delivery of a structured programme of careers advice.

7.3 Engage with the professional bodies to structure a programme of CPD for academic staff.

7.4 Engage with the professional bodies to examine ways in which they may assist in dispute resolution.

7.4 Encourage the accreditation of courses by professional bodies and especially collaboration between professional bodies to carry out joint accreditation programmes.

7.5 Stipulate that all graduates leave with a developed CPD plan that will enhance and accelerate their career development and earnings capacity.

7.6 Allow universities to set tuition fees at a level that allows them to develop a variety of courses of a quality that is demanded by the economy and markets and not by political requirement.

7.7 Include some design degree programmes as priority subjects.

7.8 Allow set off of CPD and training against earnings repayment limits.

10 March 2011

Written evidence submitted by Dr Mike Clugston

ANALYSIS OF THE GOVERNMENT'S PROPOSED CHANGES TO STUDENT LOANS

Part 1 First year after graduation

My intention is to demonstrate that it is impossible for any graduate earning less than £41,000 in their first year of employment to stop their student debt from escalating. This conclusion comes from a "simple interest" calculation.

The magnitude of the debt escalation depends on three variables: RPI, tuition fee, and maintenance loan taken. The above conclusion holds true with all of these variables set at very optimistic values (2.0% RPI, £7,800 for tuition, and £3,575 for maintenance). With these choices, the debt in the April after graduation is £38213, the interest rate on the debt is 5.0%, and hence the interest charged on the debt is £1911. A graduate earning £41,000 repays only £1,800.

The table presented below specifies the debt at the end of a three-year course (assuming *no* rise in the tuition fee or maintenance loan) together with the *minimum* salary needed for the graduate to experience no escalation in their debt. Three figures for each of the three variables have been chosen.

First, my chosen RPI range is between 2.0% (the Government's stated target figure), 3.5% (the mean value over a 24-year period using ONS data), and 5.2% (the value in May 2011).

Second, my chosen tuition fee range is between £7,800 (the lowest value for any of the 83 universities collated by the *Guardian*: reference provided), £8,700 (the mean value in the *Guardian*'s list), and £9,000 (which is the maximum and modal value in the *Guardian*'s list). I note that the *Guardian* has not quoted a figure for 36 universities but it seems unlikely that any of these will offer a tuition fee much lower than £7,800. Even if some did, although the mean would obviously decrease, the modal value would remain the same, as 60 out of 119 universities charge £9,000.

Third, my chosen maintenance loan range is between £3,575 (the amount available to anyone whatever the household income) and £5,500 (the maximum amount, which is only available when the household income is around £42,000). As the maintenance loan varies so drastically with household income, a representative middle value of £4,500 is my third choice. (I note that £3,575 is close to the typical charge for accommodation, so a student cannot reasonably exist on this loan.)

	Tuition Fee	RPI								
		2.0%			3.5%			5.2%		
		7800	8700	9000	7800	8700	9000	7800	8700	9000
Maintenance loan	3575	debt			debt			debt		
		38213			39542			41111		
	no escalation			no escalation			no escalation			
	42229			49558			58456			
	4500	debt				debt			debt	
		44344				45887			47706	
no escalation				no escalation			no escalation			
45636				54140			64466			
5500			debt				debt		debt	
			48711				50406		52405	
no escalation			no escalation			no escalation		no escalation		
48062			48062			57404		68747		

The conclusion (that debt escalates for all graduates earning under £41,000) contrasts very strongly with the situation just eight years ago, when my daughter left university owing about £10,000. The interest rate applied this year is just 1.5%, so if she pays only £150 her debt will reduce. This she can do, despite earning under £21,000.

ANALYSIS OF THE GOVERNMENT’S PROPOSED CHANGES TO STUDENT LOANS

Part 2 Can student debt be repaid in 30 years?

In sharp contrast to the situation in the first year after graduation addressed in part 1 of my evidence, the answer to this question requires *many* assumptions to be made.

It is first necessary to choose the three variables required for part 1: RPI, tuition fee, and maintenance loan. In addition, the graduate’s starting salary needs to be chosen and salary escalation modelled over 30 years. Furthermore, an average earnings escalator has to be applied to the thresholds. Finally, to get a fairer picture, NPV values should be considered and hence the discount rate used to find the NPV values needs to be specified.

I recognise that my “individual” approach, based on a starting salary and salary escalation, differs from the ‘cohort’ approach favoured by BIS, with its Monte Carlo simulation. However, the BIS approach has been criticised as being “highly optimistic” in particular over the salary acceleration over the last ten years of the repayment period (as detailed in the HEPI annexes: their Figure A1 shows the fundamental disagreement in the *direction* of change over this period with the ONS analysis of graduate earnings). I shall therefore continue to examine the question from the “individual” perspective.

My spreadsheet (to be supplied) allows alteration of the RPI from 2.0% to 8.0%, the tuition fee from £7,800 to £9,000, and the maintenance loan from £3,575 to £5,500.

The starting salary can be selected in the range from £21,000 to £41,000, as this is the range where the interest rate changes in the Government’s proposed scheme. Also at least 90% of starting salaries lie within this range.

To model salary escalation, the spreadsheet allows selection of three separate escalators, covering the first five years, the second five years, and the remainder of the 30-year period. Each escalator is expressed as a margin over RPI.

The average earnings escalator can be adjusted, but it is initially set at RPI. It has been assumed that both the lower and upper thresholds will increase (although I am not aware of the latter having been explicitly stated). Uplifting the thresholds more makes the debt *more* difficult to repay so this escalator has been deliberately set low.

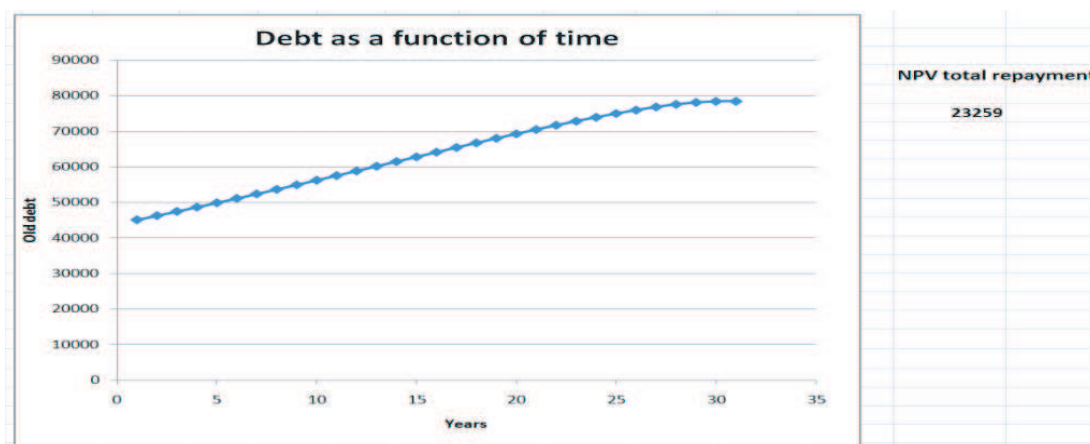
The determination of the NPV value uses a discount rate specified relative to RPI. At the moment, this is done using a single value for the whole 30-year period.

The average graduate cannot repay using reasonable variables: the 85 percentile may do so

In his first letter sent to my MP (Sir John Stanley), David Willetts suggested that around 55% of graduates would pay back their loan. This statement will be examined and challenged in this section.

Consider RPI set at the BIS recommended value of 2.75%, the mean value for tuition fee of £8,700, and a mid-range choice of £4,500 for maintenance plus the NPV discount rate set to RPI + 2.2%, used in the second letter sent by David Willetts. The debt at the end of a 3-year course is £45,108. Continuing the trend of using average values, consider a salary escalator of RPI + 2.0% throughout the 30 years, the figure suggested in the website reference given in the first Willetts letter.

A graduate with a starting salary of £25,000 (the average starting salary in 2010 according to the Association of Graduate Recruiters (AGR) Winter 2010 survey) sees their debt rise inexorably for 30 years. The graduate still owes almost £80,000, which will then be written off. In NPV terms, the graduate has paid back £23,259. At an RPI of either 2.0% or 5.2%, the NPV repayment is within 1% of this figure, although the final debt naturally varies wildly.



A graduate starting on £25,000 (the average starting salary) with salary increasing at RPI + 2% cannot repay the loan.

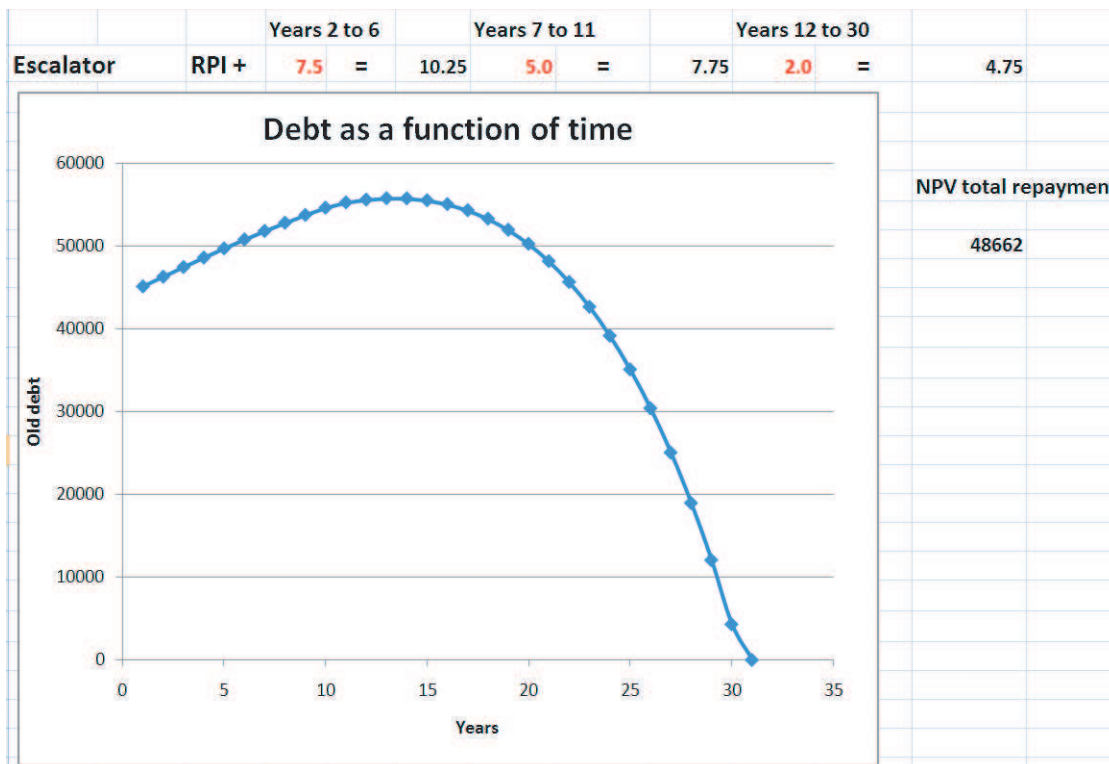
Choosing a starting salary of £35,000 would approximate to the 85 percentile graduate (using AGR winter 2010 Fig. 1.18). This graduate *may* be able to repay the loan: at an RPI of 2.0%, the loan is almost repaid; at an RPI of 2.75%, there is still some to pay off, and at an RPI of 5.2%, the final debt is more than it was at the start. In each case, the NPV repayments are close to £49,500, so the debt *is repaid in NPV terms*. It is striking that the NPV repayment remains within 0.5%, despite the huge variation in final debt and shape of the repayment curve.

In my letter to Sir John Stanley, I said the following: “The current loan book is worth £29 billion on tuition fees of £3,250 (Ref. 1): new loans were worth just over £5 billion, of which £2.1 billion was for tuition fees (Student Loan Company figures for 2009–10). With fees increasing to between £6,000 to £9,000, it is reasonable to assume that the total figure will rise to about £8 billion. If the Government *is* wrong and 40% *more* will default, the additional cost to the taxpayer will be over £3 billion per year ... I would contend that repayment is unrealistic for almost all graduates and hence my conclusion that about 15% will be able to pay back the whole loan is justified.” The Commons briefing paper SN/SG/5753 suggests (on page 13) that at a fee level of £9,000 the new loans figure will be just above £10 billion each year and hence the additional hole in the Government’s finances will be around £4 billion per year.

From the point of view of the student, another worry is my main concern. Again, quoting from my letter to Sir John Stanley: “Furthermore, I believe it is morally reprehensible for students to be encouraged to live a life of unaffordable debt, as it was that attitude which was one of the main triggers of the latest recession.”

The other very significant variable is the shape of the salary escalator

For the graduate starting at £25,000 with RPI set to 2.75%, it *is* possible to repay the debt if the salary escalators are altered very significantly: margins of 7.5% over the first five years, 5% over the second five years, followed by 2% causes repayment. The debt continues to rise for 13 years. The total repaid in NPV terms is £48,662. I would seriously doubt whether such a rapid rise in salary is remotely reasonable for most graduates: it seems highly optimistic.



27 June 2011

Written evidence submitted by the Crafts Council

BACKGROUND

1. The Crafts Council is England’s national development agency for contemporary craft. It aims to build a strong economy and infrastructure for contemporary craft, to increase and diversify the audience for contemporary craft and to champion high quality contemporary craft practice nationally and internationally.

2. The Crafts Council supports craft makers’ professional development and builds the market for contemporary craft by running events and promoting export. It holds a significant collection of contemporary craft, which it makes available through touring exhibitions and loans. It works to raise the profile of contemporary craft through critical debate and by building an evidence base that demonstrates the nature and value of craft, and to develop the audience for contemporary craft through providing opportunities for interaction and informal engagement with craft.

3. The contemporary craft sector is part of a vibrant cultural and creative sector in the UK, which contributed 6.2% of the UK’s GVA in 2007 (source: DCMS).

INTRODUCTION

4. The Crafts Council welcomes the opportunity to contribute evidence to the Business, Innovation and Skills Commons Select Committee Inquiry into the Future of Higher Education. Our response addresses both points of the review: The conclusions of the Browne Report and the content of the Government’s proposed White Paper on higher education (including the Government’s proposals for widening participation and access); and The role and future of state funding in higher education.

5. Our view, supported by research conducted in the period 2009–10, is that:

- There is wide-spread and very valid concern for the future of craft in Higher Education (HE) following the recommendations of the Browne Report and subsequent decisions on Government funding for arts and humanities tuition in HE.
- These changes send a message to students and universities about the relative value of arts and humanities subjects.
- The forthcoming Higher Education White Paper should acknowledge the important benefits derived from arts and humanities subjects and make recommendations accordingly.
- The craft sector is part of a vibrant cultural and creative sector in the UK and public funding at HE stage plays a crucial role in unlocking the sector’s economic and social impacts.

6. In our analysis, we draw on a Crafts Council briefing published in 2009, *Craft Course Closures*, and a more recent briefing *Craft and Higher Education: An Update* published in December 2010. We also reference Crafts Council research undertaken in 2010 to investigate portfolio working in the contemporary craft sector⁴⁸ and craft graduate career paths.⁴⁹

THE CONCLUSIONS OF THE BROWNE REPORT AND THE CONTENT OF THE GOVERNMENT'S PROPOSED WHITE PAPER ON HIGHER EDUCATION

7. The Crafts Council strongly agrees with the need for “quality of teaching”, “widening participation”, and “sustainable funding”, identified in the Browne Report. However, we are concerned about the definition of “priority” subjects in the report as medicine, technology, science and engineering, and some strategically important languages, and by the potential consequences of withdrawing Government funding from non-priority subjects through the transfer of funding for teaching of arts and humanities courses from government to students, making these courses dependent on the market.

8. These changes send a powerful message to students and universities about the relative value of arts and humanities subjects and fail to recognise the significant contribution, including economic, made by these sectors. Notably, the creative industries contribute almost as much as financial services to the UK economy according to some sources.⁵⁰ Both science and the creative subjects, including crafts, are important components of the economy and both will be vital to the recovery (see end note).

9. In 2010 the Crafts Council undertook research comparing undergraduate craft courses listed on the UCAS database for 2009–10 and 2010–11. Encouragingly, there was evidence of an increase in the number of craft courses overall, particularly through the growth of interdisciplinary courses offering craft specialisms alongside other subjects. However, the analysis also showed that over 30 craft courses closed between 2009–10 and 2010–11. Discipline-specific craft courses—with their need for space and equipment and relatively small student numbers—have become even more vulnerable following the Browne Report and recent HE funding decisions, endangering the availability of courses enabling in-depth study and also threatening the growth of the popular interdisciplinary subjects described above with their reliance on specialist teaching and equipment.

10. Recent research has also identified important spill-over effects of cultural and creative industries into other sectors. The Crafts Council's own research report *Making Value*,⁵¹ provides a wealth of evidence illustrating this argument in the specific case of craft, showing craft makers working in a wide range of industries including manufacturing, architecture and fashion. Removing funding from arts and humanities threatens mutually beneficial relationships which inform important research and developments not only in creative subjects but also in the subjects that the Government has defined as “priorities”.

11. And while the Crafts Council has long argued for more diversity of routes into the professional craft sector, and we can appreciate the economic attractiveness of concentrating resources in fewer institutions (reserving judgement on whether this is the best service to the student or professional craft sector), we are very concerned about the potential consequences of these changes. We will not retrieve knowledge lost in the coming years—it will vanish forever.

12. We hope that the important benefits derived from “priority” subject and from arts and humanities subjects will be acknowledged in the forthcoming Higher Education White Paper and that recommendations will be made accordingly.

THE ROLE AND FUTURE OF STATE FUNDING IN HIGHER EDUCATION

13. The Browne Report defines the role of public investment in supporting “priority subjects” that are costly to teach but offer social returns. Medicine, engineering and science are singled out as specific examples of the type of course that government funds should support. We argue that the Government also has a vital role to play in providing support at HE level for other subjects which have economic and social impacts, including craft (see end note).

14. Public sector funding for teaching and research of crafts in HEIs plays a particularly significant role in the sector, with the majority of craft makers being graduates of honours degree courses, and with HEIs undertaking cutting-edge research which leads the sector in terms of innovation. This teaching and research enables the development of materials knowledge and craft practice to continue and serves to unlock the economic and social potential of the sector.

15. Although cuts for research have not been as deep as predicted, with the Research Councils remaining in place, it seems likely that, in practice, research will be concentrated in fewer institutions and, again, government

⁴⁸ Schwarz M and Yair K (2010): *Making Value: craft & the economic and social contribution of makers*. London, Crafts Council. <http://www.craftscouncil.org.uk/professional-development/research-and-information/our-research/>

⁴⁹ Hunt W, Ball L and Pollard E (2010): *Crafting Futures: a study of the early careers of crafts graduates from UK higher education institutions*. London, Crafts Council. <http://www.craftscouncil.org.uk/files/file/cd68904f6f59df22/crafting-futures-executive-summary.pdf>

⁵⁰ Bassett D (2010): *A creative recovery: How the UK's creative industries can regain their competitive edge*. REFORM <http://www.reform.co.uk/LinkClick.aspx?fileticket=WJFgJ%2BNkIDU%3D&tabid=118>

⁵¹ Schwarz M and Yair K (2010): *Making Value: craft & the economic and social contribution of makers*. London, Crafts Council. <http://www.craftscouncil.org.uk/professional-development/research-and-information/our-research/>

funds will focus on programmes that appear to promise economic impact from the outset. Here too, the future seems undoubtedly bleaker for craft than before, and we argue that the Government has a role to play in supporting research for subjects beyond those which have currently been identified as “priorities”.

END NOTE

16. The craft sector has notable economic and social impacts. The sector produces a turnover in excess of £3 billion each year and is part of a vibrant cultural and creative sector in the UK, which contributed 6.2% of the UK’s GVA in 2007 (source: DCMS). Largely made up of self-employed makers and owners of SMEs, the sector employs nearly 35,000 people and in 2009–10 was growing more rapidly by employment than any other creative sector.

17. Craft graduates have important technical and entrepreneurial skills. Recent research by the Crafts Council *Crafting Futures*,⁵² commissioned as part of the wider Creative Graduates, Creative Futures survey, found that craft graduates typically work independently in an ever-changing landscape of micro-businesses and freelance work which characterise the craft sector. Findings also showed that in the early years of their careers more than one in three craft makers have worked freelance and one in five run a business, with double this proportion aiming to run a business as their careers progress. Research also showed that craft graduates are “socially mobile”, and networking, collaboration and “portfolio work”, combining for example teaching and making, are important aspects of their careers. In addition, craft graduates are adaptable in an economic downturn, proactively exploring new markets, maintaining demand for services and strategically cutting costs.

18. Craft projects can also assist social inclusion. For example, the ceramics industry is a significant cultural asset to areas such as the Potteries. Contemporary craft projects, such as the British Ceramics Biennale held in Staffordshire, have had important impacts for the city and residents, both through the festival programme and ongoing work including residencies, fellowships, commissions, learning and inclusion.

10 March 2011

Written evidence submitted by the Economics Network, Bristol University

MECHANISMS TO PROMOTE TEACHING QUALITY IN HE

SUMMARY

- This paper examines incentives to improve teaching quality in higher education.
- It first examines the current situation and identifies some levers which are or have been used with mixed success.
- It then goes on to identify three categories of lever: regulation; competition and market mechanisms; developing communities of practice with the culture of sharing innovation and good practice.
- The paper argues that there is considerable scope within each of these three categories for enhancing teaching quality.

1. The current situation

1.1 Teaching is given a lower priority in most universities than research. Although there has been some improvement in teaching quality there is massive scope for improvement. Some improvements have already come about as a result of:

- 1.1a *QAA subject review from prior to 2002*. This was a peer review process with teams of academics from the *same* discipline doing the inspections of each subject, which gave credence to it with academics. It forced discussion at departmental level under highly relevant heads: curriculum design; teaching, learning and assessment; student progression and achievement; student support and guidance; learning resources; quality management and enhancement. The process was flawed, however, by having a crude scoring system, which led to a strategic compliance approach rather than a developmental approach to teaching quality. There is considerable scope for improving a reintroduced peer review scheme, but it could be costly.
- 1.1b *Using teaching ability and performance as a promotion criterion*—normally alongside the quality of research output and administrative responsibilities and performance. The problem here has been that teaching has typically been judged at a relatively low threshold level, unsupported by robust evidence, with research output normally being the determinant of promotion. There is also a danger that in the search for evidence on a lecturer’s teaching ability weight will be given to pedagogical research. This would be a mistake as a pedagogical researcher is not necessarily a good teacher.
- 1.1c *Professionalisation of teaching*, largely through the requirement that new lecturers pass an internal university-wide generic initial professional development course. Unfortunately, both at university level, and at national level (eg through the two-sided UK Professional Standards Framework

⁵² Hunt W, Ball L and Pollard E (2010): *Crafting Futures: a study of the early careers of crafts graduates from UK higher education institutions*. London, Crafts Council.
<http://www.craftscouncil.org.uk/files/file/cd68904f6f59df22/crafting-futures-executive-summary.pdf>

document), professional standards have been far too generic with little perceived relevance to lecturers within their disciplines. Many new lecturers resent having to take such courses when they are trying to establish their research reputation and are under tremendous pressure to publish. Heads of Department also often resent freeing up staff time and budgets for such courses, which they too see as of little relevance.

The exception to this has been the training and workshops provided both to new lecturers and established lecturers by the 24 subject centres (see separate submitted paper “The Abolition of Subject Centres: the case for keeping them”), originally the Learning and Teaching Support Network and currently part of the Higher Education Academy. Feedback from new lecturers attending such training is normally wholly positive and is contrasted unfavourably with generic courses in their home universities. One of the large benefits of such national (or regional) subject-specific workshops is the opportunity for new lecturers to build networks with other new lecturers from the same discipline and to share ideas, experiences and solutions. The subject centres provide a hub for building such networks—networks that would be extremely difficult to retain if the subject centres are abolished in line with the plans of the Higher Education Academy.

- 1.1d *The National Student Survey*, although deeply flawed as a survey, manipulated by universities and with crude results, has raised the perceived importance of teaching quality in the minds of students and university lecturers and managers. There is, however, considerable scope for improvement. For example, the survey could include more questions requiring textual response (at the moment there is only one); it could be given to all years and linked to student personal development planning; there could be student focus groups to reflect on the results and where improvements could be made. Such focus groups could be run by subject centres (and have been), with confidential reports provided to departments. Subject centres could also customise the surveys for their own particular discipline(s).
- 1.1e *Student fees*. Students are seeing themselves increasingly as customers and are demanding a better service for the money they pay. Such demands are likely to increase from 2012 and are likely to be more co-ordinated. Such demands are likely to drive change, but for the change to be effective, lecturers require support and incentives for better teaching need to be appropriately aligned.
- 1.1f *The work of subject centres*. These have now been operating for 11 years and have made a significant difference to the practices of lecturers. They have developed networks of practitioners to share ideas; support new lecturers through training and resources; run continuing professional development (CPD) activities for departments; provide large banks of resources on individual subject centre websites; fund mini projects; run subject-specific teaching and learning conferences; disseminate practice; run lecturer awards schemes; develop relationships with departments; publish case studies and articles in their own peer-reviewed journals and magazines; collaborate with subject and professional associations; develop relationships with key employers.

1.2 Despite these developments, teaching is still given a relatively low priority in many universities and the current incentive mechanisms drive this situation. Research output is relatively easy to measure with well-established metrics, such as journal rankings and citations, and with peer review at the heart of the research assessment/ evaluation process. It is difficult, but not impossible, to provide a parallel process to drive improvements in teaching quality, particularly if, like research, teaching quality is peer-assessed in a disciplinary context.

2. Options for improving teaching quality: regulation

2.1 *Regulation: inspection*. Teaching quality is less easy to measure than research quality and thus regulation which hinges on indicators is likely to be flawed and open to manipulation. This was the central problem with the QAA’s subject review process. University departments played a game of targeting the indicators in order to receive a maximum of 4 out of 4 for each of the six indicators. In many/most cases, it was the score they were after rather than genuine quality improvements. The asymmetry of information between internal staff and the visiting team allowed the team to be hoodwinked on many occasions:

- 2.1.a A revised version of subject review could be reintroduced that *would* encourage academics to focus on genuine improvements in teaching and learning. Peer review by fellow academics from the same discipline from other universities and with a professional chair would be retained, but scores would not be used. Instead there would be a simple pass/fail metric, with a relatively low threshold, and the visit would be seen as developmental. Internal staff could discuss issues in a protected environment and the visiting panel would advise. A report would be published, but it would be a formative report, not a summative one, and the report would go through a process of iteration between the team and the internal staff before the agreed report and action plan were published.
- 2.2 *Regulation: minimum standards*. Universities could be required to meet minimum standards in terms of various indicators, such as contact time, staff teaching hours, class sizes, volume of assessment, proportion of funding devoted to teaching and amount of staff time spent on CPD activities. The problem with any of these indicators is that they are crude and subject to easy manipulation. What, for example is contact? Does virtual contact count? What is the role of graduate teaching assistants and is contact with them equivalent to contact with established staff? Also they are quantitative indicators, which are often a very poor proxy for quality.

2.3 *Regulation: training.* University staff could be required to undertake both initial training and CPD activities that lead to some form of qualification. The former has been taking place and most universities have established courses for new lecturers. The biggest weakness here, as argued above, is that they are generic and are dismissed by many lecturers as largely irrelevant to their needs as teachers of a specific discipline or specialism within that discipline. There is considerable scope here for building on the work of the subject centres to provide that discipline specificity and relevance:

- 2.3.a In the case of CPD, if reluctant compliance by staff, which would lead to no real improvement in teaching quality, is to be avoided, CPD has to be targeted at the perceived needs of staff and thus should be negotiated with and within departments. In other words, it should be demand led. It could be linked with the process of programme review or with the outcomes of student/staff committees. It could be linked to dissemination activities of subject centres, where discipline-specific solutions adopted in one university could be adapted to the equivalent department in another university. It could involve attendance at national/regional workshops run by subject centres or other agencies.
- 2.3.b There would need to be a light overview regulation of this process, but this could easily be achieved by the QAA as part of institutional audit.

3. *Options for improving teaching quality: competition and market mechanisms*

3.1 There is considerable competition between universities in terms of research quality and there is a thriving market in research academics. There are two key reasons for this: first, there is transparency in terms of publications and well-established indicators, allowing league tables to be easily constructed (although, it must be noted, the new impact measure in the REF will be much more problematic); second, research output is prioritised over teaching quality, despite teaching income exceeding research income in the vast majority of cases.

3.2 How can competition be created in teaching? An important “market” failure here is the asymmetry of information. People outside a university have little knowledge of what goes on behind closed classroom doors, other than what they hear from student friends or sons/daughters at university. Even within a university, provided that there are no student complaints, colleagues, including heads of department, often have little knowledge of the quality of teaching of their fellow lecturers. What knowledge they do have is often anecdotal or based on crude student satisfaction surveys. Current league tables reflect data that poorly reflect the quality of learning and teaching.

3.3 Another market failure is perversity of incentives. The few incentives related to teaching quality are often related to a poor proxy for quality, such as student satisfaction surveys or pass rates. Students often like being spoon-fed with teaching directed to a highly predictable exam. Lecturers behaving in this way may be giving their students a poor quality learning experience and yet might get high satisfaction ratings. Teaching which challenges students with difficult learning tasks may be unpopular with students at the time but may well produce better (and more grateful) graduates with skill sets that make them more employable. As far as pass rates are concerned, easy and predictable assessment is likely to give higher pass rates, but again a poor quality learning experience based on rote learning. The incentive to produce easy and popular courses is stronger when the modules are optional ones. Lecturers clearly want students to choose their options—after all, they can use the same materials as last year and will not have to prepare for alternative modules. If they make these options easy to pass, this information will quickly spread to the next cohort of students.

3.4 *Mechanism 1: increased information in the public domain.* One way of increasing information would be to require universities to publish various teaching-related statistics by department as well as an aggregate for the university. These could include: funding received for teaching and funding received for research; staff time allocated to teaching and research (this information does normally exist as “hours” is the normal metric for allocating staff duties); student contact time by class type; class sizes; student/staff ratios; the proportion of classes taken by graduate teaching assistants; the proportion of classes taken by visiting lecturers (i.e. part-time hourly-paid lecturers); the nature of the learning opportunities and experiences available to students; assessment regimes; progression rates; entry qualifications; retention rates; proportions of students receiving each degree classification; CPD activities undertaken by staff. Although these indicators are often too crude to be used for regulation, they provide useful information for prospective students, parents and employers and could put universities in significant competition with each other.

3.5 *Mechanism 2: teaching awards.* There has been some development here in terms of (a) national teaching fellows (NTFs), (b) subject-centre awards to lecturers for excellent teaching and (c) institutional awards and teaching fellowships:

- 3.5.a The former has already created some degree of competition between universities, and universities are generally keen for their lecturers to receive such an award. However, the scheme has the flaw that the award is generic and thus is difficult to relate to teaching quality within a department. There is usually little spill-over into the practices of colleagues. Nevertheless universities prize their staff receiving such awards and have helped to increase the importance attached to teaching quality by senior managers in universities. The number of NTFs should be increased. But it is important that these be seen as a prize and not carrying further expectations. The Nobel prizes would be a parallel. Also there is the issue that too many of the awards go to general educationalists. There must be much more recognition of excellence by individual teachers within the disciplines.

3.5.b Subject-centre awards have had some impact at departmental/subject level and often lead to projects at departmental level, but at the moment these are small scale. Competition could be significantly increased by extending awards at subject level, as it is at this level that universities compete (as they do in research). For example, a proportion of NTFs could be pre-allocated to each discipline (say a certain number for each subject centre to administer), would put departments into much more direct competition with each other.

3.6 *Mechanism 3: Open Educational Resources.* Most lecturers now use the virtual learning environment adopted by their university. The main ones are Blackboard, WebCT and the freeware product Moodle. This means that students can now access course materials—including syllabuses, previous assessments, lecture slides, notes, etc.—through a password-protected website. This, however, has reduced competition between universities, as materials that might previously have been on an open website can no longer be seen other than by the students on a particular module and their lecturer. They are even hidden from other students and lecturers within the university:

3.6.a A solution here is to make course materials publicly accessible under a creative commons licence. This process has already begun with the Open Educational Resources movement. Part of this is voluntary with individual academics simply wishing to share their materials; part is at university level, with universities such as Harvard and Nottingham putting their course materials on an open website; part is at subject level. The subject centres have been leading at this third level with HEFCE project funding distributed through JISC. Individual academics have been supplying materials and sharing them with academics in the same discipline or sub-discipline across the UK and the world. For example, in economics 15 wikis have been developed for 15 specialisms (such as development economics, health economics and monetary economics), each one led by a senior academic in the field.

3.6.b These sub-disciplines often align with research communities where academics already know each other. Lecturers are encouraged to submit their materials and these can then be seen publicly. There has been a lot of interest in this and there are three key benefits. First, it gives ideas for lecturers developing a module and allows them to draw on best practice from across the country. Second, it puts competitive pressure on lecturers to develop the quality of their materials if they are to post them on the wiki and have them seen by others. Third, it puts competitive pressure on lecturers who do not submit to the wiki because their students can still compare what they get with what students elsewhere are getting.

3.7 *Mechanism 4: clearer and better structured career routes through teaching excellence.* Just as universities compete for top researchers, so it is desirable to create an equivalent market for top teachers. One part of the solution here is for clear progression routes for lecturers *within* universities linked to teaching excellence. This has a number of requirements. First, there must be senior appointments for teaching-only or teaching-predominantly staff. Some universities have already instituted such routes, with teaching fellows, senior teaching fellows and associate professors as a progression ladder. Second, there must be transparent criteria used for promotion, such as student evaluations, student performance, peer review, staff appraisal, scholarly output related to teaching, teaching innovations, work with subject communities outside the university, winning of funding from outside bodies such as subject centres or professional associations. Third, there must be educational leadership in universities that values teaching.

3.7.a Once such career routes are widely established, this will create a market in excellent teachers with the market incentives of improving quality of teaching. Of course, this should not preclude promotion routes for academics who are both excellent teachers and excellent researchers.

3.8 *Mechanism 5: stronger feedback loops between student evaluation of staff and changed staff practice.* The market element here is an internal one within a university or department. Too often, feedback from surveys of students at module level is not acted on and lecturers are not held accountable for their performance. Whilst student surveys in themselves may give limited information on the quality of teaching and learning, as alluded to above, they can be backed up by consideration at staff/student committee level, where lecturers will be held accountable, not only to students, but to colleagues too. Evaluation can then form the basis of quality enhancement activities and the redesign of teaching for subsequent years. Student focus groups can be used to establish good practices as well as practices that do not work so well. Involvement of students in course planning is empowering and is likely to increase student pressure for genuine enhancement of teaching quality.

3.8.a External surveys could be used here. For example, the Economics subject centre has been developing and using student experience surveys tailored to economics teaching, with follow-up student focus groups. These capture a much richer set of information about teaching quality than the NSS or many internal surveys. Confidential reports are supplied to departments. Similar work is undertaken by other Subject Centres and could easily be extended to all disciplines.

3.9 *Mechanism 6: alumni surveys.* Students who at the time like easy and predictable courses with spoon-feeding, may look back after they have graduated and be very critical of them. They may have much more insight into the quality of their learning after graduation than when they were a student. Thus alumni surveys of modules and programmes, as well as focus groups with alumni, would be an important means of addressing information problems.

3.10 *Mechanism 7: monetary carrots and sticks.* Short-term pay enhancement could be given for developing teaching innovations, for reorganising problem courses or for taking on a consultative role with students to assess the teaching quality within the department and recommend improvements. Staff could be given a budget to attend teaching/learning workshops and conferences, just as many now have a budget for attending research conferences.

- 3.10.a An alternative to pay enhancement would be timetable relief to develop new practices and disseminate them to colleagues.
- 3.10.b It could be argued that performance-related pay is the optimum carrot/stick to improve performance. Of course, to be effective this requires a measure of performance, either quantitatively or through assessment by a manager. With the former, the problem is a lack of robust quantitative indicators. For the reasons given above, pass rates and average marks, retention rates and student satisfaction are all flawed and their use could create perverse effects. In terms of managerial solutions, the obvious monetary carrots are ones of promotion or tenure. The sticks could be non-renewal of contracts. Thus fixed-term but renewable contracts might be a useful mechanism for wielding sticks.

3.11 *Mechanism 8: external degrees.* One of the problems with the existing system is that lecturers set their own assessment, thereby removing an important potential area of competition between universities. If they all have different assessments, how are meaningful comparisons to be made *between* universities. The external examiner system is supposed to regulate for this. However, the system is not fit for purpose because too little resource is allocated to the system and there is a high degree of regulatory capture. Externals in some cases are useful advisors, but rarely ensure genuine comparability of standards, given that they do not set the syllabus or assessments. What is more, most university examination regulations preclude externals altering marks, except for a whole cohort, and this would involve a much bigger marking load for the external.

- 3.11.a A solution would be to institute a voluntary system (with incentives) of external degrees. The post-1992 universities, when they first began as polytechnics in the late 1960s, did not have degree awarding powers and their students took London University external degrees. The staff clearly did not know in advance what would be on the exam. This allowed genuine comparison between the polytechnics and put them into competition with each other. Clearly it would not be politically possible to remove degree-awarding powers from universities, other than *in extremis*, and so the solution would be to permit universities to use external degrees with positive incentives for doing so and possibly to introduce the negative incentive of tighter regulation for those preferring to use their own degrees.
- 3.11.b A practical way of doing this would be to allow universities to set up consortia with peer universities and set common exams that each member of the consortium would use. There may need to be some minimum number in a consortium. Not only would this provide competitive pressure between consortium members to improve teaching quality, as degree results could easily be compared, but it would also create competitive pressure between consortia to maintain standards, or to be distinguished from each other in terms of the type of degree being offered (e.g. more theoretical or more applied). A parallel here would be with A-level boards, which compete with each other. Clearly there would be security issues, as there are with A-levels, to ensure that those setting the exams did not reveal them to university staff.
- 3.11.c Although the system would be voluntary, there would be considerable incentives for universities to join such consortia in order to attract students, who would see such degrees as having considerable market value. Universities might be happy to take part in pilots with specific subjects.

4. *Options for improving teaching quality: developing communities of practice*

4.1 Students choose to study particular subjects at university. Academics see their primary allegiance as being to their subject. Employers may prefer to recruit graduates from certain subjects. As estates are developed, there is much interest in providing facilities which encourage subject-based learning communities, of students and academics, within universities. Academic subject “tribes” are an intrinsic feature of higher education and effective learning and teaching are best cultivated, recognised and celebrated within these.

4.2 *Student communities.* Students learn better in an environment where there is a sense of community, where they have joint responsibilities for improving their own learning and that of their fellow students. Some universities actively encourage the development of student subject societies, the production of student journals/magazines, the development of discussion groups outside formal classes and an active alumni association with a sense of responsibility towards the current generation of students. The careful use of group work and various classroom and assessment practices can also help to develop student communities and a sense of communal responsibility. There are plenty of examples of successful communities and information needs to be gathered and disseminated to help their development more broadly.

4.3 *Communities of academics as teachers in their disciplines.* The subject centres have developed networks of practitioners over the past 11 years (see separate paper “The planned abolition of subject centres”). These share ideas and innovations through various dissemination channels facilitated by the subject centres, such as case studies, workshops, discussion groups, special interest groups, the sharing of material (see open education resources above), conferences, departmental contact meetings (for dissemination by the contacts within departments), networks of associates with particular expertise. Lecturers engage willingly in such communities because they are from within the same academic “tribe”. Academics are often unwilling to engage with the

teaching/learning enhancement agenda at a *generic* level as the language and generality is alien. However, they are often very willing to share practical solutions to issues, such as improving student performance, dealing with large numbers, tackling specific problem subjects or concepts, or relating research to teaching, with colleagues from other institutions but from the same discipline who speak the same language and experience similar problems. Developing and deepening such networks at the subject/discipline level is a way of engaging staff with the teaching/learning agenda and bringing significant quality enhancement and innovation.

5. Overcoming institutional barriers to change

5.1 The above represents a range of possibilities and they can be used in different combinations. A key factor affecting their feasibility is the attitudes of bodies, such as UUK and groups of universities, such as the Russell Group and the Alliance Group. Perhaps the key to unlocking resistance to change is the changed environment in which universities find themselves. Higher student fees, a strengthened NSS and greater transparency in terms of university performance and use of funding are all likely to drive universities towards giving better teaching a higher priority. In these circumstances, universities might be more responsive to mechanisms and regimes that allow them achieve better teaching and learning.

5.2 Appropriate incentive mechanisms are the key. These need to apply not only to individual lecturers, but also to universities.

9 March 2011

Further written evidence submitted by the Economics Network, University of Bristol

THE PLANNED ABOLITION OF THE SUBJECT CENTRES: WHY THEY SHOULD BE RETAINED TO SUPPORT HE LEARNING AND TEACHING

Summary

- The 24 subject centres of the Higher Education Academy provide valuable support to lecturers in their disciplines to improve the quality of teaching and learning. There is a large weight of evidence to demonstrate their success and how much they are valued by their subject communities.
- However, the Higher Education Academy plans to cease funding subject centres and to provide all subject support by just 22 academics employed by the headquarters in York.
- This model is untried and cannot replace the community hubs and the network economies of scale provided by the subject centres. The communities that have been built by subject centres will be destroyed and many of the resources on their extensive websites will be lost.
- There is a strong case for legislation to protect the subject centres and for them to be funded directly by the four UK funding councils.

THE 24 SUBJECT CENTRES: SUPPORTING LEARNING AND TEACHING IN UK HE

1. The 24 subject centres were set up in 1999–2000 to support teaching and learning in UK higher education. Each one is for a specific discipline or a small number of related disciplines (eg the Physical Sciences Subject Centre covers Chemistry, Physics, Astronomy and Forensic Science). Between them the 24 subject centres cover all the subjects/disciplines. They are hosted in universities which are funded, via the HE Academy, by the UK's four funding councils.

2. Being subject specific, each subject centre has built communities of lecturers who relate to “their” subject centre. Lecturers give voluntarily of their time and materials to their subject centre and they are comfortable engaging with teaching and learning issues with people from the same academic “tribe” who speak the same language. The subject centres are each led by a director who is well known and respected in his/her discipline and has an ability and reputation to build and manage networks.

3. The subject centres each have large websites of resources, share ideas and materials through wikis, run national, regional and departmental events, give awards, conduct surveys, engage with subject and professional associations and with employers, and are seen as a voice by lecturers for their subject community.

4. Subject centres have contacts in most academic departments and have many associates who work with them. They are respected by their communities and are the only organisations that directly influence teaching at the subject level. They have an international reputation and are seen globally as leaders in teaching/learning innovation and good practice.

WHAT IS PROPOSED BY THE HIGHER EDUCATION ACADEMY

5. The HEA is faced with a 30% cut, phased in over three years beginning August 2010. The subject centres have already borne a cut of 15% this year and could easily bear the remaining 15% cut, even if there were no redistribution of funding from Academy York (which has more than 50% of the budget) to the subject centres.

6. Instead, the HEA executive has decided to abolish subject centres and this decision has been ratified by the Board. It plans to bring all subject support into the Centre in York (“Academy York”) and sever its relationship with host universities. It is our understanding that there will be just 22 academics at relatively junior level employed by York to provide subject support across all disciplines, with four senior academics as “faculty” leads.

7. It seems almost inevitable that subject specific support offered by the Academy in York will be much reduced and less embedded in their respective academic communities.

8. In practice this decision has been taken by Academy York and the Board, to which subject centres have had limited access. Unlike the Executive in York, subject centres cannot negotiate directly with HEFCE. No subject centre director has been consulted by HEFCE.

9. Host universities were informed of the decision of the HEA on 12 November. Grant funding will be withdrawn for hosting subject centres from 1 August 2011, although a small amount of “transition funding” will be available for up to 10 months beyond this. After this, subject centres will cease to exist.

INDEPENDENT REVIEWS OF THE HEA AND SUBJECT CENTRES: OAKLEIGH AND CHALLIS

10. HEFCE commissioned an independent review of the HEA by Oakleigh Consulting which was published in 2008. It found that “Subject Centres are valued because they tackle enhancement from the “ground floor”, are practitioner-led, and by working within disciplines maintain a contextual focus that is highly valued.”⁵³

11. It described the subject centres as the Academy’s “flagship programme”, and stated: “It is clear that the discipline-led focus is highly valued by the sector, and the need for such a network in the future is, in our view, manifest.”⁵⁴

12. There was also an internal Academy review of subject centres led by Linda Challis. There was a concern expressed in the Oakleigh evaluation as to whether the balance of funding between subject centres was appropriate.⁵⁵ However, in the Challis Report into subject centre funding, *Implementing a new Subject Centre funding model*, it was agreed that the subject centre coverage was appropriate and that new and emerging disciplines could be incorporated within one or more of the existing 24 centres. The Challis report resulted in a reallocation of funding between subject centres that reflected the size of their communities.

13. There have been various changes made within the management structure in Academy York since Oakleigh, most of which have made the Executive less accountable. The Senior Management team has been stripped of its monitoring and evaluation role. The Academy Forum, which gave an opportunity for Academy staff from York and the subject centres to meet and plan strategy was abolished in 2010. The Academic Council, which advised the Board, has also been abolished. There have been various reorganisations within Academy York, which have led to uncertainty and unclear lines of communication. The Institutional Partnership Programme, consisting of visits by an HEA representative to universities to consult with their senior management, has received much criticism by universities (and by the HEA Executive) as not being fit for purpose, with poor follow-up.

INTERNET RANKINGS OF THE HEA AND THE SUBJECT CENTRES

14. Measuring the impact of teaching and learning initiatives is far from straightforward. There have been no randomised trials of the work of either the Academy or the subject centres. In the last analysis, evaluation involves a judgement about the effectiveness of these organisations.

15. However, there is one metric by which the HEA and the subject centres can be assessed. If you Google a subject name and “HE learning and teaching” or “Higher Education”, the relevant subject centre usually comes out top. Even if all you Google is the subject, the subject centre frequently comes within the top 10. These subject centre sites are known, respected and used around the world. They are a great window to UK HE and an area where the UK leads the world.

16. Despite Academy York receiving more than half of the funding, almost all online engagement is with the subject centres, which received about 16 million page requests in 2010. The Academy York site, by contrast, received less than 3 million page requests and within this figure the most popular page accessed on the York site is a the one linking to the 24 subject centres.

17. The Academy plans to shut down subject centre websites and bring across a subset of their resources to the Academy site.

18. This is likely to prove difficult. Academy York has IT systems that are incompatible with the web platforms used by the subject centres. Copying information onto the Academy York servers is not possible because of this incompatibility. Interactive resources developed by the subject centre, such as learning object

⁵³ *Interim Evaluation of the Higher Education Academy: A report to HEFCE, HEFCW, SFC, DELNI, GuildHE and UUK by Oakleigh Consulting Ltd*, section 1.5, (HEFCE, January 2008)

⁵⁴ *ibid.* section 1.6.4

⁵⁵ *ibid.* section 1.6.4

repositories will require re-programming if they are to be hosted by Academy York. It is doubtful that this work will ever be completed. In practice, for most of the subject centre sites, much of this material will be lost.

FURTHER EVIDENCE

(a) *Subject and professional associations*

19. There have been letters in support of subject centres including from the following. These can be provided on request:

- Association of Business School.
- Society of Biology.
- Conference of Heads of University Departments of Economics.
- Royal Economic Society.
- Education for Engineering (E4E).
- Engineering Professors Council.
- Royal Geographical Society.
- History UK (HE).
- Historical Association.
- British Association of Sport and Exercise Science (BASES) Board
- Institute of Hospitality.
- Leisure Studies Association.
- Committee of Heads of University Law Schools.
- Legal Services Board.
- Law Society of England and Wales.
- University Council of Modern Languages.
- Standing Conference of University Drama Departments.
- Institute of Physics.
- British Psychology Society.
- Association of Professors of Social Work.
- Cogent Sector Skills Council.
- Royal Society for Public Health.
- UK Centre for the Advancement of Inter-professional Education.

(b) *Letters to the Times Higher Education*

20. There have been several letters to, and articles in, the *Times Higher* supporting subject centres and highly critical of the decision to close them. These can be found at:

- <http://www.timeshighereducation.co.uk/story.asp?storycode=410541>
- <http://www.timeshighereducation.co.uk/story.asp?storycode=410580>
- <http://www.timeshighereducation.co.uk/story.asp?sectioncode=26&storycode=414089>
- <http://www.timeshighereducation.co.uk/story.asp?sectioncode=26&storycode=414393>
- <http://www.timeshighereducation.co.uk/story.asp?sectioncode=26&storycode=414397>
- <http://www.timeshighereducation.co.uk/story.asp?sectioncode=26&storycode=415132>

(c) *Online petition*

21. Over 1200 academics have signed an online petition, which can be found at <http://www.ipetitions.com/petition/heasubjectcentres/>

The petition reads:

We the undersigned, speaking from institutions across the country and from the perspectives of a wide range of disciplines, write to express our profound consternation at the decision of the Higher Education Academy to discontinue the funding of all Subject Centres from July 2011, replacing them instead with staff directly employed by the HEA. The success of the Subject Centres since their inception has been considerable. They have initiated a range of innovatory practices; funded the publication of valuable research into the nature and consequences of what we do; and articulated the views of the subject communities, both teachers and students, energetically and with clarity. In so doing, they have provided an invaluable (and previously unavailable) discipline-specific contribution to education and training for university teachers and have substantially increased both the profile and the prestige of teaching and learning in U.K. Higher Education Institutions. It is hard to think of other bodies more universally valued by the subject communities which the Subject Centres variously serve, and at this particular juncture,

when Higher Education in the U.K. faces one of the severest challenges it has ever encountered, the work of the Subject Centres is more crucial than ever. Disbanding the Centres will do immeasurable damage to the cause of teaching and learning in subject communities throughout the country. We call upon the HEA to recognize the esteem in which the Subject Centres are held, to acknowledge the value for money that they provide, and to reverse its decision to discontinue their funding.

Many of the signatories have provided additional evidence and argument for keeping subject centres.

(d) *Russell Group Pro-Vice-Chancellors of teaching and learning*

22. A letter from 18 of the above was sent to the HEA Board strongly supporting the maintenance of subject centres.

(e) *Chairs of subject centre Advisory Groups*

23. A letter was sent to the Minister of State for Higher Education from 23 Subject Centre Advisory Board chairs. These Boards provide oversight from the perspective of subject communities on the work of both the HEA subject centres and the Academy at York and thus have a unique perspective on the recent HEA consultation on the implementation of a 30% cut in funding. They have neither a vested interest in the survival of the subject centres nor Academy York in their current forms.

24. In addition to their roles within their own subject communities, many of them are, or have been in the past, Faculty Deans and/or other senior officers within universities responsible for the delivery and enhancement of learning & teaching across a range of subjects and are thus able to bring a broad academic perspective to the challenges of subject-specific versus more generic engagement with our learning communities.

25. They argued that the work of the 24 subject centres, rooted as they are within disciplines, is essential to enhancing the student experience in UK universities. They were concerned at the proposed dissolution of the subject centres, the concentration of the HEA's activities at the centre in York, and the proposal to engage all the subject communities via individual subject coordinators. They were unable to see how this new arrangement could replicate the cost-effective work of the subject centres, which are embedded in their subject communities and supported by a huge volume of voluntary contributions from academics rooted in their disciplines and committed to enhancing learning and teaching within those disciplines.

NETWORK ECONOMIES OF SCALE AND SUBJECT CENTRES

26. Network economies of scale occur when people benefit from sharing infrastructure. The cost to a new entrant to the network is very low. Networks can include social networks, wireless service providers, common IT platforms—such as Windows or Microsoft Office applications—rail and air networks, power lines, eBay and the Internet.

27. Establishing networks involves relatively high fixed costs. In the case of subject centres, they are the human costs of painstakingly building and cultivating contacts and working with experts and innovators so that there is mutual trust and a willingness to engage with the network. The fixed costs thus involve investment in the members of the network. However, the *marginal* cost of joining a network is very low. What is more, those joining a network create an external benefit as they extend the network by allowing other users to interact with them.

28. The efficiency of networks tends to grow with the number of users: average costs tend to fall and benefits to users tend to rise. However, networks take a time to establish, which is why many dot.com companies ran at a loss for a few years. Networks require a critical mass of users to become viable. Once a network is established, such as Facebook, eBay or MS Office, it is hard for competitors to break into the market, as they would first have to build their own network.

29. The subject centres have established networks of academics as teachers of their discipline. These networks have become well established and as they have grown, so the benefits to those engaging with the networks have also grown. There are various factors that have allowed these networks to thrive. These include:

- 29.1 The subject centre providing a credible hub, led by a respected academic in the field and embedded in a university department. Networks thrive better if there is a unique “selling point” and this concept of an established, well-informed and empathetic hub is crucial. A single peripatetic academic for each discipline, or fraction of an academic in many cases, as proposed in the new model, will not be seen as a hub for each discipline. Likewise the central Academy will not be seen as a hub as it is seeking to establish multiple networks from a single location with administrators who are not specialist by network (i.e. by academic subject) but by function across networks (eg events, periodicals and databases).
- 29.2 A critical mass of resources that make using subject centre websites and submitting to them attractive to users. For example, sharing teaching resources becomes much more viable when there are many contributors of such resources. Subject centre websites each have hundreds or thousands of resources. The HEA, in abolishing subject centres, will only be able to transfer a relatively small subset of these in most cases.

- 29.3 A critical mass of individual contacts, associates and attendees at events. By providing an agency service here, the subject centre, like an employment agency, allows personal contacts to be made and special interest groups to develop.
- 29.4 First mover advantage. There were no other established “competitor” networks and thus subject centres have become the main way in which academics interact (outside their home institution) with other teachers in their discipline. Each subject centre is now well-known to a critical mass of academics in their communities and are seen as belonging to their communities. It will take years to rebuild even a subset of these networks in a centralised model and, given the inferior nature of the model, it cannot hope to have the same “buy-in” by the community members.
- 29.5 Shared human capital and a collective memory. Subject centres have developed a “wisdom” from years of engagement with their communities—communities that differ considerably from subject to subject. Staff in subject centres know their communities well and their specific needs and this collective wisdom is passed to new members of subject centres by the remaining members when colleagues leave. In the new HEA model, there will be no collective wisdom developed by peripatetic single academics, supported by consultants bought in for particular tasks, that can be passed on to others when they leave.
- 29.6 Being well established and well known to their communities, subject centres attract a large amount of free resources—both web resources and individuals’ time. They are thus efficient. The culture of giving has become easier to foster as the networks have grown and as there are more like-minded academics with whom to share. It will be hard to establish a replacement culture in a centralised model where the culture is not that of fellow academics from the same discipline.
- 29.7 Subject centres tap into parallel networks of academics as researchers in their specialist field. Academics are used to relating in this way and belonging to such research networks has become a major part of their personal identity as an academic. Subject centres are thus an effective way of linking research and teaching as their specialist interest groups in sub-disciplines often closely align with research communities.
30. One of the key reasons for the success of the subject centre model is the quality of subject centre directors and the leadership they bring. They have a high profile in their communities. Because their views are respected, they are able to drive the teaching/learning agenda from the perspective of their discipline. Their academic credibility gives credibility to moves to improve teaching quality; it allows them to engage with academics who would not “take it” from generic educationalists or from an individual subject specialist in York in the proposed centralised model. Their connections within the discipline help them attract academics to give time and resources to their community and help the development of networks.
31. Their high profile within subject and professional associations allows them to influence policy at subject level and provides a key voice for teaching and learning within that discipline.

WHY THE CENTRALISED HEA MODEL IS LIKELY TO FAIL

32. The CEO of the HEA, Craig Mahoney, argues that subject support will be at the heart of the new Academy. That may well be an objective, but the centralised model is a much less effective way of achieving this objective than the subject centre model for the following reasons:
- 32.1 Subject centres are led by a senior academic, respected by their community. These senior academics will be lost in the centralised model, to be replaced by 22 FTE academics, not at a senior level, co-ordinated by four “faculty” leaders. These people will report to the HEA management, but they can be based anywhere in the UK and much of the time will work from home.
- 32.2 Subject centres have a team of other academics and dedicated administrators who know their communities well and engage directly with them. In the centralised model, there will be no other academics directly employed. Instead, use will be made of consultants. Consultants, however, do not have that same intimate knowledge of the communities from working within a subject centre. Also they are more expensive and hence a less efficient use of resources. What is more, administrators will not be subject specialists who know their communities well. Within the subject centres the staff fulfil a number of roles from academic to administrative. This gives great flexibility. This flexibility would be lost in the centralised model with greater specialism by function rather than by discipline.
- 32.3 Subject centres are embedded in university departments. Their staff can thus move easily between teaching and subject centre work. It also gives them credibility with academics. A centralised organisation with a single academic, or fraction of an academic, representing the community will not have the same credibility.
- 32.4 Subject centres are seen by academics and by subject and professional associations to belong to the subject community. There will be no similar sense of ownership of a centralised organisation.
- 32.5 The Academy’s central organisation in York is not well known amongst academics. It will be hard to build credibility of the central organisation. Scrapping subject centres will cause further damage to the Academy from which it will probably be impossible to recover.
- 32.6 The loss of human capital is likely to be immense. Virtually no subject centre director will remain and there will be virtually no jobs in York for other experienced subject centre staff.

- 32.7 There is a fundamental tension at the heart of the Academy between assurance and enhancement. *Assurance* involves regulation and inspection to ensure quality. The QAA is the UK's assurance agency for higher education and is a highly professional organisation that works closely with universities. *Enhancement* is about improving teaching quality, largely from the bottom up, through building communities of practice and by academics learning from each other. The Academy seeks to be both an enhancement agency (through its planned work at subject level) and an assurance agency by assuring new lecturer teaching qualifications against the Professional Standards Framework. By promoting its role as an assurance agency, it weakens its role in supporting lecturers. It seeks to be both policeman and friend.
- 32.8 Subject centres have large websites. Migrating some of these websites to York will be impossible, given that across the subject centres there is a diversity of different platforms, with many of them using free operating systems, databases and software which are fundamentally different. The Web teams in York have admitted that they do not have the time or financing to *recreate* web pages from one platform in another. Interactive resources developed by the subject centres, such as learning object repositories and question banks, could not be copied over and would need reprogramming if they were to be hosted by York's set-up. Such resources will thus be lost.

A PROPOSAL FOR THE REORGANISATION OF THE HEA AND SUBJECT CENTRES

33. Outline structure:

- Subject centres based in universities, as at present: the precise number to be decided, but preferably no fewer than at present and possibly up to 30.
- A Generic Academic Unit providing generic support to subject centres and to the sector.
- A small central organisation.

Location and structure

34. The existing subject centres would continue in order to retain their extensive human capital, symbiotic relationship with host HEIs, networks of contacts, associates and people with specific expertise, the goodwill of their communities, the brand advantage, and the cost advantage of tapping into university infrastructure. Some subject centres may re-locate to a new host university. It may be desirable to divide one or two of the larger subject centres in order to provide more focused discipline coverage. For example, when the History, Classics and Archaeology subject centre was divided into the three constituents the level of service increased dramatically.

35. The Network would have a main office, which could be in York or located in a university in order to gain from the synergies that that brings and the clear savings in costs. The main office would house a small Executive team and would manage cross-Network projects and activity. It would also liaise with funders, HEIs and other external agencies. This would be a lean and effective executive whose prime focus would be outward, not inward, looking. Small national offices in Cardiff and Edinburgh could be retained to co-ordinate activities specifically for the devolved nations.

36. Alternatively, the Executive could sit within HEFCE, with an officer in SFC, HEFCW and NI DoL. The funding could then be distributed directly to subject centres' host universities.

37. There would be a Generic Academic Unit, about two to three times the size of a subject centre. This could be attached to a host HEI, perhaps currently hosting a relevant CETL or other generic unit. The prime function of this would be to provide generic support to subject centres and to the sector. It would consist of groupings of academics with expertise in specific areas: widening participation, internationalisation, e-learning, assessment and feedback, external examining, education for sustainable development, etc.

38. The Generic Academic Unit would also house a small project management team to manage national projects, such as the National Teaching Fellowship Scheme. Alternatively, such schemes could be run directly by HEFCE (as was NTFS originally).

Staff activity and management

39. Subject centre staff would continue to be employed by the host university, thereby maximising the opportunities for staff dividing their time between the subject centre and host university.

40. Subject centres would continue to be managed internally as at present, thereby minimising management costs, allowing flexibility of function and much greater responsiveness to the particular needs of discipline communities.

41. Subject centres would be grouped into four or five clusters, either regionally or in cognate groups. These would meet formally on a regular basis (say, three times per year). All the groups would be chaired by a member of the Executive, supported by an administrator and a member of the Generic Unit. All reporting would be to this group, and would be formative as well as summative. The process would ensure consistency of approach by subject centres and that they address current priorities.

Activity Management

42. A threshold level of service provision would be required of each subject centre and the Generic Unit.

43. The reporting to the regional groups (or cognate groups) would ensure the meeting of thresholds. By being formative, this reporting would inform planning and allow the sharing of effective practice across subject centres.

44. Subject centre directors would be accountable for the provision of each subject centre.

45. The Generic Unit and project teams would report formally to the Executive, and informally and formatively to the four regional groups (perhaps once per year). Cross-Academy projects would be managed by the project team in the Generic Unit.

9 March 2011

Written evidence submitted by the Edge Foundation

SUMMARY

- Higher education serves several functions, one of which is to prepare people for the world of work or help add to their skills and knowledge during their working lives.
- There should be opportunities to develop new centres of vocational excellence in higher education. One model is the Edge Hotel School, which will open in 2012 as a joint venture with the University of Essex and Colchester Institute. Students will learn through immersion in the working life of a top-quality hotel, supported by professional and academic practitioners.
- Many further education colleges provide excellent higher education opportunities. We offer the example of Coleg Morgannwg, which won this year's Beacon Award for Practical Teaching and Practical Learning.
- All higher education institutions (HEIs) should show how they help students develop the wider skills which employers look for. A forthcoming research report by the SCORE Centre at the University of Glasgow recommends that employability should be at the centre of HEIs' strategic planning, and that this should be encouraged and rewarded by future HE funding mechanisms. All departments—including humanities—should take a structured approach to work placements, internships and work-based learning opportunities for their students.
- It is increasingly important for people to be free to access higher education in ways and at times which meet their needs and ambitions. This should include easier access to work-based higher education.
- The 2009 Skills Commission report, "Progression through Apprenticeships", examined opportunities for more apprentices to progress to higher education. The Department for Business, Innovation and Skills should work with partners to overcome a number of barriers, including:
 - Lack of awareness and understanding of apprenticeships on the part of admissions tutors.
 - Lack of knowledge and awareness of HE on the part of apprentices.
 - The need for apprentices to develop additional skills before accessing HE—for example, essay-writing skills and (for some programmes) advanced maths.

ABOUT EDGE

1. The Edge Foundation is an independent educational charity dedicated to raising the status of practical, technical and vocational education. The Foundation is sponsor of the Bulwell Academy (Nottingham) and Milton Keynes Academy, and has provided support in cash and in kind to support the development of University Technology Colleges, Studio Schools, the Edge Hotel School (with the University of Essex and Colchester Institute), and work-based higher education. We have also commissioned research, including a report on universities' efforts to help undergraduates develop skills for employment.

MANY PATHS TO SUCCESS

2. Edge believes there are many paths to success. In relation to higher education, this means people of all ages should be able to access HE programmes in places, in ways and at times which meet their current needs and support their future ambitions.

3. We have a particular interest in HE which helps people develop the skills and knowledge needed for work—that is, vocational higher education. We fully recognise that this forms only part of HE's mission, and we have the utmost respect for study and research not directly related to the workplace. For the majority of HE students, however, preparation for work is one reason (sometimes, the main reason) for enrolling in the first place. It is therefore vitally important that they benefit from the best possible experience, geared to their current and future needs.

4. We are equally clear that there is a huge amount of good practice in this field. Vocational higher education has an outstanding track record, dating back to the earliest universities and carried forward through the 19th

and 20th centuries by universities, polytechnics, colleges of technology and others. Today, good practice can be found not only in universities, but also in further education colleges, distance learning and the workplace.

5. Edge believes that a mixed economy is vital. We would be especially concerned if universities reduced support for HE programmes delivered by FE colleges, as this is often cost-effective, high-quality provision which meets the needs of local people and their employers.

6. We welcome the Government's commitment to equitable funding and fees for people enrolled on part-time HE courses. This is long overdue.

7. In the sections which follow, we emphasise the importance of:

- (a) Centres of vocational excellence in HE, such as the Edge Hotel School (a joint venture with the University of Essex and Colchester Institute) and Coleg Morgannwg;
- (b) HEIs' contribution to students' employability skills;
- (c) Work-based higher education, and
- (d) Helping apprentices to move onto HE programmes when they are ready.

CENTRES OF VOCATIONAL EXCELLENCE IN HE

8. Edge believes students should have the opportunity to study at degree level in a centre of vocational excellence endorsed by employers. Centres of vocational excellence may be set up by a university, a college of further education or as a new, stand-alone facility by (eg) an HEI from outside the UK; a group of employers; or a private or third sector provider.

9. To demonstrate our commitment to centres of vocational excellence, we are working with the University of Essex and Colchester Institute to establish the Edge Hotel School.

10. In many parts of the world, future leaders of the hospitality industry are trained and educated in specialist hotel schools which are open to the public as paying guests. There have been attempts to set up similar schools in the UK, but none on the scale of counterparts in Switzerland, France or the United States.

11. Supported by a grant from Edge and in partnership with Colchester Institute, the University of Essex is redeveloping Wivenhoe House, a grade 2* listed hotel building sited on the University's Colchester campus. When it opens in 2012, the hotel will operate entirely commercially, but with the significant difference that it will be run by students. Operating in 12–18 strong Butler Teams, student practitioners will experience and learn from all aspects of the operation of a commercial hotel, under the guidance of industry-experienced professional practitioners employed by the hotel alongside academic practitioners from Colchester Institute. These innovative work-based programmes have now been recommended for approval through the University validation process.

12. Direct, hands-on "learning by doing" will be supplemented by integrated academic development. Each calendar year will be characterised by rolling multiple entry recruitment. Student practitioners will be in study for three 14-week trimesters—much longer than standard university terms—which means students will leave the Edge Hotel School after two years with a fast track honours degree qualification in hospitality or culinary management plus the skills to be "work ready" for the industry.⁵⁶

13. Leaders of the hospitality industry are closely involved in all aspects of the development. We believe the Edge Hotel School will provide a template not only for other hospitality schools, but for centres of vocational excellence across a range of other sectors of the economy.

14. A further example of vocational excellence can be found at Coleg Morgannwg, in Rhonda Cynon Taff. The college won this year's Beacon Award for Practical Teaching and Practical Learning, sponsored by Edge. The Award recognises excellent practical teaching that results in students having learning experiences that are real, meaningful, challenging and life-changing.

15. Coleg Morgannwg has strong links with theatre and film production companies and won the Award for a course developed to meet an industry need for higher level practical skills in costume construction. During the course, students produce costumes for theatre and screen productions and benefit from working alongside professionals in theatre, dance, screen and opera companies.

16. The experience of working alongside clients, including designers, actors and models, is invaluable in developing their understanding of the sensitivities involved with fitting garments on real people and of the financial and practical constraints involved in the industry. Most students go on to complete the full BA degree programme at university, while the remaining students take up jobs in the West End, in TV and in film work.

17. In addition to the Edge-sponsored Beacon Award, Coleg Morgannwg was awarded the Association of Colleges' President's Award by the President of the AoC Charitable Trust, Lord Willis of Knaresborough.

⁵⁶ Other universities which have developed fast-track, two-year degrees include Buckingham and Greenwich.

THE IMPORTANCE OF EMPLOYABILITY SKILLS

18. As noted already, we fully respect study and research which is not directly linked to the world of work. However, Edge believes all HE institutions should show how they help students develop the wider skills which employers look for.

19. Given the importance of this topic, we made a grant available to the SCRE Centre, University of Glasgow, so they could investigate employers' perceptions of the employability skills of new graduates, and the steps which HEIs take to develop them. Their report⁵⁷ (to be published shortly), makes a number of important findings and recommendations.

20. The research team found that:

- (a) Employers expect graduates to have the technical and discipline competences from their degrees but require graduates to demonstrate a range of broader skills and attributes that include team-working, communication, leadership, critical thinking, problem solving and often managerial abilities or potential.
- (b) Employers generally believe that universities are less than responsive to their needs and the needs of the wider economy. There was a perceived lack of systematic practice to promote employability across HEIs.
- (c) Placements, internships and work-based learning opportunities are an effective way of providing university students with relevant employment skills, knowledge and awareness of employer culture.
- (d) Graduate award programmes (offered by a growing number of HEIs) appear to be highly valued by graduates and employers, but the extent to which these are embedded across the sector is uncertain, and there seems to have been little systematic evaluation of them.
- (e) Some HEIs do not see employability as an important part of their mission.
- (f) Some academics are concerned that employability measures in their universities diminish the academic integrity of higher education. However, there is no reason why this should be the case.
- (g) Some employers are frustrated that HE courses do not meet their needs. Employers say that even when they serve on HEI committees, their views on course design are often disregarded.

21. Recommendations include:

- (a) Employability should be at the centre of HEIs' strategic planning, both centrally and at the level of individual faculties and departments.
- (b) Careers services in HEIs should be given more responsibility (and resources) to develop employability activities at faculty and departmental level.
- (c) Funding mechanisms such as the Research Excellence Framework should be used as a lever to encourage HEIs to develop their students' employability skills and attributes.
- (d) One of the most crucial measures HEIs can adopt to promote employability is a structured approach to placements, internships and work-based learning opportunities of significant duration. Some of the more vocational and business-orientated courses already make good use of these approaches, but humanities courses should also make greater use of placements and internships.
- (e) Employer membership of HEI committees should not be a token measure: academic staff should be prepared to listen and respond to employers' ideas about course design, content and delivery.

WORK-BASED HIGHER EDUCATION

22. It is increasingly important for people to be free to access higher education in ways and at times which meet their needs and ambitions. We are particularly interested in work-based higher education.

23. Work-based higher education is not new, and the benefits are increasingly understood. A comparison of Foundation Degrees in England and Higher National Certificates and Diplomas in Scotland⁵⁸ found, for example, that students in both countries regard work-based learning (WBL) as very important. The same was true of employers in sectors with a long tradition of valuing higher education. On the other hand, employers in some other sectors appeared reluctant to devote much time to WBL, and more particularly, to formal assessments of their employees' knowledge and skills. This suggests that HE providers need to help employers with the delivery of WBL, sometimes down to quite a fine level of detail.

24. The obstacles were also explored in a 2006 report published by the Higher Education Academy, "Work-based learning: illuminating the higher education landscape".⁵⁹ For example, HEIs need to know more about

⁵⁷ Kevin Lowden, Stuart Hall, Dr Dely Elliot and Jon Lewin, Employers' perceptions of the employability skills of new graduates, to be published by the Edge Foundation in spring 2011.

⁵⁸ Jim Gallacher and Robert Ingram (Glasgow Caledonian University) and Fiona Reeve (Open University), Work-based and work-related learning in Higher National Certificates and Diplomas in Scotland and Foundation Degrees in England: A Comparative Study.
<http://www.crlf.org.uk/media/crlf/content/publications/HNs%20and%20FDs%20Study%20Summary%20%20REPORT.2009.Word%20doc.pdf>

⁵⁹ Iain Nixon, Kevyn Smith, Rob Stafford and Steve Camm (KSA Partnership), Work-based learning: illuminating the higher education landscape. http://www.heacademy.ac.uk/assets/York/documents/ourwork/research/wbl_illuminating.pdf

the needs of employers, and how to encourage them (and their employees) to engage in higher level skills development. The report also points to the importance of understanding “what works” in work-based learning, and what this means for pedagogy. Thirdly, the report said there was a need for a trans-regional credit-based system for learning at a higher level, to encourage transparency, transferability and consistency across the UK HE sector. We believe it would be timely to re-visit the HEA’s report and recommendations.

25. As part of our commitment to work-based HE, Edge supported the development of HE@Work, which is now part of the University of Middlesex. HE@Work helps employers enhance their in-house training programmes by working with partner HEIs. This improves staff retention rates and gives people greater access to higher education. For example, HE@Work brought together the Chartered Institute of Educational Assessors (the national body for assessment professionals) and Middlesex University to develop a work-based member and fellowship route incorporating HE qualifications.

26. Despite the barriers mentioned above, we remain convinced that work-based learning should play an increasingly important part in the overall HE landscape in the years ahead.

APPRENTICESHIPS

27. It is important that people with vocational qualifications are able to access higher education. Lifelong Learning Partnerships have made excellent progress, not least in relation to people with BTEC and equivalent qualifications. However, more needs to be done to enable apprentices to progress to higher education.

28. Edge sponsored the 2009 Skills Commission report, “Progression through Apprenticeships”,⁶⁰ which examined some of the barriers to progression. These include:

- Lack of awareness and understanding of apprenticeships on the part of admissions tutors.
- Lack of knowledge and awareness of HE on the part of apprentices.
- The need for apprentices to develop additional skills before accessing HE—for example, essay-writing skills and (for some programmes) advanced maths.
- A lack of evidence of the extent to which former apprentices do, in fact, access higher education.

The Department for Business, Innovation and Skills should work with HEFCE, Universities UK, UCAS, the National Apprenticeship Service and others to overcome these barriers.

29. On a wider point, the Skills Commission concluded that HE needs to be prepared to offer programmes which meet the aspirations, skills and learning styles of people who have successfully completed apprenticeships. At the moment, the boot is too often on the other foot: former apprentices have to adapt to the programmes offered by HE providers. Professor Sir Deian Hopkin (then Vice Chancellor of London South Bank University) told the Skills Commission that “The issue is what universities must do to make higher education a better fit for apprenticeships, rather than the other way around. Universities could, for example, offer far more part-time courses, but they aren’t always set up for this type of provision at the moment”.

30. On the other hand, there are examples of HE providers offering Foundation Degrees as part of emerging Higher Apprenticeship frameworks, which are a further way of combining higher level study with skills and experience gained in the workplace. Routes such as these should be further developed and encouraged.

9 March 2011

Written evidence submitted by ESRI (UK) Ltd

SUMMARY OF RESPONSE

- Esri UK welcomes proposals and recommendations to improve the quality, accessibility and sustainability of Higher Education.
- Esri UK believes strongly that support for and investment in, geography teaching in Higher Education will have benefits for government, business and society as a whole.
- Esri UK presents evidence to show the generic skills acquired through the study of geography in Higher Education are highly valued by employers.
- Esri UK makes the case that location is becoming an increasingly important factor in the majority of public and private sector business decisions and it is thus vital that the Higher Education sector provides graduates capable of working within this new geographically enabled world.

1. Background information and expertise—ESRI (UK) Ltd is a provider of Geographic Information Systems (GIS) technology and related services to over 4,000 UK organisations across the following key sectors: Central and Local Government, Commercial, Defence, National Security, Education, Public Safety, Utilities and Telecommunications. We provide GIS technology, services and advice to our customers to help them geographic make better decisions based on geographic information. Founded in 1989 and headquartered in Aylesbury, Buckinghamshire, Esri UK is a privately owned UK company employing 300 people many of whom

⁶⁰ Progression through apprenticeships: the final report of the Skills Commission’s Inquiry into apprenticeships, March 2009. [http://www.policyconnect.org.uk/fckimages/Skills%20Commission%20-%20Progression%20through%20apprenticeships\(1\).pdf](http://www.policyconnect.org.uk/fckimages/Skills%20Commission%20-%20Progression%20through%20apprenticeships(1).pdf)

are geography graduates. Esri UK is part of the Esri Global Network which supports more than 300,000 customers in 150 countries worldwide.

2. Many of our employees hold degrees in geography, GIS or directly related subjects. As a company we therefore place a high value on the teaching of geography in Higher Education. But whilst our employment requirements are perhaps atypical, there is evidence that the generic skills acquired through the study of geography are in high demand right across the business sector.

3. We conducted a survey⁶¹ in November 2010 of 200 business leaders across the public and private sectors to understand the skills they are looking for as employers. The survey identified the following key skills that business leaders look for in future employees:

- critical thinking (nominated by 78% of businesses leaders as key for graduates);
- advanced analytical skills (76%);
- understanding and interpreting complex data (71%);
- advanced technology skills (57%); and
- understanding of socio-economic environments (54%).

These are all skills gained from studying geography.

4. It is perhaps telling that the unemployment rate amongst geography graduates is just 7% compared with 15% for Media Studies graduates and 16% for IT graduates.⁶²

5. Incidentally, nearly one in five (18%) of the business leaders surveyed held a geography degree or equivalent. A further two thirds (67%) would recommend a geography-based qualification to their children.

6. But if business needs geographers now, this will be even more true in the future. Location is becoming increasingly recognised as an important factor in decision making. To illustrate this, a snapshot⁶³ of Esri UK's customer base, shows the following:

- More than 70% of UK Local Authorities use GIS to deliver front and back office services.
- A very significant proportion of central government departments and agencies are heavily dependent on GIS to meet their policy making and service delivery responsibilities.
- Esri UK is a major supplier to the defence and national security sectors which are increasingly dependent on geography and GIS to conduct many aspects of their business, not least in support of operations in Afghanistan and in counter-terrorism.
- The majority of the emergency services are reliant on GIS technology to support resource analysis and to underpin their command and control systems.
- Demand for geography and GIS knowledge is increasing from all gas, water and electricity utility companies.
- GIS take-up is also strong in the insurance, oil, petroleum and retail sectors.

7. These customers need geographers to collect and manage complex geographic data, undertake spatial analysis and interpret the results. This wide range of organisations thus needs geography graduates to apply the geographic skills they have acquire through studying geography in the Higher Education sector.

8. We therefore argue that there is a strong and growing demand from both the public and private sectors for both the generic skills and the specific geographic skills acquired through the study of geography. Business, in its widest sense, needs geographers and it is incumbent upon the Higher Education sector to provide a supply of these highly valued graduates.

10 March 2011

Written evidence submitted by the Geological Society of London

1. The Geological Society is the national learned and professional body for Earth sciences, with 10,000 Fellows (members) worldwide. The Fellowship encompasses those working in industry, academia and Government, with a wide range of perspectives and views on policy-relevant science, and the Society is a leading communicator of this science to government bodies and other non-technical audiences.

2. The main points raised in this memorandum are:

- Significant numbers of trained geologists (Earth scientists) in a wide range of specialisms will be needed to ensure future wealth generation and economic innovation, the delivery of resources and services to the UK population, and to meet known policy challenges over the next generation, particularly as we seek to decarbonise the energy system and the economy.

⁶¹ Skills, Location and GIS in Business Survey, Esri UK 2010 (Vanson Bourne)—available from Esri UK on request

⁶² BBC.co.uk, Graduate unemployment “at a 17-year high”, 1 November 2010

⁶³ ESRI (UK) Ltd internal market review—available on request

- The Geological Society is concerned that the ability of the UK Higher Education system to meet these vital national skills needs may be severely jeopardised by policy decisions now being made regarding the allocation of funding for university teaching, in the context of global undersupply of trained personnel.
- Geology is a relatively costly subject to teach, with fieldwork at the heart of the discipline, alongside laboratory and classroom teaching.
- As the Geological Society works with others to encourage talented young people to study geology and to pursue a career in Earth science, we urge Government to ensure that students are not deterred from doing so and that universities are not disincentivised from offering Earth science courses, both at undergraduate and postgraduate level.

3. Earth science underpins the provision of most of the resources on which the UK population depends, including energy, minerals, water and food. A wide range of vital services depend on Earth science, including management of the waste we produce; geotechnical engineering for the construction of buildings, roads and other large infrastructure projects; predicting, understanding and mitigating the effects of natural hazards; and remediation of many environmental problems.

4. Delivery of these resources and services generates considerable national wealth. Industries which depend primarily on the Earth sciences (extraction of oil, gas, coal, limestone, clay, aggregates and other minerals; groundwater; and landfill) generated around £48 billion in 2007—that is, 13% of the UK's non-service GDP of £380 billion, compared with total GDP of £1.395 billion. Other industries in which Earth science plays a vital role, such as the construction industry, are also major contributors to GDP. The value to the UK of North Sea oil and gas alone is £3,000 billion since 1970, about half of which passed to Government as tax. Major energy and minerals companies make up a substantial part of the FTSE index (oil and gas sector: £300 billion; mining sector: £250 billion).

5. In the coming decades, Earth science will also be essential in addressing key policy challenges, especially in relation to energy and the environment. It has been fundamental in establishing the reality of anthropogenic climate change, and evidence from the geological record is now transforming our understanding of its impacts on human timescales. This new understanding promises to improve models of future climate change, and inform policy-making for adaptation to our changing environment. We know that we will continue to depend on fossil fuels for several decades. Exploration and production of these resources depends on the skills of petroleum geologists. These skills will also be vital for delivery of carbon capture and storage (CCS) at scale—an objective to which the Government is committed, and which is an essential element of rapidly reducing our carbon emissions while continuing to use fossil fuels. Development of domestic UK fossil fuel resources, including unconventional gas and cleaner coal technologies, has the potential to contribute significantly to our energy security. Whether or not new nuclear power stations are built, the siting, construction and subsequent monitoring of a geological disposal facility, within the UK Government's Managing Radioactive Waste Safely (MRWS) programme, currently in its early stages, will constitute a major infrastructure project over unprecedentedly long timescales, drawing on a broad range of disciplines from geology and geophysics to hydrogeology and radionuclide geochemistry. Renewable energy sources and “green technologies” such as those used in hybrid vehicles will also depend on geologists for the supply of resources, as well as in construction and infrastructure planning.

6. Significant numbers of skilled Earth scientists in a wide range of specialisms will be needed to address these challenges, to continue to deliver products and services to the UK population, and for wealth generation. Considering petroleum geoscience alone, the UK will need the skills of the thousands of Earth scientists for provision of a secure supply of essential hydrocarbons for many years to come. Thousands more will need to be trained to provide the essential technical skills required for CCS.

7. Already there are identified areas of shortage. The UK Border Agency's revised March 2011 Shortage Occupations List includes geoscientist, geophysicist, hydrogeologist, engineering geologist and a range of related Earth science and engineering specialisms. Applicants in these occupations for Tier 2 migrant status are to be assigned high priority under the new immigration regulations. However, we cannot rely on importing these skills. Despite the large number of Earth scientists being produced in emerging economies, there is not expected to be any surplus. China is undersupplied by 30% in comparison to its projected needs, for example, and India is neither importing nor exporting trained Earth scientists. It is therefore essential that we ensure sufficient domestic supply of Earth scientists. Anecdotal evidence from industry suggests that recruiting suitably skilled graduates is increasingly difficult.

8. The Geological Society recognises its role, working with schools, academia, industry and Government, in ensuring the supply of Earth science skills throughout the training “pipeline”, from promoting the subject in schools and accreditation of degree programmes, to awarding Chartered Geologist status and supporting other aspects of professional development. We have recently established a Geoscience Skills Forum, bringing together academics and industry representatives, to gather evidence about current and future national skills needs and to help ensure these needs are addressed. These efforts can only be successful if students are not deterred from studying Earth science at undergraduate or postgraduate level, and universities are not disincentivised from offering Earth science courses, as the unintended consequence of policy decisions now being made about the allocation of funding for university teaching.

9. Geology is relatively expensive to teach, because of the need for high contact hours, high staff-to-student ratios, laboratory work and fieldwork (which is an essential part of the subject). In common with most other science subjects, geology (classified under the broad heading of 'Earth, marine and environmental sciences') has hitherto been classified by HEFCE in Band B, attracting a higher level of funding per student than other subjects (with the exception of Band A clinical medicine subjects).

10. As Government seeks to fill the funding gap which has arisen as universities have set student fees close to the £9,000 ceiling rather than the £7,500 average it anticipated, a potential concern is that it will reduce further HEFCE's teaching budget to help meet the increased costs of providing student loans. This would be likely to result in reduced support for STEM subjects, since this constitutes most of the remaining HEFCE grant. This unwelcome possibility was flagged in evidence given to the BIS Select Committee on 10 May 2011 by Bahram Bekhradnia (Director, Higher Education Policy Institute), and also by Margaret Hodge, chair of the Public Accounts Committee, speaking on the Today programme on 7 June. The recent Higher Education White Paper did not cast light on this matter, other than to indicate that HEFCE had been asked to consult on priorities for allocation of the teaching budget. The Geological Society will respond shortly to the HEFCE consultation. Particular concerns expressed by the academic Earth science community include the possibility that the range of subjects included in Band B may be narrowed, or that the differential between the Band B teaching allocation and lower bands may be eroded.

11. Since student fees are set by individual universities, and generally do not vary by subject, it is the universities which bear the higher costs of teaching some subjects, over and above what they receive in student fees and in the block grant from HEFCE. If the funding allocation does not recognise the true costs of teaching geology and other strategically important subjects, in order to redress budget shortfalls, universities are likely to favour subjects with lower teaching costs, which is likely to result in the closure of departments and reduced numbers of graduates in these subjects, to the detriment of future national skills needs.

12. Fieldwork is an essential part of the training of Earth scientists, as mentioned above, and its inclusion as a mandatory element of undergraduate programmes is a requirement for the accreditation of degree programmes by the Geological Society. Already, many university departments require students to meet some or all of the costs of field trips themselves, meaning that the total cost to students of studying geology is often higher than that of other subjects. This trend is likely to continue with increasing pressure on departmental budgets. Furthermore, the fact that fieldwork usually takes place during vacations makes it more difficult for students to secure paid employment to subsidise their costs.

13. Most employers in industry seeking to recruit Earth scientists require applicants to have an MSc in an area of applied geoscience (such as petroleum geology, engineering geology or hydrogeology). Public funding to support the delivery of taught MSc courses has historically delivered through the Research Councils. This is rapidly being withdrawn, with the abolition of NERC MSc studentships from 2011, and the phasing out of EPSRC Collaborative Training Accounts by 2013. Again, little attention is paid to this in the recent White Paper. Many MSc students are already funded by industrial sponsors, predominantly large companies. However, there is concern that the loss of public funding is not likely to be substituted by further funding from industry. Individual graduates may not be retained in employment by their sponsoring company for long enough to justify the investment. This risk is relatively greater for smaller companies, for which the loss of investment in one employee is relatively greater, and which in addition do not benefit from the smoothing effect of employing more graduates. The Geological Society and others will use our best efforts to stimulate more collaborative industry funding, but this is unlikely to meet the shortfall. Many students will only be able to complete an applied Masters course if they fund it themselves, usually through a commercial bank loan (since student loans are not available for postgraduate study), on top of increased debts for undergraduate degrees. A number of MSc courses are already closing, and this is likely to continue. Numerically small specialisms which are nonetheless vital to industry (for example, micropalaeontology which is essential in locating hydrocarbon resources) are particularly vulnerable—while even large oil companies will only employ a few micropalaeontologists, their community represents a valuable element of national capability.

14. We would be pleased to discuss further any of the points raised in this submission, or to provide further information.

13 July 2011

Written evidence submitted by the Higher Education Academy

ABOUT THE HIGHER EDUCATION ACADEMY

1.1 The Higher Education Academy (HEA) is an independent organisation owned by Universities UK and GuildHE.

1.2 The HEA's mission is to support the higher education sector in providing the best possible learning experience for all students. It has strong links into the higher education sector including through the provision of events and extensive collaborative work with universities and academics on a range of projects. It has extensive networks and programmes of support in the discipline areas served by Subject Centres, and a growing community of Associates and Fellows.

1.3 The HEA is the leading agency working with higher education institutions across the UK to enhance the student learning experience. It has recently revised its focus and developed an approach to working with HEIs on teacher excellence, the development of academic practice and institutional strategy. It has a distinctive role in supporting the sector on quality enhancement on all matters relating to the student learning experience including, but not limited to, addressing issues that are identified in institutional audit.

1.4 The HEA:

- provides national leadership in developing and disseminating evidence-informed practice about enhancing the student learning experience;
- operates as an independent broker, enabling expertise to be shared across institutions and subject areas;
- works at multiple levels, with individual academics, subject communities, departments, faculties and institutions; and
- works across all parts of the UK, recognising the distinctive policy contexts and priorities of the devolved administrations but also providing opportunities to share expertise among them.

1.5 The HEA is currently undergoing change in response to a reduction in funding and changes in the higher education sector. It is moving to a single management structure, away from a model of grant funding separate Subject Centres. This will free up a greater proportion of resource to provide direct support for academics and institutions in their delivery of learning and teaching. The HEA has taken an opportunity to refocus and align its work to meet the requirements of the sector, including reflecting student and staff profiles and needs in particular discipline areas. The related discussions with the sector have informed views on many of the issues addressed in this paper.

1.6 The HEA does not have a specific remit around funding of higher education. This evidence does not therefore address the second part of the Select Committee's remit, the role and future of state funding of higher education in any detail, beyond making brief commentary on the Browne review.

1.7 The main recommendations in the HEA's evidence to the Select Committee are:

- The HEA would welcome clear statements from government on the importance of teaching in higher education.
- The HEA does however caution against taking a prescriptive approach to the training and qualification of staff. HEIs have developed their own provision. The HEA is in a strong position to support HEIs in supporting the initial training and continuing professional development of their teaching staff.
- A strong emphasis on quality enhancement is valuable to the sector.

THE BROWNE REVIEW

2.1 The HEA submitted written and oral evidence to the Browne review.

2.2 The HEA's broad contention was that any funding regime should:

- Continue to encourage participation and ensure any future funding burden does not deter suitable applicants from entering higher education.
- Enable the UK to remain internationally competitive in the global higher education market.
- Maintain the quality of the student learning experience and the diversity, integrity and reputation of the UK higher education system.
- Ensure the higher education system is sustainable in the long term.

2.3 The HEA's role is to support institutions to enhance the quality of the student learning experience and encourage all staff who teach to engage in learning and teaching related continuing professional development. It is committed to the view that student learning benefits when academic staff who teach engage in continuing professional development or complete an appropriate teaching qualification. It is highly desirable that all academic staff who teach are trained and the HEA works with the sector to provide ways of achieving this ambition.

2.4 Many institutions are taking major steps in this direction. The HEA already accredits 378 programmes in 140 institutions. This is a voluntary process. The HEA neither has nor seeks a regulatory role and does not seek implementation of recommendations from the Browne review that HEA accreditation become mandatory.

2.5 The HEA has recently undertaken a review of the UK Professional Standards Framework (UKPSF). This is a sector-owned framework that the HEA manages on behalf of the sector. It is a descriptor-based framework against which institutions can develop training and development programmes for staff who teach in higher education. It is an important tool for supporting staff development and the development of teaching expertise. The HEA has a role in ensuring that the UKPSF continues to meet this need.

2.6 A detailed analysis of the results of the review is currently being undertaken with a preliminary report due in the spring. The HEA anticipates that a final report on the consultation and any subsequent revision to

the Framework will be available to the sector before the start of the new academic year 2011–12. Preliminary results from the consultation show that:

- The sector welcomed the review and the aim of further developing the Framework to ensure it remains fit for purpose in the current and emerging landscape of higher education.
- There is broad agreement about the need to acknowledge that academics have multi-faceted roles which would benefit from being made explicit in the Framework.
- A number of institutions emphasise the need for the Framework to ensure that learning support staff needs are served appropriately.
- Whilst there was broad general support for the principle that those who teach in higher education should be appropriately qualified, a number of questions were raised about how this should best work in practice. There was also concern that any further developments need to take full account of mission differences, diversity of provision and institutional autonomy.
- There was general support for the potential value of objective teaching-related indicators as a potential support for institutional promotion, reward and recognition purposes. There was also confirmation from a number of respondents that institutional discretion and determination must be acknowledged as central in such matters.
- A majority of respondents agree, in principle, with the publication of anonymised information about teaching qualifications although queries were also raised about the potential for unintended outcomes. Identified benefits included the adoption of greater transparency in line with other national developments; the impact of higher fees on student expectations about teaching qualifications; its potential as an incentive for the internal take-up of training; its support for raising the profile of teaching; and the potential for internal benchmarking. Reservations identified included concerns over additions to workloads in gathering data within/across institutions and the potential impact in terms of the development of league tables.

WHITE PAPER

3.1 The HEA would welcome clear statements from government on the importance of teaching in higher education. It does however caution against taking a prescriptive approach.

3.2 The HEFCE/GuildHE/UUK consultation on public information about higher education proposes the publication of a Key Information Set (KIS) which would combine existing information regarding quality of provision in one place in order to inform student choice. The Browne review also recommended better information regarding teaching quality to drive up student demand.

3.3 There is current debate on requiring institutions to report on numbers of teaching-active staff who have a qualification accredited against the UKPSF. Given that the sector has to date both voluntarily engaged with the UKPSF to a considerable degree and voluntarily applied for HEA accreditation for their PG Certificates, this approach is likely to have greater acceptance than requiring that new staff complete a compulsory PG Certificate. The HEA is keen to work with other sector agencies, including funding bodies and the Higher Education Statistics Agency (HESA) in order to develop greater transparency of information around learning and teaching. It believes that information reflecting the professionalisation of teaching could be included in public information. It is of potential value to students making choices about where to study as an indicator of the quality and teaching they might experience.

3.4 The HEA is well-placed to promote dialogue within the sector around the quality of the learning, teaching and assessment methods provided. Research undertaken by Graham Gibbs, *Dimensions of Quality*, on behalf of the HEA, identifies a number of quality indicators that can be beneficial to the sector. Professor Gibbs' full report is available on the HEA website (*reference 1*)

WIDENING ACCESS

4.1 Institutions can be encouraged and supported to develop and embed inclusive policies and practices to enhance the learning experiences of students from under-represented groups. It is not simply a question of access to higher education but to ensuring the retention and success of those students.

4.2 The HEA runs a number of institutional change programmes that work intensively with HEIs on different issues. One such programme, in 2007–08, focused on “Developing and Embedding Inclusive Policy and Practice in Higher Education”. This involved ten higher education institutional teams. It offered a framework to facilitate and support HEIs in this aim. Over the course of the programme, the HEA conducted research to explore the institutional teams' experience of implementing inclusive policy and practice (*May and Bridger; 2010, reference 2*). Key emerging conclusions were as follows:

- That change is required at both an institutional and individual level to bring about inclusive policy and practice.
- That it is essential to build an evidence base from which to bring about change.

- That a multi-method, tailored approach is necessary involving different stakeholder groups across the institution.

4.3 From 2005 the HEFCE Strategic Development Fund supported a series of Flexible Learning Pathfinder (FLP) pilots, in response to the 2003 White Paper “The Future of Higher Education”, which expressed the need for more flexible higher education programmes suitable for a more diverse student body. The HEA’s review of the final and interim reports of the pilots suggests that: “there are constituencies of students for whom flexible learning provision is more desirable than ‘traditional’ course provision. Typically, this provision enables learners to progress more quickly through vocational routes or to undertake higher education study at the same time as working, and also to engage new types of learner with higher education study”. (*Reference 3*)

Flexible learning is now more meaningful to learners and programme providers due to a greater diversity of students and their expectations, and the possibilities opened up by new learning technologies.

4.4 The Flexible Learning Pathfinder pilots have endorsed the findings of earlier evaluations that there is support for flexible learning development from employers and professional bodies. The projects have also demonstrated the necessity of careful market research and marketing of flexible learning provision to increase awareness and understanding amongst learners and providers, and the importance of locating flexible learning development within wider institutional strategic developments.

4.5 At present, the UK is a popular destination for international students, an outcome which is driven by choice of university and reputation rather than simple choice of country. It is therefore critical that this quality of provision is maintained. International students have diverse learning needs. It is also important that teaching methods benefit all students (including UK-domiciled students enrolled in programmes alongside international students).

4.6 The HEA is addressing these issues through its joint initiative with the United Kingdom Council for International Student Affairs (UKCISA) on the Teaching International Students project. This is a two-year project that focuses on the ways that lecturers and other teaching staff can maintain and improve the quality of teaching and learning for international students. This is done through providing guidance and information about how to meet the diverse learning needs of international students.

10 March 2011

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1. Dimensions of Quality, Professor Graham Gibbs, Higher Education Academy September 2010, http://www.heacademy.ac.uk/resources/detail/ourwork/evidence_informed_practice/Dimensions_of_Quality
2. Developing and Embedding Inclusive Policy and Practice in Higher Education, May and Bridger, Higher Education Academy, January 2010 http://www.heacademy.ac.uk/resources/detail/ourwork/inclusion/DevelopingEmbeddingInclusive_SummaryandReport
3. Flexible Learning Pathfinders: A review of the pilots’ final and interim reports. Higher Education Academy March 2009 http://www.heacademy.ac.uk/resources/detail/Flexible_learning_pathfinders_a_review

Written evidence submitted by the Institute of Physics

THE CONCLUSIONS OF THE BROWNE REPORT AND THE CONTENT OF THE GOVERNMENT’S PROPOSED WHITE PAPER ON HIGHER EDUCATION (INCLUDING THE GOVERNMENT’S PROPOSALS FOR WIDENING PARTICIPATION AND ACCESS)

1. Over the 2011–12—2014–15 Spending Review period, HEFCE’s grant for teaching is going to be reduced significantly, probably by around 80%. (HEFCE’s funding for teaching in 2011–12 will represent a substantial reduction in real terms—a further 4% in addition to the reduction of 3.5% in 2010–11. Thus university departments are already feeling the squeeze on teaching funding before the introduction of the new fees system from 2012–13.) Given the assumption of greatly increased income from fees, it is unlikely that HEFCE will be funding any subject at its present rate. However, it is reasonably safe to assume that the reduction in HEFCE’s teaching grant will be phased in over three years from 2012–13 as successive entry cohorts are charged higher fees.

2. If the government accepts the model set out in Section 6.2 of the Browne Report, HEFCE’s mainstream funding for teaching will be limited to the additional funding provided for high-cost subjects in Price Groups A and B and potentially some in Price Group C, above the funding for band D subjects; in 2010–11 this difference was £2,766. In addition, it would be consistent with the Browne Report principles to continue to pay the special funding in respect of students studying strategically important laboratory-based subjects (SIVs), including physics. On these assumptions the HEFCE funding per student would be reduced from £6,640 per FTE student in 2010–11 to £3966 per FTE student by 2015–16, which is a cash reduction of 40%.

3. It will be for each university to determine its own tuition fee policies: the level of the fee, the extent to which and on what basis the fee might vary between subjects even down to the individual course level. Work undertaken by Charles River Associates International in 2008 which included interviews with a sample of vice-chancellors suggested that a fee cap of £6,000–£7,500 was likely to be required to allow the emergence of a market in fees.⁶⁴

4. However, a detailed analysis by the Higher Education Policy Institute (HEPI) of the government's proposals published in November 2010⁶⁵ suggests that public perceptions about quality will within a few years drive all universities to charge the maximum fee of £9,000. Furthermore, in line with the analysis above, the HEPI report argues that all universities will need to charge at least £7,000 to maintain current levels of funding.

5. In order to address these issues, universities face considerable unknowns, particularly given deferred payment, how sensitive student demand will prove to be to price and the true cost of meeting the requirements to be set by the government for charging fees above £6,000. The HEPI report argues, however, that it will be no more difficult or costly (relatively) than at present for universities to satisfy the requirements set by the Office of Fair Access to charge higher fees.

6. While such issues will apply to all subjects and all universities, they are particularly pertinent to subjects like physics in which supply and demand are broadly in balance—over the last five years around 90% of all applicants for physics undergraduate degrees have been accepted (based on UCAS figures). As demand has crept up in recent years, supply has followed very closely. Nevertheless, if there proved to be a general sensitivity to fees above £6,000 or a particular sensitivity on the part of those students who would under current arrangements have applied to study physics, demand may fall placing the viability and sustainability of physics teaching in a number of departments at risk.

7. The introduction of the financial reforms in the 2006–07 academic year appear not to have had any adverse affect on either applications or entry to physics undergraduate degree courses, based on UCAS figures; between 2004–05 and 2009–10 the number of applicants (home and overseas) accepted onto undergraduate physics degrees increased by around 25%. Data we have seen from two of England's biggest universities reveals that participation rates for different groups of students in their physics departments (ie state schools/colleges; lower socio-economic; low participation neighbourhoods; black and minority ethnic, etc.) have changed very little as a result of those financial reforms.

8. In engineering and the physical sciences, four-year first degrees (eg the MPhys) are now the norm for those considering a career in university or industrial R&D as they are the preferred route to professional recognition and PhD entry. Financial constraints are certainly a factor in some able students choosing to study a three year degree, and not taking-up the extra year which means another year of debt accumulation. Furthermore, PhD courses are now drifting towards four years and, while these may not cause students to accrue further debt, they do not allow loans to be paid off either.

9. There are genuine concerns that the introduction of the new fees regulations from 2012–13 in England and the prospects of substantial debt based on increased living costs may deter students from applying to study the four-year MPhys degree. Furthermore, a possible disincentive to postgraduate study is the level of debt accumulated from undergraduate study (which is a serious issue as certain industrial sectors require specific skills that only PhD study can provide). Such disincentives are likely to impact most on students who come from lower socio-economic groups.

10. In addition, it seems feasible that some students who might have considered undertaking initial teacher education (ITE) after completing a physics degree might well in the future decide that at graduation they need to enter full-time employment rather than undertake another year with limited income, especially if they are charged students fees at the highest level. This could undermine the government's current initiative to switch more ITE science places to physical sciences with the possible outcome of even fewer new science teachers overall.

11. One way of countering these effects is for students to be better informed about career choices. Market research undertaken by the Institute has shown that it is a commonly held view that a physics-based educational trajectory is highly restrictive in career terms relative to a subject like English, whereas, of course, the opposite is true. In addition, an Institute survey of careers advisors in schools has shown that they are rarely scientists and the vast majority of them do not feel competent in offering advice about careers from physics.

12. This problem will not be solved by the production of more materials; there are already many excellent resources, including web-based material such as Future Morph.⁶⁶ Two courses of action might yield dividends. First, careers information could be implicitly incorporated into lessons by the development of resources to support teaching that include real people working in real applications; the Institute is producing resources along these lines.⁶⁷ Second, there is an urgent need for an independent study of career prospects from various degree

⁶⁴ <http://www.universitiesuk.ac.uk/Publications/Pages/ChangingLandscapes.aspx>

⁶⁵ <http://www.hepi.ac.uk/466-1875/The-government%27s-proposals-for-higher-education-funding-and-student-finance-%E2%80%93-an-analysis.html>

⁶⁶ <http://www.futuremorph.org>

⁶⁷ http://www.iop.org/education/teacher/support/epuc/file_43556.pdf

subjects. The studies to date have tended to be based on the Labour Force Survey, which is good but does not have a large enough database, or are based on highly unreliable first destination data. The government has access to data via the Inland Revenue, the National Census and the Student Loan Company. It could, with relatively little effort, provide a vast, reliable data set.

THE ROLE AND FUTURE OF STATE FUNDING IN HIGHER EDUCATION

13. We noted HM Treasury's statement in its Spending Review 2010 press notices⁶⁸ that despite a planned reduction in the resource budget for higher education by £2.9 billion by 2014–15, teaching in STEM subjects would remain publicly funded, in line with the Browne Report recommendations, as mentioned previously. However, we haven't seen any further discussion of this in any subsequent government material; the Institute trusts that details will be revealed in the forthcoming White Paper on higher education.

14. To date, HEFCE's teaching funding in support of high-cost subjects such as physics, has been important. The teaching of such subjects is expensive because of the need to impart laboratory-based skills which require both adequate floor space, and modern laboratory equipment (including computers, etc), coupled with rising inflation and ever tightening university budgets. On a cost basis, STEM degrees such as physics, are more expensive to teach than those subjects in lower teaching price groups. If STEM degrees are to be affordable to students of all socio-economic backgrounds, then the cost difference has to be made up somehow and the state is the most probable route.

15. The importance of public funding for physics has been determined by a detailed financial study commissioned by the Institute which showed that teaching in physics had been seriously underfunded by around 20% over a significant period of time.⁶⁹

16. The study revealed that in 2003–04 all of the English physics departments in the sample that were surveyed were in deficit on a FEC basis, ranging from about 16% to almost 45% of total income. In part this reflected their very heavy dependence on public funding and the metrics used to allocate those public funds. Following a number of departmental closures (primarily due to low student demand in those specific departments), and the study's recommendation that a significant uplift in HEFCE grant would be required, given the then fixed undergraduate fee, to bring the physics departments into balance, HEFCE provided £75 million in funding to maintain the provision of high-cost and strategically important subjects from 2007–08 for a three year period⁷⁰ (which recently became a recurrent fund). As a result, coupled with income from variable tuition fees from 2006/07, the financial position of teaching in many physics departments has improved, as confirmed by a follow-up financial study based on 2007–08 data.⁷¹ It was shown that teaching income for the English physics departments surveyed in the study ranged from a surplus of 27% to a deficit of 31%, with the average surplus more or less breaking even on total teaching income.

17. The additional income from the SIVS funding, and variable tuition fees from 2006–07, has been used by physics departments: to provide bursaries for students from low income backgrounds; to invest in a range of widening participation and outreach activities; to improve academic pay (which has helped physics departments to retain and recruit staff); and to invest in teaching facilities and laboratories.

18. Nevertheless, uncertainty remains, until the White Paper on higher education is published, on what the future will hold in terms of teaching income for many physics departments from 2012–13, and their financial viability. At present, there is increasing demand for undergraduate physics degree courses (a number of departments have been oversubscribed), which is in the national interest, as the UK economy needs and benefits from highly skilled physics graduates.

10 March 2011

Written evidence submitted by Lifelong Learning Networks

This submission is presented by the National Forum of Lifelong Learning Networks across England, and echoes many of the points made to the Independent Review of Funding and Student Finance.

Lifelong Learning Networks (LLNs) are strategic partnerships of Further and Higher Education (HE) providers, working together in local, sub-regional and sector-based groupings to improve the participation of HE learners coming through vocational routes. Networks are committed to increasing participation from disadvantaged groups of learners, with a particular emphasis on those wishing to study more vocational programmes at Level 4 and above.

Networks are committed to widening access for learners and increasing participation of talented individuals from lower socio-economic groups. Central to this is the LLNs' commitment to social mobility which has a much wider definition than the current debate. Networks have worked to improve access to HE for all learners and those from non-traditional backgrounds have benefitted. However, this model is not based around admission

⁶⁸ cdn.hm-treasury.gov.uk/sr2010_pressnotices.pdf

⁶⁹ http://www.iop.org/publications/iop/2006/page_38237.html

⁷⁰ <http://www.hefce.ac.uk/News/hefce/2006/science.htm>

⁷¹ http://www.iop.org/publications/iop/2010/page_44092.html

to just the UK's top two universities but seeks to broaden opportunities within a specific geographical or curriculum area, often including a range of HE providers (teaching universities, research intensive, colleges). Care should be taken not to identify potential learners in terms of their economic status alone; this is very significant of course but ambitions to widen participation should not be limited to those learners entitled to free school meals.

The funding which is available to Further Education Colleges (FECs) to deliver Higher Education should operate on a more equitable basis. Currently the FECs are restricted in what they are able to provide at Level 4 (including CPD, HE Certificates and above) and rely heavily upon HEIs for accreditation and funding. This approach is detrimental to the part-time or work-based learner who wishes to study locally.

Networks have carried out a significant amount of work to encourage the progression of Apprentices entering HE, and stimulated the development of new Higher Apprenticeships based around Foundation Degree models. A new funding model should take account of where the Apprentices are currently located, the relationship they and their employer have formed with the FE provider, and the experience that these colleges and training providers have in delivering Apprenticeship programmes. Many FECs offer suitable HE provision for Apprentices but find the funding model difficult and unrewarding to operate. Any changes to this funding model for Higher Apprenticeships must examine the relationship between the FE provider and its HE partner and recognise the need for onward progression from Foundation Degrees or Higher Nationals allowing learners to top-up to Honours Degrees.

Networks are increasingly involved in the development of Higher Level Skills Programmes which meet the needs of employers. Both FE and HE institutions must have the flexibility to offer options which are fit-for-purpose in content, as well as flexibility in terms of the mode of delivery and length of these options. Whilst striving to develop new pathways into HE which enable work-based learning as a central mode of delivery, it is imperative that the funding mechanisms which are available do not disadvantage these learners. This should be the case for both young people beginning their careers and adults returning to learning.

We believe that the flexible models we have developed and continue to develop across the country are far more sustainable than traditional full-time degrees for vocational learners. Working class young people and adults will be deterred from Higher Education because of fees; there appears to be a stronger aversion to debt in some groups of non-traditional learners and this needs to be addressed. Individual concern and choice in relation to learning will be heightened in light of other financial support changes at sub-HE levels (specifically the EMA).

Information, advice and guidance (IAG) systems are currently inadequate. Through the work of our Networks we see adult learners struggling to acquire information about how to enter higher education and how they can support themselves whilst there; we see the inadequacy of information in schools and sometimes colleges about vocational progression pathways and most of all we see a landscape of confusion. The hiatus in IAG delivery over the next 18 months will impact upon all potential HE learners. The introduction of the AACCS in stages will no doubt create gaps in IAG which need to be addressed as a matter of urgency.

If there is to be fair access then there must be a structured approach to IAG which is specific to HEIs and provides impartial information, advice and guidance to enable learners to make an informed choice which is not based on the desire of specific HEIs to recruit, or even not to. In effect this is what the networks have so far provided and there is an imperative need for its continuation. Furthermore, there needs to be a focus on teacher training and staff development in schools to raise awareness and to provide accurate information about vocational pathways.

As Networks progress away from their initial HEFCE-funded phases, they are being increasingly valued by their partner institutions and seen as an extremely useful way to widen participation, but also as a vehicle to drive change across the sector, seeking new ways to improve the learners' experience but balancing this with a desire to identify efficiencies across partnerships. Importantly, networks bring together the best of practice between FECs and HEIs, which includes those which are research-intensive universities and post-92 universities. This is unique and has enabled a knowledge and practice base to develop which has the potential for not only efficiency but excellence. We believe that these arrangements should be given support to continue so that the work now underway can continue to flourish and meet the needs not only of learners and employers but also of the knowledge economy to improve skills so desperately needed if we are to compete in a global economy.

The most recent guidance of The Office for Fair Access (OFFA) favours an approach of long-term targeted outreach. Networks would support this and urge institutions to work together, building on the experiences and expertise of LLNs and Aimhigher partnerships. There are significant elements which Networks can offer more specific detail, namely those around incentivising participation and promoting fair access. We are also able to provide examples of barriers and possible solutions for both learners and institutions, particularly in terms of increasing access to HE. The very nature of Networks means that we have access to a range of institutions, organisations and individuals who are central to this debate. As you may expect, Networks have a unique understanding of some of the challenges and blockages experienced by the sector, but also by the end users—learners and employers. The LLN model is one which offers institutions an opportunity to widen access and target participation, creating a balance between competition and collaboration.

APPENDIX A
BACKGROUND

Lifelong Learning Networks (LLNs) are partnerships of Further Education colleges (FECs) and Higher Education Institutions (HEIs). Many LLNs were set up in response to HEFCE funding to address the low progression rates for vocational learners. Since their inception in 2005, LLN partnerships have focused upon:

- Developing Progression “Agreements” or “Accords” which allow learners to move into and through higher education.
- Nurturing the FE-HE interface so that learners can benefit from seamless transition into higher learning.
- Ensuring HE engagement with the 14–19 reform and identifying clear progression routes for learners choosing non-traditional qualifications.
- Developing and enhancing systems of Information, Advice and Guidance for learners and intermediaries.
- Addressing the Higher Level Skills needs within specific sectors.
- Working with a range of local and national stakeholders to ensure that curriculum is demand-led and fit for purpose.

LLNs are involved in many aspects of development, and as an established platform can provide an opportunity for engagement with other organisations and additional initiatives. LLNs are already helping partners to work with external agencies and organisations such as Sector Skills Councils, individual employers and employer representatives, local authorities, Regional Development Agencies, the Skills Funding Agency, Connexions, *Nextstep* providers and Aimhigher partnerships.

Table 1

LLN ACHIEVEMENTS

<i>Development</i>	<i>Number Developed—in excess of</i>	<i>Number in Development—in excess of</i>	<i>Comments</i>
Progression Agreement	8,500	2,000	19,500 learners are expected to progress, with an additional 55,000 having the potential to benefit from them each year
Curriculum Development	1,150	700	700 had employer involvement
Information, Advice and Guidance	68,000 IAG interventions	n/a	450 also involved Sector Skills Councils 200,000 paper-based resources produced Nearly 900,000 web hits on LLN IAG sites
Staff Development	2,400 events	n/a	32,000 staff benefited across the HE/ FE/ employer sectors

Source: “Analysis of 2009 monitoring reports by HEFCE”, can be viewed at: http://www.hefce.ac.uk/widen/lln/monitoring/LLN_monitoring_report_09.pdf

10 March 2011

Written evidence submitted by the Open College of the Arts
1.0 SUMMARY

- The case for a review of higher education extends beyond how it is funded and the role of government in its funding. Driven by changes in working patterns, an increased retirement age and technological advances, the model of higher education delivery which was fit for purpose in the 19th century is now outdated.
- Employers are not sufficiently involved in shaping higher education provision. If universities are to diversify their funding base, the entrepreneurialism which characterises successful businesses is needed within higher education institutions (HEIs). The sponsoring of undergraduates by some large organisations is a move in the right direction, but employers remain on the whole dissatisfied with the quality of graduates entering employment.
- OCA believes that the pre-eminence of STEM subjects at the expense of arts, humanities and languages is misguided. We argue for the withdrawal of funding for the teaching of these subjects to be reconsidered, on the basis of the net economic benefit they bring.
- The assumption that for most students 18 or 19 years of age is the optimum time to study at higher level is one that OCA questions. Reforms in the higher education sector need to take account of career changes occurring with greater frequency for future generations than has been the case in the past.

- Greater use of technology, particularly in creating online student communities, could bring down the cost of delivering higher level education in arts and humanities subjects in particular. More attention needs to be given to this in the proposals laid out in the Browne Report.
- There is significant scope for private companies and third sector organisations of all sizes to become niche providers, creating routes to higher education and widening participation and access. This potential is underexploited in the current proposals on access and participation.

2.0 THERE IS A NEED FOR NEW DELIVERY MODELS FOR HIGHER EDUCATION

2.1 The accepted model of higher education delivery in the UK is that undergraduates spend between three and seven+ years being physically present in a university building and living either on the university campus or within easy travelling distance of the university premises.

2.2 The longevity of the current delivery model for higher education can be accounted for in part at least, by the innate conservatism of the sector. The Russell Group universities in particular exert a disproportionate hold over admittedly powerful arguments for maintaining the HE sector's international reputation for quality in both teaching and research.

2.3 The increase in the student population since the 1970s from approximately 14% of young people leaving school at 18 to around 30% over the last 10 years means that this is a model which is no longer financially sustainable. New models of delivery are required if higher education provision is to be available for all students with the intellectual aptitude for higher level study.

2.4 Although the student population is likely to decrease from current levels from 2012–13 onwards as a result both of the increase in tuition fees and the creation of up to 75,000 new apprenticeships a year by 2014–15, it is still the case that higher education is largely structured around a model which was fit for purpose in the 19th century and most of the twentieth century.

3.0 EMPLOYERS ARE NOT YET SUFFICIENTLY INVOLVED IN SHAPING HE PROVISION

3.1 The announcement by accountancy firm KPMG in January this year that it is to fund 75 undergraduate students to take degrees in accountancy at the University of Durham is a welcome one. Other sponsors of degrees at specific universities include supermarket chains Morrisons and Tesco, retailer Harrods and pharmaceutical company GlaxoSmithKline.

3.2 Almost half the firms questioned by Education Development International for the CBI's 2010 Education and Skills Survey, *Ready to grow: business priorities for education and skills* (www.cbi.org.uk) were dissatisfied with the quality of STEM graduates. However, only 43% of businesses value the opportunity to help shape higher level courses, while 59% of employers recognise the benefits of employer-university engagement in attracting high quality graduates. Enlightened employers, according to the CBI's research, recognise that by sponsoring degree students they are able to exert a direct impact on the quality of higher education provision in those subjects essential to their future business growth. In the opinion of OCA, it should be seen as a priority by the current government to work with business to further increase the participation of employers in shaping the future of higher education. They are one of the main consumers of higher education and should not look exclusively to government as an intermediary to improve the quality of HE provision.

3.3 Indeed, it may be counterproductive to do so. *Collegial Entrepreneurialism in Pro-active Universities: Lessons From Europe* (Clark, Burton R, Change, v32 n1 p10–19 Jan-Feb 2000, ERIC# EJ611487) concludes that a diversified funding base is one of five factors that need to be present if an HEI is to achieve an effective entrepreneurial culture. This conclusion argues for the diversifying of funding streams away from grant-in-aid funding. In the UK, there are both positive and negative lessons to be learnt from universities endeavouring to reduce their reliance on state funding.

3.4 OCA believes, however, that there is a clear role for government to fund and publish research which:

- 3.4.1 provides data at macro-economic level to inform the development of the HE sector as a whole; and
- 3.4.2 assesses holistically the quality and impact of HE provision within the context of economic growth and employer satisfaction.

4.0 CHANGING PATTERNS OF EMPLOYMENT DEMAND CHANGING PATTERNS OF HIGHER EDUCATION

4.1 Richard Riley, the former secretary of the US Department of Education, estimated that today's learners will have had 10 to 14 jobs by the age of 38 (quoted in *Shift Happens*, Karl Fisch and Scott McLeod (<http://www.youtube.com/watch?v=iu1kbNdjics>)). Comparable future employment patterns are expected in the UK. This predicted career fluidity has two main implications for the delivery of higher education in terms of student age and degree course term-times and course duration.

4.2 Student age: the majority of 18–19 years olds, the age at which most undergraduates begin their higher level study, will not be preparing for the career from which they will be earning a living at, say, 35 years of age. This means that the HE sector has to become more responsive to designing provision for adults across the

age spectrum. Last summer the Department for Business, Innovation and Skills consulted on its proposals for phasing out the current UK default retirement age of 65. The proposal comes into effect in October this year: employers will no longer be able to ask an employee to retire on the grounds of age alone. Employees who choose to continue to work beyond 65 will be entitled to do so, opening up the possibility that people in their 60s and 70s may opt for additional or even first-time higher level study. The only large-scale HEI in the UK which designs HE provision with mature students as its starting point is the Open University.

4.3 Degree course term-times and course duration: full-time study is currently the norm. However, as the average age of undergraduates rises, universities will need to provide the flexibility for students to begin courses at a time that fits in with their work and caring commitments. Routes to finance to support higher level study will also need to become more flexible in response to the demands of students. OCA believes that the government should consider inviting banks to provide the service currently provided by Student Finance England and equivalent bodies, to enable students to take advantage of the banks' superior capacity to invest in product design and technology.

5.0 ONLINE COMMUNITIES ARE ALREADY CHANGING THE DELIVERY—AND DELIVERY COSTS—OF HIGHER EDUCATION

5.1 The conventional student age is the age of the Facebook generation. Research into social networking usage trends published by Comscore in August 2009 found that the number of 15–24 year olds in the UK visiting social networking sites had reached 6.8 million, an increase of 14% in 12 months. (www.comscore.com)

5.2 It is not the case that all academic subjects can only be taught effectively in a lecture theatre, seminar room or laboratory. It would be difficult to build up an argument for the teaching of medicine, chemistry or veterinary science by distance learning, but the same is not true of arts and humanities subjects or of antique and modern foreign languages, which need to be seen differently. In many cases, these subjects can be taught through the use of technologies which support the creation of online communities and foster peer support.

5.3 OCA has a student community of 3,000, 95% of whom are based in the UK, and studying a range of creative arts subjects at undergraduate level. In 2009, 90% of OCA's total taught hours were by distance learning, including web forums and blogs. Only 10% took place face-to-face at workshops and in 1:1 meetings between students and tutors.

5.4 OCA is already demonstrating that in the humanities, operating costs can be reduced substantially. The only estate OCA has to maintain is a unit in a business park on the outskirts of Barnsley, South Yorkshire and its headcount is 47 full-time equivalent posts. All students have a 1:1 tutor who as well as being qualified to teach at higher level is also a practitioner in his or her own right in the student's chosen creative discipline. At £4,500, fees to reach degree level are between a sixth and a quarter of what it will cost in fees to reach degree level at a conventional university in England from 2012–13. Currently, 93% of OCA student enrolments are from those over 25 years of age, while only 7% are from those who are 25 years of age or under. OCA is one HEI that welcomes the opportunity for growth that we believe is presented by the likely reduction in student places for creative arts subjects in the conventional university sector.

6.0 ARTS AND HUMANITIES GRADUATES CONTRIBUTE TO THE NET ECONOMY AS WELL AS STEM SUBJECT GRADUATES

6.1 We take issue with the downgrading of humanities subjects by the coalition government, demonstrated through the total withdrawal of teaching funding for these subjects. The evidence of the contribution to the UK economy made by the creative industries is clear. Here are two examples. In September 2010, "The Value of the UK Fashion Industry" report, commissioned by the British Fashion Council, found that the direct value to the UK economy of the fashion industry is £21 billion each year. The third report of the Business, Innovation and Skills Committee, published in February 2011, states that the UK music industry alone was worth £4 billion in 2009.

7.0 IF STUDENTS ARE TO BECOME CONSUMERS, DELIVERY MODELS FOR HIGHER EDUCATION NEED TO DIVERSIFY ACCORDINGLY

7.1 In an article published in *The London Review of Books* last November, Stefan Collini, Professor of English at the University of Cambridge, challenges the focus of most commentators on the impact of Lord Browne's proposal on individual students, turning his attention instead to what he sees as a fundamental change in the perception of higher education by government:

"Essentially, Browne is contending that we should no longer think of higher education as the provision of a public good, articulated through educational judgment and largely financed by public funds (in recent years supplemented by a relatively small fee element). Instead, we should think of it as a lightly regulated market in which consumer demand, in the form of student choice, is sovereign in determining what is offered by service providers (ie universities)." (<http://www.lrb.co.uk/v32/n21/stefan-collini/brownes-gamble>).

7.2 OCA has already outlined the case for government to play a lead role in determining the macro-economic drivers for subject supply (see 3.4 above). We are therefore sympathetic to Collini's contention that student preference should not be the sole determinant of what university prospectuses offer and what university teachers teach.

7.3 The withdrawal of teaching funding from arts, humanities and modern languages from 2011–12 is, however, at odds with a policy approach that sees the student as consumer. Student application rates in these subject areas bear testimony to the demand, but the closure of some degree courses, and even some HEIs, is expected from 2012–13 onwards, when increased tuition fees compound the difficulties created for HEIs dominant in the provision of these subjects. According to a study by the Institute for Fiscal Studies in December 2010, 1% of the university market will disappear for every £1,000 increase in student fees. This means that a rise in fees to £7,000 would lead to 4% of the market disappearing—the equivalent of seven universities across the country closing. (<http://www.ifs.org.uk/publications/5366>)

7.4 Some commentators argue that a process of the commodifying of higher education began in the 1990s when the polytechnics were granted the status of universities. A necessary adjunct to students becoming consumers is increased choice of HE provider. Such choice, driven by a passion for improving standards and freeing teachers to teach, is at the heart of the government's proposals for greater autonomy for schools and greater freedom for head teachers and teachers at both primary and secondary level (*The Importance of Teaching*, 24 November 2010, Department for Education).

7.5 Routes to greater autonomy for HEIs will be different from the academy/trust/free school formula on offer for schools. Nonetheless, the sector has the opportunity to consider what large organisations along with small, niche providers within the private and third sectors could bring to support the four objectives of maintaining academic excellence in teaching and research, bringing about financial sustainability, widening participation and achieving fair access, and increasing student choice.

7.6 Such a move would place government in the role of regulator in the areas of research and teaching quality, widening participation and achieving fair access, and provider competition.

10 March 2011

Note 1—about OCA

OCA is an education charity founded in 1987 by Michael Young (Lord Young of Dartington). He was one of the inspirations behind what became The Open University and the founder of the Consumers' Association. OCA offers degrees by distance learning in creative arts subjects including painting, fine art, photography, composing music, textiles, sculpture and creative writing.

Learning with OCA is flexible and offers value for money. Students can enrol when it suits them and organise their studies to fit in with work, family and other commitments. At £4,500, fees to reach degree level are between a sixth and a quarter of what it will cost to reach degree level at a conventional university in England from 2012.

OCA aims to widen access to creative arts education at undergraduate and graduate levels through open and flexible learning, offering everyone the chance to take creative arts courses without prior qualifications or restrictions. 50,000 students have studied with OCA since 1987. In 2011, it has an active student community of 3,000+.

Subjects offered through OCA's Bachelor of Arts Honours degree (BA) in Creative Arts are: art history, composing music, creative writing, fine art, photography and textiles. In summer 2010, OCA introduced specialist degrees in painting and photography. This move towards specialism continued in February 2011 with the introduction of specialist degrees in textiles and creative writing. All undergraduate degrees are accredited by Buckinghamshire New University. A Master of Arts (MA) in Fine Arts, OCA's first postgraduate course and accredited by the University for the Creative Arts, also began in February 2011.

OCA students are required to complete between three and 12 modules at Higher Education levels four, five and six for each subject chosen from the 40+ on offer. Students can study for a higher certificate, a higher diploma or a BA honours degree. Most of OCA's 40+ modules are accredited under the Credit Accumulation and Transfer Scheme (CATs).

Note 2—about Gareth Dent, Chief Executive, OCA

After training as an economist, Gareth began his career at Guardian Newspapers, then joined the Government Economic Service in 1986. From 1995, he led lifelong learning development at the newly created Department for Education and Skills. In 1998, he joined the team set up to implement the Labour government's vision of a "university for industry". Ufi Limited was established in 1999, the year in which it launched learndirect. learndirect is, now one of the UK's most recognised brands for adult learning. At Ufi, Gareth's wide brief embraced developing the learndirect advice service. By 2005, the learndirect advice service was providing over six million advice sessions each year online and by telephone. Gareth Dent has been Chief Executive of OCA since 2008.

Written evidence submitted by the Oxford University Campaign for Higher Education (OUCHE)

OUCHE was formed to defend the ethos of public universities as sites of open and unfettered research, teaching, and learning and not as providers of commodities to paying customers; and to make the case for higher education as a public good that must be fostered through public funding, and be affordable to all. OUCHE is sister-organisation to the Cambridge Academic Campaign for Higher Education (CACHE). Members of both organisations signed the letter published by the Independent on 2 March 2011.

SUMMARY

This submission offers its comments under the two heads of the published remit of this inquiry. The thrust of our submission is to urge the Committee:

- (i) to recommend a full national review of the future of higher education as a matter of urgency
- (ii) to recommend to Government that it rethink a process of policy-change which is undermining the sustainability of higher education and limiting the planning horizon and in particular to rethink the imbalance between public and tuition-fee funding for teaching
- (iii) to recommend the publication of a White Paper as early as possible, to include all aspects of the legislative change needed to make the operation of proposed changes lawful

OUCHE also warmly endorses the submission made by the Campaign for the Public University (<http://publicuniversity.org>)

INTRODUCTION

1. Sustainability requires planning. The European Universities Association has recently published a major review on the financial sustainability of universities—based on two years' work—which stresses that:

*“universities need both sufficient resources and a long-term planning horizon to invest in their future academic and research activities, and thus to continue fulfilling their role in society”.*⁷²

It is clearly unwise to make major changes to a complex system of high importance to the world standing of the UK and to the national economy without risk assessment and full economic costing.

2. The need for a comprehensive review of the future of higher education before initiating major change to funding sources and funding methodologies was recognised some years ago:

*We need to decide what a world-class [higher education] system of the future should look like, what it should seek to achieve, and establish the current barriers to its development.[...] I want to do this before we initiate the review of undergraduate fees next year (John Denham 29 February, 2008).*⁷³

3. This debate has not taken place, and the failure to carry it through was regretted by the previous Select Committee in its “Students and Universities” Report:

*We support the approach of the former Secretary of State, John Denham, in examining the function and structure of higher education ahead of reaching decisions on funding. We regret, however, that the Government did not initiate and complete the examination of the function and structure of higher education in time to allow the review of fees to be completed in 2009 (Recommendation 1).*⁷⁴

4. The present Government has set about altering the fundamental principles of a complex system not only without this essential and promised preliminary review, but without research or consultation or the necessary careful costing. It has rushed proposals, implemented them in a fragmented and unsequenced way, and in a manner which brings the planning horizon for institutions down to a few days at a time. This has imposed wholly unrealistic time-constraints on universities for the setting of fees (for example, publishing OFFA guidance on 8 March⁷⁵ with a response date of 19 April, which expects universities to consult their students during a vacation) and required them to take decisions in an inappropriate hurry, and testing the boundaries of their governance controls.

I. The role and future of state funding in higher education

5. The principal structural changes to be brought about under the Comprehensive Spending Review which followed close on the heels of the publication of the Browne Review on 12 October 2010⁷⁶ include the decision to remove the bulk of public funding for higher education and end the “block grant” on which higher education funding has successfully relied for nearly a century. These complementary policy-strands have not been sufficiently integrated or balanced against one another and the implications of this failure do not appear to have been thought through.

⁷² http://www.eua.be/News/11-02-24/EUA_launches_major_new_report_on_financial_sustainability_of_European_universities.aspx.

⁷³ “Higher Education”, Speech delivered by Rt Hon John Denham, the Secretary of State for Innovation, Universities and Skills, 29 February 2008, at www.dius.gov.uk/news_and_speeches/speeches/john_denham/higher_education

⁷⁴ <http://www.publications.parliament.uk/pa/cm200809/cmselect/cmduis/170/170i.pdf>

⁷⁵ <http://www.offa.org.uk/wp-content/uploads/2011/03/newaccess.pdf>

⁷⁶ <http://hereview.independent.gov.uk/hereview/>

6. The implications of the Browne Review's idea of moving to a "student-led" future were not worked out in any detail before making this the main plank of future policy. "Students and Universities"⁷⁷ was concerned above all with the student experience, but it tended towards recommendations directed at requiring consistency and ensuring that students could rely on the promises made to them, rather than making the presumption that allowing freewheeling student choice and putting the bulk of teaching funding in the hands of students would automatically improve the student experience. These options and others should be explored and tested ahead of the making of major changes.

7. The removal of the block grant means institutions will not be able to adjust their spending by transferring funding from one purpose to another within their general FHEA 1992 obligation to spend it on teaching and research and activities supporting teaching and research.

8. For example: academics' terms of employment will be altered beyond recognition if academic salaries can be paid only out of the tuition fees of students choosing the courses they teach, when in many institutions the numbers of students opting for those courses cannot be known until close to the beginning of the term or even later:

- This is likely to involve redundancies, with the concomitant probable legal costs of responding to Employment Tribunal applications, and the need to make urgent appointments of lecturers at the last minute, when the quality of those available may not be easy to ensure. Both of these will make financial planning difficult.
- Universities subject to the Education Reform Act 1988 section 202 are already seeking to modify their versions of the Model Statute, The purpose of the governing legislation was to ensure that redundancies of academics could not be made for inappropriate managerial reasons which might be in conflict with academic considerations.
- Far from "driving up quality", this appears incompatible with the provision of courses of reliable consistent quality and also with reliably fulfilling the promises made in the prospectus, student charter and student contract.
- There are already indications that institutions are seeking to make academics redundant, to close courses and merge departments.

II. *The conclusions of the Browne Report and the content of the Government's proposed White Paper on higher education (including the Government's proposals for widening participation and access)*

9. There is a worrying pattern, in events so far, of failure to think through the potential consequences of the legislative changes which the new fees and funding régime require and failing to ensure that they are:

- flagged up for consultation at the earliest possible moment;
- considered as a whole, and not piecemeal and not merely as a chain-reaction to unfolding events; and
- made in a timely way so as to ensure that action initiated or required of institutions is not unlawful.

10. In November 2010 BIS produced an *Interim impact assessment* entitled *Urgent reforms to higher education funding and student finance*. Admitting that its projections were in many respects speculative, it opted (Option 4b) for a Higher Amount of £9,000 for student tuition fees and a Lower Amount of £6,000, in the apparent confidence that an average of about £7,000 or a little more would emerge.

11. In November 2010 Parliament made a decision to adjust the Lower and Higher Amounts for student tuition fees to £6,000 and £9,000 respectively, ahead of consideration of consequences and wider implications.⁷⁸

12. HEFCE received its annual Grant Letter on 20 December. At that time the Government was still maintaining that the change from public funding to tuition fee loans was going to "contribute to eliminating the structural deficit over the lifetime of this Parliament". HEFCE was asked to "focus in particular on supporting a smooth transition for all institutions to the new arrangements" but the necessary detail about the arrangements was missing, making inexact any attempt to calculate the effects on individual universities.⁷⁹

13. The Minister, apparently alarmed at indications that most universities were going to charge the Higher Amount and that the cost to the tax-payer would become unacceptable (and far higher than simply continuing with the public funding of higher education), was reported as warning that universities would "not be allowed" to set fees at the Higher Amount without permission.

14. In late-February, speaking at a conference on widening participation, OFFA's Director explained that Government and its advisors had misunderstood the law. OFFA did not have the necessary legal powers to do this. "Now the government is in some difficulty in limiting expenditure to the levels that the Treasury has assumed,"⁸⁰ he said. The Ministerial guidance letter to the Director of OFFA was delayed until 10 February

⁷⁷ <http://www.publications.parliament.uk/pa/cm200809/cmselect/cmdius/170/170i.pdf>

⁷⁸ <http://www.bis.gov.uk/assets/biscore/higher-education/docs/i/10-1309-interim-impact-assessment-he-funding-and-student-finance>

⁷⁹ <http://www.hefce.ac.uk/news/hefce/2010/grant1112/>

⁸⁰ <http://www.timeshighereducation.co.uk/story.asp?sectioncode=26&storycode=415292&c=1>

so as to make the necessary amendments.⁸¹ The letter of Guidance as published mentions the possibility of changing the law:

*if the sector as a whole appeared to be clustering their charges at the upper end of what is legally possible, ... we will have to reconsider what powers are available, including changes to legislation, to ensure that there is differentiation in charges.*⁸²

15. At the Ron Dearing Conference on 17 February,⁸³ restrictions in present legislation kept breaking the surface in David Willetts' speech:

The 1992 Further and Higher Education Act made it clear that universities control admissions, not the Government—by preventing the Secretary of State from interfering by setting conditions for HEFCE grants.

He admitted that 2004 Higher Education Act stands in the way, too, for it:

“requires the Director of Fair Access to respect the autonomy of institutions with regard to admission of students”.

16. In the Commons Willetts was called to task for appearing to seek to impose social-engineering quotas on university admissions through the OFFA agreements with individual universities. In his response he again referred to the existing legal restrictions:

*Mr Willetts: We in the coalition Government do not believe in quotas...They would be not only undesirable but illegal because the autonomy of universities in running their own admissions arrangements has legal protection.*⁸⁴

17. The response to the recognition that the existing legal framework prevents the Government from overseeing the new fees régime in such a way as to ensure that the taxpayer is protected from an overspend, has, paradoxically, been the postponement of the White Paper formerly promised for the Spring of 2011. On 25 February, David Willetts announced to the Universities UK Spring Conference that its publication is to be postponed, apparently until after a first run under the new financial arrangements.⁸⁵

18. This has not, however, prevented a series of piecemeal legislative changes being put in hand.

19. The first of these is the Public Bodies Bill, which promises a considerable widening of Ministerial discretion including powers to create primary legislation affecting HEFCE and OFFA.

20. The Education Bill published on 26 January 2011 contains a final clause allowing interest rates charged on student loans to rise at ministerial discretion in future by amending the power given to the Secretary of State in section 22(4) of Teaching and Higher Education Act 1998 to make regulations setting interest rates.

21. Another White Paper is now promised on “public services”, in which it appears that there is likely to be amendment of the legislation presently controlling the granting of degree-awarding powers and the use of university title:

*The Government will publish its overarching public services White Paper shortly... we ...want to make it easier for new and alternative providers to enter the new system—and there are clear ways in which we are doing so.*⁸⁶

The Minister's statement that “Over the past 50 years, we have created a regulatory system which says that teaching students and awarding degrees must be done by the same institution”⁸⁷ is an error. But on it he proposes to base plans to:

*make it easier for new providers to come in as teaching institutions with their students getting loans without that institution having its own degree awarding powers.*⁸⁸

22. He explains that this decision is in response to lobbying:

*by various existing education providers who are deeply-rooted in their local communities and have argued passionately for the right to offer externally-validated degrees to local people with limited existing access to higher education.*⁸⁹

A “core-and-margin model for student numbers could allow this type of provider to bid for extra places”,⁹⁰ he suggests, apparently with access to taxpayer-funded loans, but with no clear guarantee that the quality of provision can be maintained in a sector which can be entered without the strict controls the current legislation contains.

⁸¹ <http://www.bis.gov.uk/assets/biscore/higher-education/docs/g/11-728-guidance-to-director-fair-access>.

⁸² <http://www.bis.gov.uk/assets/biscore/higher-education/docs/g/11-728-guidance-to-director-fair-access>.

⁸³ <http://www.bis.gov.uk/news/speeches/david-willetts-universities-and-social-mobility>

⁸⁴ <http://www.publications.parliament.uk/pa/cm/cmtoday/cmdebate/01.htm>

⁸⁵ <http://www.bis.gov.uk/news/speeches/david-willetts-uuk-spring-conference-2011>

⁸⁶ <http://www.bis.gov.uk/news/speeches/david-willetts-uuk-spring-conference-2011>

⁸⁷ <http://www.bis.gov.uk/news/speeches/david-willetts-uuk-spring-conference-2011>

⁸⁸ <http://www.bis.gov.uk/news/speeches/david-willetts-uuk-spring-conference-2011>

⁸⁹ <http://www.bis.gov.uk/news/speeches/david-willetts-uuk-spring-conference-2011>

⁹⁰ <http://www.bis.gov.uk/news/speeches/david-willetts-uuk-spring-conference-2011>

23. An area where the legislation needs urgent review which does not appear to be on the White Paper agenda yet is the legislation governing freedom of speech on campus. This dates from the Education (No.2) Act 1986 s.43 and was designed to meet quite different needs. Student protests on a substantial scale began in the autumn, and are likely to continue, as Cambridge saw on 25 February when the police entered King's College without its permission, and made arrests.⁹¹

III. Institutional autonomy and state control: striking the balance

24. The Robbins Report of 1963⁹² identified four areas of activity where it believed it to be in the public interest for the autonomy of universities to be respected. An elegant summary of the essentials—drawn from the University of Cape Town—was quoted from in the Standing Committee's discussion of the drafting of the Education Reform Act 1988: "the right to determine, on academic grounds, who may teach, who may be taught, what may be taught and how it should be taught"⁹³ This "quadrilateral" was touched on obliquely in the evidence to the Select Committee when it was preparing "Students and Universities":

"It is very important that institutions have autonomy in terms of the election of their staff, in terms of the design and delivery of their academic programmes and so forth" (Evidence, Q.177, Vice-Chancellor, University of Oxford).

25. The Select Committee which produced the "Students and Universities" Report of 2009⁹⁴ summarises these Robbins rules as:

"encompassing (with in some cases a limited role for government) appointments, curricula and standards, admission of students, the balance between teaching and research, freedom of development and salaries and staffing ratios" ("Students and Universities", Para. 238).

26. OFFA's guidance goes to the question of institutional autonomy in admissions. The proposal is that such public funding as remains shall be restricted to STEM subjects and such other subjects as Minister may from time to time approve. The role of HEFCE as a "Haldane" buffer between state funding and state control of the use of that funding by institutions, embodied in the FHEA 1992, is apparently to be diminished. The removal of the block grant and the principle of the Haldane buffer seems likely to place in Government hands and therefore directly in the hands of the state, the right to decide "what may be taught" and by implication "who" may teach and "how". These changes to fundamentals should not be taken without the widest possible consultation on the continuing importance of protecting the Robbins "quadrilateral" for the future.

IV. Conclusion

Piecemeal and reactive legislative change is likely to imperil the sustainability of higher education. A consolidated White Paper inviting consultative response on the workability and sustainability of the proposed new system as a whole is increasingly urgent. It should address key issues about the future of higher education by providing an opportunity for the consultative review which was promised by the previous Government before the raising of tuition fees.

10 March 2011

Written evidence submitted by RealWorld Push

1. Summary

The key recommendations in this submission are as follows:

- Through the funding mechanism and policy, Government should create a framework which ensure the interests of students, HEIs, employers and taxpayers are in much closer alignment.
- Government should actively promote fair and wide access, based on ability, to a diverse HE sector whose growth is led by labour market demand.
- The only way to avoid discouraging the least able to pay for HE is to develop alternatives to charging them directly.
- There should be wide and transparent access to information, advice and guidance (IAG), delivered in contextualised approaches, supported in various ways by Government with recognition for good practice.
- IAG should demonstrate more clearly the realistic outcomes for individuals.
- Teaching should be the first priority of HE and Government should develop new and improved measurements of this and other indicators in HE.
- The admissions system should be reviewed to explore a post-qualification entry mechanism, creating an opportunity for students to undertake social service or personal development.

⁹¹ <http://www.cambridge-news.co.uk/Home/Kings-cross-after-police-arrest-two.htm>

⁹² Committee on Higher Education, Higher Education, Report of the Committee appointed by the Prime Minister under the Chairmanship of Lord Robbins 1961–63 (the "Robbins Report"), October 1963, Cmnd. 2154, paras.711 ff.

⁹³ Standing Committee J, col.1654.

⁹⁴ <http://www.publications.parliament.uk/pa/cm200809/cmselect/cmdius/170/170i.pdf>

- HEIs should be incentivised to improve the demonstrable employability of their students.
- A clear, simple and sustainable model for HE funding is needed, which the current plans do not provide.
- A graduate tax on employers is recommended with the proceeds returned to the graduate employee's place of study.

2. *About Johnny Rich and RealWorld Push*

This evidence is submitted by Johnny Rich on behalf of RealWorld Push, one of the leading providers of independent information and advice for prospective and current students and graduates. Its main services are as follows:

2.1 Push: One in three prospective students uses either the award-winning Push website or attends a Push schools talk during their university choosing process.

2.1.1 The website (www.push.co.uk) features detailed profiles of every university in the UK and other IAG for prospective and current HE students.

2.1.2 Push talks take place at over 200 schools and colleges annually, providing advice on whether to go to university and deciding which is best for the individual.

2.1.3 Push's IAG is based on its own research involving annual site visits to every university in the UK as well as gathering data from HEIs, national data sources, its own surveys and other resources. Many of the areas covered are exclusive to Push.

2.1.4 Push is perhaps best known in the media for the annual Push National Student Debt Survey, the most authoritative and the only widespread annual study of students' actual financial position (a copy of which is in the HOC Library and which will be quoted extensively in ONS's Social Trends Survey to be published in May 2011). Push's other research also includes the Student Living Costs Survey, the Student Work Survey, etc.

2.2 RealWorld is the leading on-campus and online graduate recruitment magazine (see www.realworldmagazine.com). It is distinctive in providing expert independent advice and is highly regarded among large employers.

2.3 The Recruiters' Guide to Course and Campuses (see www.rgcc.org.uk) is an annual statistical report for employers analysing HESA data for the benefit of recruiters that want to make better informed choices about where to target their recruitment campaigns in order to attract the most suitable candidates.

2.4 Johnny Rich MA is the founder of Push, which merged with RealWorld in 2010. He is widely acknowledged as an expert on student issues with particular focus on IAG and contributes regularly to the media and specialist conferences. He is a former students union President and is currently a member of the Board of Directors of the Higher Education Academy, the Online HE IAG Group, the Bridge Group (on Social Mobility through Higher Education), the steering group for BestCourse4Me.com, the Institute of Careers Guidance, the Association of Graduate Recruiters and is also project manager of the Unibox initiative (a joint venture with The 1994 Group of universities to facilitate better access to high-quality IAG about HE online).

COMMENTS ON THE FUTURE OF HE

3. *The Role of Government and the Importance of HE*

3.1 The Leitch Report (2006) articulated clearly the need for a large and vibrant HE sector to ensure the long-term economic competitiveness of the UK economy, particularly in the light of new economic competition from higher skill levels in BRIC countries.

3.2 The Government's role in determining policy should be to facilitate an HE sector that serves the needs of the nation. *Its focus should be on creating a framework where the best use of the nation's resources—human, financial, intellectual, etc—is in alignment with the aims of individual students, HEIs and potential graduate employers.* If that alignment is achieved, the market forces driven by those parties will serve the national interest.

These considerations mean that it is important to recognise the following principles for Government policy:

3.2.1 *Valuable talent is to be found in all sectors of society and therefore the best use of resources will only be realised by a fair system that promotes access to HE to all, especially the most deprived for whom HE may make the greatest impact of the contribution they can make to society and the economy.*

3.2.2 *Anyone with the academic ability and aspiration to attend HE should not be precluded from doing so by lack of funding or opportunity. It follows that new and existing HEIs should not be prevented from growing to meet demand.*

3.2.3 *Growth should not be led solely by student demand, however, but also by the needs of the labour market.* The growth of HE since 1992 has been largely driven by student demand for courses, rather than the market's need for skills.

As a result there are, for example, currently nearly 8,500 students studying degrees in forensic science (the second fastest growing course area). Meanwhile there are just over 9,000 UK jobs in forensic science. Most of those jobs will not become vacant in the immediate future and most are filled by individuals who did not study forensic science, but rather biology, chemistry or other subjects.

This is a prime example of a misalignment of aims. The students concerned may well go on to have rewarding careers, but we may assume that they have chosen their courses, making financial and personal sacrifices, on the misguided expectation of a career in forensic science. The universities promoting these courses have no accountability for oversupplying the market. The taxpayer has been expected to foot the bill for this oversupply and employers are having to bridge skills gaps because they are recruiting graduates with a specialist training unsuited to their actual careers.

3.2.4 *An HE sector of the current size or larger needs to embrace diversity* to accommodate the huge range of courses, of students, of learning patterns, and of geographical, social and economic needs. That means catering for a student body more diverse than ever before by promoting a greater range of choice than ever before in terms of the different offerings by HEIs.

4. *The Principle Barrier to Widening Participation in HE*

4.1 Push's research with prospective students from many backgrounds suggests the key reason why many able students do not decide to go into HE is that they are discouraged by the prospect of, as they see it, subjecting themselves to continued schooling only to be rewarded with high debts in the process. That is compared to the attractions of a job in the short-term with pay and—whether rightly or wrongly—many imagine they will have at least as good prospects given that they will have a three-year head-start in the workplace over peers who choose to become graduates.

In the face of average debts for new students that are likely to reach £24,700 on average (according to the Push National Student Debt Survey 2010), there are almost no progressive mitigations to the funding arrangements that will change the minds of these students. The medium-term pain vastly outweighs any promised gain without the supportive experience of family or friends who can demonstrate the benefits of HE.

Indeed, the more complex the arrangements to ameliorate the financial challenges of precisely this social group, the less likely they are to want to take up the opportunity presented:

4.1.1 Firstly, this group is unlikely to have good access to appropriate IAG. They may rely on the misinformation of peers and family who have not been to university. Such IAG as may be available to them is often focused on the lower aspirations of peers.

4.1.2 Secondly, even if they have access to good IAG, if they are already alienated by the prospect of debt, the prospect of trying to understand a complicated funding system and wading through the red tape to secure the financial support is sufficient disincentive to ensure they ignore available IAG, however good.

4.2 *In order to promote genuine fair access, there is no alternative but to promise those students least able to pay that they will not have to pay directly.* If the Government is serious about creating opportunities for these students to attend HE, the only way is to remove the perceived (rather than the actual) financial barriers.

4.3 Currently, however, despite claims to the contrary, it appears that the Government is not too concerned that such students are discouraged from applying. After all, the HE sector is already oversubscribed by able students from less deprived backgrounds. Taking the necessary steps to widen access further would only serve to exacerbate the financial precariousness of the sector. It is cheaper in the short term to write off generations of ability, but in the long term, society is impoverished by Government failure to optimise resources.

5. *Information, Advice and Guidance*

5.1 It is essential that prospective students have access to the IAG needed to make appropriate decisions in order to realise the principles in 3.2 above (particularly given the diversity of students and institutions).

5.2 HEIs, UCAS, HESA, the Student Loans Company and other organisations within the sector should be held to higher levels of transparency about data and information, such that IAG providers are in a position to support understanding of the comparative differences of HEIs' offerings. In the context of higher tuition fees, this becomes a matter of being able to demonstrate value-for-money to the customer, but the same should hold true whoever pays.

5.3 Simply making data more widely available is not sufficient, as evidenced by the failure of Unistats to attract broad interest (even though recent research for HEFCE demonstrated that its data sets are seen as useful by prospective students). *The information needs to be contextualised and made meaningful to candidates.* The Government is rarely the right body to do this, not least because a multiplicity of approaches is needed to appeal to different audiences. However, *Government should provide a supportive environment for good IAG provision:*

5.3.1 The best IAG is not always the most profitable and therefore grant aid may help the right providers to thrive.

5.3.2 A recognised standard for the high-quality use of data is a natural extension of the professionalisation of careers guidance.

5.3.3 Financial support does not have to be centralised or direct. For example, in order for an HEI to charge higher fees, *OFFA might accept a demonstration to support high-quality independent IAG as part of a package of commitment to widening participation.*

5.3.4 AimHigher has been one of the Government's main direct channels for promoting wider participation to candidates. Like Unistats, AimHigher serves a useful purpose, but does not serve it well and is poor value for money. Nonetheless, AimHigher does provide value by being in a sufficiently expert position to pass on funds to reputable IAG providers to which it subcontracts services, thereby supporting a socially valuable industry. *Following withdrawal of AimHigher's funding, a successor should be reconstituted with a clearer framework for quality and value for money, possibly as an adjunct to the all-age careers service.*

5.3.5 *Government should support efforts to direct candidates to high-quality IAG that already exists.* The Unibox venture is a good example of how this can be inexpensively and effectively achieved by harnessing the potential of Web 3.0 technology.

5.4 As well as supporting wider data transparency and facilitating a supportive environment for it to be made meaningful, *Government could do more to disown disinformation*, such as so-called “university league tables”. These are based on the assumption that certain HEIs provide a *de facto* better education than others. In the context of IAG, this is entirely unhelpful as the diversity of the sector means that such comparisons are meaningless. The prospective student needs to be encouraged to find the institution that will most closely meet their personal needs. This message will also help to align the success of the institutions with those of their students. To this end:

5.4.1 *Government should cease to perpetuate the notion of “top” universities in ministerial statements and departmental briefings.*

5.4.2 *Government relies too heavily on poor proxies—particularly when it comes to quality—encouraging others to do the same.* For example, the Government-supported proposals for Key Information Sets will use the National Student Survey as the foremost indicator of course quality, whereas it is actually a measure of satisfaction—a function of delivery versus expectation, rather than quality, and the responses are from students with usually no point of comparison. Performance in HE tends to be measured on the basis of what can be (and is) counted rather than on the basis of measuring what actually counts. *Where needed, Government should develop new or improved metrics.*

5.4.3 As recommended in 5.3.2 above, a recognised standard for high-quality IAG would clarify the position of “league tables” as unofficial rankings.

5.4.4 The most effective way of undermining misinformation is to support better alternatives (see 5.3 above).

5.5 HEIs have little investment in the success of their students after graduation. Their aims are only indirectly aligned. *HEIs should be required to demonstrate more clearly the value (for money) they provide to students based on their employment outcomes.* This is not merely an issue in the context of better IAG, but if an HEI's funding was contingent on the employability of its students, its aims would be aligned not only with those of its students, but also the labour market and society in general.

6. Quality Assurance in Teaching

6.1 Research outputs are easier to measure than the quality of teaching. As a result highly academic institutions are disproportionately influential in policy-making and academic preferment within HEIs is more commonly based on research output than pedagogic effectiveness. This skews the agenda of the sector away from good teaching. *Teaching standards should be the key performance indicators for HE*, but currently they are barely researched.

6.2 *Government needs to support the work of the Higher Education Academy and Quality Assurance Agency in monitoring, protecting and enhancing teaching standards.* Without developing these functions, there is little relevant data about teaching standards to feed into IAG and few models of good practice. HEIs will find it hard to recognise scope for improvement or bring it about.

Admissions process

6.3 The current system of university admissions has remained broadly unchanged for 40 years. Meanwhile, the HE sector has changed radically. HEIs are involved in a guessing game and students suffer uncertainty for months before having to make plans in a rush. This applies to the entire system, but the deficiencies of “clearing” exemplify the problem. There is a clear correlation between those HEIs which admit the largest proportions through clearing and those with the highest drop-out rates.

6.4 *Government should explore ways to move to a post-qualification admissions system (PQA).* This may involve changes to academic year at many institutions.

6.5 The gap created for many candidates between school/FE and HE represents an opportunity in terms of employability and the “Big Society” agenda. For example, in Germany, most young people engage in a period of social service. Similarly, *in this gap young people might be entitled to a small allowance (much like the now-abolished EMA) if they engage in voluntary work which benefits society or which furthers their learning and employability (such as an IT course, a language, internship, etc).*

6.6 As well as creating more mature, better qualified students, it would give HEIs the security of accepting the right number of suitable students.

7. Employability

7.1 As mentioned, IAG does not often focus on career outcomes or, when it does, it uses poor proxies such as the DLHE data which is a snapshot just six months after graduation. Therefore, applicants’ choices are rarely influenced by comparative employability and consequently HEIs have only an indirect incentive to ensure their students have workplace skills, are aware that they have them and are able to articulate that they do.

7.2 This is a misalignment of interests. HEIs would ensure better data was available and would enhance employability if it had a significant impact on their funding. They would forge better links with employers, incorporate workplace skills into their courses and provide better careers support. The students, universities and employers would all benefit, as would the economy.

7.3 *Government should explore the possibility of hypothecating income from student’s post-graduation contributions back to their places of study to reward good practice based directly on outcomes.*

8. HE Funding Plans

8.1 As was the case when the possibility of differential top-up fees was introduced, over time most HEIs will gravitate towards charging maximum fees if only through inflationary pressure, but also because higher fees will be seen by many as a mark of quality. There will be increasing pressure to raise the £9,000 cap. As has happened repeatedly since the early 1990s, the next parliament will need to revisit the issue and face the opprobrium of voters if they do not resolve the issue satisfactorily. *A long-term model for funding is required.*

8.2 The lack of clarity on certain elements of student funding and support is an unnecessary disincentive to HE applicants, particularly those from poorer backgrounds. Details are not clear about Scholarships, maintenance arrangements or bursaries. Uncertainty and complexity are highly damaging and unnecessary. *If Government cannot give clear and simple messages without further delay, its planned changes should be abandoned or postponed until it is in a position to lay out the full plans.*

9. Fairer Funding

9.1 The HE sector has three principle beneficiaries: students, the economy/society, and employers. It is fair that the burden of paying for it should be shared proportionately and that market forces should be allowed to determine what division is proportionate. Lord Browne’s report suggested that employers would make their contribution through higher graduate salaries, but in the absence of a shortage of supply there are no market forces operating to drive this.

9.2 The Government should review its HE funding plans to remove the disincentive of high fees and debts from applicants, divide the cost more equitably among beneficiaries, reward universities that are effective in delivering value to students and the economy and create mechanisms for necessary growth of the sector driven by labour market demand. *A graduate tax on employers is recommended with the proceeds returned to the graduate employee’s place of study.* This would be at worst cost-neutral compared with current Government plans and not only sustainable in the long term, but it would also create a framework for positive change by aligning the interests of students, effective HEIs, employers and taxpayers. Details of the proposal are outlined in Appendix A.

APPENDIX A

FAIRER FUNDING AN ALTERNATIVE PLAN FOR FUNDING STUDENTS AND HEIS

In the face of the Browne Report, the Government’s response, the HE cuts in the Spending Review and the ongoing funding challenges of the sector, this proposal outlines an alternative mechanism for the funding of higher education students and institutions, which provides adequate funding for students and universities alike with minimal impact on the taxpayer or the economy.

The mechanism proposed is more equitable, encourages social mobility, would have a wider mandate from the electorate and, compared with the Brown Report, is effectively neutral in terms of the distribution of costs.

THE KEY FEATURES

- Employers pay a graduate tax through national insurance contributions for each graduate they employ (who they have taken on since the introduction of the scheme).

- The tax is charged at 9% of the graduate's salary over £18,000 (irrespective of whether they studied full-time or part-time).
- The tax income is provided to the university where the graduate studied.
- Students are entitled to means-tested funding to cover their maintenance costs on a progressive scale comprising part-grants and loans for the poorest students and no support for the most well off.
- As revenues start to flow into universities, they are released from any limits on student numbers.

KEY ADVANTAGES

1. *No barriers*: This will ensure there are no actual barriers to entry to HE, nor perceived barriers, nor any disincentive to any able student.

2. *Fit-for-purpose university funding*: Universities' future income will be based directly on their proven ability to add value to their graduates' employability and earning power. They will be free to plan for a future based on success and invest accordingly. Their income will be linked directly to providing the highest possible standard of education and ensuring the employability of their graduates. Courses most needed by the future economy will grow and receive the most investment.

3. *Minimal cost to employers*: For employers, the tax cost is unlikely to differ significantly from the salaries they would have paid those same graduates, because if graduates were to try to demand more than a fitting premium for their increased value to their employers, market forces will drive (or hold) down graduate salaries as employers choose to employ non-graduates.

Also, since graduates will enter the workplace with low debts (if any), they are unlikely to feel under pressure to demand high wages.

However, if graduate salaries remain the same (or even rise), it would be because their value to employers is free to adjust to reflect the real premium of graduates to employers. The employers' greater contribution to the cost of HE would be a fair adjustment recognising the shift over the last few decades from training carried out on the job at the employers' expense to education conducted within HEIs.

Meanwhile, the Government's current proposals are based on the somewhat tenuous promise that graduates will earn £100k net more over their working lives than equivalent non-graduates. This is likely to drive up graduate salaries as the earning expectations of the most employable rise, creating a 'trickle-down' effect among all graduates.

4. *No barrier to work*: Because employers would not start paying tax on graduate employees at the lowest salary levels, there is no disincentive to them to take on graduates with little or no practical work experience (although their universities will be better incentivised to make sure graduates are as attractive as possible for the labour market).

5. *The best universities for the best students*: So-called "elite" universities will be equally open to any student who deserves a place on the basis of their academic potential. Students will be able to choose whatever university is most suitable to their needs—elite or not—rather than be limited to those they can afford.

6. *Maintain our HE sector*: Universities will be discouraged from privatising. Under the Government's proposals, some universities which feel they can charge more than £9 thousand pa in fees may see little reason to remain part of a system that makes restricts them in this way and makes demands that they should subsidise certain students' places, especially when in return the Government only contributes to the cost of certain courses.

Under this proposal, these "elite" universities will have every reason to continue to participate in the wealth of the nation's higher education system.

7. *Courses that respond to labour market needs*: Universities will have no incentive to offer large numbers of places on courses that might be popular among prospective students, but which are unlikely to lead directly to relevant employment (and which therefore may be misleading the students).

For example, forensic science is an increasingly popular course, but the labour market need for forensic scientist is small and is not growing. Universities would not want to offer more places than were likely to pay for themselves in the long run and so would limit places. If the courses remained popular, there would be grade inflation for entry which would direct all but the most able students into other course where their careers prospects would be more realistic.

POSSIBLE OBJECTIONS

1. *"No new tax on business"*: The strongest and most likely objection is likely to be from the business community which may perceive this proposal as an unwarranted tax increase. The response is that it is assumed that they will reduce graduate salaries over the short term to compensate. If they do not wish to do so, it can only be because they are afraid they will lose the competitive advantage of attracting the best graduates—in other words, they value graduate talent sufficiently highly to be willing to pay more for it. This would imply a correction in the graduate demand and supply market.

2. *“Graduates ought to pay”*: There is a case to be made that graduates should also contribute directly to the cost of their education. To this end, the proposal could be adjusted to include a repayment of fees of, say, £1 thousand a year, through tax after graduation once the graduate’s earnings exceed £21 thousand pa (in much the same way as the Browne Report proposes, but at a lower level of fees).

However, it should be remembered that every time complexity is added to the funding arrangements for students, the poorest students are disproportionately disincentivised. Even when checks and balances are built in to ensure equity in the system, those most in need of financial support, are the least likely to make considerable effort to understand what is available. They are also the least likely to be well advised on the arrangements and many are put off by the impression of high debts and a labyrinthine system of disclosures, conditions and qualifications.

Even with fees at their current levels, for many students from non-traditional backgrounds who are capable of going to university, but uncertain whether it is worthwhile, the promise that the debt will be easy to pay off just does not enter into their considerations in the face of five-figure debts. It should be noted that Government-sponsored student loans are not the only debts most graduates incur. This year’s Push National Student Debt Survey (the most detailed and authoritative study of students’ financial situation) found that around four-fifths of student debt is owed to the Student Loans Company. The rest (currently around £3,500 by graduation on average) is owed to banks, credit cards, parents and other sources.

3. *“A loan is temporary, a tax is for life”*: The unfairness of a lifetime penalty for having studied to a certain level is one of the main arguments that has been made against a graduate tax charged to the graduate themselves. The same criticism could be made about this proposal, however, the sense of unfairness seems somehow diluted if the charge is to the employer rather than the graduate (even though the premise of this proposal is that money paid by employers in tax is equivalent to money paid to the graduate and then paid on as tax).

It is also worth arguing that 20 years after graduation, the difference between graduates and non-graduates at the same level of seniority is negligible. For this reason, the proposal could easily be amended such that the graduate tax on employers is only charged for 20 years after graduation or until the age of 50, whichever is the sooner.

4. *“Graduates will go abroad”*: In a global market, there might be concern that, if UK graduate wages were depressed by the full extent of the 9% tax, they might look to overseas markets for higher wages. While this is true, it is not likely to be a large effect and is likely to be more than outweighed by (i) the potential for inward investment through an increase in international students made possible by the extra investment in UK universities, and (ii) the better preparedness of all graduates for the world of work. Furthermore, the danger of a ‘brain drain’ is surely greater under the Government’s current proposals where graduates can emigrate to avoid repaying their student loans.

5. *“Business will stop employing graduates”*: Business groups are bound to object that if they are taxed for employing graduates, they will simply stop employing them. If that were the case, they would have stopped employing them already as non-graduates are already cheaper to employ.

Furthermore, by only charging the graduate tax when the employee earns over £18,000, SME employers of new graduates and employers of graduates in non-graduate jobs are unlikely to be significantly affected.

If, however, the demand for graduates were to slow down, universities would have to respond by reducing student numbers or cutting costs. The market will determine how many graduates the economy really needs.

6. *“Universities will only teach what pays”*: Certain courses do not attract high wages and universities might lose their interest in devoting any resources to running them, when they are not likely to yield significant revenue. However, many of these are important socially (such as social work and nursing).

It may be necessary for Government to consider funding these courses directly or placing requirements on universities to offer at least a certain number of places on selected courses. This is preferable to placing requirements on them to admit a quota of poorer students, which is arbitrary, demeaning to the student themselves (who may feel that the magnanimity of being allowed to attend an expensive university for free was tokenistic) and is likely to be whittled away by ongoing measures of economy.

In any case, if there were a shortage of, for example, social workers, but there was a genuine need, employers would need to increase wages to attract people into the industry, adjusting the market to value these key workers more appropriately and generating income for the universities with sufficient foresight to offer these courses.

It may be argued that some other courses—which are not thought to attract high wages, but which are academically important (eg philosophy, sociology, etc)—would be endangered. However, it is a fallacy that these courses do not lead to higher than average salaries. For the vast majority of graduate jobs (particularly in SMEs), no specific course is required; employers main concern is that the employee should be a graduate with a good degree and good employability skills.

By offering courses which students *want* to study, they are likely to perform better, which is often more important than the specific field of study. Also by linking the universities’ funding to the graduates’

employability, the universities will do more to ensure that students on these less obviously vocational courses emerge with demonstrable transferable skills.

10 March 2011

Written evidence submitted by the Royal Geographical Society (with IBG)

1. The Royal Geographical Society (with The Institute of British Geographers) welcomes this opportunity to comment on the inquiry into the future of higher education.

2. The Society is the Learned Society and professional body for geography and geographers. It was founded in 1830 for the advancement of geographical science. The Society maintains a strong overview of the discipline, its position and its practice in schools, higher education, and the workplace, including professional accreditation. We advise on and support its advancement, dissemination and practice in these realms and within wider public engagement and policy. We have 15,000 members and Fellows and our work reached more than five million people in 2010.

3. Our response concerns the perceived implications of the changed landscape of funding for the study of important subjects that contribute significantly to the workforce and which are not seen by parents and pupils as vocational in a strict sense. The changed funding landscape will place pressure on all institutions and courses to differing degrees, and on parents and students in making their choice. This applies to many of the disciplines identified as facilitating disciplines in the recent Russell Group Report, including geography.

The evidence for the employment benefits of training geographers to UK plc

4. Geography, for example, is an intellectually challenging subject. It requires: an understanding and application of scientific logic, principles, methods and laws; flexibility and openness of mind to deal with a range of different conceptual paradigms in both human and physical geography (transcending the natural and social sciences and humanities); an ability to develop and test hypotheses and to integrate ideas; and analytical capabilities to collect/select, analyse, present and interpret primary and secondary datasets, especially spatial data, and to understand and visualise complex data.

5. Geography graduates are highly employable and the skills, knowledge and understanding gained through this training are in demand and of need to the UK economy. Most geography graduates are numerate, literate, good team workers, can think analytically and critically, can analyse, interpret and present data, and are highly computer literate. They also have an understanding of the social and environmental issues of our time. Geography consistently attracts large numbers of high quality students with excellent A level grades and a wide range of A levels often including at least one other science subject. Evidence of the high employability and the relevance of geography to employers can be seen in the following studies:

- 6.1 The most recent Higher Education Statistics Agency (HESA) survey of university graduates (2010) showed the unemployment rates for geographers to be among the lowest recorded, second only to law.
- 6.2 Analysis of a randomly selected sample quarter from the Quarterly Labour Force Survey (First Quarter 2010) substantiates this. Using graduates of sociology, media studies, history, and chemistry/physics as a varied group of comparators: geography graduates show a relatively high employment rate (85% in full time or part time jobs, overall average 82%; chemistry/physics 78%); 67% of geography graduates in employment work in professional and managerial jobs (second highest to chemistry/physics (78%), and significantly higher than media studies (54%) and sociology (56%); and 74% of geography graduates earn more than £20,000 per year, above the overall average of 70% (behind chemistry/physics 87%; but well ahead of sociology 68% and media studies 50%).
- 6.3 A recent survey by geographical information business ESRI (UK) (published November 2010) of 200 business leaders across the public and private sectors showed that the skills they are looking for in future employees are critical thinking (nominated by 78% of businesses leaders as key for graduates), advanced analytical skills (76%), understanding and interpreting complex data (71%), advanced technology skills (57%) and understanding socio-economic environments (54%)—all of which are gained through a geography degree.
- 6.4 In a modern world where an estimated 80% of business decisions are underpinned by location, it is hardly surprising that the geospatial industry is growing rapidly and of significant importance to the UK's technology base and international competitiveness. Knowledge of Geographic Information Systems (GIS) and its applications in business to make money or to yield efficiency savings and in the public sector to better target funding and resources, means that geography graduates who are able to illustrate an understanding of these technologies are increasingly sought after.
- 6.5 The environment sector is also a varied, vibrant and vital part of the UK economy and society. It relies on highly skilled people who, through their knowledge and innovation, ensure that the UK provides international leadership and solutions to the long-term challenges we face; continues to attract inward investment of high-value business; and becomes a world leader in new areas of growth such as low carbon goods and services. The National Environment Research Council (NERC)/Environmental Research Funders' Forum report (2010) on professional skills needs in the environment sector, which

draws on the perspectives of more than 140 employers, highlights 15 critical skills gaps. Training in geography contributes significantly to the development of between five and seven of those skills areas, depending on the specific geography programme.

- 6.6 In addition, geography is a key provider of the knowledgeable personnel required across the wider business, management and commerce sectors as firms increasingly become environmentally aware and socially responsible. The buoyant demand for geographers reflects the knowledge value-added in the course of their higher education, together with their strong transferable skills base.

The concern that parents and young people will be poorly informed about the choices available and will seek courses that appear to be vocational in a “high fee” scenario

7. Course choices made by young people depend on the quality and accessibility of information available to them on course choices. The lack of data has been recognised by the recent HEFCE, Universities UK and GuildHE consultation on proposals for giving prospective students useful information about higher education courses. Without this information, there is a risk that parents and young people will, under a “high fee” scenario, may be more likely to seek vocational courses with a more visible “up-front” career and income stream post-course. This will be to the detriment of those courses that are more discipline based, such as geography that deliver great employability benefits (as shown above—section 6).

8. Prospective students should therefore be able to access quality information on skills, employability and career paths relating to all courses. Access should be as easy as possible, and focus on the evidence of mid to long-term opportunities from different subjects.

The concern that universities will fail to support teaching of geography adequately as a relatively high cost subject to teach

9. There is a risk that high cost, but important elements within geography—training in fieldwork, laboratory work and geographical information—will be put under increasing strain under possible pressure to cut teaching budgets, and without which skills of need and use by UK plc will be lacking.

10. Geography has long been regarded as a part-laboratory subject, a status justified largely on the grounds that almost all research active Departments of Geography maintain scientific research laboratories, often highly sophisticated, with technician support in order to deliver departmental research agendas and meet the needs of both research and teaching staff in physical geography. These essential science infrastructure costs are further augmented by field equipment and by Geographical Information Systems (GIS) and Remote Sensing computer-based needs. This is an especially important element of teaching at a time when environmental issues of concern to physical geographers (for example, climate change, fluvial processes and flooding; Arctic/Antarctic dynamics and melt, sustainable development) are some of the most pressing ones facing society and government.

Mitigating the identified risks

11. We urge that mitigation measures are put in place and funded by the government to ensure that young people and UK plc benefit from the range of skills that studying geography brings and that universities are supported with a contribution to teaching funding in the current Higher Education Funding Council for England (HEFCE) re-allocation of support.

12. The Society made the case successfully to Higher Education Funding Council for England (HEFCE) for geography to be given part-STEM (Science, Technology, Engineering and Mathematics) designation—through a 50% ring-fenced allocation—to reflect and preserve the breadth of the environmental science research base. This should continue to be reflected, both for funding of research and teaching.

13. There is an urgent need for parents and students to be better informed about choices open to them for study and opportunities for employment arising from that—beyond the limited 6-month Higher Education Statistics Agency (HESA) surveys.

14. In helping to achieve that, we urge the Committee to recognise also the role that Learned Societies have to play in initiatives to raise understanding of those opportunities and employability relating to their subject areas of expertise. Certain of the Learned Societies and Professional bodies have expertise and networks that link young people, their teachers and parents, with universities and professional communities. The advice and guidance given is of the highest quality, independent, and inspirational, drawing on the expertise and practice of their Fellows and members. The focus is on the young people and on opportunities.

15. We also urge Committee to recognise the role that existing Ambassador programmes—such as the geography ambassador programme run by the Society—play in informing young people about careers and especially in widening participation and access of young people to higher education. The Society’s Ambassadors programme recruits, trains and supports geographers currently at university and graduate geographers from the workplace to act as ambassadors for geography in the classroom. The ambassadors are

able to introduce younger students to the benefits of studying at university, of studying geography and encourage them to pursue the subject further, acting as positive role models for pupils and illustrating specific and transferable skills that can be developed as a geographer and how they are used in the workplace. The scheme also offers schools the opportunity to strengthen links with their local Higher Education Institute and businesses.

16. Through the Geography Ambassadors programme, more than 1,200 presentations about the relevance of geography to further study and careers were provided to 37,000 school pupils last year alone. Having started in 2006 by providing visits to just ten schools, the Ambassador programme has grown rapidly and now covers all nine English regions and recruits Ambassadors from 47 universities and many different geographically-driven professions. Ambassadors play a key role in inspiring and raising awareness of opportunities and benefits of higher education amongst hard to reach communities in inner city schools, thus contributing significantly to the widening participation agenda.

11 March 2011

Written evidence submitted by the Royal Society of Chemistry

The Royal Society of Chemistry (RSC) is the UK Professional Body for chemical scientists and an international Learned Society for advancing the chemical sciences. Supported by a network of over 47,000 members worldwide and an internationally acclaimed publishing business, our activities span education and training, conferences and science policy, and the promotion of the chemical sciences to the public.

The RSC has a duty under its Royal Charter “to serve the public interest” by acting in an independent advisory capacity, and it is in this spirit that this submission is made.

The RSC welcomes the opportunity to respond to the Business, Innovation and Skills Committee inquiry into the future of Higher Education. The RSC response can be summarised in the following points:

- Greater support for STEM subjects in Higher Education must be provided to generate a steady supply of talented, highly-skilled individuals.
- Chemistry research underpins many sectors, contributing 21% of our GDP, or £258 billion each year.
- Chemical sciences education must be available to all students with the ability and desire to study the subject, irrespective of their ability to pay.
- In 2007–08, chemistry departments in England suffered on average a 10% deficit in teaching income. Cuts to the capital budget and any further decrease in teaching income could lead to difficulties in maintaining infrastructure and facilities to teach chemical sciences in universities.
- Recent progress in recruiting more undergraduates to studying chemical sciences may be reversed under the new fee regime, which could have unforeseen consequences in placing institutions at the risk of closure or in the recruitment of subject-specialists for teacher training.

1. The RSC believes that greater support for STEM (Science, Technology, Engineering and Maths) subjects in Higher Education must be provided to generate a steady supply of talented, highly-skilled individuals who will become the next generation of scientists and engineers, as well as being members of a wider, more scientifically literate workforce.

THE CASE FOR INVESTMENT

2. Chemistry is a key science, which underpins many sectors; overall, chemistry research enables the UK to generate £258 billion each year, or 21% of our GDP.¹ Chemical scientists are renowned for their ability to transfer their skills set to other, often, unrelated careers. The government should recognise the diversity of occupations that graduates of chemical sciences occupy, including (but not limited to) those based in research, industry, teaching and the civil service, all of which benefit the economy.

FUNDING

3. The RSC believes that the funding model adopted by the government should take in to account the following considerations:

- The system of funding should be able to support, over the long term, a fully funded, world class chemical science base.
- Chemical science in the UK should consist of centres of research excellence with strong links to industry, complemented by support and encouragement for entrepreneurship and innovation.

- There must be diversity of provision in chemistry education, with a fully flexible approach to study including multiple access and exit points, full and part-time and flexible study options as well as integration of work-based and applied learning.
- Chemical sciences education must be available to all students with the ability and desire to study the subject, irrespective of their ability to pay.

4. The RSC is concerned about the possible damaging impact on science and engineering programmes under a differential fees system. If such fees were to reflect the significantly higher costs of laboratory-based programmes, student recruitment in the chemical sciences may be adversely affected.

MAINTAINING EXCELLENT FACILITIES

5. The university system must be able to deliver science teaching for the 21st Century, including provision of modern laboratories and excellence in teaching to engage students. A recent report on the finances of UK Chemistry departments noted that the deficit on teaching income in English universities was on average 10%. When research costs were also taken into account, the average deficit across UK universities increased to 31.7%.²

6. The RSC is concerned that the capital budget cuts in combination with the removal of funding from strategically important and vulnerable subjects will lead to difficulty in maintaining the current standard of facilities.³ The infrastructure and equipment in UK Chemistry departments was judged excellent in the recent International Review of Chemistry.⁴ Decreasing standards could negatively impact on the international standing of UK Chemistry.

7. The BIS allocations also depend on £324 million of efficiency savings in 2014–15 (7% of the £4.6 billion resource funding).⁴ UK chemistry departments have already made significant efficiency savings by increasing student:staff ratios and lowering departmental space per member of academic staff.³ Demanding further efficiency savings, as detailed in the Wakeham report, risks compromising the quality of teaching if the student:staff ratio is further increased.

MAINTAINING STUDENT NUMBERS IN THE CHEMICAL SCIENCES

8. The latest UCAS figures show that the number of entrants to chemistry undergraduate degrees has increased by 28% over the last four years to reach 4,290 in 2010. The RSC is concerned that the recent progress in recruiting more undergraduates to studying chemistry may well be reversed under the new fee regime.

9. With a key component of funding now following the student in the form of increased tuition fees, alongside a decrease in the HEFCE teaching grant, falling student numbers at an institution may place it at risk of closure. In the absence of a comprehensive strategy to support a strong national science base, closure of Chemistry departments may occur on an unplanned, case-by-case basis. This will create regions in the UK with no provision for students who wish to study the chemical sciences. Those whose backgrounds require them to live at home for financial or other reasons will be unable to study these subjects, irrespective of their ability. Additionally, businesses will be unable to benefit from the knowledge and expertise of their local universities thereby impairing regional economic development.

10. Additional consequences are likely to be seen in the recruitment of initial teacher training students. The latest guidance from the Department for Education indicates that 1,070 places should be allocated to chemistry subject-specialists in 2011–12.⁵ Decreasing numbers of chemistry graduates would negatively impact on the future recruitment of these highly sought-after subject-specialists, which could have a cascading effect on future applications for degrees in the chemical sciences.

STUDENT SUPPORT

11. The RSC believes that access to the study of chemistry and chemical science based courses should be irrespective of the ability to pay. The RSC is concerned about the possible damaging impact on science and engineering programmes under a differential fees system. If such fees were to reflect the significantly higher costs of laboratory-based programmes, student recruitment in the chemical sciences may be adversely affected.

12. The support system in place should guarantee a flexible approach to study, regardless of whether a student follows full or part-time study, or a mixture of the two pathways. In addition, the potential longer length of chemical science degrees (which can involve incorporated Master's courses or industrial placements) should not act as a financial disincentive. Each of these options provides invaluable training and experience for the student but can incur extra expense.

13. Where possible, students who are not able to complete the full degree programme should be provided with an appropriate certificate of achievement that they could use to support applications for employment and/or for credit, should they find it possible to resume study at a later date in their career.

REFERENCES

- ¹ RSC Report: Economic Benefits of Chemistry—2010.
- ² Follow-up study of the finances of Chemistry and Physics Departments in UK Universities—June 2010.
- ³ BIS allocations 2011–2015—December 2010.
- ⁴ EPSRC International Review of Chemistry—2009.
- ⁵ Letter from Department of Education to TDA—January 2011.

10 March 2011

Written evidence submitted by Skill

ABOUT SKILL

Skill: National Bureau for Students with Disabilities is a national charity that promotes opportunities to empower young people and adults with any kind of disability to realise their potential in further, continuing and higher education, training and employment throughout the UK. Skill works by providing information and advice to individuals, promoting good practice and influencing policy in partnership with disabled people, service providers and policy makers. Skill is a registered charity and a company limited by guarantee.

For more information about us visit www.Skill.org.uk

SUMMARY OF SUBMISSION

- Disabled people are underrepresented in Higher Education (HE). In addition disabled people are twice as likely to live in persistent poverty. It is crucial therefore that all Higher Education Institutions (HEI) take steps to widen access for disabled people by setting disability related outcomes, within their access agreements with the Office for Fair Access (OFFA).
- Disabled students often incur extra costs associated with their disability while in HE such as travel, equipment and personal care. In addition recent proposals to reduce the budget for Personal Independence Payments (the successor to Disability Living Allowance) risks leaving disabled students with an even greater financial burden. It is important that the offer for disabled people from HEI, OFFA and the new National Scholarship Programme is structured to offset the financial disadvantage faced by disabled people.
- It is crucial that funding is in place to ensure that disabled students get the reasonable adjustments they are entitled to in order to access their study and fulfil their potential.
- It is important that progress towards inclusive teaching and learning continues and that the structure empowers HEIs to embed disability equality in everything they do.
- It is critical that an Equality Impact Assessment is published looking at the impact of increased fees on disabled people as well as proposals on widening participation and how the system will support disabled students to access teaching and learning and fulfil their potential.

WIDENING ACCESS FOR DISABLED PEOPLE

Disabled people are underrepresented in HE. This is something acknowledged by the Office for Fair Access (OFFA) in its recent guidance.⁹⁵ In addition the case for widening access for disabled people to HE is well evidenced. Labour force statistics show that the higher the qualification the lower the unemployment rate:

- 15% of disabled graduates lack but want to work.
- 33% of disabled people with qualifications below GCSE grade C lack but want to work.⁹⁶
- However, disabled people are half as likely to hold a degree-level qualification.⁹⁷

Despite this there has been little reference to disabled students. In recent debates on access to HE, the focus instead being within the broad definition of those from “disadvantaged backgrounds”. This is concerning as disabled people are twice as likely to live in persistent poverty.⁹⁸

In the recently published guidance from OFFA: “How to produce an access agreement for 2012–13” disabled students are mentioned only twice (one of those being in the glossary). The lack of specific reference to this group particularly in the context of access agreements is very concerning.

Our past experience has shown that unless specific reference to widening access for disabled students is made, they continue to be overlooked and their interests neglected.

⁹⁵ How to produce access agreements 2012/13, OFFA, March 2011

⁹⁶ Labour Force Statistics May 2010

⁹⁷ Office for Disability Issues, Key facts and figures. Analysis of Labour Force Survey, Quarter 2, 2008

⁹⁸ State of the nation report: poverty, worklessness and welfare dependency in the UK, May 2010, DWP

It is crucial therefore that all HEIs, set out disability related outcomes within their access agreements with OFFA. In addition disability must be a key element within the monitoring and evaluation of access arrangements.

ADDITIONAL COSTS ASSOCIATED WITH HAVING A DISABILITY

Disabled students often incur extra costs associated with their disability while in HE such as travel, equipment and personal care. In addition they are less likely to be able to take on part time work. Other people acquiring a disability later in life and wishing to retrain as a result may find themselves penalised financially.

In addition this must be seen in the context of proposed cuts of 20% to the new Personal Independence Payment (the replacement for Disability Living Allowance).⁹⁹ Currently DLA meets many of the additional living costs that disabled students have. One student described how:

“DLA helps me to subsidise my accommodation at university. Most of the accessible rooms in halls of residence are more expensive than the non-accessible ones. I would not be able to afford an accessible room if I didn't receive DLA”.

In addition our members including HEIs and partners inform us that disabled students have higher incidence of repeat years compared to non-disabled. This is not due to a lack of ability but often due to time away from study because of a disability or medical condition. This of course would lead to a further year's funding in terms of fees and loans and an increase in debt.

It is important therefore for the Committee to look at how the offer for disabled people from HEI, OFFA and the new National Scholarship Programme can be structured to offset the financial disadvantage faced by disabled people.

Unless this is looked at in detail it might be argued that under the Equality Act 2010 the rising of fee levels could be seen as indirectly discriminating against disabled people.

SUPPORT FOR DISABLED STUDENTS

160,955 students declared a disability within Higher Education (HE) during the 2008–09 academic year.¹⁰⁰ However, there was no reference to them in the Browne review and there has been little or no reference to them since. Ensuring that this group have the support they need to realise their potential is absolutely crucial.

Currently disabled students can access Disabled Students' Allowances (DSA). This covers costs associated with accessing study, such as information in alternative formats, a scribe to assist during class or assistive software. These are important in meeting HEI's obligation to make reasonable adjustments for disabled people as laid out in the Equality Act 2010.

Funding for these reasonable adjustments has proved critical. Indeed Higher Education Statistics Agency (HESA) statistics show that disabled students in receipt of DSA are less likely to drop out than disabled students not in receipt of DSA.¹⁰¹

It is crucial that whatever reforms happen to the HE structure, funding must be in place to ensure that disabled students get the reasonable adjustments they are entitled to in order to access their study and fulfil their potential.

CONTINUING PROGRESS TOWARDS INCLUSIVE LEARNING AND AN INCLUSIVE CULTURE WITHIN HIGHER EDUCATION

Something which remains paramount is to continue the progression towards creating an inclusive culture of teaching and learning within Higher Education (HE). There has been significant progress in this area with support from the Disability Discrimination Act and Equality Act 2010 in that HEI have an “anticipatory duty” to make reasonable adjustments. Creating an inclusive culture of teaching and learning is ultimately more efficient and cost effective leading to fewer reasonable adjustments applied reactively. It also helps raise awareness and address some of the needs of students who do not wish to declare their disability.

Principally, in moving forward, HEFCE's review into Disability Policy highlighted the importance of:

- Equality Impact Assessments as a key tool to embedding equality and diversity;
- taking an anticipatory proactive approach to providing inclusive education rather than reactive reasonable adjustments; and

⁹⁹ The Impact Report details the is available to download on the DWP website: <http://www.dwp.gov.uk/policy/welfare-reform/legislation-and-key-documents/welfare-reform-bill-2011/>

¹⁰⁰ Higher Education Statistics Agency 2008/9

¹⁰¹ The dropout rate for disabled students in receipt of DSA was 5.6%, the dropout rate for disabled students not in receipt of DSA was 8.6%. Taken from HEFCE analysis of HESA student records in 2008. Available on the Office for Disability Issues website <http://odi.dwp.gov.uk/roadmap-to-disability-equality/indicators.php#a9>

- recognising that disabled students belong to other socio economic groups and that any approach should be considered in terms of the other “Protected characteristics” to use the terminology of the Equality Act 2010.¹⁰²

It is critical therefore that a clear focus remains on the importance of creating an inclusive culture where disability is embedded into everything HEI do.

INVOLVING DISABLED STUDENTS IN THE EQUALITY IMPACT ASSESSMENT

While Skill understands that BIS has published an “Interim Equality Impact Assessment” it will be important in meeting the Public Sector Equality Duty to publish a fuller assessment of the impact of reforms on equality. This should involve not only consultation with key stakeholders including Skill and other organisations representing disabled people, but disabled people themselves both current students but those aspiring to go into HE.

In particular the assessment should explore some of the issues raised in this document including:

- the impact of higher fees on disabled people. This should include the impact of higher fees on those with high support needs and higher costs associated with their disability, the impact on people acquiring a disability and going into HE as a way of retraining, whether some disabled people might take longer to complete because of a disability;
- how the proposals on widening access will affect disabled people; and
- how the new funding structure will support disabled students once in HE to access and achieve their potential.

10 March 2011

Written evidence submitted by Skillset

1. This submission is from Skillset, the Sector Skills Council (SSC) for Creative Media which comprises TV, film, radio, interactive media, animation, computer games, facilities, photo imaging, publishing, advertising and fashion and textiles.

2. Skillset welcomes the Business, Innovation and Skills Committee inquiry into the future of higher education and the opportunity it presents for Skillset to represent the needs of students, higher education institutions and employers within the creative industries.

SUMMARY

3. The key points that Skillset wishes to bring to the Committee’s attention are:

- Funding should be made available for the small selection of high cost courses within the creative industries where delivery costs exceed tuition fees, and which meet the high standards that industry requires. In this submission we elaborate on the social and economic reasons for such a proposal.
- Alternative models of postgraduate study, and in particular taught masters degrees, should be considered in order to counteract the impact higher graduate contributions could have on uptake in postgraduate study.
- Where a course is vocational in nature, the Key Information Set (KIS—defined by HEFCE) should include sector-specific details about the destinations of students in the first year after completing their course.
- Where an industry is not represented by a professional body, the relevant Sector Skills Council’s accreditation system should have the same status as a professional body on the KIS.
- Alternative, more cost-effective methods of undergraduate study (like structured internships) should be considered to counteract the impact increased tuition fees could have on potential students from more economically challenged backgrounds.
- Higher education and industry should work together more closely in order to ensure that higher education institutions are delivering courses that are relevant to the needs of the industry.
- Sector Skills Councils are and should continue to be an important broker between the higher education sector and industry in order to articulate the needs of employers to Universities, broker relationships between the two and facilitate co-investment.
- There should be ongoing support for the Skillset Academy network and accredited courses, with Skillset continuing to play a coordinating role on strategic network development.

FUNDING

4. Skillset acknowledges the recommendations in the Browne Review that increased private contributions and more targeted public investment will “support high quality provision and allow the sector to grow to meet

¹⁰² HEFCE review of its policies as it relates to disabled students’ HEFCE (December 2009)

qualified demand.” However, Skillset believes that there are two areas that urgently need to be addressed in order to ensure that the quality of courses within the creative industries is not impeded.

5. Firstly, the Creative Industries is one of the areas in which the UK can claim to be world-leading. Over a million people work in the UK’s creative industries, with a further 800,000 employed in creative occupations in businesses outside the creative sector. The sector accounts for more than seven per cent of UK GDP and has shown consistent, above average growth for more than a decade. UK universities have played a critical role in this through the nurturing of creative talent, as evidenced in the Universities UK’s *Creating Prosperity* report, which outlines the importance of higher education to the future of the UK’s Creative Economy. The sector as a whole is characterised by high levels of Level 4 and above qualifications. Two thirds (60%) of workers in the creative media sector have degrees and many in media-related subjects. This compares with just 36% of adults who hold Level 4 qualifications or above across the whole UK workforce. The industry needs and will continue to need high calibre graduates in order to maintain its competitive edge. However, many creative subjects, and in particular Skillset-accredited courses, are at the expensive end of the current banding system due to the need for space and facilities. In these cases, the actual cost of running the course exceeds the tuition fees payable and there may be cases where it is not possible for HEIs to support them without some additional external funding. As described below in paragraph 14, Skillset-accredited courses are comparatively few in number and the Skillset approval process allows for that differentiation and targeted funding. It also targets employers’ support to the courses and institutions where they could see best return on their investment.

6. The Browne Review acknowledges that there is a “strong case for additional and targeted investment by the public in certain courses”, and that these may be courses that “deliver significant social returns.” However, it also identifies the categories that these courses may fall in to—science and technology subjects, clinical medicine, nursing and other healthcare degrees. Skillset therefore recommends that the list of the subjects that “deliver significant social returns” is expanded to include the creative industries, particularly in light of the creative industries’ contribution to the UK’s economic growth and global competitiveness as described above.

7. Skillset’s fear is that without this funding, higher education institutions will not be able to offer these more expensive courses at the high standards that industry requires and that the very education base needed for a growing part of the economy will be lost, together with the creative media industries’ confidence and support in the higher education system and their appetite to co-invest and build on the strong foundations that have been established. Skillset believes that it is critical that additional funding is made available for these courses at least during the transitional period to ensure that universities are able to continue to offer them and if necessary have time to develop alternative means of funding.

8. Secondly, Skillset is concerned about the impact that higher graduate contributions could have on recruitment for full-time postgraduate study and welcomes David Willetts’s decision to ask Professor Sir Adrian Smith to reconvene his review panel, which produced a comprehensive report on postgraduate study in March of last year, to consider this issue.

9. Skillset would like to put forward an alternative model of delivery that it has designed and launched in collaboration with industry and Skillset Media Academies across England—Build Your Own MA. This programme enables those that are already working within the industry to get the training they need whilst keeping up with existing work commitments. It consists of a series of short courses that carry postgraduate credits and can be taken with a wide selection of other courses to *achieve a recognised qualification*, ranging from a Postgraduate Certificate to an *MA in Professional Media Practice*. *All participating Skillset Media Academies recognise each others’ credits for their awards, thus enabling students to benefit from specialisms across the network*. The scheme will also see the development of bespoke professional development programmes that follow the same format, such as the Creative Media Leadership Award.

INFORMATION FOR STUDENTS

10. Skillset welcomes the proposed introduction of the Key Information Set (KIS) as a means of providing students with clear, accessible information about the courses they may wish to study in a standardised manner. However, Skillset believes that there are two essential pieces of information that have been omitted from the KIS.

11. Firstly, whilst the KIS currently provides the destinations of students in the first year after completing their course (including employment and further study) and the proportion of students in a full-time professional or managerial job in the first year after completing the course, there is currently no sector-specific relevance to these statistics. Skillset therefore recommends that this is added as an additional category. This information will be particularly useful for students considering vocational courses and will help them to identify those courses that are highly esteemed by the industry in which they wish to pursue a career. Where a course is not vocational in nature, for example English or History, this could be indicated by “not applicable” on the KIS.

12. Secondly, the KIS currently provides details of “Professional bodies which recognise this course” and the recommendations from the Professional Accreditation Working Group include that where courses are not accredited by professional bodies, the field should be filled with text reading “This course is not accredited by a professional body”. Skillset believes it is essential that where an industry is not represented by a professional body that the relevant Sector Skills Council’s accreditation system has the same status as a professional body. Otherwise, students wishing to pursue a career within these sectors will be at a considerable disadvantage when

it comes to evaluating the varying standards and different intentions of the numerous courses that are available to them.

13. Skillset is licensed by the government to represent the voice of the creative media industries which are now a major contributor to the UK economy. There is no professional body in this area. Skillset, in collaboration with industry and the higher education sector, has developed a robust, transparent process to accredit courses in subjects across these industries including computer games, animation, film production and digital media. The accreditation criteria and assessment process seeks evidence of sector destinations, links with industry, practical content, high-quality resources and professional practice. The process is transparent and flexible, recognising course differences and measuring industry relevance. This accreditation not only signposts to students courses that are industry approved, but also enables employers to target and focus resources on the courses that are relevant. All efforts are made to ensure that it does not add extra assessment burden to higher education institutions or students and that it links to other non sector-specific quality assurance arrangements.

14. Of the 12,400 courses relevant to the creative media industries available in England, Skillset has accredited 243 courses. All of these courses have been through a rigorous selection process conducted by professionals working within the industry and senior higher education staff. They are widely recognised as those that will best prepare students for work in the industry and those that have the strongest links with industry. To illustrate this point, Skillset has been systematically tracking students as they leave courses and the first student cohort shows that almost a third (33.8%) of graduates from Skillset-accredited courses find employment in creative media industries six months after graduating compared to the 10% of their counterparts from non-accredited subjects.

15. Skillset recognises that many theory-based subjects would not be eligible to apply for this accreditation and the subject accreditation titles will clearly differentiate the different subjects and subject matter, for example production courses as distinct from courses such as film studies. The latter would not carry the “This course is not accredited by a professional body” line as they would not be eligible.

16. Finally, Skillset understands that the information available to students should be credible and evidence-based and should avoid duplication and conflicting/overlapping messages. Skillset acknowledge that there are, across all sectors, many accrediting bodies and arrangements and recommends that only the accreditation arrangements available through professional bodies or licensed SSCs be included in the KIS.

DIVERSITY

17. Skillset is concerned about the impact increased tuition fees could have on potential students from more economically challenged backgrounds. Although Skillset welcomes proposals that Universities wanting to charge more than £6,000 would have to undertake measures, such as offering bursaries and outreach programmes, to encourage students from poorer backgrounds to apply, Skillset believes that alternative, more cost-effective methods of course delivery should also be explored.

18. Skillset is currently developing a proposal for a two Year Honours Degree Internship Programme. This fast-track, work-based course will combine the academic rigour of a degree programme with the industry relevance of an internship. Each year of study would consist of two times 10 week terms from October to Easter during which the student would achieve 100 credits, followed by an 18 week internship during which the student would achieve 80 credits. At the end of Year 2, if the student has achieved 360 credits, an honours degree would be awarded. The key benefits are that students will leave university with less student debt as they would only have to pay two years of the student fee, and they will also have developed excellent work-based professional skills and substantial industry contacts and thus be better placed to move straight in to jobs. Additionally, Skillset would encourage employers to provide a bursary for the student throughout the internship. Universities will not lose out as the period of teaching will all fall within the traditional academic term timeframe and employers will benefit from industry-ready graduates.

BROKERAGE

19. The recent policy regarding fees and the new funding arrangements of the Higher Education system will operate as a market system to attract investment and student numbers. Whilst recognising that degrees are general academic programmes, many students (and their parents) will prefer to invest their money in courses they believe will lead to better employment opportunities. Employers, meanwhile, are looking for educated individuals with high level skills. It is therefore essential that higher education and industry work together more closely in order to ensure that higher education institutions are delivering courses that are relevant to the needs of the industry. However, the structure of the creative industries—as sectors consisting of a large proportion of small businesses—makes this engagement difficult on both sides. Cost and time barriers are also an issue. Skillset therefore believes that it is critical that Sector Skills Councils are able to continue to act as a broker between the higher education sector and industry in order to articulate the needs of employers to Universities, broker relationships between the two and facilitate co-investment.

20. Skillset already plays an active role on this front. There are many hundreds of degrees aimed at the creative and digital sectors, but many are not delivering the content needed by the industry. With the backing of the creative media sector, over the last five years, Skillset has brokered a kitemarking and accreditation

system to signpost those courses in Higher Education that meet industry needs, as well as meeting broader educational objectives. Skillset has also created a network of Skillset Film and Media Academies. Skillset has launched a Pick the Tick Campaign to signpost students to those courses that have industry approval, and employers to those courses that they should target and focus resources on. As highlighted in paragraph 14 these courses are already generating impressive results.

21. Skillset has worked to strengthen the Academy network further by submitting bids to various funding bodies on behalf of the network for the further development of new courses and initiatives. For example, Skillset is currently overseeing a four-year project funded by the Higher Education Funding Council for England (HEFCE). The purpose of this project is to grow the capability of Skillset English Media Academies to provide training and advice that will develop the knowledge and skills of both new entrants to the industry and the existing media workforce, at the same time as building the capabilities of media organisations to meet the new challenges they face. The project focuses on building talented new entrants through the development of a two Year Foundation Degree Internship Programme, workforce development through the development of Build Your Own MA Professional Media Short Courses and business development through the development of Knowledge Transfer Partnerships (KTPs) between Skillset Media Academies and media organisations. Skillset's role has been pivotal to ensure industry relevance across all of these strands, carry out intensive marketing, encourage employers to help deliver the programmes and assist higher education institutions to move things forward in a timely manner.

22. Innovative projects such as these are already beginning to see tangible results. For example, the Skillset Media Academies are delivering a wide range of short courses as part of the Build Your Own MA portfolio. Each course carries Masters-level credits and is delivered by experienced academics and industry professionals to ensure its relevance. The short courses have attracted a small amount of Additional Student Number funding from HEFCE, but the activities are primarily funded through student fees and through co-funded arrangements whereby employers support and contribute to provision. Media companies, who have traditionally seen universities as the place to recruit junior staff, are now working with the Academies to provide staff development for their most senior staff. This CPD work has for example resulted in the BBC and the Guardian offering credit-bearing provision for the first time in conjunction with Bournemouth Skillset Media Academy, which is also delivering courses in collaboration with major games developer Sony Computer Entertainment Europe and film production body the Met Film School. At a time when the unit of resource provided by HEFCE to support teaching and learning is being decreased, this activity is generating valuable fully economically-costed income.

23. Innovation is crucial to the growth of the creative economy. Digital technology is re-shaping the economic landscape, demanding new business models and multi-disciplinary solutions that combine creativity with technological know-how and business skill. Skillset partnered in an important piece of research commissioned by the Universities UK to look at the wider role of Higher Education and Research in developing new ways of working, thinking and doing business. The report detailed a number of recommendations and provided a strong case and evidence base for support. In particular Skillset would highlight the need to build upon the work of the Skillset Film and Media Academy Network in creating innovation hubs.

24. Abertay Skillset Media Academy's work with the games and digital media industries in Dundee is an excellent example of a university acting as regional hub for innovation, skills development and industry engagement with international reach. Engagement with industry and employers spans a number of connected models. Games development employers have a high degree of input to course design, and many of the local companies were started by Abertay alumni, including some who have been through the University's Embreonix entrepreneurship programme. The local workforce also includes a high proportion of Abertay graduates supporting an active network across the region. The Institute's Dare to be Digital competition has pioneered a workplace simulation model which is now built in to taught programmes, and is being used in professional academic development across all university disciplines. Dare has been widely cited as a model of best practice and brings interdisciplinary teams of arts and science students together to create and demonstrate games prototypes using original IP, while working in industry conditions and mentored by a UK "accord" of games development companies. Over 100 teams of five students representing 80 different universities internationally entered the 2010 competition. The project has a wide international reach and has led to a number of international partnerships.

25. Similarly, building networks and distributing intelligence is a key part of Birmingham City University Skillset Media Academy's contribution to the region's economic development. Creative Networks hosts 12 events per year and features practitioners of national and international standing to engage industry in reviewing best practice and identifying how to improve performance. Events are geared around promoting networking and contact generation for emerging businesses. Birmingham City University Skillset Media Academy also runs a programme called Insight Out which has been recognised as a leading creative enterprise programme and has directly contributed to increasing creative start-ups in the Midlands. The programme has engaged the support of 48 organisations and 121 participants, specifically supporting graduate retention in the region. The project has directly contributed to the creation of 58 start-ups in five years. This is being extended with support from Birmingham city council for incubation space, which also involves Aston University and the University of Birmingham, in assisting city-based graduates to establish their own businesses.

26. In conclusion, Skillset believes that there should be an even closer relationship between higher education and industry and that there should be ongoing support for the Skillset Academy network and accredited courses, with Skillset continuing to play a coordinating role on strategic network development. Without Skillset's continued support employers and higher education institutions may not have the time nor the inclination to drive forward innovative partnerships and projects that contribute substantially to the UK economy such as those described in this document.

10 March 2011

Written evidence submitted by the Society of Biology

The Society of Biology is a single unified voice for Biology: advising Government and influencing policy; advancing education and professional development; supporting our members, and engaging and encouraging public interest in the life sciences. The Society represents a diverse membership of over 80,000—including practising scientists, students and interested non-professionals—as individuals, or through the learned societies and other organisations listed below.

SUMMARY

- Given the loss of teaching funding, the current cuts and the need to create more bursaries/scholarships, the HE sector is under significant constraint and it is unlikely that many universities will be able to maintain the current level of Biological Sciences course provision unless the maximum tuition fees are charged.
- Further guidance and information for schools and the public is needed on the proposed tuition fee system to limit misconceptions.
- Under-funding of Bioscience programmes make the delivery of vital high quality practical teaching more difficult. We must maintain numbers of appropriate Biology courses in UK universities despite the relatively high cost of such degrees to provide us with the research and production base of the future.
- Increasing student numbers in the absence of expansion of staff and facilities will put a significant strain on standards, particularly on practical skills, including lab and field work.
- The Society of Biology welcomes the Government's commitment to try to ensure equality of access for all students.
- To maintain the high quality of graduates entering Biology teacher training, Initial Teacher Education (ITE) courses need to be supported and retained as a graduate qualification within universities.

Fees

Lord Browne recommended that more funding should be available to support the competitiveness of the HE sector, with this funding derived from increased student fees. It is clear that the Government's proposals on tuition fees remain deeply unpopular with a significant proportion of the population, including many of our members. Student fees are a daunting prospect already for many young people and concern has been expressed at the prospect of increased student debt in the future. However, there are misconceptions regarding the operation of the scheme, and guidance and information given to schools and the public on this has been poor. The design of the proposed scheme for loan repayment as dependent on graduate income was intended to ensure that increased fees would not be seen as a deterrent by students or their families, including those on lower incomes. This has not been achieved and must be addressed.

The sector is facing cuts in the teaching grant that precede the introduction of the revised fee system and the Government is signalling strongly to higher education institutions in England (HEIs) not to charge the allowed maximum fee of £9,000. Given the loss of teaching funding, the current cuts and the need to create more bursaries/scholarships, it is unlikely that many universities will be able to maintain the current level of provision of Biological Sciences courses, let alone realise Lord Browne's recommendation of increased funding to support investment, unless the maximum £9,000 is charged. Institutional funding models have detailed the current costs and, in the biosciences, where costs are relatively high, the maximum amounts must be charged in order to sustain delivery.

Student numbers

Lord Browne recommended that HEIs should have the flexibility to regulate their own numbers, thereby permitting greater student choice and the ability for HEIs to respond to student demand. This requires the removal of the institutional maximum aggregate student number (MASN) and would allow true competition within the sector. It would increase pressure on HEIs to support teaching activities to a greater extent than is often the case at present, thereby driving up quality to the benefit of students.

However, it is not necessarily the case that increasing student numbers in a good institution will guarantee more good graduates in the absence of significant expansion of staff and facilities. Higher numbers of students

in practical (laboratory and field) classes can put a significant strain on standards. In this case increased student numbers could be a penalty. Accreditation of degree courses by learned societies is one route to help address these concerns.

Equal access

The Society of Biology welcomes the Government's commitment to try to ensure equality of access for all students in response to Lord Browne's review. We wish to ensure that the sciences, such as Biology, which are so critical to national health and economic well-being, continue to be widely available across the regions, attracting the most able students irrespective of privilege or wealth. The new £150 million National Scholarship Programme will be welcomed by students and their families on lower incomes but the scheme must be implemented so as to ensure that the intended full access for bright students with limited family financial support works in practice.

Proposals for the Office for Fair Access (OFFA) to fine HEIs that do not meet imposed targets do not reflect a constructive approach to improving breadth of access when many contributing factors are beyond the control of HEIs. Many universities are already very pro-active in terms of outreach and work hard to encourage access for students from poorer backgrounds or from those where progression to HE is not seen as a normal route. Aspiration to attend higher education needs to be instilled early in the students' educational career, and to be supported by the ethos of their teachers.

Research and teaching funding in higher education

The outputs from public funding of higher education include new knowledge and highly educated, skilled people; both are essential for a successful UK economy. To emerge from the current economic crisis, it will be important to increase and exploit our knowledge and skills in areas of national strength, such as the biological sciences, and by supporting pharmaceutical innovation and sustainable agriculture. Science in its totality contributes enormously to our economic and social prosperity, and the life sciences are a particularly successful story for the United Kingdom. In many areas we are second in the world only to the United States, and in other areas we are often the world-leaders.¹⁰³ UK University science research represents remarkable value-for-money in terms of drive to the economy per pound invested.

Certain strategically important and vulnerable subjects (including subjects within the biological sciences) require protection both in terms of student access and the retention of trained staff. It is vital that we maintain numbers of appropriate Biology courses in UK universities despite the relatively high cost of such degrees, to provide us with the research base of the future. The Biosciences, while acknowledged as strategically important, have not been considered "vulnerable" but there is a mismatch between supply and demand in professional skills in many biological disciplines. A recent report from the Biotechnology and Biological Sciences Research Council¹⁰⁴ on areas of bioscience research expertise that are strategically important for the UK, but that are vulnerable or likely to become so has identified whole animal Physiology, industrial Biotechnologies, Plant and Agricultural sciences and Systematics and Taxonomy.

The Browne review proposes that public investment should be targeted to the teaching of priority subjects, such as science and technology, to provide an incentive for HEIs to continue to run courses which deliver significant social returns and provide skills and knowledge currently in shortage or predicted to be in the future. The Society of Biology supports this proposal, however urges that additional money allocated to universities to "top up" the fees paid by students for these priority subject courses must be ring fenced to ensure that it is used to offer a high quality experience to students on these courses.

The details of cash allocations for university teaching also remain a key concern for the Society of Biology. Biology is at the heart of many areas of strategic importance to the UK, for example, health, the environment, food security, biodiversity and climate change. Bioscience subjects are costly to teach, and there are few cheap options for teaching it well, in part due to the vital elements of laboratory and fieldwork. The production of practically skilled scientists is critical to the economy; this should be reflected in funding in order to ensure that there is sufficient incentive and provision to guarantee good teaching. If universities are to charge fees of £6,000–9,000 a year, students and their parents will, with justification, expect a considerable return in terms of good quality learning and teaching.

Under-funding of bioscience programmes, which remain strong in terms of recruitment, will place an increasing burden on institutions and make the delivery of high quality practical teaching more difficult. This teaching does not just require access to facilities, sites and consumables but also to sufficient dedicated staff time. We are already aware that courses with laboratory- and field-based elements are experiencing a funding squeeze. We remain concerned that to reduce costs, expensive courses may be cut in some parts of the country, or become restricted in terms of the quality of access to essential practical hands-on experimental experience and skills development.

¹⁰³ Universities UK report: The Future of Research 2010 www.universitiesuk.ac.uk/Publications/.../TheFutureOfResearch.pdf

¹⁰⁴ BBSRC Report: Strategically Important and Vulnerable Capabilities in UK Bioscience 2009 www.bbsrc.ac.uk/web/FILES/Reviews/0905_bioscience_research_skills.pdf

The planned closure of the Higher Education Academy subject centres is a further concern to the Society of Biology. In particular the Biosciences Subject Centre provides an impressive range of activities and resources to support lecturers, and has led the development of learning and teaching across this subject. We hope that the centralised HEA will continue to offer the discipline-specific support that is so highly valued by members of the Bioscience community.

Degree structure

We strongly oppose any move towards fast-track two-year degrees as a new norm for strongly skills-based disciplines like the Biosciences. It is important to note that our international commitments under the Bologna agreement push us in a different direction, proposing a *minimum* of three years for undergraduate degrees. It is our belief that science degrees will increasingly require four years of study, and Chemistry and Physics have already moved significantly towards four year integrated Masters degrees as the entry route to research based careers.

Recognising the additional cost of moving to a four year structure for some degrees, the Society believes there must be more flexibility in the university sector to accommodate new degree models. Allowing study breaks, a mixture of full time and part time study and the so called 2+2 model (where students study for their first two years on the theory of their subject at a local (or other) HEI, and then move to a HEI specialising in research for the final two years) merit more detailed review.

Lord Browne's report addresses the gaps between the skills required by employers and those which university graduates are able to demonstrate. If students are to pay significantly enhanced fees, their interest in marketable skills will inevitably grow. It will be important to help students to identify courses which have the strongest likelihood of providing them with the skills and education they require for a particular career path. For this reason, the Society of Biology has been working to develop an accreditation programme for undergraduate biology degrees with significant research training and for which a pilot scheme will operate in the academic year 2011–12. The Society of Biology is keen to make sure students are able to make informed choices and to be more certain of the outcomes they can expect from their university education.

Teacher training

Within the review of Higher Education come prospective changes to teacher training. To maintain the high quality of graduates entering biology teacher training, Initial Teacher Education (ITE) courses need to be retained as a graduate qualification within universities. Whilst an increase in school-based learning akin to teaching hospitals has value, in that model, university based learning is also maintained. This provides the space and guidance to become reflective practitioners. Whilst we welcome the specific allocation for the separate sciences, as opposed to an overall allocation for science, the Society of Biology has significant concerns that the assimilation of biology and general science into one allocation will have damaging impacts on the following: recruitment of high quality biology teacher trainees; the levels of expertise in biology education research, and the drive to strengthen subject specialism among biology teachers. The UK is a world leader in many aspects of bioscience education research, and bioscience industries are growth areas essential to the UK economy. Recruitment of young people into further education, higher education and employment in the biosciences is critical and will only continue if they are taught by proficient and expert biology teachers, who have a firm grasp of their subject and subject pedagogy and a deep appreciation of difficulties associated with studying the subject. By grouping biology with general science we are concerned that this will create the impression that biology is the weaker science and discourage students from studying biology further. We would therefore like to see a decoupling of these subjects and recommend that biology is given a stand-alone quota for 2011–12.

We gratefully acknowledge the contributions of Dr Jon Scott, University of Leicester and Ms Ann Fullick, Society of Biology Education, Training and Policy Committee.

10 March 2011

Written evidence submitted by the UNITE Group

EXECUTIVE SUMMARY

The UNITE Group is one of the UK's leading developers and managers of purpose built, professionally managed student accommodation, with 129 properties across 24 university cities, accommodating more than 40,000 students. It is also a listed FTSE 250 company and has to date invested almost £1 billion in developing and maintaining its portfolio of quality accommodation.

In summary the UNITE Group recognises that there is a need for the reform of higher education funding and access, both to address the current financial constraints of needing to reduce public expenditure to deal with the budget deficit, but also to enable higher education to become more self sustaining in the longer-term. However, there are a number of issues contained both within the Browne Report, and subsequent policy announcements, which we feel need to be further addressed in order to secure the viable long-term funding and access arrangements for higher education.

These have been addressed in this submission to relate to the broad themes of the committee's inquiry as laid out in the call for written evidence. However, we would make clear at this point that due to the announced delay in the release of the Higher Education White Paper we have been unable to comment on, or assess the impact, of much of what is likely to be contained within the Paper. Therefore UNITE's submission is based upon the key points of the Browne Review, subsequent policy announcements and Ministerial statements and our views on areas of potential policy considerations.

Overall UNITE would wish to see greater consideration given to the role accommodation has to play in making higher education accessible to potential applicants, as well as how innovative asset development and management plans can help to secure the longer-term funding stability within the HE sector. For UNITE does not believe that the proposals for reform will have a significant impact upon the underlying demand for student accommodation, despite the fall in overall numbers.

THE BROWNE REPORT AND THE PROPOSED WHITE PAPER ON HIGHER EDUCATION

1.1 UNITE understands the approach laid out in the Browne Report and the need to reform the funding of the higher education system. UNITE appreciates that the public cost of higher education is high and is likely to increase as demand for university places continues to rise. If the sector is to become more self-funding over the medium to long-term then it is clear that universities must be able to capture a greater proportion of their income from their primary consumers—students. This is even more necessary at a time of reduced private income from contracts and endowment funds due to the current economic climate. It is clear, therefore, that the growing expansion of the sector has placed the current model of university financing beyond the limits of what was envisaged in the provisions within the Teaching and Higher Education Act 1998 and subsequently the Higher Education Act 2004, and that the current economic priorities of the Government have necessitated a wide-scale review into the sector's funding.

1.2 UNITE accepts the notion that universities need to be given the ability, within certain limitations, to recapture a proportion of their costs through the freedom to be able to raise the cap on what they charge in terms of course tuition fees. Ultimately UNITE believes that the HE institution should be free to determine its own level as long as that level was justifiable and complied with the relevant access criteria.

1.3 UNITE believes that the proposal to broaden access and participation for students from relatively less well-off backgrounds is to be welcomed as a means of promoting social mobility and contributing towards a more economically competitive workforce. However, we await further detail likely to be contained within the White Paper on the issues relating to this.

1.4 UNITE understands that the debate is still going on as to whether students should be given the option to be able to pay their tuition fees in advance. UNITE believes that this is a good option, should a student wish to pursue this route, and that it should not be ruled out at this stage. UNITE also believes this will also enable students to make more informed choices about the type and costs of accommodation they want during their time of study.

1.5 UNITE is supportive of the proposals to provide support for living costs, available to all, through an annual loan of £3,750 and the fact that access to this will not be means tested. As part of this UNITE also welcomes the additional support for students from families with an income below £60,000 per year, with up to £3,250 in grants.

1.6 However, UNITE does suggest that consideration is given to increasing this figure for areas of high accommodation cost—for example, applying a London weighting—where rents are significantly higher than other university towns and cities.

1.7 UNITE believes that greater consideration needs to be given to the role student accommodation has to play in deciding where students apply to study. For choices will not just be based upon the cost of tuition fees alone, but wider factors such as the cost and quality of student accommodation, and even its availability in areas of high application demand. UNITE therefore welcomes the requirement for universities to publish a Key Information Set by 2012, which will include information relating to accommodation costs etc.

1.8 UNITE therefore believes that further exploration should be undertaken to ensure that the supply of adequate accommodation is factored into the debate on participation and on the ability of institutions to expand their number of places per year. For such expansion could place significant pressure upon the supply of family housing within a local area and lead to tensions with the established community. Nationally the supply of good quality, well-located student accommodation continues to lag behind demand.

1.9 UNITE also considers that in certain areas accommodation, such as on-street housing in multiple occupation, may be restricted by changes to the rulings on HMOs and the proposed changes to Local Housing Allowance (LHA) levels which may result in students being squeezed out as cheaper rental properties are taken up by LHA occupants. This may have an impact particularly on the objectives of widening access and participation of those from more modest backgrounds. Therefore, UNITE believes that there is a need to ensure that the provision of accommodation for students does not have a detrimental impact upon housing provision for local residents

THE ROLE AND FUTURE OF STATE FUNDING IN HIGHER EDUCATION

2.1 UNITE shares the view that the state should continue to provide a significant proportion of the funding for higher education through the “block grant”. However, UNITE recognises that the proportion of overall funding to universities provided by the Government is under significant pressure due to continuing demand and the requirement for public expenditure reductions.

2.2 UNITE accepts the view that the current funding and finance systems for higher education are unsustainable and therefore need to be reformed.

2.3 UNITE believes that universities should be encouraged to identify other private sources of income and investment, such as income from research contracts and endowments. However, UNITE recognises that at present this is constrained due to the current economic climate and wider concerns relating to private donations following the recent reporting on the LSE and funding received from the Libyan Government.

2.4 As mentioned in paragraph 1.2 UNITE accepts and supports the need for students, under the proposed Student Finance Plan, to pay a greater proportion of the costs associated with their courses. However, as part of this greater focus needs to be given on the role of the student as an active consumer who is purchasing a very expensive product. As such, students need to be able to see that they are getting value for money for the increases in tuition fees and we welcome the proposal for the KIS which will help that happen.

2.5 UNITE does have some reservations relating to non UK students and how changes to Tier 4 could potentially deter the brightest and the best foreign students from wanting to study at UK higher education institutions. This is linked to the concerns held by many HEI’s over their ability to be able to recruit high calibre staff from overseas.

2.6 UNITE believes that insufficient attention has been given to the efficiency agenda, and that far greater consideration needs to be given as to how universities unlock greater efficiencies in how their resources are managed and developed, including their property assets and student accommodation. We feel that there is significant scope for ongoing efficiency savings to be made which will off-set overall levels of funding shortfalls in the short to medium term, whilst private funding remains subdued, but also with the longer term goal of making the higher education sector more sustainable and less reliant on the “block grant” and on government capital funding.

2.7 UNITE believes that a good example of this is the need for greater outsourcing or sharing of so-called “back office functions” such as procurement, IT, HR etc between institutions, much in the same way local authorities are combining to share services and functions to continue to provide core services. Whilst UNITE does not believe that HEIs need to be as radical further consideration does need to be given to outsourcing, thereby allowing a greater focus on the core activities.

2.8 One area where UNITE feels that particular focus needs to be given is that of student accommodation and how it is provided and managed. Many institutions have large estates of student accommodation which could be used more effectively, to both unlock capital for use in the university’s core mission, and reduce management and maintenance costs. For example, figures from the Higher Education Funding Council for England suggest that more than 90% of higher education institutions have had at least 10% of their buildings judged to be either inoperable and at serious risk of major breakdown or, worse, unfit for purpose—release of residential capacity would enable investment to improve this.

2.9 UNITE’s sector experience, therefore, could help universities understand how best to maximise value from their capital estates through a strong partnership approach, which can include options such as anything from outsourcing to nominations agreements and shared resources.

CONCLUSION

UNITE accepts the need for the reform of the system of financing for higher education institutions, and broadly accepts the principles laid out in the findings of the Browne Review. However, UNITE believes that greater consideration needs to be given as to the role student accommodation has to play, both in terms of unlocking efficiency savings but also in widening participation for students, especially if HE institutions and providers will be given the flexibility to vary intake numbers and new HE providers established in areas of high accommodation demand.

Written evidence submitted by the University Council of Modern Languages (UCML)

UCML is the overarching national organisation which represents the interests of modern languages, linguistics and area studies in higher education throughout the United Kingdom. It counts among its members virtually all University Departments and professional associations concerned with the study of Modern Languages. This submission comes from the Chair on behalf of UCML.

SUMMARY

- Specialist language graduates and graduates in other disciplines offering language skills make a major contribution to the UK economy in a globalising world.
- To address the shortage of graduates with the language and intercultural skills required by the economy, the UK requires an expansion of numbers on language degrees and a target that all UK graduates should have competence in English and a second language.
- Despite the success of cross-sector initiatives to promote language study, all modern languages continue to be both Strategically Important and Vulnerable, and to require additional targeted investment.
- Initiatives promoting language study need to be maintained.
- The international experience of work and study abroad, a unique feature of language degrees, also brings proven benefits to all graduates and to the UK economy. Student mobility is already very low among UK undergraduates, and will be particularly threatened as increased fees and higher debt deter students from four-year programmes: work and study abroad programmes require special consideration and funding.
- The Higher Education Language group within BIS performs a uniquely valuable role and should continue.
- The proposal to make HE free at the point of entry for part-time as well as full-time students should increase recruitment to language programmes.
- Languages are equally vital for UK university research across the Humanities and Social Sciences, and thus indirectly to attract international students to the UK.
- Languages are in danger of becoming the preserve of a social, economic and intellectual elite: measures to widen participation in languages are essential.

1. In a globalising world, the UK needs its universities to provide graduates who are competent in foreign languages. The strategic importance of all foreign languages is amply demonstrated. It extends beyond linguistic skills themselves to embrace cultural insight and intercultural skills, alongside the full range of generic graduate skills:

“As world economies become increasingly connected, the international skills needed to operate on a global scale have become increasingly important. Globally oriented firms seek internationally-competent workers who speak foreign languages and have the intercultural skills needed to successfully interact with international partners. Governments as well as individuals are looking to higher education to broaden students’ horizons and help them to better understand the world’s languages, cultures and business methods’ (OECD 2010).

“Language skills are [...]important in an increasingly globalised workplace. Students should be striving to develop these skills which, alongside their academic qualifications, are not an optional extra. [...] Language skills and an ability to work in a multi-cultural environment are also valuable in an increasingly globalised workplace. Foreign language proficiency adds significantly to a candidate’s portfolio of skills, not just in terms of conversational ability, but also general cultural awareness and sensitivity” (CBI 2009).

The British Academy position statement *Languages matter more and more* (February 2011) further emphasises the need for language graduates. Statements from Government Ministers, HEFCE and the House of Lords among others have also recognised the crucial importance of university language graduates for the British economy, and that this importance extends to all languages and to in-depth study and knowledge of the countries and cultures in which the language is used.

2. UK graduates seeking international careers are handicapped by a lack of foreign language skills. The under-supply of UK graduates who are native English speakers but have high proficiency in one or more foreign languages has recently been recognised, for example, by the FCO (event hosted 18 October 2010) and by the European Commission’s EU Careers Month http://ec.europa.eu/unitedkingdom/press/frontpage/2011/1119_en.htm. UK citizens make up 12% of the EU population but only 6% of EU civil servants and just 1.5% of applicants for posts in 2010.

3. Data on graduate employment consistently underline that language graduates pursue an exceptionally wide range of professional careers, confirming research evidence that a language degree develops an outstanding portfolio of personal and employment-related skills, over and above the target language skills.

4. UCML suggests that measures to be considered in order to increase the number of language graduates might include:

- Funding of Additional Student Numbers in languages.

- A competitive national bursary scheme for language study.
- Inclusion of questions in the National Student Survey related to the language and international experience on offer in the university.

5. UCML suggests that the UK graduate workforce as a whole would be strengthened if universities were given the target that all UK graduates should have competence in English and a second language.

6. The Browne report makes one specific reference (p.47, §6) to modern languages, arguing for “additional and targeted investment by the public in [...] strategically important language courses”. HEFCE recognises all Modern Foreign Languages, together with Area Studies and Related Minority Languages as Strategically Important and Vulnerable subjects (SIVs). UCML believes it is essential that the designation should continue, and that the necessary investment in targeted support for tuition fees should be made, because languages, despite their demonstrated strategic importance, continue to be vulnerable:

- The CBI (2009) expressed its concern “about the quantity and quality of graduates with STEM degrees, and other valued skills such as competency in foreign languages”.
- The number of degree programmes offered in the six principal languages have fallen since 2003 from 503 to 271, a fall of 46%.
- The closure of courses and of whole language departments across the UK has not slowed.
- Recruitment to specialist language degrees peaked in the UK in 1992; there followed more than a decade of steep decline. The decline has slowed in recent years: between 2002–03 and 2009–10 the total fall was 2.6%, including a 1.2% drop in first degrees and 13.8% decline in other undergraduate degrees
- However, probably as a consequence of special cross-sector measures undertaken to promote the value of studying languages beyond GCSE and into university, including *Routes into Languages*, student numbers on first degrees in languages have, since 2004, shown a consistent but slight and as yet fragile recovery, averaging just 1.1% a year.
- The collapse of language study at Key Stage 4 continues to reduce the numbers of potential language undergraduates. The proportion of state schools with 50% or more pupils studying a language at KS4 fell by one-third, from 48% to 36%, between 2005 and 2010; the proportion taking a language GCSE dropped from 71% in 1997 to just 43% in 2010. Any benefits to languages from the introduction of the English Baccalaureate will take at least five years to feed into HE recruitment.
- At AS level, despite an increase in Spanish, overall language entries are down 9.3% since 2007. At A level, as in first degrees, a steep decline from the 1990s was halted around 2004 and since then recovered by 10.1%. Nonetheless, the overall drop since 1996 is 24.6%, over a period when overall A-level entries across all subjects has soared by 25%. French, for example, represented 3.66% of entries in 1996, but just 1.57% in 2010.

Overall, the supply of qualified applicants from secondary is very uncertain, and, despite some possible green shoots in recruitment to first degree HE languages, the situation remains critical, and continued protection and promotion essential. UCML, and the HE languages sector more broadly, are proactive in promoting HE language study and its importance for the UK economy. A number of issues raised by Professor Michael Worton’s 2009 HEFCE report into Modern Languages in Higher Education have been taken forward in various contexts. UCML has led one project involving a range of associations and stakeholders: *Shaping the Future of Languages in Higher Education*, funded by HEFCE, will in April 2011 produce a toolkit for Universities and other stakeholders. UCML has played a leading role in both *Routes into Languages* and *Links into Languages* to promote language study. UCML is also working with other agencies to launch the *Speak to the Future* campaign, focusing on languages in society and at all levels of education.

The apparent success of cross-sector outreach programmes in slowing the decline in language study, at least in some areas, underlines the importance of maintaining such programmes. It is therefore essential both that all languages continue to have SIV status, and that initiatives promoting language study are maintained.

7. Work and study abroad, often called the year abroad, are a distinguishing feature of language degrees, and a highly desirable element of all UK degree programmes. David Willetts said in 2010: “Businesses say there aren’t enough students with experience of languages, different cultures and the wider world. British companies want to export abroad but one of the problems they raise with us is that British students don’t have foreign languages and an experience of living in another country. One of my aims is to try and encourage our undergraduates and postgraduates to study abroad and the best way to do that is to ensure it counts towards a British degree. There has to be time overseas doing a programme which a British university recognises and validates. It would enrich the outlook of British students and make them more employable”.

Too few UK graduates currently undertake work and study abroad. The following table shows how, for example, the number of participants in the EU’s ERASMUS student exchange scheme continues to expand, while UK participation, with the exception of 2005–06 and 2007–08 when existing work placements were incorporated into the ERASMUS scheme, has consistently fallen.

	00/01- 01/02	01/02- 02/03	02/03- 03/04	03/04- 04/05	04/05- 05/06	05/06- 06/07	06/07- 07/08	07/08- 08/09
Total	+4.52%	+6.79%	+8.61%	+6.23%	+7.21%	+3.18%	+2.12%	+3.38%
UK	-6.06%	-6.16%	-5.25%	-4.30%	-1.15%	+1.46%	+3.97%	-1.25%

Across the ERASMUS programme, non-specialist language students represent 85% of participants. Only in the UK do specialists in other disciplines make up only 60% of ERASMUS participants: such is the lack of language skills among UK students generally, and their lack of recognition of the benefits of work and study abroad.

There is robust evidence that work and study abroad deliver not just improved language skills, but enhanced academic knowledge, cultural insights, intercultural and personal skills. Work and study abroad also enhance employability: skills gained abroad are a factor in landing first and subsequent jobs for over 70% of language graduates, a significant factor for over 30%, and the determining factor for about 10%. Skills gained during work and study abroad come in useful at work for nine out of 10 language graduates. UCML is working to assemble this evidence into a single dossier.

In the new tuition fee regime, it is feared that four-year courses will be less attractive because students will accumulate greater debt, both for fees and for other costs. This is a major threat both to specialist language degrees and to the participation of other students in work and study abroad. UCML wants the Government to protect and promote the benefits brought to the UK economy through graduates who have undertaken work and study abroad. Specifically, UCML wants the Government to consider:

- Continuation of the fee waiver funded by HEFCE beyond 2011–12.
- Extension of the fee waiver beyond Europe and assistantships to embrace all destinations, notably China, India, the Middle East, Russia, Africa and Latin America.
- An increase in the proportion of fees covered for students abroad by the fee waiver, so that fees during stays abroad do not rise as fast as general tuition fees.
- A freeze on interest on student loans during work and study abroad.

Additionally, UCML is encouraging HEIs to continue to charge their own students reduced fees to encourage participation in work and study abroad programmes.

8. One positive outcome of the Worton Report was the establishment of the Higher Education Languages Group within BIS, bringing together major stakeholders such as HEFCE, DfE, the National Centre for Languages, the Subject Centre for Languages Linguistics and Area Studies and the British Council, as well as UCML. This unique link between Government and expert stakeholders brings substantial benefits to all sides, and must continue.

9. Browne's Principle Six recognises the importance of part-time study in upskilling the UK workforce. This applies fully to modern language studies. In addition to the 10,000 students a year studying languages at the Open University, and the consortium *Netzwerk Deutsch* linking the OU with six other HEIs, many HEIs offer part-time provision. UCML therefore welcomes the proposal to make HE free at the point of entry for all students, regardless of the mode of study, and the proposal that entitlement should begin at one-quarter of full-time equivalent study.

10. The British Academy, in its two *Language matters* reports (2009, 2011) stresses the need to maintain advanced language skills across the whole curriculum, if the UK is to maintain its international pre-eminence in Arts and Humanities research. A shortfall in graduate language skills would jeopardise the UK's reputation for research in social, economic, historical, literary and other domains, which in turn is vital to recruiting international students and to the billions of pounds which they bring to the UK. In this context, UCML welcomes the nearly £5 million of new British Academy funding from BIS to support languages and quantitative approaches in the humanities and social sciences.

11. UCML is concerned that language study is increasingly the preserve of a socio-economic elite at secondary school, in post-compulsory education and at university, and would like the Government to explore the possibility that policies on widening access might explicitly address this issue:

- 41% of state school pupils take a language GCSE, compared with 81% in independent schools and 91% in selective schools.
- Robust annual surveys, most recently *Language Trends 2010* (http://www.cilt.org.uk/research_and_statistics.aspx), confirm very clear geographical and socio-economic discrepancies in provision of language study. Data on Key Stage 3 timetabling and Key Stage 4 take-up show how pupils in the North of England, in less privileged areas, and in lower performing schools have less access to foreign languages than in wealthier areas, in selective schools and in independent schools.
- Independent schools represent about 7% of England's secondary school pupils, but at A level they represent 29.7%, 27.2% and 34.2% respectively of entries in French, German and Spanish, and 42.9%, 42.5% and 48.5% of top A level grades.

- Of all mainstream university disciplines, Modern Languages has the highest proportion of students from independent schools; about 40% of applications and admissions are from the highest socio-economic group.
- Language degrees are increasingly concentrated within the Russell Group of universities, leading to uneven geographical availability of (non-distance-taught) provision in some languages.
- Lower socio-economic groups are more debt-aware, so the new fee regime risks accentuating the existing elitism.

CONCLUSION

The University Council of Modern Languages looks forward to continuing engagement with Government policy in shaping Higher Education to provide the graduates with the linguistic, intercultural and generic graduate skills which the UK economy requires.

10 March 2011

Written evidence submitted by the University of Bolton

The Terms of Reference for the Inquiry are:

- The conclusions of the Browne Report and the content of the Government's proposed White Paper on higher education (including the Government's proposals for widening participation and access); and
- The role and future of state funding in higher education

CONCLUSIONS

1. University of Bolton (UB) would like the White Paper to address the role of grant funding in supporting strategically important and priority subjects which may be vulnerable in a market environment; helping the sector to innovate where initial start-up costs may be a barrier to change; assisting institutions with the higher costs associated with supporting widening participation students.

2. UB would like the White Paper to consider how employers can be incentivised to invest in the development of their staff.

3. UB would like the White Paper to consider how the artificial distinctions between full and part-time study can be removed to enable more flexible study patterns to develop.

4. UB would like the White Paper to address how state funding can be used to maintain capacity in STEM and other priority subjects.

5. UB would like the White Paper to recognise the role of community-based institutions in meeting the needs of under-represented groups who are unable or unwilling to leave home to access higher education.

6. UB would like the White Paper to recognise the civic role played by provincial universities in their towns and communities and to recognise that in this respect the state funded institutions are significantly different to private providers.

7. UB would like the White Paper to give some indication of the longevity of WP premium/TESS and more importantly "Teaching Grant" funding to build into our three year modelling.

8. UB would like the White Paper to indicate that the NSP allocation should reflect in some way the likely numbers of students eligible for scholarships a university might have. This will be disproportionately high in small WP institutions like UB. This would be preferable to simple institutional "size only" allocation criteria.

9. UB would like the White Paper to indicate that VAT issues for associated companies/shared services will be addressed

10. UB would like the White Paper to make provision recognising the importance of Capital Investments to Teaching Capacity.

11. UB would like the White Paper to clarify how the Government intends to ensure that universities can compete with private providers on the basis of a level regulatory playing field.

12. UB would like the White Paper to assist universities by recognising that part time programmes could be part funded by employers as well as by students (using the loan package) but employers may need to be incentivised to support their employees.

13. UB would like the White Paper to address how institutions with a high proportion of part-time students can be assisted to maintain this provision, if they are unable (on market grounds) to charge higher pro rata fees especially with reference to CPD in the NHS.

14. UB would like the White Paper to include: clarity about full fee “up-front” and “off loan book” students and a de-restriction of them within the student number control. Ensuring that the very exciting contestable margin student numbers potentially to be floated in the White Paper are offered in the context of a fundable core for each institution that has a national minima level (to maintain the viability and critical mass of a university with a key provincial/civic position).

UNIVERSITY OF BOLTON KEY POINTS

- University of Bolton (UB) is facing the challenges set by Government policy realistically and constructively.
- The UB has concerns regarding the impact of the progressive withdrawal of teaching funding from 2012.
- UB is working towards achieving high levels of efficiency savings, whilst focussing on student and employers’ needs.
- UB has particular strengths in STEM activity. This derives from its historic roots as a vocational and technical institute serving the needs of the local community for higher level skills
- UBs intake significantly includes:
 - 99% from State schools;
 - high levels of mature students (80%);
 - those declaring from ethnic minority and faith groups (eg at least 20% Muslim);
 - significant proportions of students declaring a disability (8%);
 - 46% of intake comes from lower socio-economic groups;
 - more than half of UB students study part-time; and
 - most UB students (including FT) come from within 50 miles of the University (90% from the NW).
- UB has strong 4* “high impact” research linked to business and industry particularly in the fields of engineering and material science.

UB is a classic WP/access University. Its costs are low and it generates a very small operating surplus year on year.

- UB is seeking to:
 - keep fees for 2012 affordable and sustainable;
 - look to use the NSP to the fullest advantage for the largest number of beneficiaries;
 - more than match the NSP allocation institutionally; and
 - have an access agreement which is fiscally efficient, beneficial to the student and minimally damaging (financially) to the university whilst targeting as a priority our retention issues.
- UB aims to:
 - increase its commercial income;
 - adopt a new model of a low cost subsidiary “private” provider operation (with new ways of working) where we could potentially charge fees below £6,000 per annum FTE; and
 - work with its FE partners to offer lower cost degrees and we intend to retain its franchise links.

The intention of this UB evidence submission, in light of the stated “Inquiry Terms of Reference” is to inform the BIS Select Committee of how UB perceives the situation it currently faces and how as a University it is trying to respond constructively and realistically to the Government’s proposals. It therefore seeks to identify what UB would wish to see in the forthcoming Government White Paper on “The Future of Higher Education”.

1. Whilst we understand the fiscal context, we have concerns about the phased transfer of funding from HEFCE block grant to student tuition fee from 2012 onwards. At present, it is unclear at an institutional level what grant funding will be available from 2012 and the basis on which it will be distributed.

UB would like the White Paper to address the role of grant funding in supporting strategically important and priority subjects which may be vulnerable in a market environment; helping the sector to innovate where initial start-up costs may be a barrier to change; assisting institutions with the higher costs associated with supporting widening participation students.

2. We welcome the emphasis upon the demand side for Higher Education and funding “following the student”; the importance of the “competitive edge” for Higher Education Institutions is also well received. We are working towards achieving high levels of efficiency savings, whilst focussing on student and employers’ needs. More than half of our students study part-time and although we welcome the extension of student loans to part-time students, we are concerned that part-time students will not benefit from the same terms and conditions for repayment as full time students.

UB would like the White Paper to consider how employers can be incentivised to invest in the development of their staff.

3. *UB would like the White Paper to consider how the artificial distinctions between full and part-time study can be removed to enable more flexible study patterns to develop.*

4. UB has significant STEM activity, deriving from our historic roots as a vocational and technical Institute.

UB would like the White Paper to address how state funding can be used to maintain capacity in STEM and other priority subjects.

5. UB is a very special University and has high levels of mature students, those declaring from ethnic minority and faith groups, and significant proportions of students declaring a disability. 99% of our students come from state schools and 45% of our intake comes from lower socio-economic groups. Almost half of our students are part-time, and most of our students (including FT) come from within 50 miles of the university.

UB would like the White Paper to recognise the role of community-based institutions in meeting the needs of under-represented groups who are unable or unwilling to leave home to access higher education.

UB would like the White Paper to recognise the Civic role played by provincial universities in their towns and communities and to recognise that in this respect the State Funded Institutions are significantly different to private providers.

6. We have strong 4* “high impact” research linked to business and industry particularly in the fields of engineering and material science.

We are, in a nutshell, the classic WP/access University. Our costs are low and we generate very small operating surpluses year on year.

UB would like the White Paper to give some indication of the longevity of Widening Participation premium/ TESS and more importantly “Teaching Grant” funding to build into our three year modelling.

7. We are trying very hard to meet the agenda the Government has set for the Sector, by: keeping fees for 2012 low but sustainable; looking to use the NSP to the fullest advantage for the largest number of beneficiaries; more than matching the NSP allocation institutionally; having a proposed access agreement which is fiscally efficient, beneficial to the student and minimally damaging (financially) to the University whilst targeting as a priority our retention issues.

UB would like the White Paper to indicate that the NSP allocation should reflect in some way the likely numbers of students eligible for scholarships a university might have. This will be disproportionately high in small WP institutions like UB. This would be preferable to simple institutional “size only” allocation criteria.

8. We aim to increase our commercial income, and moreover to adopt a new model of a low cost subsidiary “private” provider operation (with new ways of working) where we could potentially have fees below £6,000pa FT. We are working with FE partners to offer lower cost degrees and we are working with FE partners to offer lower cost degrees and we are retaining our franchise links.

UB would like the White Paper to indicate that VAT issues for associated companies / shared services will be addressed

9. What UB is doing now at its main campus is to radically streamline its provision, (proposing for example two year degrees) lowering costs and aiming to set the fee charged (reflecting UBs cost base) to our 2012 students at a level that will contribute positively to keeping the sector average at or below £7,500 per annum FT. To do this with almost 80% of our provision in higher cost subjects Groups B and C) will be impossible without some confidence in the provision of Teaching Grant funding for STEM and WP going forward and Capital Allocations to institutions.

Similarly, given our low income student profile and the desire to give them scholarships to incentivise them to participate means that the proportion of the national allocation of the NSP funds that goes to us as a small institution will be critical.

UB would like the White Paper to make provision recognising the importance of Capital Investments to Teaching Capacity.

10. *UB would like the White Paper to clarify how the Government intends to ensure that universities can compete with private providers on the basis of a level regulatory playing field.*

11. On the issue of part-time student fees, UB has welcomed the eligibility for loans. However if we align what are historically lower module fees for part time study with the FT prices (at even £6,000 per annum pro rata) we expect vast numbers of employers to limit their sponsorship and students to consequently withdraw.

UB would like the White Paper to assist universities by recognising that part-time programmes could be part funded by employers and students (using the loan package) but employers may need to be incentivised to support their employees.

12. *UB would like the White Paper to address how institutions with a high proportion of part-time students can be assisted to maintain this provision, if they are unable (on market grounds) to charge higher pro rata fees especially with reference to CPD in the NHS.*

13. Other beneficial policy considerations:

UB would like the White Paper to include: clarity about full fee “up-front” and “off loan book” students and a de-restriction of them within the student number control. Ensuring that the very exciting contestable margin student numbers potentially to be floated in the White Paper are offered in the context of a fundable core for each institution that has a national minimal level (to maintain the viability and critical mass of a university with a key provincial/civic position).

11 March 2011

Written evidence submitted by the University of Central Lancashire

THE IMPORTANCE OF HIGHER EDUCATION

1. Higher education is a fundamental part of the UK’s economy and society and is an important element of the total education provision within the UK. It plays a critical role in supporting the development of higher level skills and intellectual capacity. As such, it has a central role in the economic development of the UK. It is inconceivable that government will not want to ensure that higher education is not just meeting the needs of individual citizens, but the wider needs of the country and the economy.

QUALITY OF HIGHER EDUCATION

2. It is absolutely essential that the quality of higher education in this country is protected to ensure that it continues to meet the highest international standards. There is a responsibility on Government to ensure that there is a rigorous, independent, quality assurance system in place that upholds the integrity of academic standards of an acclaimed international industry. The standards and quality of the system are part of the reason why higher education remains one of the UK’s greatest success stories and is a strong export.

3. The move to a market in which the shape and strategic direction for the sector has primarily been set by short term student demand risks the strategic direction of higher education. It challenges the ability of universities to plan for the long term and protect the international reputation of HE.

4. Diversifying the provision of higher education through extending degree awarding powers to both private and further education institutions, within a fixed quantum, will have an opportunity cost for existing universities. Broadening the sector without regard for the quality of provision could damage the sector’s reputation for generations. The proposals as they stand create major challenges for the Quality Assurance Agency.

ROLE OF FURTHER EDUCATION

5. Further education colleges have a huge role to play in the education sector, but they have a very different offering to HEIs. UCLan has works closely with local FE colleges and provide access to facilities and academic staff for their students. Encouraging competition between the two would end this successful partnership, and would damage what has been a very successful way of bridging the gap between FE and HE for young people. The Californian model of community college is an excellent example of how FEIs and HEIs can work together and this model is something that should be explored more widely when considering the future of further education in the UK.

IMPACT OF PRIVATE PROVIDERS

6. Private providers are likely to cherry-pick the courses that are popular and cheap to provide. There is no incentive for the private sector to provide courses that have heavy overheads and the likelihood is that this will fall to existing universities who will face huge costs to maintain provision. This has the potential to threaten the stability of the sector and the provision of a number of courses.

7. The suggestions for the sector fundamentally undermine the principles established in the Dearing Report, that higher education should be a partnership between state, individuals and employers. The Government proposals in their current format would mean the end of that partnership, which has serious implications for the future of the system.

FUNDING, TUITION FEES AND STUDENT LOANS

8. The Browne Review and the decisions taken on the funding of the HE sector have been established within a context of substantial national debt, and there has been a move by Government to reduce this sum. Yet the proposals will not save any public expenditure versus the current model, and there is evidence from the Higher Education Policy Institute (HEPI) that the new system could indeed be more expensive in the medium to long term. The Government’s proposals have been rushed and the ideas do not seem to be linked to a thorough

research and evidence base. The problems that the Government now faces in relations to these proposals are sufficiently grave that they should postpone the introduction of the funding system until 2013–14.

9. The Government's initial commitment to a market is now difficult for them to sustain and the proposals that were set out before Christmas are starting to see revisions. The public expenditure projections that were agreed with HM Treasury were based on an average annual fee of around £7,500. Despite setting this assumption, there is no way in which the Government currently can be assured this will be the average fee, and thus their spending projections are under much scrutiny. Ministers are now making it clear to the sector that if the average fees exceed the figure that Government has identified and the public expenditure forecast is exceeded, there will be further cuts to higher education funding. The other suggestion that Ministers have proposed is that there will be a direct intervention from Government and the ability of universities to set higher fees will be restricted. This is completely at odds and incompatible with the Government's desire to move to a market, and would lead to a much greater degree of involvement in the affairs of universities than has ever previously been the case.

10. The Government has consistently said that universities should only charge the upper limit of fees in "exceptional circumstances", yet they haven't clarified what they consider exceptional circumstances to be. There is a real danger that the Government is moving towards categorizing universities through their intervention and decisions on who can charge the upper limit on fees. This would be a fatal blow to the wider sector and its ability to help students gain the skills and qualifications that employers want and industry needs. All institutions must have the same opportunities and restrictions, with the recognition that institutions play different roles within the sector.

11. There are significant problems and concerns with the Government's proposals for student loans. The Government's own estimates suggest that under the proposed new system of fees and loans that 50–60% of students will have some or all of their loan written off, up from 15% under the current system. This raises serious questions about the financial sustainability of the proposals. In reality the system that is being created is a graduate tax, which stops when the average student reaches the age of 50.

12. There has been no serious consideration given to the impact of the new funding system on the propensity of individuals to participate in higher education. This is unknown territory, and it is of particular concern what impact this will have on those from less advantaged backgrounds, and those who come from communities where there is a faith-based objection to paying interest.

13. The UK already lagged behind the OECD average for investment in higher education before these proposals were put forward. At a time when almost every other country in the world is investing more in higher education, the UK is in serious danger in of spending more and investing less. These proposals pose a significant threat to the quality and international reputation of our higher education system.

9 March 2011

Written evidence submitted by the University of East London

1. **The University of East London is a microcosm of the challenges around social mobility and how they can be overcome.** Much of the recent debate on the role of higher education in wider society has focussed upon the concept of social mobility and, in particular, access by a small group of disadvantaged and talented individuals to the professions. However, the role of HEIs in **social mobility** terms is as much about the up-skilling of large groups in society to reflect the wider requirements of UKPLC and the global knowledge economy. It is through skills-led regeneration that UEL and other HEIs have brought long-term social and economic change and provided a public service that would not occur should the sector become privatised in ethos and approach.

2. UEL in particular can demonstrate the important role played by working in **partnership** with other anchor organisations, in the private, public and voluntary sectors, to achieve that social change. Undoubtedly the future role of higher education is to increasingly adopt a partnership approach, using our skills and networks to squeeze the most public good from public funding.

"It is an established part of our tradition that we create opportunities for individuals to gain economic strength, often against the odds..."

Transformation for Excellence (university strategy, 2010)

3. **52% of UEL students are from East London and more than a third of UEL students are Black.** A single moderately-sized London new university, such as UEL, accounts for half as many Black students as the entire Russell Group, and more than 15 times as much of the growth in Black student enrolments since 2005–06.

4. However, this high proportion of Black students at UEL does provide data which allows us to identify some of the major issues associated with this ethnic grouping. Our own data clearly shows that our efforts have resulted in **steady improvements in attainment for Black students but they are still significantly less likely than White students, and Asian students, to be awarded a good degree.** In 08–09 the percentage of Black students graduating with a 2:1 or 1st was half that of White students. This reflects a national statistic of

only 37% of Black students obtaining a good degree. We also know that Black students are more likely to be admitted to UEL on qualifications other than A-Levels (27% of Black students compared to 15% of Asian students and 18% of White students).

5. UEL recognises that there is much to do in order to reverse these trends but we also know that it is those institutions most experienced at dealing with disadvantaged students who are best placed to do that work. What should concern policy-makers during a time of significant upheaval in the HE funding system is how the concentration of Black students in a tiny number of universities **puts Black student participation at high-risk**. Even if the wider sector is successful in increasing their intake of Black students to a representational level, how can government protect those universities with large Black student cohorts in the meantime? Of the top 10 most inclusive universities at least two have been widely reported as at high risk of financial failure.

6. Much of our work in this area clusters around enterprise and employability is often described as providing the support and networks (the “social capital”) that are not available to disadvantaged students—“the middle class parent”. We do this through a number of initiatives including:

- CV advice, completing application forms assistance, mock interviews, quick queries and careers advice.
- Volunteering and mentoring programmes.
- E-guidance.
- On campus recruitment agency.
- On-line job vacancies.
- One-to one advice and guidance on work opportunities and starting up a business.
- Business Planning and Start-Up funding.

7. One of the areas of particular value to our students is the provision of internships. Recent reports about such opportunities being auctioned-off show how valuable they are. UEL was the lead partner in the Knowledge East cross-mission network’s (Goldsmiths, Queen Mary, Ravensbourne, Trinity Laban, London Met, Rose Bruford, Greenwich and South Bank) Graduate Internship Scheme. **We exceeded our target of securing 500 internships**, between January 2010 and March 2011, for graduates in local SMEs (no more than 50 employees). 1000 graduates registered for the scheme across the network with 500 of those chosen to go through an employment preparation programme that aimed to provide students with various skills ranging from effective communication to business etiquette. 66% of those students were Black. We worked with **JobCentre Plus** to tackle any issues associated with job-seekers allowance regulations.

8. We also have a business mentoring scheme that works with corporate employers (particularly those who do not have a record of employing UEL graduates) as part of their CSR schemes to develop employability skills and become more “job ready”. We worked closely with the **East London Business Alliance** to access large employers, including **Barclays, Credit Suisse** and **BT**. 117 students were placed in internships for those organisations in 2010 and feedback on student readiness has always been extremely positive. We have created an internship scheme with **Taylor Bennett** that aims specifically to increase the ethnic diversity of the workforce in the field of Public Relations.

9. In partnership with the **Canary Wharf Group** we have just opened a new space to develop our students in a business environment off campus. The Graduate Development Centre at Heron Quays, Canary Wharf, is a place for students and graduates to come into contact with business people and take part in activities to prepare them for the job market. Opened Jan 2011, we have already held three assessment centres with over 50 students and graduates, and employer assessors.

10. University of East London students are in the top 10 in London and top 20 in the UK for graduate starting salaries with an average first salary of £20,891.

11. UEL’s work with young people from a care background is closely linked to our widening participation mission. Facilitated through Aim Higher funding and working closely with the **London Borough of Newham** we have delivered activities targeting fosters carers, young people in care and care leavers and raised the awareness of the needs of this group with UEL trainee teachers. We are now leading a cross sector east London care leaver’s strategy group focusing on educational progression. More recently we have looked to our internal relationships and through the **Buttle UK** quality mark brought together colleagues in our pre-entry team, admissions, residential services and our student money advice and rights team to deliver what we hope will be a seamless package of support to care leavers entering higher education including an additional care leaver’s accommodation scholarship.

12. In research terms also, the UEL ethos of serving the public need in east London continues. Much of our research is applied directly in our local communities. Our work on public health, for example, is linked into our **network of schools** where we give seminars to parents on making the right choices for their children. Our Well London initiative links UEL’s public health researchers with the **NHS** and other public and voluntary organisations to address poor public health in east London. We are a leader in this field in research terms.

13. It is difficult to respond directly to government proposals that are not yet complete. However the patchwork of primary and secondary legislation, ministerial guidance, and public announcements suggest a system of higher education that puts market forces at its centre. A recent announcement concerning the creation of a “BTEC degree” (where private bodies will be allowed to accredit degrees without being involved in their teaching) creates a world of *flat-pack* off-the-shelf degrees that have the potential to sit in isolation from wider social and economic problems. For socially disadvantaged students, it is not simply the degree that counts. It is also the network that you plug into by attending a university. It is access to extensive and wide-ranging partnerships that work together for your benefit and the wider public good.

14. The University has already engaged fully and extensively with the national debate on higher education. We would welcome the opportunity to discuss these issues further with the Committee and would want to formally extend an invitation to you to visit UEL as part of your review.

11 March 2011

Written evidence submitted by the University of Hertfordshire

SUMMARY

- The University of Hertfordshire welcomes the opportunity to submit evidence on the future of Higher Education. We wish to address four key issues: funding and access; research; HE in FE; and public information. These are issues the Government is focusing on in the next four years and will transform the HE landscape.
- In terms of fees and access, we raise the issue of the unintended consequences of the current proposals, made as they are in the absence of important information. We are concerned that a “ramping” effect on fee levels could result as universities seek to protect brand and reputation in a context of uncertainty. Any re-drawing of the binary divide that may result would be to the detriment of the student experience, of efforts to open up HE and real social mobility, and of the UK’s economic recovery.
- With regards to research, we advise care be taken in any further concentration of funding that would move away from the principle of recognising excellence at departmental level and towards protection of individual institutions.
- We express support for the Government’s emphasis on HE in FE and recognise the vital role FE Colleges make in opening up access to higher learning. We suggest that there must be flexibility in driving forward this agenda, however, building on existing models of success where they exist, and innovating where the volume and infrastructure offer potential for a major shift to direct funding for FE Colleges.
- Our submission concludes with some comments on public information, the provision of which we fully support, though care needs to be taken to ensure information is readily accessible, comparable and meaningful for students, supporting genuine choice. Contextualisation of information will be key.

FUNDING AND ACCESS

1. Government policy is based on modelling that assumes an average fee of £7,200–£7,500. The expectation that this average fee level will have to be achieved carries the risk of incentivising certain reactions in universities that are then likely to be seen as evidence for the need for Government intervention into the fee market. Brand protection, the setting of fees in the absence of full knowledge of the funding environment, the rules regarding competition that prohibit discussion between institutions, and the increased scrutiny and expectations of OFFA are some of the key issues that may drive fee levels towards the £9,000 absolute limit.

2. The University of Hertfordshire is starting the process of fee-setting from the principle of replacing reductions in teaching grant and the need to be able to continue to invest in physical, academic and social infrastructure to support the student experience in the future. However, we are conscious that competitor institutions may decide to price to establish a “brand”, even if key information would not provide any evidence of higher performance. There is therefore a significant risk of “ramping” of price levels to ensure that institutions are not charging below competitors and therefore regarded as of inferior quality, particularly given the experience of the US. Even in the context of greater transparency in terms of public information about the university experience—which we fully support—universities will be concerned about the use of price as a proxy for quality. A system of price-based reputations would be to the detriment of students, universities, the public purse and the wider good in terms of economic and social benefit.

3. Universities are able to investigate the cost of delivering their programmes and this is an important element of the fee-setting exercise. However, many of the parameters within which decisions are being taken remain unclear. These include: the extent to which strategically important subjects will retain public funding; the allocation model for the National Scholarship Programme; the Government’s intentions with regards to the movement of numbers into FE.

4. The greatest unknown is of course student demand. While universities recognise the importance of competition law here in terms of discussing fee levels, there is a case for allowing collaboration in research for example around student priorities or attitudes to debt. In the absence of collaboration, institutions' understandings of potential students' needs and concerns will be more limited.

5. The flexibility of the new OFFA guidance is to be welcomed. The emphasis that universities with already diverse student populations can put on retention and employability is a positive development. However, there are some concerns from the perspective of such universities, who make the most significant contribution to bringing higher education to students from non-traditional backgrounds.

6. Firstly, there is the issue of the financial cost of match-funding the Government's National Scholarship Programme with large populations of these students. Around a third of the University of Hertfordshire's students come from a household with an income below £25,000. There are added costs associated with supporting these students through higher education, but if there was a mandatory additional spend per student defined by the Government, this could materially impact on a university's ability to invest in other aspects of outreach and retention as required by OFFA.

7. Secondly, in a context of capped student numbers, any success in widening access by the most selective universities will impact on the "performance" of other institutions. Performance against benchmarks may indeed seem to deteriorate, not through a lack of strategic focus or funds, but due to macro effects within the HE system. We are concerned that, without careful interpretation, such effects may be taken as evidence by Government or OFFA that further intervention is needed, particularly in the control of prices. Any intervention to control prices will disproportionately affect the post-92 sector and may re-draw the binary divide.

RESEARCH FUNDING

8. The removal of QR funding for 2* research was expected and we have no issue with that policy decision. We welcome the clarity of the Minister on the importance of funding excellence at departmental not institutional level. It does not seem to be a good use of public funds to subsidise departments not performing to the fundable level in research-intensive institutions while removing funding from internationally excellent units in other institutions. Indeed, there is an argument to be made in the context of the concerns of this Government to widen participation that it is vital that students are able to access institutions where there is world-class research taking place, even if it is in focused areas of excellence.

9. There remains a debate around the issue of "critical mass". There is no robust evidence, even in the hard sciences, to link larger groups to higher quality research; certainly in the arts, humanities and social sciences, any such measure would be a policy rather than a quality-driven decision and would tend to underfund small, innovative groups in newer universities that are performing at an internationally excellent level.

10. Given the economic environment and the Government's efficiency drive, we recognise, however, that further concentration through a measure of "critical mass"—affecting research and PhD funding—is a strong possibility. Should this arise, critical mass should be defined at subject level, recognising the differences in research processes and practices between subjects (and certainly not exceed 10 for any subject). Of key significance is the need to avoid institution-wide restrictions, for the reasons given in (8) above.

HE IN FE

11. The University of Hertfordshire is part of the longest-standing HE in FE consortium in England, with around 1500 students studying in the four Hertfordshire colleges. We recognise the valuable role that HE in FE can play in the new funding environment as a conduit for widening participation and enhanced student choice, and for reducing loans (through lower charges). Some colleges with substantial HE provision and well-developed HE infrastructure will understandably seek to be directly funded by HEFCE. However, we are conscious of the risks that would arise should this be seen as the only model for increasing HE in FE.

12. This could unintentionally impact on universities such as Hertfordshire that have maintained their student numbers in partner FE Colleges (many pulled their numbers back into the centre in response to HEFCE clawback for over-recruitment). Universities that have behaved in a responsible and collaborative manner by retaining their HE in FE numbers will be concerned that Government policy to promote such provision will lead to these numbers being taken from universities and embedded in FE. In successful consortia such as Hertfordshire's, where over 16,000 students have graduated from the university having started in one of the FE Colleges, this outcome would not be welcomed by either party. Government needs to take care not to damage such successful arrangements when pursuing its policy to boost HE in FE; direct funding will not deliver for every local context.

13. We are aware that some arrangements are not seen as mutually beneficial and that some FE Principals have lobbied on the lack of investment by universities in return for the top-slice they receive from the Colleges. While this may be the case in some areas, care needs to be taken that this is not assumed to be a universal issue.

14. HE in FE through collaborative franchise agreements have a number of benefits for associated colleges and their HE students. The University of Hertfordshire, for example, charges the four Hertfordshire colleges 15% of total income (HEFCE teaching grant and fee). The University does not make a "profit" on this charge.

The fee covers an extensive list of services that are provided to the colleges. Services included in the fee are as follows:

- Completion of all necessary Government returns (HESES/HESA) by the University’s Academic Registry.
- Collection of fees either directly or through the Students Loan Company.
- Support in completing QAA IQER audits. This involves extensive work from our quality and enhancement team.
- Access to staff development activities including the Continuing Professional Academic Development programme provided by the University’s Institute for Teaching and Learning. College lecturers delivering HE have the same professional support that is available to University of Hertfordshire lecturers.
- Allocation of a careers advisor, who works with college staff on employability and career development issues.
- Joint membership of the Association of Collaborative providers (ACP), an umbrella body representing HE in FE institutions, which the University subscribes to on behalf of the Consortium.
- In addition, every student at the colleges registered on a HE programme through the University has access to:
 - StudyNet (our virtual learning environment).
 - Learning Resource Centres (open 24/7 with computers, wifi, books and journals).
 - Some HE in FE students attend the university on a regular basis as part of their course to use, for example, laboratory facilities.
 - Student support facilities (nursery, medical, pharmacy, well-being, mental health, disability, finance).
 - Access to Learning Fund.
 - Graduate Futures (our careers and employability service).
 - Sports facilities, including our multimillion-pound “sports village”.
 - Social venues including our new Student Forum (entertainments venue).

15. These services reduce the bureaucracy of providing HE in FE Colleges. But more importantly, they enable the colleges to offer a comprehensive Higher Education experience to their HE students. Many of the smaller colleges could not offer the services listed above, and those that do would have to charge more to do so. This is a primary reason why the collaborative approach which we have developed, works so well and why the colleges can, and would in the future be able to, deliver courses at a lower cost than the University.

PUBLIC INFORMATION

16. We fully support the objective of providing more information for students. This approach is important as it will allow students to make more informed choices, which will drive change and improve the quality of the student experience universities offer. Nevertheless, without offering the context “behind the numbers”, students’ choices and decisions will be based on partial information. We believe the following should be considered:

17. For a better understanding of graduate employability, it is important long-term graduate outcomes are published alongside the traditional six-months survey. This is particularly important for graduates from non-traditional backgrounds who may, as a result of their circumstances, find it takes longer to establish careers than other graduates. All jobs that require graduates in their specifications should be defined as a “graduate job”. Research should be undertaken to define a “graduate job” in the context of today’s employment market. This information will need to be updated on a regular basis. The research will also need to consider how “self-employment” is defined, particularly given the need for new businesses to help drive the economic recovery.

18. We support the emphasis on giving students information on contact hours. Definitions of what constitutes each type of contact must be clear and standardised. That way information will not be open to abuse and students will be able to make fair comparisons. We believe these should be defined well in advance of any published information. For the purposes of clarity and simplicity for the prospective student, we suggest the following categories: (1) Formal examinations (eg invigilated, end of semester and time-bound); (2) Written coursework (eg essays, reports, blogs, wikis) and (3) Other assessments (eg in course tests, oral assessments, presentations, crits, practical examinations and competency/skills assessments).

19. In addition to contextualising information, there will need to be a robust approach to delivering information to prospective students. There is a concern that current proposals will not be as transformative for the student as it could, or should, be. For example, by having to work through dozens of links in order to compare institutions’ KIS (Key Information Sets), students may only consider universities they have a preconceived idea about. This approach may also be prohibitive to students who are used to finding information out quickly on social networking sites. We recognise the Government’s desire for entrepreneurs to create user-friendly websites using the information and data publically available. However, information will be partial

unless it is contextualised, and private websites working alone would be under no obligation to provide contextualised information. An alternative or additional way to provide information would be for HEFCE, or an alternative sector-based body, to transform the uni-stats website or collaborate with a private provider such as *bestcourseforme*. This way, the sector could ensure that information was contextualised and made available for the prospective student in an easily assessable format.

10 March 2011

Written evidence submitted by Eddie Hodgson

I appreciate that the deadline for submissions on the inquiry into the Future of Higher Education has passed, but if possible, I would like to draw attention to evidence that has been published since the deadline date in the hope that it also can be considered by the inquiry.

The reason for this is that I believe that the evidence points to potentially significant losses to the taxpayer from the current plans to increase tuition fees to a maximum of £9,000. I will be as brief as possible.

The BIS published a report "*The returns to Higher Education Qualifications*" in June 2011. Significant points were that the estimated return (tax and other) to the Exchequer from each graduate after all costs of tuition and support had been recovered was on average £89,000. The saving to the government from raising tuition fees to £7,000 was just £485 per student per year.

Another report, published by HEFC in July 2011 predicts a fall in the number of university applicants of 1.9% in 2012 and a leading academic has predicted a fall of around 10% due to falling numbers of school leavers and due to the rise in tuition fees.

The implications of the above seem to me to be as set out below.

Number of undergraduate students in England, Wales and N Ireland is approximately 1.2 million (source Higher Education Statistics Agency website)

Expected decline in student numbers in 2012—about 1.9% on average (source HEFC publication July 2011 "*Financial health of the higher education sector*")

Return to the exchequer from graduate on average £89,000 after all costs of HEFC funding and support (source Paragraph 6.1 BIS Research Paper no 45 June 2011 "*The returns to higher education qualifications*")

Savings to Exchequer from increasing tuition fees to £7,500—£485 per student (source Figure 31 and Annex 5 BIS research paper no 45 as above)

Savings to the Exchequer—£1.7 billion

(number of students times assumed duration of courses of three years times £485) (1.2 million x 3 x £485)

Students lost—22,800

1.2 million x 1.9%

Exchequer incremental earnings lost—2 billion

22,800 x £89,000

Net cost to taxpayer—£0.3 billion

Extract from Guardian Website

"In an interview with the *Sunday Times* (31 July 2011), 'Smith, who is vice-chancellor of Exeter University as well as being head of Universities UK, predicted that application numbers are likely to be down by at least 10% in 2012 because of student fears of debt and a fall in the number of school-leavers. This could put more pressure on universities to cut fees'".

Effect of a 10% fall in students on Exchequer incremental earnings—£10.6 billion

1.2 million x 10% = 120,000 x £89,000

Net cost to taxpayer—£8.9 billion

Caveats—the £485 saving is based on fees of £7,500 per year. The average is in fact likely to be £8,500 which may reduce the savings because of increased support requirements.

The £89,000 Exchequer return (and the associated incremental earnings of graduates (averaged at about £108,000)) are both highly suspect as they may include incremental earnings from other sources such as professional qualifications.

A similar point is made by the HEFI in a recent report regarding the government estimates of RAB in which they say:

"If the RAB costs are higher than estimated the consequence may not be felt for many years, but will have the effect of requiring future taxpayers to pay higher taxes to compensate for revenues that have been assumed but will not arise".

It seems clear that the consequences of the policy to increase tuition fees on future revenues has not been properly thought through. To use an analogy it is as if Tesco were to increase the price of baked beans fivefold.

Customers like students would go elsewhere—to the extent they were able to—for example some students will go abroad, or some customers will stop eating baked beans, or in the case of students they will simply give up the idea of university. It is surprising how many people still live by that old maxim—neither a borrower nor a lender be. Tesco’s response might be to try and keep its customers by offering 4 for one, much as the government is doing in trying to offer bursaries etc to keep numbers up. The sensible alternative is not to raise the prices in the first place if the effect of raising them is that you lose money—see above calculations.

My interest in this is that I believe higher education is a right and not a privilege. I promised to keep this short so I will just end by quoting from the UN’s International Covenant on Economic, Social and Cultural Rights. This was signed by a previous UK Government and states in Article 13 “(c) Higher education shall be made equally accessible to all, on the basis of capacity, by every appropriate means, and in particular by the progressive introduction of free education”. It is available on: <http://www2.ohchr.org/english/bodies/cescr/index.htm>

24 August 2011
