



BRIEFING PAPER

CBP 7399, 10 November 2015

Higher Education Green Paper Fulfilling Our Potential

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Summary

The 2011 Higher Education White Paper: [*Students at the Heart of the System*](#) set in train a process of reform which led to the introduction of a new system of higher education funding in 2012. The most significant features of the new system were the removal of the block grant for most university teaching and the introduction of tuition fees of up to £9,000 per year.

Other changes have also occurred in the higher education system including changes to the arrangements for providers seeking entry to the higher education sector.

All of these changes were made without using primary legislation and this had led to a rather complicated regulatory system. Commentators have called for legislation to rationalise the system and to address various areas of 'unfinished business' from the earlier White Paper.

The increased cost of tuition fees have also led to questions about the value for money of higher education, the quality of teaching and about the provision of useful information for prospective students.

The Green Paper, *Fulfilling Our Potential*, published on 6 November 2015 set out to address these issues, it contains proposals to:

- introduce the **Teaching Excellence Framework** (TEF) which will assess the quality of teaching in higher education institutions (HEIs) and link this assessment to the ability to charge higher fees
- introduce a **single route into higher education sector** to 'level the playing field' between public HEIs and private providers. It will also make changes to the arrangements around degree awarding power, university title and specific course designation for student support purposes
- strengthen activities around widening participation and access to higher education
- simplify higher education administration by abolishing the Higher Education Funding Council for England and replacing it with a new arms-length body **the Office for Students**; this body will incorporate the Office for Fair Access
- consult on changes to research funding

The paper has been generally welcomed by commentators in the sector, particularly the paper's emphasis on widening participation and social mobility. The proposals on the TEF and opening up the market to new higher education providers however have caused some concern.

Responses to the paper must be received by 15 January 2016. The paper will be followed by a Technical Consultation document giving details on the proposals and guidance on removing barriers to entry to the higher education sector which will be published in summer 2016.

Higher education is a devolved matter so most of the proposals in the Green Paper apply to England only. However, funding delivered through the research councils and some broader elements of research policy are reserved matters, so the proposals on research funding apply across the UK.

1. Background

In 2011 the Higher Education White Paper: [Students at the Heart of the System](#) set out proposals to reform the higher education system. The paper outlined measures to: raise tuition fees, improve the student experience, increase social mobility and improve regulation of the sector.¹

The White Paper was followed in August 2011 by a Technical Consultation document [A new, fit-for-purpose regulatory framework for the higher education sector](#) which set out detailed proposals on the regulation of higher education and provisions relating to private higher education.

In the event the White Paper did not lead to a Bill, but many of the proposals in the Paper were introduced using administrative processes, or changes in regulations.

In September 2012 a new system of higher education funding was introduced by regulations, the changes included

- raising the cap on tuition fees to £9,000 per year,
- raising the tuition fee repayment threshold to £21,000 and
- allowing students at eligible private providers, or on designated courses at private providers, to access tuition fee loans of up to £6,000 per year.

Changes were also made to arrangements for private providers seeking degree awarding powers and designated course status, by issuing guidance and new criteria and in September 2015 the cap was lifted on student numbers at many higher education institutions (HEIs) using administrative procedures.

The absence of a Higher Education Bill has been referred to by commentators, such as the Higher Education Policy Institute, as 'unfinished business'² and the ad hoc nature of changes to the HE system and the lack of a coherent regulatory framework has come in for particular criticism.³

Recently the focus of attention has fallen on the issue of teaching quality and value for money of higher education. The [Conservative 2015 Election Manifesto](#)⁴ contained a commitment to introduce 'a framework to recognise universities offering the highest teaching quality' and this intention was re-stated in the [Summer Budget 2015](#), when it was announced that institutions offering 'high teaching quality'

¹ Department for Business, Innovation and Skills, [Fulfilling Our Potential Teaching Excellence, Social Mobility and Student Choice](#), Cm 9141, November 2015

² Higher Education Policy Institute, [Unfinished Business? Higher education legislation](#), February 2014, and Jo Johnson speech, [Teaching at the heart of the system](#), 1 July 2015

³ Universities UK [Quality, equity, sustainability: the future of higher education regulation](#), February 2015 and the Higher Education Commission [Regulating Higher Education](#), October 2013.

⁴ [Conservative 2015 Election Manifesto](#) p35

would be allowed to increase their tuition fees in line with inflation from 2017-18.⁵

The Higher Education Green Paper, [*Fulfilling our Potential: Teaching Excellence, Social Mobility and Student Choice*](#) published on 6 November 2015, covers similar ground to the earlier White Paper and Technical Consultation document and brings together many of the 'unfinished' issues. It makes proposals on: teaching excellence, social mobility, new providers, reforming higher education bodies, higher education regulation and research.

⁵ [Summer Budget 2015](#) p59

2. Introduction

The Higher Education Green Paper, [*Fulfilling our Potential*](#), 6 November 2015, sets out proposals to: 'ensure that universities deliver the best possible value for money', to 'reward excellent teaching' and to 'encourage diversity and choice' in the sector.

The paper outlines the creation of the Teaching Excellence Framework (TEF) and a new body - the Office for Students. It also sets out provisions around HE regulation to 'level the playing field' between publicly funded HEIs and private providers and to increase deregulation. The paper also includes proposals on research funding.

The paper is set out in four parts;

- Part A Teaching excellence, quality and social mobility,
- Part B The higher education sector,
- Part C Simplifying the higher education architecture and
- Part D Reducing complexity and bureaucracy in research funding.

The paper contains 28 consultation questions, the largest number of questions are on the TEF and the changes to the higher education architecture.

An Equality Analysis of the proposals is set out in Annex A of the paper.

Some of the changes which are proposed, such as the changes to the higher education architecture and the introduction of a single entry point into the higher education system will require primary legislation, but many of the other changes such as the TEF can be done without primary legislation.

Jo Johnson the
Universities Minister,
November 2015

The Green Paper is about "reforming our higher education system so that it's more effective still at delivering value for money for students, for taxpayers, and does a better job still at delivering the pipeline of graduates we need for a 21st-century economy like ours".

3. The Green Paper

3.1 Part A: Teaching Excellence, Quality and Social Mobility

Teaching Excellence Framework

Many of the UK's leading universities are 'research intensive' universities and it has been suggested that in some HEIs teaching is treated as a 'poor second cousin' to research. In 2011 the Higher Education White Paper: [Students at the Heart of the System](#) set out proposals to put excellent teaching back at the heart of every student's university experience.⁶

Since the introduction of higher fees in 2012 debate has increased about the benefit of higher education and in particular whether higher education is good value for money. In 2015 the [Higher Education Policy Institute \(HEPI\) – Higher Education Academy \(HEA\) Student Academic Experience Survey](#)⁷ found that only 35 per cent of students from England paying fees of up to £9,000 thought that they had received 'good' or 'very good' value for money.⁸

"The TEF should change providers' behaviour"

Fulfilling Our Potential p19

The HE Green Paper carries forward the aim of the earlier White Paper – well informed students driving teaching excellence and builds on it by setting out proposals to introduce a process called the Teaching Excellence Framework (TEF). The TEF aims to help students make more informed choices about higher education and to improve the teaching that students receive, by identifying and rewarding HEIs with the highest quality of teaching.

How will the TEF work?

The TEF aims to reward 'teaching excellence', however the Green Paper acknowledges that there is 'no one broadly accepted definition of teaching excellence'.⁹ The TEF will therefore rely on metrics as a proxy for teaching quality and it will use existing data to inform judgements.

The Green Paper states that initially three common metrics will be used in the TEF:

- Employment/destination data from the Destination of Leavers from Higher Education Survey, and from 2017 HMRC data will be incorporated
- Retention/continuation data from the UK Performance Indicators published by the Higher Education Statistics Agency (HESA) and
- Student satisfaction indicators from the National Student Satisfaction Survey (NSS).¹⁰

⁶ BIS [Higher Education: Students at the Heart of the System](#) June 2011 p25

⁷ [The HEPI- HEA 2015 Student Academic Experience Survey](#)

⁸ *ibid* p3

⁹ Fulfilling Our Potential p 21 para 15

¹⁰ *Ibid* p33

The paper says that excellent teaching must also incorporate and reflect diversity, so metrics in the TEF will be broken down by disadvantaged backgrounds and under-represented groups.¹¹

The TEF assessment will additionally take into account qualitative evidence supplied by HEIs on areas such as teaching intensity, contact time, training of staff and diversity of students.¹²

Also as a precondition of the TEF, HEIs should observe the Competition and Markets Authority (CMA)'s guidance on consumer protection law and higher education providers.

TEF assessments will be made by a panel of independent experts¹³ and institutions would be expected to bear the cost of the TEF assessment process.

Model TEF

The TEF will operate in an introductory version for the first two years.

The intention is that ultimately the TEF will have about four levels of performance and that financial incentives will be differentiated by TEF level. It is proposed that the TEF will be conducted on a five year rolling cycle of assessments (as for current QA reviews).

In **year one**, providers with a current successful quality assessment (QA) review will be awarded the first level of TEF. A successful QA review is defined as the 'most recent review undertaken by the Quality Assurance Agency for Higher Education (QAA)', or its equivalent for private providers.

HEIs awarded a level 1 TEF in this first year will be able to raise their fees in line with inflation, up to a maximum fee cap, from the academic year 2017/18.¹⁴ The increased fees will apply only to new students entering higher education from 2017/18.¹⁵ A level 1 award will last for three years.

Under this criteria most universities would qualify for level 1 TEF in the first year of the TEF.

Box 1: Quality assessment in higher education

The Higher Education Funding Council for England (HEFCE) has a statutory duty, under section 70 of the *Further and Higher Education Act 1992*, to assess the quality of the education at institutions which it funds. This duty is currently met by contracting with the Quality Assurance Agency (QAA) to carry out quality assessment reviews. The QAA runs reviews of all public HE providers and private providers with courses which are designated for student support.

QAA reviews use the Higher Education review method, this is a risk-based approach, which applies the greatest scrutiny where it is most needed. Higher Education review is carried out by peer reviewers - staff and students from other providers - and culminates in the publication of a report containing judgements and other findings.

¹¹ *Ibid* p22 para 20

¹² *Ibid* p34

¹³ *Ibid* p28 para 9

¹⁴ *Ibid* p23 para 22

¹⁵ *Ibid* p24 para 26

In **year two** higher levels of TEF will be awarded. Institutions will have to apply for an assessment and the outcome of the process will be announced in spring 2017. Financial incentives will be applied at the institutional level from the academic year 2018/19 and will be differentiated according to the TEF level awarded. Awards will last for three years.

The TEF will develop over time as criteria evolve and more metrics are integrated, and as improvements are made based on past experience. In the future it is hoped that metrics on engagement in study and learning gain will be incorporated.

Scope of the TEF

The TEF will be open to all HE providers in England, including alternative providers and further education colleges delivering higher education. It will cover all subjects and types of delivery. The TEF will develop over time and it is suggested that it could be extended to cover postgraduate courses.¹⁶

Financial incentives

The Government is proposing that over time fee levels at HEIs will be increasingly differentiated by TEF level:

We anticipate that Government would set a maximum fee cap to correspond to each TEF award level, i.e. a maximum fee an institution can charge if it is assessed as level 1, level 2 etc. The Government would not pre-set a formula for this fee uplift, but would set the uplift each year, maintaining the current model of basic and higher amounts, and not exceeding real terms increases. Institutions would be able to charge fees up to the maximum of their current TEF level fee cap. This would be regardless of their TEF performance in previous cycles, so institutions will not be able to 'bank' increases gained if they performed better on the TEF in previous years. We do not envisage the fees charged to individual students changing during their course.

The 2007 Burgess report [Beyond the honours degree classification](#), recommended that HEIs changed to issuing higher education achievement reports in place of traditional degree classifications. Ninety HEIs have adopted, or are planning to adopt this system. Additionally in 2013/14, 21 providers piloted using a GPA system.

3.2 Degree classification

The Green Paper states that the current degree classification system of 1st, 2:1, 2:2 etc is no longer fit for purpose.¹⁷

The TEF will also encourage providers to adopt the US style grade point average (GPA) system alongside traditional degree classifications. The GPA uses a 13-point scale and takes account of student performance during their course, not just in final exams. It is hoped that converting to a GPA system will benefit employers by provided more information on graduates and will increase student engagement in their courses.

3.3 Comment

There has been a lot of debate about the TEF since Jo Johnson, the Minister for Universities and Science, outlined his views on it at the annual Universities UK conference¹⁸ on 1 July 2015.

¹⁶ *Ibid* p21

¹⁷ *Ibid* p26 para 36

¹⁸ [Teaching at the heart of the system](#)

Many HEIs have welcomed the new emphasis on teaching. However concerns have also been expressed.

At a functional level concerns have been expressed about the use of metrics as proxies for teaching excellence in the TEF and the dependability of the datasets chosen. The NSS in particular has been criticised in the past for game –playing and the accuracy of responses by students;¹⁹ and a study commissioned by the QAA also found that institutional leaders did not feel that the NSS was an accurate measure of teaching quality.

Concerns have also been raised about the effect of the TEF on the prestige of English higher education. The vice-chancellor of the University of Oxford, Professor Andrew Hamilton warned that efforts to recruit overseas students would be damaged if teaching at some universities was branded as second rate.²⁰ The Million + group of universities also warned that the TEF risked ‘undermining’ the UK system’s reputation.

Professor Hamilton and other commentators have also expressed concern about the ‘administrative and regulatory burden’ and duplication of work.²¹

Nick Hillman director of the Higher Education Policy Institute (HEPI) has raised the issue of TEF measuring excellence at an institutional level:

It’s probably true that every university has some excellent teaching, and every university probably has some teaching that’s not so good. And yet in year one of the TEF it will either be the case that all courses can raise their fees in line with inflation, or that none of the courses can.²²

Some commentators are also worried that these proposals will open the way for differential fees in future:

Pam Tatlow, chief executive of Million+, said: “The Green Paper’s support for variable fees is crystal clear. Unless these proposals are amended, a government that is pro-market will be setting prices without reference to the costs of provision or the impact on students and graduates – the very consumers whom ministers say should be at the heart of the system.”²³

The Equality Analysis Annex A of the Green Paper states that the TEF will comply with the Public Sector Equality Duty and benefit those with protected characteristics.

¹⁹ “[NSS ‘yea-saying’: is institutional zeal to blame](#)”, *Times Higher Education* 8 October 2015

²⁰ “[TEF risks effect of self-sabotage](#)”, *The Times Higher Education* 5 November 2015

²¹ *ibid*

²² “[The Teaching Excellence Framework: can higher education up its game?](#)”, *The Guardian* 3 November 2015

²³ “[Government support for variable fees is crystal clear](#)”, *Times Higher Education*, 12 November 2015

4. Social mobility and widening participation

The Prime Minister has set a target to double the proportion of students from disadvantaged backgrounds in higher education from 13.6 per cent in 2009, to 28 per cent by 2020 and to increase the number of BME students going into higher education by 20 per cent by 2020. Jo Johnson the Universities Minister said in an event at the Conservative Party conference on 6 October 2015 that 'widening participation and access will be intimately linked to the TEF'.²⁴

Widening participation in higher education is currently delivered by institutions and through the work of the Office for Fair Access (OFFA) which approves and monitors HEIs' access agreements and disseminates best practice across the sector.

In April 2014 the Department for Business, Innovation and Skills (BIS) published the [National strategy for access and student success in higher education](#). The report showed that there were clear differences in degree attainment and progression to employment, between students from ethnic minority groups and white students and substantial gaps in the progression of white males from disadvantaged groups.

The Green Paper also states that more work needs to be done to increase the number of disadvantaged students gaining access to the most selective HEIs.²⁵

4.1 Green Paper proposals

The paper states that new guidance will be issued to the Director for Fair Access (DfA) to focus on progression and success of students from disadvantaged and under-represented groups. The role of the DfA might also be expanded to allow the setting of targets for providers that are failing to make agreed progress on widening participation goals.

The TEF will also have close links with widening participation and efforts in this area will be recognised.

4.2 Comment

Participation in higher education has continued to rise despite the raising of fees to £9,000 per year in 2012 and participation has risen most rapidly for students from more deprived backgrounds.²⁶

However there are still concerns. A recent report for BIS by the Institute for Fiscal Studies said that pupils from the highest socio-economic quintile group are still around 40 percentage points more likely to go to university than those in the lowest socio-economic quintile group; and

²⁴ Quoted in "[Cameron's access goals 'key factor' in Green Paper](#)" Times Higher Education 15 October 2015

²⁵ Fulfilling Our Potential p37 para 14

²⁶ BIS Research Paper No 186, [Socio-economic, ethnic and gender differences in HE participation](#), November 2015, p8

that participation has risen more rapidly for ethnic minorities than for white British students.²⁷

The Green Paper's emphasis on social mobility and access to higher education has been warmly welcomed by commentators, but a few issues have been raised.

Nick Hillman director of the Higher Education Policy Institute made the following comment in linking the TEF to widening participation:

Mr Hillman argued that the TEF agenda was "exciting and necessary". But he also said: "The more things you want the TEF to deliver, the harder it is going to be to operate. The TEF is a measure of teaching quality – it's not actually a measure of how many poor kids are at a university and passing out of university at the end." Although he added that it "can be made such".²⁸

The vice-chancellor of the University of Cambridge, Sir Leszek Borysiewicz, has said that linking fees to TEF was a contentious issue because increases in fees caused problems for individual students and their desire to access education.²⁹

The Equality Analysis Annex A of the Green Paper states that the proposals on social mobility and widening participation will have a positive impact on the access and success of protected groups and disadvantaged students in higher education.

²⁷ BIS Research Paper No 186, [Socio-economic, ethnic and gender differences in HE participation](#), November 2015

²⁸ BIS Research Paper No 186, [Socio-economic, ethnic and gender differences in HE participation](#), November 2015 p8 and 10

²⁹ "[Fees rise linked to TEF is a contentious issue](#)", *Times Higher Education*, 17 September 2015

5. Opening up the higher education sector

The Government aims to stimulate competition in the HE sector and to increase diversity of provision by removing barriers to entry to the sector and creating a level playing field for new entrants. It is hoped that the measures outlined in the Green Paper will open up the sector to a range of new providers whilst embedding protections to safeguard standards and the reputation of UK higher education.

There is currently little legislation in this area – most of the regulation of this activity has been done through guidance and other administrative procedures. The Green Paper states that a number of the proposals in this area can be introduced without the need for primary legislation.

Box 2: Private higher education in England

There are many private higher education providers (also referred to as alternative learning providers) in the UK; they offer degree level courses and they receive no direct money from public funds. Most of these private institutions are colleges that offer programmes of study which are validated by other public higher education institutions, but a few have their own degree awarding powers and some of these have been awarded university title. Some of these providers have courses which have been specifically designated for student support purposes, so students at these institutions have access to the same package of student finance in the form of loans and grants as students at public HEIs.

Library briefing paper SN/SP/6961 [Expansion of private higher education in England](#), 13 August 2014 discusses the growth of private HE in England.

5.1 Single entry route into higher education

The paper proposes a single entry route into the higher education sector for all new providers. This process would apply to providers seeking licences to operate, specific course designation, institutional designation, degree awarding powers (DAPs) and university title.

The single route would give quicker access to student funding, create a faster process for the award of DAPs and university title and create a more uniform regulatory system. Under the new system a new entrant to the sector could potentially progress from starting to offer degrees, to being granted university title in 5-6 years; under the current process this would take over 8 years.³⁰

Single entry process

Under the new single entry system providers seeking to enter the higher education system would submit one set of information to the Office for Students (OfS) which will run a single application process. The level of information required would vary depending on the level of participation being applied for.

At entry level (referred to in the paper as Model 1) applicants seeking a licence to operate would undergo baseline checks on financial sustainability, management and governance (FSMG). Currently

³⁰ *Fulfilling Our Potential*, p44

applicants for FSMG checks have to provide three years of externally audited accounts – the Green Paper proposes reducing this to two.³¹ Thresholds for Model 1 applicants would be the minimum necessary to provide basic assurances.

Applicants seeking designation for funding at specific course level or institutional level (referred to in the paper as Model 2) would have to provide a greater level of assurance. Under Model 2, providers can choose to apply for the ability to charge fees at £6,000 or £9,000 per year. Fees at private providers are currently capped at £6,000 per year for full-time students.

5.2 Degree Awarding Powers (DAPs) and University Title

In September 2015 HEFCE took over the responsibility for administering DAPs and university title and issued new guidance and criteria.³² The Green Paper now proposes removing the role of the Privy Council in the process and making other changes to procedures and criteria.

Degree awarding powers (DAPs)

Providers seeking to award their own degrees may apply for DAPs. Providers which meet the current criteria may be awarded DAPs - private providers are granted DAPs on a six yearly renewable basis and public providers on an indefinite basis. The Green Paper proposes awarding all DAPs on a renewable basis in the first instance and subsequently on an indefinite basis if a provider is identified as low risk.³³

Currently providers need to demonstrate at least a four years' track record of delivering higher education before they can apply for DAPs. The Green Paper proposes reducing this to three years and including a wider range of experience as a 'track record'.³⁴

Under the new system each application for DAPs would be assessed using a risk-based approach. A provider giving limited evidence may be awarded DAPs on a rolling time limited basis. Other applicants with more substantive evidence may be awarded DAPs on a six yearly renewable basis. Conversely providers with DAPs may have the right to award degrees removed if they are giving cause for concern.

University Title

Any organisation in the higher education sector which has DAPs and meets further criteria on good governance and student numbers, can

³¹ *Fulfilling Our Potential* p51

³² BIS September 2015 [University Title and University College Title Guidance for Higher Education Providers: Criteria and Process for applying for University Title and University College Title](#).

BIS September 2015 [Taught and degree awarding powers and research degree powers. Guidance for Higher Education Providers: Criteria and Process for applying for taught degree and research degree awarding powers](#).

³³ *Fulfilling Our Potential* p47

³⁴ *Ibid* p47 para 14

apply for the title ‘university’ – this is a highly prestigious and potentially lucrative award.

Under current criteria, to qualify for university title, a provider must have 1,000 full time equivalent higher education students of which at least 750 must be studying for a degree and 55 per cent of the organisation’s overall student body must be studying higher education courses. The Green Paper proposes reducing, or removing the student numbers requirement.³⁵ This change would allow smaller providers and specialist institutions such as conservatoires to become universities.

Removing the size requirement would abolish the ‘university college title’ which is reserved for smaller higher education providers with DAPs. This change would not need primary legislation.

5.3 Validation of degrees

Under the current arrangements alternative providers must secure a validation agreement from a provider that awards degrees before a degree course can be designated for student support. It has been suggested that in some cases providers find it difficult to find a validation partner and in these circumstances they are shut out of the higher education system.

The Green Paper proposes that the OfS could take on a validation role and that DAPs could be awarded to non-teaching bodies³⁶ in order to widen options for validation. These measures would require legislation.

5.4 Specific course designation

Students at private providers do not generally have access to student support, however providers may apply to have their courses approved for students finance purposes – this process is known as specific course designation.³⁷ Under this process courses are approved on a yearly renewable basis. This procedure can be burdensome and costly for providers and creates uncertainty over course provision. The Green Paper therefore proposes allowing multi-year designation under certain circumstances.³⁸

5.5 Student numbers controls

Alternative providers, other than those with their own DAPs, are currently subject to student number controls with regard to the number of students in receipt of student support. Many providers have a student numbers cap of 50 across all years. From 2016/17, all small providers where the majority of full-time students in 2015/16 are studying for qualifications validated by organisations with DAPs, will be offered the option of increasing their number to 100 full-time students in receipt of student support. This proposal will allow private providers

At the Universities UK Spring Conference 2011 David Willetts, the then Universities Minister, said that he wanted to ‘*break the link between degree awarding powers and teaching*’. Pearson the publishing house which owns the examination board Edexcel, has long pressed to be granted DAPs so that can act as a degree validator for FE colleges

³⁵ *Fulfilling Our Potential* p48 para 19

³⁶ *Ibid* p49 para 24

³⁷ BIS July 2015 [Specific course designation for alternative higher education providers Guidance for providers: Criteria and Conditions and Annual Re-designation](#)

³⁸ *Fulfilling Our Potential* p52 para 36

to expand their numbers. The Green Paper also proposes linking student number allocations to TEF results.

5.6 Provider exit and safe guarding students

The paper accepts that increased competition in the higher education sector could increase the risk of HEIs facing difficulties and ultimately leaving the sector.

The Green Paper proposes introducing a requirement for providers to make contingency plans for students in the event of a provider closing. In these circumstances providers must arrangements for continuity of provision, or provide financial recompense. However the paper states that a provider could be supported on a temporary basis in certain limited circumstances, such as if an area had no other higher education providers.

5.7 Comment

Some commentators in the sector have expressed concern about the Green Paper's aim to open up the higher education sector and the effect that this could have on the reputation of UK higher education; some in the sector have gone as far as to call the proposals a 'reckless' gamble with the sector's reputation³⁹

Professor Aldwyn Cooper vice-chancellor of the private not-for-profit Regent's University made a similar point:

"I'm keen to see more private investment, whether it's for-profit or charitable investment, in developing new and different higher education institutions – but it's the reputation we have internationally for the quality of our degrees that is the most important thing.

"We risk, with some of the proposals, I believe, the likelihood that we will erode that – and quite rapidly."⁴⁰

Other commentators such as Professor A C Grayling from the New College of the Humanities have welcomed the proposals:

"The highest quality new providers have the potential to innovate – to bring fresh ideas, cutting-edge curricula and new teaching methodologies to the table.

"Allowing these providers a quicker and more streamlined route to degree-awarding powers and university status, subject to continuing strict assessment of quality, is a positive step forward in offering greater choice and improved quality of university experience."⁴¹

The Equality Analysis in the Green Paper states that the proposals to remove barriers to entry into the higher education sector, are expected to be broadly positive with improved choice and outcomes for all students and given the profile of the current students at private

³⁹ "[Cameron's access goals 'key factor' in Green Paper](#)" *Times Higher Education* 15 October 2015

⁴⁰ "[Plans could mean 'more than 1,000' institutions in England](#)", *Times Higher Education*, 12 November 2015

⁴¹ *ibid*

providers would disproportionately benefit students from disadvantaged backgrounds, males, ethnic-minorities and older students.

6. Simplifying the higher education architecture

6.1 Abolishing the Higher Education Funding Council for England

The 2012 higher education finance reforms changed the balance of higher education teaching funding from block grants to loan funding. This shift altered the relationship between HEIs and HEFCE. Since then several reports have called for a new regulatory framework for higher education to reflect the new landscape.

The Green Paper proposes abolishing HEFCE and transferring many of its functions to a new body – the Office for Students (OfS). HEFCE was set up by the *Further and Higher Education Act 1992* and these proposals would be the biggest change in higher education administration in over two decades.

HEFCE's role in the allocation of grant funding for teaching and research may be transferred to OfS or BIS ministers.
Fulfilling our Potential
p59

6.2 The Office for Students

The OfS would be a new arms-length public body with a duty to promote students' interests. It would oversee the new regulatory system, including administering the TEF and the single entry route into higher education. It would incorporate the Office for Fair Access (OFFA) and have a lead role in overseeing widening participation measures. OfS would also have a duty to respect institutional autonomy and academic freedom of staff.

The functions of the new body are set out in the Green Paper on p62-63.

All HEIs would register with OfS and their subscriptions would pay the cost of running the office – in a similar way to which the Office of the Independent Adjudicator is funded.

Managing risk

The Green paper suggests that the OfS should have a range of sanctions to deal with breaches of conditions or regulations by HEIs, these include: putting in place a support strategy, issuing a direction for the provider to take specified actions, imposing a monetary penalty and removal from the system.

6.3 Further deregulation

The paper proposes allowing higher education corporations – mostly post 1992 institutions- to have increased power to amend their instruments and articles of government, and to dissolve themselves and transfer their assets. It also proposes allowing HEFCE funded bodies to change their governing documents without the need for approval from the Privy Council.

The Government will also seek responses on removing HEIs from the requirement to comply with Freedom of Information provisions.

6.4 Comment

The role of HEFCE has come under increasing scrutiny since the higher education finance reforms reduced its role in allocating funding and some commentators suggested that it was no longer necessary:

Emran Mian, director of the Social Market Foundation thinktank, who was lead civil servant on the Browne review, said of Hefce: "I'm struggling to see what its role should be...It distributes QR [quality-research] funding. Research Councils UK could handle that. Funding for higher cost subjects can be distributed via a formula devised in the department."

Mr Mian also suggested that the TEF could be run by the Quality Assurance Agency.

"I don't have any kind of axe to grind against Hefce and there are some great people there, but it feels out of place in the new funding environment," he added.⁴²

Transferring HEFCEs functions to a new body could maintain continuity and expertise whilst reducing some duplication and cutting costs.

BIS like other non-protected departments has to deliver savings and it has been suggested that changes to the role of HEFCE will reduce costs for BIS. Making the OfS funded by subscriptions from HEIs will also save public money, but will increase costs for providers.

The Director of OFFA, Professor Les Ebdon made the following comment on merging OFFA and HEFCE:

"I welcome the proposal that the Director of Fair Access should play a specific and strengthened role within the proposed new Office for Students. I also welcome the proposal that fair access should be embedded in the metrics being developed for the Teaching Excellence Framework. The proposed new regulatory landscape has the potential to increase the importance of fair access, improving coherence and collaboration and maximising impact. I am determined to seize such opportunities.

"In implementing these changes, it will be crucial not to dilute or subordinate fair access to other, possibly conflicting, priorities. It will therefore be important that, within the proposed new Office for Students, the Director of Fair Access is able to operate free from conflicts of interest and 'sector capture'.

"I look forward to working closely with the Government to ensure that any legislation emerging from this Green Paper helps achieve its fair access aims and wider social mobility objectives."⁴³

⁴² "[HEFCE role under review as Johnson seeks 'cheap and simple' regulation](#)", *Times Higher Education*, 17 September 2015

⁴³ OFFA "[OFFA comment on BIS Green Paper](#)", 6 November 2015

7. Research funding

Research funding for HEIs is allocated via the dual support system ie funding comes from HEFCE in the form of an institutional block grant and from the research councils for individual projects. The Government is committed to maintain the dual funding system, but is seeking ways to streamline processes and avoid duplication.

The Green Paper proposes changes to the research landscape with a new body taking over HEFCE's role in funding, or the creation of a new overarching body bringing together research council functions and management of institutional funding.

7.1 Research Excellence Framework (REF)

Since 1986 block grant funding for research has been selectively distributed to institutions using data obtained in some form of research assessment process.⁴⁴ The most recent design of the process was the Research Excellence Framework (REF). The REF took several years to develop and it has been estimated that it cost £246 million to administer.

The Green Paper expresses concerns about the cost of the REF and the bureaucracy surrounding the process and seeks views on how these issues could be resolved in any future process.

7.2 Comment

The section on research is the shortest section of the Green Paper. The next REF is due in 2021 and many commentators have raised the need to simplify the system. One way of reducing bureaucracy and cutting costs would be to increase the uses of metrics. However it has been suggested that a review system based on an increased use of metrics and less peer review would not be seen as credible⁴⁵ This view was supported by a report the *Metric Tide*⁴⁶ which was published in July 2015.

The Nurse review of the UK research councils⁴⁷ had just published its report and the findings will feed in to any future design of the research system.

⁴⁴ For further information on the REF see library briefing SN/SP/7112, [2014 Research Excellence Framework](#), 26 February 2015

⁴⁵ "Metrics –based mini REF won't be seen as credible", *Times Higher Education*, 12 November 2015.

⁴⁶ [The Metric Tide: Report of the Independent Review of the Role of Metrics in Research Assessment and Management](#), July 2015

⁴⁷ [Ensuring a successful UK research endeavour](#), A Review of the UK Research Councils by Paul Nurse, November 2015

8. Next Steps

Responses to the Green Paper must be submitted by 15 January 2016.

A technical consultation will be run in 2016 which will cover the operational detail of metrics and of the assessment criteria, process and outcomes, as well as looking at the evidence to be submitted alongside applications and how it will be used for provider level assessment.

Some of the Green Paper's proposals such as the single entry route to higher education and changes to validating bodies will require primary legislation. But many of the Government's proposals can be implemented through changes to guidance.

New guidance on removing barriers to entry to the higher education sector will be published in summer 2016 for courses starting in September 2017.

It is anticipated that the Green Paper will be followed in due course by a White Paper and a Bill.

Ongoing policy development

Substantial amounts of higher education policy work is currently being carried out and many consultations are being analysed. Much of this work could feed into future proposals.

Universities UK (UUK) is establishing a new Social Mobility Advisory Group and this will report to the Universities Minister in December 2015. Recommendations from this group could feed into future developments.

UCAS will consult with the sector on 'name-blind' applications from September 2017.

HEFCE is currently piloting tests for students to evaluate whether they could be used to measure 'learning gain' – the improvement made by students over their time at university. Data from such tests could form a metric in future TEFs.⁴⁸

In June 2015 HEFCE launched a review of quality assessment – the consultation, [Future approaches to quality assessment in England, Wales and Northern Ireland](#) closed on 18 September 2015 and responses are currently being analysed. Recommendations from this review could be integrated into QA assessments from 2017/18.

Sir Paul Nurse's review of the Research Councils will impact on any proposals concerning higher education research.

⁴⁸ HEFCE to pilot national tests", Times Higher Education, 24 September 2015

9. Responses to the Green Paper

Universities UK

Dame Julia Goodfellow, President of Universities UK and Vice-Chancellor of the University of Kent, said:

"The UK higher education sector is recognised around the world for its high quality teaching, learning, and rates of student satisfaction. We welcome the green paper's emphasis on protecting the interests of students and demonstrating the value of a university education.

"The recognition of high quality teaching in our universities is a welcome step, but we must ensure that this exercise is not an additional burden for those teaching in our universities and that it provides useful information for students, parents, and employers. Universities are already improving the amount of information to students about courses to ensure that their experience matches their expectations.

"The diversity of providers and the range of courses offered is one of the strengths of the UK university sector, and we support competition and choice. It is important, however, that any new higher education provider entering the market is able to give robust reassurances to students, taxpayers and government on the quality and sustainability of their courses.

"Universities have made considerable progress in recent years to increase the numbers of students from disadvantaged backgrounds going to university and graduating with a good degree. We recognise there is more to do, and Universities UK looks forward to leading the Social Mobility Advisory Group announced in the green paper to build on progress and identify best practice.

"With a wide range of issues covered in the paper, we will be considering carefully the complex, but vitally important, areas such as how funding and regulatory powers are integrated, the future of the sector bodies and their relationship to government, and how the green paper protects the autonomy of our world-class university sector."⁴⁹

National Union of Students

NUS National President, Megan Dunn said:

"Change should be driven by the people at the heart of the system – students, teachers and staff. It will not be good enough for the government and institutions to decide what is in students' interests without asking them."

On access, Megan added: 'It is reassuring to see the government putting access to education at the heart of their proposals, but we must see action as well as promises.'

She concluded that: 'Teaching should always be a key focus of higher education but NUS is adamant that the Teaching Excellence Framework should not be linked to an increase in fees. Students should not be treated like consumers.'⁵⁰

⁴⁹ UUK "[Universities UK response to government green paper on higher education](#)", 6 November 2015

⁵⁰ NUS "[NUS responds to higher education green paper](#)", 6 November 2015

Universities and Colleges Union

UCU general secretary, Sally Hunt, said:

"Everybody agrees that teaching, alongside high quality research, should be at the heart of higher education. Our high standards are one of the reasons so many overseas students continue to choose to study here.

'We have concerns about exactly what measures would be used in any TEF. Simply finding a few measures to rank teaching will do nothing to improve quality and we fear that manipulation of statistics may be the name of the game, rather than bolstering the student experience.

'Quality teaching is underpinned by decent working conditions for staff and a good place to start to improve teaching would be to tackle the widespread job insecurity that blights the university sector. Good teaching also needs to be properly recognised in academic career structures.

'The time has come to ensure that the staff voice is heard on the bodies that will shape how quality and the student experience is monitored and improved. One of the easiest ways the government could improve academic quality and standards is to restrict, rather than increase, the role of for-profit, private providers."⁵¹

Russell Group

Dr Wendy Piatt, Director General of the Russell Group, said:

"Our universities make huge efforts to improve access for the most disadvantaged students and real progress has been made. But we must not lose sight of what the Green Paper refers to as 'the root causes of inequality of access' in higher education – such as under-achievement at school and poor advice on the best choices of A-level subjects and university degree course."

"The autonomy of our universities is crucial to their success. It is vital that any regulation is risk-based and proportionate and does not add to the current burden or stifle innovation.

"We look forward to responding in detail to the proposals contained in the Green Paper to ensure students continue to receive an outstanding education."⁵²

Million +

Professor Dave Phoenix, Chair of the university think-tank Million+ and Vice-Chancellor of London South Bank University, said:

"The Green Paper's emphasis on social mobility and the student interest is to be warmly welcomed but any new Office for Students must be independent of government. It is also important that an independent quality assurance system is retained since this has done much to secure the reputation of UK universities overseas.

"Vice-Chancellors will want to look carefully at proposals around research funding and the development of a Teaching Excellence Framework in England but the suggestion that any link with fees will depend on a successful quality assurance audit at least in the first instance, shows that Ministers are in listening mode.

⁵¹ UCU "[UCU response to higher education green paper](#)", 5 November 2015

⁵² Russell Group, "[Higher Education Green Paper](#)", 6 November 2015

"If the government is serious about delivering the Prime Minister's ambitions to improve participation it must recognise that supporting a few more working class young people to enter Oxbridge is not the only – or even the most important - game in town.

"Modern universities have excelled in providing opportunities for students from a wide range of backgrounds and a third of students enter university when they are over 21. If the HE Green Paper succeeds in changing the terms of the social mobility debate that would be a prize worth having."⁵³

University Alliance

Maddalaine Ansell, Chief Executive of University Alliance said:

"We will only achieve the highly skilled workforce this country needs – and give everyone a stake in its success – if universities are truly open to all who can benefit. We welcome the Government's commitment to support more people from disadvantaged backgrounds to access, and succeed within, higher education. But this does come at a cost. If this is not recognised in the forthcoming spending review, today's commitment is just empty words.

"As institutions that are above benchmark for both recruiting and retaining widening participation students, we are pleased this will be recognized in the TEF. Our success in achieving great outcomes for all our students comes in part from our strong links with industry and the professions. We will continue to develop these – including by creating new Degree Apprenticeships.

"We also pride ourselves on using our world-leading research to enrich our teaching. We welcome the commitment to the dual support system. This makes our system dynamic and promotes innovation. While we recognise the value of reducing the cost of participating in the REF, any simplification must not introduce concentration by the back door."⁵⁴

Association of Colleges

Martin Doel, Chief Executive of the Association of Colleges, said:

"Colleges have a long history in providing better access to higher education to people from disadvantaged backgrounds and will want to help the Government make a reality of its plan and its commitment to social mobility.

"However, Government needs also to remember that not everyone studies higher education in universities. There are 159,000 people studying HE in a college and they are often adults fitting their course in part time around work or family commitments. The teaching excellence framework and other reforms must take these students into account too.

"We hope that the new, speedier process to gaining degree awarding powers will also apply to awarding powers for foundation degrees."⁵⁵

⁵³ Million + "[million+ comment on HE Green Paper \(England\)](#)", 6 November 2015

⁵⁴ University Alliance, "[University Alliance responds to the HE Green Paper](#)", 6 November 2015

⁵⁵ Association of Colleges "[Higher education Green Paper published](#)", 6 November 2015

Sutton Trust

Sir Peter Lampl, Chairman of the Sutton Trust and of the Education Endowment Foundation, said:

"With the access gap at our most selective institutions still unacceptably wide, today's green paper, its commitment to improving higher education access and the Prime Minister's ambition to double the number of disadvantaged young people going to university by the end of this parliament are welcome. It is also good to hear plans to improve the quality of teaching, retention and postgraduate employment prospects.

"However, shifting grants to loans means the financial burden for poorer students will increase and they will be saddled with debts in excess of £50,000. Freezing the repayment threshold will only add to this."⁵⁶

CBI

Neil Carberry, CBI Director for Employment and Skills policy:

"The UK's world-class universities are a valuable asset and it's essential that these proposals make it possible to build on their strengths.

"We need a fresh approach to higher level skills provision to overcome the growing skills crisis. Our great universities have a key role to play in this and it is important that students from all backgrounds know that the degrees they work and pay for will help them build a great career.

"The dual funding system for research is valued by business, and the Research Excellence Framework has helped to level the playing field for academics who want to work with businesses, so it is good that these will be retained.

"Measures to promote more partnership between universities and businesses will drive economic growth and help to enable more graduates to enter the labour market with the skills employers increasingly need."⁵⁷

⁵⁶ Sutton Trust, "[Sutton Trust response to HE Green Paper](#)", 6 November 2015

⁵⁷ CBI, "[Our response to BIS Green Paper on Higher Education](#)", 6 November 2015

10. Conclusions

The proposals in the Green Paper have been generally welcomed by the higher education sector. The main areas of concern expressed have been around the development of the TEF and opening up the higher education sector to a wider range of providers.

There is general agreement that higher education regulation needed reform and that social mobility and access measures are an important area of HEIs work.

However there is some difference of opinion over the raising of tuition fees and linking this to the TEF. It has also been said that the Green Paper is 'very green'⁵⁸ and that a lot of proposals will need more work.

Other commentators have said that the paper missed an opportunity to address the issue of part-time and mature students. Numbers of students in these groups have fallen significantly since the introduction of higher fees in 2012.

⁵⁸ Nick Hillman, Director of HEPI [10 points about the higher education green paper](#)

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