

Universities UK:
Manifesto for
higher education



Why are universities so important?

The challenges that the UK faces today are global and they require world-class solutions. With continued support and investment from the Government, higher education will play a central role in meeting those challenges. Tomorrow's knowledge-based economy will demand a flexible, diverse and well educated workforce. Climate change and rapid technological advances will place a premium on leading-edge research and innovative thinking. Our universities are uniquely well placed to help ensure we all grow and prosper in an uncertain world.

In difficult economic times spending on higher education is not a cost to the nation but a vital investment in our ability to meet the challenges of the future.

The UK has built one of the best university systems in the world – but this has been achieved over many years and thanks to sustained investment and a valuing of university autonomy. Our universities provide a high quality learning environment for students. Our research performance is second only to that of the USA. This matters, because knowledge-intensive businesses will follow the best ideas, and go where the brains are.

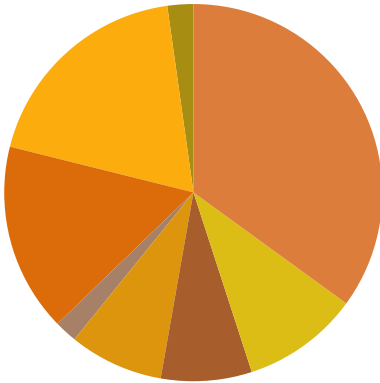
Universities now generate at least £59bn for the UK economy – that's without counting the value created by graduates and the products of research. They also create vast cultural wealth and social capital, making the UK an exciting and vibrant place to live.

But funding has not kept pace with the radical changes the HE sector has had to face. If we are to continue providing a first-class experience for students then we need to invest in the infrastructure that supports the learning environment.

About higher education in the UK

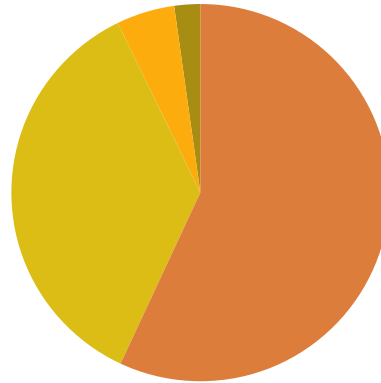
- There are currently 166 higher education institutions in the UK, of which 116 are universities.
- In 2007/08 in England the participation rate for 18–30 year olds in higher education was 43 per cent.
- In 2008/09 there were 2.4 million students enrolled in UK universities and colleges.
- In 2008/09 there were 251,300 international students studying in the UK, as well as 117,660 from the EU.
- Universities employ over 372,400 staff directly accounting for 1.2 per cent of the UK workforce, and through knock on effects are responsible for a further 353,900 jobs in other parts of the UK economy.
- UK higher education generates over £59bn of output for the UK economy, including export earnings amounting to £5.3bn.

**Income and expenditure of higher education institutions in England
2007/08**



Total income
£19.4bn

- Funding Council grants**
35%
- Full-time undergraduate UK/EU tuition fees (excluding Department of Health funding)**
10%
- Other full-time and part-time UK/EU HE tuition fees**
8%
- Non-EU domicile HE tuition fees**
8%
- Other tuition fees and support grants**
2%
- Research grants and contracts**
16%
- Other income**
19%
- Endowment and investment income**
2%



Total expenditure
£18.9bn

- Staff costs**
57%
- Other operating expenses**
36%
- Depreciation**
5%
- Interest and other finance costs**
2%

Source
Higher Education Statistics Agency
(HESA)
Tables 1, 5a and 5b
*Resources of Higher Education
Institutions 2007/08*
2009

Funded to succeed:

- * To stay ahead of our global competitors we need investment in higher education to keep pace with the likes of the USA, Canada and Australia.*
- * We call on the Government to ensure that income to universities from student fees is additional to, and does not simply replace, public investment.*
- * Direct public funding will remain a vital element of university income and we call on the Government to commit to maintaining public spending per student in real terms.*



The higher education sector generates £59bn for the UK economy, and produces about 2.3 per cent of national GDP – more than the advertising industry. The next Government should invest in teaching, research and knowledge exchange not despite the economic challenges we face, but because of them. For every £1m of university output a further £1.38m was generated in other sectors of the economy.

As a minimum, we want the next Government to commit to maintaining current levels of funding per student for teaching over the long term. Our aspiration is that the UK should spend at least the OECD average (from public and private sources) on higher education. Currently we spend 1.3 per cent of GDP on higher education, compared to 1.6 per cent in Australia, 2.7 per cent in Canada and 2.9 per cent in the USA.

We also ask the Government for sustainable investment in higher education's teaching infrastructure. This means funding improvements in higher education teaching infrastructure so that students can benefit from a world-class teaching and learning environment.

In November 2009 the Government launched an independent review of higher education funding and student financial support in England. The review team will report its findings in the autumn of 2010. Universities UK supports a funding system that combines contributions from students, the Government and universities' own revenue raising activities. But the core of our case remains the need for sustained public investment in higher education across the UK. Only through continued Government investment can we maintain a world-class higher education system that delivers a quality teaching experience for students, widespread economic and social benefits and ground-breaking research. Our competitors around the world recognise our leading position and are committed to overtaking us. We cannot afford to stand still.

Extending opportunity, enhancing social mobility:

- * Universities want to work with the Government to widen participation in higher education but this needs to be backed by adequate funding so that the quality of the experience is not reduced for all.*
- * Part-time students have had a raw deal for too long and the support they receive needs to be improved.*
- * The Government and universities need to work closely together to continue supporting initiatives that improve information for students and remove barriers to participation in higher education.*

Improving the information provided to potential students is a key step in achieving wider access to higher education. That's why universities are investing in a range of initiatives to help would-be students access the information they need easily. That includes working closely with schools to raise aspirations and break down the barriers to university entrance faced by some young people.

It is also critically important that universities are able to support students from a diverse range of backgrounds once they reach university. That means adequate funding for teaching, which reflects the additional costs of supporting students from low-participation groups.

Part-time students have had a raw deal for too long. In 2004 the Leitch review set out a path for the UK economy to become a world leader. If we are to meet those aspirations we need to do more to encourage people who are already in the workforce to refresh and reinforce their skills through higher education. There must be greater equity of treatment for part-time students in both fee loans and support for living costs, and an increase in the support available to returning learners.

But achievement at 16 remains the principal barrier to increasing the number of students in higher education from poorer backgrounds. Universities are working closely with schools and colleges around the country to help prepare students for higher education. We need the Government to help universities in their work with schools and children to raise levels of attainment and aspiration.

World-class research:

- * We need the Government to sustain investment in research and innovation to secure our position as a leading knowledge economy in the world.*
- * The dual support system for funding research needs to be preserved in order to secure the breadth and dynamism of research in universities.*
- * Support for blue skies research and the selective funding of research on the basis of excellence is also essential for the continued vitality of university research.*



Our universities deliver some of the best research in the world. With 1 per cent of the world's population we produce 8 per cent of the published academic papers and we have the most efficient research system of all G8 countries. Increasingly close links with business mean enhanced impact and ever more practical application of university research.

University patents have more than doubled in the last 10 years. Since 2001 income from business through consultancy contracts has increased by 128 per cent. Over the same period the total turnover of university spin-outs (companies created to transfer technology to the market place) has risen by 240 per cent. To build on this success we would like to see, at the very least, the current commitments outlined in the 10-year Science and Innovation Framework maintained.

University research is funded through the dual support system where part of the funding is directed to specific research projects and part is provided through a block-grant to universities. This system gives universities the autonomy to innovate. Combined with a selective funding system based on excellence, this system is a key factor in explaining the success of UK university based research.

The impact of research can often be unpredictable or have long lead times. A recent report shows that the time lag between research expenditure and eventual health benefits is around 17 years. Continued investment in longer-term basic research is vital for future prosperity.

An increasingly innovative approach to research work has helped to transform the relationship between universities and the business community. Closer business links mean new income streams for universities and more benefits for the UK economy: UK HEIs received £2.81bn from business and community interaction in 2007-08. But this represents roughly 11 per cent of total income and is not a 'magic bullet' to fill funding gaps. The links will continue to flourish in an environment that values investment in innovation.

*High standards, high quality
and world-class student experience:*

- * Public confidence in quality and standards in higher education is critically important and we ask the Government to work with universities in maintaining that confidence.*
- * We support a strong and independent Quality Assurance Agency (QAA) and urge the Government to retain it as a keystone of the quality assurance process.*
- * We need the Government to commit to continued investment in university teaching which is critical to the maintenance of the highest standards.*

High standards, high quality and world-class student experience

Universities are committed to putting students first by delivering the highest quality learning experience. Maintaining standards is vital so that students, employers and other stakeholders can be confident in the quality of education provided. We are the only country in the world with an external examiner system at undergraduate level, and one of the few with commonly agreed benchmarks between universities.

We want to work with the Government to ensure a quality assurance system that is accountable, vigorous, transparent, flexible, responsive and public facing. The QAA should continue to act, on behalf of the sector, as guardians of the cross-UK system of shared reference points for standards.

We want to give all students the best possible academic experience, but this relies on funding to meet their expectations. At a time when funding is tight, it is particularly vital that resources go into front line teaching and that funds do not get absorbed by unnecessary bureaucracy. There are more than 50 professional, statutory and regulatory bodies operating in higher education, and it would not be helpful to further increase the burden of red tape.

The 2009 Government White Paper *Higher Ambitions* proposed that funding for university teaching should be targeted towards strategically important subjects and be linked to the quality of teaching. We support investment in quality teaching but want to ensure that measures of quality are fair, meaningful and workable. We also want the Government to acknowledge that vital skills are gained across a wide range of university courses and that a strong, diverse and independent higher education sector is the best way to ensure that the needs of employers are met.

Internationally competitive universities:

- * The international activities of universities bring benefits to trade, diplomacy and business as well as education. We need Government policy to help strengthen those international links.*
- * The UK's migration system needs to support the recruitment of international staff and students.*
- * We want the Government to work with universities to encourage UK students to study abroad as part of a UK degree.*

Internationally competitive universities

The UK's higher education sector is world-class but we are competing for talent and an increasing number of countries are joining that competition. Universities benefit from our international outlook that brings us international students, staff and partners. In 2009 there were more than 368,000 overseas students studying at our universities. They account for around 15 per cent of the total number of students in higher education and help to generate world-leading research in our universities. But many of those students are also future business partners and ambassadors for UK plc. Universities need all aspects of Government policy to support us in recruiting the best minds from around the world.

Higher education is now a major export industry in its own right. We call on the Government to take a cross-departmental approach to policy-making which consistently takes account of the impact of those policies on international perceptions.

The immigration system should not act as a barrier to genuine students, academics and visitors. UK universities have a sound regulatory environment, and we need the Government to ensure that they are not burdened by excessive and expensive additional regulation because of legitimate fears about other parts of the education system.

However, the international character of UK universities is not just about in-bound staff and students. We also want to encourage UK domiciled staff and students to experience higher education in other countries.

A well-run sector:

- * We need the Government to continue to protect university autonomy.*
- * Maintaining the block-grant as an element of university funding is an essential element of the sector's stability and success.*
- * Universities are working hard to identify and get rid of unnecessary and costly bureaucracy but the Government can support this effort by not adding to the bureaucratic hurdles that universities face.*



A well-run sector

Universities are not run by the state. Their historic strength is founded on their autonomy. Recent research has demonstrated the positive correlation between autonomy and research performance in universities, and the European Commission's modernisation agenda recognises that this approach is the only way in which Europe's universities can remain competitive.

Currently, the public funding for universities comes through the block-grant from the Funding Councils. The Funding Councils operate a rigorous and effective approach to external accountability that maximises public assurance whilst minimising the cost of this to the taxpayer. It takes an overview of the financial health of institutions and, by providing funds on the basis of block-grant, ensures that the maximum amount of resources is delivered to front-line services and only the necessary amount diverted to accountability and regulation. In our view the Funding Councils play an important role in supporting higher education.

Universities expect to be accountable for the public money they receive – but we want to work with the Government to improve regulation so that it balances accountability, autonomy and efficiency while respecting the professionalism and effectiveness of the higher education sector.

We call on the Government to balance proportionate, consistent, transparent and targeted regulation with proper institutional responsibility. And, especially as finances are under pressure, to weigh up the costs and benefits of new policies to ensure that the greatest possible proportion of public funds support front-line teaching and research.

A commitment to environmental sustainability:

- * We call on the Government to support universities in advancing sustainable development.*
- * We also want the Government to work with universities to promote good practice from universities across other sectors.*



A commitment to environmental sustainability

Universities have a unique and critical role in helping to address the challenge of climate change. Our higher education sector is a major player within the global search for solutions to environmental problems and in the development of more sustainable ways of living. Through their research and links with business and industry, universities are positioned to drive forward innovation in all areas of life – construction, energy supply, transport, design and many others.

Universities educate the next generation of leaders. With the right support we can make a major contribution to advancing sustainable development by preparing graduates for careers and lives in a sustainable context.

As major organisations with thousands of students and staff as well as visitors there are also valuable practical steps universities are taking to reduce their own impact on the environment. This has been achieved through innovative buildings, reductions in energy and water consumption, green procurement and support for alternative modes of transport. Universities are already showing leadership in this. The Government can help by promoting what we are doing as an example to other organisations.

Further information

Universities UK is the major representative body and membership organisation for the higher education sector. It represents the UK's universities and some higher education colleges. Its 133 members are the executive heads of these institutions. Universities UK works closely with policy makers and key education stakeholders to advance the interests of universities and to spread good practice throughout the higher education sector. Founded in 1918 and formerly known as the Committee of Vice Chancellors and Principals (CVCP), Universities UK celebrated its 90th anniversary in 2008.

Universities UK also provides services to Parliament by issuing briefings, publishing research to inform public debate, bringing together the heads of universities with Parliamentarians, and providing information on request.

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