

Policy Briefing

The 2015 Higher Education Green Paper: Fulfilling our Potential: Teaching Excellence, Social Mobility and Student Choice

million+ is a university think-tank working with modern universities which engage in high quality teaching, excellent research, knowledge exchange and innovation.

“It is always wise to look ahead, but difficult to look further than you can see”

Winston Churchill

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December 2015

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Introduction

- i. million+ is a university think-tank working with modern universities which engage in high quality teaching, excellent research, knowledge exchange and innovation. Our formal response to the Higher Education Green Paper *Fulfilling our Potential: Teaching Excellence, Social Mobility and Student Choice* which was issued by the UK Government's Business, Innovation and Skills Department in November 2015 will be submitted and published in January 2016.
- ii. Although focused on universities and higher education providers in England, the Green Paper has implications for universities throughout the UK and the UK's global reputation in the international market in which institutions across the sector and the UK engage.
- iii. This paper is intended to address some of the wider issues raised in the Green Paper and outlines key points going forward. We would welcome comments from universities and other stakeholders throughout the UK on the wider issues and key points that we have outlined.

Key Points

- The Teaching Excellence Framework (TEF) has the potential to enhance the recognition of excellent teaching and promote good practice throughout the higher education sector in England
- Increases in fees and differential fee levels should not be linked to the TEF, which itself has to be clearly differentiated from quality assessment thresholds which all universities have to meet
- The timetable for the introduction of a different TEF level (TEF 2) in 2017, with or without fee differentiation, is unrealistic. There should be a 3-year gap between the award of TEF 1 based on successful quality review and the introduction of further TEF assessments. During this period universities should be able to increase fees by inflation if desired and the TEF criteria should be modelled and piloted.
- The criteria and measurements used in the TEF must reflect the different context, missions and populations of universities. Contextual summaries incorporating light touch metrics will be essential if the ambitions for the TEF are to be delivered
- The TEF should avoid creating additional, unnecessary bureaucracy
- Wider introduction of a Grade Point Average system should only be done following consultation with the sector, including a discussion about different institutional contexts, and should not become a national system judging all higher educations in an identical way

- Universities have a strong track record of adapting to meet the demands of students, so welcome competition, but that should not be enabled through a lowering of quality standards
- Proposals for relaxing the rules around university title and degree awarding powers should be withdrawn. All institutions, including new entrants to the market, must have sufficient volume and experience to provide evidence of delivery and protect the interests of students
- UK university title is highly valued and needs to be clearly defined. The UK government must ensure that variations in England do not impact adversely on the domestic and international reputation of UK universities
- The new Office for Students (OfS) needs to retain the same degree of powers and independence as the Higher Education Funding Council for England – a buffer body advising and critiquing government is vital for good policy development
- The OfS should continue to have responsibilities for the wider oversight of the sector and the allocation of residual teaching grant and quality-related research funding. The importance of enterprise and civic responsibilities need embedding within OfS
- The Director of Fair Access must remain independent, and continue to work directly to Ministerial guidance and report to Parliament
- The retention of 7 separate councils focused on different disciplines, but within a stronger overarching organisation with a single reporting officer is welcome
- Transferring quality-related research to ResearchUK would weaken the OfS's oversight over the whole sector and could therefore undermine the quality assurance regime
- The Green Paper is silent on part-time and older students. All equality strands should be assessed and addressed by the government in its response to the Green Paper consultation
- The government must address the UK-wide implications of its proposals on TEF, deregulation and research funding

The creation of a Teaching Excellence Framework

1. million+ supports many of the principles behind the Green Paper and its proposals for a Teaching Excellence Framework (TEF) are welcome. A focus on quality, continuous improvement and the incentivisation of excellent teaching should be at the centre of every university's ambitions for its students. However, much of what the TEF seeks to do as defined in the Green Paper is being done already. The development of any framework for teaching will need to be progressed with caution to avoid duplication and diverting resources away from activities which are aimed at improving the student experience and learning outcomes.

Decoupling TEF from fees

2. Whatever shape the TEF ends up taking, there should be no link with fees at all. Arbitrary price setting at multiple levels managed centrally by BIS (or some other organisation) is more likely to stifle innovation and competition rather than promote it. At current rates of inflation, significant fee differentiation will not happen for many years (possibly up to 20). Depending on when institutions cross the thresholds in TEF, the link with course fees will signal misleading perceptions of quality at an institution and lead to anomalies in respect of additional fee income.
3. The focus of the TEF must be on providing improved information to students, employers and the general public that evidences the approach of institutions to teaching rather than on a link to fees.

TEF levels and differentiated fees

4. Unless there is additional direct government investment in teaching, fee income cannot be frozen indefinitely. The suggestion that TEF in 2016-17 should be based on successful quality review and linked with an inflationary increase in fees from 2017 is welcome. However, the proposal that further assessments should be added for TEF levels 2-4 (or 2 and 3) and linked to differentiated fees is highly questionable in principle and in practice.
5. Over time any intended relationship between fee and 'perceived quality' will be diluted hence the fee and TEF should be decoupled at the outset. Unless the government introduces significant price differentials, different TEF levels are unlikely to lead to significant fee variability in the short or medium term. Different TEF levels will increase the administrative burden and make the modelling of the TEF even more complex, especially bearing in mind that Ministers have suggested that the TEF should operate at subject rather than institutional level.¹

Inflationary fee increases and longer timelines

6. Even if the government rejects the view of universities that the TEF should not be linked with fees and not differentiated by level, the timetable proposed for the introduction of differentiated TEF levels is unrealistic and much too short. Such a timetable would mean either no or very limited testing and piloting of a TEF assessment process and would fly in the face of the longer timelines which have applied to research assessment previously (and with good

¹ Jo Johnson MP, Universities and Science Minister, BIS Select Committee 8th December 2015

reason). The government should accept that TEF 2 cannot be introduced with any credibility by 2017.

7. Any future TEF should avoid creating additional excessive bureaucracy but it cannot be based purely on quantitative measures. Those proposed in the Green Paper are not indicators of quality but assessments of other factors (e.g. satisfaction, employment rates) that are then used as proxies for teaching quality. Students learn in a variety of different contexts and through a wide range of experiences that contribute to learning outcomes. Universities must be able to offer context and narrative in a meaningful and qualitative way. The TEF cannot just focus on teaching and should take account of the complete learning environment which can be many and varied.
8. This means that testing and piloting of any TEF process is essential both to achieve an understanding of, and agreement about, the most appropriate measures to use or develop. Time will also be required to review and test how institutions might provide narrative statements.
9. Prior to the completion of the first Research Excellence Framework (REF) in 2014, the development and implementation of the REF took place over a 5 year period which provided for consultation and the piloting of some elements of the new approach (for example, qualitative impact assessments). When the original Research Assessment Exercise (RAE) was introduced in 1986 for a much smaller and less diverse sector, no funding was attached for the first three years of its development. Similar principles must be applied to the TEF timetable.
10. An effective way to achieve a TEF that assesses effectively the right outcomes, incentivises teaching excellence and addresses the question of fee income, would be to continue with the introduction in 2016 of Level 1 assessments linked with a successful quality assurance audit with inflationary increases being permitted for three years. This would provide institutions with opportunities to increase fees by inflation if they wished – which is a policy aim in the Green Paper – so long as they met the quality assurance criteria. This would have the added advantage of allowing institutions to demonstrate quality in line with other policy aims.

Reputational impact of TEF

11. Ministers need to take account of the impact of the TEF on perceptions and the competitiveness of UK universities both within the UK and overseas. The government's response to the Green Paper consultation must answer and mitigate the wide-ranging concerns that the TEF will have an adverse impact on the reputation of UK universities both in the home, European and international markets in which institutions across the sector are heavily engaged.

UK-wide implications of the TEF

12. Reputation will be a key driver of participation in the TEF. It is therefore likely that all institutions in England will be interested in taking part. This does, however, create risks for Scottish, Welsh and Northern Irish institutions which are accountable to their own funding bodies and the priorities set by their respective legislatures.

13. Scottish institutions value the Quality Enhancement Framework (QEF) which has been developed with the QAA and regard the QEF as a better system. QEF reflects institutional context, encourages collaboration and focuses on enhancement. The TEF envisaged in the Green Paper is very different from the Scottish Quality Enhancement Framework but if they do not participate in the TEF, Scottish institutions may well be judged less favourably in the international market. Although higher education is devolved, the UK government is, by implication, making judgements and potentially taking decisions about non-English providers within the UK.

Grade Point Average

14. The Green Paper proposes that further work should be undertaken on degree transcripts. In fact a lot of work has been undertaken in this area e.g. the Higher Education Achievement Record (HEAR). Enabling students and employers to better understand achievements and attributes acquired from higher education experiences and study is obviously an important objective of any assessment system. In considering a GPA-style system, the sector will need to move carefully and the benefits perceived in the Green Paper may not be so clear-cut in practice.
15. Given the Green Paper's interest in GPA, the timetable needs to allow the effectiveness of the latter in addressing perceived problems of grade inflation to be fully considered. Any wider introduction of GPA would need to be undertaken following consultation and in a way that respects different institutional contexts. However, there should be no expectation that GPA should or would deliver a single national system that judges all higher education institutions in an identical way.

The market and fee caps

16. The TEF will increase bureaucracy and the administrative burden in universities for very little (and possibly no) financial benefit. Universities do need additional investment. Fee increases linked with inflation will provide marginal increases in funding for very little additional cost to the government at least while inflation is low. If in the alternative, the government is committed to a highly differentiated fee levels, then it should be honest about this and consult on proposals to remove the higher fee cap and hence the protections universities need to have in place to ensure barriers to access are not created.

Deregulation

University title and degree awarding powers

17. UK university title and degree awarding powers, whether for teaching or research, are highly valued and have been and should continue to be hard-earned. UK university title has been the descriptor of institutions which have interests and infrastructure to support teaching, research and knowledge exchange but which also make a social contribution to the wider community and public interest. These assumptions together with an independent quality assurance system have underpinned the UK's global reputation and market in higher education.
18. UK university title is not a brand that should be sold 'on the cheap'. The Green Paper risks downgrading both the importance and value of university title in the UK and damaging the reputation of UK universities both at home and overseas.

Protecting students and the public interest

19. The timelines proposed for new providers in terms of maturity and the presentation of financial accounts are much too short to guarantee quality and are not in the interests of students or the reputation of the sector.
20. When Foundation Degrees Awarding Powers (FDAP) were debated in Parliament in 2007, the view, including of Conservative Shadow Ministers Boris Johnson and John Hayes, was that providers should only be able to obtain FDAP after they had demonstrated at least 6 years' experience as well as other quality criteria. It is difficult to see why these views should be set aside in 2015 when the incentives for new providers to enter the market have increased. This makes the case to retain the current criteria including the 6 year period more, rather than less, important.
21. More recently in 2015, the Public Accounts Committee of the Westminster Parliament reported² on the problems caused as a result of the relaxation of rules for new entrants into the HE sector in England. The PAC's report pointed out that an influx of private providers, some of which had misappropriated funds, led to a £1bn overrun of the student loans budget.
22. The importance of a provider having a minimum cohort of HE students is crucial to university title. The requirements and infrastructure required to acquire degree awarding powers cannot be achieved without a large cohort of students. The current qualification stands at 1000 full-time equivalent (FTE) students, 750 of whom must be studying for a degree, and with at least 55% HE provision. This should not be lowered.
23. Higher education providers without direct degree awarding powers have a range of validation options. Universities with degree awarding powers have achieved them after extensive scrutiny and quality assurance. It is right that validation of degrees are carried out by teaching organisations, ensuring a high quality of education for students and rigorous oversight of staff input.

² Public Accounts Committee Report 24th February 2015 <http://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/news/report-financial-support-for-students-at-alternative-higher-education-providers/>

24. The strong tradition in the HE sector of diversity and autonomy of provision, offering different approaches to degrees depending on institutional experience, student demand and employer need is one of the bedrocks of the sector's reputation of high quality. Enacting legislation to offer a validation role to a regulatory body (as suggested with the Office for Students) would confuse responsibilities and lead to excessive burdens on the organisation.
25. There may be scope for reform of the current validation arrangements to ensure a better understanding of the available options and reasons for why a provider with degree awarding powers refuses to enter a validating relationship (for which they absolutely have the right to do). However, if an alternative provider is not able to provide assurance to a validating partner that they will be able to deliver degrees at the same quality, it seems odd that they should then be able to turn to a validator of last resort which may be of lesser quality and offer lower levels of scrutiny.
26. Competition, diversity and innovation may well be important elements of validation, but the quality of the provision must be the first priority.
27. Universities have a track record of flexing to meet the demands of students and employers and are not afraid of competition but this should not be based on a reduction in standards. It is inevitable that 'risky' institutions without a clearly sustainable long-term model will be encouraged to enter the market if the entry requirements and criteria for university title and degree awarding powers are lowered. This would not be in the interests of students or taxpayers and would undermine the international reputation of UK universities.

UK-wide implications of deregulation

28. As with the TEF, the UK government's proposals to lower the bar for university title in England will have profound implications and repercussions for institutions in Scotland, Wales and Northern Ireland as well as those in England. The Green Paper makes no reference to the wider impact of these proposals on the devolved administrations. The government should specifically address these concerns in its response to the Green Paper consultation.

Office for Students

29. The implication of the Green Paper is that the creation of the Office of Students (OfS) and the subsequent demise of the Higher Education Funding Council for England will result in the latter's role as a 'buffer' body, as defined in the 1992 FE and HE Act, being lost. This would be a retrograde step.
30. OfS should retain the Higher Education Funding Council for England's (HEFCE) role as an overarching body with oversight and the capacity to promote the connectivity between teaching and research which benefits the sector but also the ambitions of governments of different colours. Although government are not able to direct universities or HEFCE under current legislation, the procedure of using Ministerial guidance and letters to promote policy and funding agendas has the benefit of preserving institutional autonomy and encouraging innovative approaches while avoiding centralisation and direction.
31. Any future OfS must continue to have a role as buffer body and as defined in the 1992 Act and retain the capacity to provide a critique of higher education policy. The retention of this relationship benefits institutions and students by providing a single reporting route for information about teaching, research and knowledge exchange. This, in turn, adds value in terms of oversight and connectivity which benefits the sector as a whole.
32. It follows that OfS should retain responsibility for residual teaching funding and quality-related research funding. To transfer the latter to ResearchUK and residual T-grant to a separate organisation or to BIS risks further bureaucracy and / or centralisation that would not serve government or the sector well.
33. Universities also have key roles to play in supporting productivity through enterprise and through support of local communities. All these elements are interrelated hence need to be overseen by the OfS in a holistic manner as is currently the case through HEFCE
34. Transferring quality-related research funding to ResearchUK would also weaken the OfS's oversight over the whole sector and undermine the quality assurance regime. The latter has been co-owned and co-developed with the sector with the responsibility lying with HEFCE and quality assurance audits including postgraduate provision and research degrees. Notwithstanding the debate about the future of quality assurance and the QAA as an organisation, these arrangements should be carried forward into the new Office for Students. To transfer the core funding for research to ResearchUK makes little sense and would be of no significant benefit to students, the sector or government.

Office for Fair Access (OFFA)

35. Expanding the remit of the Office for Fair Access to include a focus on retention and student success would make sense given the commitment of successive governments to social mobility. Whether or not this remit is extended, the transfer of OFFA to the Office of Students should not lead to an amendment of the current reporting lines of OFFA. This needs to be considered alongside reporting of any such metrics within the TEF

36. As provided for under the 2004 HE Act, the Director of OFFA should continue to be appointed by the Secretary of State, report to Parliament and work directly to Ministerial guidance. These arrangements have ensured that OFFA has been in principle and in practice independent from funders, regulators and government. This has been important in establishing the credibility of OFFA within the sector and the statutory basis which underpins OFFA should be retained in the future.

The Nurse Review of research funding

37. The retention of 7 separate councils focused on different disciplines, but within a stronger overarching organisation with a single reporting officer is welcome. This will enable disciplinary independence in administering research awards and grants funds while also promoting and incentivising greater collaboration.
38. Quality-related research funding serves a distinct purpose which is rightly different from the awards and grants provided by the Research Councils on the basis of competitive application with the criteria set by the Research Councils themselves. Quality-related funding has the potential to support smaller and emerging areas of research and has the benefit of promoting and funding excellence throughout the sector.
39. While administrative costs of quality-related research funding could be reduced, the principle of allocating it as a block grant, awarded on the basis of peer reviewed assessments of past excellence and with the discretion of institutions to invest as they see fit has been beneficial. The delivery of the research assessment exercises, be they the RAE or the REF, by HEFCE with the subsequent allocation of quality-related funding to English institutions by HEFCE, has ensured that QR funding has not been subject to direct intervention by Ministers.
40. Responsibility for quality-related research funding should be transferred to the Office of Students. It is difficult to see how OfS would be able to exercise the same oversight over the sector as a whole if the principle of the block grant was eroded and the link between funding for teaching, research and related activities was broken. In order to reflect the relationship between teaching and research, it is better for the new Office for Students to retain responsibility for quality-related funding, along with direct grants related to teaching activity.
41. If quality-related research funding does transfer to the new ResearchUK, then safeguards need to be in place to ensure that the current approach to allocating funding – according to excellence and provided as a block grant for institutions to use as they wish – remains. It should not be allocated according to particular government priorities, aside from the one that excellent research should be funded wherever it is found. A full consultation should be carried out if the government does propose transferring quality-related research funding to the new ResearchUK.

UK-wide implications of research funding proposals

42. The transfer of QR funding to ResearchUK would place England out of line with the funding organisations and arrangements in Scotland, Wales and Northern Ireland. If QR were to become the responsibility of a UK-wide organisation, the government would need to outline how the resulting research architecture and specifically ResearchUK would guarantee that the funding organisations in the devolved administration would continue to exercise sole responsibility for the allocation of QR to universities in their respective developed governments.

Summary

43. A focus on quality, continuous improvement and the incentivisation of excellent teaching is at the centre of every university's ambitions for its students. The Green Paper, coming on the back of proposals to change the arrangements for quality assessment of higher education, is shining a light on this ambition of every university and enabling them to demonstrate the transformative power of diverse, high quality, excellent higher education. We welcome the recent focus this debate has enabled on the strengths and benefits of UK universities. However, the government must proceed with caution and work with the sector to ensure that changes are in the interests of students, institutions, employers and the UK as a whole.