

PARLIAMENTARY BRIEFING

The Higher Education White Paper and HE and Research Bill

Adam Haxell, Senior Parliamentary Officer 19/5/16

MillionPlus Response to the Business Innovation and Skills White Paper 'Higher Education: Success as a Knowledge Economy'

SUMMARY

The government's White Paper is significant in that it is seeking to alter structures in the higher education sector in England which have been in place since 1992. The Queen's Speech referred to the Higher Education and Research Bill as providing 'new universities' and the promotion of competition and choice in the HE sector. In principle these could be regarded as laudable ambitions. However, the White Paper makes clear that Ministers intend to do this by reducing the criteria for degree-awarding powers and university title with a presumption that UK universities should be allowed to fail and exit the market. This new approach in England has the potential to impact adversely on student and taxpayer interests as well as on the global reputation of current universities and the UK's university system.

In many respects the reforms challenge the idea of what a UK university is and divorce the core pillars of teaching, research, knowledge exchange and an underlying commitment to the public good from university title in England.

To manage the market the White Paper proposes that the Higher Education Funding Council for England (HEFCE) should be replaced by the Office of Students (OfS), a regulator, with a remit to be 'pro-competition' and 'pro-student' (or using the government's market approach 'pro-consumer'). In addition changes are proposed to the research architecture with the creation of UK Research and Innovation (UKRI) which will also affect Scotland, Wales and Northern Ireland.

In advance of any consideration by Parliament, Ministers have announced the appointment of an interim chair¹ of UKRI with a brief to set-up the latter as a shadow body. The transfer of responsibility for quality-related research assessment and funding from HEFCE to UKRI has the potential to create a binary divide between investment in research in universities, including in respect of postgraduate students, and resources for teaching, now largely funded in England indirectly by student loans with no single body having holistic oversight over the sector in England as currently exercised by HEFCE.

University responses to the HE Green Paper opposed the link between the government's proposed Teaching Excellence Framework and tuition fees. However the White Paper presses ahead with this link albeit at a slower pace and subject to a separate technical consultation.

BIS Ministers will publish a Skills White Paper in the summer which MillionPlus believes should be considered alongside the HE White Paper and in advance of the HE and Research Bill. This briefing highlights some overarching questions for Parliamentarians to consider in advance of legislation.

¹ On 17th May Jo Johnson MP announced that John Kingman had been appointed as interim chair of UKRI

KEY COMMENTS AND QUESTIONS:

University title and new institutions

The White Paper proposes that a provider could apply for full university teaching powers after just 3 years (one cohort of students) and that the minimum number of students (already reduced by the government in 2012 from 4000 to 1000 students of whom only 75% need be studying for an HE qualification over the whole study body) should be removed entirely.

Students need to have full confidence in their institutions, particularly if they are borrowing large sums of money to access them. Attempts to promote competition by making it easier for providers to enter the market must be considered against the benchmarks applied to those already operating in the sector. When the Conservative Government permitted institutions which were long-established providers of undergraduate and postgraduate education to apply for taught and research degree-awarding powers and university title in 1992, they did so on the basis that these institutions had to meet the same standards as those that already applied to older universities.

As evidenced by modern universities, competition can undoubtedly promote innovation but lowering standards to help new, inexperienced or small, single-degree providers with no interest in being research active, to gain degree awarding powers and university title is not opening the market but lowering the bar. Although the approach is justified by Ministers as promoting student choice, the merits of incentivising a market that ends up by creating risks for students and taxpayers and undermining well-established providers is one that should be subject to careful scrutiny.

UK universities trade globally on the basis of a national quality assurance system, high student satisfaction rates and high quality teaching and research. The assumption that institutions with UK university title or degree-awarding powers should be allowed to fail and exit the market is potentially at variance with the government's ambitions to promote UK higher education internationally. It is certainly not the best sales pitch and the suggestion in the White Paper that universities in the UK do not deliver excellent teaching is unlikely to enhance the UK's international reputation for high quality HE. The UK government has rightly sought to intervene to prevent market failure in the steel industry. It is therefore puzzling that as the result of a market of their own making, Ministers have already decided that universities should be allowed to fail.

Q: Will student and taxpayer interests and the UK's international reputation for high quality universities be undermined by a reduction in the criteria for taught degree-awarding powers and university title and an assumption that universities should be allowed to fail?

The Office for Students (OfS)

The proposal to replace HEFCE with an Office of Students requires further scrutiny especially in respect of governance arrangements. The White Paper assigns a regulatory role to OfS to promote competition. The differences between HEFCE and OfS need further examination. In particular the government should clarify how OfS will provide additional value to students, employers and universities in England, in a way that HEFCE currently does not. Ministers also need to explain how the OfS would exercise holistic oversight over the sector in England, including for postgraduate students, if HEFCE's current responsibility for quality related research assessment, funding and knowledge exchange are transferred to UKRI. Research, teaching and knowledge exchange do not operate in silos and require one body to have responsibility for oversight.

Unlike HEFCE the OfS will no longer be funded by BIS but largely from subscriptions paid by universities and other HE providers. The government will need to clarify its relationship with a regulator that will retain responsibility for the distribution and allocation of some funding while apparently being funded by the regulated. With an explicit focus on competition and choice, it is also difficult to see how the OfS can promote the wider student interest without being at risk of alienating those who are, in name at least, part of its brief.

Q: Will the abolition of the Higher Education Funding Council for England (HEFCE) and its replacement by the Office of Students (OfS) deliver additional value to students, employers and universities in England?

Q: What governance arrangements will apply to OfS? How will it exercise holistic oversight of the higher education sector if Research England takes over its role in quality research assessment and allocations?

Q: Will the OfS be independent from government or reduced to the role of a regulator like Ofcom, bearing in mind that, unlike HEFCE, it will no longer be funded by BIS but primarily from subscriptions paid by universities and other HE providers?

Q: Is it appropriate for the OfS to be given a remit of being pro-competition and pro-student (consumer)?

Research Funding

The creation of UK Research and Innovation (UKRI) envisages the transfer of all HEFCE-based research funding to Research England, a new organisation that will sit under the UKRI 'umbrella'. However, the establishment of Research England within UKRI and the transfer of HEFCE's role in quality-related research assessment and university QR allocations should not be considered a done deal.

There are risks that over time the investment in university research provided through QR will become even more dominated by a STEM bias when, for example, research in the allied health professions and the creative industries is vitally important. Unlike Research Council funded postgraduates, the majority of postgraduates currently funded via HEFCE QR do not enter academia. There are risks that under the UKRI umbrella the long-term future of the support provided for this part of the postgraduate market will reduce.

It is not clear why the creation of UKRI will make taxpayer investment in research more dynamic and responsive to the societal and economic challenges of the 21st century and the proposed governance arrangements and relationship between UKRI and Ministers should be examined in detail.

The changes in the research architecture will also be of interest to universities and governments in Scotland, Wales and Northern Ireland. HEFCE has undertaken research quality assessment on behalf of universities and the three other Funding Councils in the UK. If Research England is created by the transfer of those functions from HEFCE and a brief to continue to manage the Research Excellence Framework on behalf of the UK, then these governments are likely to want to consider how well their interests will be served and what influence they will be able to exercise under the proposed new arrangements.

Q: What governance and funding arrangements will apply to UK Research and Innovation?

Q: In particular, will the quality research funding and the postgraduate and PhD students currently funded by HEFCE continue to be supported if research funding is transferred from HEFCE to UK Research and Innovation?

Q: What evidence is there that the establishment of Research England will create a more dynamic research and science funding system?

Q: How will the creation of UKRI and Research England impact on Scotland, Wales and Northern Ireland and what are the views of universities and the devolved governments in these countries?

Life-long learning and older Students

Not all students take a route into Higher Education whereby they enter an institution at 18 or 19 years old shortly after studying for A-Levels or equivalent Level 3 qualifications. Given the clear link between social mobility and students studying for a university degree in later life, it is unlikely that the Prime Minister's welcome ambition to promote greater participation in higher education will be achieved without further support for older learners. While the White Paper makes a passing reference to part-time students it is silent on older students.

Q: Bearing in mind the link between social mobility and students studying for a university degree later in life, how do Ministers think the HE White Paper will support older learners and a life-long learning agenda?

The Teaching Excellence Framework (TEF)

MillionPlus opposed the link between the Teaching Excellence Framework and fees and argued for a delay in the TEF timetable. While the link with fees is retained, the extended timetable for the introduction of TEF 2 and 3 signaled by the White Paper is welcome. However, the continuing commitment to include in the TEF metrics such as student retention and graduate earnings, is less encouraging.

Promoting excellence in teaching is uncontroversial but proxy metrics which are susceptible to a myriad of associated factors unrelated to the quality of teaching and learning are much more problematic and unlikely to provide students or their parents with a reliable picture of the quality of teaching in the many and varied learning environments that universities offer and support.

Q: How will the link between the Teaching Excellence Framework (TEF) and fee increases impact on students and universities in the long run?

Q: Will the TEF provide an adequate way of judging the quality of teaching bearing in mind the many different ways and environments in which students' study?

Q: Will the TEF increase administrative costs and hinder innovation?

Costs

Bearing in mind the concerns of BIS and HMT about the sustainability of the higher education system in England, it would be helpful if the government provided its estimates of the short and long-term costs for students, universities, the government and stakeholder organisations of its reforms. Ministers could also helpfully clarify the extent to which they anticipate that the administrative costs of the reformed system, including the proposal to make universities bear the cost of the regulator, will take resources away from investment in teaching, research and student support.

Q: What are the short- and long-term costs for students, universities, the government and stakeholder organisations of implementing the new structures and governance arrangements?

Q: Will administrative costs increase and might these resources be better invested directly into university teaching, research and student support?

For more information, please contact our Senior Parliamentary Officer, Adam Haxell, at adamhaxell@millionplus.ac.uk, or call 0207 717 1687