

THE FUTURE OF
HIGHER EDUCATION
IN ENGLAND



CALL FOR EVIDENCE



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IPPR
4th Floor
14 Buckingham Street
London WC2N 6DF
T: +44 (0)20 7470 6100
E: info@ippr.org
www.ippr.org
Registered charity no. 800065

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SMART IDEAS
for CHANGE

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ABOUT THE COMMISSION ON THE FUTURE OF HIGHER EDUCATION

The Commission on the Future of Higher Education has been established to address the key challenges facing the higher education sector over the next 20 years and to produce a policy framework that will safeguard and strengthen the position of our higher education institutions in the long term.

This call for evidence is aimed at higher education managers, academics, organisations and individuals who wish to contribute their research, analysis and policy ideas to the commission and be part of the process to shape the future of higher education in England.¹

The commission aims to look holistically and strategically at the higher education sector in England and to build a policy agenda that addresses the critical challenges facing the sector in the long term.

There are three objectives:

- **To create a clear evidence base** on the current status of the higher education (HE) sector in England and the challenges it faces, particularly in terms of competing on a global scale, financial sustainability, creating the right sort of skills and research for our economy, and building a more socially just nation.
- **To articulate a strong vision** of the kind of HE sector that we wish to move towards in England, addressing the organisation of the sector as well as its relationship with government, business and employers.
- **To propose a coherent policy agenda and action framework** within which national government, higher education institutions (HEIs) and other key players can take decisions about the future of the HE sector.

The commission is made up of people with long-standing experience and expertise on the HE sector. The members are leaders from the HE sector, the further education sector, the business sector, academia and the student community, as well as a corresponding member from a world-leading US university.

The commission is chaired by **Professor Nigel Thrift**, vice-chancellor of the University of Warwick. The other members are:

- **Thom Arnold**, president, Sheffield Students' Union, 2011–2012
- **Professor Janet Beer**, vice-chancellor, Oxford Brookes University
- **Dame Jackie Fisher**, principal and chief executive, Newcastle College Group
- **Dr Sandra McNally**, director of the education programme at the Centre for Economic Performance, London School of Economics
- **Hugh Morgan Williams**, chairman, Canford Group plc and North East Access to Finance Ltd
- **Professor Sir Steve Smith**, vice-chancellor, University of Exeter
- **Professor John Sexton**, president, New York University (corresponding member)
- **Professor Sir Rick Trainor**, principal, King's College London

¹ The commission will focus on England, as higher education is a devolved matter in Scotland and Wales. However, in the course of its deliberations the commission will look where necessary at developments across the UK.

The work of the commission will run until spring 2013 and is structured around a number of themes. As the commission progresses, the evidence collected from this call will constitute a vital source of information for the commissioners and the commission secretariat, feeding directly into the research papers and the policy proposals that the commission will be working on.

The public will also be given the opportunity to contribute to the commission's work at a number of public events that will be arranged in autumn 2012.

For more, see <http://www.ippr.org/research-project/44/8632/commission-on-the-future-of-higher-education>

INTRODUCTION

The importance of higher education to England's future is unquestionable. Higher education plays a vital role in developing the knowledge, skills and values that underpin a good society and healthy economy. Moreover, it is fundamental to producing new ideas, fostering creativity, enhancing innovation and enlivening our cultural life.

But this is a time of profound change in the English higher education (HE) system. Rising tuition fees, changing student demands, greater global competition and increased market forces have left the sector needing to adapt to new circumstances. This has created uncertainty for many higher education institutions (HEIs) still struggling to find their place in the new landscape.

In addition to the uncertainties caused by the most recent changes in higher education, the sector also faces major long-term challenges. Questions remain as to how the country is going to keep up investment in its universities and colleges. Even though tuition fees are increasing dramatically this year, experts argue that the sector still faces big funding challenges, as the costs of providing higher education are predicted to grow steadily in the coming years. At the same time, the sector is grappling with how to best address issues of social justice and fair access at a time when the private cost of participating in higher education is on the rise.

These challenges mean we have to face up to some important strategic choices. Just as the Robbins, Dearing and Browne reports took a step back to look strategically at the future of higher education, so this commission will examine the role higher education plays in our national life and address the key challenges it will face over the next 20 years.

Focusing on the sector as it is in England, the commission will seek to address the following questions:

1. How should our HE sector be organised to achieve the best outcomes for individuals, institutions and society?
2. To what extent should the overall structure of higher education be determined by market forces and to what extent should government play a strategic role?
3. How can we fund an expanded HE sector in a way that is fair to graduates, universities and the taxpayer?
4. What role can higher education play in promoting a rebalanced economy across England and safeguarding our position in the global economy?
5. What role should higher education play in providing skills for the job market?
6. What contribution should HE make to improving social mobility and building a more socially just nation?
7. Does higher education have a role to play in shaping our national culture and strengthening ties of common citizenship?

WE WANT TO HEAR FROM YOU

Who is this call for evidence aimed at?

This call for evidence is aimed at all **higher education managers, academics, organisations and individuals** who wish to contribute their research, analysis and policy ideas on the future of higher education in England. Your research and insights are invaluable and will be vital to the success of the commission's work.

How long do I have to respond?

The call for evidence period begins **Monday 30 July 2012** and runs until **Friday 28 September 2012**. It is hoped that the majority of responses will be submitted well ahead of the final deadline in order to allow the commission secretariat ample time to collate and consider their contents and prepare them for the commission meetings that will take place in the autumn and winter.

How do I respond?

Submissions by email are preferred (as attachments in Microsoft Word or PDF format) and should be emailed to Annika Olsen at a.olsen@ippr.org. Submissions may also be posted to:

Commission on the Future of Higher Education Secretariat
IPPR
14 Buckingham Street
London WC2N 6DF

Please note that **submissions may be printed, circulated or posted on the internet by the commission or IPPR at any stage**. Personal contact details supplied to the commission will be removed before publication or dissemination. If you do not wish your submission to be made public, please state this clearly at the start of your submission. Witnesses may publicise their own written evidence but in doing so should indicate that it was prepared for the commission.

How long should my submission be?

Evidence may be submitted on **one or more of the key questions listed below**. Submissions should be **no longer than 3,000 words** in length. It would be appreciated if longer submissions included a short summary of key points at the beginning. Please make it clear which question(s) your submission is addressing.

The commission welcomes the submission of existing reports but these must be accompanied by a covering submission highlighting how the report addresses one or more of the commission's key questions.

The commission will take a broad view of what constitutes evidence. It might include research, evidence, personal or organisational experience, or views about the issues connected with one or more themes. It would be helpful, however, if you could indicate what sort of evidence you are submitting.

When responding, please ensure that you **include your name, position, organisation and email address**. Evidence should be attributed and dated. Please state whether you are responding as an individual or as a representative of an organisation. If you are responding on behalf of an organisation, please make it clear what the organisation represents and, where applicable, how the views of members of the organisation were assembled.

We will acknowledge the receipt of your submission.

Please ensure that your response reaches us by 28 September 2012.

Please do share this document with, or tell us about, anyone you think may want to be involved in providing evidence. On behalf of all the commissioners, thank you.

Summary of key questions

The commission is seeking evidence on the seven questions listed below.

1. How should our HE sector be organised to achieve the best outcomes for individuals, institutions and society?
2. To what extent should the overall structure of higher education be determined by market forces and to what extent should government play a strategic role?
3. How can we fund an expanded HE sector in a way that is fair to graduates, universities and the taxpayer?
4. What role can higher education play in promoting a rebalanced economy across England and safeguarding our position in the global economy?
5. What role should higher education play in providing skills for the job market?
6. What contribution should higher education make to improving social mobility and building a more socially just nation?
7. Does higher education have a role to play in shaping our national culture and strengthening ties of common citizenship?

Further details of the themes highlighted by each question and the concerns driving the commission's work can be found in this call for evidence document. The following sections also propose supplementary questions that the commission might consider – these are intended as a guide and we would welcome further suggestions.

1. HOW SHOULD OUR HE SECTOR BE ORGANISED TO ACHIEVE THE BEST OUTCOMES FOR INDIVIDUALS, INSTITUTIONS AND SOCIETY?

The expansion of higher education has been accompanied by a growing diversity of institutions within the sector. Institutions vary in terms of their size, the composition of their student body, the types of subjects they offer and their relationships with businesses and the local community, as well as in how they measure on teaching quality, research excellence, global reputation and student satisfaction.

Most commonly, a distinction is made between research-intensive institutions on one hand and those institutions that are predominantly teaching-oriented on the other. Alongside this, institutions are often characterised according to the era in which they were established, into categories such as ancient universities, red brick universities, plate glass universities and post-1992 universities. More recently, universities have linked with other universities to form associations such as the Russell Group, the 1994 Group, University Alliance, Million+ and Guild HE.

Towards more convergence or divergence?

- Should all our universities aim to replicate the classic research university model or should there be a clearer division of labour between institutions focusing on research and institutions focusing on teaching and scholarship?

Should all subjects be seen as equally 'academic'?

- Does the level of academic quality differ from university to university to such a degree that this impacts substantially on the individual benefit of attending university?

Towards more collaboration and transferability?

If we wish to improve student choice in higher education, there is a case to be made for allowing more transferability for those students who wish to attend classes at a neighbouring institution or even to move from one type of HE provision to another. At the moment, it is very difficult for students to transfer between HEIs once enrolled. But in light of increased tuition fees and the greater emphasis on student choice, it could make sense to allow students to pursue their full academic potential by accessing the type of education experience that suits their talents and aspirations.

- What should be the relationship between higher education and other forms of tertiary education?
- What kinds of relationships should exist between different institutions? Should they be more collaborative or more competitive?
- Should there be a better system of credit accumulation for students so they can transfer more easily between institutions during their degrees?

Research and teaching

For a long time, universities have been asked to compete for funding on the basis of research quality. As a consequence, new universities have often struggled to compete for research funding because they lack the historical track record in research preferred previously by the Research Assessment Exercise and now by the Research Excellence Framework. The distribution of public funding for research through the dual support system thus varies greatly from institution to institution, with most of the funding concentrated in the more established research intensive institutions. Four HEIs currently receive about a quarter of all public research income from research funds, and 23 together receive about three-quarters of such funds. In addition, the current distribution of academic research funding is also greatly concentrated in London and the south, while other regions are losing out on these valuable resources for research and development.

In the past, universities that were unable to attract high levels of research funding received government funding in the form of teaching grants. But new funding arrangements have cut the teaching grants to be replaced with income from raised tuition fees, which means that those universities that used to rely on teaching grants as a major source of income must compete for students willing to pay high fees for their courses in order to secure the same level of funding.

- Are we content to see the current concentration of research funding continue?
- Do we need greater regional balance in the distribution of research funding?
- Should we have incentives in place that encourage more emphasis on teaching quality?

2. TO WHAT EXTENT SHOULD THE OVERALL STRUCTURE OF HIGHER EDUCATION BE DETERMINED BY MARKET FORCES AND TO WHAT EXTENT SHOULD GOVERNMENT PLAY A STRATEGIC ROLE?

Unlike most other public services, higher education is largely autonomous of central government. The government cannot make investment decisions about individual institutions, and the sector has largely been organised through arms' length bodies such as the University Grants Committee, local authorities and, most recently, HEFCE (the Higher Education Funding Council for England). However, the number of student places and the size of institutions have, to a certain extent, been centrally planned and coordinated through these bodies.

Recent policy announcements by the Coalition government have given market forces a greater role in shaping the dynamics of the sector. This has been done in a number of ways, including:

- Raising undergraduate tuition fees to a maximum of £9,000, which represents about 80 per cent of total teaching costs. This has been done to encourage institutions to compete to attract the funds that students bring with them.
- Allowing universities to charge variable tuition fees in the hope that a market will develop based on the cost of courses at different institutions.
- Allowing HEIs to expand by lifting the cap on the number of students that a university can accept (initially limited to students with grades equivalent to AAB or above at A-level). The aim is that institutions will be able to keep competing to attract more students.
- Publishing more performance information to help students choose between institutions.
- Encouraging a wider variety of providers in the system, although plans to allow profit-making companies to award degrees appear to have been shelved.

While the intention is to create a market in undergraduate places, the government has already had to step in on a number of occasions to influence how that market works. Most notably, the government has had to force greater variation in the fees that institutions charge. In 2011, the majority of institutions chose to charge students the maximum fee of £9,000, so in reality there was very little competition between them. In order to give some institutions an incentive to reduce their fees, the government has awarded additional places to institutions charging less than £7,500, half of which have gone to further education colleges. In an attempt to keep costs down, the government has also had to limit the extent to which institutions can expand if they are successful at attracting students. Rather than allowing institutions to accept an unlimited number of new students, they are limiting expansion to those institutions that are able to make offers to students with grades equivalent to AAB or above (which will change to ABB or above next year). This highlights the difficulty of leaving market forces to organise a sector when the state still needs, ultimately, to control costs.

- If universities are public institutions, how should they be governed?
- What principles should underpin the sector's relationship with government?
- Should universities play a part in a national innovation and skills strategy?
- Is the introduction of greater market forces good for the HE sector?

In order to stay internationally competitive in terms of research quality, there is a strong case for maintaining the current system of distributing research funding via selectivity. This process of selectivity has also led to a concentration of research funding in a small number of elite institutions.

- Should we retain the principle of selectivity in distributing research funding?
- Do you support the 'dual support' system for allocating research funding?

3. HOW CAN WE FUND AN EXPANDED HE SECTOR IN A WAY THAT IS FAIR TO GRADUATES, UNIVERSITIES AND THE TAXPAYER?

The government has controversially increased undergraduate tuition fees to a maximum of £9,000 a year, in large part to help reduce the fiscal deficit. Although it will be some time before we can assess the full impact of this change, there are early signs that it has led to a drop in applications, at least in the short term and particularly among mature students.

The overall consensus seems to be that some form of graduate contribution is necessary in the current economic climate. However, despite the increase in tuition fees, many argue that wider questions about university funding are far from settled.

- It is argued that there are fairer ways to organise a graduate contribution, such as through a full graduate tax.
- There are concerns that funding will be cut again in the next spending review, leaving universities facing tighter budgets still.
- There are worries that, in the long term, lower than anticipated levels of repayment on student loans will leave the Treasury with a funding shortfall and that this could hit HE budgets in the future.
- There remains a strong social class bias in admissions to university and many argue that the number of places must be expanded to tackle this. Such expansion would, in turn, need to be paid for.

The commission is interested in hearing views on the following questions:

- If investment in world-class research and teaching is to keep pace with the best in the world in an age of austerity, how can we pay for it?
- What should be the balance of private and public funding?
- What would be the most fair and realistic repayment system: through student loans, a graduate tax, or other options?
- Because the funding shortfall has largely been met through an increase in graduate contributions, universities are yet to be hit by the kind of fiscal pressure felt elsewhere in the public sector. However, this may start to change and, if it does, questions of efficiency will come to the fore.
- Does the funding challenge necessitate that we reorganise the way we deliver higher education?
- To what extent can HEIs become more productive and efficient while still maintaining and promoting their teaching and research excellence and delivering a good ‘student experience’?
- Should institutions seek to deliver degrees at a lower unit cost, perhaps by accrediting online courses?
- Should institutions streamline their workforce in order to reduce costs?
- How can we promote excellence and value for money while avoiding excessive managerialism in our HE system?

4. WHAT ROLE CAN HIGHER EDUCATION PLAY IN PROMOTING A REBALANCED ECONOMY ACROSS ENGLAND AND SAFEGUARDING OUR POSITION IN THE GLOBAL ECONOMY?

Higher education plays a vital role in our economy. Universities and colleges equip students with the kind of higher-level skills that are essential for our economy to flourish and remain globally competitive. University research and the exchange of knowledge with wider society foster innovation, raising productivity and securing future economic development. This is particularly important in a global economy in which the UK has to compete higher up the value chain in order to pay its way.

The UK starts from a position of considerable strength: in terms of research quality, three of our universities are counted among the world's top 10 and seven among the top 50. Universities attract hundreds of thousands of international students to the UK, making higher education one of our most important export markets.

Everyone agrees that universities should play a central role in promoting a more dynamic economy. There remains a significant debate, however, as to how that role is best fulfilled.

At the most general level, the argument revolves around whether universities should seek to aid economic growth directly – through an emphasis on commercialisable research innovation and technical training for young people – or indirectly, for instance by broadly educating the nation's future entrepreneurs, future employees and future consumers.

- Is the economic role of universities best understood as a direct contribution to the economy through research commercialisation or an indirect contribution through the development of a better-educated population and rigorous academic research?
- Does the introduction of impact criteria in the Research Excellence Framework intrude on academic freedom?

While our academic research is among the world's best, we have been less successful at turning the research that takes place in our university departments into commercially viable outcomes. If we are to strengthen and rebalance our economy in the face of enormous global pressure and change, we need to do more to address this apparent disconnect between universities and businesses.

- Is there a cultural gap between HEIs and industry?
- How can we encourage universities to be more entrepreneurial?
- What institutional and policy reforms would facilitate better university–industry collaboration?

While higher education unquestionably plays an important role in contributing to the economy overall, local universities can also play a key role as 'anchor institutions' in their local economies. In this way, HEIs could help to rebalance the UK economy across the regions.

- How can the economic benefits of higher education be more evenly spread across the regions of England?
- Does the concentration of research funding in elite institutions prevent the HE sector from playing a more active role in rebalancing the economy on a regional basis?

5. WHAT ROLE SHOULD HIGHER EDUCATION PLAY IN PROVIDING SKILLS FOR THE JOB MARKET?

It is often said that the expansion of higher education is related to the shift from an economy based on industry to an economy based on knowledge. The knowledge economy requires people with advanced, high-level skills and critical cognition to address the challenges of an increasingly complex and inter-connected society. This perspective has been criticised by people who argue that we are overestimating the extent of the knowledge economy and are sending too many people to universities.

- Does HE provide the right sort of skills for meeting the needs of employers?
- Will expanding HE help the English jobs market or would expanding other forms of tertiary education be more beneficial?
- What policy changes are required to raise the UK's comparative advantage in higher level skills?
- What sort of skills should higher education develop?
- In what ways should higher education prepare students for the job market?
- In what ways do we best incorporate employment skills in the higher education experience?

6. WHAT CONTRIBUTION SHOULD HIGHER EDUCATION MAKE TO IMPROVING SOCIAL MOBILITY AND BUILDING A MORE SOCIALLY JUST NATION?

Higher education has an important role to play in improving social mobility. Going to university often means that young people and adults from low-income backgrounds can increase their earning potential and access higher-status professions. At the same time we know that enrolment in higher education remains strongly biased by social class, particularly in institutions where access is most competitive.

- What are the barriers to higher education for students from non-traditional backgrounds?
- Which parts of the higher and further education sectors are likely to make the biggest contribution to promoting social mobility?
- What is more important for improving social mobility: increasing the proportion of students from non-traditional backgrounds in higher education, or improving access to elite universities?
- Does improving participation require a further expansion of student numbers and, if so, how should this be paid for?
- What improvements could be made to the sector to improve its appeal to people from non-traditional backgrounds (such as flexible, mature, part-time studies)?
- Should institutions be required to take into consideration contextual data when selecting students?
- What is the impact of the current funding system on access and participation?

7. DOES HIGHER EDUCATION HAVE A ROLE TO PLAY IN SHAPING OUR NATIONAL CULTURE AND STRENGTHENING TIES OF COMMON CITIZENSHIP?

Discussions on the public role of universities, on social justice and on the economy all generally presume that the primary role of the English university system is to contribute to English life, or perhaps to life in Britain in general. This national focus is, however, also being called into dispute. Recently, English universities have undergone a remarkable 'globalisation', attracting students from overseas, benchmarking themselves against international institutions, and even opening their own campuses in other countries.

To some, this international focus marks an important step forward for universities. It promotes the international competitiveness of the economy and engages students and academics in an open culture of cross-national discussion and debate. However, others worry that this can lead universities to overlook the duties they have to their immediate surroundings and, especially, to local people who are not lucky enough to have access to their facilities. These ongoing tensions – between what used to be called 'town' and 'gown' – could thus be expected to increase as this trend towards globalisation continues.

- What do English universities owe distinctively to England and to the local communities in which they are located, and what do they owe more generally to the world?
- Should HEIs seek to shape our national culture, for example through the promotion of values like tolerance and rationality?
- Should universities play a role in helping to strengthen ties of common citizenship?
- What is the civic role of the university and how in practice can universities better contribute to national and local public life?