

# **GuildHE submission to the Independent Review of Funding and Student Finance**

**Led by Lord Browne of Madingley**

**Response to First call for evidence**

**GuildHE seeks a sustainable, diverse and  
dynamic higher education sector**

- That delivers a well-educated and socially inclusive nation
- That enhances the UK's economic competitiveness
- That fosters cultural engagement and knowledge creation
- That promotes global understanding and mutual exchange

## **GuildHE Submission to the Independent Review of Funding and Student Finance**



### **Introduction from GuildHE Chair and Chief Executive Officer**

**Dear Lord Browne,**

GuildHE, one of the two formal representative bodies for higher education, is pleased to offer you a contribution to your first call for evidence in for the Independent Review of Funding and Student Finance that you are leading for Department of Business Innovation and Skills (DBIS). GuildHE members' institutions have a valuable and often unique role to play in the creation and delivery of higher education in the UK. We have appreciated the recognition by DBIS of the value of diversity in the higher education landscape. In "supporting excellence wherever it is found" in the opportunities for research, there has also been ministerial understanding of "parity of esteem" for the range of undergraduate delivery. We see an effective higher education system as a way to deliver a thoughtful and sustainable society, as well as a healthy and vigorous economy. We understand the challenges facing us in seeking to achieve such objectives in the current financial climate.

We acknowledge considerable work completed by others in recent reports, which we do not seek to replicate here. Instead we suggest where the Review may wish to consult such other relevant material. We have chosen to highlight what are key issues from our perspective, recognising that you have will access to a range of comprehensive data reports and work in the context of the *Higher Ambitions* report from DBIS

GuildHE members' institutions are diverse – including universities, university colleges, specialist institutions, further education colleges with significant proportions of higher education as well as a number of private and not for profit higher education providers and trusts.

Through their success at being strong, adaptable and clear sighted, they will be able to continue to add value to the HE ecology as very many have done in the past two centuries. They have historically been active in their concern both for the neglected and the innovative and play a crucial part in responding to the educational challenges in higher education environments. GuildHE members seek to be thoughtfully pragmatic while actively aspiring and planning for the kind of provision we believe UK higher education should achieve – both for the nation itself and as a world class educational provider.

We also recognise that within the Review Panel are those highly versed in the detail of Higher Education and colleagues for whom much will be new territory. Our material is perhaps explaining the obvious for those in the know but we hope useful for those who know less about issues affecting this part of the HE sector and its place in the interlocking pattern of the UK academic and professional community.

**Professor Ruth Farwell, Chair GuildHE**

**Miss Alice Hynes, CEO GuildHE**

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## 1. Introduction

This submission is presented on behalf of GuildHE, one of the two representative bodies for Higher Education (HE) with 31 institutions in membership. GuildHE endorses a number of national priorities which underpin aspirations for the future of HE in the UK. It is important to acknowledge the genuine investment in recent growth in HE as well as continuing student demand. Looking at our global peers, we cannot afford to assume that today's arrangements are sufficient to retain our international standing, academically or economically, hence the work of the Independent Review is fundamental to all stakeholders and we thank it in advance for its work on our behalf.

## 2. Summary

### 2.1 Our key messages:

- Higher Education (HE) is a success story, it is long lived and long term
- the variable fees have been beneficial to the sustainability of HE providers
- the variable fees have not put off prospective students
- there are disadvantages and advantages to the current bursary system but there must be support for those who could benefit from HE but do not have the capacity to pay
- in a global economy continuing expansion of HE is required for the UK's global position
- development and sustainability is stalled by current pressure on funding
- flexible learning including part time and other modes should be supported equitably
- diversity and student choice must be supported
- the current system is unsustainable in the current financial context
- in making change the position of the block grant must be protected
- recognition must be given to the range of funding streams for HE including those from other public funders such as Department of Children, Schools and Families and Department of Health
- investment in HE in line with global competitors is legitimate
- HE is a flagship sector that provides significant contribution to the UK economy
- a fair balance between public and private contributions to the cost of HE must be established by the Review
- GuildHE institutions are increasingly popular and offer programmes relevant for society
- the current arrangements are more complex and intertwined in the HE ecology than they may seem
- student living costs, whether at home or living away, must form a significant part of the consideration
- secure capital investment funding must be part of the picture for sustainability
- exploration of options should include those that involve students choices of provider and include potential of the private as well as the charitable and publicly funded sectors.

**2.2** GuildHE members' institutions have a proven track record in widening participation (including the recruitment of students from lower socioeconomic backgrounds and the recruitment of part-time and mature students), in student retention and in providing a good level of student support. They also have excellent experience in working with employers and in the delivery of

vocationally-based education. There is a strong measure of student engagement in the GuildHE community and an educational tradition reaching back into the 19<sup>th</sup> Century.

### 3. Sources of Evidence

**3.1** The issues the review seeks to address have been visible in the public domain for some time. GuildHE submitted material to the then Department for Innovation Universities and Skills under John Denham and to the IUSS Select Committee which highlighted a number of issues on Quality and Participation where material is invited in this first call. Copies of these documents can be provided. Universities UK has undertaken a number of studies relevant to the financing of HE and the impact on institutions. GuildHE works alongside them as a representative body for HE and does not seek to replicate data at a sector level presented elsewhere. The work undertaken by the National Union of Students is also significant and the student voice is one which GuildHE would urge the Review to ensure is given sufficient weight. Student choice is a key feature of arguments put forward for diversity by GuildHE. Material from other sector groups, agencies and organisations has also informed GuildHE's thinking and where possible is referenced in Annex A, which also contains sources for examples and data tables.

**3.2** The GuildHE includes members from the not for profit and private sectors delivering HE and for which there is no readily available data sources comparable to the HESA sources for publicly funded institutions. A number of those HE providers are however becoming subscribers to the Quality Assurance Agency (QAA), especially as they seek or gain degree awarding powers.

### 4. Underlying principles the Review should seek to be retained

**4.1** Fundamentally, HE providers should remain autonomous decision-making institutions, with the governing body/academic community making choices about how the institution seeks and uses resources to fulfil its mission – be that as a charity or profit making organisation. In this context the concept of the block grant from HEFCE for those HEIs that are accepted for public funding is a critical principle.

**4.2** Ability to pay should not prevent a potential student, with the capacity to succeed academically, from benefiting from HE at sub-degree, degree, master's or research degree levels.

**4.3** Solutions should balance public and private good derived from engagement with HE.

**4.4** Solutions should seek to maximise student choice, recognising the idea of HE as an ecology. Students' needs differ from individual to individual and over their life times. It is critical to maintain a variety of different and flexible learning opportunities and have them adequately geographically spread.

**4.5** Solutions should recognise the extent of the stakeholders' ability to pay and the different financial needs at various stages of a lifelong learning experience.

**4.6** Solutions should help to secure the quality of the provision and fairness of access to it

## 5. Caveats

**5.1** In developing an improved system, account should be taken of the complexity of the current financial system. The present arrangements can give rise to:

### *Counter-intuitive behaviours*

**5.2** The current mechanisms are complex and the nature of the HE experience multilayered. What seems a logical conclusion may create unexpected behaviour.- the differential impact of bursaries on institutions and students would be an example

### *Unintended consequences*

**5.3** The multiple interactions and connectivity in the HE ecology mean there can be unintended consequences to interventions on one part of the system – the ELQ arrangements would be an example

### *Perverse incentives*

**5.4** Within the current funding initiatives and incentives are used to drive particular outcomes. Careful thought is needed to ensure an incentive does not have a negative result. – the importance of prudent management of institutions to create surplus becomes a disincentive if it suggests the HE sector has fat to be cut.

### *Intelligent systems and game-playing*

**5.5** The HE community clearly contains many of the best minds in the UK and the world. To secure the best outcome from any funding system for the particular academic community, the institution or group will mean the parameters are well understood and pressed to best advantage. The response to this can be more and more system complexity which has the potential to be too expensive to run and too difficult for stakeholders to understand. The various changes over time in the RAE would be an example

### *Wales and Scotland*

**5.6** The focus of the Review relates to the funding position for students with English domicile but it will need to take account of the different arrangements on fees and funding in Wales and Scotland. This places a context for decisions in England and affects cross border flows of students. This interaction is significant with respect to the integration academic activity across the UK or operation of the HE ecology when cross border partnerships take place. The UK brand in HE is strong but with devolved decision-making choices may not promote a coherent academically desirable outcome.



## 6. Current position – HEI support and Student support

*Regarding the current system of higher education funding and student finance – and the 2006 reforms:* **Review Q1a. What has worked? -**

### Fee system

**6.1** GuildHE's view is that the system of higher fees for full time participants on undergraduate programmes and other designated awards has worked more successfully than initially predicted; having been balanced with provision of bursaries/non-repayable grants and a loan structure. It has been reasonably effective to date for the relevant stakeholders but, seen in the context of the HE ecology as a whole, it contains unfair features. In summary:

- From a student perspective, it is more expensive, but the experience has been subsidized and the cost to students has been spread forward into their future career earnings, as it is free of fees to be paid at the access point;
- From an HE provider's perspective in England, it provides much needed additional income which has made the difference between a predicted deficit compared with a more sustainable surplus and allowed continued expansion of provision;
- From the Treasury and Ministerial perspective, it has added a lever for expansion in supply to meet the demand that has been stimulated through the aspiration for a 50% participation rate in HE and prevents further call on the public purse.

**6.2** This Review is interested in the impact of variable fees, but since many other stakeholders contribute to financing a student's learning experience, it is important to take a holistic view on this. The attention will clearly focus on funding for teaching, but the place of the funding of research/advanced scholarship is integral to the secure financial health of many institutions and in various forms of local concentration within institutions, is a fundamental feature of HE provision. At present full time course fees are paid by:

- The state alone via fully funded programmes for some professions and at doctoral levels
- The state and the individual together, via student loans and the cost of providing them;
- The individual, often via family contribution or a private loan or savings;
- A sponsor – perhaps an employer or prospective employer, home government, charitable body or similar.

Part time course fees are paid for largely by the individual, sometimes, but not often, a sponsor, and only rarely through the state – with support depending mainly on the professional relevance of the course pursued.

### Income sources other than fees

**6.3** In addition to a fee per student on a course, there are differing levels of income passed to publicly funded HE providers, including a large number of FE institutions, by HEFCE for learning activity across different subjects. HEFCE also provides other extra funding streams to drive forward mechanisms for change; for example to recognise the cost of widening participation, including recruitment of those whose background does not always immediately lend itself to HE and any additional learning activity and support for study they might need. It is also argued that the significant additional funding secured to support research work, especially in those 30 or so HEIs receiving 80% of the research quality related funding, makes a specific contribution to the overall student learning experience that can be delivered at these institutions. The revenue funding is alongside funding mechanisms to provide capital infrastructure in estates, information technology, and other learning resource assets required for an effective academic community to operate (see paragraph 6.30).

### Student living

**6.4** Presently there is a loan and non-repayable grant or stipend structure to support student living costs, almost exclusively geared to full time undergraduate programmes, postgraduate courses for prospective school teachers, and a much smaller number of doctoral students. In relative terms, on part time programmes there is almost no opportunity to secure public contribution to living costs and complications for those on benefit choosing to take up full time study. Logically most of those opting for the part time mode are people in work or have other means of supporting themselves. If these do not apply then an individual has no option but to try to study full-time or not at all, even if the former may not suit their other commitments.

#### **EXAMPLE 1 Key Stakeholders in HE teaching funding \*\* common funding**

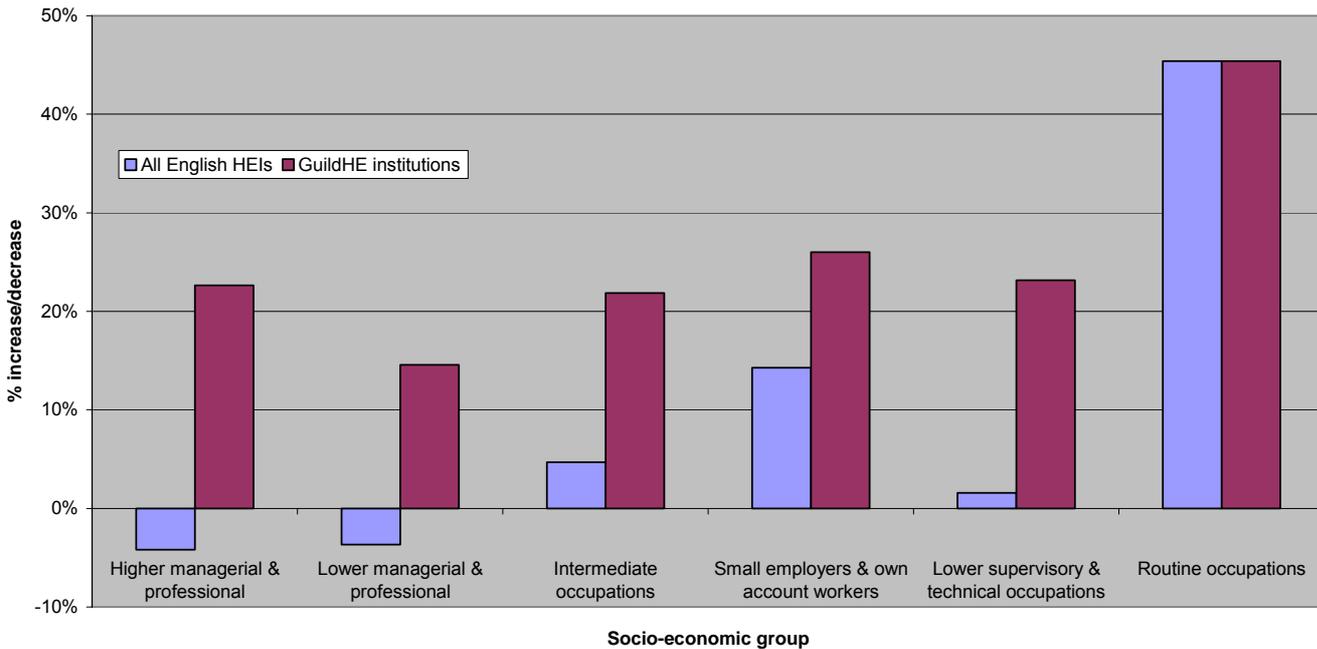
<b>STAKEHOLDER MAP</b>	<b>Cost</b>	<b>Benefit</b>
<b>Individual for learning</b>	Fee (poss via loan)	Salary premium, Health premium, Social premium
<b>Individual for living</b>	Govt Loan/ Other loans	Study time free of need to earn Capacity to move to learning location
<b>HE Provider</b>	Bursary/ Discount – income forgone	Student and income secured
<b>State for learning</b>	Revenue Funding * Capital funding * Cost of Fee loan *	Wealth creating /problem solving workforce providing Tax payer Premium Social mobility change
<b>State for living</b>	Non-repayable grants Cost of Maintn Loan	Earlier availability of better educated worker Social mobility change
<b>Other Stakeholder eg Employers</b>	Taxes * Sponsorship	Wealth creating /problem solving human resources to form workforce

### Fair access

**6.5** In the same period as the fees were increased, there has been considerable outreach effort in the context of Government aspirations for a 50% participation rate in HE to raise the aspiration of those with the capacity to benefit from the experience. The number of student places

made available has increased by approximately 100,000 since the introduction of variable fees. Work undertaken with pre-HE institutions has seen the number of applications and of successful entrants significantly increase in response. A major feature of the process undertaken by those seeking to expand recruitment, has been the need to explain and reassure prospective students and their families about financial consequences, payment arrangements and the value for money gained by undertaking study. Organisations such as Action on Access and Aim Higher, as well as HE providers themselves in their open days and websites have sought to explain complex systems. The Government itself has initiated major communication drives to explain the fees and loans mechanisms. In the institutions of GuildHE members, data shows that students have continued to take up HE study. They have been prepared to pay/take out loans to fund this opportunity, including those from Widening Participation backgrounds. Many GuildHE members' institutions have been particularly successful in attracting students from these environments (see paragraph 7) However, data at national level shows that it is, in the main, those from higher and middle income families who still form the majority of those entering HE. Recent trend data from HEFCE (see paragraph 7.3) begins to indicate the hoped-for significant breakthrough in the number from lower social groups taking part in HE may have begun, but future growth constraints may not support this trajectory and these are areas the Review will need to explore further.

**EXAMPLE 2. UCAS accepted applicants: Increase/decrease per socio-economic group, 2004/05 – 2008/09)**



Source: UCAS data, taken from HESA heidi (accessed 29/01/2010).

**Market Stability**

**6.6** One of the aspects of public debate in the run-up to the change to variable fees was the extent to which there would be a fee market and how much differential there would be between institutions in relation to their fee charging policies. The position of each course, in terms of its popularity with prospective students and its consequent selectivity of its offer-making behaviour, was expected to influence a pricing behaviour and create another new dynamic in the process of student choice. In the event potential destabilising market behaviour did not occur. The threat of HEIs in an active market for students based on course price did not occur. The potential risk of income failing to cover costs was avoided. However, those HEIs that did not opt for the highest level or those making very generous bursary provision (which in effect operates as a price cut),

may have been those finding their financial stability more worrying. Many who started on this road have since converged to the norm and charge maximum fees.

**EXAMPLE 3 Case study material showing choices made by one HEI in changing fee levels University College Plymouth St Mark & St John**

*We have traditionally attracted WP students and our percentage of students from these backgrounds has remained consistent.*

*We initially offered lower fees (£2,200 and £2,700 depending on the course) and only moved to a position of charging the full fee in 2009/10 (to first year students).*

*We provided all our undergraduate and PGCE students with a laptop, as an aid to teaching. The provision of a laptop in effect provided additional support of some £300+ to all entitled students. The laptop has been an important initiative in supporting students from a range of backgrounds and has provided support to students studying at the University College and those based in more remote locations as well as supporting those from under represented groups.*

*We invested in outreach and also 'top-up' the Access to Learning Fund (ALF). Some 65% of our students come from lower income families. ALF top-up funds have proved popular as were the lower fees. However, the student body is generally supportive of the move to maximum fees to improve the infrastructure and student experience.*

**6.7** It is also important to recognise, especially in any consideration of future planning and estimation of future consequences, that this financial system of market behaviour sits alongside an "entry grades" market in which different grades and different qualifications "purchase" different opportunities according to the subject and according to the popularity and/or academic quality of the experience. The prospective student has not yet been asked to play off the one against the other in a sophisticated way.

**6.8** From an institutional viewpoint, HEFCE grant funding requires a complex and sophisticated set of balancing judgements to be made in both operations and forward planning; in particular the balance of bidding for extra student numbers (perhaps a thing of the past), new penalties for over-recruitment and judgments/rules about drop out rates. The last factor has probably caused budget fluctuation in many more HEIs than is publically visible. Counter-intuitively, these rules can mean that more students graduate from a year group than the institution is allowed to claim as completing students. HEFCE's funding methodology is complicated by the use of a notional fees as opposed to those actually paid, the placing of institutions in tolerance bands according to income planned or secured which requires expansion or contraction in numbers year on year. Sudden bulges because of institutional popularity can force retraction, counter to market demand. These mechanisms also sit alongside a different commissioning model for those HEIs providing HE programmes for teacher education and nursing, the funding for which is made with conditions of quality thresholds, sharp monitoring regimes and competitive bidding processes that can lead to removal of contracts. These are significant lines of expenditure in the Government Departments concerned, and potentially subject to the same public sector funding pressure so that if, for example, in the mix fees were to rise to cover HEI costs, another part of the public purse would be affected. The diversity of these systems and the autonomy of HE providers to balance the different income streams has been successful. This is largely due to the high levels of competence and public service of the staff concerned, who have operated within a set of rules which they understood.

**6.9** To date the variable fee funding has been able to be seen as additional to a unit of resource that had largely been maintained on an annual basis, and as such, this funding was able to address historic lack of investment in estates, infrastructure and student support. The whole period of variable fees operation saw some other compensation being put in place to rectify the consequences of past funding cuts. Thus students asked to pay more could see in some part what their extra contribution was purchasing. At the same time as dealing with backlog problems, institutions were making choices about improvements to help them gain market edge, (see also paragraphs 9.3 – 9.7). In general additional fees and other funds appeared to segment into spending on three areas:

- rectifying historic salary anomalies especially for academic staff;
- handing back funds to students as bursaries, not always means tested; and
- a variety of other infrastructure uses –to rectify a deficit in services and or provide assets both of which are to be more geared to the student and to address a range of estates problems.

**6.10** Although information on behaviour and performance over the past three years may justify the earlier decision on fees, it helps less now in the context of the current UK financial recession, the most recent and likely future decisions on public sector cuts and the operation in a different global economic context. There is a new job to be done both in supporting economic and social recovery and in finding a future division of cost benefit between what GuildHE sees as the four stakeholders namely students, HE providers, the state/society and employers including the entrepreneurial self-employed.

**6.11** While GuildHE would argue that HE has an excellent and long lived success story to tell and can demonstrate effective change-management in relation to the impact of variable fees, there must be clear caveats on how much the continuing improvement can be put down to the impact of fees as against other forms of public funding. Equally there are other pressures for participation such as the recession, the professional qualifications now required for many careers, a better general public understanding of the offer provided by HE and aspirational status associated with the qualifications.

**6.12** A valuable spin-off from the amount of public debate generated by the fee changes is the enhanced public understanding, at least in the political sphere, as to what HE is for – including both the public and private benefits.

**Review Q 1b Which parts of the system should be kept, based on the available evidence?**

**6.13** The adage “if it ain’t broke don’t fix it” only partly applies because of the need for more and a better educated population as highlighted by the Sainsbury and Leitch reports (see Annex 1), and with less public money available in the short term to deliver their recommendations. The “Catch 22” is that a key way to gain more public tax is by the entrepreneurial efforts of the better educated members of UK society.

**6.14** From a student perspective, the opportunity the current system offers for choice and flexibility should be kept and if possible augmented by the removal of the disadvantages for part-time and alternative study modes. Given that the student is paying more for the experience - their choice on where and how to study should be supported by diversity of choice of environment and location

- in subjects they want to study, with peers and teachers that fit their learning styles and future aspirations as members of society;
- in academic communities that mean they can thrive, be they large or small
- in locations near to home and/or far away;
- at times to suit their lifestyle and through appropriate learning resources;

For GuildHE this means keeping and deliberately growing a diversity of institutional environments for the wide diversity of students to learn in and at different points in their lifelong learning cycle. This then requires some balance between “autonomy” and “planning”.

**6.15** As indicated above there are a number of different streams of income for HEIs and presently it is valuable for institutional stability and autonomy that the principle of the block grant is adhered to. This permits an institution to protect its academic freedom, ensuring the independent quality of its delivery and provides scope for local judgement. This does however require effective governance and operational management which can ensure the proper use of the public funding it receives. The current successful HE community is the consequence of institutional evolution and development and contains diversity of institutional character which can respond to change in different ways. Without promoting perverse and unproductive hierarchies, funding solutions need to promote and support a diverse range of effective, well managed and manageable institutions. In this context, in the light of recent experience in the financial and HE sectors, bigger is not automatically better – it is just different. Specialisation and concentration within subjects as a feature of funding drivers is legitimate if balanced by academic freedom, public interest and the quest for excellence. This means creating financial incentives within funding structures for collaboration and partnership as well as competition in each case looking holistically at efficiency and cost/benefit. It means having an understanding of the interaction between the different parts of the HE ecology, and perhaps counter-intuitively just leaving the system to self-adjust.

**6.16** There are caveats in taking too positive a view of the current system. Current good ideas will need adaptation if they are to continue successfully in future, for example:

- The option of taking out a loan to help pay for studies/maintenance;
- The student beneficiary of the learning being the one who contributes to its cost;
- The student beneficiary not being expected to repay costs they have incurred until a fair financial position to do so;
- Bursaries, grants and scholarships being made available based on means testing and merit;
- Support being targeted at the least well off and to this end, setting thresholds allowing lower income students not to pay back and repayment related to salary;
- Costs being shared between beneficiaries – mainly state and individual but in some cases employers or others;
- Fee/loan subsidies to protect the most financially vulnerable.

*Review Q 2. What has not worked? - Which parts of the system should be changed, based on the available evidence?*

**6.17** While the international data suggests that, in spending on learning, the UK is off the pace, the support for student living costs taken as a whole is shown to be higher in the UK. While there is value in a common base level, the position may arguably be over generous to the higher and middle income families that would not have needed loans for maintenance support and not at such generous levels. However it should be noted that funding for daily living costs is already

additionally supported from family sources (see paragraph 9.11) There is also a view that the subsidy on the interest rate allows an opportunity for arbitrage at the tax payers expense. The consequence for Treasury is better explored by others with inside knowledge but material in the public domain suggests that the current models are expensive due to the level of interest rate subsidy. GuildHE acknowledges the exploration of data in this area by colleagues in Million+ and their report *Fair Funding for all* (see Annex 1) and considers it an important area for further consideration.

**6.18** Given the newness of the system it is also too soon to tell whether predictions about defaulters or the thresholds set where repayment is delayed (or even cancelled) have been substantiated. There is clearly a worry that in a new financial climate, such numbers will be higher giving less income to Government than expected. Almost worse than these cash contexts seems to be what appears, from the outside, to be the lack of predictability and manageability of the system. The costs being carried year on year appear to be a surprise. This position across several years of Departmental budgets suggests reconsideration of systems of current student support would clearly be worthwhile.

**6.19** A side consequence of the fluctuations on student support calculations this year has been an impact on HE providers, with the consequences of financial penalties for over-recruitment, based again on somewhat complex institution-by-institution calculations. In a context of a period of unemployment risks, where the pressure on demand for places is so high, there is a domino effect of the large numbers missing out on HE who will displace those further down the qualification chain. This is in addition to the negative effect on wasted skill and potential in those with the requisite qualifications for entry but remain unplaced. There still seems to be a lack of joined up calculations when the costs of social security, potential crime and loss of tax is added together – in this case today's savings resulting in greater costs tomorrow.

**6.20** Recent experience of the processing of student loans has been problematic. Any decisions for the future to make more complex or demanding arrangements would require guarantees of a more customer service oriented culture and efficient delivery. In the context of other effective shared services across the HE sector, expectations by students will be even higher in the future.

## **Bursaries**

**6.21** The higher fees were to be offset by a means tested locally driven bursary system and it was subject to national scrutiny under the Office of Fair Access (OFFA). There has been a recent research report from Professor Claire Callender provided for OFFA (see Annex 1) that has usefully analysed the activity and its take up. It shows several negative effects of the current system. Firstly with the operation at institutional level, the complexity and variety creates a confused picture for applicants many of whom are insufficiently aware of their basic entitlements. Secondly, given the means tested nature of the bursary provision, the cost of it falls predominately on HE providers with a larger proportion of widening participation students, creating major differences in the levels of bursary affordable in one location compared to another. Seen from an alternative perspective it can look closer to a United States system of fee discounts, where the “sticker” price is different for a large number of the student population, compared to the “cash” price they actually pay. This in effect creates a form of lottery where identical twins with the same means test will receive very different bursary offerings depending on how rich or poor

are their peers in the student community where they choose to study. This also had the unhelpful effect of leaving some HEIs with unspent bursary funds. The role of OFFA has been significant in ensuring access arrangements were effectively put in place and from Professor Callender's work it is clear even more work is needed.

**EXAMPLE 4. Expenditure on bursaries and scholarships: 2006/07 and 2007/08: a sample of GuildHE members' institutions**

Institution	% additional fee income spent on bursaries and scholarships	
	2006/07	2007/08
Bishop Grosseteste University College Lincoln	33.1	32.1
Buckinghamshire New University	35.5	40.2
Harper Adams University College	20.6	17.5
University College Plymouth St Mark & St John	31.9	18.2
University of Winchester	24.2	23.9
<b>ENGLISH HEI AVERAGE</b>	<b>21.1</b>	<b>21.8</b>

Source: OFFA Access Agreement Monitoring: Outcomes for 2007-08

**EXAMPLE 5. Expenditure on bursaries for lower income students, 2007-08**

Institution	Number of students holding bursary on low income grounds	Expenditure on bursaries for lower income students (£)	Average amount per eligible student (£)
Bishop Grosseteste University College Lincoln	504	523,000	1,038
Buckinghamshire New University	1,324	1,402,000	1,059
Harper Adams University College	285	234,000	821
University College Plymouth St Mark & St John	617	317,000	514
University of Winchester	1,262	965,000	765
<b>English HEI Average</b>	<b>205,540</b>	<b>191,688,000</b>	<b>933</b>

Source: OFFA Access Agreement Monitoring: Outcomes for 2007-08

### **EXAMPLE 6 Case study: Development of institutional student support expenditure in 2008-09: study of Buckinghamshire New University**

The next table shows the expenditure of Buckinghamshire New University in 2008-09, in the same categories as Example 5 above.

Institution	Number of students holding bursary on low income grounds	Expenditure on bursaries for lower income students (£)	Average amount per eligible student (£)
Buckinghamshire New University	2,253	1,975,265	877

Source: Institution

This demonstrates an average reduction of £182 per low-income student. The university identified several reasons for this reduced average:

- 2008/09 is the third academic year since 2006/07: it was therefore the first year that *all undergraduate cohorts* were eligible under the new bursary scheme.
- The number of eligible students had risen by almost 1,000 on the previous year – as the figures above show.
- In 2008/09, having consulted its students, Bucks reduced its cash-back and concentrated on expenditure that would enhance the student experience. Instead of the £1000 for all students provided in 2007/08, Bucks designed the ‘Big Deal’ scheme.
- The Big Deal offers each eligible student a bursary of £500.
- Remaining funds are diverted into other learning, facilities and social activities enhancements around the student experience with money mainly going into the SU and faculties for these.
- In Bucks’ own words, ‘support is linked to fields of study (materials, travel, and external events, for instance), and enhancements to the way students are able to build up a personal record of achievement that helps them move effectively through their course to a final career.’

**6.22** Material on this topic was explored by the NUS which had led to suggestions for a more equitable solution at national level (see Annex 1). GuildHE members have argued for the benefits of a national system where the outcomes would be the same for students with similar family financial situations, but eventually such a mechanism does not look that much different from a system of non-repayable grants based on means testing which also exists. Some GuildHE members have had particular praise for the innovative bursary arrangements they have put in place in their institutions. They had believed their bursaries would help market visibility and differentiation especially for recruiting programmes of study. The position is complicated by the extent to which what is on offer is genuine cash scholarships or as indicated merely forms of fee discount. Some members are now undertaking internal analysis and on looking at impact of bursaries on recruitment they have not found it a key factor in influencing choice to apply to their HEI. The amount received in the context of overall costs is small. For the future were it to be a real discount on a larger fee, it may have potential for greater effect and, the lack of it, more of a deciding factor.

#### **Part time provision and position of mature students**

**6.23** Unfairness is particularly exposed when a course is offered in both full and part time modes and the groups access the same teaching provision. The inadequacy of the financial support packages available to part-time students was highlighted in the material prepared by Professor Christine King for John Denham. It is vital that support for part-time students should be put on a better footing. The distinctions between part-time and full-time students have begun to break down with a rising number of full-time students undertaking the equivalent of full-time paid jobs. A more even balance of funding, with an improved package of support – both for part-time students and for institutions – might enable a fairer and financially deliverable outcome. It seems likely part time study will increase – partly to bridge the gap in skills and due to reorientation in the

professional knowledge needed in the current workforce (see Leitch Annex 1) – both seen as important for the economy. While there may be market premia for some programmes, pro rata fees are often unable to be charged to part-time students in many undergraduate areas or for repeating ELQ students. This affects some institutions differently according to subject mix and the extent they benefit from other income streams. Seen in terms of per capita income from the total resource available there is also heavy differential between subjects.

**6.24** The quality of the students' learning experience is determined by both what the institution can 'put in' and what the student can 'put in'. Many GuildHE member institutions have particular strengths in providing for those categorised as mature students whether on full-time or part-time programmes. Often they will be returning to study after a period in the work place or time spent caring for dependants or with other, home care responsibilities. Currently the funding made available to institutions for part-time teaching does not go far enough in meeting the costs associated with that mode of provision. The costs associated with providing teaching and learning support on a flexible basis – in school hours to meet the needs of those who have to do 'the school run', in evenings and weekends to meet the needs of those for whom that is the only free time they have available – need to be better recognised and addressed. Student living costs while learning are also critical here. There are real concerns within our institutions about the learning and the well-being of some students who are in paid work for very long hours while seeking to combine that with full-time study. Other evidence has illustrated the impact of paid work on student achievement. Better support mechanisms for part-time students would help those who have no option but to study part-time. But it could also help those students who currently are seeking to combine full-time study (i.e. the only way in which they can access financial support) with excessive amounts of paid work by enabling them to make more realistic choices on their mode of study and thus achieve a better quality of learning experience and better results overall.

### Cost differentials

**6.25** The actual cost of courses is different by discipline and in different institutions – due to the subject character and content, the skills and knowledge being acquired and the local differentiation on salary or other infrastructure costs. While HEFCE income is differently banded, the fees are the same whatever the cost of the educational experience. For programmes generally, the cost to a student is the same although once allocated to delivery, the financial expenditure will be very different in a laboratory, studio or a classroom based programme. Fees also do not take into account the potential earning power of the qualification obtained and there are arguments for and against such factors outside simple market force applying, as shown in some recent Australian experience of changes to fees. In its recent report (see Annex1) the NUS has argued that there could be a negative return in the case of some subjects studied if their price rises too far, and even more so if the loss of earnings for a three year educational period is included.

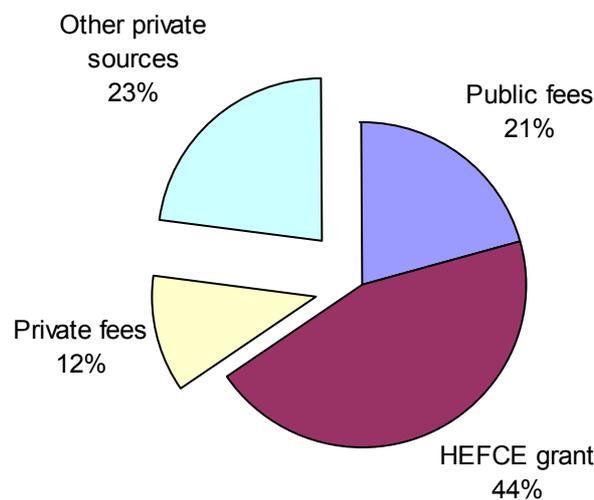
### Blurring of boundaries of private and public funding

**6.26** To date most attention has been on giving access to those without the ability to pay, not on those who could pay more and who are not able to exercise their choice because of a constraint on the quantity of the provision the public purse can afford. In expanding the aspiration for HE and looking to a future where more will need to earn and live through a global knowledge economy, the extent to which the State alone can meet that demand is questionable and the place of privately funded provision becomes more important within a successful HE ecology. Privately funded provision is already delivered in England by not for profit and for profit private

providers, a number of whom are GuildHE members. Some of these deliver to UK home students on some publicly funded places the HEIs have secured through negotiating franchised relationships. This is alongside others paying a full cost price. This is not necessarily because the HEIs wish to work financially though others but rather because the funding accountability is more conveniently delivered for HEFCE by a larger funder rather than directly. New solutions might permit more direct relationships and free up action and choice.

**6.27** In reality publicly funded HE providers already make HE programmes available privately at full cost. These are through full cost fees from overseas students, higher charges made to ELQ students who have already studied and received public funding previously and through a range of part time postgraduate courses. This last group is particularly seen in popular areas where the strong market can carry a premium fee and sits alongside consultancy and continuing professional development work on short courses. These “private” funding streams contribute a significant part of the income for some HE institutions. Many institutions also derive income from the validation of academic programmes provided by private and sometimes for profit HE institutions as well as the franchised arrangements noted above. These complex webs of interaction in the HE ecology are sometimes forgotten.

**EXAMPLE 7 Case study: Private and public income sources at Liverpool Institute of the Arts**



**EXAMPLE 8 Case study: Buckinghamshire New University: Dreams Foundation Degree in Retail Management**

Buckinghamshire New University now works with Dreams Bed Company to provide the “Dream’s Foundation Degree in Retail Management”. The programme lasts two years, and provides a professional development opportunity for those already employed in retail. Among the rationales for the programme was the development of methods for integrating academic thought into retail practice.

In 2008-09 a group of students who were already managers at Dreams piloted a faster-track, one-year programme. This required them to efficiently co-ordinate their everyday occupational projects with their studies.

**6.28** The whole area of employer co-funding and student sponsorship while it may have slowed with the severe impact of the recession has had notable successes. But in general less is seen of employers as direct contributors, e.g. sponsoring the fee or living costs of students. The most

obvious examples are the Armed Forces and Strategic Health Authorities relating to Nursing/Midwifery and allied health professions. The employer co-funding collaborations have also been successful where forms of in-kind assets have been contributed or use of facilities offered but these examples often link to specific professional relationships – e.g. hospitality programmes and state of the art kitchen equipment at University College Birmingham; LOGICA relationship with University of Winchester. Much more could be done to encourage other employers to support students in work placements especially where they are paid and can provide ways to supplement living costs. The Dearing Report highlighted expectations on employers beyond merely contributing tax and GuildHE agrees with *Higher Ambitions* that HE also should continue to act directly, in bridging cultures and correcting historic misunderstandings. Incentivisation of this interaction through tax breaks could be further explored to stimulate employer involvement. The recent CBI reports also recognise more may be possible (see Annex 1)

## Capital and infrastructure funding

**6.29** UUK material has highlighted differences in capital investment with the UK investing over a third less than the average for the OECD and half of that invested by countries such as the USA and Japan. The use of the Transparent Approach to Costing (TRAC) and the calculations on full economic costing for research (fEC) has sought to integrate sustainability calculations on the balance of revenue and looked more closely at the costs to maintain the capital infrastructure. The addition of a cost of capital figure frequently highlights inadequacy in what otherwise might seem like reasonable revenue surpluses. In fact the capital infrastructure, especially in building and maintenance, was the most damaged in the last period of HE cuts. There has been significant effort to resolve this, made over last period, but funding still has largely been received as separate stream especially for example for providing research infrastructure SIFT and other capital programmes affecting teaching. The HEFCE report of the Financial Sustainability Strategy Group (FSSG) (*The Sustainability of Learning and Teaching in English Higher Education*, Dec 2008) highlights the capital deficit in teaching resources and figures prepared through Universities and Colleges Employers Association (UCEA) for the Joint Negotiating Committee for Higher Education Staff JNCHES (see Annex 1) show similar conclusions. Thus many HEIs have specifically targeted their fee income at student-centred capital and infrastructure spending such as better lecture halls; better information technology provision; improved library and student peer learning and networking spaces.

**6.30** The importance nationally of the STEM subjects (Science, Technology, Engineering and Maths) is well understood and we recognise that these are resource-intensive subjects. They make heavy demands in terms of the facilities available and expect high level research. Many of our institutions are expertly engaged in the training of teachers who will be responsible for teaching the STEM subjects within our schools, thus providing for the next generation of undergraduate and research students. There is currently a mismatch of funding in this area. The Training and Development Agency for Schools, (funded through the Department for Children, Schools and Families) which is responsible for the funding of Initial Teaching Training, does not fund capital expenditure. While capital funding for the STEM subjects channelled through HEFCE, and often focussed on research intensive institutions does not connect to the demands made for training the teachers of STEM subjects for the future. Better integration of the funding across Government Department may be even more critical in the future. A number of those working in the GuildHE community would like to see support for the STEM subjects feed through to funding for capital investment for teaching training facilities – for example laboratory refurbishment.

**6.31** A suitable solution for revenue must also allow institutions to provide for capital as part of retained surpluses or it must continue to support a national infrastructure with regular injections of

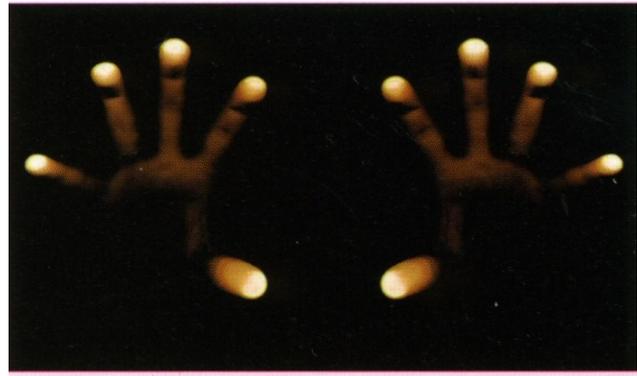
capital funding. HEFCE's recent removal of the historic buildings allowance was understandable but without capital included in the Review's consideration it will again be the national higher education estate which suffers as the result of a short term desire to cut costs.

### **A difficult task ahead - Future options worth exploration**



**6.33** GuildHE is currently discussing options for future funding and student finance arrangements with its members, and will make a further submission to the Review on this in response to a future call for evidence. However, we believe that the aspects of the current system which should be especially considered are:

- **The level and operation of the fee cap;**
- **Student support arrangements for maintenance;**
- **Form and function of the student loan from the State;**
- **The range of other funding and borrowing sources available to students;**
- **Support for part-time students for learning and living;**
- **Bursary support at institutional level;**
- **Interrelationship and balance between fee and grant passed to HE suppliers;**
- **Fairness in the routing of fees and funding grants.**



## 7. Participation:

*Does our education system make high levels of participation possible, with access determined by ability and the potential to succeed, to ensure that the social, economic and individual benefits of higher education are maximised and shared across our society?*

**7.1** In the widening participation strategies of all English publicly funded HE providers and in the missions of many HEIs operating privately there is significant commitment to securing high levels of participation and diversity within the student body. The principle that all who have the capacity to benefit from HE should be supported to do so remains a deeply held commitment in GuildHE members' institutions. The Government through various initiatives, most recently in its response *Unleashing Aspirations* clearly seeks to encourage the education system to deliver greater participation coupled with social mobility. It has mainly succeeded in its expansion even if participation from lower socio economic groups remains more challenging. It will be deeply regrettable if the Government's public spending position means a stalling of the expansion of student places given the increasing demand that HE providers, Government, and pre HE stakeholders have spent considerable effort stimulating. A recent report from HEFCE *Trends in young participation in higher education: core results for England* shows some encouraging news in terms of the trajectory of students from the lowest quintile of the population.

**7.2** UCAS and HESA data shows the rise in participation but still in 2009, 25 per cent of those who wanted a place were not successful, and many capable students drop out citing financial difficulty. The Review in looking at drivers and incentives around funding, may also wish to consider the value for money of expenditure, including the negative effect of student drop out and its causes. There are proposals from DBIS in both *Higher Ambitions* and *Unleashing Aspirations* highlighting work required to improve information, advice and guidance to help students make the choice of HE provision best suited to them. The effective inclusion of guidance on payment and support is also critical and will be more so, if the system becomes more complicated. There are therefore strong arguments for future solutions to be more straightforward so that those students and families unfamiliar with the HE experience are not confused, so that cost of such guidance is kept affordable.

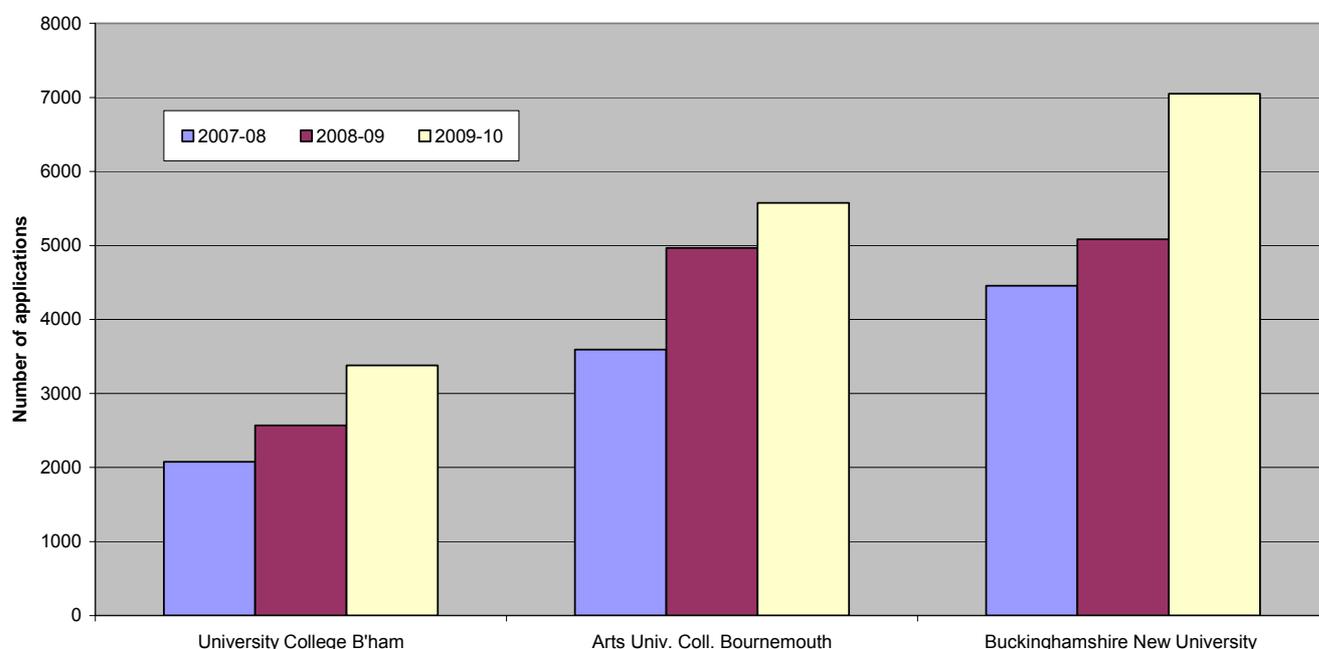
### Institutional experience

**7.3** GuildHE members' institutions have an excellent track record in recruitment of students across the whole range of backgrounds. Many have consistently exceeded the benchmarks set for the recruitment of students from low socioeconomic groups. In the statistics published in 2007 and 2008 by the Higher Education Statistics Agency (HESA), Harper Adams University College,

Bishop Grosseteste University College Lincoln and University College Birmingham were shown as being among the very highest performing HEIs for widening participation and with students from lower socioeconomic backgrounds. In the 2006/07 figures, University College Plymouth St Mark and St John had the highest percentage from among all HEIs based in the South West region of young, full-time, first degree entrants from a lower socio-economic background. Many of our members also have a high proportion of part-time and mature students – often coming back into education after going straight into employment from school. Those linked to professions or work based learning in institutions like Buckinghamshire New University have grown in the period during which the increase in fees occurred. It is in these professional and practice-based areas that there is further scope for growth and good value.

**7.4** If constraints on funding means restriction on the number able to receive the chance of an HE opportunity with support from public purse, there should be more active redistribution of numbers. The current lack of lack of flexibility in the funding system impacts more severely on institutions seeking to serve particular local or subject communities. Institutions such as Buckinghamshire New University, which recently achieved university title, University College Birmingham, which recently won the right to university college title, and GuildHE members of the National Arts Learning Network such as Ravensbourne College of Design and Communication, deliver subjects important in the *New Industries New Jobs* agenda. Some institutions in the GuildHE community, for example the University of Worcester, presently have higher than average application rates with the potential to admit more applicants, especially from “first to go” students, but they cannot respond to the market because of the limits imposed on additional student numbers and over recruitment penalties.

**EXAMPLE 9. Increase in applications 2007/08-2009/10: GuildHE larger institutions (sample)**



**7.5** Those making their first step into HE as mature and part-time students, who are more likely to be from lower socio economic or certain ethnic groups, are more likely to rely on having good local access to HE, sometimes gaining entry through further education opportunities. Those with jobs, families, or caring responsibilities cannot easily move location to find a course to suit them so adequacy of provision in geographical spread is also important. Many of those supported

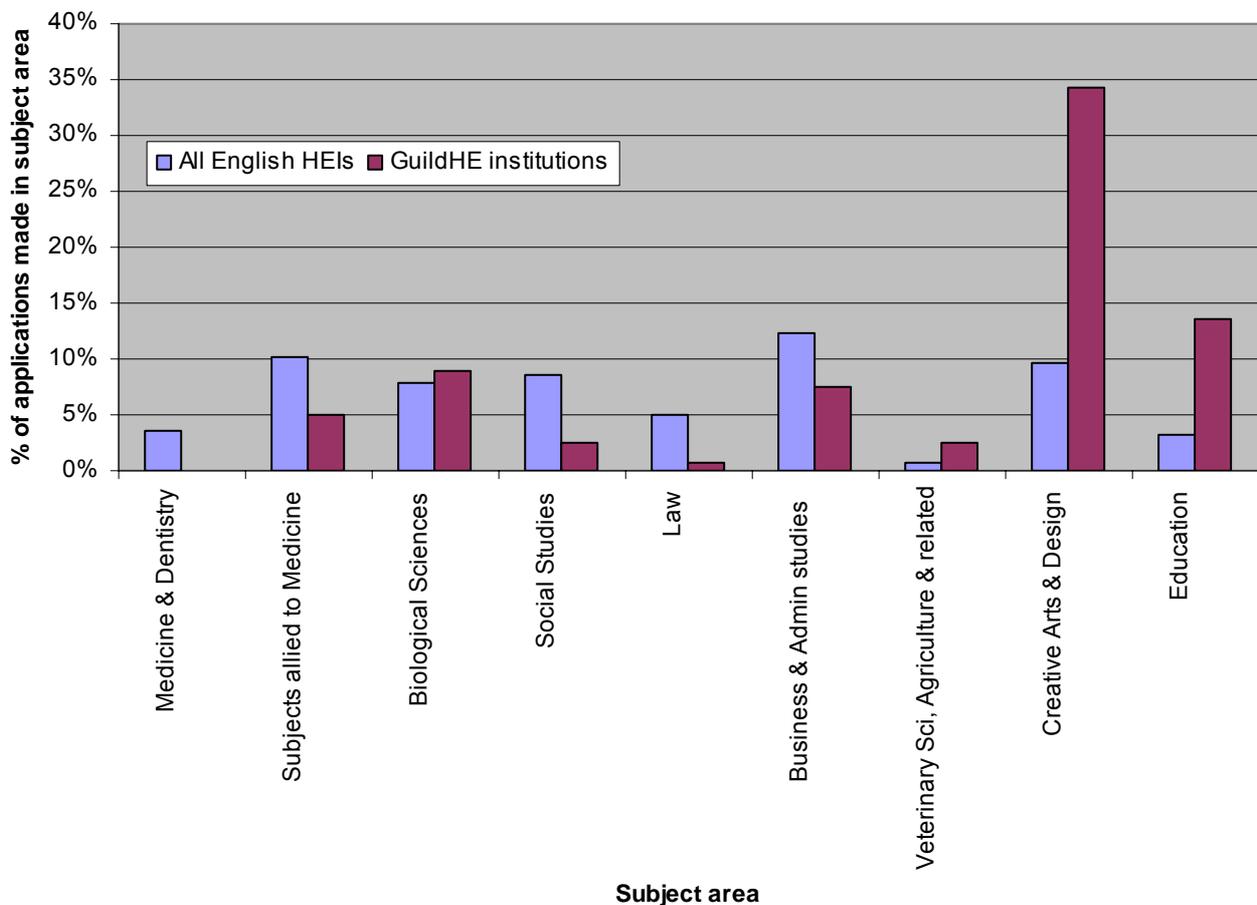
by the University of Cumbria in Cumbria Higher Learning, for example, would not be able to access HE outside their local area. Some sharper policies seeking to let a market dominate without public benefit mitigation, risk the creation of damaging “cold patches” where an adequate range of HE would be inaccessible. Those aspects of government policy which rely on the necessity of long distance travel may be misplaced in a low carbon future

**Review Q 3. How have the participation trends for different groups of students changed since 2006 and to what extent can these be attributed to the 2006 reforms?**

**Please highlight changes that have been positive or neutral as well as changes that may raise challenges for future policy.**

**7.6** The UUK’s analysis indicates that introduction of higher fees has not reduced participation or the continuing appetite for Higher Education across the HE sector as a whole. Data from GuildHE members’ institutions also indicates that their applications also rose strongly during the period while fees were introduced . The main concern now, as shown elsewhere, is that aspirations raised may be unable to be fulfilled by current policies on student numbers and the present mix of funding and student support. Set up to co-ordinate the implementation on recommendations on improvements to admission, the Delivery Partnership reviewed the characteristics of the unplaced applicants. This work showed there was a higher proportion of those turned away with non traditional entry qualifications, more mature applicants and from the lower socioeconomic groups.

**EXAMPLE 10. Concentration on selected subject areas, based on UCAS applications**



Example 10 Source: HESA heidi (accessed 29.01.10)

**7.7** Variation in entry is significant across subjects. Those supported by GuildHE members' institutions have shown growth and look to continue to do in health (given an aging population) creative industries (given digital and entertainment industry expansion) and land-based subjects (given food supply and climate change issues) These areas have needs for high levels of graduates in their workforces. Potentially as a consequence of looking to pay back fees but equally in the financial climate there has been a growth in numbers applying for professionally based degrees, where perhaps there is a strong guarantee of a job after completion.

**7.8** It is possible that the merely the scale of publicity over the issue of fees and the significant effort to mitigate potential negative effect, created a level of public awareness that may have contributed to increased aspiration. Given the worries about higher fees creating a backlash, the fact that trends continued only with a blip effect in the year before introduction can be counted as success. In terms of participation increase it seems more likely that other factors had greater effects including the long period of outreach efforts by institutions, alongside work on attainment in schools and the impact of Action on Access, Aim Higher, the Lifelong Learning Networks, as well as the publicity associated with Foundation degrees.

**7.9** The good results achieved by many institutions reflects the level of attention given in the delivery of teaching and learning and the support offered to students throughout their programmes of study. GuildHE would also argue that it also reflects a learning relationship that starts before students embark on their programme of study so that they know what they can expect, and what will be expected of them. GuildHE institutions continue to support many initiatives on information, advice and guidance including, in some cases, hosting the regionally based Aim Higher hubs establish to develop widening participation. Students also need to know - when they first start to think about HE – what the costs are likely to be and what sort of financial support is available to them. Work by GuildHE Members' institutions in providing information for schools has been shown to be very valuable in enabling students to take up their full entitlement to financial support.

**7.10** The common fee level may have dampened the extent to which students have looked closely at the extra value in making course choices. However, it appears once attending, they and their families have become more questioning about the value for money of the student experiences they are receiving. The extent of interest in staff student ratios, the desire for higher levels of feedback highlighted by the National Student Survey (NSS) shows that the HE participants and stakeholders have begun to act more as consumers despite their "co-producer" role. In summary given the many other factors in play GuildHE members would not argue strong linkage between these participation trends and the 2006 reforms on variable fees.

*Review Q 4. What can we learn from international trends in participation, in particular are there models of higher education provision elsewhere that deliver higher levels of participation than England with comparable quality and levels of investment?*

**7.11** Using internationally comparable material within OECD reports, there is a useful analysis provided in material submitted by UUK. The Review may want to interrogate this OECD material further in taking a view about the comparative contribution from the State. There are with the UK many areas of academic strength aside from the focus on sciences, technology, engineering and mathematics (STEM). Loss of our current competitive advantage in fields where we have strong

reputation, like the arts humanities and creative industries as a consequence of misdirecting our investment would be foolish. Equally we need to focus also on where it will be important for the future as highlighted by the New Industries New Jobs and the Creative Britain and Digital Britain reports various from DBIS and DIUS (see Annex 1).

### **Future comparability**

**7.12** Recent and potential future reductions in funding will make this slippage in international standing worse and contrast baldly with economic stimulus applied through HE elsewhere in the world. By the time 2011 figures appear even greater international discrepancy will probably appear. There is a risk of a vicious circle where our high reputation for the quality of our HE can be questioned because we ourselves are seen not to be investing in it, in comparison to others. It is also important to consider the effect that the recruitment of students from the European Union is having on the overall funding position. The cross-border flows and associated rules may be creating a dynamic that is productive in terms of postgraduate fee paying students but possibly less financially appropriate at undergraduate level including participation opportunities for home students and the equality of support.. It may be valuable for the Review to examine the existing reciprocal arrangements to ensure that increasing numbers, often from countries with lower average earning, is not placing a burden on available funds.

### **International private provision**

**7.15** There is a different proportion of HE delivered via private higher education in competing countries such as the USA, Australia, Japan (see Example11 below). There may be options for a response to demand to look more imaginatively at the development of both the private HE sector and privately funded places more generally. Data from China and India would be valuably added to these considerations.

### **Fair competition**

**7.16** For those providers of HE working in specialist and niche areas, who are academically independent institutions that are making their own awards but who are below the student number threshold of 4000, that would enable them to apply for university title, institutional brand name can apply a constraint on both competition at home and more significantly abroad. It creates issues for student equity and information , advice and guidance, given the lack of general understanding of the title “university college” as against “university”. Non appearance in public league tables is unhelpful to applicants and potentially damaging for the institutions; especially when these HEIs are delivering as good, if not better, outcomes than their peers. There is a specialist overseas student market also being lost to the UK – for example church foundation links with the US market; specialist teacher education, fashion and creative industries links with the Japanese and Far Eastern market. The range of income sources available to a small number of highly valued and effective institutions is therefore more restricted.

**EXAMPLE 11. National expenditure on educational institutions in 2006, by public and private sources and level of education: OECD countries ranked by highest total HE expenditure**

Country	Expenditure on HE			Expenditure on other types of education (primary, secondary and further non-tertiary)		
	Public	Private	Total	Public	Private	Total
United States	1.0	1.9	2.9	3.7	0.3	4.0
Canada	1.5	1.3	2.7	3.3	0.4	3.7
Korea	0.6	1.9	2.5	3.4	0.9	4.3
Denmark	1.6	0.1	1.7	4.3	0.1	4.4
Finland	1.6	0.1	1.7	3.7	n	3.8
Australia	0.8	0.8	1.6	3.3	0.7	4.0
Sweden	1.4	0.2	1.6	4.1	n	4.1
Japan	0.5	1.0	1.5	2.6	0.3	2.8
Netherlands	1.1	0.4	1.5	3.3	0.4	3.7
New Zealand	0.9	0.5	1.5	3.8	0.6	4.3
Portugal	0.9	0.4	1.4	3.6	n	3.6
Austria	1.2	0.1	1.3	3.5	0.2	3.7
Belgium	1.2	0.1	1.3	3.9	0.2	4.1
France	1.1	0.2	1.3	3.7	0.2	3.9
Poland	0.9	0.4	1.3	3.7	n	3.7
<b>United Kingdom</b>	<b>0.9</b>	<b>0.4</b>	<b>1.3</b>	<b>3.9</b>	<b>0.3</b>	<b>4.3</b>
Czech Republic	1.0	0.2	1.2	2.7	0.3	3.0
Ireland	1.0	0.2	1.2	3.4	0.1	3.5
Germany	0.9	0.2	1.1	2.7	0.4	3.1
Hungary	0.9	0.3	1.1	3.2	0.2	3.4
Iceland	1.0	0.1	1.1	5.1	0.2	5.3
Mexico	0.8	0.4	1.1	3.2	0.6	3.8
Spain	0.9	0.2	1.1	2.7	0.2	2.9
Slovak Republic	0.8	0.2	1.0	2.4	0.4	2.7
Italy	0.7	0.2	0.9	3.4	0.1	3.5
<b>OECD average</b>	<b>1.0</b>	<b>0.5</b>	<b>1.5</b>	<b>3.4</b>	<b>0.3</b>	<b>3.8</b>
<b>OECD total</b>	<b>0.9</b>	<b>1.1</b>	<b>2.0</b>	<b>3.4</b>	<b>0.3</b>	<b>3.7</b>

Source: OECD *Education at a Glance, 2009*, Indicator B4



## 8 Quality:

*Does the higher education system provide the quality and academic standards that students, employers and national economic needs require?*

**8.1** GuildHE is taking part as a representative body alongside UUK with the QAA and HEFCE in a range of initiatives to continue to assure the quality of HE. UK higher education has a threshold of quality recognised by the world and many academic communities of supreme international standing. These are subject to systems seeking to ensure constant improvement, self scrutiny and checks on standards which adapt to changing subjects and changing student expectations. GuildHE members have supported the current initiatives to support and build on these arrangements with the External Examining Review Group and ongoing consultations quality assurance issues.. The experience of GuildHE members has been that successful delivery of teaching and learning relies on student engagement and good working relationships between students and staff. These are often well secured in environments managed on a human scale. The educational culture within the institution makes the difference to its quality.

*Review Q 5. Have there been identifiable improvements in the quality of teaching in the period since 2006?*

**8.2** The GuildHE community seeks neither to be complacent nor scaremongering but HE, despite its reputation for inventiveness, is no different from other products and the amount spent affects the quality of the product bought. More output of suitable quality cannot be bought for less income and having more, can be put to direct use. Above a high threshold quality that ensure fairness and the public good there is opportunity for student choice. What must be avoided is a system which forces quality down as seen in the past with damage to infrastructure that is still being rectified. Unlike many public services that give direct benefit today, the quality of HE is an investment for tomorrow and the institutions taking part have a long lived and long term reputation at stake. As members of the Review Panel will recognise, it is difficult to identify in a generic sense improvements in the quality of teaching. The relatively short timescales since 2006 make this doubly so. In the absence of direct measurements of the quality of teaching we have sought to use proxy indicators.

### **Student perspective**

**8.3** Students themselves are arguably best placed to judge the quality of the teaching they receive. A number of the questions posed in the National Student Survey (which covers all students in their final year prior to graduation) directly address issues relating to learning and teaching. The fact that overall levels of satisfaction have remained high (80% or over, over the past five years) is particularly impressive at a time when the introduction of tuition fees and increasing levels of student debt on graduation might have been expected to have some impact

on student satisfaction levels. Even in the National Student Survey findings for 2009, when final year full time students on three year degree programmes represented the first cohort to graduate under the variable fee regime and when the economic recession meant that final year students faced particularly uncertain prospects of finding graduate employment, overall satisfaction levels only dipped very slightly from 82% to 81%.

**8.4** Direct comparison of overall satisfaction rates year on year is made more complicated by the fact that it was only in the later years of the survey that final year students on NHS funded programmes and those studying on HE programmes in further education colleges were included. Despite some very impressive sets of results for individual further education colleges, and excellence in teaching found throughout the sector, the overall satisfaction rates among students on HE programmes in further education colleges is lower than the average for the sector as a whole (being at some 76%). It is not clear how far that may relate to the differences in the overall income available to the different kinds of institutions (taking into account income available from all sources including research income) and the impact that has on the learning resources available to students. The findings from the National Student Survey are backed by the findings of NUS/HSBC surveys of the students – particularly the NUS/HSBC Students Experience Report : Teaching and Learning, November 2009. This survey – which is conducted on a sampling basis and covers all student years not just those in their final year – shows that 89% of students in the survey rated the quality of their teaching and learning as either good or excellent – a slight increase in the figure for the previous year.

### Higher Education Academic Staffing

**8.5** A further indicator that may be used as a proxy for the quality of teaching relates to the numbers of staff involved in teaching and learning support that have accessed programmes of professional development. The evidence available suggests that GuildHE member institutions have a particularly good record in this respect. At Bishop Grosseteste University College Lincoln for example, the Centre for Learning and Teaching (which encompasses both student support and staff development) enables newly appointed academic staff to undertake and successfully complete relevant accredited programmes under the Higher Education Academy's National Professional Teaching Standards Framework for teaching and supporting learning in HE. This in turn may link to the excellent ratings that Bishop Grosseteste University College Lincoln has achieved from students through the National Students Survey.

*Review Q 6. Is the higher education system providing the quality and academic standards that students, employers and national economic needs require?*

*What are the key areas where quality needs to improve further?*

*Please focus on those areas where the levers available to this Review of funding and student finance can make a difference.*

**8.6** Both in terms of the quality of provision and the standards of achievement, GuildHE considers that there are good grounds for confidence in our member institutions. Both internal and external quality assurance processes reinforce that message. There are many areas of good practice and excellence in provision while arrangements are in place to ensure that any areas of weakness can be identified and addressed. In addition to the processes of institutional audit carried out by the Quality Assurance Agency, many of our member institutions have particular strengths in areas such as initial teacher training or health care and so are subject to regular and

routine reviews by the relevant external bodies so as to ensure that students meet the standards required for entrance to the relevant profession or are 'fit to practise'.

### **Degree Awarding Powers scrutiny**

**8.7** In addition, a number of our institutions, including for example Leeds Trinity University College and The Arts University College Bournemouth, have successfully applied for and been granted, by the Privy Council, the powers to award taught degrees in their own name (rather than in partnership with another awarding body). They have undergone a period of assessment and scrutiny in respect of the management of quality and academic standards that is unmatched elsewhere for its rigour and intensity. Co-incidentally this took place during the period when variable fees were introduced. The reports of the assessors appointed by the QAA to consider and provide evidence for a decision on whether or not an institution can be granted degree awarding powers are not currently made public. However, the fact that the assessors are in and out of the institution, almost weekly, over an academic year or more, enquiring into every aspect of the institution's management of quality and standards, can leave no room for doubt that a recommendation to approve the grant of degree awarding powers reflects the confidence that can be had in that institution and the quality of its work.

### **Public information on quality and standards**

**8.8** There has, of course, been considerable discussion over issues relating to quality and standards over the past year. We welcome that debate and discussion and would hope to go further in encouraging and promoting public interest in these issues. GuildHE is very supportive of the work being done to explore in more depth what sort of information is needed to meet the interests of prospective students and the wider public. In the context of the wider public interest a number of pieces of work have been carried out to explore further and to gather evidence on whether the comments made in the media and elsewhere are indicative of deeper underlying problems. The work has included a thematic inquiry carried out by the QAA into some areas or themes that had been identified as being of particular interest plus a review carried out by a specially commissioned sub-committee of HEFCE's Teaching, Quality and the Student Experience Committee. Both the QAA's work on thematic enquiries and the sub-committee, chaired by Professor Colin Riordan, Vice-Chancellor of the University of Essex, identified a number of areas where further work needed to be done so as to ensure that the arrangements in place for securing quality and safeguarding standards were not undermined. The conclusion reached by the TQSE Sub-Committee was that there was no evidence of a systemic failing in quality across the HE sector – and that there were many measures demonstrating the general good standing of the sector – but that there were some areas requiring further work. The areas that were identified as needing further consideration are being addressed through a number of different routes, including the current consultation on future arrangements for quality assurance in England and Northern Ireland - see [http://www.hefce.ac.uk/pubs/hefce/2009/09\\_47/](http://www.hefce.ac.uk/pubs/hefce/2009/09_47/)

### **Funding structures to encourage flexible learning**

**8.9** Institutions can, and do, provide innovative approaches to flexible learning, including e-learning activities that students can access at a time of their own choosing and credit accumulation. But many of these students, possibly embarking on HE for the first time, will want or need focussed help and support in moving towards independent or self-guided learning. The help and support needed will take a number of different forms but will almost certainly demand what can be summed up in the broad definition as 'contact hours' or 'learning hours'.. Funding levers solely anchored on full time study may not achieve the changes needed for the future. Better mechanisms could support flexibility in learning so as to meet the needs of students who might want to dip into programmes, or take breaks from learning at times to suit their own needs.

The current emphasis on completion can particularly disadvantage mature students where learning can be disrupted by circumstances outside their control. A result would be greater student choice; taking the learning opportunity fit for their situation rather than adapting themselves to a standard offering.

## Employer perspective

**8.10** The positive view of HE delivery expressed by the CBI report *Stronger Together* (see Annex 1) also confirms that the HE system is largely getting its delivery and quality right for the economy. Higher education has proved itself responsive and has adapted to policy shifts. It is part of the UK's GDP, a major regional employer in its own right. Higher education is, in itself, part of the diagnosis of future needs through its research. Sometimes employers and a national perspective from policy makers is behind the pace in terms of action needed and it is a legitimate role of HE to challenge and put forward alternative ideas. The HE sector and their student market have been active in the areas of digital and creative industries long before the issues for the nation were highlighted in recent Government reports. It is only a surprise to those outside the industries that media graduates are actually very successful in the jobs market as noted in the recent *Higher Ambitions* publication. Given a large number of the products, services and even industries of the next 10 years have yet to be invented the most significant change needed is the encouragement for graduates not just to find a job in a commercial global hierarchy of the old industries like pharmaceuticals, finance and manufacturing but rather to invent their own portfolio careers in multi-disciplinary projects, in self employed networks - for example in small low carbon businesses.

## New industries

**8.11** These new industries and the new professions they create may need different tax levers and stimuli that are appropriate to knowledge-based industries. These are akin to the SMEs of the creative sector where intellectual property and human imaginative resource is the driver but not as patented product or tangible assets but rather different kinds of "intangible product" of which web based commerce is an example. Arrangements for big businesses are unsuitable for this SME context. For the Review this more fluid environment might affect how loans might be recovered, how effective ideas for taxes anchored to the "employer" could be; but these employment structures could be responsive to more individually based organisation such as voucher systems and personal tax breaks for educational development. With a breakdown in large succession planned hierarchies the need is for more personal professional investment in education as the portfolio drives recruitment.

**8.12** As indicated above, if the choice/cost/reward is greater for the individual it is important to achieve better communication about the current quality measures and quality assurance processes, not forgetting the extent to which quality of outcome is dependent the participant as "co-producer". The parallel example of gym membership is often quoted. Learning resources have to be used actively if the student is to gain the benefit they seek. GuildHE members are exploring ideas of earning and learning at all stages of a life cycle

- from Educational Maintenance Allowance (EMA) to support staying on rates in school
- to regular work geared CPD and professional updating
- to the purchase of education as part of a phased retirement strategy.

GuildHE members have highlighted the HE context for those taking up "third careers" allowing different forms of work to be undertaken in later years and the retention of good mental health.

**8.13** There are however some counter intuitive effects. If the student pays more the State funding may need to be less directive because it merely provides a common threshold. If the principle of block grant is defended on academic grounds (and because it works better for stimulation at the micro level within institutions) ideas of tied student numbers don't work. This was demonstrated in summer 2009 where a supposed number for STEM subjects disappeared into a generalised pot and the areas of high demand/ high job prospects in places not offering STEM were left unsupplied. Opportunities for greater private purchase of HE and the potential for Government loan structures to be accessed by students choosing a privately provided higher educational route may be seen as unpalatable from a historic position of free HE for all. Equally the current subsidy of those who could afford to pay more is in effect stopping more places being available in the system and means, as UCAS data shows 25% of potential students – many of whom would take professionally geared study – are missing out on a chance to develop their competences, knowledge and life chances.



## 9 Sustainability:

*Is the system affordable in the long--term for all those who invest in it, including students and the state?*

**9.1** It is a common view that the current system is creaking (see Annex 1). With the additional pressure now on public funding – so much more significant than when John Denham started off his examination of the HE situation – change must happen. There is confirmation in *Higher Ambitions* of an even greater need for a well-educated productive UK community and workforce. GuildHE members must therefore conclude that current structures are not fit for purpose. An affordable system giving the value society needs is required. Of course lower income levels can be managed where we limit provision and cut back on services to students but we argue for continuing investment to ensure the UK has the educational supply arrangements for a globally competitive workforce in a knowledge economy and a socially cohesive society. The investment in education must come not only from students and State but also from family and from business.

### Institutional sustainability and VFM

**9.2** Reference has been made elsewhere to data on institutional financial health in the report used by the *Joint Negotiating Committee for Higher Education Staff* (see Annex 1). However stakeholders and students also need to understand and be confident in what they are buying. HE providers can continue to improve efficiency and reduce waste and improve the sector's retention figures. As an example in the HESA statistics for 2006/07 Bishop Grosseteste University College had a drop out rate of just 1% for mature students – as against a national average drop out rate of 14%. For understandable reasons, widening participation and good retention rates do not always go hand in hand in the same way elsewhere. We link our institutions' good record on student retention with their similarly good record on student support, including financial support and advice. The evidence of the National Student Survey is that smaller institutions have levels of student satisfaction to match, or in some cases exceed, those found in larger institutions. St Mary's University College, Harper Adams University College and Bishop Grosseteste University College also feature at the top of the scale in terms of student satisfaction levels (as measured by the National Student Surveys for 2009 and 2008). GuildHE members also featured positively in the report from Professor Callender on innovative use of bursaries. The THE nominations for awards also point up pathfinder initiatives to help students get the financial support to which they are entitled.

## **Review Q 7. How has the added income to institutions from the 2006 changes been used?**

**9.3** UUK has collected a valuable range of data from many HEIs which has been supplied to the Review and GuildHE's similar enquiry yielded comparable results. There is no independent accounting stream for the variable tuition fees, and overall income disguises other student number expansion. It is not easy to explicitly disaggregate the percentage of extra income from fees. Only one cohort has paid in full and completed. Nor is it feasible to attribute uniquely the effect it has produced separately from the range of other concurrent Government positive funding initiatives. These include funding for widening participation, capital investment, research investment and capacity building, as well as any success in fundraising that has also been matched with Government funds – all taking place across the same period. Institutions' responses chimed with the message conveyed by the FSSG report, that long-term public underinvestment in HEIs has left a legacy of poor staff-student ratios, inadequate infrastructure for modern teaching and learning resources, and that the scope of modern HE requires a large proportion of investment in support services. For the most part this has been the first call for all types of additional funding. The pattern is also well shown in data provided through the analysis in the report for the *Joint Negotiating Committee for Higher Education Staff* (see Annex 1).

**9.4** A flavour of activity is given in the case examples below. The most common object of investment has been the improvement of staff-student ratios; however institutions recognise that the student experience requires not just teaching staff but also a range of support services across campus. GuildHE members on average spent a larger proportion of their income than other HEIs on academic services – 9.1% in 2007/08 against a UK average of 7.7% - and they have focussed their expenditure in these areas. Digital resources is also a common theme of investment. For the future, planning is aiming at achieving sustainability in teaching facilities and staffing rather than looking to improve further the basic offering.

### **EXAMPLE 12 Case studies on how other institutions have spent income in part from variable fees**

- **Bishop Grosseteste University College Lincoln** is spending over £100,000 extra per year to provide additional staff for its IT help desk, library, a student support receptionist focussing on Access to Learning Fund advice, an accommodation office, a careers advisor and outreach staff.
- **Norwich University College of the Arts** Norwich University College of the Arts used a significant proportion of this money in support of the improvement in the student learning experience with purchase of additional equipment (£440,000) and expenditure on new staffing (£580,000).
- **University College Plymouth St Mark and St John** is investing £15.4m in new facilities including a new sports centre, with borrowing costs estimated at c.£1m per annum. This investment doubles as a curricular improvement, given one third of Marjon's students study sports-related programmes. It has also helped Marjon to become a partner in Plymouth's successful bid to be a host city for the 2018 football World Cup bid.
- **University of Winchester** has directed £1.6m towards the build costs of a University Centre, providing its Student Union with fit-for-purpose accommodation and integrating learning spaces and recreational spaces.

**9.5** Additional income spent differentially in these ways is giving greater student choice. For those who do want a more human scale of student experience on a campus where people know each other, if slightly more is spent relatively on an organisational structure to deliver this

environment then we would argue this is a fair use of funds. Where the leading factors for an institutional mission are student engagement and teaching a greater spend on learning support rather than investment in better research facilities, is also a way to extend student choice. HESA data suggests that GuildHE institutions spend proportionately more on their academic departments and academic services than the UK average.

**Review Q 8. What cost pressures do institutions envisage arising in the future if they are to continue to deliver progress in participation and quality?**

**9.6** The data from the report prepared by the *Joint Negotiating Committee for Higher Education Staff* prepared during 2008/9 and before the latest cuts in grants to HE providers were announced, demonstrates the financial position of the sector. In summary this shows the potential trends and future difficulties. The HEFCE report from the Financial Sustainability Strategy Group (FSSG) *The sustainability of learning and teaching in English higher education* (December 2008) has also explained the risk to sustainability in downwards trend in relation to resources for teaching - despite being steadied by the impact of variable fees in revenue terms for English HE providers. But again an analysis before the current financial circumstances came into play which will give further emphasis to the arguments presented. Prudent behaviour by institutions and investment by Government has, as indicated, rectified some past problems but it is in applying business measures of sustainability and once the figures incorporate the cost of capital when the need for further cost recovery alongside business efficiencies is demonstrated.

**Review Q 9. Students do remain concerned about the costs of higher education.**

**What evidence is there to demonstrate the impact of these concerns on decisions made about participation in higher education and progression from higher education into further study, research or work?**

### **Attitudes to cost**

**9.8** GuildHE members have often argued that the personal transformation as a consequence of the HE experience is much more than a training scheme for a job where cost of participation has to result in a financial return. Students are buying the opportunity to change themselves not just a paper certification that is a passport, without which many careers are closed. Studies on student and family motivation show there are broader drivers of than cost. It is clear that student parents and mature learners are more concerned about costs and value for money. It is rare to find an open day within an HE provider that does not have sessions for the families and supporters of potential students explaining costs of learning and costs of living. Information is shown elsewhere on application rates, drop out, bursaries and impact of costs on demand and the extent to which the some features of market behaviour was dampened by the majority opting for the maximum price (see paragraph 6.6 ).

**9.10** Prof Callender's report to OFFA on Bursaries (see Annex 1) also highlights the lack of awareness still of basic entitlements and student money worries. The longitudinal survey *Future track* (see Annex1) from the HE owned national agency for careers advice, HECSU, has shown information on student motivation and attitudes to debt. This material might be further mined given the size of the sample for more subtle regional and socioeconomic aspects. The recent detailed report on student lifestyle and motivation from the NUS with support from HSBC gives further detail on attitude to debt. (see Annex 1) There is also material on student financing, attitudes and suggestions on many of the advice-giving sites for example the PUSH site (see Annex 1). The effect of direct information exchange within the social networking environment

should also not be underestimated in terms of student attitudes to value for money and operation as “consumer groups”. The marshalling of the student group at the University of Bristol being one example and, more negatively, the quality measures implicit in the so called “rate my professor “ sites and similar. These inform judgement when comparing expenditure on the HE experience at different locations and providers and reputation can be easily and sometimes inaccurately affected.

**9.11** There has been a regular series of reports from UNITE, (the company providing a large amount of student residential housing in the for profit domain) on student lifestyle, experience and attitude to debt with the next report due for publication in early 2010 on the 2008 year. This material clearly demonstrates that paying their way through full time study requires more income for students than is supplied by the present system. They turn to others in their family, to part time work and to banks and in the experience of GuildHE members in some cases to more unsavoury loan sources. These are areas where we are seeking gain clearer information and want to bring forward proposals.

**EXAMPLE 13. Sources of debt and average number of creditors of UK students, 2004 to 2006**

Source of debt	Proportion of respondents		
	Oct-Nov 2004	Oct-Nov 2005	Oct-Nov 2006
Government student loan	77%	82%	74%
Bank overdraft	36%	34%	41%
Parents & other family members	13%	14%	22%
Credit card	17%	14%	16%
Personal loan	5%	6%	7%
Unpaid utility bills	2%	2%	6%
Friends	3%	4%	4%
Store card	3%	2%	3%
Other	7%	3%	3%
<b>Average number of creditors</b>	<b>n/a</b>	<b>1.6</b>	<b>1.8</b>

Source: UNITE *Student Experience Reports*, 2006 and 2007.  
 Base: c.1,000 responses (2004 and 2005 data), 1,600 responses (2006 data)

UNITE provides information on the breakdown of student lifestyle payments in its *UNITE Student Experience Report 2007*.

**Progression to work and further study**

**9.12** GuildHE made a formal response to the Postgraduate Review undertaken by Professor Adrian Smith and highlighted

- Better access to funding including loans for all levels and modes of postgraduate study
- Research concentration related to subject excellence (not by style of institution) and supported by research collaboration
- Development and recognition for work-based and professional postgraduate provision
- The importance of the HE ecology to postgraduate provision and the way postgraduate study is accessed across institutional boundaries at different stages of life long learning
- Insufficient home students feeding through to research from the expanded talent pool at undergraduate level

**EXAMPLE 14 Starters to part-time PhD courses between 2004-05 and 2007-08, by domicile**

Domicile				Change 1996 –	Change 2004 –
	1996-97	2004-05	2007-08	2004	2007
UK	3,903	3,348	4,800	2%	43%
EU (excl. UK)	313	464	620	54%	33%
Non-EU	581	713	770	52%	8%
<b>Total</b>	<b>4,797</b>	<b>4,525</b>	<b>6,190</b>	<b>22%</b>	<b>37%</b>

**9.13** Reference was made to the HEFCE report on doctoral education and the lack of expansion in UK home research students in contrast to overseas students. In effect the UK was generating its research output on the basis of skills from international students, many of whom were paid for by other governments supporting their skill development. However the extent to which our own knowledge economy is generating the home based workforce to maintain its economic base is unclear. The UUK has also examined this area *Promoting the UK Doctorate* and we support their conclusions that there is value in greater analysis of part time opportunities, ways to aid retention of those studying part time and how they impact on the economic development. Sometimes there are counter intuitive aspects relating to part time study and its impact as shown by the personal story of a University of Winchester student who began doctorate study. He developed his ideas in his first year and learned enough to set up his own business with the consequences of dropping out and now running a thriving growing high turnover business (and earning more than his Vice Chancellor). Measurement of HE success, therefore, needs to be appropriately subtle.

**9.14** This new generation of graduates pay a triple whammy of “debt” in terms of their student loan, the cost of borrowing for UK housing and the level of input now required to secure a decent pension. Example 15 shows predicted debt on leaving HE from earlier UNITE research and subsequent years will be useful to consider when their reports are produced. While the socioeconomic mix of the undergraduate community including Foundation degrees has grown a little broader, higher earners predominate in the Postgraduate environment. The proportion of full cost paying students in that part of the market is more significant including international students with only 5 per cent of undergraduates are domiciled outside the EU, compared to 25 per cent of postgraduates. There is logic to concerns now being raised that if undergraduates pay more for their education, it could as a consequence cut off their ability to continue their professional and lifelong education and fail to take more advantage of the home grown talent pool. This could in turn stall our economic recovery and development, and result in some students pursuing opportunities elsewhere in the world where they may get support, thus limiting the success the majority could have achieved for themselves and UK society.

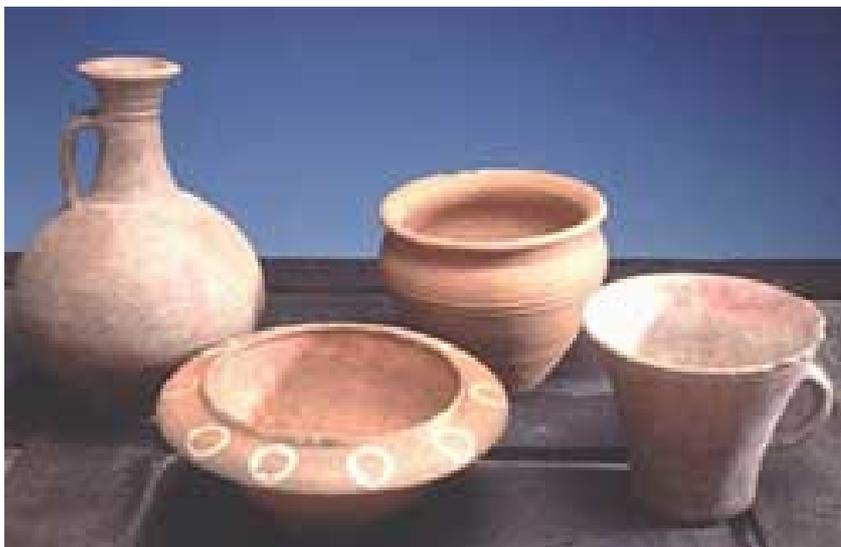
**EXAMPLE 15 Student anticipations of “endebedtedness” after finishing programme of study: Change 2005/06 – 2006/07, and comparison to 2000/01 (used as Index baseline)**

Type of student	Date of survey		
	Autumn 2000	Autumn 2005	Autumn 2006
All students	£7,026	£9,692	£10,956
Index	100	138	156
Year 1	£7,524	£9,044	<b>£13,243</b>
Index	100	120	<b>176</b>
Year 2	£8,256	£11,065	£11,189
Index	100	132	136
Year 3 and beyond	£6,164	£9,882	£10,569
Index	100	160	171
Postgraduate	£5,152	£8,071	£8,049
Index	100	157	156
AB	£6,304	£9,565	£10,629
Index	100	152	169
C1	£7,430	£9,191	£10,855
Index	100	124	146
C2DE	£7,652	£11,212	£11,247
Index	100	147	147
Science & Engineering	£7,076	£10,717	£9,389
Index	100	151	133
Social sciences	£6,312	£8,332	£9,415
Index	100	132	149
Arts students	£7,158	£10,024	£11,939
Index	100	140	167

Source: UNITE *Student Experience Report 2007*

Base: c.1,000 responses (2000-2005 data), 1,600 responses (2006 data)

(Future data reports on more recent years will be of interest)



## 10 Conclusions and potential for future solutions

### 10.1 The members of GuildHE would reach the following conclusions

- a) The arrival of variable fees has not discouraged student participation
- b) The extra fee income has aided the sustainability of English Higher Education Institutions
- c) There is a need to continue to expand opportunities and create a globally competitive workforce
- d) The higher education sector in the UK is a world class “industry” attracting income to the UK and as such must be recognised for its national economic returns on investment by the State in its infrastructure
- e) The institutions delivering HE provision must continue to do so in a business-like, well managed and responsible manner as befits their charitable status and commercial standing
- f) The cost of the current and future needs must be shared efficiently bearing in mind the cost of operating any revised mechanism
- g) The State must carry costs comparable to its global competitors because of the public benefit and tax delivered
- h) A reasonable consensus must be established on the proportion that students, families and other sponsors should pay alongside the State, especially in the current financial climate.

**10.2** Sadly at this time and on this topic the past will not be a predictor for the future and innovative alternative solutions need to be examined as well as adaptations to the current arrangements. In being inventive there needs to be adequate speculation by the Review on consequences, patterns of behaviour and unintended consequences of potential solutions,

**10.3** A one size one faceted solution may not serve the complexity of the needs and ideas may need to be put together to create a revised system and ensure the system is understandable and fair to the range of stakeholders. Complexity may be needed for multifaceted solution combining a number of the ideas being developed.

**10.4** GuildHE considers it critical we think hard to arrive at a workable solution that secures consensus and that neither creates opposing models for which the sector divides and fights (creating a supposed winner) nor that we achieve a “least worst” compromise merely to satisfy multiple pressure groups and political expediency. In line with our mission, members of GuildHE will seek to contribute to that exploration of ideas and support the action required to implement them in due course for the benefit of future generations of student, the economy and the society as a whole.

## Annex 1 References to other reports and data sources

These reports noted below contain useful analyses of many of the issues raised in this submission, as well as data that has been drawn on here and may be useful to the Review Panel. Many of the following documents are referenced directly in above.

### Confederation of British Industry (CBI)

*Stronger Together : Businesses and Universities in turbulent times (Oct 2009)*

*Stepping higher: Workforce development through higher education (Oct 2008)*

### GuildHE:

*Changing Lives: Investing in social capital: Submission to the Government's Comprehensive Spending Review 2007*

*GuildHE submission to the Department for Innovation Universities and Skills (Sept 2008)*

*GuildHE submission Innovation, Universities, Science and Skills Select Committee Inquiry: Students and universities (Dec 2008)*

*GuildHE submission to the Department for Business, Innovation Skills Postgraduate Review (Dec 2009)*

### GuildHE and Universities UK:

*Standing together: universities helping businesses through the down turn (Dec 2008)*

*Patterns of higher education institutions in the UK, eighth and ninth reports (Sept 2008 and Sept 2009)*

**HESA** reference volumes, published annually, used for all years referenced in this paper:

*Students in Higher Education Institutions*

*Resources of Higher Education Institutions*

*Higher Education Statistics for the United Kingdom*

### Higher Education Funding Council for England (HEFCE):

*PhD study: Trends and profiles, 1996-97 to 2004-05 (HEFCE 2009/04, Feb 2009)*

*Trends in young participation in higher education: core results for England (HEFCE 2010/03, Jan 2010)*

### Higher Education Careers (HECSU)

The Future Track project [http://www.hecsu.ac.uk/hecsu.rd/research\\_reports.htm](http://www.hecsu.ac.uk/hecsu.rd/research_reports.htm)

### Joint Negotiating Committee for Higher Education Staff (JNCHES):

*Review of higher education finance and pay data, final report (Dec 2008)*

### Million+:

*Fair funding for all (Jan 2010)*

### National Union of Students:

*NUS/HSBC Students Experience Report: teaching and learning (Nov 2009)*

*Funding our future blueprint (June 2009)*

*Five Foundations for an Alternative Higher Education Funding System for England.(March 2009)*

*NUS/HSBC Students Experience Report : Feedback/ Contact hours/ (Aug 2008 to Nov 2008)*

*Broke and Broken: A critique of the higher education funding system (Sept 2008)*

### Office for Fair Access:

*Access agreement monitoring, outcomes reports for 2006-07 and 2007-08 (OFFA 2008/01, Jan 2008 and OFFA 2009/02, Mar 2009)*

*Awareness, take-up and impact of institutional bursaries and scholarships in England, summary report and recommendations (OFFA 2009/07, Dec 2009)*

The full report on bursaries by Prof Claire Callender (Birkbeck University of London) and the National Institute of Economic and Social Research *The Impact of Institutional Financial Support*

*in England: Higher education students' awareness, knowledge and take-up of bursaries and scholarships, (Nov 2009)*

### **Organisation for Economic Co-operation and Development:**

*Education at a Glance 2009: OECD Indicators*

### **PUSH**

An example of a student advice site <http://www.push.co.uk/>

### **Student Loans Company:**

*Statistical First Release, 2009/10 (SLC SFR 06/2009, Nov 2009)*

### **UNITE:**

*Student experience reports, volumes for 2006 and 2007*

<http://www.unite-group.co.uk/news-media/publications.go>

### **Universities UK reports:**

<http://www.universitiesuk.ac.uk/>

*UUK submission to Independent Review of Funding and Student Finance (Jan 2010)*

*Making it count – How universities are using income from variable fees (Jan 2010)*

*The Impact of universities on the UK Economy, fourth report (Nov 2009)*

*Variable Tuition Fees in England: Assessing their impact on students, fourth report (Oct 2009)*

*Promoting the UK Doctorate: challenges and opportunities (Jul 2009)*

*Taught postgraduate students: market trends and opportunities (May 2009)*

*Higher Education Pay and Prices Index, various years to 2009*

### **UK Government**

*Unleashing aspiration: the Government response to the final report of the panel on fair access to the professions (DBIS Jan 2010)*

*Higher Ambitions the future of universities in a knowledge economy (Nov 2008)*

*Skills for Growth – a national skills strategy (Nov 2008)*

*World class skills: Prosperity for all in the global economy- world class skills (Dec 2006) and DIUS response (Jul 2007) By Lord Leitch*

*A race to the top – a review of the governments Science and Innovation policies (Oct 2007) By Lord Sainsbury*

## **Data available online – HESA and UCAS**

HESA - heidi statistics website (accessed Dec 2009 and Jan 2010):

[www.heidi.ac.uk](http://www.heidi.ac.uk)

Data taken from UCAS Media, Statistics Online website (accessed Jan 2010):

[http://www.ucas.ac.uk/about\\_us/stat\\_services/stats\\_online/](http://www.ucas.ac.uk/about_us/stat_services/stats_online/)

## **Annex 2 Glossary and acronyms**

### **DBIS**

Department for Business, Innovation and Skills

[www.bis.gov.uk](http://www.bis.gov.uk)

The Government department with oversight of higher education, among other areas.

### **HEFCE**

Higher Education Funding Council for England

[www.hefce.ac.uk](http://www.hefce.ac.uk)

Distributes public money to universities and colleges in England that provide higher education. Most of this goes to the 130 universities, university colleges and higher education colleges in England, although HEFCE also distributes funds to the 124 directly-funded further education colleges.

**HEPI** Higher Education Policy Institute

<http://www.hepi.ac.uk/>

The Higher Education Policy Institute is a UK based independent think tank devoted exclusively to higher education. It seeks to improve higher education in the UK by creating a better informed policy environment. It undertakes research and analysis, as well as drawing on experiences from other countries.

**HESA** Higher Education Statistics Agency

[www.hesa.ac.uk](http://www.hesa.ac.uk)

Collects, analyses and distributes quantitative information about higher education and HE institutions in the UK. HESA draws on UCAS

**JNCHES** Joint Negotiating Committee for Higher Education Staff

Comprises the University and Colleges Employer Association (UCEA) and the trade unions representing staff in the higher education sector. It provides a single negotiating body, for pay and reward issues. It has up to 41 members, comprising an independent Chair, up to 20 members representing higher education employers and up to 20 representatives of the trade unions. Currently this committee is carrying out a review of its function.

**OECD** Organisation for Economic Co-operation and Development

[www.oecd.org](http://www.oecd.org)

Cooperative body for a group of democratic and market economy-based states, collecting data on, analysing, comparing and reporting on policy, economic growth, employment and standard of living.

**OFFA** Office for Fair Access

[www.offa.org](http://www.offa.org)

**million+**

[www.millionplus.ac.uk](http://www.millionplus.ac.uk)

University think-tank with 28 post-1992 universities in membership.

**NUS** National Union of Students

[www.nus.org.uk](http://www.nus.org.uk)

**UCAS** Universities and Colleges Admissions Service

[wwwucas.ac.uk](http://wwwucas.ac.uk)

Admissions service for all publicly-funded UK higher education institutions and further education colleges. UCAs is also responsible for the Graduate Teacher Training Registry (GTTR), the UK Postgraduate Application and Statistical Service (UKPASS) and the Conservatoires UK Admissions Service (CUKAS).

**UCEA** University and Colleges Employers Association

[www.ucea.ac.uk](http://www.ucea.ac.uk)

Represents UK higher education institutions, and provides advice and guidance to them, on employment, reward and human resources practice.

**UNITE**

<http://www.unite-group.co.uk/>

The UNITE Group is the UK's leading developer and manager of student accommodation. Its annual *Student Experience Report*, published since 2000, gathers data from student interviews on choosing a university, the student experience and student financial considerations including debt.



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<http://www.marrc.co.uk/>

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