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Reforming the Academy:

**How can UK
universities adapt
to the new policy
environment?**

**A collection of articles
by policy innovators,
higher education experts
and university staff.**

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The 1994 Group

The 1994 Group represents 19 of UK's leading student-focused, research-intensive universities. It was established in 1994 to promote excellence in University research and teaching.

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Contributors

Dale Bassett is Research Director at the independent free-market think tank reform. He leads on public service reform and specialises in education and criminal justice policy, researching and advocating ideas on increasing competition and choice and improving value for money across the public sector. He has co-authored reports on topics including the curriculum and qualifications, police reform and economic policy.

Professor Mike Caine is Professor of Sports Technology and Innovation at Loughborough University, and is currently the Director of the Loughborough Sports Technology Institute. Having been a Founding Director of Loughborough University spinout company Progressive Sports Technologies Ltd, he was also the Inaugural Editor-in-Chief of the Journal of Sports Engineering and Technology in 2008.

Christopher Cook is the Education Correspondent for the Financial Times. He joined the newspaper as a Leader Writer in 2008, and has previously worked for the Conservative Party. He won the Harold Wincott Foundation Young Journalist of the Year in 2010.

Professor Tony Downes is chair of the 1994 Group Strategic Planning and Resources Policy Group. He is a Professor of Law at the University of Reading, where he is also the current Acting Vice-Chancellor. Having worked at the University since 1990, he has also held the post of Deputy Vice-Chancellor, with responsibility for planning and operational issues throughout the University.

Professor Michael Farthing is Vice-Chancellor at the University of Sussex. He is a member of the Editorial Boards of numerous national and international Gastroenterology journals, and has previously served on the General Medical Council Education Committee. Professor Farthing will be the Chair of the 1994 Group from October 2011.

Kate Hunter is the Executive Director of the Council for Advancement and Support of Education (CASE). CASE is the membership organisation for professionals who work in alumni relations, communications, fundraising, marketing and other areas within education. She previously worked as the Head of Communications at Queen Mary, University of London, where she had been since 2001.

Pat Killingley is Director of Higher Education and Education UK for the British Council. Having previously played a key role in the Prime Minister's Initiative strategy group on higher education in 2006, she has also worked on a range of international university link programmes and has been responsible for education policy & practitioner dialogues across the world.

Siôn Lutley is Director of Development and Alumni Relations at the University of Bath. In June 2011, the University of Bath received the Times Higher Education (THE) Award for Outstanding University Fundraising Team.

Paul Marshall is Executive Director of the 1994 Group, and has central responsibility for co-ordinating all levels of Group activity and promoting the Group externally. His duties include policy development, government liaison and stakeholder relations.

Professor Trevor McMillan is chair of the 1994 Group Research and Enterprise Policy Group and is Pro-Vice-Chancellor for research at Lancaster University. He is responsible for research development, relationships with major funding bodies and other organisations, performance indicators and Research Assessment Exercise (RAE) policy. He is also a Professor of Cancer Biology.

Dr Joanna Newman is Director of the UK Higher Education International Unit (IU). Dr Newman is a Fellow of the Royal Society for the Encouragement of the Arts, Manufactures and Commerce and an Honorary Fellow at the University of Southampton. She is also a Council Member of the Wiener Library.

The IU is funded by Universities UK, Guild HE, Higher Education Funding Council for England, Higher Education and Funding Council for Wales, Scottish Funding Council, Department for Employment and Learning (Northern Ireland), and Quality Assurance Agency.

Sean O'Shea is the Chief Executive of the Universities Partnership Programme (UPP), the country's leading university partner in student accommodation. He is the driving force behind UPP Projects Ltd – the development arm of UPP – responsible for the procurement, design, construction and delivery of schemes with partner institutions.

Ann Rossiter is Executive Director of The Society of College, National, and University Libraries (SCONUL). She previously ran the Social Market Foundation think-tank and has advised the Government on higher education policy.

Wes Streeting is the former President of the National Union of Students (NUS), having been elected in 2008. He is now Chief Executive of the Helena Kennedy Foundation, and was appointed as a member of the Higher Education Funding Council for England's Widening Access and Participation Strategic Advisory Committee in June 2011.

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Professor Paul Wellings is Vice-Chancellor at Lancaster University and current Chair of the 1994 Group. Since becoming Vice-Chancellor in 2002, he has been appointed to the board of Universities UK (UUK) and Chair of UUK's International European Policy Committee. He has also been appointed a board member of the Higher Education Funding Council for England (HEFCE) and Chair of HEFCE's Research Committee.

Dr James Wilsdon is Director of Science Policy at the Royal Society. From 2001 to 2008, he worked at Demos, first as Head of Strategy, then Head of Science and Innovation. In November 2011, he will take up a new post as Professor of Science and Democracy at the University of Sussex.

Introduction

Past, present and future of reform

Professor Paul Wellings

Universities are one of the enduring features of the public landscape. Some have very long histories and, given their Charters or other governing instruments, there is an assumption that they will continue to play an ongoing role in society for the long-term. In the UK, universities have been around for over 700 years. Over this time the number of universities has increased and, inevitably, major pressures have been placed on the system.

In late 2010 it became alarmingly apparent that fundamental change was about to sweep through the UK higher education (UKHE) sector. The Browne Review came and went, and sadly a lot of good material got left behind.¹ In its place we were faced with massive cuts to the teaching budget – an eye watering 80% - in addition to very deep capital investment cuts. This was somewhat offset by the move to increase tuition fees, to be paid for out of subsidised loans. With a White Paper promising further reform, it became clear that these reforms were only the beginning. The White Paper subsequently arrived in early summer 2011, promising to ‘put students at the heart of higher education’, with a raft of proposals intended to encourage a system more responsive to students.²

We cannot underestimate the profoundly transformative nature of these reforms. Indeed, it may be that we are witnessing a third great change in higher education funding. The first came in 1792, with the evolution of the written exam in Cambridge. This boosted income by creating high throughput screening of candidates as the alternative to individual oral examination. The second followed in 1918, after the Haldane report of 1904, prompting enhanced state funding for teaching undergraduates, thus transforming budgets but also allowing external bureaucratic forces to impose a regulatory framework on the sector. In years to come it is likely we will talk about 2012 in similar terms, heralding as it does the creation of a pseudo-market in higher education.

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1. ‘Securing a Sustainable Future for Higher Education: An Independent Review of Higher Education Funding & Student Finance’, <http://www.bis.gov.uk/assets/biscore/corporate/docs/s/10-1208-securing-sustainable-higher-education-browne-report.pdf>
 2. ‘Higher Education: Students at the Heart of the System’, <http://c561635.r35.cf2.rackcdn.com/11-944-WP-students-at-heart.pdf>

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It is important that we understand the motivating factors behind the reforms. In the current climate it is tempting to view them purely as the Government's way of pursuing its cost cutting agenda in higher education, but the reality is more complex. The Government has an ideological belief in the value of generating long-term change in the UKHE sector. It believes in the power of competition and markets, though in practice this has been tempered by political reality. Thus, while the Department for Business Innovation and Skills (BIS) is attempting to link teaching resources directly to students, rather than allocating block grants to universities, the Treasury is attempting to control the overall level of investment in teaching home undergraduates at English universities. The tension between greater freedom for institutions and students, and the need to control spending runs the risk of producing contradictory policies.

The outcome of the series of decisions to cut teaching grants, reduce capital investments, increase fees, take well qualified students off-quota and to reallocate others on price, will be unknown for a while. It is likely that the Government will alter the off-quota boundary from AAB to ABB in 2013 and it is possible that the "core and margin" policy will extend over three years. Whilst I doubt whether anyone can predict the full range of scenarios which could arise, some things are becoming clear.

First, highly qualified students, paying higher than average fees, will be aggregated in a relatively limited number of English universities. These universities will also have resources to attract highly paid staff with strong research records, creating a differentiated research environment. Second, the price point for students at other universities might be lower, or a greater proportion of students may be taught through a combination of distance learning, Further Education colleges or private sector providers. Third, once the cycle ends, we could see the re-emergence of a two-tier system of institutions albeit with a different boundary to that which existed prior to 1992.

What is not clear is how the prospective student population will respond, particularly as most applicants will work out that there is a very weak link between fees and the total lifetime costs. All universities will need to work hard at demonstrably improving the student experience they offer in order to maintain the very high levels of student satisfaction we have witnessed over the past five years. In addition, universities will find themselves having to act as brokers between graduates and prospective employers in order to respond to increased student expectations of graduate-tack jobs.

Some universities will undoubtedly have ready access to the resources required for this. However, others will find it difficult to cope with the added pressure, particularly in light of the access agreements and the desire of the Government to drive down price points. Institutions are going to have to apply innovative thinking if they are to manage the many risks and enhance their offer to students.

The 700 year history of UK universities puts them at the heart of the country's social and economic landscape. The stability this offers will not be shaken by a set of policy reforms, no matter how transformative. We can be certain, however, that the coming months and years will be a very turbulent period indeed.

Professor Paul Wellings *is Vice-Chancellor at Lancaster University and current Chair of the 1994 Group.*

Facing the journey ahead

Christopher Cook

During the Conservative Party's long period in Opposition, David Willetts took particular pride in his role in introducing a voucher system into the health service: he was part of a team that released people with poor eyesight from the NHS's choice of spectacle-frame designs.

As the Universities Minister in the Coalition Government which came to power in May 2010, Mr Willetts has – for good or for ill – introduced a much more substantial market. He is retooling and reshaping large parts of the English higher education system, one of the country's unqualified world class industries. From 2012, students will pay for a much larger share of their tuition, “number control” will be loosened a little to intensify competitive pressure and the sector will be opened up to new entrants. Undergraduate education is now becoming a ‘product’.

So far, the Government's plan appears to be working; the sector is responding to competitive pressure. Some institutions (notably London Metropolitan University) are retooling themselves. Innovators such as the University Partnerships Programme (UPP) are helping institutions to find new sources of investment while alternative providers, such as BPP University College, are expanding.

Nevertheless, the Department for Business, Innovation and Skills (BIS) did not prepare fully enough for this period of great transition. It possessed insufficient information about graduates and did not conduct enough research into how institutions would respond to reform. But the early portents offer encouragement: providers appear to be responding in the way that ministers had hoped. The fear that the average student would pay £9,000, for example, has been proved wrong, even if the average is slightly above the Government's prediction of £7,500.

The sector appears happier as whole, too. Vice-chancellors are no longer universally convinced that someone, somewhere, is on the verge of bankruptcy. Compared to large parts of the public sector, the higher education system in England also appears to have escaped with a relatively generous funding arrangement.

Implementation remains incomplete, though. For one thing, students have yet to be introduced to the new system. There is, of course, the danger that courses could go unfilled. Number control relaxation, if implemented aggressively, could rapidly erode some institutions' positions. Furthermore, the wider argument about whether these reforms will work will not be resolved for years. Rules which determine whether a market clears efficiently, such as both

buyer and seller having accurate information, are breached in higher education. Stefan Collini, a professor of English at Cambridge, says that: “if you believe ‘competition will drive up quality’ in the new system, then you really have been conned – and not just about higher education.” The reforms, he says, “rest on a speculative and pretty unpersuasive view of human psychology, the root presumption being that people only care about anything if they are charged a lot of money for it.”

There may be a new kind of argument to develop as well: if the sector really does respond to demand, does that mean more spoon-feeding for undergraduates? Does it mean more business studies or media studies degrees?

The Government already provides generous subsidies for vulnerable subjects – and will continue to do so. If UK universities really do respond to student demand, Government funding might conceivably need to grow rapidly to preserve a core of unfashionable subjects. There are also areas where the Government has yet to move: the future of postgraduate study is still a mystery, for example.

So the debate about the future of the UK higher education (UKHE) sector must continue, and mission groups will continue to occupy an essential role in that debate. The 1994 Group will play a particularly important role as it represents a section of the market which is going to face a diverse range of pressures. The universities of Durham and Exeter are likely to face different challenges to Goldsmiths, for example.

The sector is currently undertaking an enormous transformation – so far, casualties have been minimal. However, there remains a long journey ahead.

Christopher Cook is the Education Correspondent for the *Financial Times*. He joined the newspaper as a Leader Writer in 2008, and has previously worked for the Conservative Party. He won the Harold Wincott Foundation Young Journalist of the Year in 2010.

Funding

Philanthropy and higher education

Kate Hunter

With headlines of more credit crises, central banks bailing out national debts and unrest on the streets, it may appear to be a tough time to ask individuals to be more generous with their disposable income. Yet university fundraisers have been doing this with increasing frequency over the past decade, with the past three years yielding particularly successful dividends. Philanthropy and independent income, generated through fundraising, are set to become increasingly significant as the UK higher education (UKHE) sector moves beyond reliance on state support in the future. Whilst students continue to invest individually in their own futures, so alumni and others are also increasingly motivated to support the work of higher education institutions, often by making gifts to their former university or college.

The UK Government recognised there was an opportunity to grow a culture of asking and giving to support higher education, and pump-primed a Matched Funding scheme from 2008-2011 to incentivise gifts. This pioneering initiative has – amid the economic crisis – helped the number of donors giving to our higher education institutions grow to over 185,000, up by 25 per cent over two years, with cash income raised by the sector now reaching over £0.5 billion per year, for the last two years.³

So who and why do people give to universities? We have a history of philanthropy supporting education in this country. Many of our universities and colleges were founded by generous and far-sighted benefactors. The vision of the Cadbury family and chemist Jesse Boot contributed to the establishment of the universities of Birmingham and Nottingham. Institutions frequently bear the nameplate of philanthropy such as the University of East Anglia's Sainsbury Centre for the Visual Arts and Birkbeck, University of London, a college for the working people of London founded by George Birkbeck.

Today's donors are equally motivated for three principal reasons. First, they want to create opportunities for scholarship and study, supporting deserving students in need of financial assistance, or projects which provide wider access to higher education. Second, they may be driven by a sense of gratitude for their own experiences of higher education and want to see that continued for the next generation. Third, donors of all sorts and sizes recognise that solutions to many of the challenges facing the global community lie in the university research laboratory, classroom or lecture hall. Our universities

3. HEFCE gift-matching scheme ends with a flurry', <http://www.timeshighereducation.co.uk/story.asp?sectioncode=26&storycode=417021&c=1>

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are where the answers to problems of global warming, health inequalities and social equity are to be found. Donors are excited by the truly cutting-edge research and transformative teaching that our universities continue to deliver on a regular basis.

Universities are becoming more professional in their fundraising approaches and stewardship of donors. They are also increasingly able to communicate the positive impact that gifts of any size can make. Universities are 'exempt charities' and so asking for philanthropic support is completely legitimate; some may even refer to this as a moral imperative. They are getting better at 'asking', which more frequently brings positive responses from alumni and others. Making a gift to a university is no longer the domain of the very rich; it's becoming something that ordinary people do.

Universities in the research-intensive 1994 Group have made particular progress in their fundraising efforts, driven in part by the opportunity of the Matched Funding scheme, but also a longer-term desire to increase philanthropic income and enhance engagement with a range of supporters. Data from the 2009-2010 Ross-CASE survey of philanthropic income to UK universities showed that institutions in the 1994 Group increased cash income by almost 50 per cent over two years, bringing in a total of £44 million among the 19 institutions.⁴

The University of Sussex has quadrupled its philanthropic income in the past year, securing million pound gifts to fund two academic programmes researching adoption and consciousness science. Smaller regular gifts have also increased, through matching incentives. The University of Leicester has pioneered a £4 million fundraising appeal for cardio-vascular research in its immediate local community, with heart disease more prevalent among its south Asian population. This engagement has involved academic clinicians, NHS partners and patients as well as university researchers and managers. Businessman Roger Whorrod, a former student of the University of Bath, made a million pound gift – the first in the university's history — to fund chemistry scholarships and research. He commented that he wanted to invest in the future of the institution and its students, recognising the part that the university had played in changing his own life.

Developments in this area of funding will not be sufficient to replace state support, but they can make an important contribution to the UKHE sector's coffers. Aside from the impact on the bottom line, the culture and focus required by an institution that is serious about philanthropy has important benefits and consequences for academics, students and university staff. While maintaining academic independence remains a key value for UK universities,

4. 'Ross-CASE Survey 2009-10 Final Report ' <http://www.rosscasesurvey.org.uk/>

relationships with alumni can and do bring advantageous connections which have the potential to enhance student recruitment, mentoring, work placements and industry involvement.

Fundraising from alumni also changes a university's own relationships with its current students. Today's students are tomorrow's alumni. As universities seek to maintain mutually-helpful, life-long relationships with their former students, their attention is necessarily drawn to the quality of the current student experience in every way.

Fundamentally rethinking the student journey from applicant to undergraduate and eventual alumnus requires an institution to be responsive and highly attentive to their needs. This will only continue in the new era that faces the UKHE sector.

Kate Hunter is the Executive Director of the Council for Advancement and Support of Education (CASE). CASE is the membership organisation for professionals who work in alumni relations, communications, fundraising, marketing and other areas within education. She previously worked as the Head of Communications at Queen Mary, University of London, where she had been since 2001.

Raising capital through strategic partnerships

Sean O'Shea

As the UK higher education (UKHE) sector progresses through a period of substantial transition, it is becoming increasingly clear that the current ongoing developments will come to represent a fundamental shift away from previous certainties. This transformation offers both challenges and opportunities.

One of the key challenges facing institutions in the UKHE sector is to increase the quantity and diversity of income streams available for funding their activities. It will be absolutely essential to think beyond fees. Universities will need to expand their role as drivers of new business through innovation, which generates benefits both for themselves and the wider economy. Whilst development is likely to be focused upon endowment income and alumni fundraising as potential income streams, it is almost inevitable that universities will also look to unlock more investment from the private sector.

The University Partnerships Programme (UPP) is an example of a private sector company that continues to raise private sector capital without recourse to the public purse. We work in long-term partnerships with universities to bring private finance to the sector. To date, UPP has procured over £1.2 billion of funding for the provision of 22,000 student bedrooms, teaching infrastructure and student facilities on university campuses.⁵

Investing for the future

UK universities are among the best in the world and there is significant interest within the financial community as a whole for investing in the UKHE sector. Universities are stable and high quality institutions that produce consistently robust income streams. In these uncertain times, universities represent an attractive proposition for investors, particularly in comparison with other sectors.

As a whole, the UKHE sector is regarded as a reliable investment – in many ways similar to an annuity product - producing comparable returns. One might expect the UKHE sector to become even more attractive to investors as student demand continues to grow. Universities also remain primary repositories of intellectual capital and drivers of new business.

5. 'About UPP', <http://www.upp-ltd.com/about/>

The current market for project finance is well established in this area, attracting funding from banks and equity investors. In addition, we are also witnessing far more interest from institutional investors, such as pension funds, both in the UK and from overseas. However, the current economic environment means that institutions and private operators need to work closer together than they have in the past in order to secure investment for potential projects.

For universities to secure investment on individual projects, they have to be able to communicate their overall business strategy in a compelling way. Universities that present robust business plans will be able to secure a wider range of options for securing investment.

Raising capital for the future

I would argue that there are five key sources of funding for universities:

1. Traditional Bank Debt

This is still readily available; however, it will come as no surprise to learn that the cost of funding has increased over the course of the last two years. Structured finance remains competitive, but it is clear that the appetite for large tranches of debt has diminished. The “club” approach to funding has become more prevalent, but often, this can take a lot of time to organise.

2. Institutional Funding

Pension funds, both in the UK and from overseas, are very active in the sector at present, and in many ways offer a natural fit; with the sector offering stable and relatively low risk returns. UPP are currently working with an Institutional Investor on a £200 million project for the University of Reading. This undoubtedly represents the future direction of travel, with a number of large pension funds looking to enter the UKHE sector.

3. Sovereign Wealth Funds

Sovereign wealth funds may not spring readily to mind when considering investment in the UKHE sector. However, organisations such as the Abu Dhabi Investment Council and the Emirates Investment Authority are extremely interested in the sector and could bring substantial lending capacity to the market.

4. Infrastructure Funds

This approach to investment funding has a relatively long history in terms of student accommodation. However, in terms of university infrastructure more generally, this approach has only recently gained momentum. There is an increasing large number of examples in the market which demonstrate the establishment of large scale funds to invest in public sector infrastructure, including UK universities.

5. Capital Market Solutions

The bond markets remain an option for universities with a strong brand, and this can prove to be an excellent approach for funding large scale infrastructure projects. UPP has been actively exploring capital market options and there may be further interest in exploring solutions of this kind in the UKHE sector.

Partnerships for the future

Having worked in the sector for almost a decade, I am continually inspired by the quality and innovation of UK universities. I remain optimistic about the future of the UKHE sector because it possesses talented and commercially aware individuals.

With universities engaging in partnerships with the private sector and developing strong business plans for the future, I have every confidence that a truly sustainable funding model for the UKHE sector can be established. We at UPP look forward to playing our part in the future of the sector by supporting universities and raising capital through strategic partnerships.

Sean O'Shea is the Chief Executive of the University Partnership Programme (UPP), the country's leading university partner in student accommodation. He is the driving force behind UPP Projects Ltd – the development arm of UPP – responsible for the procurement, design, construction and delivery of schemes with partner institutions.

Encouraging philanthropic success in higher education

Siôn Lutley

In December 2006, the University of Bath found itself in the position of having raised just £12,800 in donations in the first six months of the academic year.⁶ Four years later, and during a period of time that saw the most severe economic downturn in living memory, the University had increased its annual philanthropic income to over £4.3 million at a ratio of £8.80 raised for every £1 invested in its fundraising activity.⁷ Whilst this represents an impressive turnaround, it is important to understand that what has happened at Bath - the transformation in the level of philanthropic income raised and the introduction of a culture of giving across the University - was not the result of luck or any other factor which was unique to Bath.

In fact, similar success stories have been seen at a number of other higher education institutions such as Exeter, Brighton and Birkbeck. From 2008 to 2010, the number of donors to UK universities increased from 148,000 to over 185,000, all the more impressive given the recent economic uncertainty and recession. At a time when statutory funding for UK universities is in dramatic decline, the ability to increase any source of income by 100% per annum for four successive years, albeit from a low base, should be of interest to many across the sector.

The previous Government certainly contributed to the recent revival in philanthropy in the UK. First, the original pilot of the Matched Funding scheme was launched in 2006 and went on to support 27 English institutions in making a sustained investment in their fundraising operations. This was followed by the larger £200 million Matched Funding for Voluntary Giving Scheme that encouraged philanthropy to English higher education institutions by matching gifts over a three-year period to July 2011. Both of these schemes accelerated the development of philanthropy at Bath. They encouraged the University's senior management to invest in meaningful and sustained fundraising activity, and to provide a scheme that would persuade donors to give to higher education.

6. 'University of Bath Donor Report 2006-07', www.bath.ac.uk/alumni/newspublications/publications/DonorReport.pdf

7. 'The University's Donor Report for 2009-10 is out now', <https://alumni.bath.ac.uk/netcommunity/sslpage.aspx?pid=904>

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However, other factors also played a key role in allowing fundraising to thrive at Bath. The University understood that sustained investment and support would be required to build a long-term platform of philanthropic support, and a commitment was made to establish and maintain a professional operation built around a clear five-year strategy.

After numerous attempts to establish a functioning Development & Alumni Relations office at Bath, with mixed results during the previous fifteen years, expectations across the institution were low. In many ways this proved to be advantageous as, in too many previous cases, unrealistic expectations had meant that support was not maintained when instant results were not forthcoming from fledgling development operations.

Most important on this occasion, however, was the support and encouragement for fundraising activity from across the institution and a commitment of time and enthusiasm from those leading the University, both staff and voluntary leadership. The Vice-Chancellor was willing to become personally involved in the cultivation of relationships with those individuals and organisations that had the capacity to make significant gifts to the institution and, when required, was able to encourage support from within the University. There was an understanding that not every meeting would result in a gift being made; in fact, the largest gifts were often the result of many months, if not years, of relationship building.

We also learned that the gift is only the start of the process, as donor stewardship and recognition are vital to the prospects of continued donation in future. Academic colleagues have been willing to engage and trust in this process. They have made the time, despite their many competing priorities, to meet with graduates and other individuals who, although fascinated by their work, have also asked challenging questions of them.

We will continue to operate in a climate of economic uncertainty for the immediate future. Nevertheless, there exists huge potential for the continued growth of philanthropy. As I mentioned earlier in this piece, there is no reason why other institutions may not replicate what has happened at Bath. In fact, we followed in the footsteps of, and learnt many valuable lessons from, other very successful institutions.

Much has been done to encourage philanthropy in the UK as a whole, but I would like to mention four areas where I feel work could be undertaken to further encourage a successful culture of philanthropy in higher education:

- Continue to educate the leadership of universities so that they have a sound understanding and realistic expectations of the role philanthropy can play at their institutions, as well as the environment they need to encourage if fundraising is to flourish.

- Sustain support for organisations, such as the Council for the Advancement and Support of Education (CASE), in the training and development of fundraising staff. The major risk to the continued expansion of philanthropy within the UK higher education (UKHE) sector is the paucity of fundraising professionals with the necessary level of experience to do the job that is being asked of them.
- Encourage the introduction of ‘lifetime legacies’ (or Charitable Remainder Trusts as they are known in the USA). Lifetime legacies allow donors to make an irrevocable gift of shares, property, or money, to a charity during their lifetime, while retaining the benefit of the income or use of the gift for the term of their life; the charity then receives the asset upon the donor’s death.
- Finally, progress needs to be made in encouraging a culture of corporate philanthropy for higher education in the UK to rival that seen in North America. At a time of increasingly global companies, the culture of significant corporate philanthropy to UK universities is still one that has to come across the Atlantic.

Therefore, if the UKHE sector is to successfully reap the potential benefits of philanthropic donations it will need to pursue innovative and sustained engagement with potential donors. This is set to become increasingly significant within the context of the funding arrangements facing UK universities in the coming years.

Siôn Lutley *is Director of Development and Alumni Relations at the University of Bath. In June 2011, the University of Bath received the Times Higher Education (THE) Award for Outstanding University Fundraising Team.*

Research

A high-risk experiment? The prospects for science in higher education

Dr James Wilsdon

When David Willetts comes to write his political memoirs, 19 October 2010 is likely to merit a fond mention. It was the evening before the announcement of the Spending Review. A roomful of movers and shakers from the science community had gathered for a party at the Science Museum in South Kensington. The event was intended to mark the first birthday of Eureka, the monthly science supplement of the Times newspaper. But that afternoon, some news had leaked from HM Treasury, which sparked a far more ebullient mood of celebration. When David Willetts entered the room, he was cheered and greeted like a conquering hero. The following morning, at a press conference, William Cullerne Bown, the publisher of *Research Fortnight*, presented the minister with a bouquet of white roses.

Against the odds, science had been spared the worst of the spending cuts. The research budget was to be frozen at a flat-cash level of £4.6 billion a year. After months of speculation, interrupted only by fierce rounds of lobbying, the overwhelming sense in the science community was one of relief. We had been braced for bad news: a few days beforehand, senior figures were still predicting real-terms reductions of up to 15%. And in its final submission ahead of the Spending Review, the Royal Society had warned that cuts on this scale would be ‘irreversibly catastrophic’, causing key parts of the research system to unravel.⁸

The reasons for this eleventh-hour reprieve were themselves the source of debate. Was it bottom-up pressure from the ‘Science is Vital?’ campaign? Top-down interventions by captains of industry? Or the steady accumulation of evidence for the links between science, innovation and growth? No doubt each played its part, but it was also clear that the personal leadership of David Willetts (ably supported by Sir Adrian Smith and Sir John Beddington) had been crucial.

Twelve months later, why has the goodwill towards the Government, so visible that evening in the Science Museum, rapidly begun to evaporate? In part, it’s because the science community has now had an opportunity to digest the fine print of the Spending Review settlement. Flat cash sounds survivable but when inflation is running at close to 5%, the losses start to mount up. Added to this are heavy cuts to capital expenditure, of around 35%, even taking into account

8. ‘Royal Society Submission to the Comprehensive Spending Review 2010’, <http://royalsociety.org/policy/reports/spending-review-submission/>

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the £220 million of new investment in the Francis Crick Institute and a one-off £100 million capital injection in the April 2011 Budget.

Then there are the wider changes signalled by the higher education white paper, summed up by Stefan Collini as a 'hugely disruptive and potentially damaging dismantling of a system that has, by and large, worked well.'⁹ The science community is particularly concerned about the lack of funding for taught MSc courses, which could choke off the pipeline of PhD and postgraduate researchers, especially when the number of PhD studentships is also being reduced.

But the issue that has provoked the fiercest reaction is the way individual Research Councils – notably the Engineering and Physical Sciences Research Council (EPSRC) – have gone about implementing cuts to their budgets. In line with the Spending Review, the EPSRC needs to find savings of between 12% and 15% by 2014. In July 2011, it published the first stage of its 'Shaping Capability' plan, which divides its funding portfolio into 111 subject areas, and outlines which of these will grow, be maintained at current levels, or have funding reduced. These decisions will be based on standard indicators of research excellence, but also various criteria of 'national importance'.¹⁰

The response – particularly from those fields directly targeted for reductions – has been one of predictable anger. On 15 August 2011, more than 100 senior chemists from around the world sent a letter to the Prime Minister, warning that the EPSRC's decision to reduce funding for synthetic organic chemistry would 'irreparably damage' the UK's global competitiveness and 'significantly disadvantage biomedical research and innovation.'¹¹ Others from a wide range of disciplines have criticized the process behind EPSRC's decision: particularly the lack of expert consultation, and the emphasis being placed on rather slippery and ill-defined measures of national importance.

If you are a synthetic organic chemist and you discover that your funding is being reduced, you will of course be up in arms. But in all likelihood, this cycle of controversy will repeat itself in several different parts of the science base over the next 12-24 months. It is impossible to remove up to 15% of public funding from the research system (or 35% on the capital side) without creating some losers.

9. Stefan Collini, *From Robbins to McKinsey*, <http://www.lrb.co.uk/v33/n16/stefan-collini/from-robbins-to-mckinsey>

10. 'EPSRC response on Synthetic Organ Chemistry', <http://www.epsrc.ac.uk/newsevents/news/2011/Pages/syntheticorganicchemistry.aspx>

11. 'Chemistry cuts will do 'irreparable' damage, top scientists warn', <http://www.guardian.co.uk/science/2011/aug/15/chemistry-funding-cuts-scientists-warn>

The UK is in the early stages of a radical experiment in the way it organises its universities and funds a research system that is currently second only to the US in terms of excellence and productivity. Quite how risky the experiment is will not become clear for several years – and certainly not before the next General Election.

For now, the challenge for the scientific community is to avoid expending precious political capital on relatively minor battles. Instead, we need to stay focused on the big prize: a long-term expansion of public funding for research in the next Parliament and beyond. The Government's forthcoming research and innovation strategy will provide an initial focus for these efforts. Beyond that, we need to gather more robust evidence – particularly of the economic and social return on research investment – and build a broader base of political and public support. Pull that off, and we may have reason to hold another party in the Science Museum in 2015.

Dr. James Wilsdon *is Director of Science Policy at the Royal Society. From 2001 to 2008, he worked at Demos, first as Head of Strategy, then Head of Science and Innovation. In November 2011, he will take up a new post as Professor of Science and Democracy at the University of Sussex.*

So, what is happening with research?

Professor Trevor McMillan

The July White Paper on Higher Education paid scarce attention to research, while this autumn's paper is likely to concentrate on university interaction with business. While the 2010 Comprehensive Spending Review was kind to research in relation to other aspects of public spending, it would be wrong to give the impression that all is quiet on the research front in policy terms. In fact, this is far from the case; the environment is harsher, whilst significant changes in policy and approach by major research funders are greatly altering behaviour around research.

The Research Excellence Framework (REF) 2014 is fast approaching. An evolutionary rather than revolutionary change from the Research Assessment Exercise (RAE) was a very sensible approach and the inclusion of impact, while controversial, will be accommodated by the UK higher education (UKHE) sector. The REF will also demonstrate that the outputs of universities do have a significant impact on society and the economy. However, two decisions by the funding councils risk reducing the value of the REF as a measure of the state of UK research and the relative performance of different institutions. In the RAE, research funding and research students had to be linked to staff returned in the exercise. The removal of this link, combined with the fact that 2* activity has a reduced value in the system, means that universities will see more value in being selective in the staff they return. It is therefore important for panels such as the Equity and Diversity oversight Group that the Higher Education Funding Council for England (HEFCE) and the Higher Education Statistics Agency (HESA) continue to work together to ensure that HESA data can be usefully applied alongside the REF.

The developments involving flat cash funding, less funds for capital and reduced administrative costs are all changing the way that research councils work. Financial pressures are increasing the need for them to encourage equipment sharing and reduce the burden for administering proposals. It is important that the effect on the whole research ecosystem is considered when changes are introduced, as both of these consequences will increase the administrative burden on universities.

Major funders are also re-examining what they decide to fund, alongside their level of funding. More strategic targeting of funds to perceived national needs and to a smaller number of individuals is changing the environment around research. Further to this, major funders are working with an increasingly discrete number of universities to develop policies and strategies, whilst their role is altering from funder to sponsor. It is possible that we will begin to see a greater concentration of funding in an environment that is already clustered. The trick for the Government will be to ensure the presence of a critical mass

of researchers where this is desirable without stifling innovation that comes from diversity.

The renewal of The Higher Education Innovation Fund (HIEF) has been widely welcomed. The change in emphasis from the development of skills and processes needed to work with business to a scheme based more on outcomes is a realistic reflection of the journey that many universities have been on in the last few years.

The economic climate inevitably has an impact on the funds available for collaborative work with business. However, universities and businesses need to discover ways to make this work to serve individual companies as well as the wider UK economy. Universities have a lot of intellectual property (IP) that never gets exploited. Pursuing such exploitation has a low probability of high financial return but when it does work it reaps significant benefits. Recent initiatives by some universities to pass on much of their IP with minimum bureaucracy will spread through the sector and will benefit all concerned.

Postgraduate research (PGR) students are an essential component of our current and future research base. Ensuring that PGR students develop key skills for a productive academic career, or for careers elsewhere, is increasingly well embedded in UK universities following the key initiatives that were made possible through the so-called 'Roberts funding'.¹² Though we are yet to see the impact of the new undergraduate fee regimes on PGR numbers, there are clear concerns that the number of students and the accessibility of postgraduate study to all sectors of society will diminish. The focusing of Government funding into Doctoral Training Centres has many advantages, though it has had the effect of reducing student access to some very high quality research environments.

The integrity of the research cycle has also been under scrutiny. Transparency of the review processes, open access to publications and public availability of research data have been of particular concern. The "Green" model of publication in which journals are the primary outlet, with repositories opening up access when copyright barriers are lifted, seems set to dominate. However, this does not help to address the major financial strain put on universities by rising journal costs. Access to research data will prove to be a major topic

12. Roberts' funding has been distributed, as a 'ring-fenced' payment, to UK universities by Research Councils on an annual basis since 2004. The level of funding varied between institutions, depending on the number of Research Council-funded doctoral studentships and postdoctoral awards currently held. Roberts' funding was intended to be used by universities to improve the provision of generic development opportunities for early career researchers. The goal is to enhance their personal, professional, and career management skills and thereby increase their overall employability in multiple sectors inside and outside of academia

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in the future. Even when we work through issues such as confidentiality, for example, the practical problems of exactly what to store and how to store it are enormous and will require a concerted response from the UKHE sector.

Even though UK research continues to perform well in global terms, most of the indicators, such as research publications, citations per academic and the UK share of the top 1% of the world's papers, are lagging.¹³ The increasing investment in research in other countries, compared to lower investment in the UK, should be a concern for the Government as it seeks to build a knowledge economy for the future.

Research does have a real impact, but it is a complex ecosystem. Therefore, it is important that unintended consequences of policy reforms do not create a deficit that will take generations to rebuild.

Professor Trevor McMillan is chair of the 1994 Group Research and Enterprise Policy Group and is Pro-Vice-Chancellor for research at Lancaster University. He is responsible for research development, relationships with major funding bodies and other organisations, performance indicators and Research Assessment Exercise (RAE) policy. He is also a Professor of Cancer Biology.

13. Professor Paul Wellings, 'Protecting research degrees: why we must continue to train PhD students', <http://www.guardian.co.uk/higher-education-network/blog/2011/aug/04/protecting-research-degrees-phd-students>

Multi-disciplinary, challenge-based research: an effective route to enhanced impact?

Professor Mike Caine

On 21 July 2011, Research Councils UK (RCUK), the Higher Education Funding Council for England (HEFCE) and Universities UK (UUK) issued a joint statement on impact.¹⁴

Specifically, the three signatories stated: “We are committed to working together to continue embedding throughout the research base a culture in which excellent research departments consistently engage with business, the public sector and civil society organisations, and are committed to carrying new ideas through to beneficial outcomes, across the full range of their academic activity.”

There has been much talk of research impact, specifically in relation to the Research Excellence Framework (REF) 2014.¹⁵ Predictably this has reignited the enduring argument about the relative merits of fundamental versus applied research. Most commentators tend to side with one ‘camp’ or the other, inferring that the two are, at least to some extent, mutually exclusive. However, if one accepts that fundamental research is most likely to generate new knowledge or new ideas, whereas applied research is most likely to yield predictable beneficial outcomes, surely it follows that fundamental and applied research ought to be complimentary.

Perhaps a more progressive debate would stem from addressing the question as to the optimal balance between fundamental and applied research. This question takes on particular significance when asked by funders of research. There is a sense in the academic community that funders have shifted the emphasis recently towards applied research, hence the importance currently attributed to beneficial outcomes and related measures of impact.

As academic freedom is highly prized within UK universities, academics understandably feel threatened when third parties seek to manipulate or influence their research topic of choice. The argument goes that research

14. ‘HEFCE, RCUK and UUK joint statement on impact’, <http://www.hefce.ac.uk/news/hefce/2011/impact.htm>

15. The Research Excellence Framework (REF) is the new system for assessing the quality of research in UK higher education institutions (HEIs). It will replace the Research Assessment Exercise (RAE) and will be completed in 2014. The REF will be undertaken by the four UK higher education funding bodies.

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of exceptional quality ought to be funded in preference to research of lesser quality and that those best placed to assess quality are academics from within the discipline. This is all well and good, and there is much to cherish in the peer review system. However, given that funding is tight and in many cases diminishing, not all excellent research proposals can be funded. The inevitable consequence is the implementation of a prioritisation process by funders. This is exactly where we find ourselves in the UK at this time.

Prioritisation thus far has focused mainly on identifying which disciplines and topics are to receive support and which ones are to miss out (e.g. EPSRC's 'Shaping Capability' initiative). One of the major challenges facing the UK higher education (UKHE) sector is to find a more constructive way to conceptualise the research landscape, one that eases at least some of the pressure to favour specific disciplines. Prioritising research based upon the potential to address major challenges is not a new concept, but I doubt whether this potential has been explored fully.

The biggest, most challenging problems usually require a multi-faceted approach; whereby existing technologies or solutions are optimised; promising pipeline interventions are developed and refined; and novel approaches, based upon new knowledge or discoveries, are pioneered.

Challenge-based research does not seek to discriminate between disciplines; those that have something to offer might expect to prevail. Additionally, both fundamental and applied researchers are able to thrive.

The recently released joint impact statement also makes reference to the expectation that there will be consistent engagement between academic researchers and others from outside the academy. The inference here is that academics working in isolation are unlikely to be optimally placed to realise the potentially beneficial outcomes arising from the underlying research. Fundamental and applied researchers alike are expected to deliver enhanced impact by working with others.

In conclusion, it would appear that multi-disciplinary research collaborations between universities and industry, comprising fundamental and applied researchers, might be the preferred way to deliver impact. Moreover a prioritisation process that identifies complex challenges of national importance might be the way to incentivise such an approach.

The approach described here is one that Loughborough University has embraced. Identifying areas of research excellence which correlate with funders priorities is a pragmatic initial step. The next step is to assemble complimentary disciplines, thereby providing critical mass and breadth to the selected activity. Coupling fundamental researchers with those from more translational disciplines is often productive as it improves the probability of achieving both transformative and disruptive breakthroughs in addition to more incremental

progress. Finally, there is a need to build and nurture relationships with strategic industry partners and other key external stakeholders. Such collaborations help shape and inform the research direction and identify opportunities to exploit earlier than might otherwise be possible.

This approach is serving Loughborough well in several broad areas, including health and life sciences, energy, sustainability, advanced manufacturing, materials, system engineering and informatics.

Whilst this approach is not new, nor unique to Loughborough, I suspect it is one that might serve other Universities well in their quest for enhanced impact.

Professor Mike Caine *is Professor of Sports Technology and Innovation at Loughborough University, and is currently the Director of the Loughborough Sports Technology Institute. Having been a Founding Director of Loughborough University spinout company Progressive Sports Technologies Ltd, he was also the Inaugural Editor-in-Chief of the Journal of Sports Engineering and Technology in 2008.*

Internationalism

UK Universities in an international context

Pat Killingley

Identifying the role and importance of internationalism in higher education looks set to become one of the major issues facing the UK higher education (UKHE) sector in the near future. UK universities will need to decide whether internationalism is an essential component of future growth and survival, or merely an optional extra. If it is the former, then the shaping of the role and the strategy employed to achieve that will become critical. If it is the latter, then we should perhaps retrench and look to focus restricted resources on core activities.

I would argue that retrenchment is simply not an option for the UK. We have one of the most internationalised sectors in the world. Our research standing and reputation depend on our international collaborations; 44% of the UK's research papers are internationally co-authored; 28% of faculty are international; 18% of our student body is international; and around 65% of our universities have TNE partnerships.¹⁶ Our reputation, economic well-being, future growth and influence are inextricably bound together with our international activities. To neglect these would undermine our future as a world player.

Where are we now?

The international education market is changing and re-forming rapidly around us. Understanding the international context in which the UKHE sector is now working would represent a vital first step in moving forward. Reputation plays a particularly important role in opening and closing doors at an international level. Some of our reputation derives from hard data (publications, citations, innovations, patents etc), though a great deal more is intangible - and this is often as much about perception as reality. In the global market, even the strongest reputations are ultimately fragile. The murder of the Indian student in Australia, for example, had profound impact on Australia's international reputation and, consequently, its markets.

The British Council is internationally recognised for the collection and analysis of data on a wide range of issues including international student mobility flows,

16. 'Trans-national Education and Higher Education Institutions: Exploring Patterns of Institutional Activity', http://www.bis.gov.uk/assets/biscore/corporate/migratedD/publications/D/DIUS_RR_08_07

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student perceptions and choices, and national policy trends and indicators across the world. A top-line snapshot of this provides the following about how the UK is seen:

Strengths:

- Leading edge research conducted within world ranking universities
- Innovative reform and practice
- High quality courses with global recognition

Weaknesses:

- The UK is largely motivated by financial gain.
- The UK is not seriously committed to internationalisation
- The immigration and visa regime means we're closing our doors

Aspects of the UKHE sector that other countries struggle to fully understand:

- University funding
- The relationship between the Government and universities
- Quality assurance and the RAE/REF system
- Diversity of the sector
- Mission groups

A comprehensive and compelling vision for the future

I would argue that the mission statements and future vision currently held by UK universities are not enough to secure the UKHE sector's international future. Looked at from an international perspective, there is a clear case for Paul Wellings' comprehensive and compelling vision of the future which transcends individual institutions, government departments and agencies.

Whatever the vision is – and I think it has to be about securing and growing the UK's international position as well as developing UK students who are 'globally literate' – experience suggests there are some critical factors for success. The four C's are:

- **Comprehensive strategy linking research, teaching and student mobility.** Separately these have all been areas of international success for the UK. We need to look at integrating them so they can gain leverage from one another.
- **Collaboration between the UKHE sector, the Government, research councils, and others.** This is about bringing our resources together to build a strong international presence which can provide a springboard

for the UK and its institutions. Initiatives like the Prime Minister's Initiative (PMI), the UK-India Education & Research Initiative (UKIERI), and UK-China demonstrate what can be achieved.

- **Capacity building at national, sector, institutional and individual levels.** The global education market is hugely dynamic. It changes constantly in response to a complex mix of economic, political and social factors. We need excellent intelligence to pick up the trends and expertise to understand the implications. We must also develop a collective capacity and capability to respond.
- **Communication between the UK and the world.** UK communication to the external world is crucially important. We need to have proactive and shared communications if we're to tackle the perceptions and misunderstandings that will ultimately damage our collective and individual reputations.

There are also some important underpinning principles which can make or break our international reputation:

- **Quality:** This is the UKHE sector's main selling point, so its maintenance across our research and our degree programmes is critical. The challenge here is that measures are often imperfect – or imperfectly understood – so subjectivity and perception play a part.
- **Ethical practice:** Our main focus to date has been on ethical practices in international student recruitment – and this remains crucially important as universities raise their recruitment targets. But outside this area, there are practices which are less visible and, arguably, more invidious. For example, how should we deal with researchers whose interest in international links is less about shared research and more about access to research environments with few ethical controls on methods and data collection?
- **Mutual benefit:** The world has changed and the West is losing its dominance. Strategies that seek to benefit the UK at the expense of other countries are not only damaging to our reputation but are bad for business. A damaged reputation is long-lasting and difficult to redress.

Moving forward

If we agree that there is benefit in a coherent and compelling vision and that we should all be partners in that, then we need to understand what each of us seeks to gain and what each of us brings in return. At the British Council, we primarily want to achieve greater understanding and trust between the UK and other countries. We're seeking to build long-term relationships that provide

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cultural, diplomatic and economic benefit for the UK. Our trust agenda means that quality, ethical practice and mutual benefit are non-negotiable.

It is of great importance that we have a compelling and unifying vision of UK universities in the international context and that the UKHE sector works together to achieve that.

Pat Killingley *is Director of Higher Education and Education UK for the British Council. Having previously played a key role in the Prime Minister's Initiative strategy group on higher education in 2006, she has also worked on a range of international university link programmes and has been responsible for education policy & practitioner dialogues across the world.*

Strategies and trends in the internationalisation of UK universities

Professor Tony Downes

Higher education is global in nature; knowledge knows no boundaries. In today's world, the UK higher education (UKHE) sector is no exception to the increasing importance of a global outlook. The higher education market is worldwide, and no viable university can operate in a limited national sphere. UK universities are recognising the importance of all aspects of internationalisation and are approaching the concept in an increasingly systematic and strategic way.

A project conducted by the 1994 Group demonstrated that internationalisation is taken seriously by all of its members.¹⁷ Universities employ senior staff to take charge of internationalisation, international strategy documents are drawn up, and international offices are established to implement policy. Most importantly, the findings of the project show that internationalisation is about much more than money. Some have commented in the present times of austerity that universities use international students as 'cash cows'. This could not be further from the truth. Internationalism brings much more to a university, whether it is internationally collaborative research, UK students going abroad, or UK universities opening up teaching partnerships abroad.

Teaching provision abroad is currently a major feature of internationalism at UK universities. Trends show that offshore students (that is, students studying in another country for a degree from a UK university) are growing in numbers and that they might soon command a presence equal or above that of UK-based international students. However, as we move forward, it is interesting to note that different types of universities pursue different types of internationalism and do it in different ways.

Strategic approaches to internationalism

As internationalisation increases in importance for UK universities, a strategic approach becomes increasingly vital as it ensures activity is focused throughout the whole university and promotes quality in activity. One aspect of pursuing a strategic approach to internationalisation requires having the appropriate structures in place. Several 1994 Group universities have developed specific international strategy documents and senior members

17. '1994 Group Policy Forum Issues Paper 3: UK Universities in an International Context', <http://image.guardian.co.uk/sys-files/Education/documents/2011/08/10/1994Internationalism.pdf>

of staff have been appointed with the responsibility for formulating and implementing the strategy.

Looking at some of the international strategies at 1994 Group universities, it is possible to identify a variety of the benefits and thus reasons behind embracing internationalism. These include making improvements to the research profile, curriculum development, alumni networks, and mobility opportunities for students. The findings from a survey of 1994 Group members indicate that advantages to institutional reputation, the enhanced ability to recruit students, researchers and academic staff, and the benefits of collaboration to the partner institution and country feature particularly highly as reasons to pursue global partnerships.

UK universities employ a range of diverse methods in pursuing these benefits. An emerging strategy for many is to target international alumni, as they are recognised to be one of the strongest allies in adding a global dimension to UK universities. International alumni can represent and promote the university abroad; their knowledge and expertise can assist with global recruitment, they can help secure work placements and exchanges for students, and they can ensure research and knowledge transfer.

However, international teaching partnerships in various forms are currently the most innovative and enterprising ways of pursuing internationalisation in higher education.

Changing trends in international education: partnerships

Changing student trends demonstrate that UK universities are eager to engage in international partnerships. The latest figures from the Higher Education Statistics Agency (HESA) show that in 2009/10 just over 400,000 students were enrolled at UK universities but studying the entirety of their course abroad.¹⁸ This is roughly the same as the number of international and EU students coming to the UK to study. For the three years that offshore student numbers have been measured there has been a continuous increase. One could speculate that in the coming years the growth in international students will diminish while the number of offshore students will continue to rise as immigration controls become stricter, the cost of studying in the UK increases and interest in international partnerships becomes greater.

18. 'Students studying wholly overseas by location, type of activity, level of provision and location of institution 2008/09 and 2009/10', http://www.hesa.ac.uk/dox/pressOffice/sfr153/SFR153_table_8.pdf

Interestingly enough, different types of UK universities have chosen slightly alternative directions in their pursuit of international partnerships to date. The data outlined in the tables below shows that in general, post-1992 universities of the mission groups the University Alliance and the Million+ have used the opportunity of providing offshore education to a greater extent than the research intensive universities of the 1994 Group and the Russell Group:

Table 1:
Number of offshore students per campus student in the UKHE sector

Million +	1.3
University Alliance	3.1 ¹⁹
1994 Group	0.8
Russell Group	0.5

Table 2:
Approximate Number of Offshore Students Studying with a UK University

Million +	65,000
University Alliance	215,000 ²⁰
1994 Group	22,000
Russell Group	23,000
No mission group	75,000
Total	400,000

The research intensive and the post-1992 universities have also targeted different types of offshore provision. The majority of the provision in post-1992 universities is within the undergraduate degree market, while the research intensive universities demonstrate most of their provision in the postgraduate taught market. Very few UK universities provide for postgraduate research students and further education students.

UK universities also engage in different types of international partnerships. Whilst offshore campuses often gain the most high profile attention, they only

19. This figure would stand at 0.8 if the 160,000 offshore students belonging to one University Alliance institution which has formed a partnership with a major accountancy qualifications body are deducted

20. This figure includes 160,000 offshore students belonging to one University Alliance institution which has formed a partnership with a major accountancy qualifications body

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account for a small proportion of all international partnerships, with mainly Russell Group universities utilising this method. Many UK universities seem to target distance learning, with the research intensive universities concentrating a great deal of their resources on this. Post-1992 institutions, on the other hand, use collaborative provision and overseas partner organisations more than research intensive universities.

The methods utilised by UK universities, in pursuit of international partnerships as part of their global agenda, are diverse and flexible. Therefore, a range of opportunities exists for different types of institutions to develop their own distinctive approach to internationalisation.

Conclusions

An international focus on higher education is increasingly important for UK universities. In the growing global market place it is vital that the UK highlights and preserves its leading role in international education. Formulating a coherent international strategy is vital for the future prospects of UK universities as internationalisation brings a diverse range of both challenges and opportunities.

At present, one of the more popular ways of pursuing internationalisation is through international partnerships. Different universities have utilised this opportunity in varying quantities, with the post-1992 universities appearing to have tapped in to the market more than the research intensive ones. The expansion of internationalisation brings the potential for different types of institutions to carve out distinctive profiles, and this is one area where UK universities must look to dedicate greater attention in the near future.

Professor Tony Downes *is chair of the 1994 Group Strategic Planning and Resources Policy Group. He is a Professor of Law at the University of Reading, where is also the current Acting Vice-Chancellor. Having worked at the University since 1990, he has also held the post of Deputy Vice-Chancellor, with responsibility for planning and operational issues throughout the University.*

Priorities for the internationalisation of higher education in the UK

Joanna Newman

In June 2011 the UK Government published a White Paper setting out its vision for the future of higher education in the UK.²¹ Conspicuous by its absence was a theme that has recently been high on the agenda of the UK Higher Education (UKHE) sector: the internationalisation of higher education. As governments and higher education institutions around the world adopt more strategic approaches to the internationalisation of higher education it is important that the UK does not take for granted its leading position in this field. This article proposes three key areas where positive steps must be taken if UKHE institutions are to maintain their international competitiveness in the long term: international perceptions of the UKHE sector; transnational education; and continued engagement with the European Union and the Bologna Process.

As they begin to understand the political implications of internationalisation, governments around the world are increasingly encouraging their universities to embrace the international agenda. Higher education and research are major economic drivers which have been deemed increasingly crucial for the development of highly skilled knowledge economies. Internationalisation fosters cultural integration and understanding through student and staff mobility and enhanced opportunities for collaboration – often providing the foundations for innovative and long-lasting partnerships – while soft diplomacy, thought leadership and research collaborations influence political relations in countries where formal political ties are either not possible or not strong.

While the UKHE sector is one of the most internationalised in the world – 65% of UK universities are engaged in some form of transnational partnership – competition from other parts of the world is increasing rapidly. In the past five years, there has been an explosion in strategic higher education activity in Asia, Australia, continental Europe and elsewhere. China's education 2020 strategy seeks to host 500,000 by 2020²², and Japan's '300,000 plan' has set the goal of hosting 300,000 international students by 2020²³.

21. 'Higher Education: Students at the Heart of the System', <http://c561635.r35.cf2.rackcdn.com/11-944-WP-students-at-heart.pdf>

22. 'China-ASEAN education collaboration on fast track', http://news.xinhuanet.com/english2010/indepth/2011-08/18/c_131058805.htm

23. 'Japanese Government Plans to Admit 300,000 Overseas Students Every Year Before 2020', <http://webarticless.com/2011/07/japanese-government-plans-to-admit-300000-overseas-students-every-year-before-2020/>

Along with concerted efforts in international student recruitment, such initiatives encompass a wide range of strategic activities, including national plans to enhance internationalisation and 'transnational education' (TNE), and immigration and visa policies to support incoming students and encourage the transition to post-study work.

International perceptions of UK higher education

As global competition continues to increase within the higher education sector it is crucial that the UK maintains its current status as a world leader. In doing this, it is vital that the UKHE sector portrays itself, and is portrayed as, one of quality, stability, diversity, and international openness. In recent months, particularly following the release of the Browne Report and announcements regarding the changes to the student funding system, the resulting students demonstrations, and changes to the Tier 4 student visa system, there has been a spate of bad press across the globe that could potentially impact upon the ability of UK universities to internationalise.

The UK Government needs to support UKHE institutions international activity by working with the sector itself, as well as embassies and overseas governments, in sending positive messages about the changes to UK higher education. Any attacks on the quality of UKHE domestically are immediately replayed and magnified abroad. Therefore, the UKHE sector requires a concerted effort to improve the messages being communicated overseas.

Transnational education

TNE is a rising phenomenon in which the UK is a world leader: in 2009/10 there were approximately 400,000 students studying for a UK degree outside the UK, more than the total number of international students in the UK.²⁴ TNE presents both opportunities and challenges to UKHE institutions operating, and wishing to operate, in Europe and the wider world. These challenges include the complexity of the international landscape, and overseas legislative and quality assurance issues. Providing an equivalent UK educational experience offshore is also a challenge, and the actions of individual institutions have the potential to impact on the sector's international reputation and brand.

To safeguard its position and reputation in the ever-growing international market for higher education, the UK needs sound and proper information to

24. 'Students studying wholly overseas by location, type of activity, level of provision and location of institution 2008/09 and 2009/10', http://www.hesa.ac.uk/dox/pressOffice/sfr153/SFR153_table_8.pdf

underpin the policy agenda for the internationalisation of higher education, and there must be a clear understanding of the current activities of UKHE institutions abroad. To facilitate this, the International Unit is coordinating the development of an Integrated Advisory Service aimed at bringing together the sector's expertise and resources to promote and support transnational education, removing obstacles and making opportunities known to the sector.

Continued engagement with the European Union and the Bologna Process

As long term collaboration increasingly becomes the central focus of internationalisation, it is particularly important to ensure that European initiatives such as exchanges, teaching partnerships abroad and research collaborations remain an integral part of UK internationalisation efforts. Following the 2010 launch of the Europe 2020 Strategy,²⁵ as well as the extension of the Bologna Process to 2020 and the launch of the European Higher Education Area,²⁶ higher education and research are increasingly central to the European agenda. The UK should seek to engage more with Europe and its institutions.

The European Union's research landscape is also undergoing substantial changes, a process that will continue until the end of 2013. It is crucial that UKHE institutions remain closely involved with the development of EU research policy. Annually, the Framework Programme, the EU's main instrument for funding research, contributes nearly 10% of the UK's national science budget, which is equivalent to the spending power of a medium-sized UK research council. UK universities also gain substantial international and European leverage through research collaborations and networks facilitated by the EU's unique cooperation programmes.

Conclusion

International and European higher education markets are evolving swiftly, and the UKHE sector needs to be agile, coordinated and responsive to change. In the absence of a clear Government lead in the White Paper, UKHE institutions

25. Europe 2020 is the EU's growth strategy for the coming decade, based upon employment, innovation, education, social inclusion and climate/energy

26. The Bologna Process is named after the Bologna Declaration, which was signed in the Italian city of Bologna on 19 June 1999 by higher education ministers from 29 European countries. The aim of the Bologna Process is to create a European Higher Education Area (EHEA) based on international cooperation and academic exchange

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will need to work together to generate a shared vision for internationalisation if they are to retain their global competitiveness in the long term.

Dr Joanna Newman is Director of the UK Higher Education International Unit (IU). The IU is a central observatory of international and European issues and informs all higher education institutions and other stakeholders through its research, publications and websites.

Student Experience

The urgency of now

Wes Streeting

Significant public policy changes which have occurred since the General Election risk creating a toxic combination of factors that threaten to set back, or perhaps even reverse, the progress that has been made in widening participation in higher education. The introduction of new student finance arrangements for England in 2012 increases the likelihood of students being deterred by the prospect of acquiring greater student debt or, worse, by a misunderstanding about how the new student finance system will work in practice. The abolition of the Education Maintenance Allowance and cuts to access courses across the country could mean that potential pipelines of talent from disadvantaged backgrounds will be choked off.

Against this backdrop, universities cannot afford to stand still. There are a number of areas where a shift in approach is needed to ensure a higher education system that is genuinely open to talented students from all backgrounds.

Practical intervention in schools and early years

Entrenched inequalities that set in from the early years remain the biggest obstacle to diversifying participation in higher education and fair access to our most selective universities. The UK higher education (UKHE) sector, particularly our most selective universities, still suffers from the public perception of containing 'out of touch' academics sitting in their ivory towers. While universities cannot be expected to fire a silver bullet to correct inequalities arising much earlier within the education system, the UKHE sector should adopt a more proactive approach to working with schools and colleges serving the most disadvantaged areas – including rural communities. This should extend beyond simple outreach initiatives and towards taking a greater role in curriculum design, pedagogy and extracurricular development.

Universities should seize on the UK Government's ideological determination to expand the number of Free Schools and Academies by setting up schools in areas with the lowest achievement and higher education participation rates, alongside taking advantage of reforms to the Schools Admissions Code to set quotas for those pupils from the lowest income backgrounds.

Information is not enough – advice and guidance is what counts

The Government's recent White Paper on higher education, *'Putting Students at the Heart of the System'*, commits to ensuring better access to information for students when they apply to university.²⁷ Existing resources like the UCAS website and National Student Survey data provided via the Unistats website will soon be joined by Key Information Sets (KIS). This will entail courses being labelled like products on the shelves in the supermarket. But access to information is only one part of the equation that students need to consider when making their decisions.

Information alone doesn't necessarily lead to good, or even better informed, decisions by applicants. We need a radical overhaul of the Information, Advice and Guidance (IAG) landscape, with much greater emphasis on ensuring the availability of better advice and guidance – particularly to those from the most disadvantaged backgrounds – from independent sources, whilst recognising that schools, colleges and universities have their own vested interests.

Rather than replicating the failure of the Connexions service,²⁸ the collective purchasing power of central government, local authorities, schools and colleges should be harnessed to create a competitive market of advice and guidance providers that can deliver timely, high quality and customised support to diverse individuals and communities.

Student-centred admissions reform

The current admissions system is not fit for purpose and does not serve the interests of applicants. It largely involves students picking courses and universities based on a combination of predicted grades, best and worst case scenarios and a bit of pot luck.

This antiquated and chaotic system also leaves applicants making huge decisions about their lives in a matter of hours in the clearing bargain basement. In 2010, over 190,000 were left scrambling for places in clearing, with six applicants chasing every available place.²⁹

27. 'Higher Education: Students at the Heart of the System', <http://c561635.r35.cf2.rackcdn.com/11-944-WP-students-at-heart.pdf>

28. Connexions is a public information, advice, guidance and support service for young people aged thirteen to nineteen, being phased out in 2011 to be replaced by the National Careers Service in 2012

29. 'Clearing 2010: six students scrambling for each university place', <http://www.guardian.co.uk/education/2010/aug/20/a-levels-clearing-record-scramble>

Successive governments have floated the prospect of moving to a system of post qualification applications (PQA). Such a reform would require significant changes to the school, college and university timetables and to the admissions process itself. If the Government is committed to 'putting students at the heart of the system' it will bite the bullet and move to PQA sooner, rather than later.

An inclusive student experience

For most of the past decade, the widening participation agenda has focused largely on admissions. However, if the UKHE sector is to fulfil its responsibility to promote social mobility it must turn its attention to ensuring wider participation in a rich and rounded student experience.

'Unleashing Aspiration: The final report of the Panel on Fair Access to the Professions' stated: 'Employers said they found it increasingly hard to fill graduate vacancies because students fail to match academic achievement with leadership, teamworking and communication skills'.³⁰ These skills are increasingly developed through extracurricular activities; activities which, as Mary Stuart highlighted in research for the Higher Education Academy, are increasingly out of reach to those from less privileged backgrounds.³¹ Those students are more likely to have to work part time – and not so part time – to cover maintenance costs, have family commitments or other personal hurdles that prevent them from taking full advantage of the opportunities on offer.

Universities have a responsibility to ensure that students from all backgrounds have the opportunity to participate in activities that will open doors to a range of possibilities in the employment market. Institutions should monitor participation in extra curricular activities and provide support to students from under-represented backgrounds. Such support might manifest itself through more integrated work-based components within degree courses or opportunity bursaries to give students the financial freedom to take part in sports clubs, societies and overseas travel.

30. 'Unleashing Aspiration: The Final Report of the Panel on Fair Access to the Professions', http://news.bbc.co.uk/1/shared/bsp/hi/pdfs/21_07_09_fair_access.pdf

31. 'Student diversity, extra-curricular activities and perceptions of graduate outcomes', http://gala.gre.ac.uk/3232/1/HEA_project_report_2007_8.pdf

The urgency of now

Universities will increasingly be judged upon the extent to which they are able to ensure fair access to students from all backgrounds, encourage higher rates of completion, and work towards more positive graduate outcomes in terms of employment and further study. This is no time to simply reaffirm a commitment to widening participation. A step change is needed. Now.

Wes Streeting *is the former President of the National Union of Students (NUS), having been elected in 2008. He is now Chief Executive of the Helena Kennedy Foundation, and was appointed as a member of the Higher Education Funding Council for England's Widening Access and Participation Strategic Advisory Committee in June 2011.*

Libraries and the student experience

Ann Rossiter

Whatever your position on tuition fees, one undoubtedly positive consequence has arisen. The UK higher education (UKHE) sector is now finally considering how to create a system of higher education which is more focused on the quality of teaching and associated support provided to students.

There has been a lingering tendency in higher education to focus exclusively on research output as a measurement of success and value. In part this has been indicative of the way universities have been funded, with a flat fee per student exacerbating the tendency to see educating undergraduates as similar to turning the handle on a sausage machine.

And there is a much deeper cultural issue within the academy which will be tricky to shift, since it goes to the heart of self-identity for many academics. For far too long, teaching has been regarded as the less prestigious work of universities. As a result, encouraging academics to account for the quality of their teaching is not an easy task for many Vice-Chancellors.

The positive news is that with the introduction of higher fees, this culture is being challenged.

Demonstrating value, particularly in relation to student support, will be a major challenge for some departments. But it will not be such a great leap for those parts of the institution which already play a prominent role in supporting student achievement. Of these, libraries are probably the most obvious. They are often a visible presence at the heart of the institution, and they may also include administration, IT facilities, student counselling or other support services.

Libraries tend to have a customer-client style relationship with students, researchers and academic staff anyway, and so the notion of providing a service is not an entirely alien one, even if the language of 'customer' may be. However, even libraries have difficulty in identifying the components that determine the quality of a student's experience. The reason for this comes partly from how we measure information on the student experience.

When the Higher Education Funding Council for England (HEFCE) commissioned research into those factors that were considered important by current and prospective students, weekly hours of teaching was considered less important than the cost of living in the halls of residence. Only half of the

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students questioned thought it would be very useful to know how satisfied other students were with the quality of the teaching.³²

Given the Government's focus on the student and the student experience, it seems we should take these findings at face value. This challenges us, as policy professionals or as leaders in higher education, to accept that we do not have a privileged position of knowledge; we do not simply 'know better'. This poses a significant challenge to leaders in higher education. Should our own judgement about what makes a difference to students be subordinate to the student voice?

In some instances students are 'spoon-fed' research material by their university. In such cases, perhaps unsurprisingly, student satisfaction with the library is high. One unintended consequence, though, is that students miss out in terms of research and what librarians call 'information seeking skills'. This may disadvantage them in the long term, particularly when they move into the world of work where research and information seeking skills are highly regarded.

There are substantive tensions here which cannot be ignored. What may be in the short-term interests of students may not be in their long-term interest, and institutions that do not actively consider these tensions may end up damaging their students' final results and employability.

A fundamental question in evaluating the student experience is - who is the 'student'? Mature students, part-time students and distance learners are all going to have distinct needs which are relatively easy to identify. But beyond these simple classifications, universities tend to struggle to identify their student body. Most will know a little about the ethnic background of the students, and how well one ethnic group does in academic terms relative to another. But not many will be able to tell you why.

Libraries also experience this. At any given university there will be a small minority of students who never visit the library in three or four years. Unsurprisingly they tend to underperform against the average. However, amazingly some will perform extremely well. We need to identify who these people are and where they gather their research from. Answering these questions will be critical for UK universities if they are going to improve students' experience of universities, and their outcomes.

32. 'Understanding the information needs of users of public information about higher education: Report to HEFCE by Oakleigh Consulting and Staffordshire University, August 2010', http://www.hefce.ac.uk/pubs/rdreports/2010/rd12_10/rd12_10b.pdf

Another challenge facing universities is to discover what is it about any particular element of a student's experience which makes it rewarding. From a Vice-Chancellor's point of view, in terms of improving a student's experience, it is not much use to know that 10 per cent fewer students think your IT is up to scratch compared to last year. Universities need to know what is driving this.

The universities which thrive are going to be the ones that are willing to undertake some serious research on who their students are, what they think and how they act. The most valuable intelligence here is going to come from students themselves. Successful universities are going to be those that do not assume they understand drivers of success, but ask their student body.

This of course throws into relief the student's role in this. They are going to have to be a responsible and intelligent consumer. If they ask for more comfy sofas and all their reading materials in their hand they will probably get it, but they may not be doing themselves or their fellow students any favours.

Ann Rossiter is Executive Director of The Society of College, National, and University Libraries (SCONUL). She previously ran the Social Market Foundation think-tank and has advised the Government on higher education policy.

Can the new HE market really work in students' interests?

Dale Bassett

Competition is good, the Government has decided. Or, at least, it is good for some of the UK higher education (UKHE) sector. The top end will compete to attract ever greater numbers of the highest-performing students, while the “discount” end of the sector (“cheap” seems the wrong word at £7,500 a year) will bid to expand its lower-cost provision. In total, around a quarter of all undergraduate places will be opened up to competition, and Ministers are promising that more will be opened up in future.³³

Mid-level universities – that is, in this context, most of them – will be the ones to suffer. The elite have the option of expanding or not; both existing and new cut-price providers (including FE colleges) will prosper; but the bulk of universities will lose students and their associated funding. This will happen irrespective of demand and irrespective of whether they are offering a quality, value-for-money product.

The problem is that a cheaper education is assumed by both vice-chancellors and prospective students to be a worse education. Is this necessarily the case? The National Student Survey would suggest not. Its consistently highest-ranked institutions are Oxbridge (where an undergraduate education costs much more than £9,000 a year), Buckingham (where it probably costs about that) and the Open University (where it costs quite a bit less). Birkbeck, similarly, provides a quality experience at a competitive price.³⁴

Why this lack of a clear correlation between price and satisfaction? It all comes down to the title of the White Paper – students at the heart of the system. The successful universities are the ones that focus on outcomes, rather than inputs. Instead of assuming that a £7,500 course must be a sixth “worse” than its £9,000 peer, these institutions look at what they’re doing with that money and what will actually make a difference to the student.

As the White Paper notes, these universities have something important in common: “a commitment to close contact with students and focus on academic feedback”.³⁵ A good student experience is essentially interactive.

33. ‘David Willetts opens up market for student places’, <http://www.guardian.co.uk/education/2011/jun/28/universities-to-market-courses-to-top-students>

34. ‘Money may not buy happiness in the post-2012 sector, NSS suggests’, <http://www.timeshighereducation.co.uk/story.asp?sectioncode=26&storycode=417158&c=1>

35. ‘Higher Education: Students at the Heart of the System’, <http://c561635.r35.cf2.rackcdn.com/11-944-WP-students-at-heart.pdf>

Flash new buildings and star lecturers are great, but if students do not feel that they are really engaging with their university, and that the university is engaging with them, their education will suffer. This kind of engagement can be expensive (smaller classes being the obvious example) but it doesn't have to be. Prompt online feedback, pastoral care and individualised learning skills support are all examples of things that could make a real difference to any given student – without costing the earth.

The question, then, is whether the new partial-market in higher education will actually result in these kinds of improvements to the quality of university education. At the very top end, universities probably trade most on their reputation and, though the publication of new data (notably the Key Information Sets) may impact on this to some extent, the elite will remain the elite and demand will remain robust.

The most innovation will probably be seen in those “borderline” institutions that accept some AAB students and will want to fight to keep them, while some may even wish to take on more. As some elite institutions choose to expand, those on the border will have to focus relentlessly on meeting students' demands and improving their offering if they are to successfully attract these AAB students. So at some institutions, students' market power really will create a new emphasis on the quality of provision.

What about the sub-£7,500 institutions bidding for additional “margin” places? Well, the important thing to note is that this margin is not really demanded. The places won't follow the students, as with AAB, but will be allocated centrally on the basis of universities' and colleges' bids. The Government has said these places will be allocated on the basis of quality and value for money – but we have very little idea what will really count and whether what the Government chooses to value will be the same as what students care about. The reality, of course, is that cost reduction will remain a priority for the Government.

Despite the reforms, the competition effect will not really be felt in the bulk of institutions, where it is most needed. There might be some effect on the post-1992 universities, which could be competing more directly with lower-cost provision. But most universities will continue to receive their fixed (albeit smaller) allocation of places and demand will continue to exceed supply, leaving little incentive for improvement.

The likely outcome is that competition will indeed have a positive effect – but only where it is allowed to operate in a genuinely unrestrained way. Since ever increasing numbers want to go to university, UK universities themselves will continue to hold the trump card (although many of them will have to make some tough decisions having been stripped of some of their places and funding).

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The Government's reforms, it seems, will not have the supposedly intended effects of driving up quality and value for money across the sector and making higher education much more responsive to what students want. For that, unrestricted market entry and real demand-led competition are needed. While the Treasury is footing the bill, that prospect seems a long way off.

Dale Bassett is Research Director at the independent free-market think-tank *Reform*, where he covers public sector productivity and education policy.

The Future

New Approaches to Widening participation in a 'VUCA' world

Paul Marshall

Widening participation is a key concern for all involved in higher education. Universities, as well as Ministers and Whitehall officials, are committed to making sure that the opportunity to study at top class institutions is available to all with the right ability, regardless of their background. As the higher education sector in England undergoes fundamental changes, with the bulk of university funding being transferred from direct grants to graduate contribution, it is more important than ever that efforts are made to open up access routes. 1994 Group institutions are committed to outreach activity as a fundamental part of their strategies to widen participation in higher education. Member institutions conduct a broad range of activities which aim to enhance the aspirations and academic performance of children and young people both locally and nationally. The commitment of our institutions is clearly demonstrated through the considerable amount of resources dedicated to outreach activity, and also the number of young people who come into contact with our universities through participation in these activities. However, I am sure that much of this will not come as a great surprise. Many institutions have been doing similar things for years. Yet a widening participation problem remains. Whilst we must not abandon what clearly works, we must be flexible and responsive.

We live in a world of change and we must be increasingly aware that traditional norms might not simply apply in what Bob Johansen, Distinguished Fellow at the Institute for the Future, has called the 'Volatile, Uncertain, Complex and Ambiguous' (VUCA) world in which we now live.³⁶ Radical approaches are required to bring about change. So what does widening participation look like in this VUCA world? Let me provide two case studies as a prompt for further thought.

Launched in the summer of 2010, reaching out and engaging non-traditional students in higher education has been at the heart of the Developing a Community College Student Roadmap: From Entrance to Engagement in Educational Achievement and Success, known as the "Roadmap Project," led by the Association of American Colleges and Universities. The project brings together a range of innovative practices designed to assist community colleges in creating robust and proactive programs of academic support – tied to expected learning outcomes – that engage with students at entrance and teach them, from the outset, how to become active partners in their own quest for educational success.

36. Bob Johansen, *Get There Early: Sensing the Future to Compete in the Present* (San Francisco: Berrett-Koehler Publishers, 2007)

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At an early stage, it is intended that through this new initiative, 12 leading Community Colleges from around the USA will combine their expertise to create robust and proactive programs of academic support, tied to expected learning outcomes, which engage with students as soon as they begin their college experience. One example, Prince George's Community College, Maryland, will focus on a variety of student success programs including the African, Latin, Asian, Native American Experience (A.L.A.N.A) and Faculty Mentoring programs. The A.L.A.N.A designs and implements retention initiatives that inspire students to experience a sense of community, develop their full potential, and create their own vision for the future. The program is directed towards encouraging students to develop career and life decision making skills, coping strategies, and make a substantial connection to the campus and all of its resources, which are necessary to achieve career and personal goals.

The key to this student empowerment is that student data on progress is routinely collected and analysed – and collective patterns of potential failure identified and highlighted – not to faculty or the administration (in a Big Brother fashion) but directly to students through an online portal. Students can see directly what the analytics are telling them about themselves and their progress and what they might do to meet their own goals. Giving students access to this information enables 'Academic laddering'. Warning them of the potential of failure empowers them to make more informed, appropriate choices.

'Academic Laddering' is supported by a Faculty Mentoring Program designed to promote the academic success of all first-time, full-time students. More than half of the academic departments have one hundred percent of faculty participating as mentors to serve over 1,100 students each semester. Mentors meet with participating students on a regular basis and discuss pertinent issues, ranging from the development of a student career plan, to resources available for academic assistance, to development of an individualised academic schedule that balances need across traditional and non-traditional learning opportunities. Through this process, students are welcomed into traditional physical communities of learning. In addition, constantly evolving virtual communities of interest are created through social media, which engage and enthuse them to develop and learn whilst engaging and enthusing others to develop and learn.

This strong theme of student empowerment driven by technology and the power of the cloud lies at the heart of my second example.

Building on the innovation and expertise within our member institutions, the 1994 Group has worked to ensure that information which can enhance applicants' understanding of the university experience is made available in an effective way. The 1994 Group has long recognised that Information, Advice and Guidance (IAG) for prospective students is a vital part of the overall student

experience, and importantly, one that the UK higher education (UKHE) sector has room to improve on. This has become more pressing in light of the policy changes that will make the UKHE sector operate on more market-based principles. We are also aware of the radical and rapid transformation online communications technology has brought to the ways in which information is (and can be) disseminated. Building on best practice in our institutions, in early 2011 we established a legal partnership with an informed and experienced commercial company, Push, to create an online portal (a 'widget') to provide a coherent sector wide framework to help students navigate the higher education journey, and make sense of the plethora of IAG websites in the public domain. We have called this new widget 'UniQs'.

To be launched in October 2011, UniQs is written in a language that applicants will understand and delivered in a medium friendly towards their interests and world view; UniQs is designed to be driven by applicants – to empower them in the decision making process. We will not seek to provide answers. Instead we will provide links through to a number of relevant other sites who seek to provide answers (from www.ratemyprofessor.com to league tables to any other information website we can find) with a short evaluation providing some guidance on the kind of information that the website might contain. The interesting thing about UniQs is that it is designed to go viral and be organic. Applicants will therefore rate the individual responses we provide to questions and will provide information to keep our responses constantly up to date. They will also provide links we have missed for new information sites and will be able to rate our responses for relevance and quality. Once we have set UniQs free it will take on its own global existence (although we will retain executive control of content and those downloading widget or app will pay a small fee to enable us to support the interactive element).

Truly widening participation to higher education remains a key political, social and sector goal. But in the face of a determined barrier to change we have to be ready to challenge assumed norms and identify new methods of achieving our goals. I have presented here two early stage projects attempting to deal with the problems of tomorrow, today. These examples attempt to bring together established excellence and proven techniques with the realities of operating within the new VUCA world. Throughout each of my case studies runs the fundamental belief that through close partnership between schools and universities, students should be provided with the information they have a right to know, in a way that is familiar and useful for them. Coupled with advice and guidance on how to make use of it, we can shape student expectations of university, empower applicants in the decision making process, and achieve our goal of improving routes to the very best universities.

Paul Marshall is Executive Director of the 1994 Group, and has central responsibility for co-ordinating all levels of Group activity and promoting the Group externally. His duties include policy development, government liaison and stakeholder relations.

The new higher education sector: what can we expect in the new funding environment?

Professor Michael Farthing

The 1994 Group provides a distinctive voice in UK higher education – bringing together institutions which combine world-leading research with excellent teaching, delivering an outstanding student experience. As the new Chair of the Group, I believe we are well placed to offer an innovative view on the challenges and opportunities facing the higher education sector in the UK as it undergoes some of the most significant change we have seen for many years.

These times of change present both challenges and new opportunities. And with massive global economic shifts and change, the need to sustain a high quality internationally competitive higher education sector for the UK has never been greater. It is vital that we continue to engage with the issues facing us as a sector.

The new HE funding arrangements put in place by government create a rapid shift from direct taxpayer funding of universities to contributions made retrospectively from graduates. Significant public funding is of course still in place, subsidising loans to students ensures no upfront fees are paid – and this is the right approach to prevent talented students, irrespective of their personal financial circumstances, being deterred from entering HE. But this shift puts in place a radical new dynamic.

Contrary to press reports, we have not seen students rush to avoid the new 2012 arrangements. Interest in higher education has never been greater. Potential students have perhaps been swifter to adapt to the changing circumstances than anyone expected. What students may be slower to realise and universities need quickly to grasp is how much power this places in the hands of students.

Faced with this new student financial power and choice, universities will be under ever greater pressure to examine what they do. What do we offer our students and how do we support them? What experience are they seeking? Institutions need to offer high quality student experience, excellent resources and deliver strong outcomes.

But how do students judge this? There is a potentially vast array of information facing students in making these choices, and the outcomes from HE can be measured only over the long-term, some years after completing degrees. How do we ensure that students steer their way through and make properly informed choices? The Key Information Sets (KIS) will certainly go some way to inform these decisions in the future.

We also need to give students and institutions more choice and opportunity, by removing the strict institutional limits on student numbers. The Government has started down this route – removing limits in relation to students achieving AAB at A level. We would argue that this opening up needs to happen more quickly – a tenth of a market is no market at all.

And any restricted measures like this which risk potentially constraining social mobility – which limit institutions' ability to take talented individuals with the potential to benefit from high quality HE – need to be challenged. With stronger new obligations on fair access, higher education institutions should be devoting more funds to widening participation than ever before. This should drive closer relationships between universities and schools, and open up new ideas and experiments. That is welcome, and we need to understand what works and support those developments.

The new funding arrangements also risk unintended consequences. At a time when PG qualifications are more in demand internationally than ever before, what will be the impact of the new funding policy on the flow of UK students into postgraduate qualifications? It is striking that Government policy has been silent on that. But it is vital that universities grasp this challenge – this is the talent pipeline into future academic research and teaching which is the future of our HE system, and the source of creative thinkers and innovators in our knowledge based economy.

It is also clear that with financial constraints, there will be ever greater pressure on universities to focus on their core activities – and a hard examination of the value of all aspects of our work. But a drive to simple low-cost HE is not the answer. Is there more scope for partnerships with other organisations outside the HE sector to deliver services and support other aspects of growth in the HE sector?

All institutions will face new financial challenges in relation to capital funding, at a time when continued investment in our institutions is vital. What new approaches can be found to support this? Again, scope exists for innovative engagement outside the HE sector. We can also expect to see institutions seeking increased philanthropic giving. The Government needs to continue to seek ways to incentivise and support this.

And at a time when economic growth is more important than ever, the value of university-led research and innovation has of course to be recognized. It is to be regretted that Government policy development has progressed in a piecemeal way. This is particularly key for the 1994 Group which sees the connection between research and teaching as vital.

How do we ensure that we have balanced investment in all areas of academic research endeavour across social sciences and the arts as well as sciences? How do we continue to foster the translation of research into new enterprise activity, which delivers innovation and new wealth creation?

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Finally, the position of UK higher education needs to be seen in the international context in which it has always operated and flourished. Indeed, the competition now opening up for UK and other EU students can be seen as a widening out of the market that has always existed for international students. As an export market, HE earns billions of pounds a year for the UK economy.

And not just in relation to students, successfully attracting and retaining international staff is key to sustaining our world-class HE institutions. We must continue to examine and challenge unnecessary barriers placed in the way of the successful international operation of UK universities.

Government also has a positive and constructive role to play in aiding institutions to build the collaborative international links which underpin successful international research collaboration. Are government departments seizing the opportunities in their international engagement work to do this?

The 1994 Group will continue to use its distinctive voice in the years ahead to lead the debate on these and other issues to help strengthen the position of the HE sector.

Professor Michael Farthing *is Vice-Chancellor at the University of Sussex. He is a member of the Editorial Boards of numerous national and international Gastroenterology journals, and has previously served on the General Medical Council Education Committee. Professor Farthing will be the Chair of the 1994 Group from October 2011.*

1994 group >

Established to promote excellence in research and teaching. To enhance student and staff experience within our universities and to set the agenda for higher education.

UK universities make a massive contribution to all our lives. Their research drives economic innovation and shines light on important social issues. Their academic networks and international student bodies enhance Britain's global reputation, and help us understand our place in a fast changing world. But the policy context UK universities operate in is undergoing a period of profound change. The ways in which universities are funded are being reformed, and questions are being asked about the role universities are expected to play in society

Written in the context of the Coalition Government's wide ranging reforms of higher education, this collection of articles is designed to stimulate innovative and fresh thinking about the direction of higher education in the UK. The areas of funding, research, internationalism, and the student experience are explored with depth and clarity, and substantial conclusions are drawn on how the sector should respond to the challenges present within the current policy environment.

Based on perspectives from a wide range of higher education experts, policy innovators and university staff, *Reforming the Academy* serves to illustrate and enhance key areas of the current debate and lays the foundations for further discussion both within and beyond the higher education sector.

For further details about the 1994 Group's work and our priorities for the future of higher education visit the 1994 Group website

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