

## **1994 Group response to Review of HE Funding and Student Finance: First Call for Evidence**

**29 January 2010**

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The following is a response from the 1994 Group to the first call for evidence for the Review of Higher Education Funding and Student Finance. For further responses to this call for evidence, please see the individual submissions of the Group's member institutions.

Members of the 1994 Group are: University of Bath, Birkbeck University of London, Durham University, University of East Anglia, University of Essex, University of Exeter, Goldsmiths University of London, Institute of Education University of London, Royal Holloway University of London, Lancaster University, University of Leicester, Loughborough University, Queen Mary University of London, University of Reading, University of St Andrews, School of Oriental and African Studies, University of Surrey, University of Sussex and University of York.

The 1994 Group is established to promote excellence in university research and teaching. It represents 19 of the UK's leading research-intensive, student focused universities. Around half of the top 20 universities in UK national league tables are members of the group.

1994 Group universities are delivering an excellent academic experience to their students. In the latest National Student Survey seven of the top ten universities rated on overall student satisfaction are 1994 Group members, 88% of students saying they are satisfied with the overall student experience compared to a national average of 81%.

1994 Group Universities achieved outstanding results in the Research Assessment Exercise (RAE) 2008. 1994 Group members are UK leaders in seventeen major subject areas, achieving 1st place in their field. 57% of the 1994 Group's research is rated 4\* world-leading or 3\* internationally excellent.

We would welcome the opportunity to meet with the Review panel and expand upon any of this submission through oral evidence.

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This evidence is arranged as follows.

The first section forms the **Submission from the 1994 Group**, which is a summary of positions and recommendations for the consideration of the Review.

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This is followed by two **Appendices** which build on the arguments and provide further detailed evidence.

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# Submission from the 1994 Group

## 1. Introduction

- 1.1 The impact of the variable tuition fee system on the higher education sector and on student experience has been deep and extensive. Due to their being so widespread it is no simple task to demonstrate the effects of the system. An important aspect is, of course, to consider the specific enhancements universities have been able to implement using the extra income generated. However, we believe that the impact stretches far further than this. As a result of the legislation, there has been a deep cultural shift in the way that students are perceived, the role they play in university life and the strategic importance of the student experience to higher education. This profound and widespread cultural change is less easily-tangible but is of vital importance to consider as an extremely beneficial impact of the variable tuition fees system.
- 1.2 The student experience now underpins decisions of universities at the highest strategic level. The experiences and expectations of students are taken far more seriously than they were before. Countless initiatives have been developed across all aspects of university life aimed at enhancing students' satisfaction with their courses, increasing the levels of support available to them, improving information and guidance to help them make informed choices, opening up opportunities for extra-curricular activities, and enhancing their employability skills. Never have the needs of students been more firmly in the minds of decision-makers at universities, across the sector's agencies and within the Government, and never have the views of students been so strongly heard, and listened to, as to how university life can be shaped to their benefit.
- 1.3 However, it is also clear that universities face a challenge to sustain the excellent activities and innovative practices they have developed to enhance the student experience. As various investigations have evidenced, such as that of the *Financial Sustainability Strategy Group*<sup>1</sup>, this will be a critical issue to address if we are to continue to meet the changing needs and expectations of today's students. A *ComRes* poll, commissioned by the 1994 Group, shows that 86% of the UK public back further investment in higher education to maintain the quality of teaching and research.<sup>2</sup> However, in December 2009 cuts were announced to the higher education budget. In light of this, all of the above issues must now be considered in the context of a constrained funding environment, in which public funding for higher education institutions (HEIs) in the form of the unit of resource for teaching is reducing. In the light of these new financial realities, the future sustainability of the sector and the progress made since 2006 must be appreciated. The current Review of Higher Education Funding and Student Finance offers the perfect opportunity for our nation to ensure the most fair and progressive system possible, in order to secure and sustain the highest quality university education in the UK.
- 1.4 The following sections of this submission detail the 1994 Group's view of the widespread impact of the variable tuition fee system, giving a 'snapshot' of the student experience as it is today, then giving detailed examples of the types of

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<sup>1</sup> FSSG, *The sustainability of learning and teaching in English higher education*, Feb 2009, <http://www.hefce.ac.uk/Finance/fundinghe/trac/fssg/FSSGreport.pdf>

<sup>2</sup> For more details on this November 2009 poll see: <http://www.1994group.ac.uk/newsitem.php?item=307>

innovative practice universities are developing to directly meet the changing needs and expectations of their students, and subsequently detailing the key challenges that universities face in order to sustain these excellent practices in the future.

## 2. Impact of the 2006 fee and funding arrangements

2.1 As a result of the variable fees system, there has been a deep cultural shift in the way that students are perceived, the role they play in university life and the strategic importance of the student experience to higher education. In order to understand this profound and widespread cultural change, it is important to gain an understanding of the landscape in which students currently experience university. The various factors which affect students, in the context of the variable fees system, are summarised below. A more detailed discussion of these issues, with statistical evidence, is attached as **Appendix A**.

- ***The diversity of the 'student experience'***

2.2 There are many different student experiences to be found across the spectrum of higher education and even across the same campus. The image of the 'traditional' student of twenty years ago is no longer applicable, as participation continues to widen and increase. We now have a diversifying student demographic, with more women, mature students, part-time students, students with a known disability, and students from ethnic minority backgrounds. Furthermore, the number of international students in the UK continues to rise.

2.3 The challenge for universities is to keep abreast of the shifting expectations of an increasingly diverse and informed student population and to adjust accordingly to provide the best possible experience to each of them. This is a challenge not only for universities but also for policy-makers and all student-facing groups across the sector if UK higher education is to continue to be one of the leading higher education providers in the world.

- ***The growth of the marketplace***

2.4 International and postgraduate students across the UK have been paying uncapped tuition fees since the 1980s, and this was the real beginning of the higher education student marketplace. Despite this, demand for UK higher education from international students continues to rise,<sup>3</sup> as does demand for postgraduate programmes which are increasing at a rate faster than for undergraduate courses across the UK.<sup>4</sup>

2.5 Undergraduate tuition fees were introduced across the UK in 1997 and since September 2006 universities and colleges in England have been able to charge new full time home undergraduate students a variable fee, capped for 2009 entry at £3,225 a year. This is paid upfront by the Government with graduates repaying the fee loan after, when they are earning £15,000 per annum.

2.6 Since the introduction of the variable fee system the signs have been positive. Applications have risen year on year, continuing the trend over the past decade of unprecedented increase in HE participation.

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<sup>3</sup> Full time international students in UK rose from 95,900 in 1992 to 240,390 in 2004-05. 'The Economic Costs and Benefits of International Students', Vickers & Bekhradnia, HEPI, July 2007, p2

<sup>4</sup> The annual number of doctoral completions at UK universities grew from 14,875 in 2002/03 to 16,635 in 2007/08. PGT numbers grew from 216,729 in 2002/03 to 234,920 in 2007/08. HESA, 2007.

▪ **Widening participation, grants and bursaries:**

- 2.7 The impact of the current system, in terms of applications rates of people from lower socio-economic backgrounds, has been positive. The highest proportional rises in applications are from applicants from families with 'semi-routine' occupations and 'routine' occupations (13.85% and 9.27% rises respectively) in comparison to rises of 2.5% and 5.05% from applicants from 'higher managerial and professional' and 'lower managerial and professional' families.<sup>5</sup> This is an encouraging development, strongly suggesting that the current system is not putting off the most disadvantaged applicants.
- 2.8 Evidence from the Office for Fair Access (OFFA) shows that the current system of variable bursaries is proving a success and should continue.<sup>6</sup> The system is helping students to overcome financial barriers to higher education and, contrary to some current perceptions, is successfully encouraging high-achieving lower-income students to opt for more selective universities. In light of this success a 'national bursary scheme', as being proposed by some parts of the sector, would be a big mistake; it would effectively be a tax, a forced pooling of tuition fee income, which would be distributed away from the institution to which a student pays his or her fee. It would seriously compromise the direct relationship between a student's fees and their education.
- 2.9 Universities are seeing a greater number of students applying and being accepted from underrepresented groups, as a result of targeted support and outreach activity. However, HEIs can only play a limited role in the evaluation of the relative success of bursary schemes and outreach activities. In the absence of a national tracking scheme, universities are unable to follow the progression of the many young people whom they come into contact with through widening participation activities but then go on to attend a different HEI. We feel that there may be a larger role for schools to play in measuring the impact of outreach activity. Many schools, particularly in populated areas with several local providers, come into contact with more than one HEI, and it is often difficult for universities to properly evaluate the impact of their own activities when so many different providers are involved. We welcome the view of the BIS Science and Learning Expert Group which recommends that schools should provide an annual report detailing the contacts between schools and HE and evaluating the success of the engagement in terms of increased applications.
- 2.10 Of critical importance is that the student support system is affordable in the future. We are concerned that the current arrangements are not targeting resource as effectively and efficiently as they could be towards those in most need. A sensible interest rate should be introduced on student loans, set at the current Government cost of borrowing, to rectify the huge subsidy that the Government currently pays. By doing this, the cost to the tax payer will be reduced by a considerable amount £1.4 billion per year.<sup>7</sup> The effect for students will be a small extension of the period over which they repay. Targeted subsidies, as low as 0% real, could be given to certain people or groups, such as those with low earnings.

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<sup>5</sup> UCAS Media Release, 15<sup>th</sup> Jan 2009,

[http://www.ucas.ac.uk/about\\_us/media\\_enquiries/media\\_releases/2009/2009-01-15](http://www.ucas.ac.uk/about_us/media_enquiries/media_releases/2009/2009-01-15)

<sup>6</sup> Callender, "Awareness, take-up and impact of institutional bursaries and scholarships in England", Dec 2009. Available at: <http://www.offa.org.uk/>

<sup>7</sup> Private presentation given by Professor Nicholas Barr, Professor of Public Economics, LSE, to the 1994 Group Board in June 2009.

- 2.11 It will also be important in the future, in order to help achieve the affordability of the student support system, to encourage investment in bursary and scholarship schemes from private investors.
- ***Part-time study and flexible routes through HE:***
- 2.12 Whilst we believe that much has been successful with the current variable fees system, we are concerned about the artificial barriers it has created for part-time students. The nature of the system, along with policy changes such as the decision to remove funding for Equivalent and Lower-level Qualifications (ELQs), have been damaging for part-time students and have created artificial barriers that work against flexibility and life-long learning. The part-time student funding system should be enhanced so that it is delivered on a fairer basis, and more flexibility should be created within the system in order to break down the barriers between part-time and full-time routes through higher education.
- 2.13 Much of the debate on the future of the UK HE system has focussed on barriers between part time and full time study, and a perceived lack of flexibility within the system to structure a person's route through HE according to their particular situation. A more flexible system must be encouraged wherein students could accumulate academic credit and have the option of studying for different lengths of time and at different providers, but achieve the same outcome as those choosing more traditional routes. We believe this could be beneficial to students, employers and Government.
- 2.14 Increasing the state support for part-time funding and moving to a fees system that is similar to the full-time undergraduate system, with fee remission rather than upfront fees, will clearly have a beneficial impact on these students. Charging a sensible rate of interest on student loans would free up money to be channelled into the part-time student support system.
- ***Postgraduate study:***
- 2.15 Mechanisms of fees systems have not changed at postgraduate level, and remain that fees must be paid upfront. It is essential that we do not lose sight of the impact of our system on progression to masters and doctoral levels. We need to be sure that debt concerns are not deterring people from applying to postgraduate taught courses, which are growing in importance within the employment marketplace and are the gateway to PhD level study, and the current Review of Postgraduate Education is extremely welcome.
- ***Attitudes towards Higher Education: Why study and where?***
- 2.16 Students continue to be excited and engaged by higher education and continue to see it as an important stage in their own development. Attending university is increasingly viewed by many people as a key stage in their future, an essential stage of knowledge and skills development, an important progression route to employment, and an opportunity to get to know new people and places, and many recent student surveys have indicated that students are satisfied and engaged with their university life. Five years of the National Student Survey (NSS) has consistently demonstrated that students are overwhelmingly satisfied with their experience at university, 81% of UK students in the most recent survey saying they are satisfied with the overall

student experience.<sup>8</sup> Also, 87% of graduates said they were satisfied with their career to date, 3½ years after graduating from a UK university.<sup>9</sup>

2.17 Regarding the choice of where to study, current students reflect that the major factors in their decision are the university's provision of the course they want to study (63%) and the institution's overall and academic reputation (47%).<sup>10</sup> For those studying at research-intensive universities, perceived benefits are brought by the connection to the university itself, whether because of the national and international reputation the university has obtained or because of the type of academic environment and teaching within which the student will learn. While these aspects are considered to an extent by students at other UK HEIs, more importance is generally placed on the specific course studied and the effect this will have on their particular employment route.

▪ ***The economic benefits of a degree***

2.18 There is evidence that graduate employability and earnings premia varies dependent on the type of institution a person graduates from. A study carried out by the 1994 Group<sup>11</sup>, showed that after 3½ years the earnings of graduates from research-intensive universities (those of the 1994 and Russell Groups) are likely to be higher than those of graduates from the rest of the sector,<sup>12</sup> as demonstrated in the following table.

**Proportion of respondent graduates reported to be earning over £20K and over £25K after 3½ years**

<b>Institutional group</b>	<b>Over £20K</b>	<b>Over £25K</b>
Research intensive univs.	75%	49%
Other Institutions	59%	27%
All Institutions	65%	35%

2.19 This difference in the earnings premia of graduates from research-intensive universities in comparison to those from other universities is more pronounced within the science and technology subject area, but is also the case within arts and humanities. Also, research-intensive universities have a higher proportion of graduates engaged in graduate-level jobs after 3½ years than other institutions. An important aspect which is often overlooked in public discourse on the benefits of university is the progression of graduates into further study. It is clear from the 1994 Group study that graduates from research-intensive universities have a significantly higher propensity to continue into further study than those from other institutions. Advanced level skills will be vital to the UK's future and it is important that the funding and support system for undergraduates minimises barriers to go onto masters' level and beyond.

<sup>8</sup> The National student Survey 2009 <http://www.hefce.ac.uk/news/hefce/2009/nss.htm>

<sup>9</sup> 1994 Group Research Report: 'Graduate Employment & Earnings', p 24, Nov 2008. [http://www.1994group.ac.uk/documents/public/081118\\_GEEresearchReport.pdf](http://www.1994group.ac.uk/documents/public/081118_GEEresearchReport.pdf)

<sup>10</sup> 'NUS Student Experience Report' [http://www.nus.org.uk/PageFiles/4017/NUS\\_StudentExperienceReport.pdf](http://www.nus.org.uk/PageFiles/4017/NUS_StudentExperienceReport.pdf)

<sup>11</sup> Destination of Leavers from Higher Education Longitudinal Survey, HESA. See: [http://www.hesa.ac.uk/dox/dlhe\\_longitudinal/0203/DLHE\\_Long\\_2002\\_03\\_FINAL.pdf](http://www.hesa.ac.uk/dox/dlhe_longitudinal/0203/DLHE_Long_2002_03_FINAL.pdf)

<sup>12</sup> 1994 Group Research Report: 'Graduate Employment & Earnings', Nov 2008. [http://www.1994group.ac.uk/documents/public/081118\\_GEEresearchReport.pdf](http://www.1994group.ac.uk/documents/public/081118_GEEresearchReport.pdf)

- ***Employability and skills:***

2.20 As the sector becomes more competitive the issue of employability is rising in importance. Clearly, a student's level of employability depends not only on their academic ability, but their ability to demonstrate life skills and a mature attitude to work. Experience of working or volunteering is of great value, and there is evidence to suggest that the level of student employment whilst at university is rising.

2.21 We believe that in addition to supporting skills gained through academic study, recognised 'co-curricular' activity and awards<sup>13</sup>, run in parallel to degree programmes, is a route through which to meet employers' demand for skills obtained outside the academic curriculum and develop the employability and career prospects of graduates. These programmes are a way of attracting and building strong partnerships between universities, students and employers, who have a key part to play in the development, delivery and assessment of awards, and also contribute to their funding. The York Award, for example has a large number of employers involved, including the Institute of Chartered Accountants, Aviva, Deloitte, IBM, Eversheds, the Financial Services Authority, the Civil Service, PricewaterhouseCoopers and Nestle. Over seventy local employers also regularly donate their time to interview York Award applicants.<sup>14</sup>

2.22 Resourcing is clearly a key challenge to delivering this activity effectively, especially when the extension of activity to larger numbers of students is considered. The government should recognise the huge impact that this area has and show its support for co-curricular activity by creating incentives for employers to become involved, such as a scheme in which government matches employers' contributions (whether these are cash or in kind).

- ***Changing roles in higher education and the student voice***

2.23 The changing environment of fees and expectations has brought the nature of the relationship between student and university into focus, including an increasing emphasis on the idea of students as consumers. Importantly, the increasing emphasis on students playing a 'consumer' role must be tempered with the recognition of students' and universities' roles as mutual partners in the development of people's knowledge, skills and experience, in order to shape their contribution to society.

2.24 As the marketplace develops, there is a need to encourage and consider the 'student voice'. We welcome the government's creation of a Minister for Students and the formation of an independent National Student Forum which advises ministers on student issues. Also, student representatives now sit on Quality Assurance Agency audit panels. There is a growing importance for universities to listen to the opinions of students and acknowledge their role as 'change agents' when updating approaches to teaching and learning, student support services and any other aspects which affect their experience of university.

- ***The need for wider data around the student experience***

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<sup>13</sup> When we refer to 'co-curricular activity' we are clustering together the following: a) structured programmes of activity leading to a university award, which may include receiving university credit; or b) university-facilitated programmes of events which do not lead to an award, but can be useful to enhance the student experience and employability.

<sup>14</sup> For further information and examples, see 1994 Group Research Report: 'Beyond the curriculum', Nov 2009 [http://www.1994group.ac.uk/documents/public/091106\\_BeyondTheCurriculum.pdf](http://www.1994group.ac.uk/documents/public/091106_BeyondTheCurriculum.pdf)

- 2.25 In recent years, and as a direct impact of variable fees, there has been increasing availability of information relating to the student experience and a rising level of research into this area. The National Student Survey (NSS) has been a considerable success and is one of the few public national indicators directly focused on assessing the student experience. The most positive outcome of the NSS has been that it has enabled institutions to highlight areas which need attention and to focus efforts on directly enhancing aspects of the student experience in order to improve satisfaction scores.
- 2.26 While the availability of more information is an extremely welcome development, we believe that this has not gone far enough and there are gaps to be filled. A wider availability of data relating to the student experience is required alongside a bank of high-level institutional data which will better inform the decisions of prospective students, allowing them to differentiate between various types of institutions in an increasingly diverse sector.
- 2.27 Information on graduate employment and earnings must be enhanced, to ensure that students understand to the best degree possible the prospects they are gaining from their investment in higher education. The Destination of Leavers from Higher Education (DLHE) survey is useful, but taken at just six months following graduation it does not form an accurate reflection on its own of the overall impact of university on graduates. As Lord Sainsbury has recommended, more should be done to extend the Longitudinal DLHE survey, which focuses on people 3½ years after graduation.<sup>15</sup> There is a need for this survey to be developed and enhanced and made more robust in the future, to avoid an over-reliance on the 6 month survey.
- ***Funding the student experience***
- 2.28 Investment in UK HE is relatively low by international standards.<sup>16</sup> Many universities in the sector are struggling with a gap between teaching funding allocations and the real cost of teaching, and variable tuition fees cover only part of this gap. The *Financial Sustainability Strategy Group* reported in 2009 that the sector is already papering over the cracks in the delivery of the student experience and that the ability to secure the quality and fitness for purpose of higher education is currently coming under severe strain.<sup>17</sup> While recognising the strong commitment to enhance the student experience that exists at universities, it must be recognised that this commitment comes at a cost both in terms of management time and in the provision of improved services and facilities.
- 2.29 The implementation of the new funding and support system has been a success. However, Universities must demonstrate continued and strengthened commitment to providing excellent teaching, support and facilities in order to ensure that the experience of university life continues to be as appealing to students as it has been in the past decade. They must achieve this within an increasingly constrained funding environment.

Please see **Appendix A** for a more detailed discussion of these issues, with further evidence on the broad impact of variable fees.

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<sup>15</sup> 'The Race to the Top: A Review of Government's Science and Innovation Policies', Lord Sainsbury of Turville, October 2007, pp6-7.

<sup>16</sup> Investment in UK higher education as a proportion of GDP hovers between 1.3% and 1.4%, below the OECD average and half that of the US (at 2.9%).

<sup>17</sup> FSSG, *The sustainability of learning and teaching in English higher education*, Feb 2009, <http://www.hefce.ac.uk/Finance/fundinghe/trac/fssg/FSSGreport.pdf>

### 3. How 1994 Group universities have invested the income from fees

3.1 1994 Group universities are delivering an excellent experience to their students. Our universities are consistently highly rated by students and provide excellent employment and earning prospects. In the latest National Student Survey seven of the top ten universities rated on overall student satisfaction are 1994 Group members. Some 88% of students at the Group's 19 member universities say they are satisfied with the overall student experience compared to a national average of 81%.<sup>18</sup>

3.2 The growth of the student marketplace, and particularly the introduction of variable fees, has helped our universities to enhance our excellent provision further. Also, the new system has had the broader effect of raising the strategic importance that universities place on enhancing the student experience higher than it has ever been before. There are certain areas we believe greatly contribute to the effective delivery of a high quality student experience. This section summarises the ways in which our universities have used the income from fees to make enhancements in these areas, and how the increased strategic focus on student experience is being manifested in the innovative practices of our universities. For more detailed examples and case studies of innovative practice in these areas, please see **Appendix B**.

- ***Student Support and Outreach***

3.3 1994 Group universities are committed to widening participation in Higher Education and have invested a significant portion of the increased income from variable fees on providing excellent bursary and scholarship schemes, and targeted outreach activities, in order to ensure that there are no barriers to applicants from disadvantaged backgrounds. 1994 Group universities are investing over £43m this year in student support and outreach activity and in addition offer a range of scholarships and bursaries from private donations that continue to grow annually. An excellent example of what can be achieved are the 'Eliahou Dangoor Scholarships', launched with a £3 million donation over three years, and the largest private bursary or scholarship widening participation scheme known to OFFA in the UK. These are administered across 1994 and Russell Group universities, and matched funding from government will bring the total funding available to over £4 million. This scholarship will assist up to 4000 students, most from under-privileged backgrounds, to study vital science and maths-based subjects at the UK's leading research-intensive universities.

- ***Financial Health and Fiscal Strategy***

3.4 Increased revenues have enabled institutions to demonstrate their financial health to external financial partners and in many cases has resulted in increased borrowing and investment in capital projects to improve academic, student and residential facilities and improve the student experience.

- ***Expanding and improving physical infrastructure to benefit students***

3.5 Buildings and facilities are hugely important to the student experience. Funds from variable fees, alongside other capital investment from public and private sources, have enabled universities to invest in improving their physical infrastructure, including academic, residential and recreational facilities.

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<sup>18</sup> The National student Survey 2009 <http://www.hefce.ac.uk/news/hefce/2009/nss.htm>

- ***Enhancing learning spaces***
- 3.6 Universities are being hugely innovative with their learning spaces, and bringing them impressively into the 21<sup>st</sup> century, installing the latest equipment and making the spaces more flexible, to assist group learning and make the most of academic contact. Income from variable tuition fees has assisted greatly in this area.
- ***Enhancing student services***
- 3.7 There is a clear link between the sense of community on campus and the provision of excellent pastoral, residential and academic support services. This is a key area through which members of the 1994 Group deliver their approach to the student experience, and an area in which there are many examples of excellence from across the Group, from non-academic, lifestyle support, to engaging academic support.
- ***Staffing***
- 3.8 Increased revenues have allowed universities to continue to attract high quality staff and improve their student:staff ratios whilst meeting the nationally negotiated pay agreements in the sector. Many universities have spent a significant proportion of their additional income on staffing, pay and associated conditions and a number of universities have seen improvements in staff retention and turnover.
- ***Increasing commitment to graduate employability and skills***
- 3.9 1994 Group institutions have for many years been working with their students' unions to offer volunteering programmes, careers development workshops and similar activities outside the curriculum in order to give their students the opportunity to broaden their university experience and graduate as well-rounded individuals ready to enter employment. In recent years there has been a strong and growing commitment from our universities to bringing together the various strands of such activity and formally recognising it through the development of 'awards' that sit alongside students' academic achievement.
- ***Students as partners***
- 3.10 Students are being included in the development of their academic and extra-curricular experiences more than ever before, and their voices are being carefully listened to by our universities. Key to the smooth working of the current system of HE is that universities and students work in partnership to achieve the best possible student experience.
- ***Providing the best information***
- 3.11 For any higher education institution it is vital to create a strong ethos of reciprocal communication between itself and its student body. The success of student support mechanisms relies heavily on the strong publicity and accessibility of those services, and the income from fees has helped universities develop the ways they provide information to students.

- ***In summary***

3.12 The increased income from fees has been used to launch ambitious investment plans aimed at enhancing the student experience and has enabled our universities to increase the funding available to:

- support new strategic initiatives, both academic and in terms of physical infrastructure, alongside other capital investment from public and private sources;
- provide significant strategic investment to improve academic facilities, such as new teaching buildings and improved library facilities, which directly enhance the student experience;
- invest in staffing, including the recruitment of high quality staff to spearhead new academic initiatives;
- enhance outreach activity, respond to students suffering financial hardship, and target activity to widen the pool of applicants from underrepresented groups, alongside resources from private sources;
- allow a more holistic approach to the student experience, engaging staff across Universities in initiatives, and providing centralised student-focussed services and facilities.

3.13 Income from variable fees is a major part of 1994 Group institutions' financial strategies. This incredibly important income has helped our universities implement activities to meet the changing expectations of students, and the variable fees system is having the effect of directly enhancing student experiences. This is in addition to the deep cultural shift that has been achieved in the way that students are perceived, the role they play in university life and the strategic importance of the student experience to higher education.

Please see **Appendix B** for detailed examples and case studies of how our universities are using the income from variable fees.

## 4. What problems must the Funding Review address to enhance the current system?

4.1 As set out above, in light of the changing landscape and various factors affecting the student experience across the UK sector, universities have embarked on ambitious investment plans and initiatives to ensure they enhance student experiences and respond to their expectations. As a Group we believe that the introduction of variable tuition fees has led to a cultural change in the way in which students, their experiences and expectations are regarded. There are, however, challenges emerging from the operation of the system that we believe need to be addressed as the system develops in order to continue to meet student expectations and deliver the highest quality student experience. While much progress has been made over the past decade, for the current system to continue to work as well as it has done more needs to be done to address the following **ten priority areas**.

### ▪ Ten high priority areas:

4.2 The high priority areas which are vital to get right for the continued success of the current system are as follows:

- 1.) Achieve the most effective and efficient system of student support
- 2.) Enhance partnerships between schools, colleges and universities
- 3.) Provide transparent and accurate information
- 4.) Towards the 2020 Workforce: Promote the well-rounded graduate
- 5.) Achieve a fairer system for part-time students
- 6.) Provide flexible routes through higher education
- 7.) Promote and listen to the student voice
- 8.) Encourage progression to postgraduate level
- 9.) Ensure the best academic quality and standards
- 10.) Enhance student-focussed facilities and physical infrastructure

These are described in more detail below:

#### 1.) **Achieve the most effective and efficient system of student support**

- (i) There must be no barriers to entry to anybody who wishes to participate in higher education. There is no doubt that the long-term success of the funding system depends greatly on the successful implementation of grants and bursary schemes.
- (ii) Never have the issues of Widening Participation and Fair Access been higher on the HE agenda, and through their outreach activity and bursary schemes all HEIs are showing unprecedented levels of commitment to these issues. Bursaries should continue to be set by institutions, in order to enable them to target their activity. A national bursary scheme would be a mistake as it would compromise the relationship between a student's investment and the institution he/she attends, and thus the education he/she receives.
- (iii) It is of critical importance that the student support system is affordable. There are issues which must be rectified in the future, such as the huge subsidy which Government currently pays on student loans. The interest rate on student loans is set at the rate of inflation, meaning that the Government must

subsidise the difference between this and its own cost of borrowing, which is much higher. The overall cost to the Government is huge, over £1 billion annually.<sup>19</sup> This has the effect of reducing the teaching grant and harming quality in the delivery of the student experience.

- (iv) A sensible interest rate should be introduced on student loans, set at the current Government cost of borrowing, to rectify the huge subsidy that the Government currently pays. By doing this, the cost to the tax payer will be reduced by over £1 billion per year.<sup>20</sup> The effect for students will be a small extension of the period over which they repay. For individuals, this will be the real cost of their own education, and they will not be paying a tax to support others. Targeted subsidies, as low as 0% real, could be given to certain people, such as those with low earnings, or groups such as carers, etc. Charging a real rate of interest would mean that the student support system is affordable. Also, the treasury debt from loans could be sold off if a real rate of interest is charged because this would be much more attractive to private investors.

## **2.) Enhance partnerships between schools, colleges and universities**

- (i) Effective engagement with schools and colleges is extremely important in efforts to increase and widen participation in higher education, and universities have developed strong outreach activities. However, in the absence of a national tracking scheme, universities are often unable to follow the progression of the many young people whom they come into contact with through widening participation activities but who then go on to attend a different university.
- (ii) There is a larger role for schools to play in measuring the impact of outreach activity. We welcome the view of the BIS Science and Learning Expert Group which recommends that schools should provide an annual report detailing the contacts between schools and universities and evaluating the success of the engagement in terms of increased applications.

## **3.) Provide transparent and accurate information**

- (i) There is a need across the sector for a wider availability of data about the student experience, in order both to better inform the decisions of applicants at all levels, and also to help HEIs identify problem areas and work to enhance aspects of the student experience. Much progress has been made in this area over recent years, but in order for the current system to work as effectively as possible, it is important that this trend continues. We welcome the current review of publicly available information,<sup>21</sup> the outcomes of which should be carefully considered by the Funding Review.
- (ii) As the sole national indicator of its kind, the NSS is fundamental to understanding the undergraduate student experience and it must continue. The Group strongly supports the most positive outcome of the NSS, that it

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<sup>19</sup> Private presentation given by Professor Nicholas Barr, Professor of Public Economics, LSE, to the 1994 Group Board in June 2009.

<sup>20</sup> *Ibid.*

<sup>21</sup> Recommended by HEFCE's Teaching Quality and Student Experience Sub-Committee. See: [http://www.hefce.ac.uk/pubs/hefce/2009/09\\_40/#exec](http://www.hefce.ac.uk/pubs/hefce/2009/09_40/#exec)

has enabled institutions to highlight areas which need attention and allowed them to focus efforts on directly enhancing aspects of the student experience in order to improve student satisfaction. Of course, the NSS relates principally to undergraduate students, with also some importance for international students. We encourage further embedding of the similar national surveys for postgraduate students as this would also prove extremely useful and important to the sector. Excellent recent examples of what can be done are the launch of the Unistats web service, the reform of the UCAS HE entry tariff and entry profiles, the development of a centralised postgraduate admissions service (UKPASS), and the growing I-Graduate survey into international student expectations and experiences. However, there is a need to enhance these with even more accessibility of information.

- (iii) Information on graduate employment and earnings must be enhanced, to ensure that students understand to the best degree possible the prospects they are gaining from their investment in higher education. The Destination of Leavers from HE survey is useful, but taken at just six months following graduation it does not form an accurate reflection on its own of the overall impact of university on graduates. It also overlooks students choosing to go on to further study rather than entering the employment marketplace. Worryingly, despite these flaws, it is the sole indicator of graduate employability used in many university league tables. Other measures must be developed to enhance information in this area. For example, the Longitudinal version of this survey, as it is taken 3½ years after graduation, provides a more realistic picture of the careers graduates will have chosen. There is a need for this survey to be developed and enhanced and made more robust in the future, to avoid an over-reliance on the 6 month survey.

#### **4.) Towards the 2020 Workforce: Promote the well-rounded graduate**

- (i) The graduate employment market is extremely competitive and as such it is crucial that students are well equipped during their time at university to successfully progress and achieve their potential in the workplace, a need which has been made even more acute by the recession. It is fundamental that all graduates across the sector benefit in the best way possible from their higher education experience, and leave university as mature, well-rounded individuals with clearly recognisable skills which will help them in employment.
- (ii) Recognised co-curricular activity and awards, run in parallel to degree programmes, is a route through which to meet employers' demand for skills obtained outside the academic curriculum and develop the employability and career prospects of graduates. It is a way of attracting and building strong partnerships between universities, students and employers, who have a key part to play in the development, delivery and assessment of awards. It is also, crucially, an extremely effective way of enhancing the experience of students in higher education, whether they are undergraduate or postgraduate, from the UK or abroad, studying full-time or part-time. Resourcing is clearly a key challenge to delivering this activity effectively, especially when the extension of activity to larger numbers of students is considered. The government should recognise the huge impact that this area has and show its support for co-curricular activity by creating incentives for employers to become involved, such as a scheme in which government matches employers' contributions (whether these are cash or in kind).

- (iii) Information on graduate employment and earnings must be enhanced (see 2(iii) above).

## **5.) Achieve a fairer system for part-time students**

- (i) In the national debate on the impact of the current system, the largest criticism has been the view that it has created barriers to part-time study. This issue must be resolved by the current Review, so that the future of our system benefits students whatever their background and situation, and in whatever mode they wish to experience higher education.
- (ii) The part-time student funding system must be enhanced so that it is delivered on a fairer basis. The lack of financial support and incentive to study part-time runs counter to a number of widely accepted policy frameworks, such as those concerned with enhancing skills and encouraging lifelong learning.<sup>22</sup> Increasing the state support for part-time funding and moving to a fees system that is similar to the full-time undergraduate system, with fee remission rather than upfront fees, will clearly have a beneficial impact on these students. Charging a real rate of interest would mean that student loans could be extended to part-time students, allowing their courses to be free on entry and rectifying the imbalance between these and full-time students.

## **6.) Provide flexible routes through higher education**

- (i) Much of the debate on the future of the UK HE system has focussed on barriers between part time and full time study, and a perceived lack of flexibility within the system to structure a person's route through HE according to their particular situation.
- (ii) A more flexible system should be encouraged, wherein students could accumulate academic credit and have the option of studying for different lengths of time and at different providers, but achieve the same outcome as those choosing more traditional routes. Our HE system needs to be flexible enough to cater for people with different needs.
- (iii) The current Review needs to consider the options for making the current system more flexible. We recommend that any changes should be tweaks to the current system rather than wholesale changes, and should be incremental in order to avoid any disruption to the smooth running of the system.

## **7.) Promote and listen to the student voice**

- (i) In a marketplace in which all students are increasingly being viewed, and viewing themselves, as consumers it is extremely important for universities across the sector to make a clear statement on the reciprocal relationship between students and their universities in the development of their knowledge and skills. A mature relationship is required between HE institutions, the NUS, and local students' unions so that mutual trust can be built up along with the recognition of the need to engage in sometimes challenging debates

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<sup>22</sup> Such as the Leitch Review, the Sainsbury Review, *New Industries New Jobs* and *Innovation Nation*

on these often controversial issues. We strongly believe that more can be achieved in partnership than in conflict and it is essential that the sector and the government promote and listen to the student voice.

- (ii) The creation of an independent National Student Forum and the appointment of a Minister for Students are excellent steps in promoting the voice of students, as is the involvement of student representatives on Quality Assurance Agency audit panels. The UK sector, the NUS, and local students' unions must proceed with further practical steps to fully promote the student voice and implement a partnership approach to the student experience.

## **8.) Encourage progression to postgraduate level**

- (i) It is essential that we do not lose sight of the impact of our system on progression to masters and doctoral levels. Our nation is in need of people with the highest level skills, particularly in light of the challenges of the recession and the global economic situation.
- (ii) Much work has been done to understand whether there are barriers to undergraduate entry to people from different backgrounds, but the same cannot be said of entry to masters programmes. We need to be sure that debt concerns are not deterring people from applying to postgraduate taught courses, which are growing in importance within the employment marketplace and are the gateway to PhD level study.
- (iii) We recommend that the Funding Review carefully considers the outcome of Professor Smith's Review of Postgraduate Study. A key recommendation that we are making to that Review is that, due to evidence of much higher productivity and volume of PhDs at research-intensive universities of the 1994 and Russell Groups, a new quality threshold on PhD provision must be introduced. HEFCE's funding should be more concentrated than it currently is, in order for the Government's funding to be channelled as effectively as possible and at the best value. This would still allow all institutions to provide PhDs if they wish, but provision below the quality threshold would be reliant on fee income rather than Government funds.<sup>23</sup>

## **9.) Ensure the best academic quality and standards**

- (i) A system of graduate contributions to their education requires a high level of public confidence in the quality being delivered by the UK HE sector, and the academic standards being achieved by its students.
- (ii) We strongly welcome the findings of the 2009 HEFCE review of Quality and Standards in HE. Although the report rightly concludes that there is no systematic failure in quality and standards in English HE there is no room for complacency. It is important that more must be done to improve public confidence in quality and standards. We support the report's conclusion that the quantity of teaching time does not necessarily equate with quality of teaching or learning, and that there is value in teaching in different ways. All universities should be clear in communicating to students the distinct features

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<sup>23</sup> See 1994 Group Research Report, 'Postgraduate Provision at UK Universities,' Jan 2010. [http://www.1994group.ac.uk/documents/public/Research\\_Policy/Postgraduate\\_Provision\\_Research\\_Report\\_Jan2010.pdf](http://www.1994group.ac.uk/documents/public/Research_Policy/Postgraduate_Provision_Research_Report_Jan2010.pdf)

of the academic contact they will receive, including class sizes. The announcement of a UUK review into the external examiner system is also a welcome development.

- (iii) It is extremely important that the Review of HE Funding and Student Finance considers in detail the work of the HEFCE sub-group and the subsequent reviews that are underway.

#### **10.) Enhance student-focussed facilities and physical infrastructure**

- (i) There is a clear link between levels and quality of support, facilities and resources on offer to students and the levels of satisfaction students have with their experience at university. Despite the income received from tuition fees, the UK sector still has significant backlogs of investment in infrastructure that is important for teaching and learning, and this compares unfavourably with some overseas competitors. Most institutions are forecasting that they will be unable to invest at the level now recognised as necessary to maintain their productive capacity to deliver world-class teaching and learning.<sup>24</sup>
- (ii) Improvements to a university's physical infrastructure as a key area in which to enhance the student experience. Long-term efforts should continue to be made across the sector to make physical infrastructure more student friendly. Student-facing services and facilities should be joined-up and accessible, ideally being housed under one roof or in one area as part of student-focused 'one-stop shops'. In order to achieve these goals, increased investment will be crucial.

4.3 Fundamental to the achievement of any of the challenges laid out above is the future sustainability of the HE sector. Higher education in the UK has been the recipient of cuts in both the unit of resource and capital expenditure in recent months, and these will undoubtedly have effects on the quality of what universities are able to deliver. The 'pressure points' already experienced on University finances will become critical and the quality of higher education will likely be reduced as a consequence. More resource must be secured in order to ensure the future sustainability of our internationally excellent higher education system, and to meet the high priority areas to delivering the best possible student experience to our students.

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<sup>24</sup> FSSG, *The sustainability of learning and teaching in English higher education*, Feb 2009, <http://www.hefce.ac.uk/Finance/fundinghe/trac/fssg/FSSGreport.pdf>

## 5. The problem of sustainability

- 5.1 We have examined the changing nature of the student experience and the innovative practices which universities are developing in order to meet student expectations. We have looked at the wide uses that the income from variable fees has been put to, as well as the cultural change that has occurred across the sector regarding an increased strategic focus on the student experience. We have also laid out a set of key challenges that must be met in order for the current system to develop.
- 5.2 However, a threat to all of this excellent progress is the future sustainability of the sector, a threat that became all the more real with the announcement of cuts to the unit of resource in December 2009. We are approaching a critical point for the future quality and international competitiveness of UK HE, and now is the time to put in place a system which will be genuinely sustainable for many years. The evidence given above demonstrates the importance of ensuring that the right level of funding is achieved in order for excellence to be sustained at the UK's strongest universities, such as those within the 1994 Group. Without sustainable funding the result will be to reduce the quality of what is being delivered. This is a matter which is concerning the public, as demonstrated in a poll commissioned by the 1994 Group, which showed that 86% of respondents believed that investment needed to be made in higher education to retain its internationally recognised quality.<sup>25</sup>
- 5.3 The *Financial Sustainability Strategy Group* reported in 2009 that the sector is already papering over the cracks in the delivery of the student experience and that the ability to secure the quality and fitness for purpose of higher education is currently coming under severe strain.<sup>26</sup> The three priority areas in which this strain was most evident, and which will suffer the most if no additional resource is generated are as follows:
- (i) **The quality of the staff-student interaction, and in particular the space for formative feed-back and tailored support to individual students.**  
This is at the heart of the distinctive and high-quality UK HE experience and it is the quality of teaching that most strongly attracts international students and maintains the reputation of UK HE. There is strong evidence that across the sector as a whole, the ability of institutions to maintain this quality is under strain, and that this is of concern to students.
  - (ii) **The low levels of investment in physical infrastructure for teaching and learning.**  
Despite the income received from tuition fees, the UK sector still has significant backlogs of investment in infrastructure that is important for teaching and learning, and this compares unfavourably with some overseas competitors. Most institutions are forecasting that they will be unable to invest at the level now recognised as necessary to maintain their productive capacity to deliver future world-class teaching and learning.
  - (iii) **The levels of support services required to underpin student retention, progression, achievement, and subsequent employment.**  
The costs of these services have increased significantly in recent years as a result of changes in the student population and in the expectations and

<sup>25</sup> For more details on this November 2009 poll see:

<http://www.1994group.ac.uk/newsitem.php?item=307>

<sup>26</sup> FSSG, *The sustainability of learning and teaching in English higher education*, Feb 2009, <http://www.hefce.ac.uk/Finance/fundinghe/trac/fssg/FSSGreport.pdf>

obligations on universities. These services are a key element in the university sector's ability to retain and support a more diverse student population and to meet government objectives in terms of retention, achievement, progression and employability.<sup>27</sup>

5.4 As a nation we need to face the reality that there are three options open for the future of our world-class HE system. These three scenarios are:

**Scenario 1: Resource is secured to bring the unit of resource back to 2009 levels**

This will result in a decay in the quality of HE

**Scenario 2: There is a moderate increase in resource**

This will enable the current levels of quality in HE to be maintained and will allow a certain degree of value to be added in some areas

**Scenario 3: There is a significant increase in resource**

This will allow the quality of HE to be substantially enhanced

5.5 These scenarios, and their effects on high quality universities are discussed in more detail below.

**Scenario 1: Resource is secured to bring the unit of resource back to 2009 levels: quality decays**

- (i) If there is no rise in funding to bring the unit of resource back to 2009 levels the quality of what excellent universities such as those in the 1994 Group are able to deliver will decay. The unsustainable activity that universities are currently engaged in to maintain and enhance quality will become unaffordable. The biggest impact will be felt by those experiencing higher education as the quality of services and support that are currently on offer and paid for by 'coping strategies' by universities will be eroded. This is the nightmare scenario – the 'valley of death' for high quality UK universities and everyone that benefits from them.
- (ii) If this resource is not secured universities will not be able to fund quality in the critically important areas above, and the results will be catastrophic for student learning. It will be impossible for universities to retain facilities and equipment at the cutting edge of excellence, there will be a 'brain drain' as the best academics will become unaffordable and will migrate to different HE systems, the quality of students' learning will be deeply affected and this will impact on graduate employability and all avenues of positive impact that higher education has on the wider objectives and standing of UK PLC. The UK's international competitiveness will suffer, both in terms of academic quality and in economic impact. The rising stars of the Far East and Asia will quickly forget that the UK once stood with the US as the leading HE sector in the world.

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<sup>27</sup> FSSG, *The sustainability of learning and teaching in English higher education*, Feb 2009, p42.

## **Scenario 2: There is a moderate increase in resource: quality is maintained**

- (i) A moderate increase in resource, above 2009 levels, would allow universities to plug the gaps in sustainability that they are currently using 'coping strategies' to fund. Universities would be able to continue to deliver the high quality that is delivered currently, and there may also be opportunity for moderate enhancements to be made.
- (ii) The FSSG report concluded, before the December 2009 cuts to the unit of resource, that while the diversity of student experiences means that it is difficult to put a precise single figure to the level of additional resource needed, the pressures in the three critical areas identified above could be relieved by a relatively modest, 20% uplift in funding to provide a level of resource to institutions for teaching and learning closer to the full economic cost of future sustainable teaching. Of course this estimate has been affected by the cuts to the higher education budget, and we now require an increase of more than this percentage in order to sustain our high quality higher education system.

## **Scenario 3: There is a significant increase in resource: quality is enhanced**

- (i) If there was to be a more significant increase in funding, that well outstretched the resource levels of 2009, universities would not only be able to sustain the quality they currently deliver, but would be able to make the changes and enhancements that they constantly talk about and push for but are unable to implement due to financial restrictions.
- (ii) If a significant increase in funding was secured this would result in clear areas of enhancement in various areas of the student experience, making what is already internationally excellent quality HE even better, and securing the UK's position in an increasingly competitive international HE marketplace.

5.6 Universities need long term sustainable funding if they are to continue to maintain the quality of the academic experience at world-class levels and continue to enhance the student experience and develop highly skilled, knowledgeable and well-rounded graduates. Businesses have highlighted that they need high quality graduates to remain internationally competitive and have raised concerns that a fall in the quality of graduates could have serious consequences for productivity and economic success.

5.7 Higher education is vital to the British economy. A recent Universities UK report highlights both the huge economic contribution of higher education and its outstanding success in generating economic impact. It shows that universities contributed about £59 billion to the economy in 2008, directly employed nearly 315,000 full-time staff and generated a further 324,000 jobs. They directly spent £23 billion and fuelled an additional £32 billion of output through their knock-on effects on other industries. In total, the output of universities represented 2.3 per cent of gross domestic product in 2008 - comparable to computing services or the recreational service sector. The academy is one of the UK's most valuable assets and central to future growth.<sup>28</sup>

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<sup>28</sup> UUK, 'The impact of universities on the UK economy - 4th report' Nov 2009.  
<http://www.universitiesuk.ac.uk/Publications/Pages/ImpactOfUniversities4.aspx>

- 5.8 By the standards of any other sector UK higher education has performed remarkably well, but with rising investment in universities internationally (not least in China, India, the US and the Middle East), and cuts being made to our own unit of resource, our enviable position and success in attracting foreign earnings is under threat.
- 5.9 There are many ways in which 1994 group universities are enhancing the student experience that are no or low cost such as improving partnerships with Student Unions, increasing the student voice in decision making and improving feedback. However, the highest quality teaching and learning programmes, student support and cutting edge facilities require significant and sustainable investment. This has been recognised by the public in our poll, in which 86% of respondents back such investment.<sup>29</sup>
- 5.10 This high quality academic experience is under threat as student numbers have risen, the unit of resource has been cut, along with rising expectations and increased costs. Universities are struggling to fund their activity in a sustainable way, and this will be a significant threat to the quality of their delivery if the issue is not addressed. The FSSG research showed that, before the cuts to the unit of resource, universities needed an additional 20% funding for teaching quality to be sustained. Now, further to the cuts in December 2009, the situation is even more critical. Without further investment the 'quality of the student experience and the reputation and contribution of English higher education will suffer'<sup>30</sup>. Moreover, our competitors are increasing their relative investment in HE as we slip back.
- 5.11 As the public have recognised, further investment is the only viable option to prevent universities being forced into severe cutbacks that would cause a serious decay in the UK's higher education system with universities struggling to maintain teaching or research quality and unable to invest in the necessary world-class facilities and staff. The result will be a fall in student experience, a fall in the quality of the academic experience and a fall in the employability and life options of graduates from UK universities.

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<sup>29</sup> For more details on this November 2009 poll see:  
<http://www.1994group.ac.uk/newsitem.php?item=307>

<sup>30</sup> The Financial Sustainability Strategy Group report for HEFCE 'The sustainability of learning and teaching in English higher education' <http://www.hefce.ac.uk/Finance/fundinghe/trac/fssg/>

## 6. Conclusions

- 6.1 The impact of the variable tuition fee system on the HE sector and on student experience has been deep and extensive. Institutions in receipt of variable tuition fees have launched ambitious investment plans designed to meet the increased expectations of students. Furthermore, there has been a deep cultural shift in the way that students are perceived, the role they play in university life and the strategic importance of the student experience to HEIs. The student experience now underpins decisions of universities at the highest strategic level, and the experiences and expectations of students are taken more seriously than ever before.
- 6.2 Students continue to be excited and engaged by higher education and continue to see it as an important stage in their own development. Under the current system of variable fees applications to HE have continued to rise, from students of all backgrounds, and students continue to be satisfied and engaged with their university life.
- 6.3 However, it is clear that universities face a huge challenge to sustain the excellent activities and innovative practices they have developed to enhance the student experience, particularly in light of the recent cuts to the unit of resource. As the FSSG report has evidenced, the sustainability of the sector will be a critical issue to address if we are to continue to meet the changing needs and expectations of today's students. Following the large cuts to the higher education budget, all of these issues must now be considered in the context of an extremely constrained funding environment, in which the unit of resource for teaching has been reduced, with the implications of a reduction in the quality of what universities can provide. The trend must be reversed and investment secured for higher education, and 86% of the public agree.<sup>31</sup>
- 6.4 The current Review of HE Funding and Student Finance offers the perfect opportunity for our nation to ensure the most fair and progressive system possible, in order to secure and sustain the highest quality university education in the UK. Looking to the future, the Review must answer the most critical questions, in order to achieve the best for UK HE in the long term.
- 6.5 The following are the priority areas which we believe must be resolved by the current Review, in order to achieve the best system possible in the future:
- 1.) **Achieve the most effective and efficient system of student support**  
There must be no barriers to entry to anybody who wishes to participate in higher education. The support system needs to be more efficient, and setting the interest rate on student loans at Government's cost of borrowing will help achieve this. Schools should play a larger role in measuring the impact of outreach activity.
  - 2.) **Enhance partnerships between schools, colleges and universities**  
There is a larger role for schools to play in measuring the impact of outreach activity, including providing an annual report detailing the contacts between schools and universities and evaluating the success in terms of increased applications.

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<sup>31</sup> For more details on the 1994 Group's November 2009 poll see:  
<http://www.1994group.ac.uk/newsitem.php?item=307>

- 3.) **Provide transparent and accurate information**  
Applicants and students must be well-informed about what they can expect to receive at university and their prospects upon graduation
- 4.) **Towards the 2020 Workforce: Promote the well-rounded graduate**  
Our graduates must be well-prepared to enter the workplace and contribute to our society
- 5.) **Achieve a fairer system for part-time students**  
A fairer system of support must be achieved for part-time students.
- 6.) **Provide flexible routes through higher education**  
Our HE system needs to be flexible enough to cater for people with different needs.
- 7.) **Promote and listen to the student voice**  
Students should play a key role within their academic and extra-curricular experience
- 8.) **Encourage progression to postgraduate level**  
We must not lose sight of the impact of our system on progression to masters and doctoral levels, as our nation needs people with the highest level skills
- 9.) **Ensure the best academic quality and standards**  
We must achieve the highest public confidence in the quality of our HE system and in the academic standards our students achieve
- 10.) **Enhance student-focussed facilities and physical infrastructure**  
We must secure extra resource for making improvements to universities' physical infrastructure, which is a key area in which to enhance the student experience

6.6 Fundamental to the achievement of any of the challenges laid out above is the future sustainability of the HE sector. Higher education in the UK has been the recipient of cuts in public spending in recent months, and these will undoubtedly have effects on the quality of what universities are able to deliver. The 'pressure points' already experienced on University finances will become critical and the quality of higher education will be significantly reduced as a consequence.

6.7 Further investment is the only viable option to prevent universities being forced into severe cutbacks that would cause a serious decay in the UK's higher education system with universities struggling to maintain teaching or research quality and unable to invest in the necessary world-class facilities and staff. The result will be a fall in student experience, a fall in the quality of the academic experience and a fall in the employability and life options of graduates from UK universities, a scenario which 86% of the public have agreed we should avoid at all costs.<sup>32</sup>

6.8 The 1994 Group looks forward to contributing to future consultations within this Review, to discuss the options for the future construction of our system of HE funding and student finance.

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<sup>32</sup> *Ibid.*

# Appendix A

## Impact of the 2006 fee and funding arrangements: Further detail and evidence

- ***Introduction***

7.1 In order to understand the widespread effect of the current market-based system of HE, it is important to gain an understanding of the landscape in which students currently experience university. The term 'student experience' is very wide-ranging, and is influenced by such a complex variety of factors that it is fruitless to attempt to define it as a single 'thing'. In light of this, a more useful approach to understanding the student experience is to take a 'snapshot', a current view of the various factors affecting students, which draws together research and developments since the introduction of tuition fees, and identifies the challenges for the sector to address. The following factors make up the 1994 Group's snapshot of the student experience.

- ***What is the 'student experience'***

7.2 'Student Experience' is a wide-ranging term meaning different things to different kinds of students. An 18-year-old undergraduate or foundation degree student, living away from parents for the first time, discovering independence, has a very different experience of university to a 40-year-old masters student, living at home with partner and children, balancing a full-time job with part-time study. In turn, both encounter a vastly different experience to that of a student from China, who is getting to know a new language and culture as well as new learning material. Furthermore, there are many different aspects of university life which affect the experience of students, from the quality of teaching, level of academic support and provision of learning and library space to the opportunities for volunteering, sport and other extra-curricular activities, work-based learning and paid work and access to bars, cafes and other social spaces.

7.3 In short there are many different student 'experiences' to be found across the spectrum of higher education and even across the same campus. This variation is further increased by the different systems for funding and support found in the UK. Importantly, the school-leaver, the mature student, the international and all other types of student have varying expectations of the experience they hope to receive. In an era of widening participation, varying fee and support structures, rapid globalisation, international competition and technological change, the experiences and expectations of students are changing continuously.

7.4 The challenge for universities is to keep abreast of the shifting expectations of an increasingly diverse and informed student population and to adjust accordingly to provide the best possible experience to each of them. This is a challenge not only for universities but also for policy-makers and all student-facing groups across the sector if UK HE is to continue to be one of the leading higher education providers in the world. In response to the changing environment of student experiences and expectations, 1994 Group institutions are redefining the roles of students and setting themselves up to give the best support possible as they live out these various roles at university. In summary, the roles of the modern student include: Learner, Citizen, Colleague, Consumer, Scholar, Ambassador; but perhaps the most important role of all is Partner.

7.5 Since 2006 the 1994 Group has sought to understand the complex factors which affect the experience of all types of students in UK Higher Education; to identify the principal challenges faced by the sector if we are to continue to meet student expectations and enhance their experience in the coming years. The Group has been engaged in discussion throughout this time with organisations such as the Department for Business, Innovation and Skills (and formerly the Department for Innovation, Universities and Skills) the Department for Children, Schools and Families, the Universities and Colleges Admissions Service, the Higher Education Policy Institute, and the Higher Education Academy.

7.6 A primary focus of our work has been to discuss the issues and challenges directly with students and their representatives. We have worked closely with the National Union of Students (NUS) and with students' union staff and officers from across the Group, and contributing to our research in this area are the results of a unique survey funded by the 1994 Group and carried out by Unions94 (the collection of students' unions from across the 1994 Group). The Unions94 Survey 2007 has proved extremely useful in helping to demonstrate the distinctive student experience to be found at 1994 Group institutions.

- ***Why should we prioritise student experience?***

7.7 Higher Education has been undergoing significant changes over the past decade, and no group has been affected more by these changes than students. With the growth since the 1980s of the UK HE marketplace, enhanced in recent years by changes to the full-time undergraduate fees systems in England, Wales and Northern Ireland, students are becoming more conscious of the quality of experience they receive. Growing importance is placed on good provision of services by institutions and on high standards of customer care, with an increasing emphasis in the media on students as "consumers". It is important for universities to move away from this image, emphasising the importance of higher education as a key stage of development, as it is regarded in the US, for example, and emphasising that the relationship between student and university is one of partnership, a two-way contribution to develop and enhance a person's knowledge and skills and prepare them to become important contributors to society.

- ***The student demographic:***

7.8 The spectrum of student experiences is a complex picture, and so throughout the discussion it is important to be mindful of the various sections of the diversifying student demographic. The image of the 'traditional' student of twenty years ago is no longer applicable, as participation continues to widen and increase. Of the 2.3 million students in the UK in 2007/08, 57.1% were women, 7.1% had a known disability and 41.9% were studying on a part time basis.<sup>33</sup> In this year 19.8% of undergraduates were mature students, and in 2008, 22.7% of UCAS acceptances were given to students from ethnic minorities.<sup>34</sup> Of the UK's 2.3 million students in the academic year 2007/8, the majority were women (57.1%), the majority are 'mature' students (54% over 21 upon enrolment). In 2008 22.7% of acceptances through UCAS were from ethnic minorities (excluding unknowns) and in the academic year 2007/08 7.1% had a known disability. Also, 36% per cent of all HE students in the UK in 2007/08

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<sup>33</sup> HESA online statistics, 2007/08

<sup>34</sup> [Variable](#) tuition fees in England: assessing their impact on students and higher education institutions, a fourth report. (Universities UK, Oct 2009).

were studying in part-time mode<sup>35</sup>, a significant element in the continuing growth of the sector, and a group which plays a central role in extending higher-level skills, widening participation, and lifelong learning.

7.9 Furthermore, the number of international students in the UK continues to rise. UK Universities saw an 11.2% increase in applications from overseas countries in 2009 compared to the previous year.<sup>36</sup> The roles and positions of UK universities are becoming increasingly placed within an international context. Both international and domestic students benefit from a cosmopolitan experience on campus and one in which a truly international context is integrated within all aspects of the teaching, learning and research that happens at university.

▪ ***The student journey:***

7.10 It is important for universities and other higher education organisations to recognise the varying needs and expectations of different students at the key stages of their student journey. The early relationship between student and university is key during the applications and admissions process, in preparing students for university life, and to initiate their engagement with and attitudes towards their university in the best way possible. A student's experience of university can stretch back even further through effective HE engagement with schools and colleges. Similarly, alumni of many years could be said to be experiencing their university in later life, through their knowledge and skills acquired at university and through the enhanced reputation that their university has attributed to them. Strong relationships are important between university and alumni, both parties benefiting from a continued mutual association.

7.11 Specific stages of early university life such as the open day, the welcome week and the first lecture are vital stages in the development of this relationship. From an HE Academy survey examining the experience of first year students in HE, it appears 41% of students who knew little or nothing about their course before enrolment had thought of withdrawing, compared with 25% of those who knew a moderate amount or a lot, strongly suggesting that the more students know about their institutions and courses before enrolling, the less likely they are to consider dropping out.<sup>37</sup> A solid engagement of higher education institutions with schools and colleges is extremely important in understanding the needs and expectations of the HE students of the future. This is particularly the case in regards to understanding young people's expectations in relation to learning resources, teaching methods and developments in IT and equipment. Of course, strong links between schools and HE also play an enormous part in Widening Participation.

▪ ***The growth of the marketplace and the impact of fees:***

7.12 International and postgraduate students across the UK have been paying tuition fees since the 1980s, and this was the real beginning of the HE student marketplace. Across the UK, international student fees are not capped, and universities have the power to set fees as they like. Despite this, demand for UK HE from international

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3 [Variable](http://www.universitiesuk.ac.uk/Publications/Pages/VariabletuitionfeesinEngland4.aspx) tuition fees in England: assessing their impact on students and higher education institutions, a fourth report. (Universities UK, Oct 2009). See <http://www.universitiesuk.ac.uk/Publications/Pages/VariabletuitionfeesinEngland4.aspx>

<sup>36</sup> [Variable](http://www.universitiesuk.ac.uk/Publications/Pages/VariabletuitionfeesinEngland4.aspx) tuition fees in England: assessing their impact on students and higher education institutions, a fourth report. (Universities UK, Oct 2009). See <http://www.universitiesuk.ac.uk/Publications/Pages/VariabletuitionfeesinEngland4.aspx>

<sup>37</sup> 'The First Year Experience Survey', HEA 2006. See: <http://www.heacademy.ac.uk/FYEsurvey.htm>

students continues to rise,<sup>38</sup> and these students make an extremely important contribution to the sustainability of many parts of the sector. Similarly, postgraduate fees are uncapped but demand for these programmes is increasing at a rate faster than for undergraduate courses across the UK, and this is particularly the case for postgraduate taught programmes (PGT).<sup>39</sup>

7.13 Undergraduate tuition fees were introduced across the UK in 1997 and since September 2006 universities and colleges in England have been able to charge new full time home undergraduate students a variable fee, capped for 2009 entry at £3,225 a year. This is paid upfront by the Government with students repaying the fee loan after graduation, when they are earning £15,000 per annum. Similarly, from 2007/08, institutions in Wales and Northern Ireland have been able to charge the same variable fee as pioneered in England. If this appears to be aligning the various UK systems, the complexity of the UK marketplace is retained by Scotland's undergraduate system. In 2001, the Scottish Parliament chose to abolish the initial UK upfront tuition fee and instead implement a graduate endowment. This itself was abolished in November 2007, and students already living in Scotland pay no tuition fees for full-time undergraduate courses, and those coming from elsewhere in the UK to study in Scotland pay an annual fee of £1,820 or, for a medical course, a fee of £2,895.

7.14 Despite the variety of fees systems, participation in UK HE continues to increase. Since the introduction of the variable fee system in England, the signs have been extremely positive. Following fears that the new system would reduce participation and drive students to apply to other HE systems, a view which seemed to be compounded by a drop in applications in England during the 2006 entry cycle, all subsequent cycles have seen significant rises in applications, continuing the trend over the past decade of unprecedented increase in HE participation. After the decision to introduce variable fees, as might be expected of a policy change with significant financial implications for individuals, levels of applications in 2005 and 2006 were significantly distorted. In 2005 there was an above trend increase in applications where some applicants brought forward their applications, following which the level of applications fell modestly for the 2006 entry.<sup>40</sup> However, applications to full-time undergraduate courses at UK universities and colleges in 2009 increased by 7.8% as compared to the same point in 2008.<sup>41</sup>

▪ ***Widening participation, grants and bursaries:***

7.15 As the implications of the variable fee system unfold, there is no doubt that the long-term success depends greatly on the successful implementation of grants and bursary schemes. Never have the issues of Widening Participation and Access been higher on the HE agenda, and all HEIs are showing unprecedented levels of commitment to these issues. However, there is a key issue in regards to the affordability of the current system

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<sup>38</sup> Full time international students in UK rose from 95,900 in 1992 to 240,390 in 2004-05. 'The Economic Costs and Benefits of International Students', Vickers & Bekhradnia, HEPI, July 2007, p2

<sup>39</sup> The annual number of doctoral completions at UK universities grew from 14,875 in 2002/03 to 16,635 in 2007/08. PGT numbers grew from 216,729 in 2002/03 to 234,920 in 2007/08. HESA, 2007.

<sup>40</sup> For further analysis, see Ramsden and Brown, 'Variable tuition fees in England: assessing the impact on students and higher education institutions. A first report.' UUK, 16 Feb 2007.

<sup>41</sup> [Variable](http://www.universitiesuk.ac.uk/Publications/Pages/VariabletuitionfeesinEngland4.aspx) tuition fees in England: assessing their impact on students and higher education institutions, a fourth report. (Universities UK, Oct 2009). See <http://www.universitiesuk.ac.uk/Publications/Pages/VariabletuitionfeesinEngland4.aspx>

7.16 The first observation to make is that the impact of the current system, in terms of applications rates of people from lower socio-economic backgrounds, has been extremely positive. The table below shows that applications from lower socio-economic backgrounds are increasing at a faster rate than those of people from more traditional backgrounds,

Accepted applicants aged 18 years and under with an area of permanent residence within the UK by entry cycle, simplified version of the National Statistics Socio-economic Classification (NS-SEC) and country of residence<sup>42</sup>

		Home country of applicant				
		England	Wales	Scotland	Northern Ireland	Total
1. Higher managerial and professional occupations	2008	34,211	1,533	3,895	944	40,583
	2007	33,310	1,602	3,844	838	39,594
	% change	2.70%	-4.31%	1.33%	12.65%	2.50%
2. Lower managerial and professional occupations	2008	42,256	2,444	4,488	1,719	50,907
	2007	39,954	2,324	4,417	1,767	48,462
	% change	5.76%	5.16%	1.61%	-2.72%	5.05%
3. Intermediate occupations	2008	18,448	967	1,860	1,040	22,315
	2007	17,152	1,041	1,781	995	20,969
	% change	7.56%	-7.11%	4.44%	4.52%	6.42%
4. Small employers and own account workers	2008	10,206	664	983	746	12,599
	2007	9,451	623	1,045	770	11,889
	% change	7.99%	6.58%	-5.93%	-3.12%	5.97%
5. Lower supervisory and technical occupations	2008	6,466	397	641	318	7,822
	2007	6,063	417	730	351	7,561
	% change	6.65%	-4.80%	-12.19%	-9.40%	3.45%
6. Semi-routine occupations	2008	15,815	862	1,494	608	18,779
	2007	13,721	783	1,402	588	16,494
	% change	15.26%	10.09%	6.56%	3.40%	13.85%
7. Routine occupations	2008	6,585	486	570	383	8,024
	2007	5,974	468	536	365	7,343
	% change	10.23%	3.85%	6.34%	4.93%	9.27%
8. Not Classified - Unknown	2008	27,208	1,783	3,322	893	33,206
	2007	24,324	1,432	2,507	872	29,135
	% change	11.86%	24.51%	32.51%	2.41%	13.97%
Total	2008	161,195	9,136	17,253	6,651	194,235
	2007	149,949	8,690	16,262	6,546	181,447
	% change	7.50%	5.13%	6.09%	1.60%	7.05%

<sup>42</sup> UCAS Media Release, 15<sup>th</sup> Jan 2009, [http://www.ucas.ac.uk/about\\_us/media\\_enquiries/media\\_releases/2009/2009-01-15](http://www.ucas.ac.uk/about_us/media_enquiries/media_releases/2009/2009-01-15)

- 7.17 The highest proportional rises in applications are from applicants from families with 'semi-routine' occupations and 'routine' occupations (13.85% and 9.27% rises respectively) in comparison to rises of 2.5% and 5.05% from applicants from 'higher managerial and professional' and 'lower managerial and professional' families. This is an encouraging development, suggesting that the current system is not putting off the most disadvantaged applicants, and suggesting that the huge efforts made by universities to reach out to applicants from non-traditional backgrounds are having an effect.
- 7.18 A recent report commissioned by the Office for Fair Access,<sup>43</sup> reinforces the message that the present system - in which universities develop individual bursary schemes to meet the specific needs of their students - is proving a success and should continue. Variable bursaries and scholarships are helping students to overcome financial barriers to higher education and are successfully encouraging high-achieving lower-income students to opt for more selective universities.
- 7.19 In light of this success a 'national bursary scheme', as being proposed by some parts of the sector, would be a big mistake; it would effectively be a tax, a forced pooling of tuition fee income, which would be distributed away from the institution to which a student pays his or her fee. It would seriously compromise the direct relationship between a student's fees and their education.
- 7.20 Universities are seeing a greater number of students applying and being accepted from underrepresented groups, as a result of targeted support and outreach activity. Data collected from schools in which some universities have focused their efforts does suggest significant successes in attracting students from targeted groups. However, HEIs can only play a limited role in the evaluation of the relative success of bursary schemes and outreach activities. In the absence of a national tracking scheme, universities are unable to follow the progression of the many young people whom they come into contact with through widening participation activities but then go on to attend a different HEI. We feel that there may be a larger role for schools to play in measuring the impact of outreach activity. Often HEIs can only know part of the picture as to the effectiveness of their own outreach activity, due to the fact that a school can be in contact with many HEIs. Many schools, particularly in populated areas with several local providers, come into contact with more than one HEI, and it is often difficult for universities to properly evaluate the impact of their own activities when so many different providers are involved. We welcome the view of the BIS Science and Learning Expert Group which recommends that schools should provide an annual report detailing the contacts between schools and HE and evaluating the success of the engagement in terms of increased applications.
- 7.21 Of critical importance is that the student support system is affordable in the future. There are issues which must be rectified to ensure the effectiveness and efficiency of the system, such as the huge subsidy which Government currently pays on student loans. The interest rate on student loans is set at the rate of inflation, meaning that the Government must subsidise the difference between this and its own cost of borrowing, which is much higher. The overall cost to the Government is huge, over £1 billion annually.<sup>44</sup> This has the effect of reducing the teaching grant and harming quality in the delivery of the student experience.

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<sup>43</sup> Callender, "Awareness, take-up and impact of institutional bursaries and scholarships in England", Dec 2009. Available at: <http://www.offa.org.uk/>

<sup>44</sup> Private presentation given by Professor Nicholas Barr, Professor of Public Economics, LSE, to the 1994 Group Board in June 2009.

- 7.22 A sensible interest rate should be introduced on student loans, set at the current Government cost of borrowing, to rectify the huge subsidy that the Government currently pays. By doing this, the cost to the tax payer will be reduced by £1 billion per year.<sup>45</sup> The effect for students will be a small extension of the period over which they repay. For individuals, this will be the real cost of their own education, and they will not be paying a tax to support others. Targeted subsidies, as low as 0% real, could be given to certain people, such as those with low earnings, or groups such as carers, etc. Charging a real rate of interest would mean that the student support system is affordable. Also, the treasury debt from loans could be sold off if a real rate of interest is charged because this would be much more attractive to private investors.
- 7.23 It will also be important in the future, in order to help achieve the affordability of the student support system, to encourage investment in bursary and scholarship schemes from private investors. An excellent example of what can be achieved are the 'Eliahou Dangoor Scholarships', launched with a £3 million donation over three years, and the largest private bursary or scholarship widening participation scheme known to OFFA in the UK. These are administered across 1994 and Russell Group universities, and matched funding from government will bring the total funding available to over £4 million. This scholarship will assist up to 4000 students, most from under-privileged backgrounds, to study vital science and maths-based subjects at the UK's leading research-intensive universities.
- **Part-time study:**
- 7.24 Whilst we believe that much has been successful with the current variable fees system, we are concerned about the artificial barriers it has created for part-time students. The nature of the system, along with policy changes such as the decision to remove funding for Equivalent and Lower-level Qualifications (ELQs), have been damaging for part-time students and have created artificial barriers that work against flexibility and life-long learning. The part-time student funding system should be enhanced so that it is delivered on a fairer basis, and more flexibility should be created within the system in order to break down the barriers between part-time and full-time routes through higher education.
- 7.25 The Government's vision for UK HE, 'Higher Ambitions'<sup>46</sup>, is clear in its objective to achieve a higher level of flexibility for different kinds of students with different needs, and to organise a credit accumulation and transfer system to make the system much more flexible, and to enable students to take credits at different institutions and come out with a degree in the end. A more flexible system should be encouraged, wherein students could accumulate academic credit and have the option of studying for different lengths of time and at different providers, but achieve the same outcome as those choosing more traditional routes. Our HE system needs to be flexible enough to cater for people with different needs. In terms of delivery, the question is increasingly being asked: why couldn't students move institution with accumulated credits and complete in a separate HEI? Other countries have been doing this for a long time, so why could it not be achieved in the UK? It seems that the future of the HE system will be to make it as flexible as possible for students with different situations and different needs.

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<sup>45</sup> *Ibid.*

<sup>46</sup> BIS, 'Higher Ambitions,' Nov 2009, <http://www.bis.gov.uk/policies/higher-ambitions>

7.26 The lack of financial support and incentive to study part-time runs counter to a number of widely accepted policy frameworks, such as those concerned with enhancing skills and encouraging lifelong learning.<sup>47</sup> Increasing the state support for part-time funding and moving to a fees system that is similar to the full-time undergraduate system, with fee remission rather than upfront fees, will clearly have a beneficial impact on these students. Charging a sensible rate of interest on student loans would free up money to be channelled into the part-time student support system.

▪ ***Postgraduate study:***

7.27 It is essential that we do not lose sight of the impact of our system on progression to masters and doctoral levels. Our nation is in need of people with the highest level skills, particularly in light of the challenges of the recession and the global economic situation. Much work has been done to understand whether there are barriers to undergraduate entry to people from different backgrounds, but the same cannot be said of entry to masters programmes. We need to be sure that debt concerns are not deterring people from applying to postgraduate taught courses, which are growing in importance within the employment marketplace and are the gateway to PhD level study.

7.28 Mechanisms of fees systems have not changed at postgraduate level, and remain that fees must be paid upfront. To help students with the upfront payment, most public support for postgraduate study runs through Research Councils UK scholarships. Compared to undergraduate courses, there is a larger role played by privately funded grants and bursaries in postgraduate support. There is ongoing debate as to how far the introduction of variable fees will affect PGT programmes, and it will be important to monitor emerging patterns relating to this as variable fees take effect. On the one hand there is the concern that increased fees will discourage students to progress to PGT study, as the level of debt increases. Alternatively, with more students qualified to undergraduate level and with a growing need for students to differentiate themselves in the employment market, this could see a continued rise in demand for PGT programmes. Also, the changing nature of the market may see a shift from more traditional academic PGT programmes to ones of a more vocational nature. The system of postgraduate financial support needs to be monitored as undergraduate variable fees take effect.

7.29 The current Review of Postgraduate Education, being led by Professor Adrian Smith, is an extremely welcome and important exercise, which will need to consider these issues in depth. A key recommendation that we are making to that Review is that, due to evidence of much higher productivity and volume of PhDs at research-intensive universities of the 1994 and Russell Groups, a new quality threshold on PhD provision must be introduced. HEFCE's funding should be more concentrated than it currently is, in order for the Government's funding to be channelled as effectively as possible and at the best value. This would still allow all institutions to provide PhDs if they wish, but provision below the quality threshold would be reliant on fee income rather than Government funds.<sup>48</sup>

• ***Attitudes towards Higher Education: Why Study?***

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<sup>47</sup> Such as the Leitch Review, the Sainsbury Review, *New Industries New Jobs* and *Innovation Nation*

<sup>48</sup> See 1994 Group Research Report, 'Postgraduate Provision at UK Universities,' Jan 2010.

[http://www.1994group.ac.uk/documents/public/Research\\_Policy/Postgraduate\\_Provision\\_Research\\_Report\\_Jan2010.pdf](http://www.1994group.ac.uk/documents/public/Research_Policy/Postgraduate_Provision_Research_Report_Jan2010.pdf)

- 7.30 Despite tuition fees, demand for higher education in the UK has continued to rise. Attending university is increasingly viewed by many people as a key stage in their future, an essential stage of knowledge and skills development, an important progression route to employment, and an opportunity to get to know new people and places. The large majority of students have positive feelings about university, in terms of the knowledge and skills, the social experience, and the employment prospects they expect to gain. Five years of the National Student Survey (NSS) has consistently demonstrated that students are overwhelmingly satisfied with their experience at university, 81% of UK students in the most recent survey saying they are satisfied with the overall student experience.
- 7.31 From a survey of sixth form students in England, gathering their views on the introduction of variable fees, many prospective students accepted that they would be subject to debt and loans during their university life. Many had optimistic views and were confident that a student loan would work to make their lives more acceptable financially. Also, most felt that the proposed method of loan repayment (retrospectively, once graduate earns £15,000 p.a.) was well considered, appropriate and manageable.<sup>49</sup> However, current students were asked what they considered to be the worst aspects of university life and 47% of those surveyed said it was having little money or no income, while 45% pointed to the debt that they were accumulating.<sup>50</sup> On average UK students can expect to incur an average debt of £5,066 per year of study.<sup>51</sup>
- ***The economic benefits of a degree***
- 7.32 There is evidence that graduate employability and earnings premia varies dependent on the type of institution a person graduates from. A study carried out by the 1994 Group using the Destination of Leavers from HE Longitudinal Survey<sup>52</sup>, showed that after 3½ years the earnings of graduates from research-intensive universities (those of the 1994 and Russell Groups) are likely to be higher than those of graduates from the rest of the sector.<sup>53</sup> This is more pronounced within the Science and technology subject area, but is also the case within Arts and humanities. Also, research-intensive universities have a higher proportion of graduates engaged in graduate-level jobs after 3½ years than other institutions.
- 7.33 An analysis of the salaries earned by 2002/03 graduates after 3½ years produces some very interesting comparative outcomes, as demonstrated in the following table.

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<sup>49</sup> 'Changing Fee Regimes and their Impact on Student Attitudes to Higher Education,' The Knowledge Partnership and the University of Southampton, June 2006.

<sup>50</sup> 'The UNITE Student Experience Report, 2007', Ipsos MORI

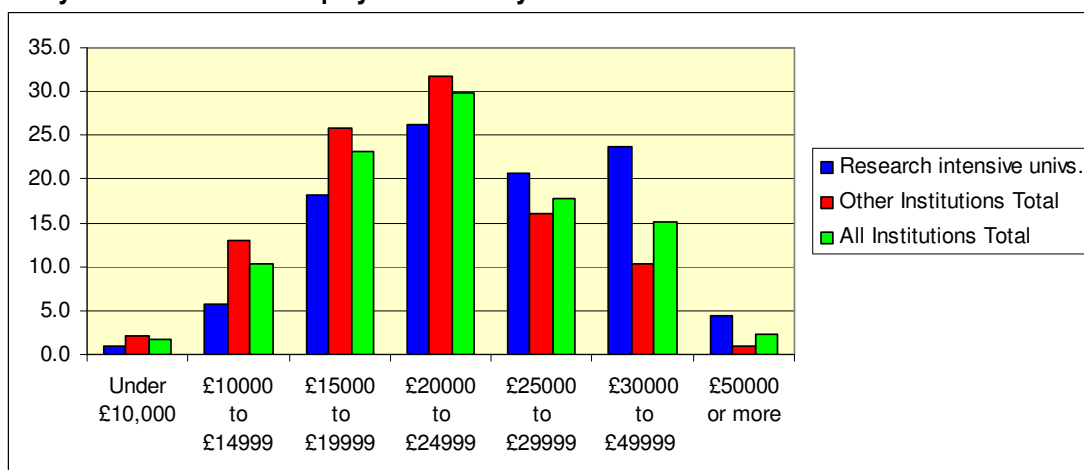
<sup>51</sup> PUSH Student Debt Survey 2009 <http://push.co.uk/Debt-Survey-2009--Summary>

<sup>52</sup> Destination of Leavers from Higher Education Longitudinal Survey, HESA. See:

[http://www.hesa.ac.uk/dox/dlhe\\_longitudinal/0203/DLHE\\_Long\\_2002\\_03\\_FINAL.pdf](http://www.hesa.ac.uk/dox/dlhe_longitudinal/0203/DLHE_Long_2002_03_FINAL.pdf)

<sup>53</sup> 1994 Group Research Report: 'Graduate Employment & Earnings', Nov 2008.

### Salary bands of full-time employees after 3½ years



7.34 Clearly, the most prominent salary band here for the sector as a whole is the £20,000 to £25,000 band, and this accords with the analysis undertaken by the National Centre for Social Research, on behalf of HESA, which shows the median salary of graduates responding to the longitudinal study as being £22,500.<sup>54</sup>

7.35 We can also see that within the highest three salary bands graduates from Research-intensive universities feature prominently. This is particularly the case within the £30,000 to £50,000 band, in which there is a notably high proportion of Research-intensive graduates.

7.36 The following table shows that two thirds of the UK's graduates can expect to earn over £20k after 3½ years, while 35% can expect to be earning over £25k.

#### Proportion of respondent graduates reported to be earning over £20K and over £25K after 3½ years

Institutional group	Over £20K	Over £25K
Research intensive univs.	75%	49%
Other Institutions	59%	27%
All Institutions	65%	35%

7.37 It is also demonstrated from this table that graduates from Research-intensive institutions are, on the whole, more likely to earn a higher wage after this period than those from Other institutions.

7.38 The prominent difference between the two university groupings is in the Science and technology subject areas, in which Research-intensive graduates attract higher earnings prospects than at Other institutions. This is most marked in the £30,000 to £50,000 band, in which 31.7% of graduates from Research-intensive universities were placed, compared with 16% of graduates from Other institutions. This trend is repeated to a less pronounced extent amongst Arts & social sciences graduates of both groups.

7.39 When assessing the impact that a university education has on graduates, this is not always a simple issue of employment. An important aspect which is often overlooked

<sup>54</sup> Kitchen, Lloyd, Vignoles and Finch, *Destinations of Leavers from Higher Education Comparative Report*, NCSR, 2008.

in public discourse on the benefits of university is the progression of graduates into further study. It is clear from the 1994 Group study that graduates from research-intensive universities have a significantly higher propensity to continue into further study than those from other institutions.

• **Where to Study?**

7.40 Regarding the choice of where to study, current students reflect that the major factors in their decision are the university's provision of the course they want to study (63%) and the institution's overall and academic reputation (47%).<sup>55</sup> Also, the social experience is one of the most important factors, particularly for undergraduates, as to whether to go to university, 29% of all students say that one of the main reasons for attending university was 'For the experience'.<sup>56</sup>

7.41 It seems that there is a variation in the perceptions of students within the research-intensive part of the sector (1994 and Russell Groups) and other universities, as to the types of benefits they are receiving in terms of their employability and earnings potential. As the table below demonstrates, for those studying at research-intensive universities, perceived benefits are brought by the connection to the university itself, whether because of the national and international reputation the university has obtained or because of the type of academic environment and teaching within which the student will learn.<sup>57</sup>

<b>To what extent was your future employability and earning potential a consideration when you were choosing which university to study at?</b>			
	Research-intensive universities	Other Institutions	All Institutions
To a great extent	34%	25%	29%
To some extent	50%	52%	51%
Not a consideration at all	15%	21%	19%
Don't know	1%	2%	1%

7.42 While these aspects are considered to an extent by students at other UK HEIs, more importance is generally placed on the specific course studied and the benefits this will have on their employability and earnings potential, as demonstrated in the following table.<sup>58</sup>

<sup>55</sup> 'NUS Student Experience Report'

[http://www.nus.org.uk/PageFiles/4017/NUS\\_StudentExperienceReport.pdf](http://www.nus.org.uk/PageFiles/4017/NUS_StudentExperienceReport.pdf)

<sup>56</sup> *Ibid.*

<sup>57</sup> 1994 Group Research Report: 'Graduate Employment & Earnings', Nov 2008.

[http://www.1994group.ac.uk/documents/public/081118\\_GEEresearchReport.pdf](http://www.1994group.ac.uk/documents/public/081118_GEEresearchReport.pdf)

<sup>58</sup> *Ibid.*

<b>To what extent was your future employability and earning potential a consideration when you were choosing the course to study at university?</b>			
	Research-intensive universities	Other Institutions	All Institutions
To a great extent	34%	43%	39%
To some extent	55%	47%	50%
Not a consideration at all	11%	8%	9%
Don't know	1%	2%	1%

- **Employability and skills:**

7.43 As the sector becomes more competitive the issue of employability is rising in importance. Following the outcomes and recommendations of the Leitch Review of Skills<sup>59</sup>, and more recently Lord Sainsbury's Review of Government's Science and Innovation Policies, skills and employability of graduates are rising issues on the national agenda. The Sainsbury Review draws attention to the 'major need to improve the level of career advice given to young people,' and calls for HEFCE to produce an annual report 'detailing the number of students graduating in particular subjects, how easily graduates get jobs in particular areas, and in what areas industry foresees shortages of graduates arising.'<sup>60</sup> This is an important recommendation which would be of much help to students, universities and government alike, as would an extension of the time period for tracking graduates in the HESA and DIUS Destination of Leavers Survey, which in the past had been set at just six months, but has been piloted at three and a half years.<sup>61</sup> The Government approved the recommendation but progress towards its full implementation seems slow. Extending this time period, and striving to make the Longitudinal survey more robust, is welcome as conducting the survey six months after graduation has not tended to produce a sufficient reflection of longer-term employment prospects, whether due to graduates choosing to travel, engage in further study or in other activities before settling into the world of work.

7.44 The job market for degree holders is becoming increasingly competitive. Almost six out of ten students will graduate with either a first or upper-second class honours degree, which is having significant implications on how employers recruit. A degree, though an essential prerequisite for many careers, is no longer a distinguishing factor in many cases, and there is a growing emphasis on the need for wider employability skills. Evidence suggests that employers are increasingly looking for people with generic employability skills such as team working and problem solving, good communications skills and creative minds.<sup>62</sup> Students are showing an appreciation of the importance of these skills. When asked their views on the main skills and attributes they felt they would accumulate at university, amongst the highest rated were the ability to work under pressure, presentation skills, report writing skills and IT skills.<sup>63</sup> For universities to stay abreast of this, it is important to give a business

<sup>59</sup> See 'The Leitch Review of Skills', final report available at:

[http://www.hm-treasury.gov.uk/independent\\_reviews/leitch\\_review/review\\_leitch\\_index.cfm](http://www.hm-treasury.gov.uk/independent_reviews/leitch_review/review_leitch_index.cfm)

<sup>60</sup> 'The Race to the Top: A Review of Government's Science and Innovation Policies', Lord Sainsbury of Turville, October 2007, pp6-7.

<sup>61</sup> Ibid, p113

<sup>62</sup> See UUK report, 'Higher level learning: Universities and employers working together.'

<sup>63</sup> 'The UNITE Student Experience Report, 2006', Ipsos MORI

context to the skills acquired by students in their university life, and to help them recognise the transferable skills they are acquiring.

- 7.45 Clearly, a student's level of employability depends not only on their academic ability, but their ability to demonstrate life skills and a mature attitude to work. Experience of working or volunteering is of great value, and there is evidence to suggest that the level of student employment whilst at university is rising.
- 7.46 Recognised 'co-curricular' activity and awards<sup>64</sup>, run in parallel to degree programmes, is a route through which to meet employers' demand for skills obtained outside the academic curriculum and develop the employability and career prospects of graduates. These programmes are a way of attracting and building strong partnerships between universities, students and employers, who have a key part to play in the development, delivery and assessment of awards. The York Award, for example has a large number of employers involved, including the Institute of Chartered Accountants, Aviva, Deloitte, IBM, Eversheds, the Financial Services Authority, the Civil Service, PricewaterhouseCoopers and Nestle. Over seventy local employers also regularly donate their time to interview York Award applicants. The programmes are also, crucially, an extremely effective way of enhancing the experience of students in higher education, whether they are undergraduate or postgraduate, from the UK or abroad, studying full-time or part-time. Resourcing is clearly a key challenge to delivering this activity effectively, especially when the extension of activity to larger numbers of students is considered. The government should recognise the huge impact that this area has and show its support for co-curricular activity by creating incentives for employers to become involved, such as a scheme in which government matches employers' contributions (whether these are cash or in kind).

- ***Student employment and academic workload***

- 7.47 A 2006 report, 'All Work and Low Pay: The growth in UK student employment', published by the NUS and the TUC examines the trends of student employment and the problems that students face in balancing work and study through their university life.<sup>65</sup> In 2006, 56% of students received money from paid employment during the academic year<sup>66</sup>, compared to just 33% of all except final year students in a recent survey carried out by the NUS<sup>67</sup>. Of those in employment, 70% work in unskilled or hourly paid work such as bar or shop work, and 27% work in positions related to their intended career. The majority of students work less than 16 hours per week, with the average being 14 hours, however a significant minority (29%) work 17 or more hours per week. During the holidays, employed students average 29 hours per week. On average, students earn £6.45 an hour, well above the minimum wage, however, 11% of non-EU students reported to be earning less than the minimum wage.<sup>68</sup>

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<sup>64</sup> When we refer to 'co-curricular activity' we are clustering together the following: a) structured programmes of activity leading to a university award, which may include receiving university credit; or b) university-facilitated programmes of events which do not lead to an award, but can be useful to enhance the student experience and employability.

<sup>65</sup> 'All Work and Low Pay: The growth in UK student employment', TUC & NUS, 2006. See: <http://www.tuc.org.uk/extras/allworklowpay.pdf>

<sup>66</sup> 'Student Income and Expenditure Survey 2004/2005', Institute of Employment Studies / National Centre for Social Research, 2006.

<sup>67</sup> 'Student Experience Report', NUS 2008.

<sup>68</sup> *ibid*

- 7.48 Worryingly, the rise in the need to balance work and study seems to be impacting on the learning experience. The report shows that around 45% of students in employment felt that it impacted (negatively?) on their studies. This is up from 40% recorded in 2006 by a NUS and TUC combined report<sup>69</sup>. 46% of those surveyed claimed that they had to work as their basic living costs exceeded the amount that they could borrow in student loans or from a bank, and 36% claimed they needed the money to pay for books and other academic equipment. 62% said that they worked in order to pay for extras like clothes and holidays, and the same proportion claimed they needed the money in order to pay for socialising. A similar feeling was gathered from UK students surveyed in the UNITE student experience report. Of the 1,600 surveyed in 2006/07, 41% were currently in employment, and over half of these gave the need to work while studying as one of the worst aspects of university life. Moreover, 42% of those in employment felt that term-time work had an adverse effect on their studies. The report also suggests that 67% of students in employment in 2006/07 worked to earn money for 'basic essentials.'<sup>70</sup> Similarly, of the first year students surveyed by the HEA, while on the whole most students seemed to be coping with their academic workloads, 34% of respondents found academic work harder than they had expected it to be, and 38% found difficulty in balancing academic and other commitments. 56% students who said they were having difficulty in coping with the demands of HE also said that they had considered withdrawing.<sup>71</sup>
- 7.49 In order to address these concerns the higher education system needs to be made more flexible, and models of credit accumulation investigated, in order to allow part-time work to not interfere with full-time study.
- ***International Value Comparators***
- 7.50 A 2007 study by the Higher Education Policy Institute (HEPI) demonstrated that international students make a very significant contribution to the UK higher education market and indeed the wider economy.<sup>72</sup> International students are clearly important to the UK, which currently holds a strong position in the global market. However, there are clear challenges to this position from established markets in the US, aggressive markets in Australia and in Europe, where degrees are now being widely taught in English, and the huge investment in the HE system in China and India which has reduced the number of students from those countries studying overseas. There is a clear need for more availability of up to date information regarding international student admissions and experiences, in order to keep ahead of international trends which may threaten the UK system in the longer-term.
- 7.51 Other 2007 HEPI studies have investigated the amount of time students in England devote to their studies, taking into account the time spent in classes and their personal study time, and an important conclusion of these surveys is a demonstration of international comparators to the English system. For example, it seems, from the HEPI surveys and others such as the Eurostudent survey, that English students put in significantly fewer hours of study, on average just over 25 hours per week, than their European counterparts, most of whom study for over 30 hours and some stretch to 35 and even 40 hours per week.<sup>73</sup> Furthermore, English degrees are also on the

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<sup>69</sup> 'All Work and Low Pay', TUC & NUS, 2006

<sup>70</sup> 'The UNITE Student Experience Report, 2007', Ipsos MORI

<sup>71</sup> 'The First Year Experience Survey', HEA 2007.

<sup>72</sup> 'The Economic Costs and Benefits of International Students', Vickers & Bekhradnia, HEPI, July 2007

<sup>73</sup> 'The Academic Experience of Students in English Universities: 2007 Report', Sastry & Bekhradnia, HEPI, September 2007. Report Summary, pp4-5

whole much shorter than in most European nations. On average, first degrees in England are just over three years in length, compared to an average of almost seven years in Germany and Austria.

- 7.52 The HEPI report notes that the figures do not take into account variations in term or semester lengths, they do not give any indication of the quality of education received, and also that it is commonly held that students entering university with A levels have a deeper level of knowledge in their chosen subjects than their European counterparts. However, a potentially serious conclusion of the report is that these findings will impact on the way the value of UK HE is perceived internationally:

‘Although there is no suggestion...that the length of study equates to quality of learning, as these comparisons become better known there is bound to be increasing pressure on English universities to explain how their shorter, less intensive, courses match those elsewhere in Europe.’<sup>74</sup>

- 7.53 The HEPI survey goes on to suggest that non-EU students, who pay the highest fees of all, are showing dissatisfaction with the value of their education in England, 27 per cent reporting poor or very poor value for money. These findings, the report notes, combined ‘with the fact that fees in this country are so much higher than in most other countries, make our international student market vulnerable.’<sup>75</sup>

▪ ***Changing roles in higher education and the student voice***

- 7.54 The changing environment of fees and expectations has brought the nature of the relationship between student and university into focus, including an increasing emphasis on the idea of students as consumers. Directly compounding these anticipations were the responses of sixth form students, as to what they expected in return for increased tuition fees. In their eyes, raised fees should equal better student services, accommodation, ICT facilities, exchange programmes and (occasionally) employing better staff.<sup>76</sup>

- 7.55 As the marketplace develops, there is certainly a growing need to encourage and consider the ‘student voice’. This has been recognised in government by the creation of a Minister for Students in October 2007, and the formation of an independent National Student Forum which advises ministers on student issues. Also, student representatives now sit on Quality Assurance Agency audit panels. There is a growing importance for universities to listen to the opinions of students through forums and surveys, and acknowledge their role as ‘change agents’ when updating approaches to teaching and learning, student support services and any other aspects which affect their experience of university.

- 7.56 Importantly, the increasing emphasis on students playing a ‘consumer’ role must be tempered with the recognition of students’ and universities’ roles as mutual partners in the development of people’s knowledge, skills and experience, in order to shape their contribution to society. The new relationship places an increased responsibility on institutions to work in close partnership with the NUS in recognition of its role as the national voice of students, as well as with local students’ unions in their role as the voice of students on campus and providers of many aspects of the non-academic student experience.

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<sup>74</sup> Ibid, p6

<sup>75</sup> Ibid, p6

<sup>76</sup> ‘Changing Fee Regimes’, The Knowledge Partnership

- ***The need for wider data around the student experience***

- 7.57 In recent years, and as a direct impact of variable fees, there has been increasing availability of information relating to the student experience and a rising level of research into this area. While this is an extremely welcome development, we believe that this has not gone far enough and there are gaps to be filled. A wider availability of data relating to the student experience is required alongside a bank of high-level institutional data which will better inform the decisions of prospective students, allowing them to differentiate between various types of institutions in an increasingly diverse sector.
- 7.58 The National Student Survey is one of the few public national indicators directly focused on assessing the student experience. The most positive outcome of the NSS has been that it has enabled institutions to highlight areas which need attention and to focus efforts on directly enhancing aspects of the student experience in order to improve satisfaction scores. While the NSS provides a useful starting point, there is a growing need across the sector for a wider availability of data around the student experience. Very useful privately-run surveys exist, such as the I-Graduate survey which aims at understanding the expectations and satisfaction of international students in the UK. However, there is a need for more public information, in order both to better inform the decisions of students, and also to help HEIs identify problem areas and work to enhance particular aspects of the student experience.
- 7.59 Information on graduate employment and earnings must be enhanced, to ensure that students understand to the best degree possible the prospects they are gaining from their investment in higher education. The Destination of Leavers from HE survey is useful, but taken at just six months following graduation it does not form an accurate reflection on its own of the overall impact of university on graduates. It also overlooks students choosing to go on to further study rather than entering the employment marketplace. Worryingly, despite these flaws, it is the sole indicator of graduate employability used in many university league tables. Other measures must be developed to enhance information in this area. For example, the Longitudinal version of this survey, as it is taken 3½ years after graduation, provides a more realistic picture of the careers graduates will have chosen. There is a need for this survey to be developed and enhanced and made more robust in the future, to avoid an over-reliance on the 6 month survey.

- ***Funding the student experience***

- 7.60 Investment in UK HE is relatively low by international standards.<sup>77</sup> Many universities in the sector are struggling with a gap between teaching funding allocations and the real cost of teaching, and variable tuition fees cover only part of this gap. Throughout the discussion around the student experience, and while recognising the strong commitment to enhance the student experience that exists at universities, it must be recognised that this commitment comes at a cost both in terms of management time and in the provision of improved services and facilities. It must be recognised that this commitment places an ever increasing strain on universities' limited resources.
- 7.61 Recent and ongoing efforts are being made to enhance the UK HE's system of fundraising and voluntary giving, as this is seen as a key future avenue for enhancing university funding, and there are visions of raising the UK's profile in this area to the level of the US system. However, while a minority of UK universities have excellent

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<sup>77</sup> Investment in UK higher education as a proportion of GDP hovers between 1.3% and 1.4%, below the OECD average and half that of the US (at 2.9%).

systems in place to raise money from such sources, for the rest of the sector this will be a gradual process, and the current financial strain on institutions will remain in the short-to-medium term.

7.62 Despite this, there is strong commitment from institutions across the sector, and a determination from those within the 1994 Group, to do their best to enhance the student experience through investment in members of faculty and in services and facilities for all students.

▪ ***Student experience: A summary***

7.63 The good news is that students continue to be excited and engaged by higher education and continue to see it as an important stage in their own development. Despite variable fees applications to HE have continued to rise and many recent student surveys have indicated that students are satisfied and engaged with their university life. Institutions in receipt of variable tuition fees have launched ambitious investment plans designed to meet the increased expectations of students. This has included enhancing faculty numbers, teaching resources and student accommodation. Institutions in Scotland, which have yet to receive the financial investment from fees, have likewise been under increased pressure to improve faculty numbers and physical infrastructure and have responded accordingly. The move to a regulated student marketplace has been a success.

7.64 However, students find themselves in a swiftly changing environment and the future of higher education contains some large challenges for them and indeed for universities. Institutional investment in student support, scholarships and bursaries to widen participation and to attract the very best students from all backgrounds, places increased expectations on institutions to perform within this new market environment. Universities must also demonstrate continued and strengthened commitment to providing excellent teaching, support and facilities in order to ensure that the experience of university life continues to be as appealing to students as it has been in the past decade. They must achieve this within a, increasingly constrained funding environment. Furthermore, these funding constraints vary across the UK, with the devolved systems facing similar expectations from students as in England but receiving different levels of resource to meet them.

7.65 The UK marketplace can be a complex picture, and there is growing need for universities or groups of universities to define their position and clarify their offer to students. There is also a need for raising the issue of student experience and the factors which affect it to the top of the higher education agenda, if the UK is to meet emerging challenges and continue to be a world-leading provider of higher education.

## Appendix B:

### How 1994 Group universities have invested the income from fees: Further detail and evidence

- 8.1 1994 Group universities are delivering an excellent experience to their students. Our universities are consistently highly rated by students and provide excellent employment and earning prospects. In the latest National Student Survey seven of the top ten universities rated on overall student satisfaction are 1994 Group members. Some 88% of students at the Group's 19 member universities say they are satisfied with the overall student experience compared to a national average of 81%.<sup>78</sup> The growth of the student marketplace, and particularly the introduction of variable fees, has helped our universities to enhance our excellent provision further. Also, the new system has had the broader effect of raising the strategic importance that universities place on enhancing the student experience higher than it has ever been before.
- 8.2 There are certain areas we believe greatly contribute to the effective delivery of a high quality student experience. In the sections below we examine how our universities have used the income from fees, supported by investment from both private and public sources, to make enhancements in these areas, and how the increased strategic focus on student experience is being manifested in the innovative practices of our universities.
- ***Student Support and Outreach***
- 8.3 1994 Group universities are committed to widening participation in Higher Education and have invested a significant portion of the increased income from variable fees on providing excellent bursary and scholarship schemes, and targeted outreach activities, in order to ensure that the system minimises barriers to applicants from disadvantaged backgrounds. Never before has the issue of widening participation been so high on the HE agenda. 1994 Group universities are investing over £43m this year in student support and outreach activity and in addition offer a range of scholarships and bursaries from private donations that continue to grow annually.
- 8.4 Many 1994 Group members have dedicated funds to support education liaison departments and new posts in this area. Royal Holloway, University of London has appointed an OFFA-linked Funding Advisor to increase provision of pre-entry financial advice in schools and colleges. Institutions also run schemes such as open and 'taster' days, residential summer schools and lecture programmes for school and college students, using the income from fees.
- 8.5 Subject specific outreach projects have also received additional funding, particularly in STEM subjects. The University of Bath organised a 'chat show' with STEM professionals from Rolls Royce and other companies to give pupils and their teachers the chance to quiz professionals about their jobs and career paths.
- 8.6 1994 Group universities are involved in a wide variety of outreach activities which range from personal support for disadvantaged students in local schools, to campus tours and HE fairs which reach thousands of young people from all over the country

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<sup>78</sup> The National student Survey 2009 <http://www.hefce.ac.uk/news/hefce/2009/nss.htm>

every year. The great variety in the nature of the events which take place reflects the fact that universities are attempting to address a number of different issues that affect the progression of students to HE. Some examples of our members' outreach activities are given below.

**The University of Surrey** tries to ensure that approximately two-thirds of the student beneficiaries of outreach schemes are from target groups, specifically those from the National Statistics Socio-economic Classification (NS-SEC) groups 4-7 but also include first generation students, local authority care leavers and travellers. The university uses POLAR2 (Participation of Local Areas) data to assist in targeting schools and colleges from low participation areas, and has a Compact scheme offering a reduced UCAS tariff to qualifying students from member institutions.

**Queen Mary, University of London** has been involved as a co-sponsor in a major initiative to establish a new Academy school in Havering. The College is working with the Drapers' Company to sponsor this new science and mathematics specialist school, which aims to improve educational standards in an area of high unemployment, economic deprivation and low participation rates in higher education. Students from the new school who meet the appropriate academic requirements will be supported by the development of a progression agreement to higher education.

**Lancaster University's** Student Ambassador's project is currently running a project which focuses on recruiting Black and Minority Ethnic (BME) students to Lancaster. Lancaster undergraduates from BME backgrounds visit schools, colleges and HE fairs nationwide to promote the benefits of HE.

Sociology undergraduates from the **University of Leicester** have been involved in a volunteering programme whereby they can meet and shadow children from disadvantaged inner-city schools in Leicester. Students from the Student Community Action Group in Leicester's Students' Union are now coordinating a local 'partnership through progression' project under a national initiative supported by the Government and run by the NUS, the National Bureau for Students with Disabilities (SKILL), and Student Volunteering UK. The project aims to combat social exclusion and elitism in higher education, and to widen access to under-represented groups. The scheme specifically targets those in socio-economic groups three to five, students with disabilities, African-Caribbean males and Bangladeshi females. Mentors work in local schools helping to motivate 13-16 year olds, engage them in education and dispel any myths surrounding higher education.

- ***Financial Health and Fiscal Strategy***

8.7 Increased revenues have enabled institutions to demonstrate their financial health to external financial partners and in many cases has resulted in increased borrowing and investment in capital projects to improve academic, student and residential facilities and improve the student experience. The University of Sussex has, for example, has invested in new teaching and academic buildings, extensive student residences and the refurbishment of its library.

8.8 This funding has also given some universities the confidence to develop new and innovative funding methods and partnerships. The University of Bath has entered into a multi-million pound funding package in partnership with Lloyds TSB Corporate Markets. This complex deal includes a groundbreaking inflation hedging facility, a Limited Price Index (LPI) inflation swap, the first such swap in the Higher Education sector. As part of a total funding package of £104 million, Lloyds TSB is supplying £52 million, half of which is being used for re-financing, and half for academic and student campus development.

- ***Expanding and improving physical infrastructure to benefit students***

8.9 Buildings and facilities are hugely important to the student experience. Funds from variable fees, and from other public and private sources, have enabled universities to

invest in improving their physical infrastructure, including academic, residential and recreational facilities. Royal Holloway has used some of the income from variable fees to invest in a new large capacity lecture theatre and seminar room complex. The University of Bath is committed to a multi-million pound investment in a new Student Centre which will provide additional facilities and social and recreational space for its students as well as support the contribution that the Students' Union makes to the personal development provision on campus. There are a number of examples of ambitious enhancements to physical infrastructure, in order to benefit students, including the following:

**Queen Mary, University of London's** new Westfield Student Village provides ensuite, self-catering accommodation for nearly 2000 students, in six different styles of building designed to create a village community feel. Its addition - the result of a £36 million investment by the College - has made Queen Mary's Mile End campus the largest self-contained student campus in London and one of the largest in Britain.

The Village development contains a shop, launderette, large common/meeting room, café bar, 200 seat restaurant, central reception and a security office, as well as a wooded courtyard and a large lawn for students to enjoy during the warmer months. Electronic card-access is featured on the main entrances to each building and the security office is staffed 24 hours a day. Twenty-one rooms are specifically designed to cater for the needs of wheel-chair disabled users. Increased interaction around the Village, and the fact that there are a greater number of students permanently on campus, has led to a greater uptake in the number of students involved in clubs and societies, Student Volunteering and other student union programmes.

<http://www.qmul.ac.uk/qmliving/accommodation/>

The **University of Reading** has opened two new multimillion pound student-focused facilities, which provide a heart to the student-focused activity on campus. Firstly, The Hub is a significant extension to the Student Union which provides Student Union-run services including new offices, advice and help desks, new space for the radio station and the student press, shops and meeting rooms.

Secondly, the University has also opened a new, £5 million Student Services Building, the Carrington Building, situated adjacent to the Hub. The Carrington building provides a one stop shop for student advice and other services, including the learning advisory team, the disability offices, the careers service, and the student finance office. The Carrington Building is also a "green" building: it is environmentally-friendly and the first on campus to have geothermal heating.

- ***Enhancing learning spaces***

8.10 Universities are being hugely innovative with their learning spaces. There are increasing examples across the Group of providing flexible and innovative learning space to students, which integrates technology into the overall learning experience. Sometimes these are housed within new buildings but often they come from universities transforming existing space to use it more effectively.

Students at **Lancaster University** are benefiting from a new 24-hour learning zone which has opened in the heart of the University campus. The design has incorporated the suggestions that were fed through by a student survey which asked 2nd year students and postgraduates about their future needs, and is intended to cater for different styles of and patterns of work and foster communication and interaction.

The Learning Zone provides study booths for individual learning and areas for interactive group work as well as flexible social space and up- to-date technology including WiFi coverage for students to connect their own laptops to the campus network. The zone is part of Lancaster's ongoing development of its campus. Since 2003 over £300m has been invested in new college residential and social facilities, teaching spaces and research facilities. The University is committed to using innovative design which meet the highest environmental standards.

As part the Centre for Excellence in Active Learning in Computing, **Durham University's** highly innovative learning space, The Technocafe, is providing students with a workspace for the future. Based on the American Diner format, groups are located in booths (pods), with each seating 6-8 students. Each pod contains a range of technologies including tablet PCs, laptops, interactive whiteboards and communication tools, and there is a wireless envelope to facilitate the use of students' own equipment.

The entire environment is designed to facilitate communication, including the careful selection of equipment to ensure that it does not block communication sight lines across the table. Each pod is open at only one end, allowing students privacy but critically enabling tutors to easily move between pods.

The Technocafe is also challenging the way that lectures are delivered. Using the lecture console and broadcasting units, staff members present lectures, which students watch on screens in their pods. Students can use the pod's microphone to provide feedback on any activity or ask questions.

▪ ***Enhancing student services***

- 8.11 There is a clear link between the sense of community on campus and the provision of excellent pastoral, residential and academic support services. This is a key area through which members of the 1994 Group deliver their approach to the student experience, and an area in which there are many examples of excellence from across the Group, from non-academic, lifestyle support, to engaging academic support.

A new set of student support services at **Birkbeck, University of London**, launched in August 2009. The project provides a seamless student journey from first enquiry to graduation for all students at all levels. The services include:

- a new interactive website that will be the starting point for most students' enquiries. Experienced Birkbeck students, who are often juggling study with work and childcare, will be able to resolve issues from home or the office.
- a 'one stop shop' helpdesk will be open when students need it, including evenings and weekends and will provide access to all the advice and information students need face to face, over the phone and by email.
- a new student communication plan that sends timely and targeted information and support, especially in term one. Over the next few months Birkbeck will trial using the new communication channels to connect its prospective and current students with its enthusiastic alumni for mentoring, buddying and careers support.
- a new set of induction activities and a new handbook that will ensure that all new students get the best start possible and help with the transition back to study.
- a student support forum that connects the My Birkbeck services with all student support services across the college. This will allow a dynamic relationship between the support students are looking for and the services that can help them.
- a student voice forum that ensures that the service is meeting the needs of students

**Royal Holloway, University of London** has an established reputation as a centre of excellence for student counselling. The College has long made brief, effective counselling accessible to students without any waiting list. The College was the first UK institution to receive Service Recognition from the British Association for Counselling and Psychotherapy (BACP) in 2000. Close and effective liaison with the NHS means that when initial assessment shows students have significant mental health issues, the College is able to arrange immediate consultation with NHS mental health professionals.

This service is backed up by a comprehensive web site addressing common mental health issues (<http://www.rhul.ac.uk/counselling>) which has proved so popular that it is now used under license by a large number of other educational institutions in the UK and elsewhere. The College was also closely involved in the development of the Students Against Depression ([www.studentdepression.org](http://www.studentdepression.org)) web site which won the BACP Award for Innovation in 2006.

### **One-to-one Tutorials for Academic Writing at SOAS**

Since September 2004 PhD students at the **School of Oriental and African Studies** (SOAS) have been giving one-to-one tutorials to undergraduate and masters students covering all aspects of essay and dissertation writing. In the pilot project, seven PhD students, already with some teaching or tutoring experience, undertook an initial tutor training course, including how to provide support and give one-to-one tutorials to students. The students were chosen not only because of their previous experience (which included some students working as Teaching Assistants), but also because they had studied at SOAS from their first Undergraduate degree up until their MPhil and PhD and therefore were very familiar with the School and its systems. It was also felt that from a student's point of view, student tutors could be easier to approach than some members of academic staff.

Tutors received support throughout the year in the form of regular meetings, feedback sessions and additional training sessions. Students receiving the tutorials have found the scheme extremely useful and some have reported an increase in their grades. The pilot was extremely successful and continues to run in its current format and as a new scheme of writing tutorials for MPhil students.

<http://www.soas.ac.uk/centres/centreinfo.cfm?navid=889>

#### ▪ **Staffing**

8.12 Increased revenues have allowed universities to continue to attract high quality staff and improve their student:staff ratios whilst meeting the nationally negotiated pay agreements in the sector. Many universities have spent a significant proportion of their additional income on staffing, pay and associated conditions and a number of universities have seen improvements in staff retention and turnover.

8.13 Many 1994 Group universities have increased the number of academic and support staff whom they employ. Royal Holloway has increased numbers by 12% over the last three years. Many institutions have targeted this recruitment to particular departments where student:staff ratios are weakest.

Approximately half the additional income from variable tuition fees has been spent on staffing at the **University of Sussex**. While a significant proportion has been spent on pay and associated conditions, the major investment in staffing reflects the realisation of growth plans and academic developments. New posts have been funded in the Schools of Business, Management and Economics, Global Studies, and Media, Film and Music. The recruitment of high-quality staff to spearhead new initiatives is an important aspect of the university's strategic plan to attract the best staff who are leaders in their fields. Funds have also been used to moderate the highest staff: student ratios, improving the student experience.

#### ▪ **Increasing commitment to graduate employability and skills**

8.14 1994 Group institutions have for many years been working with their students' unions to offer volunteering programmes, careers development workshops and similar activities outside the curriculum in order to give their students the opportunity to broaden their university experience and graduate as well-rounded individuals ready to enter employment. In recent years there has been a strong and growing commitment from our universities to bringing together the various strands of such activity and formally recognising it through the development of 'awards' that sit alongside students' academic achievement. Employers are involved in the development, delivery and assessment of these programmes, as well as meeting some of the costs.

- 8.15 Recognised 'co-curricular' activity<sup>79</sup>, run in parallel to degree programmes, is a route through which to meet employers' demand for skills obtained outside the academic curriculum and develop the employability and career prospects of graduates. It is also, crucially, an extremely effective way of enhancing the experience of students in higher education, whether they are undergraduate or postgraduate, from the UK or abroad, studying full-time or part-time. Universities increasingly making a strong strategic commitment to co-curricular activity and awards means they can enhance collaboration with students' unions, provide opportunities for students to come into contact with graduate recruiters, build up partnerships with businesses and strengthen their wider role within the community.

The **York Award**, which has been running since 1998, is based on the premise that it is the combination of academic study, work experience and leisure interests that help to develop the broad range of skills and competencies that employers seek. As a certificated programme of transferable skills training and experiential learning, it provides a framework to help students manage an active programme of personal development and gain recognition for valuable activities that are not formally recognised through the degree programme. Students gain points for a flexible range of co-curricular activities and once 100 points have been achieved must successfully complete a graduate recruitment-style application form, followed by an interview, to achieve the Award. A number of employers are involved in the development, delivery and assessment stages, including the Institute of Chartered Accountants, Aviva, Deloitte, IBM, Eversheds, the Financial Services Authority, the Civil Service, PricewaterhouseCoopers and Nestle. Over seventy local employers also regularly donate their time to interview York Award applicants.

The **Leicester Award for Employability**, launched in 2004, offers accreditation for leadership and management skills acquired outside the academic curriculum and aims to add to the student experience as well as enhance employability. Eligible activity includes work experience, student committees, volunteering and participation in research groups. Participants also attend three full-day workshops with business professionals, receive training in personal development and career management and meet graduate employers. Candidates must successfully complete two written assignments comprising a reflection on skills development and prepare a presentation in order to receive the award. Deloitte acts as patron for the Leicester Award for Employability Skills, which is also endorsed by the Institute of Leadership and Management, the largest management qualification awarding body in the UK. Other sponsors include Accenture, Enterprise Rent-A-Car and ACCA, the global body for professional accountants. Employer representatives sit on the management board and contribute to assessment, and representatives from external organisations contribute to the tutoring of participants.

The **Exeter Award**, launched in 2008, is designed to enhance the employability of participants by providing official recognition and evidence of co-curricular activity and achievement. It comprises four compulsory elements: 25 hours of paid work; volunteering or musical/sporting activity; three sessions on applications, personal development and interviews; and two optional elements such as a training course or employer presentation. To complete the award, students complete a series of reflective questions and a discussion with a careers advisor. Exeter also operates a second level of award, the Exeter Leaders Award, which students may progress onto once they have successfully completed The Exeter Award. The Exeter Award is sponsored by a major graduate recruiter, Ernst and Young, and many more employers are also involved in the development stages and in delivering skills sessions and presentations. As part of the Exeter Leaders Award, employers conduct mock interviews with candidates. Positive implications for alumni engagement have already been noted in the first year of operation

The **Bath Award** recognises achievement in co-curricular activities, together with modules relating to employment. The Award is run from the Students' Union with help from the university Careers Service. Students must produce a portfolio based on their experiences, complete 100 hours of activity and meet standards in the key skill areas of communication, teamwork, leadership, commercial awareness and problem solving. The

<sup>79</sup> When we refer to 'co-curricular activity' we are clustering together the following: a) structured programmes of activity leading to a university award, which may include receiving university credit; or b) university-facilitated programmes of events which do not lead to an award, but can be useful to enhance the student experience and employability.

See 1994 Group Research Report: 'Beyond the Curriculum,' Nov 2009:

[http://www.1994group.ac.uk/documents/public/091106\\_BeyondTheCurriculum.pdf](http://www.1994group.ac.uk/documents/public/091106_BeyondTheCurriculum.pdf)

portfolio is then assessed by a team drawn from academics, Careers and Students' Union staff. It piloted in the 2008/09 academic year with the aim of formally recognising extra-curricular activity, while adding to it with an employability dimension. Significant funding, guaranteed over three years, has been secured from Abbey Santander's Universities Global Division in order to help develop and launch The Bath Award. Santander also participates in the assessment moderation process and in its second year volunteer industrial mentors will be involved in the assessments themselves.

**Goldsmiths, University of London** is supporting the academic and wider personal development of its students by a new package of on-line resources called **3D Graduate**. The initiative is supported by the personal tutoring system, but also links with the careers service, student support services, students' union and other significant aspects of the student experience. Students are provided with on-line opportunities to test and develop their skills, compile a personal development portfolio recording their achievements, link in with volunteering and other activities, access academic and support services and maintain links with careers advisors. The 3D Graduate is designed to help students make the most out of their time at Goldsmiths and to equip them to succeed in their chosen careers when they leave.

### ***Students as partners***

- 8.16 Students are being included in the development of their academic and extra-curricular experiences more than ever before, and their voices are being carefully listened to by our universities. Key to the smooth working of the current system of HE is that universities and students work in partnership to achieve the best possible student experience.

**Loughborough University** is regularly ranked among the best universities in the UK in terms of its student experience. The emphasis Loughborough places on student experience was awarded with the Sunday Times University of the year 2008- 2009.

Working relationships are crucial, and none are more important to Loughborough than its partnership with its Students' Union. The 'buddy' system that is run enhances individual relationships with activism programmes encouraging strong participation in governance from undergraduate, postgraduate, home/EU and international students. Loughborough SU can also boast the biggest student fundraising organisation in the UK and hundreds of students taking part in Community Action projects.

Academic departments actively listen to student views and are willing to embrace suggestions which include the recent development of departmental student committees which are supported by the Students Union and work alongside Staff Student Liaison Committees. But these can only work if the physical and recreational resources are of an extremely high standard to meet the rightly high requirements of the students.

Loughborough is proud to have developed excellent learning resources (including library, teaching rooms, access to IT etc.) that were ranked 2nd in the last national student survey on top of a sports for all scheme that enhances the strong campus community ethos – a key facet to the annual success of Loughborough's Student Satisfaction assessment. All this results in employers being invariably impressed by the energy, enthusiasm and competitiveness Loughborough students demonstrate both in and outside of lectures.

The Department of Politics and Contemporary European Studies at the **University of Sussex** has been determined to better understand student perspectives on teaching and learning. Student Evaluation Questionnaires have long been the standard means by which we get feedback on each course, but they only offer limited insight into student opinion, and seem to be regarded as a tedious formality by some students. The Department, therefore, has therefore trained several of its teaching faculty to run focus groups with undergraduates. Students are selected randomly and paid to participate, and then invited to expound freely and at length on their courses, lecturers, tutors, learning resources, and university life in general. The frankness of the students has sometimes been startling, but always interesting, often positive and occasionally worrying. This has given a far better insight into the Department's – and indeed, the students' own - areas of strength and weakness, and has helped set an agenda for action at departmental level and beyond. In essence, when used in the right way, focus groups can help improve communication, accountability and responsiveness.

**Lancaster University** has designed and run an online Student Experience Survey, in which over 1000 second year undergraduates and 1000 postgraduates took part. As well as giving opinions on existing facilities many gave detailed comments with suggestions for further improvements. These have already proved extremely useful for planning future campus developments.

The overwhelming message from this survey was a positive one. Over 80% of students rated their experience as either excellent or good, highlighting particularly the college system, academic departments, accommodation and the campus setting. Among the areas that students thought needed changing were sports facilities, group learning spaces, and accessibility to facilities on campus. The University is now responding by designing a new sports centre with improved sport and leisure facilities, planning to create an IT enabled group learning space, and planning to centralise various facilities and make them more conveniently accessible.

- ***Providing the best information***

- 8.17 For any higher education institution it is vital to create a strong ethos of reciprocal communication between itself and its student body. The success of student support mechanisms relies heavily on the strong publicity and accessibility of those services, and the income from fees has helped universities develop the ways they provide information to students.

**Goldsmiths** has maintained an initiative that is specifically tailored to welcoming new students. Their website contains an archive of easily accessible resources to its services - from providing advice on careers and skills development, to the promotion of co-curricular activities and campus facilities.

For students who require fast responses to queries, they are actively encouraged to use the myGoldsmiths Twitter account especially developed for those students who require immediate assistance from on hand student support officers.

With a goal to providing readily accessible student information, Goldsmiths has developed a strong initiative designed to act an access point for information to help students to integrate in higher education and become part of their specific academic community.

- ***In summary***

- 8.18 The increased income from fees, supported by investment from other private and public sources, has been used to launch ambitious investment plans aimed at enhancing the student experience. In summary, the increased income has enabled our universities to increase the funding available to:

- support new strategic initiatives, both academic and in terms of physical infrastructure;
- provide significant strategic investment to improve academic facilities, such as new teaching buildings and improved library facilities, which directly enhance the student experience;
- invest in staffing, including the recruitment of high quality staff to spearhead new academic initiatives;
- enhance outreach activity, respond to students suffering financial hardship, and target activity to widen the pool of applicants from underrepresented groups;
- allow a more holistic approach to the student experience, engaging staff across Universities in initiatives, and providing centralised student-focussed services and facilities;

8.19 Income from variable fees is a major part of 1994 Group institutions' financial strategies. This incredibly important income has helped universities implement activities to meet the changing expectations of students, and the variable fees system is having the effect of directly enhancing student experiences.