

Tending the Higher Education Landscape: Priorities for the Office for Students

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Introduction

A little under two months ago, on 27 April, the Higher Education and Research Act received Royal Assent. Just how historic it will turn out to be remains to be seen but there is good reason to believe it will be seen as the most significant piece of higher education legislation for 25 years. It could become a platform for the success of the sector in the next generation. Among other things, the Act commits us to the creation of the Office for Students: a new regulator with a new approach.

It is a huge privilege to be able to play a part in the creation of both a new institution and a new regulatory framework. This is an opportunity for all of us to seize the moment and create circumstances in which our higher education system can build on its evident success and continue to be the envy of the world. We have a chance to open new vistas of opportunity for students, for cities and regions and for our country. Golden ages don't have to be in the past.

Our higher education sector is a jewel in the country's crown. Our universities, colleges and specialist providers have an enviable global reputation and have continued to make excellent progress over the last decade on access, quality, student experience, research and international reputation.

Thanks to the excellent stewardship of HEFCE, OFFA and to many of those in the room today, our universities make an impressive impact nationally and globally. The changing nature of the global economy will demand not just that this impact continues, but that we build on it. Numerous rankings confirm that our higher education system is world beating. But the strength of our higher education system goes beyond success in global rankings. While there is always room for improvement, the National Student Survey shows a high proportion of students feel positive about their experience of higher education. In research excellence, in teaching, in driving economic growth - locally and regionally as well as nationally - and in attracting global talent, our higher education institutions often stand out. The sector's institutional diversity is a quality in itself.

Meanwhile, as a result of your work and OFFA's, participation in higher education continues to widen as well as grow. The entry rate for 18 year olds from low participation neighbourhoods has increased by 73% since 2006. Entry rates for all ethnic groups have increased and more people from disadvantaged backgrounds are entering higher education than ever before. No-one thinks the job is done, or even remotely done, but the direction is clear and strong.

None of this can be taken for granted; nor is continued success as inevitable as day following night. The world over, institutions and countries are striving constantly to improve higher education, recognising its significance in both liberating individuals and shaping the economy of the future. Future success can only be the result of bold strategic thinking and hard work among those of us committed to Britain's higher education. Even so, the evident successes I have highlighted should provide confidence that we can overcome the significant challenges that lie ahead.

Rapid technological change and globalisation continue to disrupt economies and labour markets, endlessly creating demands for new skills and new combinations of skill and mindset. Brexit is forcing us to think more carefully about our place in the world, our productivity, our skills base and employability generally. Our students need to acquire, through continuous learning, the range of knowledge, attitudes and skills that will allow them to adapt and thrive as citizens in communities, as well as participants in labour markets.

In this context, establishing the Office for Students as a new market regulator is a fundamental step towards providing both the resilience and, as far as possible, the predictability on which future success will depend. Here, I set out my initial thinking on the vision and priorities of the Office for Students. I want this to be the start of an ongoing conversation about the future of higher education with all those who have a stake in it: a conversation which I hope will be open, rich and, to use the words of my Quaker ancestors, plain-speaking. I hope soon to be joined by a Chief Executive who will share the leadership of that conversation and drive the creation of the Office for Students as an organisation.

History of Higher Education

For me the lessons of history - always contested, I know - provide the starting point for that conversation. When H. A. L. Fisher – then President of the Board of Education and a distinguished former vice-chancellor - created the University Grants Committee in 1919, it was to find a way of channelling government funding to universities without compromising their independence from the state. This remains an idea of major significance, as the debates on the recent Higher Education and Research Act demonstrated. When, in 1920, he announced state scholarships to university for disadvantaged students he saw it, as did others, as a major step. There were just 200 per year, but it was the beginning of widening participation – this too is an idea that has remained important and will be central to the future.

Yet still, in 1938, 80 percent of students left school at age 14 and there were only 69,000 full time students in higher education. As W. H. Auden said, the 1930s had been 'a low, dishonest decade'.

The post war period saw the beginnings of rapid expansion. By the time the Robbins Review reported in 1963, numbers had tripled; 216,000 students were studying full time in higher education. But Robbins realised that this was just the start. The baby boom generation were already filling the primary schools – my school report for 1964 says I was in a class of 44, which was not unusual – and many more of them would aspire to go to university. Clearly, we were due another period of dramatic expansion.

The era from Robbins through to 1981 is often looked back on as a golden age of growth, free tuition, academic autonomy and an absence of accountability - the era of the ‘Donnish dominion’ and *The History Man*. Just how golden the reality was is a question for another time – but certainly, for the vast majority of each cohort a university education was out of reach. In any case, the University Grants Committee cuts in 1981 - 19 percent over three years - brought the era juddering to a halt. It took plenty of controversy and numerous false starts over the next decade to find a clear way forward.

Margaret Thatcher never received her honorary degree from Oxford, but a development that proved of greater significance in the long run emerged in 1986: the Research Assessment Exercise (RAE), later the Research Excellence Framework (REF).

In 1992 the end of the binary divide and the creation of HEFCE ushered in a new era, but didn’t end the financial squeeze; the phrase on everyone’s lips through the mid-1990s was ‘the unit of resource’. Student numbers continued to increase but budgets didn’t. By the end of the 1990s, the participation rate was 39%, compared with just 5% at the time of Robbins.

The Dearing Report in 1997, the 2004 legislation and the Browne Review in 2010, all need to be seen in this context. How could the sector expand to meet burgeoning demand without losing quality? How could Britain’s world-leading performance in research and scholarship be sustained as – ugly word – ‘massification’ continued? What models of funding would simultaneously offer students choice and institutions the predictability to invest in the long-run? What forms of accountability were consistent with the academic freedom and institutional autonomy, which Britain prized and other countries envied?

Part of the answer to these questions was to shift the burden of funding to the consumer - the student - but to do so fairly. This would offer choice and simultaneously create an upward pressure on the quality of teaching and the student experience. As a result, with their funding no longer dependent on the Treasury’s annual expenditure totals, universities have been spared the worst of austerity. It has not been easy, but the 1981 cuts have not been repeated, even as other sectors have been under immense pressure. And access has improved, contrary to predictions, because the graduate (once earning a reasonable salary) pays, not the student.

Another part of the answer has been the 30 years of the RAE and REF, which has incentivised quality and invested in it. It has enabled Britain to be highly competitive in global research, even as there has been a massive expansion of university research across the globe. How could we do the equivalent for teaching?

In these circumstances, as the UUK task force recommended in 2015, it surely makes sense to create a new agency, more regulator than funder. And with it, a new regulatory regime which focuses on access, quality of teaching and innovation through, among other things, enabling new providers to enter the market. The central purpose always should be to create the circumstances in which higher education institutions can thrive; to unleash greatness. And thus to ensure students thrive too, during and after their experience of higher education.

Stewardship for the New Era

We are in a period of unprecedented uncertainty – certainly the most uncertain period in my adult lifetime. At home, insecurity and division, and too many people being left behind; Brexit affecting our economic future and our place in the world: abroad, extraordinary global turbulence as the rules of international relations are being re-written before our eyes; and the rapid dissemination of transformative technologies creates an unpredictable context for every sector. Meanwhile in our own sector, global competition is becoming ever more fierce. In the recent QS rankings, it is excellent to see 76 UK universities but sobering to see that 51 of them have moved down rather than up. All this in a context of significant constraint on the public finances which may not change for the foreseeable future.

Some of you may have read *An Avalanche is Coming* - published in 2013 and a provocation not a blueprint, by the way – in which two brilliant, young colleagues helped me explore the challenges and opportunities ahead for higher education. The central argument was that, while the challenges were great, the greatest risk of all would be to stand still. As David Puttnam said: ‘should we fail to radically change our approach to education, the same cohort we’re attempting to “protect” could find that their entire future is scuttled by our timidity.’ I strongly believe we now need to be bold and confident in the way we lead institutions and the sector, if we are to succeed in this new era. In a profoundly unpredictable world, can we create new ground rules and the maximum predictability for investing in the future?

For the Office for Students, this means thinking not just a year or two ahead but a generation. We will, no doubt, find ourselves over that timescale working alongside different governments with different priorities. As governments and policies come and go, the Office for Students, in collaboration with the leaders of higher education, needs a North Star. It needs a steady focus on making the right decisions for the country and future generations, however hard that may sometimes be. In short, our task is to be the stewards of the higher education landscape in the interests of both students and the taxpayer.

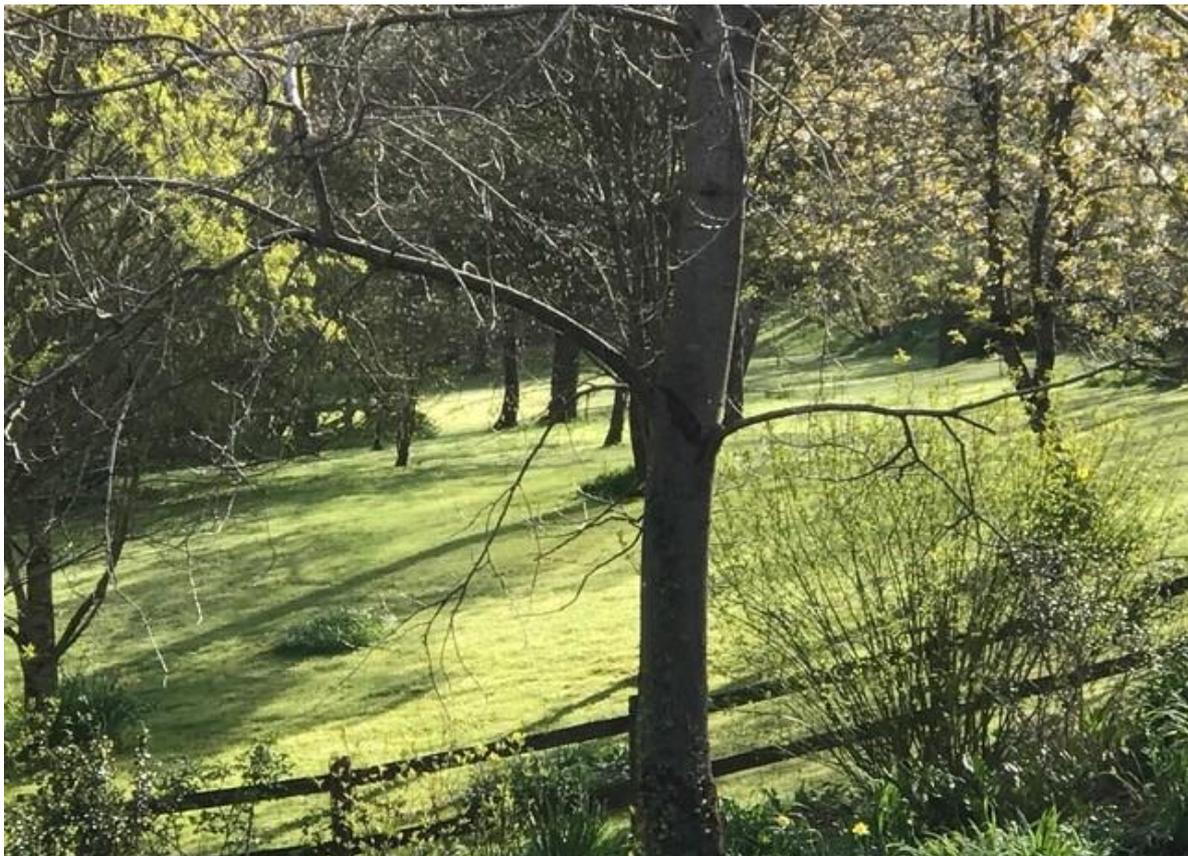
Eric Liu and Nick Hanauer, in their beautiful, short book *The Gardens of Democracy*, make this point with a metaphor that appeals to me. They tell us that ‘tending and regulating signify the same work’, framing the regulatory role as that landscape gardeners tending a landscape.

When it comes to tending a real landscape we grasp intuitively that we need to:

- Create the right setting: fertile soil, good light and water
- Allow and encourage flourishing
- Take a hard-headed view as to what should and should not be grown
- Maintain a loving willingness to nurture where necessary and tend constantly
- Take responsibility rather than simply 'let nature take its course'
- Anticipate unpredictable changes in weather or circumstance and adapt accordingly
- Provide for continuous investment and renewal in the underlying health of the landscape itself.

Anyone who follows me on Twitter knows that I post (very amateur) photographs of landscapes all the time, many from near my home in rural Devon. Watching nature flourish for me is a source of joy.

This photo captures just one example; a perfect, natural, early Spring morning – but the fence has been built, the trees pruned, the grass cut and the shrubs in the foreground, planted. Unobtrusive tending of the scene, vital to its beauty.



Or take this view of a much wilder scene – against the sky, Bowfell, the majestic mountain. In the foreground a windswept hillside to which the trees seem to cling in hope. This too is a managed landscape, not just the drystone wall and fence in the foreground but the distant hillsides. Were the sheep (and sheep farmers) to vanish, the view would look utterly different.



Any metaphor can be pushed too far but I hope the point I am making is clear; there are strong parallels between the tending of a landscape and the role of a regulator. In essence, the Office for Students has a responsibility to shape the sector and ensure its beauty and health over the long-run. It should tend the higher education landscape thoughtfully, even lovingly; largely unobtrusively but acting decisively as and when required. At the same time, the Office for Students must always be mindful of the need to protect institutional autonomy, prized by H. A. L. Fisher in 1919, and proven since to be the underpinning of successful systems around the world.

As in any landscape of real beauty, diversity is fundamental. As Alison Richard put it at a UUK Conference almost a decade ago now: ‘as institutions we differ, proudly, in age, size, history, governance, course offerings, emphasis on research and teaching and balance of academic, professional and pre-professional training. That diversity is a real strength for students, for society and also for our individual institutions’.

In setting out priorities for the Office for Students, it is with the intention of it becoming a steward of the landscape. The Office for Students cannot prescribe greatness any more than it can instruct institutions to flourish. But it can create the conditions within which our highly (and happily) diverse sector has the opportunity, and the incentives, to thrive and indeed be the envy of the world.

The Five Priorities

I see five priorities for the Office for Students. They are:

1. Stewardship of the landscape - the Regulatory Framework
2. Engines of Opportunity - Access, Success and Progression
3. Inspiring Teaching - The Teaching Excellence Framework
4. Twenty-First Century Economic Growth - Employability and the Industrial Strategy
5. Seamless Transition - Setting up the new Regulator

I would like to share my early thinking on each of these five priorities and welcome thoughts in response. We can only succeed by establishing that thoughtful, informed, plain-speaking and sometimes robust conversation, among those who lead or depend upon the sector, including students themselves.

1. The Regulatory Framework - Stewardship of the Landscape

Just as the gardener cannot control every aspect of the garden or tell the plant how it will grow, so the regulator cannot and should not set out to tell the sector how it is to achieve success. Instead it should seek to unleash it. We intend to set out, through a new regulatory framework, the conditions within which the sector can flourish. Above all, the Office for Students, as its name suggests, will prioritise the student interest and the regulatory framework will reflect this perspective.

Supporting a flourishing higher education sector capable of delivering great outcomes for students is vital to the country's future. It will require the Office for Students to think boldly and imaginatively and to create a radically different regulatory framework for the decades ahead. There will be four key aspects to our approach.

Firstly, we will examine and draw on the best regulatory thinking and practice, welcoming innovation. In creating the Office for Students and designing the regulatory framework, we are explicitly drawing on the experiences not only of other higher education regulators, but of the best regulators in any field.

We will respond to the changes that have taken place in recent years and anticipate the challenges and opportunities that lie ahead. We will seek to create as much predictability as possible in an unpredictable world.

Secondly, the Office for Students will be a market regulator with an unflinching focus on the student, recognising at the same time that the higher education sector is a market unlike any other. Our student-focused view of the market will lead us to design regulation that reflects how students actually make decisions. It will prioritise simple, effective, ethically-based regulation over detailed specifications. For example, it will not be enough simply to provide more information to inform the choices of prospective students. The Office for Students will draw from behavioural science to ensure that would-be students are empowered, not overwhelmed.

We will regulate according to the realities of the market, taking account of behavioural biases, rather than assuming perfect competition. Where it is not clear what works, we will encourage experimentation by providers to find the most effective ways to deliver great student outcomes.

Thirdly, the Office for Students will be a risk-based and proportionate regulator. We will focus on the areas of greatest risk to students, and do everything we can to reduce regulatory burden for successful institutions with a strong track-record. This will require good, effective flows of close-to-real-time data between institutions and the regulator. Similarly, we will encourage ethical and fair behaviour by individuals and institutions and seek to build the trust and open, collaborative culture that reduces regulatory friction.

This is not to say that the Office for Students will be reluctant to use its powers; rather that we will work collaboratively with the sector, including new entrants, so they are rarely needed. If intervention is required, to protect the interests of students or taxpayers, we won't flinch but would much prefer to intervene early and sensitively and to solve problems before they become acute.

We will create a coherent pathway for new entrants to join the sector, thus bringing both challenge and innovation. The bar for entry should be high and the process transparent and practical - before, during and after entry. We will learn the lessons from recent, sometimes bitter, U.S. experience and prevent some of the excesses that have been seen there.

Fourthly, we will ensure that our outlook is forward-looking. Our approach will combine data with qualitative intelligence in order to both understand the past and the present, and anticipate the future. Risks will be managed and - wherever possible - crises avoided.

This means we will need to understand the prospects of individual institutions, both well-established and emerging. We will need to understand how the sector as a whole might adapt and change, recognising the benefits that competition can bring. And most importantly, we will need to understand the needs and aspirations of a highly diverse body of students, both now and in the future.

We will need to be outward-facing, open to the world. We will need to scan the global horizon and look beyond it, so that we collectively understand the opportunities and threats that may not be immediately apparent. The Office for Students will, therefore, need an outstanding data analytics function as well as ongoing, fruitful dialogue with sector leaders and a wide range of stakeholders.

Our approach will lead the Office for Students to encourage diversity and recognise it as a strength. The autonomy of institutions and academic freedom are fundamental building blocks for a successful sector. Institutions need to be free to make choices about the type and nature of their provision. Only this way can innovation occur.

Traditional degrees will no doubt remain important but accelerated degrees, degree apprenticeships and online learning may all play an increasing role. A combination of competition and collaborative learning will be required to meet the needs and aspirations of our students and our economy.

2. Engines of Opportunity - Access, Success and Progression

The focus on access, which OFFA has pioneered so effectively, will be integral to everything the Office for Students does. Rather than being a separate function, we will integrate the excellent work of OFFA into the fabric of the new regulator.

Widening participation is about ensuring that underrepresented groups gain an increasingly strong foothold in the higher education sector and that we, as a country, ensure that equality of opportunity is truly realised. This is not just about delivering for eighteen-year-old undergraduates from diverse backgrounds, important though that is. We also need to promote the participation and success of the mid-career nurse, teacher or engineer, perhaps with two children, who wants to retrain and gain new knowledge and skills. Diversity in our higher education needs to respond creatively to diversity of gender, race, ethnicity, class, social context and age.

Through the regulatory framework, the Office for Students will ensure that the sector meets rising expectations for student access. Just as importantly, we will aim to promote the success of students, once studying. It is not enough simply to widen participation and support disadvantaged students entering higher education. Students, whatever their background, need to succeed in higher education too. We need to transform expectations of what is possible and see universities become ever more powerful engines of opportunity. The access and success of students in the higher education sector should not be limited by experience of the past; we should be driven by ambition for the future.

Visiting universities over the last few months, I have learnt about the growing number of programmes that are breaking new ground in this field. The University of Bristol has launched a part-time degree in English Literature and Community Engagement, for which no previous qualifications are required. King's College London and University of Exeter have both set up excellent Maths schools.

The University of Sunderland's 'Life Changers Ambition' has helped result in 30 percent of their students attending from low participation neighbourhoods over the last 15 years: it is number one in the UK for widening participation to higher education.

It is innovation in the sector - among new entrants and incumbents alike - that will drive increased participation and improved outcomes for new generations of students. Given my background in school reform, this is an area above all where I would hope to be a creative and helpful influence.

3. Inspiring Teaching - The Teaching Excellence Framework

The most fundamental driver of student success is inspiring teaching. I believe the Teaching Excellence Framework (TEF), through careful refinement over time, will prove itself to be as important to the development of teaching in universities as the RAE and REF have been for research.

There will always be debate about aspects of each iteration of the REF but the fundamental outcome is that this country is producing much of the world's best research. To give just one example - the UK represents just 0.9 percent of the global population and 4 percent of the world's researchers, yet it accounts for 15.9 percent of the world's most highly-cited articles. Clearly, the focus on excellent research resulting from these exercises has driven progress at institutional and subject level.

We should have similar ambition for teaching, especially now the students themselves bear much of the cost. The TEF should be a catalyst for improvement of, and innovation in, the quality of teaching. There will be no single model of good teaching; there should be a diverse range of proven approaches and experiments. Hence, the TEF should never become a mechanistic or box-ticking exercise; instead it should generate informed dialogue about teaching quality both within institutions and between them.

The current round of TEF has been well-designed and planned with the leadership of Chris Husbands. The combination of data, submissions and rounded judgment of panels is sophisticated and pragmatic. Inevitably, TEF has generated some controversy, but it has also focused time and energy, as was the intention, on improving the quality of teaching.

The publication of the first differentiated TEF results on 22 June 2017 was an important step. It is striking that such a wide range of providers, old and new, mainstream and alternative, achieved the top rating. Diverse though they are, they share a capacity to engage students, understand their needs and aspirations and draw on these insights to shape their day-to-day teaching practices.

This is not to say that the TEF is perfect yet. How could it be? In consultation with you and others, we will steadily refine and strengthen it as it becomes established. Our conversation needs to be about how it works, not whether it works.

In future, the TEF will provide judgments at subject level. As you know, pilots are planned for later this year. I am yet to meet a vice chancellor who is unaware of significant variations in quality between subjects and disciplines in a specific institution. A subject-level TEF will empower institutions to set standards of teaching quality for themselves and make targeted interventions where they are most needed. Meanwhile students will be able to make better-informed decisions as they choose between courses and institutions.

Excellent teaching should be held in the same high regard as excellent research. Ultimately, this is because teaching excellence is strongly related to learning excellence. And improved outcomes for students means more of them will have the knowledge, thoughtfulness and skills demanded by both modern society and the modern economy.

4. Twenty-First Century Economic Growth - Employability and the Industrial Strategy

The nature of the global economy, and the associated geopolitical uncertainty, drive an increasingly strong connection between the quality of higher education and our country's economic success at local, regional and national level. Our global success depends more than ever on making the most of this opportunity. The Office for Students will work closely with UKRI and Research England to ensure the necessary connections between their agendas and ours. At the same time, we will also work closely with the government departments responsible for industrial strategy.

On every visit I make to a university I see the growing emphasis in institutions on employability. It is rightly seen not as an alternative to academic success, but as complementary to it. They can and should go together.

At the University of Salford, for example, over half of the students educated at the University are from Greater Manchester and the North-West region. The university is reorganising itself into four Industry Collaboration Zones, each with a theme such as 'Digital and Creative' or 'Health and Wellbeing'. Each Collaboration Zone is establishing partnerships with major employers in the region such as Siemens and the BBC, as well as numerous SMEs. The future employability of students is thus central to the entire agenda as the university aspires to become a "21st Century version of our heritage".

At De Montfort University, practical and interdisciplinary approaches like the CrashEd programme have developed the employability of their students and provided rich material for innovative outreach programmes. Their outstanding graduate employment rates are testament to this work.

These are just two examples; again, there is no set model. It is healthy and good for a very diverse sector to find diverse ways of meeting the employability challenge. The introduction of degree level apprenticeships and technical skills, as well as growing collaboration with further education and schools, can also unlock new ways forward. None of these developments should be at the expense of academic excellence, which is both a good in itself and a contributor to employability. Meanwhile, the TEF should become a growing influence on both academic excellence and employability.

The acquisition of knowledge - for its own sake - and critical thinking capacity remain fundamental. The challenge is to engender the skills that will allow graduates to thrive in a global economy which is changing rapidly and fundamentally and, at the same time, to engender a love of knowledge and an endless curiosity. 'For', as Vaclav Havel put it in his prison cell long ago, 'we never know when some inconspicuous spark of knowledge may light up the road ahead for the whole of society'. And even those sparks that don't have that effect, he adds, 'help to make and maintain the climate of civilisation'.

5. Seamless Transition - Setting up the new Regulator

The Office for Students will be a new regulator for a new era, marking a clear break from the organisations that have gone before it. HEFCE and OFFA have been, and continue to be, impressive organisations. In meeting staff, I have paid tribute to their achievements. Both organisations are being wonderfully collaborative as we build the Office for Students and I thank them.

Our ambition to create a bold, new regulatory regime is matched by our desire to ensure an elegant, smooth transition into it. We will continue to work closely with HEFCE, OFFA, and everyone in the sector, to ensure that the transition is as smooth as possible. If we are making things unnecessarily difficult for you, let us know. The relationship between the Office for Students, providers and prospective providers should be characterised by the kind of honest, plain-speaking conversation I referred to earlier.

Conclusion

We may find ourselves in a period of uncertainty but there is every reason to be confident. There are significant risks ahead, it is true, but none are as threatening to our sector as risk aversion. Great opportunities lie ahead of our sector; if we seize them working together, the contribution higher education can make to our country's future, is immense. Above all, we can make an incalculable contribution to students, now and in the future, and their chances of living fulfilled and productive lives.

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