Fulfilling our potential: teaching excellence, social mobility and student choice – Universities UK response

Executive summary

Universities UK welcomes the government’s commitment to supporting excellence in teaching and research in the sector. The UK higher education sector is a world leading sector that attracts students and researchers from around the world. Eighty-six per cent of students studying in the UK are satisfied with the quality of their course and we outperform our international competitors in 15 out of 23 International Student Barometer benchmarks.

It is essential that proposed changes enhance the work and reputation of the UK sector. Our reputation is founded on an integrated national sector undertaking a wide range of full-time, part-time, undergraduate and postgraduate teaching, research and knowledge exchange. It is essential that the proposals set out in the Green Paper do not put the coherence of this work and the relationship between the constituent UK nations at risk.

Universities UK welcomes the government’s focus on teaching and learning in higher education and is committed to working with the government to achieve a system that makes a valuable contribution to the sector. We believe that the objectives of any Teaching Excellence Framework (TEF) should be to:

- support ongoing institutional improvement of teaching
- give students useful information about teaching to inform choices
- encourage diversity and innovation in the sector
- minimise bureaucratic processes and costs
- avoid perverse incentives or unfair market distortions
- preserve and promote the international reputation of the UK sector

We believe this represents a complex challenge and are not convinced that the timetable proposed for the second iteration of the TEF is feasible. We believe that the second iteration should focus on gathering evidence from the sector on implementing teaching excellence and assessing student outcomes. More consideration should be given to how this information can be presented to students in a meaningful way without adding to information overload. We believe this piloting approach would help ensure a long lasting impact to the benefit of students and allow full consideration of the impact of the proposed changes on the international perception of the quality of UK higher education.
We recognise that students should receive good value for money for their education. Equally, investment is essential to maintain excellent teaching and learning for students. Awards of inflationary uplift in fees should be linked to baseline regulatory requirements for quality assurance, access, and student protection. Any system that introduces multiple fee caps across multiple levels based on partial models of teaching excellence and assessment would be disproportionate, burdensome and counterproductive.

We welcome the focus on a high quality student experience in the proposed Office for Students (OfS). We believe it is essential that the regulator is able to hold a coherent view of the sustainability of the sector and institutions as a whole. Its mandate should include teaching funding, overview of research and third-stream activities and relevant policy agendas such as skills. To reflect this broader mandate we propose that the regulator be called the Office for Students and Higher Education.

Universities UK fully supports the government’s priority to widen participation in higher education and is pleased to take this agenda forward through the work of the Social Mobility Advisory Group. We welcome the incorporation of the Office for Fair Access (OFFA) into the proposed Office for Students. However, we do not support additional powers to set targets where government believes institutions are not making progress.

We believe that the best way to protect students against the risk of studying at poor quality, transient or negligent providers is to ensure that there are consistent and robust requirements for entry into the sector. Degree awarding powers should be granted on the basis of a robust track record of high quality delivery for a minimum of four years. The granting of university title should be based on a public interest test comprising three pillars:

1. Primary purpose of teaching, scholarship and research
2. Financial accountability and independence
3. Accountability to students and the wider public

We have concerns about the proposed shift of quality-related funding (QR) into Research UK (RUK) as it does not reflect the way universities operate. Creating an administrative and funding separation between teaching and research would risk damaging the interactions between these functions to the detriment of both. Structural diversity in the funding and governance of research is also beneficial to the health and diversity of the research ecosystem.

Any measures related to the transfer of the responsibility for QR disbursement to Research UK should be accompanied by a clear commitment to maintaining the dual support funding system and preserving the critical features for each funding mechanism. We also agree that it is critical to retain the expertise, experience and services provided by the individual
research councils and Innovate UK, and recommend that the functional organisation and operation of Research UK should allow this distinctiveness to remain.

It is essential that reforms to the higher education sector are carried out on a transparent and sustainable basis. We would welcome the opportunity to work with government to define those changes that require primary legislation for their enactment and also consider what measures might be put into effect without legislative backing. In both cases we are keen to contribute to discussions concerning timetables and schedules for implementation.

**Introduction**

Universities UK is pleased to respond to the government’s Green Paper *Fulfilling our potential: teaching excellence, social mobility and student choice*. We welcome the recognition that higher education is a national success story. We should not underestimate the importance of higher education to the country; nor the way in which the sector has already had to adapt and respond to significant changes in funding and student demand, as well as wider global challenges and competition, whilst maintaining the quality of its provision and reputation.

The higher education landscape has changed significantly over the last ten years. We have seen a major shift in the basis for the funding of teaching, deregulation of student number controls leading to greater competition, greater diversity in the supply side of higher education and increased competition. The Green Paper presents an opportunity to take stock of the higher education policy landscape and consider the changes needed to support the sector’s continued success in the most effective way, and to meet the needs of an increasingly diverse student population.

Within this context a guiding principle for Universities UK in responding to the government’s Green Paper has been to ensure we can recognise, adapt and build on current success. The focus on recognising teaching excellence in the Green Paper is welcome, but we should not forget or underestimate the significant global position and reputation for excellence we already have, nor should we ignore the inextricable link to research through research informed teaching, which could easily be lost or damaged.

We need to look at the structures and architecture that underpin the sector and adapt or reform them to ensure they remain fit for purpose, but we must build on what works, including approaches that have been critical to our success and which others seek to emulate. This includes protecting sector autonomy, developing effective co-regulation, and maintaining dual funding for research. Competition and choice are good for students and the effective delivery of higher education, but this must not come at the expense of the expectations we have as a country for maintaining high quality and standards throughout higher education. We have also benefited from a system that is broadly comparable across
the UK and we must not inadvertently undermine the strong global recognition that comes from this.

Government initiatives and new regulation should also be applied appropriately and work with the powerful drivers that already exist in the sector, not least the competition for students driven by the deregulation of student numbers, which has already had the effect of driving up the quality of teaching and the student experience. To be effective, policies should constructively support the sector in its aims, promote diversity and dynamism, and avoid an overly interventionist approach.

The open and consultative nature of the Green Paper is very welcome. This response has been developed through extensive consultation with Universities UK members. In this response we reflect those views on the main issues in each section and chapter, as well as addressing the specific questions set out in the document.

This response builds upon the Universities UK report on higher education regulation, *Quality, equity, sustainability: the future of higher education regulation*, published in February 2015. This report anticipated many of the issues raised in the Green Paper, particularly in relation to market entry, sector infrastructure and regulation. Where relevant the findings and recommendations of this report are reflected in this response, but the full report should also be taken as a part of our contribution to this consultation process.

It is essential that reforms to the higher education sector are carried out in a transparent and sustainable manner. We would welcome the opportunity to work with government to define those changes that require primary legislation for their enactment and also consider what measures might be put into effect without legislative backing. In both cases we are keen to contribute to discussions concerning timetables and schedules for implementation.

**Question 1**

a) What are your views on the potential equality impacts of the proposals, and other plans, that are set out in this consultation

b) B) Are there any equality impacts that we have not considered?

We welcome the equality impact assessment set out in the Green Paper. Given the consultative nature of the proposals it will be important to this to develop as the proposals are finalised. It will also be important to review any impact in the context of wider changes to the higher education landscape, notably changes to public and student support funding

[^1]: http://www.universitiesuk.ac.uk/highereducation/Pages/QualityEquitySustainabilityRegulation.aspx#VpTrIk8rGic
announced in the spending review and the impact this has on under-represented groups. Where we have issues relating to specific proposal these are highlighted in the response.

**Part A: Teaching excellence, quality and social mobility**

The main points made in this section of our response are:

- We welcome the focus given to enhancing and promoting teaching excellence, but believe that the Green Paper fails to fully acknowledge the current success of the sector and the significant progress that has been made in recent years. This includes the powerful drivers that already exist in the sector, not least the competition for students driven by the deregulation of student numbers, which has already had the effect of driving up the quality of teaching and the student experience.

- There needs to be better evidence on the types of information that students and employers need and want in relation to teaching excellence, which can then be used to inform the development of the TEF.

- The principle of phasing in the TEF is very welcome, as is the initial linking of any inflationary fee increase to a successful quality assessment review.

- We are concerned that the proposed timetable for year two of the TEF will not provide sufficient time to develop the new levels and associated criteria, refine and evaluate the approach, including piloting, as well as undertake the evidence gathering and assessment. Piloting any new approaches will be essential and we urge government to review the current timetable and approach for year two to accommodate this.

- The introduction of the TEF at subject level would significantly increase the cost and complexity of the exercise, and at this stage we are not convinced that there is sufficient evidence of the value that would be derived from this by students, or indeed that there is a clear demand for this information. We propose that subject level assessment only be considered on the basis of a thorough evaluation of the first phases of the TEF, including evidence of the demand for this information at a more granular level.

- We do not believe that it is necessary or proportionate to found the objectives of the TEF on a complex system of financial incentives based on multiple fee caps linked to multiple tiers. The ability to increase fees by inflation should sit at a single fixed point within the TEF architecture and at such a level that requirements are proportionate to the financial returns.

- We are supportive of HEFCE proposals for reform of quality assessment and target regulatory effort more effectively. It is essential that this is integrated with the TEF.
• Assessment should not allow for voluntary inspections, as this would likely become a de-facto standard and thus increase cost and administrative burden.

• The UK has a strong brand in higher education that spans Scotland, England, Wales and Northern Ireland, and the TEF should be open to a potentially UK-wide approach based on consultation with institutions and governments across the devolved nations.

• The assessment of learning gain requires considerable further development and should only be considered for inclusion in the TEF at a later stage when an appropriate model has been developed, tested and agreed upon.

Teaching Excellence Framework (Chapters 1–3)

Universities UK welcomes the focus given to teaching within the Green Paper. If implemented effectively, the TEF has the potential to demonstrate, promote and enhance the extensive excellent teaching that already exists across the higher education sector.

The government’s consultative approach to the TEF to date and engagement with the sector and wider stakeholders has been very welcome. The TEF will only succeed if it continues to be developed and implemented in a collaborative way.

Overall we believe that the objectives for the TEF should be to:

• Support continuous institutional improvement and enhancement of teaching quality.
• Give students appropriate and useful information about teaching to inform their choices.
• Encourage diversity and innovation in the sector.
• Bring benefits that are proportionate to bureaucratic processes and costs.
• Avoid introducing perverse incentives or unfair distortions into the market.
• Help promote the reputation of the UK sector in overseas recruitment markets.

Before addressing the specific questions and proposals in the consultation document, there are a number of broad points on the TEF we would like to make. These relate to the issues about teaching excellence raised in the Green Paper, the overall rationale for the TEF and its design and implementation.

Recognising and building upon pre-existing excellence

Although the focus on teaching is welcome, we believe that the Green Paper fails to fully acknowledge the current success of the sector and the significant progress that has been made in recent years, particularly since the funding reforms implemented in 2012. The sector should not be complacent, but rates of satisfaction and indicators of success are consistently high. We start from a position of strength and the introduction of a TEF by
government should confidently recognise this success and be driven by the need to promote and sustain it.

In the 2015 National Student Survey (NSS) 86% of students reported satisfaction rates with their courses. 28% of students in 2015 said their expectations had been exceeded compared with 12% who said their experience was worse than expected. NSS data shows continually improving satisfaction in the quality of provision since the increase in fees in 2012.

The UK higher education sector is also highly attractive to international students, who are drawn by the success and reputation of the sector. During 2013–14 there were 130,000 international (non-EU) students enrolled on UK undergraduate programmes, comprising about 10% of the total undergraduate population. This represents an increase of nearly 48,000 (46%) since 2007–08. In terms of global market share, the UK attracts the second highest amount of international students – 10%, second to the US with 19% – while market share grew 3.1% between 2007–08 and 2013–14.

Our strong market position is deeply rooted in international students’ overall satisfaction with their HE experience. International student experience data derived from i-graduate’s International Student Barometer (ISB)\(^2\) shows that UK higher education institutions have the highest ratings for 15 out of 23 measures of the teaching and learning experience, and have increased satisfaction in every single area of the learning experience between 2008 and 2014.

Graduates also do well in the labour market. The 2013 UK Commission for Employment and Skills’ (UKCES) Employer Skills Survey\(^3\) asked employers who have recently recruited young people to assess their workplace readiness: 83% of UK employers reported their graduates to be ‘very well prepared’ or ‘well prepared’ compared to 66% for 17 to 18-year-old school leavers and 74% for further education leavers.

We recognise that there is always room for improvement in the quality of provision and all of our members strive to improve where they can. Furthermore, whilst student satisfaction is an important metric in its own right it is not specifically a measure of teaching excellence and learning outcomes, so the TEF has the potential to bring added value in this area as it develops.

We believe that the statement in the Green Paper that ‘not all universities assign teaching the same significance that they give research’ represents an outmoded view and fails to recognise the significant progress that has been made in the sector, particularly in relation to developing human resource strategies, which aim to support parity of esteem between excellent research and excellent teaching.

\(^2\) [http://www.i-graduate.org/services/international-student-barometer/](http://www.i-graduate.org/services/international-student-barometer/)

Recognising diversity

As a mechanism for demonstrating and enhancing excellent teaching it is essential that the TEF recognises the diversity of the sector, and the primacy of the teaching and learning relationship between students and institutions. Teaching excellence should not be defined and driven centrally as this will only lead to homogeneity. The TEF can only be effective if it recognises and supports the vital autonomy of institutions and their need to be responsive to students across diverse settings and through diverse modes of delivery.

The UK higher education sector is very diverse, which is one of its key strengths. There is significant variation in student body size and composition, qualifications and subjects provided, area specialties, and funding sources. In addition, students are a diverse population with different priorities, backgrounds, needs and prior attainment on entry. There were, according to HESA, 2.3 million higher education students studying at 161 UK institutions during 2013–14. The size of student body ranged from just 239 students to 150,837. The proportion of international students ranges from zero to 52% by institution. The percentage of students studying part-time ranges from one per cent to 99% by institution and the percentage of postgraduate courses ranges from two per cent to 100% across different providers. Institutions also vary widely according to their mission and principal subjects provided. There are 163 different principal subjects and nearly 1,200 different JACS subjects. These disciplines and subjects vary greatly in their teaching and learning methods.

Providing information and supporting decision making

The higher education sector already provides a wide range of information for students and there is a risk that the TEF could contribute to information overload. This includes the Key Information Set and associated Unistats website that presents information from the NSS and DLHE to students alongside other teaching focused metrics. Much of this data is also presented in a variety of league tables. Information overload is a particular risk if the TEF attempts to replicate or repackage the same data and statistics that students are already presented with. It will be important for the TEF development to be informed by clear evidence of the information requirements of students on teaching quality and excellence and presented to them in ways that are useful. Further detail on this issue is provided in response to question 2 below.

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4 61% if excluding The Open University
The challenge of assessing teaching excellence effectively

We welcome the commitment to developing a proportionate assessment framework that makes the most of existing metrics and avoids adding to the burden on the sector. However, the effective assessment of teaching excellence presents significant challenges:

- There is no single model of delivering teaching excellence, with a variety of approaches between institutions and between subjects.
- Student outcome metrics, such as retention, provide only partial pictures of teaching excellence, even when controlling for characteristics such as intake, subject and location.
- The Destination of Leavers from Higher Education survey and the National Student Survey are not sufficiently robust to support comparative institutional performance assessments of teaching excellence.
- Learning gain assessments are in their infancy and would require significant development before a standardised approach that takes institutional and subject level diversity into account and preserves institutional autonomy could even be considered.
- Qualitative panel assessments can assess only selective narrative representations of teaching within an institution and are unlikely to be sufficiently comprehensive to enable comparative institutional assessments.
- Voluntary or mandatory inspections are highly burdensome and are unlikely to provide a full picture of the quality and impact of teaching across the whole institution or in disciplines or subjects.

We recognise the intention of government to develop mixed assessments in order to address some of these challenges. We also recognise that these are challenges that the sector should address by working with government. We propose, therefore, that the second iteration of the TEF act as a pilot to gather evidence from institutions on models of teaching excellence and assessment of student outcomes. This pilot should review how best practice in different aspects of teaching excellence that are identified can be presented to students in a meaningful way. We believe this approach would achieve the stated aims of supporting the development of excellent teaching and learning with a long lasting and sustainable impact.

Our views on criteria, evidence and metrics for the TEF are set out in response to questions 10 and 11 below.

Achieving an effective but proportionate approach

The implementation of the TEF contains an inherent tension between developing a system that is robust and effective, and one that is proportionate and keeps bureaucracy and cost to
a minimum. This will need to be managed through dialogue and consultation, careful piloting, phased implementation, and effective review and evaluation. In this regard, the principle of phasing in the TEF is very welcome. The proposals for initial implementation of the TEF would allow progress to be made on further refinement, building on current requirements and information, whilst ensuring time for developing, consulting on and piloting further iterations and new levels within the framework. Linking any inflationary fee increase to the first TEF assessment – at the level of a successful quality assessment – will ensure that funding incentives are proportionate, at least initially.

We recognise that a technical consultation will be published with further operational detail on TEF metrics, assessment criteria and evidence requirements for year two and additional levels, so it is difficult at this stage to make a judgement on how the balance between effectiveness and proportionality will be achieved in future iterations.

We are concerned, however, that the proposed timetable for year two of the TEF will not provide sufficient time to develop the suggested levels and criteria, refine and evaluate the approach, including piloting, as well as undertake the evidence gathering and assessment. Without piloting it will be impossible to make any effective evaluation of the potential impact of the second year of the TEF, in terms of its effectiveness, cost, burden and proportionality, which can inform its full implementation. We would therefore urge the government to use the second iteration of the TEF as a pilot that can gather more information on these challenges and test different approaches.

The introduction of the TEF at subject level would significantly increase the cost and complexity of the exercise, and we are not convinced at this stage that there is sufficient evidence of the value that would be derived from this by students, or indeed that there is a clear demand for this information. We propose that subject level assessment only be considered following a thorough evaluation of the first phases of the TEF; evidence of the demand for this information at a more granular level; and a clearer understanding of the costs and benefits.

Our further comments on the proposed assessment process and framework, as well as timing and frequency are set out in response to questions 5 and 6 below.

Scope of the TEF

The TEF presented in the Green Paper does not focus solely on excellence in teaching strategy or delivery. As proposed it results in a broader student centred regulatory and performance framework that includes student outcomes, institutional practices on widening participation, consumer rights and learning assessment. This is in part driven by the intention to establish a new regulatory framework that is focused on the student interest, including
new models of quality assurance, student rights and associated performance incentives, and the availability of metrics.

We believe that there needs to be greater clarity on what the framework should above all be aiming to achieve, based on evidence.

Linking the TEF to funding incentives

Universities UK recognises that it is essential for the sector to provide and demonstrate value for money to students and that it is accountable for the quality of the provision that is supported (directly or indirectly) by the public purse. As noted above, we broadly support the linking of any inflationary fee increases from 2017–18 to a successful quality assessment review in year one of the TEF.

We do not believe, however, that it is necessary or proportionate to found the objectives of the TEF on a complex system of financial incentives based on multiple fee caps linked to multiple tiers. This will significantly increase the burden of complexity and bureaucracy on the sector, without achieving the desired aim of enhancing teaching quality.

We believe therefore, that the ability to increase fees by inflation should sit at a single fixed point within the TEF architecture and at such a level that requirements are proportionate to the financial returns. This link should remain at level one until the requirements of any future levels are known.

Integration with the quality assessment system

The UK wide quality assurance system based on the UK quality code is an important element in providing assurance that the provision that it supports is of an appropriate quality whilst enabling the sector to articulate a shared understanding of quality. In addition there are also a range of assurance activities for courses that are accredited by Professional Statutory and Regulatory Bodies to ensure that they meet required standards.

Universities UK is supportive of HEFCE proposals for reform of quality assessment. The HEFCE proposals set out a risk-based approach for maintaining the integrity of shared quality baselines that includes monitoring of core student outcome metrics allied to institutional quality arrangements. This has the potential to reflect an increasingly diverse sector, address the evolving priorities of public assurance and reduce the burden placed on institutions by working with good standards of institutional governance. As indicated below, we would support the sitting of quality assessment within the proposed OfS and for it to be contracted and delivered on a co-ownership basis, underpinned by the UK-wide Quality Code.
It is essential that the reformed quality system and the TEF are fully integrated, and that as far as possible the metrics and content of reporting by institutions are aligned with the purposes of both systems and the internal process of institutions. The reformed quality assessment system would therefore continue to set the baseline and sit within the proposed framework for regulation, with TEF assessment providing a greater focus on teaching excellence and student outcomes above baseline standards.

Question 2: How can information from the TEF be used to better inform student and employer decision-making? Please quantify these benefits as far as you can.

As part of the ‘Review of information about learning, teaching and the student experience’ HEFCE commissioned a programme of research to understand student information needs. This research found that:

- Decision-making is complex and highly personal and that there is no single solution for the provision of the right information.
- While students have different preferences for data, more data does not lead to better choices, and too much data can be overwhelming and impair decision-making.
- Students are concerned most with the academic experience, although they would also welcome information about their wider experience.
- Detailed course information, such as how the course will be taught, available modules and assessment methods, is frequently cited as the most important information.
- The importance of particular types of information varies according to student type: part-time students, mature students and students with no parental experience of higher education are more likely to prioritise practical factors such as travel and accommodation.

Much of the information required by students is published by institutions on their websites and through the Key Information Sets. The Competition and Markets Authority (CMA) has already mandated that consistent, detailed information on teaching and learning (teaching methods, available modules, assessment methods, time commitments and amount and form of staff support) be published on all institutions’ websites.

This information is used in many of the league tables, which compile many of the key metrics proposed for use in the TEF, including destinations data and the NSS. Within this context, it is essential that the TEF adds value to the range of information that is on offer and does not confuse students. A better evidence base in relation to the demand for information on teaching excellence, and how this would be used by students, would be helpful.
In terms of information for employers, we recognise the importance of ensuring that the higher education sector produces graduates with the skills that can support the economic and social success of the UK. Areas where the TEF could benefit employers might include:

- providing signals on the models of teaching excellence that provide the types of skills that different employers need
- supporting development of effective methods of assessing learning outcomes that reflect these needs
- encouraging methods of presenting these outcomes and skills to employers that can provide more granular information about candidates

However, we believe it is unlikely that the TEF will bring significant direct value in terms of the information provided to employers as part of their decision making. Large scale national surveys indicate that employers are pleased with graduates’ academic skills and are, instead, most concerned about graduates’ ‘employability’ skills and prior work experience. As noted above, the 2013 UKCES Employer Skills Survey found that 83% of UK employers who have recruited young graduates find them to be ‘very well prepared’ or ‘well prepared’ for work. Of the 17% who did not find their graduate recruits well prepared, just one per cent cited literacy, numeracy or educational attainment; the remaining 16% pointed to prior work experience, maturity, attitude and specific skills and competencies.

This resonates with the 2015 Confederation of British Industry/Pearson Education and Skills Survey⁵, which asked employers to list the most important factors considered when recruiting graduates: 89% of employers reported ‘attitudes and aptitudes for work,’ followed by ‘relevant work experience/industrial placement’ (64%), degree subject (55%), degree class (17%) and university attended (4%).

While the TEF has the potential to signal whether or not a student’s university education included innovative and effective teaching and assessment methods, it will not provide detail on the specific factors that employers report to be most important when recruiting graduates.

Moreover, we have some concern over the risk that an institution’s outcome through the TEF will be interpreted – by students and employers alike – as a more holistic, quality kite mark than the metrics that it is based upon will allow it to be. This is potentially damaging for institutional reputation and therefore recruitment.

**Question 3: Do you agree that the ambition for TEF should be that it is open to all higher education providers, all disciplines, all modes of delivery and all levels? Please give reasons for your answers.**

Yes.

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Given that an objective for the TEF is to support the ongoing development of excellence in the sector and provide useful information to students, it is appropriate that all higher education providers are able to apply.

Consultation on development of the TEF with institutions and policymakers in devolved administrations is of particular importance. The UK has a strong brand in higher education that spans Scotland, England, Wales and Northern Ireland. If institutions outside of England feel that they are unable or unsuited to take part in the TEF, this may have reputational implications and an impact on their ability to compete effectively. It also has the potential to impact negatively on the UK brand of higher education as a whole.

There may be benefit for including mechanisms to sift through the number of institutions seeking to apply for upper levels of the TEF. For example, applications for upper levels may be contingent on meeting quality assessment standards and performance against a basket of core student outcome metrics. A clear threshold for passage into the TEF will reduce the administrative burden for institutions and assessors.

**Question 4: Where relevant, should an approved access agreement be a pre-requisite for a TEF award? What other mechanism might be used for different types of providers?**

In principle, access requirements should be a prerequisite for a TEF award. At present access agreements provide a specific mechanism for ensuring that tuition fee income benefits students from underrepresented groups. The Universities UK Social Mobility Advisory Group, referenced in chapter 4 of this section of the Green Paper, will be examining the efficacy of current access requirements and it will be important that any outcomes and advice on future arrangements to secure and promote access are factored into the development of the TEF.

We believe that requirements for access should also be extended to alternative providers. Of the 118 alternative providers registered with HEFCE just one has an access agreement, however, data indicates that alternative providers cater disproportionately to underrepresented groups. For example, a 2013 Department for Business, Innovation and Skills (BIS) survey found that as many as 75% of students in privately funded institutions were BME while data from the Student Loans Company indicates that, on average, students at alternative providers come from lower income backgrounds. In 2012–13 43% of students at public providers were eligible for the full maintenance grant compared to 77% at alternative providers. Access requirements should also be reviewed as part of the integration of alternative providers into the higher education sector, through the approaches outlined in part B of the Green Paper, and should include specific commitments to issues such as retention.
Question 5: Do you agree with the proposals on:

a) What would constitute a ‘successful’ QA review?

Yes.

We are supportive of the use of quality assessment baselines for the first year of the TEF. We believe that the qualifying standard should be a consistent track record of meeting requirements. This should include judgements that were awarded under previous review methodologies.

For those universities who are currently undergoing an assessment which will not be published by the February 2016 deadline, the institution’s most recent QAA assessment should be relied upon. The award could then be adjusted, if necessary, following publication of the 2016 quality assessment.

We acknowledge the interest in Grade Point Average assessment methods as a method to provide more granular information for students and employers. However, there are multiple types of GPA that can be used and the Higher Education Academy is facilitating work to explore their potential use and benefits. Ultimately methods of assessment are decisions for autonomous institutions and we would not support a compulsory requirement for GPA in the TEF.

b) The incentives that should be open to alternative providers for the first year of the TEF?

Yes.

c) The proposal to move to differentiated levels of TEF from year two?

Above the quality assessment baseline we are supportive of the TEF providing information to students on the diversity of provision and teaching across the sector based on clear evidence of demand for this information. As noted above, any full roll-out of the TEF from year two should only take place once thorough piloting of the approach has been undertaken and evaluated.

Question 6: Do you agree with the proposed approach, including timing, assessment panels and process? Please give reasons for your answer.

Timing: Yes, we agree that three years is appropriate as the TEF is tested and first evolved, whereas five years will be an appropriate timeframe once the system is fully implemented.
Assessment panels: We agree with the proposals for assessment panels, however, due consideration needs to be given to the balance between academic subject and learning and teaching experts, student representatives, and employer/professional body representatives, so that assessments reflect innovation, academic rigour and diversity of provision. Moreover, there needs to be a mechanism to guard against variance across panels – a truly robust system needs to balance non-prescriptiveness with consistency of judgement criteria across institutions. The need for moderation and consistency is particularly important to ensure that the TEF can withstand any legal challenges. Finally, due consideration should be given towards ownership (ie development and management of panels), as well as the publication of their results.

Assessment process: Assessment should not allow for voluntary inspections, as this would likely become a de-facto standard and thus increase costs and administrative burden. This would also likely be particularly burdensome and disproportionate for smaller institutions.

The assessment criteria for the upper levels of the TEF should not be prescriptive. In order to capture excellence in learning, teaching and assessment of learning it is important that submissions are allowed to be innovative and, thus, often experimental, research-based and differentiated.

Question 7: How can we minimise any administrative burdens on institutions? Please provide any evidence relating to the potential administrative costs and benefits to institutions of the proposals set out in this document.

As noted above, we do not believe that there should be scope for voluntary inspections as part of applications on the basis that this is likely to increase burdens and become a de-facto standard.

The assessment framework should as far as possible, be based on an institution’s own internal processes or practice, building upon readily available metrics and information.

As noted above, careful, evidence based evaluation will need to be undertaken before any decision to introduce assessment at subject level. This should only be considered if the potential benefits to students outweigh the additional burden and bureaucracy.

As above, the TEF should avoid a complex system of financial incentives based on multiple fee caps linked to multiple tiers of the TEF. Any link to inflationary fee increase should sit at a single fixed point within the TEF framework. This should remain at the level of a quality assessment review until the TEF requirements are fully developed.
Question 8: Do you agree with the proposed approach to differentiation and award as the TEF develops over time? Please give reasons for your answer.

As noted in response to previous questions on this issue, we are supportive of the TEF providing information to students on the diversity of provision and teaching across the sector based on clear evidence of demand for this information. Any full roll-out of the TEF from year two should only take place once a thorough piloting has been undertaken and evaluated.

Question 9: Do you agree with the proposed approach to incentives for the different types of provider? Please give reasons for your answers.

We broadly agree with these proposals and have no specific comments to make at this stage.

Question 10: Do you agree with the focus on teaching quality, learning environment, student outcomes and learning gain? Please give reasons for your answer.

We are broadly content with the three areas of focus outlined in the Green Paper.

We would point out that the assessment of learning gain requires considerable further development and should only be included in the TEF at a later stage when an appropriate model has been developed, tested and agreed upon. This would need to be based on the outcomes of the HEFCE pilots and other international evidence. Any form of standardised assessment must be avoided, recognising that as a fundamental principle universities should have autonomy to determine their own curriculum and assessment processes.

Question 11: Do you agree with the proposed approach to the evidence used to make TEF assessment?

As indicated above, we are supportive of an approach which makes use of existing, reliable data collections rather than introducing new requirements. The common metrics listed in the consultation document under paragraph 12 would appear to meet these criteria. It will be vitally important for the institutional submission to reflect the mission and ethos of the university being assessed as this brings additional context to the evaluation to the metrics.

The use of these metrics, notwithstanding the use of benchmarking and contextual information, will need to be thoroughly tested and piloted. In addition, these metrics were not developed for the purpose of teaching excellence assessment and the impact on their future reliability and integrity will need to be fully understood.
We would be concerned about the suggestion of a metric based on proportions of academic staff on ‘permanent contracts’ and support the concerns on this issue raised by the Universities and Colleges Employers Association in their response to the Green Paper.

**Social mobility and widening participation (Chapter 4)**

Universities UK fully supports the government’s priority to widen participation in higher education and is pleased to take forward the Social Mobility Advisory Group. Universities UK’s response to many of the questions set out in this section of the Green Paper will be dealt with as part of this work.

The group will provide advice to the Minister on how universities in England can deliver the Prime Minister’s goals to further progress in widening access and support for disadvantaged students and those from BME communities. This will not only help to drive social mobility but will also support the government’s productivity agenda given that issues of social mobility are deeply entwined with the development of high level skills.

To achieve these goals by 2020 represents a significant challenge for the sector, not least given the significant changes to widening participation funding streams following the outcomes of the Comprehensive Spending Review.

The work of the advisory group will be evidence-led and informed by experts in the field and practitioners. The advisory group, which includes representatives from leaders in university, expert practitioners, funding bodies, academics and external organisations will meet in the first week of February and submit a final report with recommendations and an action plan in May 2016.

In relation to **question 12b**: we do not support the proposal that the OfS’s role should be strengthened with additional powers to set targets where institutions are not making progress. The diversity across the sector means that universities are best placed to set their own targets – whether these are based on access, success or progression – and tailored to an institution’s individual context and student cohort. Furthermore, as noted in the Green Paper, the director of the Office for Fair Access (OFFA) already has the ability to encourage institutions to stretch their targets. We also note that OFFA’s own response to the Green Paper does not advocate that the Office for Students should set targets.

In relation to question 13, the social mobility task force is looking at how data can be used to help support social mobility and widening participation objectives. UUK is supportive of effective data sharing to support effective decisions and policy making. We welcome steps by UCAS to make identifiable data available through the Administrative Data Research Network and hope that participation of students in this scheme can be maximised.
It is important that the trust and confidence of students providing the data is maintained. Research by UCAS and the NUS suggest that explicit consent from students to share their data is an important component of maintaining this trust. Any measures to improve data sharing should not introduce significant new costs for providers or students.

The Green Paper reinforces the reference to the proposal to introduce ‘name-blind’ applications to university from September 2017. We support the process adopted by UCAS to consult with the sector and particularly welcome their emphasis on gathering evidence before reviewing next steps. Before a final decision is made full consideration must be given to exploring potential challenges and any unintended consequences that could arise.

**Part B: The higher education sector**

The main points made in this section of our response are:

- Students and graduates are best protected by a system that sets consistent and robust standards of entry and promotes the sustainability of providers. High thresholds for entry into the sector are essential and the proposed changes should not erode these.
- We support the consolidation of the current regulatory requirements into a single gateway into the higher education sector.
- The current process for degree awarding powers is underpinned by requirements for an extensive evidence base and track record and we would not want to see this diminished.
- It is essential that the value of university title is protected and criteria should reflect the wider characteristics associated with a university. In order to protect the value of university title we propose a public interest test.
- We believe that separate course and institutional designation is becoming increasingly undesirable, not least because of the lack of clarity for prospective students. As part of the wider reforms, we suggest that most confidence will be derived from meeting registered entry requirements at the institutional level.
- We are not persuaded that the current system of validation presents a significant barrier to new providers. We have no in-principle objection to government working with a provider with degree awarding powers to act as a validator.
- Universities UK is strongly committed to student protection, and supports the principle that providers should have contingency arrangements to support students in the event that their course cannot be completed.

**Opening the sector to new providers (Chapter 1)**

Universities UK recognises the benefit that new good quality providers entering the sector can bring in terms of increasing the range of diversity, completion and choice on offer to
students. New good quality providers can also bring new ideas and diversity that can benefit students and the sector as a whole. We believe that students are best protected by a system that sets consistent and robust standards of entry and promotes the sustainability of providers. High thresholds for entry into the sector are essential to ensure that:

- Students will receive a high quality education with limited risks, recognising their vulnerable status as consumers.
- The collective reputation of UK higher education is not undermined by entry of low quality, transient or negligent providers into the system.
- Levels of oversight for providers with established track records can be delivered in such a way as to enable sustained autonomy, with greater flexibility and diversity.
- The student interest in the long term integrity of their qualifications is protected after their graduation.

It is essential that the processes and requirements that allow new entrants into the sector are sufficiently robust to identify and exclude poor providers. The risks that poor quality provision presents to students and to the public purse have been highlighted by the Public Accounts Committee and by the QAA. The report by the National Audit Office (NAO) also highlighted issues of high drop-out rates and recruitment of unqualified or ineligible students in many providers offering provision designated for student support.

Although policy for higher education has been devolved we believe that it is essential that consistency is maintained between the constituent nations of the UK. This is essential for reputational reasons. This should include broadly comparable track record requirements for degree awarding powers allied to comparable decision frameworks that underpin the award of university title throughout the UK.

Degree awarding powers and university title are relied on by students and employers, domestically and internationally as proxies for quality. Any steps that unintentionally erode the value and integrity of these two features risk undermining the reputation of the UK sector as a whole and the ability of students and employers to make decisions.

Question 14: Do you agree with the proposed single route into the higher education sector?

We support the consolidation of the current regulatory requirements into a single gateway into the higher education sector. We also support the principle that different providers should be able to choose between models of participation within the higher education sector.

We are supportive of the idea that all providers would have to meet common requirements on quality assurance, provision of information, arrangements for student complaints and disputes and good governance, including financial sustainability.
As part of these common requirements, we suggest that any provider entering into the higher education sector should be included on a Register of Approved Higher Education Providers, and that this would include detail on the model under which they are operating. Any institutions or organisations providing higher education in England not on the register would not be able to claim to be an approved provider.

In model 1 proposed in the Green Paper, we suggest that in addition to baseline checks on quality and on financial sustainability, management and governance, providers should be required to meet requirements on the provision of information, and arrangements for student complaints and disputes.

We believe that separate course and institutional designation is becoming increasingly undesirable, not least because of the lack of clarity for prospective students. As part of the wider reforms, we suggest that most confidence will be derived from meeting register entry requirements at the institutional level.

The proposed models 2a and 2b recognise that many of the current conditions required to safeguard the student and public interest are the same and need to be consistently applied. In order to make sure that there is a level playing field, we would expect all providers with access to public funds to meet common regulatory requirements, such as those around freedom of information and procurement.

We suggest that an additional model, model 3, is introduced for those institutions wishing to access public research grant funding. This model would recognise the wider role of institutions, and the limited additional requirements (for example, around research integrity and open access publishing) that providers entering the sector under model 2a or model 2b may not wish or need to meet.

Details on Universities UK’s proposals for a reformed regulatory environment can be found in our report Quality, equity, sustainability: the future of higher education regulation.

Question 15:

a) Do you agree with the proposed risk-based approach to eligibility for DAPs and university title?

Degree awarding powers

In principle we support a risk based approach to regulation in higher education, which includes processes for obtaining degree awarding powers. However, as the Green Paper notes, the bar for degree awarding powers is necessarily high and we believe this should
remain so. The collective reputation of the UK higher education system must not be undermined by entry of low quality, transient or negligent providers into the system. The current process is underpinned by requirements for an extensive evidence base and track record and we would not want to see this diminished.

Track record should also be linked to the provider that will be given degree awarding powers. Whilst we acknowledge the track record of individuals or organisations with experience of operating elsewhere may be impeccable, past performance is no guarantee of future success when attempting to set up new provision. We do not believe that track record should be linked to particular individuals.

The ability to suspend or remove degree awarding powers only protects future students from poor quality provision. It is essential that appropriate standards are set from the outset, which reinforces the need for high entry standards. This requires oversight dependent on a provider’s track record of meeting expectations for quality.

*University title*

As with degree awarding powers it is essential that the value of university title is protected. University title conveys information about institutions that combines the higher level teaching and learning, research and scholarship and knowledge exchange and public engagement. Universities are civic institutions that contribute to the public life of local communities and the nation.

For example the HEFCE Financial Sustainability Strategy Group’s 2015 report ‘the sustainability of learning and teaching in higher education in England’ found that across the sector, but in different ways locally, universities make a wide range of contributions that benefit society and the economy, and usually support government objectives like citizenship and regional economic development.

In the past the features associated with university title have been reflected in the numbers’ requirement associated with universities. This was 4,000 until it was reduced to 1,000 following the government’s White Paper in 2011 and associated technical consultation. We would be concerned that institutions smaller than 1,000 students are unlikely to posses all of the characteristics associated with the university. However we also recognise that these numbers do not have a concrete link with all the features associated with a university.

University title should not be awarded to providers that present a risk of being low quality, transient or negligent. We believe that it is appropriate that providers can demonstrate a strong track record of delivery before being eligible with a prerequisite of meeting a number of baseline requirements over a sustained period.
In order to protect the value of university title we propose a public interest test. We propose that this public interest test would be based on three main pillars that underpin the mission and ethos of a university:

1. Primary purpose of teaching, scholarship and research
2. Financial accountability and independence
3. Accountability to students and the wider public

We would welcome further discussion with BIS on the development of this public interest test.

b) What are your views on the options identified for validation of courses delivered by providers who do not hold DAPs?

We are not persuaded that the current system of validation presents a significant barrier to new providers, other than the requirement to deliver courses that meet appropriate standards of provision. Indeed, for many new providers the current system represents a simplified step towards gaining their own DAPs. The variety of potential validating partnerships on offer already allows for diversity and choice. This is illustrated by the growth in providers with provision designated for student support, many of which are in validation arrangements with established providers with degree awarding powers. As highlighted by the NAO, the number of students claiming student support for courses at alternative providers rose from 7,000 to 53,000 between 2010–11 and 2013–14. This accounted for £675 million of student support in 2013–14.

It is important that validation of higher level qualifications is carried out by providers with a track record of delivering teaching and learning in line with the standards set out by the UK Quality Code. The Office for Students should not take on a validation role alongside its proposed statutory and regulatory responsibilities. As a public body with a duty to promote the student interest, there appears to be a fundamental contradiction between this duty and the proposed power to assess, develop and deliver courses in partnership with, or by, another organisation.

We have no in-principle objection to government working with a provider with degree awarding powers to act as a validator, free of potential conflict of interest around market position. Any such provider would have to have a strong track record of delivering high quality provision and there would also need to be a clear commitment that high standards were maintained without extraneous pressure to open up the sector by lowering quality requirements.
Question 16: Do you agree with the proposed immediate actions intended to speed up entry?

Options for aligning the sequencing of applications and review are appropriate; however, it should still be a requirement that the relevant standards are met before courses become designated. It would also be appropriate for this to be done with reference to the validating partner, on the basis that the validating partner is appropriately qualified with its own track record of delivering teaching and learning in line with the quality code.

We support risk based approaches to designation for providers who can demonstrate that they meet the requirements set out in paragraph 36. This should also involve appropriate controls on student numbers and monitoring for any significant increases or decreases in student recruitment where necessary. Evidence of strong financial management and sustainability should be transparent and accessible.

We do not support the proposal to reduce the three year track record on financial sustainability to two. This will lead to reduced safeguards and undermine the confidence of students and the public more generally.

Any new arrangements should address the risks and concerns raised by the National Audit Office and the Public Accounts Committee in December 2014 and February 2015 respectively.

Provider exit and student protection (Chapter 2)

Question 17: Do you agree with the proposal to introduce a requirement for all providers to have contingency arrangements to support students in the event that their course cannot be completed?

As noted above, we believe that the student interest is best protected by the maintenance of a robust standard for entering the higher education sector. We do, however, recognise there will be occasions of an institution failing, academically or financially, or otherwise ceasing educational provision in whole or in part. It is important that appropriate mechanisms are put in place to support students in these instances.

Universities UK is strongly committed to student protection, and supports the principle that providers should have contingency arrangements to support students in the event that their course cannot be completed. To that end, Universities UK, together with HEFCE, GuildHE, the Association of Colleges, the National Union of Students, Study UK and the Independent
Universities Group have announced the publication of a jointly developed Statement of Good Practice on higher education course changes and closures.\(^6\)

In order to ensure that there is a level playing field, we agree that all higher education providers should have contingency arrangements to support students. We support the idea that the contingency arrangements would be expected to cover continuity of provision for the student and for the provider to offer financial recompense.

We do not believe that it would be appropriate for providers to be required to put in place financial protection schemes for students, unless a regulator was specifically concerned that there was significant risk of a provider closing. We believe that the risk of provider exit should be minimised, within reason, by ensuring that there are high standards for entry into the sector.

In the instance of a provider failing, as well as protecting current students it will be important to protect the confidence in qualifications previously obtained from that institution. It will also be important to deal with any public assets (including degree awarding powers and university title) and other liabilities, such as pensions, in an effective way. Our report on the future of higher education regulation envisages the regulator taking on the role of a student and public interest reviver in the instance of institutional exit.

We have set out views on how we see a proportionate and risk based approach to student protection working in our report on the future of higher education regulation, referenced above.

**Part C: Simplifying the higher education architecture**

The main points made in this section of our response are:

- We welcome the focus on the central importance of a high quality student experience that is implied by the proposed establishment of the Office for Students (OfS).

- It is in the interests of students (and wider society) that the structures and responsibilities of the proposed OfS are widened out to consider higher education more generally. This should be reflected in the title and we propose that it is called the Office for Students and Higher Education (OfSHE).

- We welcome the proposal to incorporate the Office for Fair Access into the OfS.

- We are supportive of the OfS being able to contract out certain functions to separate bodies. This should include delivery of quality assessment and data collection.
• The current arrangements for allocating teaching grant should continue to operate through OfS. This would mean that ministers would set strategic priorities and OfS would devise and allocate funding.

• We do not believe that OfS should take on a validation role.

• We do not support the proposal for the Secretary of State to have a power which enables BIS or a specified partner organisation to enter and inspect education providers. This would undermine the commitment to institutional autonomy and protections against political interference.

A simpler system and the Office for Students (Chapters 1 and 2)

We welcome the focus on the central importance of a high quality student experience that is implied by the proposed establishment of the Office for Students (OfS). In the Universities UK report on the future of higher education regulation we have similarly called for a new approach that recognises the changes in the funding environment and which provides greater focus on students.

It is important to recognise, however, that the totality of university contributions also includes research and other forms of knowledge dissemination (including public and industrial engagement), as well as broader community engagement, all of which can have an enriching effect on the student experience, in addition to their intrinsic value. There are also broader issues relating to the operation of a university as a whole that will have an impact in the student experience. It is therefore in the interests of students that the structures and responsibilities of the proposed OfS are widened out to consider higher education more generally.

This broader approach would be consistent with that adopted by regulators in other sectors. For example Ofcom takes into account a wider view of the health of the communications sector. Monitor takes into account the economic sustainability of health care providers. To reflect this broader role we would propose an alternative title – Office for Students and Higher Education (OfSHE).

In the past HEFCE has played a critical role in securing stability within the sector, which has provided confidence to students in investing three or more years of their lives, their money and their futures in universities. That stability has also played a crucial role in facilitating loans from banks, and leveraged other substantial investment that has benefited the student experience. The stabilising effect of HEFCE has also contributed to the strengthening of the Universities Superannuation Scheme (USS) covenant, or at least assisting in reducing the weakening of the covenant, which has played a significant part in allowing the creation of a manageable Financial Management Plan, approved by the Pensions Regulator, to address
the USS deficit. We believe that the OfS will have an important role in continuing to support sector stability in the interests of students, taxpayers and institutions.

We welcome the proposal to incorporate the Office for Fair Access into the proposed OfS. However, as noted above, this should not introduce a new regulatory mandate to enforce participation targets on higher education institutions. The sector is committed to working with the reformed body to achieving the government’s social mobility targets and will explore how these dimensions can continue to be promoted through the teaching excellence framework and Universities UK’s Social Mobility Advisory Group.

It will be essential for the new body to operate at arm’s length from government and is established as a Non Departmental Public Body (NDPB). HEFCE has operated as a very effective body to date and is well regarded, which is to a significant extent down to the effectiveness, expertise and knowledge of its staff. The expertise and institutional knowledge within HEFCE should not be lost in the transition to any new body.

The Green Paper proposes that the Secretary of State would have a power which enables BIS or a specified partner organisation to enter and inspect higher education providers, if it is suspected that the provider has committed a breach of the conditions of receipt of direct or indirect public funds. This power would undermine the essential autonomy of institutions and could lead to direct political interference in the sector. Such a power would also undermine the OfS. We therefore propose that this power should be held by the Office for Students and based on an appropriate escalation on dialogue and interventions.

Question 18:

a) Do you agree with the proposed changes to the higher education architecture?

As noted above, we welcome the focus on the central importance of a high quality student experience that is implied by the proposed establishment of the OfS. We believe, however, that its role and functions should take a wider perspective, reflecting our proposal for the establishment of OfSHE’

b) To what extent should the Office for Students (OfS) have the power to contract out its functions to separate bodies?

c) If you agree, which functions should the OfS be able to contract out?

We are supportive of OfS being able to contract out certain functions to separate bodies. This should include the delivery of quality assessment. We would also support contracting out to HESA for data collection and analysis. This will maintain the considerable expertise that already exists for this work and maintain the independence and integrity of data
collection in higher education in the UK, which is admired internationally. Continuing to contract out these functions will also ensure the essential continuation of co-regulatory approaches in the sector.

It is important to remember that the bodies that currently deliver these functions, notably QAA and HESA, are UK-wide. Any significant changes in services they provided in England would have a large impact on the other parts of the UK.

We propose that further to its development, responsibility for the TEF should sit with OfS and delivered in partnership with the sector. OfS should have the flexibility to contract out operation of the TEF as appropriate.

d) What are your views on the proposed options for allocating Teaching Grant?

We believe that the current arrangements for allocating teaching grant, as set out in paragraph 15, should continue to operate through the OfS. This would mean that ministers would set strategic priorities and the OfS would devise and allocate funding.

**Question 19: Do you agree with the proposal for a single, transparent and light touch regulatory framework for every higher education provider?**

We are supportive of the proposed approach for a single regulatory framework for every higher education provider. This is consistent with the proposals in Universities UK’s report on the future of regulation, and further details on how we envisage this system working can be found in that report.

**Question 20: What steps could be taken to increase the transparency of student unions and strengthen unions’ accountability to their student members?**

Students and student unions are valued partners in the delivery of high quality higher education and universities benefit from productive relationships with their students' representative bodies. Similarly the proposals for the TEF and the office for students aim to place students at the heart of the system. The organised student voice is essential to challenge the assumptions of organisations and agencies who purport to act in their interests or on their behalf.

It is important for students' unions to be able to engage fully with their membership. Many unions have robust data sharing agreements with their institution that enable this to happen. Data sharing agreements rely on trust from both sides that information will be used in appropriate ways that clearly respects data protection rules and the privacy of students. We would support the development of guidance/ agreements on good data sharing relationships between unions and institutions.
It is important to note the legal separation between universities and student unions. Student unions are legally independent and autonomous bodies. It is also important to point out that they are not trade unions.

**Question 21:**

a) **Do you agree with the proposed duties and powers of the Office for Students?**

As noted above, we believe that the proposed duties and powers for the OfS should be widened out to reflect the broader roles of higher education institutions.

Recognising this wider role, in addition to the proposed statutory powers set out in paragraph three (pp.62–63), additional functions for the OfS might include:

- ensuring the sustainability of institutions and the sector
- responsibility for allocation of residual teaching grant and teaching capital
- supporting the broader role played by universities in their regions
- responsibility for regulating universities who are charities
- monitoring compliance with the Prevent duty for the higher education sector in England

OfS’s risk based regulatory role should also include responsibility for administering the higher education register, including accountability requirements for student support. As noted above, we do not believe that OfS should take on a validation role.

The Green Paper and the Nurse Review do not mention responsibility for how higher education innovation funding (HEIF) would be distributed under the proposed arrangements, or which body would assume responsibility for providing sector leadership in this area. We believe that it would be both more effective and more efficient for this to sit with the OfS (or OfSHE) recognising the need for it to take on a wider role. This funding supports engagement with business that benefits students in terms of skills development and employability, and enterprise activity.

As noted above, responsibility for quality assessment, and in due course, the TEF, should sit with the OfS with the flexibility to contract these out as appropriate.

The power to set tuition fee caps should remain with Parliament.
b) Do you agree with the proposed subscription funding model?

We acknowledge the principle of subscription for the new regulator, while recognising that this represents a transfer of costs directly to institutions. It is essential that institutions of good standing do not underwrite poor institutions who occupy the regulator’s time. The balance of funding for the new body should also reflect the fact that it will be undertaking wider public roles. We would therefore advocate a model where the costs are shared by institutions and the tax payer. In addition it is essential that the new regulator incorporates representation for students and institutions. We welcome further discussion on this matter, particularly on how a fair basis for subscriptions can be achieved and how the regulator can ensure efficiency and demonstrate value for money under this model.

Question 22:

a) Do you agree with the proposed powers for OfS and the Secretary of State to manage risk?

b) What safeguards for providers should be considered to limit the use of such powers?

We do not support the proposal for the Secretary of State to have a power which enables BIS or a specified partner organisation to enter and inspect education providers. This would undermine the commitment to institutional autonomy and protections against political interference. Where there are major breaches, it would be more appropriate for these powers to sit with the Office for Students to take action, as a last resort, following appropriate escalation of dialogue and sanctions.

There should be a published protocol for the escalation of issues and concerns, developed in consultation with the sector. This approach is already operated by HEFCE in respect to its public funding role and could be adopted by the OfS.

Question 23: Do you agree with the proposed deregulatory measures?

Freedom of Information

In relation to the Freedom of Information Act (FOIA) our member institutions recognise and strongly support the need for openness and transparency. They are working proactively to support this across all of their activities and in a variety of ways. Higher education providers are also subject to a range of public information requirements, including mandated sector data provision; requirements of professional, statutory and regulatory bodies; and the consumer rights laws, which includes requirements for provision of accurate material information to students and fair terms and conditions.
The higher education landscape and funding model has changed significantly since the FOIA was introduced. We therefore believe that it is right to consider how the FOIA interacts with proposals for reforms of regulation in the sector to ensure that an effective balance can be struck between the public’s right to know and burden on institutions, as well as ensuring that regulatory requirements do not inhibit fair competition. We are also concerned about the increasing regulatory burden placed on the sector by the FOIA. Estimates of costs in the Green Paper would be significantly higher if the time of senior staff dealing with FOIA requests and legal costs are fully taken into account.

Within this context we would welcome a full review of the application of the FOIA to higher education as one of the next steps arising from the Green Paper. This would examine the reasonable steps that could be taken in relation to the operation of the FOIA to reduce the burden and ensure that institutions are operating in a fair environment. We believe competition can only be fair and effective if all institutions are operating on a level playing field, subject to the same regulations.

We have a number of suggestions for how the current application of the FOIA to higher education could be improved. The requirements for an ‘appropriate limit’ (where costs would exceed a certain amount to comply with the request) should be reduced and extended to include the time reasonably required to consider the application of exemptions and in particular to redact information for release. The use of Section 36 requires the head of institution to give an opinion in support of the use of the exemption. We suggest that the need to consider the public interest test is removed from the internal review process, which will help bring down costs.

*Flexibility for higher education corporations (HECs)*

Whilst we have no specific objections to these proposals, removing the Secretary of State’s involvement could lead to an increase in the frequency of dissolutions or transfers occurring and with that an increasing likelihood of complex financial considerations such as the transfer of pension liabilities. It would be helpful to develop a full risk assessment of the impact of these changes.

*The role of the Privy Council*

Proposals to simplify the means through which institutions can change their instruments and articles of governance are welcome.

*Reducing complexity and bureaucracy in research funding (Part D)*

The main points made in this section of our response are:
• To a significant extent, the UK’s world-leading research position been achieved through an effective funding and policy environment for university based research, with includes the dual support funding system.

• We have a number of concerns about the risks associated with the shift of block-grant funding to Research UK (RUK). Creating an administrative and funding gap between teaching and research runs the risk of damaging the interactions between these functions within universities to the detriment of both. There also needs to be clearer evidence and articulation of the benefits this change will potentially bring about.

• Any measures related to the transfer of QR to RUK should be accompanied by a clear commitment to maintaining a dual support funding system and preserving the critical features that underpin each funding mechanism. Universities UK would strongly endorse hypothecation between elements of the dual support funding stream.

• The OfS should take on responsibility for oversight at the level of the institution – which would include teaching, research and third-stream activities.

• In principle, the new institutional architecture, with Research UK at its head, appears to represent relatively coherent and reasonable approach to reforming the research councils. We welcome Sir Paul Nurse’s acknowledgement that it is critical to retain the expertise, experience and services provided by the distinct research councils.

• The Research Excellency Framework (REF) – and previous systemic assessments of research quality – have played a key role in promoting and demonstrating research quality over the last two decades.

• We believe there is scope for further streamlining the REF, although it must continue to be underpinned by peer review. We welcome the review of the REF being undertaken by Lord Stern.

The research landscape (Chapter 1)

The UK science and research ecosystem is, by any objective measure, a major success story: globally respected, internationally competitive and among the most productive and effective systems in the world. This has to a significant extent been achieved through an effective funding and policy environment, which includes the dual support funding system. Any fundamental changes to the research funding and governance infrastructure must be made with the explicit intention of protecting those elements that underpin our success and further enhancing the system. Any changes should also be made on the basis of clear evidence and rationale for how they will bring about benefits.

The Green Paper and Sir Paul Nurse’s review of the research councils suggest a reconfiguring of the research funding landscape in the UK. Of the proposed changes, the
transfer of responsibility for block-grant research funding to Research UK is likely to have the most significant implications. We have a number of concerns about the risks associated with this shift that will need careful consideration before any decision about changes in this area is made. We also feel that there needs to be clearer evidence and articulation of the benefits this change will bring about.

This proposed shift does not sit comfortably with the way universities have succeeded in achieving far-reaching research outcomes that have impact, are internationally recognised for their quality, align with local, national and global priorities, and support research-informed teaching. Teaching and research (along with ‘third steam’ activities, such as innovation and knowledge exchange with business) are indelibly linked within universities and across the higher education system. Creating an absolute administrative and funding separation between teaching and research runs the risk of damaging the interactions between these functions within universities to the detriment of both. There is also a danger that broader cross-cutting agendas – which are built on the close integration of a university’s activities, such as supporting and developing high level skills (both at undergraduate and post graduate and doctorate levels) – will become more difficult.

Structural diversity in funding and governance of research is also widely seen to be beneficial for the health, vitality and sustainability of excellent research ecosystems. Many similar economies maintain some form of dual funding system, with separate but complementary criteria and often administered by different bodies. As such, it is imperative that the features of the dual support system – with two complementary funding streams, one project based and another providing non-hypothecated resource to institutions based on an evaluation of medium-term performance – are retained.

We are also concerned about the potential UK-wide implications of this shift. QR funding is devolved whereas the grant award system is managed on a UK-wide basis. Placing English QR funding within Research UK, which has a UK-wide responsibility for awarding grants, presents a number of challenges and reinforces the need for a clear separation between the two funding streams within Research UK.

To address some of these concerns we propose that:

- Any measures related to the transfer of QR to RUK should be accompanied by a clear commitment to maintaining a dual support funding system and preserving the critical features that underpin each funding mechanism. We set out below in response to question 25 some of the safeguards that we believe should be put in place to secure dual support under these new arrangements.

- In line with our response to the proposals in part C of the Green Paper, the OfS should take on a responsibility for oversight at the level of the institution – which would include teaching, research and third-stream activities and be able to take a
wider perspective on cross-cutting issues such as support for high level skills. This wider role would also help ensure greater consistency between the systems in place in England and the devolved nations. It will be essential for there to be a close and constructive working relationship between the OfS and the newly created RUK.

Research UK

Although the Nurse review was published after the Green Paper, and there are no explicit questions on Sir Paul’s proposals in the Green Paper, we set out our views on the main issues set out by Sir Paul below.

In principle, the new institutional architecture, with Research UK at its head, appears to represent a relatively coherent and reasonable approach to reforming the research councils, seeking to protect the diversity and expertise that have supported the UK’s highly effective research system, while making appropriate suggestions as to how the parts of the system might work more effectively together.

We welcome Sir Paul’s acknowledgement that it is critical to retain the expertise, experience and services provided by the distinct research councils, and also agree that there is scope to improve cross-council processes and to further streamline administration.

Therefore, the functional organisation and operation of the seven councils should maintain their distinctive features and expertise. This also applies to Innovate UK, which the chancellor announced will be ‘integrated’ in to the new system. Each council must maintain a degree of independence. Any future changes to the role, functioning and number of councils must also be subject to robust and evidence-based consultation with the research community. Bringing together the functions of the seven councils under Research UK should not become a ‘short-cut’ to merging or abolishing roles and functions either in the short or longer term.

Nurse’s recommendation of the creation of a ministerial committee has the potential to provide a joined up approach across government research and development that is currently lacking. While there are a number of active and effective bilateral agreements between research councils and government departments, it makes sense to co-ordinate within which these are located.

We are supportive of the cross-cutting fund, which should support research councils to deliver collaborative activities more effectively, and create greater capacity for agile funding of research priorities and for multi and interdisciplinary research. It should also be used to fund cross-council activities and services, such as the UK Research Office in Brussels. It is important that the size of this fund is set at a reasonable level, as it should not undermine the capacity of the existing research councils to support important work. The system is
already highly competitive. The criteria for the cross-cutting fund must also be clear and transparent, and should be open to research from all disciplines, including arts, humanities and social sciences.

**Question 24: In light of the proposed changes to the institutional framework for higher education, and the forthcoming Nurse Review, what are your views on the future design of the institutional research landscape?**

See general comments above.

**Question 25:**

**a) What safeguards would you want to see in place in the event that dual funding was operated within a single organisation?**

Protections and safeguards that may help to mitigate some of the negative implications of placing both elements of the dual support system research funding within a single organisational structure are:

- Ensuring clear hypothecation between research council and block-grant allocations after being set.
- Ensuring that the decision making, allocation and administration of the block-grant is independent of the research councils.
- Guaranteeing the overall quantum of block-grant funding over the relevant assessment period, to help give confidence and ensure stability.
- Consultation with the institutions and the research community over any changes to the quantum, allocation or distribution of block-grant funding.
- Guarantees that block-grant funding would be allocated on the basis of an assessment independent process underpinned by peer review (currently the REF), with regard for supporting excellence wherever it is found.
- There must be absolute transparency on how decisions are made and an obligation to report annually (for example to Parliament) on the amounts allocated to QR and the research councils and the rationale for these.

**b) Would you favour a degree of hypothecation to ensure that dual funding streams, along with their distinctive characteristics, could not be changed by that organisation?**

Universities UK would strongly endorse hypothecation between elements of the dual support funding stream. Allocations set by government for research council and QR elements of the dual support system must be respected and their integrity maintained, and agreement on the
critical features of each element in the dual support system should be clearly articulated and incorporated into any hypothecation arrangements.

The Research Excellence Framework (Chapter 2)

The REF (and previous systemic assessments of research quality) has played a key role in promoting and demonstrating research quality over the last two decades. It has provided a mechanism for distributing research funding that rewards excellence in a relatively cost effective way. Over the course of a six-year cycle, the total administrative costs of the REF and subsequent allocation of QR are estimated to be 2.4% of the total resource being distributed. This compares favourably with, for example, research council funding.

In providing evaluations of research performance at Unit of Assessment level, the REF also provides a clear account of research excellence across the UK, and across all types of institution. It provides a sound and respected evidence base through which it can be demonstrated that peaks of research excellence are found in all places and across all types of university; this has important implications for, for example, the focus on ‘place’.

The introduction of ‘impact’ in the last REF exercise also demonstrated another important feature of the approach: it provides a mechanism through which government and the research community can seek to address national strategic objectives and priorities. This has given an increased focus on innovation and impact and the relationship with research, and subsequently developed a huge database of case studies evidencing the diverse ways in which academic research has real-world impact. As such, a periodic approach to research assessment developed in dialogue between government and the research community enables a focus on such priorities, which other approaches may not support.

Within institutions, universities report that the REF is a critical tool for supporting the strategic development of research, providing a common set of management information that can help benchmark progress and performance. The flexibility within the approach ensures that very different disciplines can be evaluated against the same framework (but with subtly different methods of assessment across different panels), enabling a holistic view to be taken of overall performance.

It is also imperative that the REF (or its successor) has the total confidence of the research community; as such, to retain the benefits delivered by the REF, there must be full and open consultation with the sector.

We welcome the review of the REF being undertaken by Lord Stern, and we look forward to engaging with this process in more detail on behalf of our members.
Question 27: How would you suggest the burden of REF exercises is reduced?

Question 28: How could the data infrastructure underpinning research information management be improved?

As noted above the REF provides a mechanism for distributing research funding that rewards excellence and – compared to other allocation mechanisms – has been relatively cost-effective. However, legitimate concerns have been raised over the escalation of costs between the 2008 and 2014 exercises and the benefits (in relation to ongoing costs) of running further full blown assessment exercises.

Within the parameters of the current framework the process can undoubtedly be streamlined. Yet it should not be forgotten that that many of the costs of the REF 2014 exercise are ‘sunk costs’ – investments have been made, for example, to ensure that the impact agenda was fully embraced. These systems are now in place, and further significant changes to the process are unlikely to deliver large savings, at least over the next assessment period. Indeed, it could be argued that significant – and valuable – investments would have been wasted if the parameters are radically changed.

Approaches to reducing the cost and administrative burden for future exercises might include:

- increasing the interval between full assessments to 7–8 years
- reducing the number of research outputs per member of staff
- moving to 100% submission of research staff

However, it must be acknowledged that there is, as yet, no common view on how these options would impact on the cost and burden across the sector. The greater use of bibliometric data to make judgements on research quality may bring opportunities for complementing peer review and streamlining the assessment process, but brings with it a number of significant challenges, many of which were identified by Professor James Wilsden in his recent report on this issue. Bibliometrics also remain largely untested as a policy tool and would come with significant investment costs.

The Stern review provides an opportunity to engage in full and open dialogue with the sector over potential mechanisms for ensuring research assessment can continue to encourage and recognise research excellence whilst reducing the administrative burden. Universities UK looks forward to working with Professor Nick Stern and his group.