

Chapter 1: Introduction to the UK higher education system

A brief history

Higher education in the United Kingdom (UK) has a long history. Teaching in the city of Oxford is documented from 1096, making the University of Oxford the oldest university in the English-speaking world. The University of Cambridge celebrated its 800th anniversary in 2009, commemorating the association of scholars who first gathered in the town in 1209. Three Scottish universities – St Andrews, Glasgow and Aberdeen – were founded by papal bull in the 15th century and a fourth – the University of Edinburgh – was established by royal charter in 1583.

A major expansion of higher education in the UK occurred in the 19th century with the awarding of royal charters to the St. David's College, Lampeter (subsequently part of the University of Wales), Durham University, King's College London, and University College London. In addition, the latter part of the century saw the foundation of medical, science and engineering colleges in England's major industrial cities, some of which eventually amalgamated to become the so-called 'redbrick' universities of Birmingham, Bristol, Leeds, Liverpool, Manchester and Sheffield.

During the 1950s and 1960s, as a direct response to the demands of an expanding population and the needs of an increasingly technological economy, the British government set out to expand the higher education sector. New colleges of advanced technology were established from 1956 onwards and were awarded university status in 1966; Aston, Bath, Bradford, Brunel, City, Loughborough, Salford and Surrey all became universities in this way, with the University of Wales Institute of Science and Technology going on to become a constituent part of what is now Cardiff University in 1988. A further 13 UK institutions including Hull and Leicester, both former university colleges, gained university status during these two decades and the seven new universities of East Anglia, Essex, Kent, Lancaster, Sussex, Warwick and York were also created.

Significant expansion followed in 1992 when, by means of the Further and Higher Education Act¹, the UK government granted university status to 35 former polytechnics and to a number of other institutions, principally colleges of higher and further education. Between 2001 and 2013, an additional 31 universities were created, including those resulting from the

break-up of the federal University of Wales but excluding the merger of institutions already possessing the university title, and a further ten university colleges have recently had their applications for university status put forward to the Privy Council for formal approval. Collectively these universities are referred to as 'post-92' or 'modern' universities, though it should be noted that many of them have long and illustrious histories as vocational institutions.

¹ See <http://www.legislation.gov.uk/ukpga/1992/13/contents>

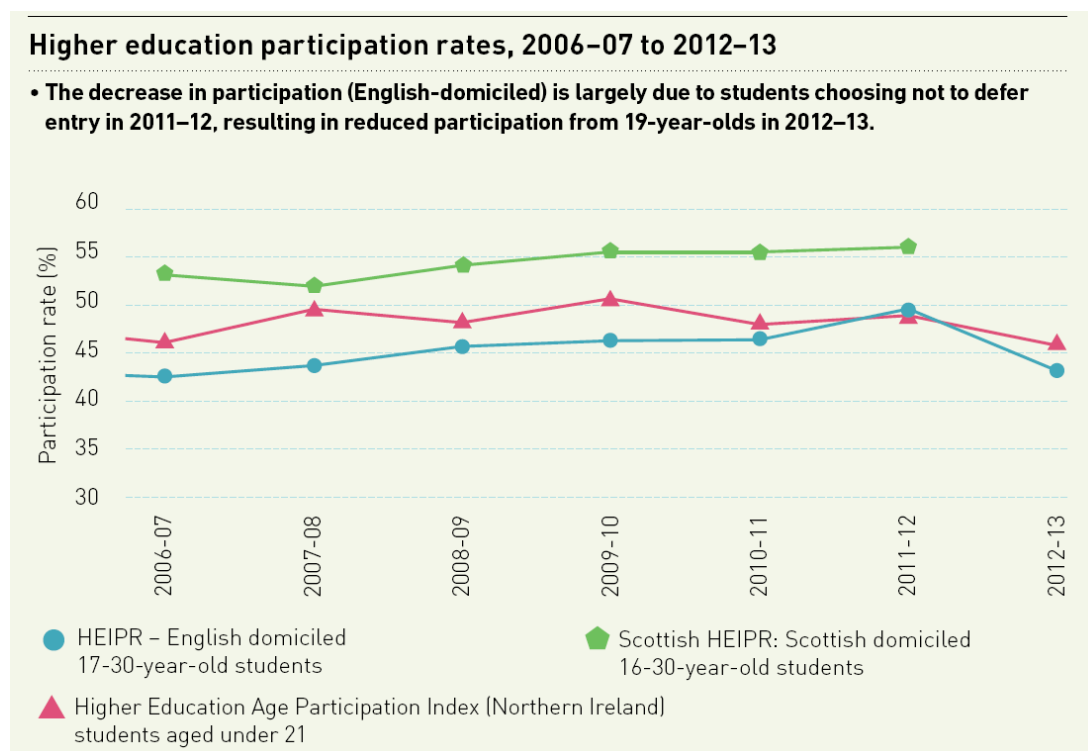
Higher education in the UK is now provided by a diverse range of organisations. 166 institutions currently have their own degree awarding powers. The majority of these also have ‘university’ title, which is only granted to those institutions which meet certain criteria. However there is also a growing number of ‘listed bodies’ – institutions which do not have the power to award their own degrees, but may provide full courses which lead to a degree of institutions with degree awarding powers. In 2011 the UK government estimated that, in addition to degree awarding institutions, there were over 1,600 bodies, including 250 further education colleges, which currently offer some form of UK higher education provision.

The remainder of this paper focuses primarily on higher education provided by the UK’s degree awarding institutions, referred to collectively as Higher Education Institutions (HEIs).

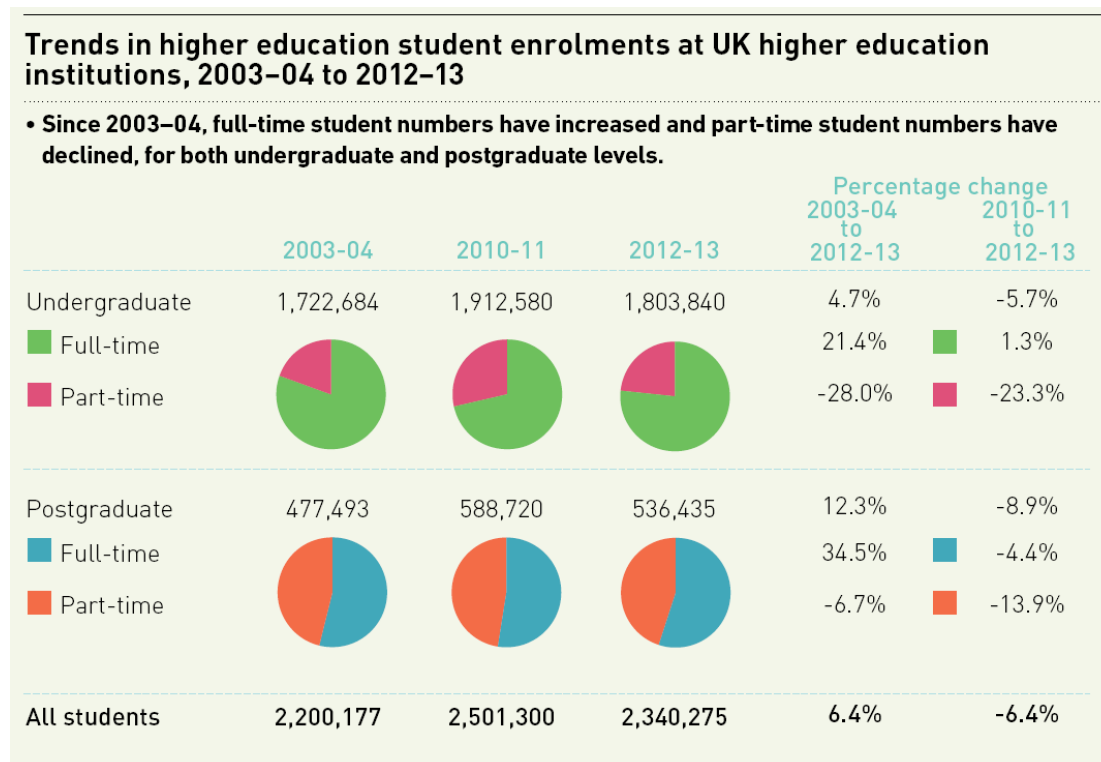
It should also be noted that, for many purposes, higher education policy is now developed separately in each of the countries making up the UK, with the Scottish Government, Welsh Assembly Government and the Northern Ireland Executive each having specific and differing responsibilities for certain parts of higher education and student policies. For this reason this paper focuses in the main on higher education in England, unless otherwise stated.

Growth in student numbers

In 1950 just 3% of the tertiary-age population in the UK entered higher education. By 1970 the figure was 8%. By 2000–01, participation of English-domiciled young people had reached 40%. Following a further period of rapid expansion, participation stood at 50% for English-domiciled students in 2011–12.



The total number of students in the UK has grown from 1.6 million in 1994-5 to 2.3 million in 2012-13. The total number of enrolments has *decreased* since 2010-11, largely as a consequence of a substantial decrease in part-time enrolments (see below).



Structure of the UK higher education sector

The UK's HEIs are not owned or run by government. They are independent, autonomous legal entities, with Councils or Governing Bodies that have responsibility for determining the strategic direction of the institution, for monitoring its financial health and for ensuring that it is effectively managed. While the majority of HEIs receive some public funding as a percentage of their total income, the proportion varies considerably between institutions.

Government funding for publicly-funded HEIs is managed via an arms-length arrangement, via independent Funding Councils for England, Scotland, and Wales, and via the Department for Employment and Learning in Northern Ireland. These funding councils provide both financial support and general guidance to institutions.²

² These are the Higher Education Funding Council for England (HEFCE), the Scottish Further and Higher Education Funding Council (SFC) and the Higher Education Funding Council for Wales (HEFCW). Only in Northern Ireland do universities receive funding directly from government via the Department for Employment and Learning (DELNI). Their websites can be found at: <http://www.hefce.ac.uk>; <http://www.hefcw.ac.uk>; <http://www.sfc.ac.uk> and <http://www.delni.gov.uk>

Of the 166 Higher Education Institutions in the UK, 9 are privately owned. These institutions receive no funding from government for teaching and research, but are eligible to access funding via the Student Loans Company in lieu of undergraduate tuition fees (see below). An additional 98 so-called ‘alternate’ providers currently access student loan funding for individually designated courses. The number of these alternate providers has grown rapidly in recent years.

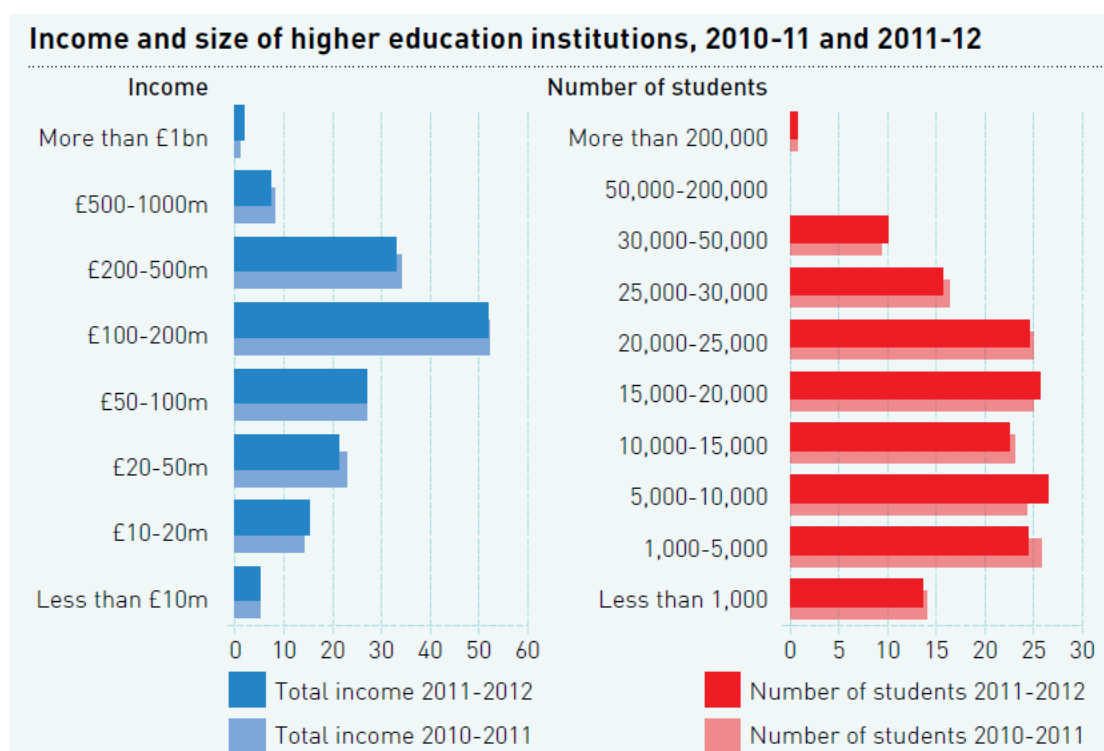
Academic and support staff are employed by individual institutions and not by the state. In publicly funded HEIs their pay is negotiated nationally through a joint body representing both management and trade unions, with the resulting agreements taking the form of recommendations to participating universities and colleges.

Degree awarding powers

In the UK the power to award degrees is regulated by law and the national authorities only recognise institutions which have been granted degree-awarding powers by a royal charter or by Act of Parliament. Currently, the Further and Higher Education Act 1992 and the Further and Higher Education (Scotland) Act 1992 empower the Privy Council to grant HEIs powers to award their own degrees. Additionally, since 2008 in England and 2010 in Wales, further education institutions have been able to apply to the Privy Council for powers to award their own ‘Foundation Degrees’ (typically vocationally focused and equivalent to two thirds of a full honours degree).

Size of UK HEIs

UK HEIs vary considerably in size. Nearly a fifth of HEIs have fewer than 3,500 students, while the largest (excluding the Open University) has more than 40,000. The Open University provides distance learning to more than 201,000 predominantly part-time students, across the UK and around the world.



Student admissions and degree structure

Each institution makes its own decisions about entry requirements and is responsible for its own admissions procedures. The vast majority of applications to full-time undergraduate courses in the UK are made via a central coordinating agency, the Universities and Colleges Admissions Service (UCAS)³. In 2007, UCAS set up an online postgraduate application service, UKPASS, but applications for the majority of postgraduate courses are still made directly to the university or college concerned.⁴ The majority of international students also apply directly to HEIs.

First degree courses, commonly known as bachelor's degrees and usually awarded 'with honours', typically take three years to complete in England, Wales and Northern Ireland, and four years at a Scottish university. Courses which include a period of practical work outside the institution normally take four years. Certain specialist courses and some vocational or professional degree courses may take longer. For example, medicine and dentistry can take up to six years (not including further specialist training) and architecture up to seven years.

At postgraduate level, a taught Master's degree normally takes one year, a research Master's two years and a doctoral degree a minimum of three years.

There are also a number of vocational 'sub-degree' qualifications offered in the UK, including the Higher National Diploma (HND), the Higher National Certificate (HNC) and the Diploma in Higher Education (Dip HE), which generally take one or two years to complete.

Other qualifications include postgraduate certificates, such as the Postgraduate Certificate in Education (PGCE). In addition, students in England, Wales and Northern Ireland can take two-year vocational Foundation Degrees and then take a 'top-up' course to honours degree level on successful completion.

Under the UK's traditional degree-classification system students are awarded First-class Honours (1st), Second-class Honours, upper division (2:1), Second-class Honours, lower division (2:2), Third-class Honours (3rd), an Ordinary –degree (Pass) or a Fail, rather than the Grade Point Average (GPA) used in the USA and some other countries. However, changes to the degree classification system have been under consideration in a number of universities, with some (including Oxford Brooks) starting to implement the GPA system.

Many universities also provide the new Higher Education Achievement Report (HEAR), which is intended to provide more detailed information about her/his learning and achievement and incorporates and extends the existing Record of Academic Achievement (the 'academic transcript') as

³ See <http://www.ucas.ac.uk>

⁴ For a list of the universities and colleges using UKPASS, see <http://www.ukpass.ac.uk/aboutus/institutions>

well as the European Diploma Supplement.⁵ Having been trialled by 30 HEIs across the UK, it was formally launched for voluntary take-up by the rest of the HE sector in October 2012.⁶

This is one of the key developments to emerge so far from the active engagement of UK HEIs in the ongoing work of the Bologna Process, an initiative involving some 47 countries to create a European Higher Education Area in which several aspects of higher education are being reformed and developed in order to facilitate the comparability of systems and qualifications and to enable the mobility of EU citizens across national borders⁷.

⁵ See http://ec.europa.eu/education/lifelong-learning-policy/doc1239_en.htm

⁶ See <http://www.hefce.ac.uk/whatwedo/lt/enh/highereducationachievementreport/>. For the final report of the HEAR project implementation group, see: UUK, *Bringing it all together: introducing the HEAR* (October 2012); and for a wider perspective regarding its potential benefits, see the project website at <http://www.hear.ac.uk/>

⁷ See http://ec.europa.eu/education/higher-education/bologna_en.htm and <http://www.ehea.info/article-details.aspx?ArticleId=3>

Chapter 2: Implications of massification of the HE system

Impact of expansion on benefits to individuals and the state

As Chapter 1 sets out, the expansion of UK higher education has occurred in successive waves over the last century. This growth has been driven by the commitment of successive UK governments, convinced of the benefits and imperative of expansion, despite some persistent public and political fears that expansion would diminish the value of a degree.

In fact research has placed the premium to individual lifetime earnings associated with a university degree at £168,000 for men and £252,000 for women, with this premium found to have persisted despite the expansion in graduate numbers. Graduates are less likely to experience unemployment.

These individual benefits translate to the wider economy, with gains to the exchequer (net of public expenditure on higher education) associated with a first degree of £260,000 for men and £315,000 for women over a working life. A recent study has shown that the increase in graduate skills in the UK economy between 1982 and 2005 contributed around 20% of GDP growth over this period.

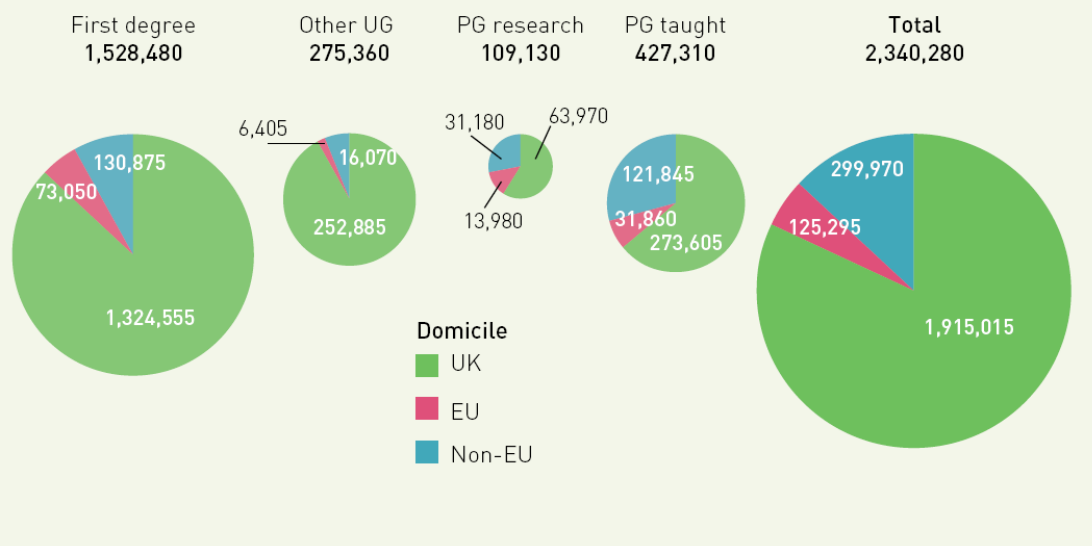
Higher education has also been shown to create many non-economic benefits to individuals and wider society. Graduates are more likely to have better general and mental health, greater life satisfaction, are more likely to vote and volunteer, and less likely to commit crime, smoke or drink excessively.

Distribution of students by mode and level of study

The chart below shows the distribution of students in the UK by level of study. Of the 2.3 million students in the UK, 1.5 million are studying for a first degree. Just over 500,000 are studying for postgraduate qualifications. 13% of undergraduate and 37% of postgraduate students are non UK.

Higher education students by domicile and level of study at UK higher education institutions, 2012–13

- 13% of undergraduate students and 37% of postgraduate students are non-UK.



44% of UK and EU undergraduate students are defined as ‘mature’ entrants (over 20 years old). 21-24 year olds accounted for 28% of all UK and EU domiciled mature entrants to undergraduate courses in 2012-13. Those in the 25-29 age range accounted for a further 20%.

In 2013-14 129,400 undergraduate UK and EU students at UK universities were studying part-time. The proportion of students studying part time has decreased dramatically – by 48% - since 2010. Factors judged to be driving this decrease include the impact of reforms to undergraduate student funding (see below); reductions in public funding; eligibility for tuition fee loans for part time undergraduate study and the impact of the recent economic downturn in the UK which led to increased unemployment and reduced employer funding for part time study.

Funding expansion

Expansion of UK higher education over the last two decades has placed increasing pressure on public funding; with the result that public funding for teaching has not increased in line with increasing student numbers. Following two decades of declining government expenditure per student in the 1980s and 1990s, the government introduced tuition fees for UK and EU undergraduate students in the UK in 1997 in recognition of the fact that the pressure on universities to sustain high quality teaching within diminishing resources was becoming unsustainable. In England, the fee cap was increased from £1000 to £3000 per annum in 2006 (2008 in Wales), while Scotland abolished the fees (for Scottish and EU students studying in Scotland).

In 2010, the government in England passed a further wave of higher education reforms to increase the fee cap to £9,000 per annum. Students are able to take out loans to cover the whole of the fee from the

government via the Student Loans Company. These loans are repayable post graduation, once the graduate has exceeded an earnings threshold of £21,000 per annum. Repayments cease if the graduate earnings fall below this level. The debt is written off after 30 years.

Since 2010 difference have emerged between the fee systems of England, Wales Northern Ireland and Scotland.⁸ For instance, Scottish and EU students studying in Scotland, pay no fees (although students from other parts of the UK studying in Scotland do). It should also be noted that international and postgraduate fees are not subject to the fee and loan regime which applies to UK and EU students. International and postgraduate student fees are determined by institutions themselves.

The 2010 reforms were also intended to stimulate competition between providers of higher education as a means of driving up quality. This included allowing students on designated courses at private (so-called ‘alternate’) providers of higher education to access student loans for the first time – up to a limit of £6,000.

2010 reforms and the impact on student numbers (England)

Despite widespread fears that the introduction, and increases in fee levels in England would deter applicants – particularly those from low-income backgrounds, the number of full time enrolments has reached record levels. Recruitment to full time courses increased by 3.2% between 2010-11 and 2013-14, with no significant impacts on participation among disadvantaged and underrepresented groups of young students.

However, as stated above, there has been a sustained reduction in part time enrolments with a further 10.8% decline in entrants in 2012-13 compared to the previous year. Furthermore, there have been quite significant differential impacts on patterns of enrolment by subject of study and institution, which are described below.

Differential impact of changes in enrolment

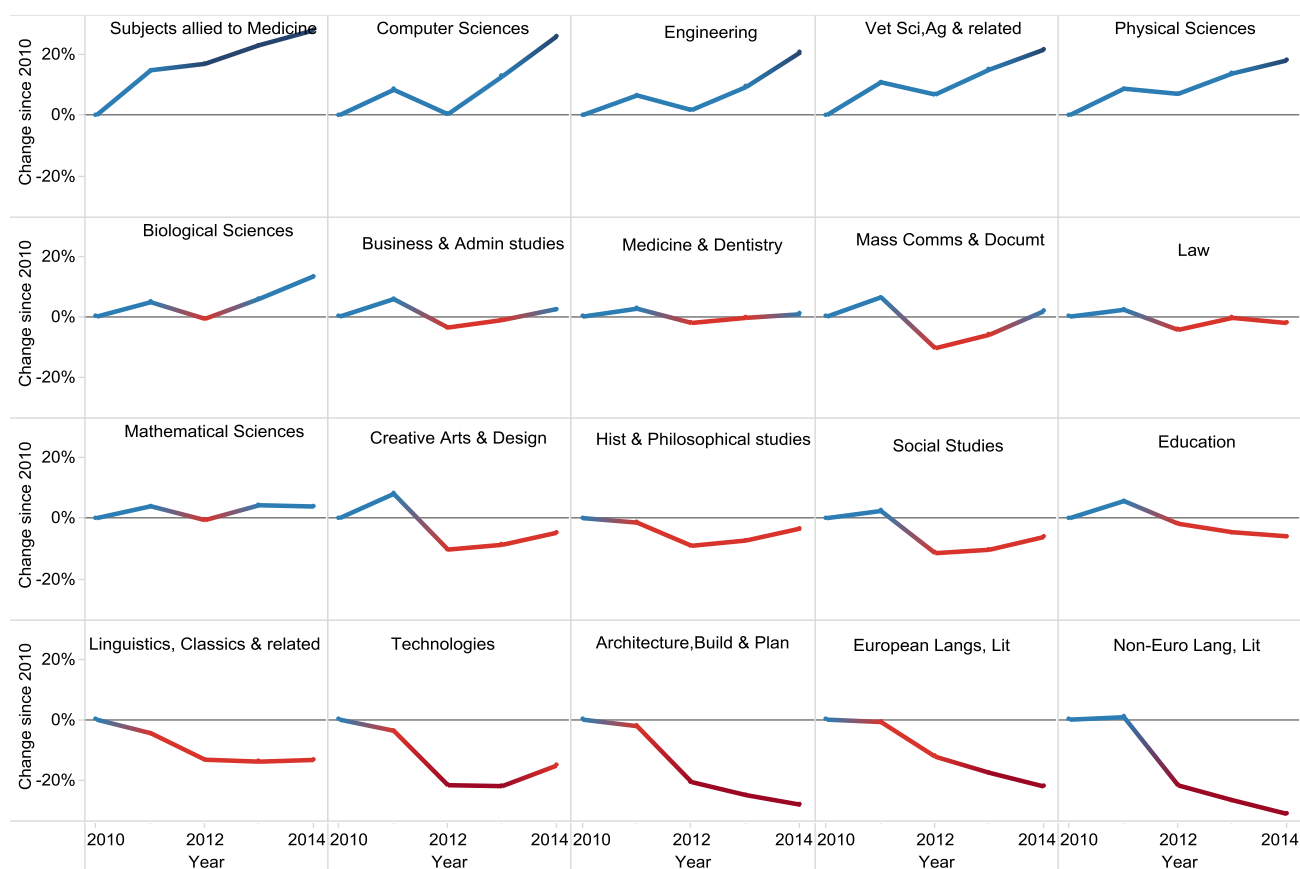
Differences in undergraduate recruitment trends across student and course characteristics, including subject of study, mode of study and student age, combined with diversity of provision, have contributed to variation in recruitment patterns across higher education institutions in England. Between 2010–11 and 2013–14, 27% of higher education institutions in England saw an increase in UK- and EU-domiciled undergraduate entrants, while 73% of institutions reported a decrease in entrants over the same period. There have been significant differences in recruitment by mode of study with 55% of higher education institutions reporting declines in full-time recruitment, compared to 82% for part-time recruitment.

Although the majority of undergraduate provision is still found in higher education institutions, there have been significant increases in higher education provision at alternative providers and further education colleges, where the number of students accessing loans for tuition increased by 259% and 35% respectively between 2010–11 and 2012–13.

⁸ For further information see <http://www.ucas.ac.uk/students/studentfinance/>

Changes in enrolment by subject

There has been an increase in students applying to subjects in the science, technology, engineering and mathematics group (STEM) over recent years, reflecting an ongoing trend of increased participation in science-related subjects at level 3. There are signs of a recovery in demand for subjects that showed declines in applications in 2012, such as arts and design, history and mass communications. There is a continuing decline in demand for undergraduate study in languages and architecture.

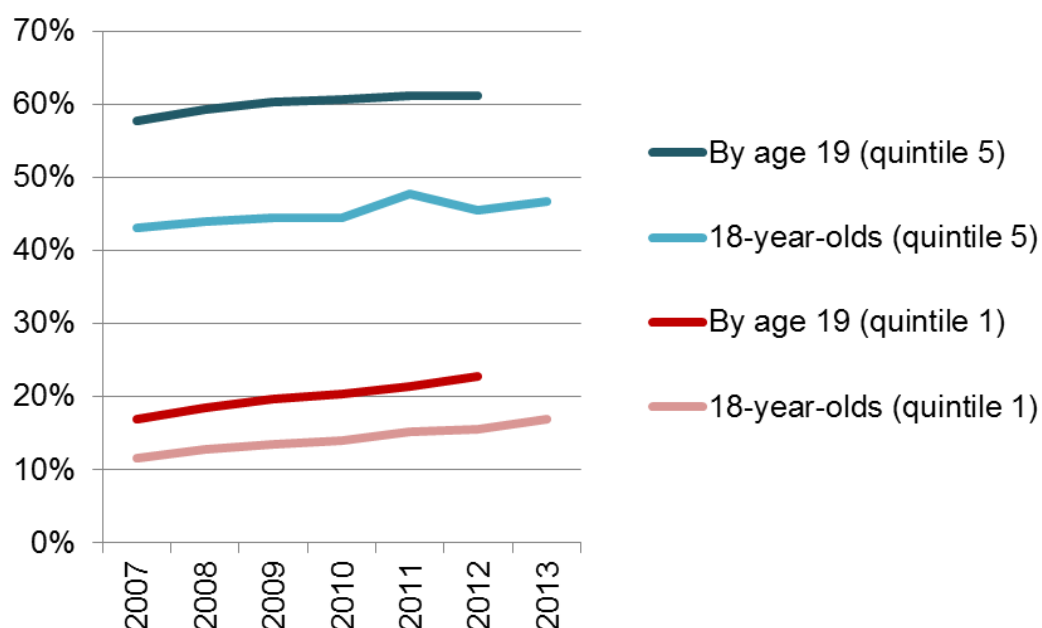


Participation by social class

In the last decade, there has been a strong improvement in the entry rate of young individuals from low participation neighbourhoods to full-time undergraduate courses. The following graph shows that between 2004 and 2013 the entry rate of English 18 year olds from the lowest socio-economic groups

(quintile 1) entering university increased by 7.1 percentage points, from 9.8% to 16.9%⁹. The same trend shows that reforms to higher education in 2012 had little impact on this long-term trend, with 18 year olds from low participation areas 9% more likely to be accepted for entry to full-time higher education in 2013 when compared to 2012¹⁰.

Entry rates for English-domiciled students by local participation in higher education, 2007 to 2013



Although the gap between entry rates of advantaged and disadvantaged students has been narrowing, a large gulf still remains. This is particularly evident for the entry rate by age 19, which includes a higher proportion of those from advantaged backgrounds that defer entry. By age 19, more than 60% of young people from advantaged areas enter higher education, while less than a quarter (22.8%) of those from the most disadvantaged areas does so.

A crucial factor influencing participation in higher education is prior attainment. Research¹¹ has shown that the difference in participation between those from more disadvantaged socio-economic backgrounds compared with those from more advantaged socio-economic backgrounds does not emerge at the point of entry to higher education; rather, it comes about because those from more disadvantaged backgrounds do not achieve as highly in secondary school as their more advantaged counterparts. This research suggests that prior attainment is the main driver of higher education participation.

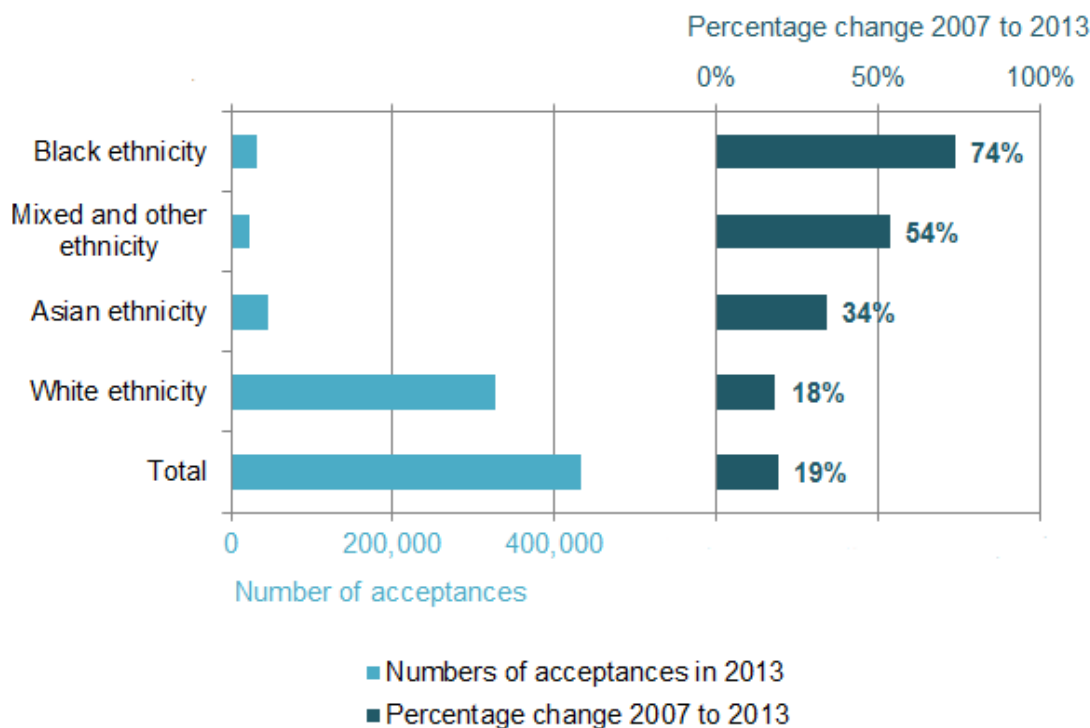
Participation by ethnicity

⁹UCAS Analysis and Research (2013) *2013 Application cycle: End of cycle report*, Figure 53

¹⁰UCAS Analysis and Research (2013) *2013 Application cycle: End of cycle report*

¹¹Chowdry H, Crawford C, Dearden A., Goodman A, Vignoles A (2012) 'Widening participation in higher education: analysis using linked administrative data', *Journal of the Royal Statistical Society*

Just under a quarter of UK full-time undergraduate acceptances are from black and minority ethnic groups (BME). Acceptances to full-time undergraduate courses from various BME groups have increased significantly between 2007–08 and 2013–14. Over this period acceptances from black students increased by 13,792 (74%), those of mixed and other ethnic backgrounds by 7,860 (54%) and those of Asian ethnicity by 11,584 (34%). Over the same period, acceptances for students with white ethnicity increased by around 50,000 (18%).

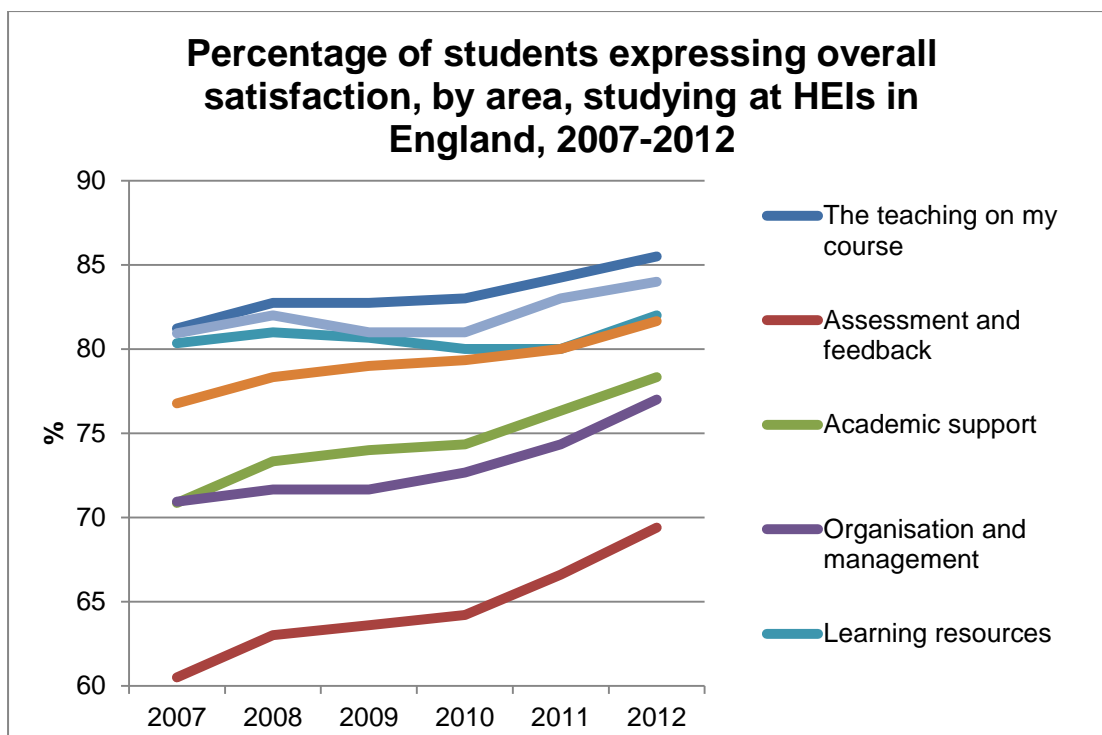


Student satisfaction: the National Student Survey

The expansion of UK higher education, and changes to the way it is funded, have undoubtedly increased the expectations of students and their parents. Research by Universities UK¹² has shown how universities in England have responded to this challenge through sustained investment in teaching, facilities and infrastructure, careers services and other resources – such as sporting and recreational facilities.

Since 2005 the UK has been gathering feedback from students on their experience of higher education via the National Student Survey. The survey, conducted by an independent polling company Ipsos MORI, gathers opinions from final year undergraduates on the quality of their courses. The survey runs across all publicly funded HEIs in the UK. According to this survey, the percentage of full-time students studying in England expressing satisfaction has increased across all areas since 2007. The strongest increase was in the area of assessment and feedback (9 percentage points), followed by Academic support (7 percentage points). The percentage expressing satisfaction with the teaching on their course rose by 4 percentage points.

¹² <http://www.universitiesuk.ac.uk/highereducation/Documents/2013/WhereStudentFeesGo.pdf>



One explanation for this trend is that satisfaction data has enabled HEIs to identify areas requiring improvement and invest in addressing these. An increasingly common feature of this activity is for universities to operate a ‘you said, we did’ approach – picking up on concerns expressed by students and then communicating how the institution has responded to address them. Some universities have gone much further, involving students in designing improvements. For example Birmingham City University has an award-winning Student Academic Partners initiative, which involves students in the development work of the university. Undergraduate and postgraduate students work alongside staff on curriculum design and delivery, and on assessment design and feedback. Run in partnership with the students’ union, more than 600 students have been employed in over 300 projects.

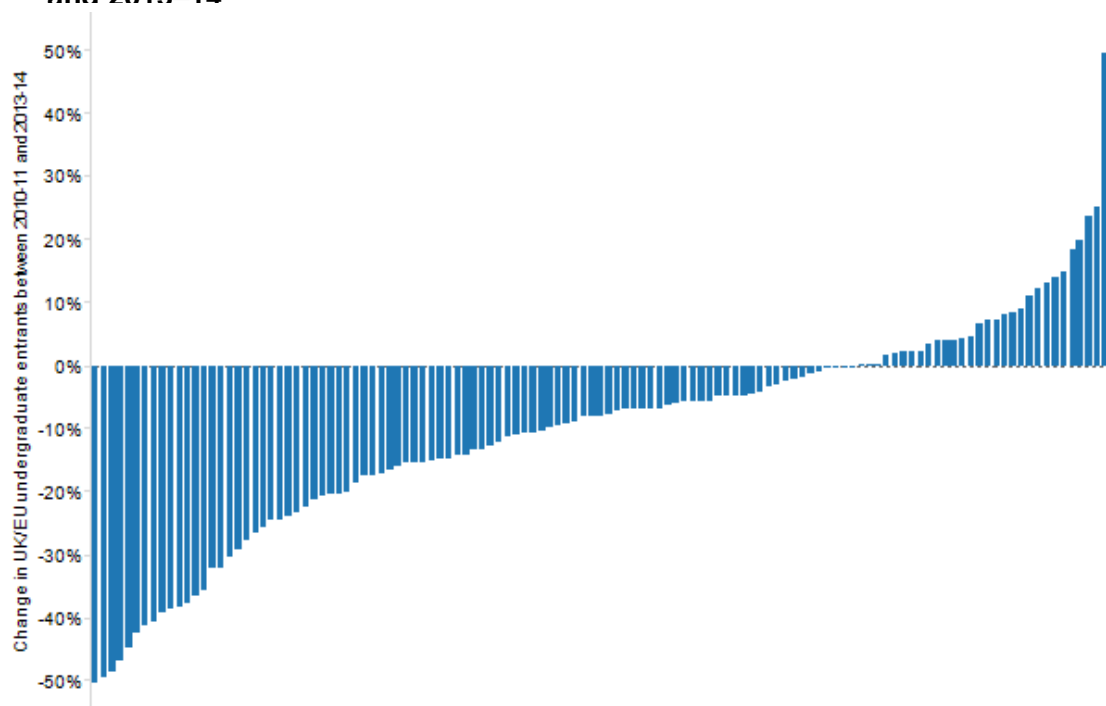
This increased focus on student satisfaction is, in part, a direct response to the shift in the source of funding from the government to individual students, via tuition fees. Increased tuition fees have undoubtedly changed student expectations about the level of service they will receive from their institution.

Student number controls

Another driver of the increased responsiveness to student views has been growing competition for students between UK HEIs. Alongside the 2010 fee reforms, the government has been gradually relaxing number controls in England which limited participation in higher education, and allocated recruitment quotas to each university in the system. In an era of publicly funded higher education, such number controls were necessary to limit government expenditure. As the costs of higher education are transferred to individual students and graduates, the government has taken steps to

increase the total numbers which universities are able to recruit and, finally, to remove the cap on student numbers altogether from academic year 2014-15. The effect of this policy trajectory has been that some institutions have expanded considerably – or are planning to- while others have seen reductions in recruitment.

Change in full-time and part-time UK- and EU-domiciled undergraduate entrants to higher education institutions in England between 2010–11 and 2013–14



Between 2010-11 and 2013-14 27% of HEIs in England saw growth in entrants to undergraduates, while 73% saw some level of decrease.

Chapter 3: Governance and regulation

External regulation

To date, a principal (although not exclusive) mechanism for the external regulation of higher education in the UK has been through conditions attached to receipt of public funding. These conditions have their legal basis in the 1992 Higher and Further Education Act (referred to in this paper as the 92 Act)¹³ and are expressed principally through the terms of the grants made to them by the four national funding councils. These terms include, for example, requirements around governance, quality assessment, and financial sustainability. The funding councils have established a significant proportion of this regulation themselves. However they also have certain statutory duties – the most significant of which is to provide assurance of the quality of the higher education provision they fund. To fulfil this obligation, the national funding bodies contract the Quality Assurance Agency (QAA) to conduct reviews of academic standards in higher education institutions that they fund.

The main objectives of this external regulation in higher education to date have been to protect the quality and reputation of higher education, to ensure that there are effective controls on the use and expenditure of public investment, and to provide ‘levers’ through which to achieve public policy objectives. Within this regulatory environment, academic and institutional autonomy have been primary concerns and protections are enshrined in the 1992 Act.

Institutions that receive public funding and are subject to the requirements above are automatically designated for the purpose of access to student support funding via the Student Loans Company (SLC)¹⁴. The government also exercises the power to control new entrants into the sector, through the Privy Council, via the conferral of degree awarding powers and university title¹⁵, or through Royal Charter.

UK higher education is also subject to a wider range of external requirements that either regulate institutions’ teaching and research activities or place requirements on them as bodies that operate in the wider public or charitable interest (for example, the Freedom of Information Acts, Charity Law, Immigration rules). These requirements increasingly vary between England, Scotland, Wales and Northern Ireland as the relationship between the HEIs and government evolves in each of these jurisdictions.

External regulation has created an operating environment and a mechanism for providing reassurances, but the strength of the institutional autonomy and governance has been a fundamental success factor.

¹³ <http://www.legislation.gov.uk/ukpga/1992/13/contents>

¹⁴ Reference to relevant legislation in 1998 Act

¹⁵ <http://www.qaa.ac.uk/assuring-standards-and-quality/daput>

Autonomous corporate and professional governance

Alongside the external regulation outlined above, UK public higher education is founded on strong autonomous corporate and professional governance, providing assurance on quality and sustainability that complements that derived from external regulation and other factors.

Governance in higher education is guided by the Committee of University Chairs (CUC) code of good governance. This governance architecture has underpinned a self- and co-regulatory structure, which has developed accountability mechanisms to help ensure that an institution's own financial governance and quality assurance regimes meet necessary standards to award degrees or access public funds through grants or the student support system. The UK quality assurance system is covered in detail in chapter 5.

Pressures for reform

During a period of rapid expansion and growth in higher education over the last 15-20 years, the external regulatory environment has grown in a largely ad hoc way. This has been in response to changing policy drivers and a changing higher education system. Institutions are diverse in their missions and composition, so many of these requirements will also apply differentially creating an often complex 'web' of regulation across the higher education sector. Although this can often be a challenging and burdensome environment for institutions to navigate and operate in, the external regulation of higher education to date has been broadly fit for purpose. It has provided necessary reassurances, not least for public investment in higher education, with the reputation and quality of the higher education sector largely maintained over this period.

However, the current regulatory system, which is derived largely from the 1992 Act, links regulatory and accountability requirements primarily to receipt of direct public funding. Although the picture will differ across the sector, and between the four nations in the UK, the shifting of the balance of funding towards fees and loans means that the ability to effectively apply regulatory requirements within the current legislative framework is becoming increasingly difficult. This is the subject of active debate in the UK higher education sector, and in government across the UK. Short term measures are being taken to 'shore up' the system (see below) but there is a widespread consensus that a more systematic reform of the regulation of UK higher education is necessary.

Growth in diversity and provision of higher education

Recently England (to a greater extent than other parts of the UK) has seen a growth in higher education provided by private (or 'alternate') providers. The term 'alternative provider' covers a large and diverse range of providers, a number of which will sit outside of the external regulation

framework underpinned by public funding, as outlined above. They also exhibit differing corporate forms and operate on for or not-for-profit basis. A small number have university title and/or degree awarding powers.

Regulation for many alternative providers is linked to access to student loan funding. In England, the funding council (HEFCE) has now taken on the role of scrutinising alternate providers in order to determine whether their students should be able to access funding from the Student Loan Company. The process includes strengthened scrutiny of quality assurance, financial sustainability and governance¹⁶. It does not, however, include some of the requirements placed on those institutions that receive direct public funding, such as subscribing to the student complaints regulator (the Office of the Independent Adjudicator (OIA)) or submitting information to the Higher Education Statistics Agency (HESA). In this regard the regulation of higher education is currently unevenly applied. Without reform there is a real danger of entrenching uneven approaches to regulation across different types of higher education provider.

Greater focus on the student interest

As set out above, as the principal funders and immediate beneficiaries of higher education there is increasing pressure to ensure that the interests of students are adequately reflected in the system. This has a number of dimensions and includes:

- Students having adequate information and being able to make informed choices in a more market based environment.
- Reassurances around the student experience and security of the student's interest in the event of provision being discontinued.
- Students being adequately represented and engaged as partners within institutions and the wider regulation system.

Increasing regulatory complexity

The system is also becoming increasingly complex and difficult to understand for all interested parties, with multiple actors and lines of regulation and accountability across different providers. For institutions and higher education providers regulatory compliance is becoming a significant element within their cost base.

¹⁶ <https://www.gov.uk/government/publications/alternative-higher-education-providers-specific-course-designation-criteria-and-conditions>

A number of the concerns outlined above have recently been recognised by the competition and Markets Authority (CMA), formerly the Office for Fair Trading (OFT), which published the findings of a call for information on English higher education earlier this year¹⁷. The report of the call for information highlighted a number of issues with the sector's regulatory regime, stating that it is overly complex and does not reflect the increased role of student choice and a wider range of higher education institutions in the system. It also raised concerns about the lack of a 'level playing field', the role of self-regulation, and the lack of arrangements to protect students and ensure continuity should a university or course close.

What next?

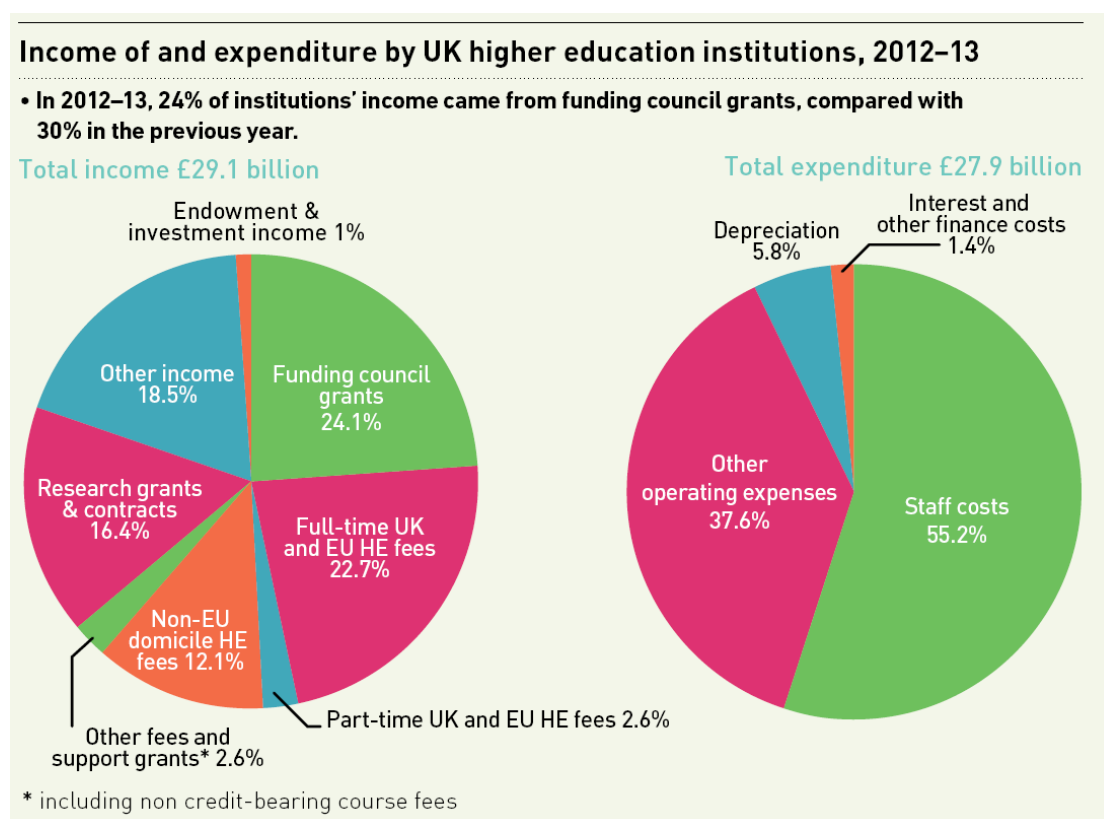
A number of the issues raised were also recognised by government in its *Technical Consultation: a new fit for purpose regulatory framework for the higher education sector* published in 2012. This document set out how the regulatory environment in higher education would need to evolve to ensure that it continues to protect the student interest, promotes diversity and choice, and supports high quality provision. However, substantial reform of the regulatory architecture will require changes to legislation – unlikely to be introduced until the second half of 2015 at the earliest, following the General Election in the UK in May 2015.

¹⁷ <https://www.gov.uk/cma-cases/higher-education-sector-call-for-information>

Chapter 4: Funding

Universities in the UK receive funding from a variety of sources and, as indicated above, the balance of funding, especially for teaching, has changed substantially over the last decade.

The UK's universities and colleges received a total of £29.1 billion in funding in 2012-13 almost a third of which came from government and was distributed in the form of grants by the four UK funding bodies.

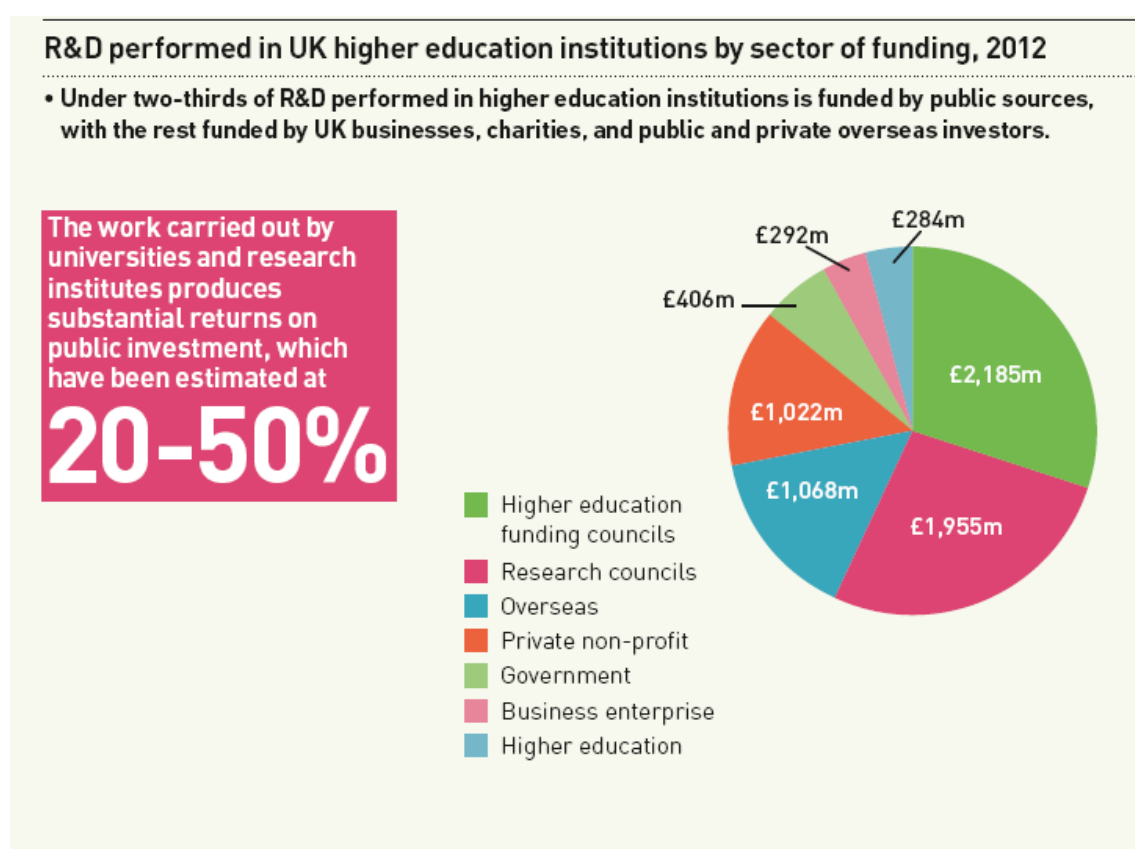


The balance of funding has shifted considerably over the last decade. In 2002-03, total income was £16.9 billion, of which 39% came in the form of funding council grants, and 12% in full time UK and EU fees, compared to 24% in funding council grants and 23% in full time UK and EU fees in 2012-13.

The Funding Councils allocate most of their funds for teaching and research using set formulae. The allocation of resources for learning and teaching depends largely on the number of students at an institution and on the mix of subjects it teaches, while almost all financial support for research is related to the quality and volume of that research. Taken together, the money channelled through the Funding Councils currently represents the second largest single source of income to HEIs, after tuition fees and education contracts, though across the sector universities will vary in the percentage of their overall funding that they received from public sources.

Funding for research

Government funding for research is administered under what is known as the ‘dual support’ system. One strand of this comes in the form of an annual ‘block grant’ from the Funding Councils as indicated above. This supports the UK’s research infrastructure and enables individual universities to carry out research as they determine, in keeping with their own missions and priorities. The other strand provides grants for specific research projects, contracts and postgraduate programmes and is delivered via the seven Research Councils – public bodies charged with investing public money in UK science and research – with additional funding available from charities, industry, the European Union and other UK government departments.¹⁸



Since 1986, the Funding Councils’ allocation of funding to institutions for research infrastructure has been informed by a periodic peer review of the quality of research in higher education - previously known as the Research Assessment Exercise (RAE), now the Research Excellence Framework (REF). This is covered in more detail in chapter 5 below.

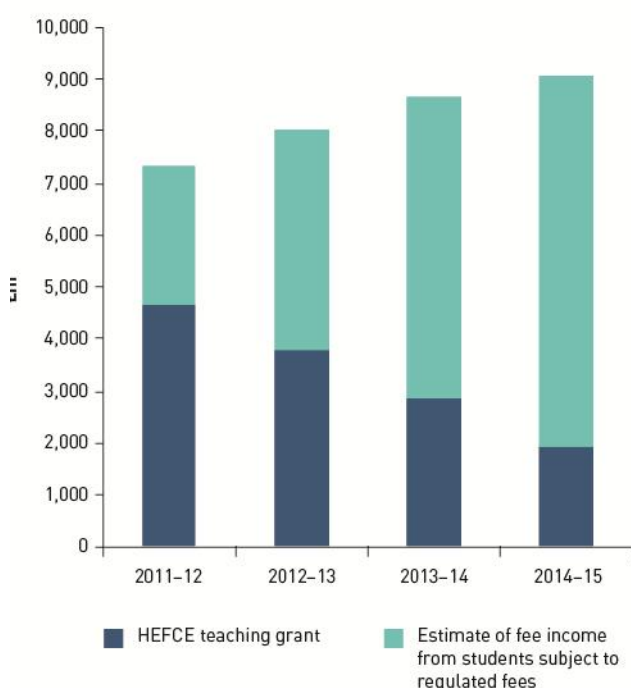
¹⁸ For further information about the Research Councils, see <http://www.rcuk.ac.uk> and Chapter 5 below.

In addition to public funding for teaching and research, and the additional sources of research funding described above, universities also receive substantial private income from; the delivery of services to business, such as contract research, consultancy and training; the provision of residence and catering and conference facilities; the fees charged to international students; from endowments; and from a variety of charitable sources. De Montfort University and the University of Cambridge have recently broken new ground by raising private capital for building projects on the bond markets.¹⁹

Funding for teaching

As previously stated, in England, Wales and Northern Ireland, the proportion of income for teaching which is contributed directly by government has decreased substantially following the introduction of tuition fees. Public funding is now almost exclusively provided to support high-cost subjects (including lab based subjects and resource intensive subjects such as medicine) where the full cost of delivering programmes could not be met within the £9,000 fee cap.

Balance of funding for teaching students subject to regulated fees 2011-12 to 2014-15



Overall, however, the Institute for Fiscal Studies has estimated that, in aggregate HEIs in England receive an average 12% more per graduate than they did before the introduction of the new funding regime.

Income from international student fees has grown substantially, in line with increasing international student numbers in the UK, from just over £1 billion in 2002-3 to just over £3.5 billion in 2012-13.

¹⁹ See <http://www.timeshighereducation.co.uk/420638.article> and <http://www.timeshighereducation.co.uk/421474.article>

Finally, UK universities are increasingly attracting philanthropic support, following sustained effort to increase fundraising. UK HEIs saw a 33% increase in philanthropic giving between 2010 and 2012.

Changes in budgetary priorities

The shift in the balance of sources of funding – and in particular the shift towards greater reliance on income from individual tuition fees – has had a marked effect on university investment strategies. Universities UK's report *Where Student Fees Go*²⁰ describes the investments which universities in England have been making in teaching and learning, facilities, infrastructure and support to help graduates prepare for employment. For example:

- **Study support:** investing in staffing to support independent study has been a common feature in many universities. For many this has meant expanding academic support, to provide mentoring and help with study skills. For example, the University of Birmingham's Academic Skills Centre, which opened in its main library in 2012, provides a central, highly visible focus for blended academic skills support to all undergraduates looking to develop their mathematical, statistical, academic writing and general study skills. Workshops, drop-ins and telephone, Skype and email support are offered for those unable to come on to campus. At the University of Roehampton, dedicated academic learning advisers offer a range of courses designed to develop students' independent research, critical, analytical and reflective skills relevant to the demands of their subject.
- **Investment in university facilities:** Investment in university estates has been a visible priority. Between 2010 and 2011 nearly 80% of institutions reported that they had maintained or increased the quality of their non-residential estate. The increase in the average proportion of university estates which are described as being in 'condition A': either new or having been subject to major refurbishment stood at nearly 22% in 2011–12, compared to just over 18% in 2006–07.
- **Supporting graduates to find work after graduation:** There has been widespread investment in creating internships and work placement opportunities for students and a renewed focus on tailored careers advice. Universities have embedded employability and enterprise in degree programmes, and taken steps to help students develop entrepreneurial skills. Many universities are also encouraging volunteering, helping students to recognize the value of developing their skills and experience during their studies
- **Financial sustainability:** One consequence of the recent period of substantial changes in UK higher education has been that many HEIs have prioritised building larger financial

²⁰ <http://www.universitiesuk.ac.uk/highereducation/Pages/WhereStudentFeesGo.aspx>

surpluses than they would have previously held under a predominantly publicly funded system, in order to enable their institutions to ride out the shocks created by reforms in the policy landscape. This has had the unfortunate consequence of encouraging government, which has been pursuing a policy of ambitious deficit-reduction, to look to the higher education sector as a target for further cuts in public funding. Public funding for universities in England is therefore likely to be subject to continuing reductions until at least 2017.

Chapter 5: Developing the academic profession and measuring performance

The UK higher education sector is large and diverse. Its constituent institutions differ in size, subject focus, research interests, infrastructure and priorities. This heterogeneity is a key strength of the system, as it enables the sector to meet the varying needs of different types of student and to cover a wide range of institutional missions.

There is no national curriculum in the UK. Instead HEIs develop their own programmes of study, often in conjunction with employers and professional bodies, so that currently there are more than 50,000 different courses on offer.²¹ Within this context, quality assurance is a responsibility the HE sector takes very seriously. A national system based on the principle of peer review ensures that both the quality and standards of awards are broadly consistent (not equal or identical) across the sector. This national system, described in detail below, defines the academic standards required – that is, the level of achievement a student has to reach to gain a qualification – as well as the academic quality required – that is, how well the learning opportunities made available by the university help students to achieve their award.

As HEIs in the UK are autonomous institutions, each is primarily responsible for maintaining the quality of the education it provides, and the standards of the qualifications it offers. However as noted above, the funding bodies have a statutory obligation to ensure that the higher education they fund is of good quality.

They meet this obligation through an independent body, the Quality Assurance Agency for Higher Education (QAA),²² which reviews and reports on how well UK universities and colleges set and maintain their academic quality and standards, and supports these institutions through enhancement activities. The review process varies somewhat in different parts of the UK. In England, for example, Institutional Review teams make judgments in the areas of academic standards, quality of student learning opportunities, information about the learning opportunities, and the enhancement of quality. Where a review team makes a judgment of ‘requires improvement to meet’ or ‘does not meet’ UK expectations in one or more areas of the review, the report will be published and a formal programme of follow-up activity will be instituted to address the recommendations of the review. Each funding body has its own policy on unsatisfactory quality which could lead, ultimately, to the removal of funding.

²¹ See <http://www.ukcoursefinder.com/>

²² See <http://www.qaa.ac.uk>. For a general introduction to how the UK’s quality assurance system works, see <http://www.qaa.ac.uk/Publications/InformationAndGuidance/Documents/Quality%20Code%20General%20introduction%20Dec11.pdf>. Also useful is: QAA, Self-Evaluation Report of the Quality Assurance Agency for Higher Education: External Review for Confirmation of Full Membership of ENQA (March, 2013), available at: <http://www.qaa.ac.uk/Publications/InformationAndGuidance/Documents/ENQA-self-evaluation-report-13.pdf>

Assuring the quality and standards of taught programmes

The current UK system for assuring quality and standards is long-established – indeed, it has influenced parallel developments worldwide²³ – and is based on seven key features:

- Independent external review of universities by the QAA, leading to published reports;
- The *UK Quality Code for Higher Education* – developed by the QAA in consultation with the HE sector;²⁴
- HEIs’ own internal systems for maintaining quality and standards, including the use of external examiners at both undergraduate and postgraduate levels;
- Engagement with more than 50 professional, statutory and regulatory bodies (PSRBs);
- Engagement with a wide range of relevant stakeholders, including students and employers;
- Mechanisms to support improvements in quality, such as sharing good practice and developing enhanced professionalism in teaching;
- Measures to address student complaints.

Independent external review²⁵

All universities and higher education colleges in the UK subscribe to the QAA. Its reviews take a slightly different form in different parts of the UK but include: making regular visits to HEIs and Further Education (FE) Colleges offering HE; publishing reports on the confidence that can be placed in each institution’s ability to maintain standards and quality, provide appropriate information and enhance opportunities for learning; following up any areas which need attention to ensure that HEIs

²³ See <http://www.qaa.ac.uk/International/Pages/default.aspx> for an overview of the QAA’s work outside the UK and links to their monthly newsletter *Quality Update International*.

²⁴ See <http://www.qaa.ac.uk/Publications/InformationAndGuidance/Documents/quality-code-brief-guide.pdf> for a simple introduction to ‘the Quality Code’.

²⁵ From 2013-14, QAA will be launching a new process of Higher Education Review (HER), a more risk-based approach to the quality assurance of higher education in England and Northern Ireland. Reviews under the new method will begin in January 2014 with a final version of the explanatory handbook expected to become available during the summer of 2013. For further information on the development of HER, see <http://www.qaa.ac.uk/Newsroom/Consultations/Pages/Higher-Education-Review.aspx>. Further details of the new approach will be made available at www.qaa.ac.uk shortly and queries about it should be addressed to international@qaa.ac.uk

take satisfactory steps to address any shortcomings; and providing information to the UK funding bodies.

Assessments of collaborative arrangements between UK HEIs and overseas organisations²⁶ that lead to the award of degrees by the UK institutions have since 2011 been undertaken as part of the ‘institutional review’ process wherever practicable; however, separate ‘Audits of Collaborative Provision’ may still be used in situations where the collaborative arrangements are too extensive or too complex to be appraised in this manner.²⁷

Quality Code

The QAA has worked with the HE sector to develop a set of nationally agreed reference points, known as the *Quality Code*,²⁸ which institutions use to guide their policies for maintaining academic standards and quality. These give all institutions a shared starting point for setting, describing and assuring the quality and standards of their HE programmes. It sets out the ‘Expectations’ that all providers of UK higher education are required to meet in designing and delivering their programmes of study, and a series of ‘Indicators’ which HE providers have agreed reflect sound practice, and through which they can demonstrate that they are meeting the relevant Expectations.²⁹

Part A of the *Quality Code* is concerned with defining “the minimum acceptable level of achievement that a student has to demonstrate to be eligible for an academic award” and incorporates the previously distinct frameworks for higher education qualifications, subject benchmark statements and programme specifications. It also provides an introduction to the role that various forms of externality play in the assurance of standards and quality in UK HEIs, and introduces the Foundation Degree qualification benchmark.³⁰

Part B of the *Quality Code* contains a range of chapters providing guidance to institutions on topics including ‘programme design’ ‘learning and teaching’, ‘assessment’ ‘enabling student development

²⁶ Collaborative activities between UK HEIs and other UK-based partners are subject to precisely the same process of assessment.

²⁷ See <http://www.qaa.ac.uk/InstitutionReports/types-of-review/Pages/Audit-collaborative-provision.aspx>

²⁸ See <http://www.qaa.ac.uk/AssuringStandardsAndQuality/quality-code/Pages/default.aspx>

²⁹ See QAA, *UK Quality Code for Higher Education: General Introduction* (2011), pp.3-4 – online at: <http://www.qaa.ac.uk/Publications/InformationAndGuidance/Documents/Quality%20Code%20General%20introduction%20Dec11.pdf>

³⁰ See QAA, *UK Quality Code for Higher Education. Part A: Setting and maintaining threshold academic standards* (2012). This is accessible online at: <http://www.qaa.ac.uk/AssuringStandardsAndQuality/quality-code/Pages/UK-Quality-Code-Part-A.aspx>

and achievement’, ‘student engagement’ etc. Of particular relevance to collaboration with international partners is Chapter B10: ‘Managing higher education provision with others’.³¹

Part C of the *Quality Code*, which focuses on the information that HEIs need to provide for students and other interested parties.

Internal systems

UK HEIs continually assess their courses and systems to ensure that students are properly supported, and that the courses stay up to date. They do this in a variety of ways: for example, by making sure that new courses meet the right standards and will be supported by high quality teaching; Programme Approval Panels, usually involving external experts, assess whether proposed new courses are in line with the relevant quality frameworks, subject benchmark statements and programme specifications. Institutions also review and monitor existing courses on a regular basis, using feedback from students, employers and recent graduates where appropriate. Steps are also taken to regulate how student work is assessed so as to make sure standards are maintained. Particular importance is attached to the use of external examiners – experts drawn from other HEIs or relevant professional practice – to advise on standards and to benchmark student performance by means of full participation in both the examinations process and the assessment of coursework.

Students are also increasingly involved in all the mechanisms by which UK HEIs manage quality and standards, from internal and external review to membership of the QAA Board. QAA currently has a pool of more than 100 student reviewers who participate in institutional reviews of universities and colleges across the UK.

In recent years, HEIs in England, Wales and Northern Ireland have been required to provide basic information about every course they offer to a national website.³² This includes a profile of each institution; an analysis of the student body; the qualifications and UCAS points needed for admission to any particular programme of study; the employment prospects for graduates; and a detailed breakdown of student feedback gathered by means of the National Student Survey (see above).

In response to a growing interest in the extent to which academic programmes of study promote students’ employability and earning power, HEIs are also required to publish Key Information Sets (KIS) to help prospective students anticipate their employment prospects after a particular course of study.³³ KIS data is intended to provide them with “access to robust, reliable and comparable information in order to help them make informed decisions about what and where to study.”³⁴

³¹ See QAA, *UK Quality Code for Higher Education. Part B: Assuring and enhancing academic quality* (2012). This is accessible online at: <http://www.qaa.ac.uk/AssuringStandardsAndQuality/quality-code/Pages/Quality-Code-Part-B.aspx>

³² The information can be accessed at: <http://unistats.direct.gov.uk>

³³ See <http://www.qaa.ac.uk/AssuringStandardsAndQuality/Pages/employability.aspx>

Engagement with Professional and Statutory Regulatory Bodies (PSRBs)

Employers in the UK are often involved in designing and reviewing higher education courses, and UK HEIs work with a large number of PSRBs to ensure that their graduates are properly prepared for employment. These include organisations such as the Health Professions Council, the Architects Registration Board, the Nursing and Midwifery Council, the Solicitors Regulation Authority and the Engineering Council. For those professions regulated by law, only those graduating from courses accredited by the relevant body – the General Medical Council in the case of medicine – are given a ‘licence to practise’. Wherever practicable, every effort is made to rationalise the oversight of HE providers by these different bodies, and to reduce the regulatory burden that might otherwise result from uncoordinated activity. Joint action between PSRBs and the QAA is particularly helpful in the development of TNE, reviews of UK collaborative provision overseas and the resolution of problems arising with respect to the international recognition of UK degrees. The PSRB Forum was established in 2008 as a joint venture between QAA and the UK Inter-Professional Group and is intended to provide an opportunity for representatives of PSRBs to share ideas and experiences and discuss areas of mutual interest with QAA, with a view to “sharing good practice and achieving economy of effort”.³⁵

Professional development of staff

UK HEIs are committed to learning from their own experience, and that of other institutions, as an essential prerequisite to improving their offer to students. They do this by listening to those who take their courses; by responding positively to feedback from the NSS; and by availing themselves of the support provided by national bodies such as the Higher Education Academy,³⁶ the Leadership Foundation for Higher Education³⁷ and the QAA itself to support and develop staff. All three are independent bodies which support universities and colleges in their aim to enhance quality in higher education through providing professional development for teachers, managers and administrators.

The Higher Education Academy (HEA) is the national body, owned by HEIs themselves via their representative bodies Universities UK and GuildHE, and funded by subscription. It exists to enhance learning and teaching in higher education. As well as offering support to individual academic staff, and to higher education institutions to help them develop and improve, the HEA manages the UK Professional Standards Framework³⁸ - a comprehensive set of professional standards and guidelines

³⁴ For more information about KIS, see <http://www.hefce.ac.uk/whatwedo/lt/publicinfo/kis/>

³⁵ See <http://www.qaa.ac.uk/Partners/PSRBs/Pages/default.aspx>

³⁶ See <http://www.heacademy.ac.uk>

³⁷ See <http://www.lfhe.ac.uk>

³⁸ <https://www.heacademy.ac.uk/professional-recognition/uk-professional-standards-framework-ukpsf>

for HE providers and leaders. The HEA works with universities and colleges to improve the professional experience of HE teachers through fellowships, accreditation, awards and professional development provision, and offers a professional recognition programme to support the professionalisation of teaching.

Evaluating the quality and impact of research

British research is of world-class quality and UK universities and research institutes have produced 44 Nobel Prize winners in the last 50 years; there have been 69 UK-born Nobel laureates in the categories of chemistry, physics and medicine since 1901, more than from any country except the United States.³⁹ A 2009 study showed that the UK produces 7.9 per cent of the world's academic papers and 14.4 per cent of the 1 per cent most highly cited. Its research productivity is among the highest in the world: in the UK, academics produce 32 papers for every billion US\$ of Gross Domestic Product (GDP).⁴⁰

Research Assessment Exercise (RAE)

For more than 20 years, the quality of research carried out in the UK higher education sector has been assessed through a formalised process, based on expert peer review, known as the Research Assessment Exercise (RAE)⁴¹. Undertaken jointly by the four UK higher education funding bodies, six RAEs took place between 1986 and 2008.

The RAE was a discipline-based process in which judgments on the quality of research were made by researchers and experts active in that discipline. Its main aim was to produce quality profiles for each submission of research activity made by UK HEIs. In the last RAE, conducted in 2008, each academic discipline was assigned to one of 67 units of assessment (UOAs). The submitted work was assessed by separate sub-panels for each UOA, comprising more than 1,000 members drawn from higher education institutions and the international research community, working under the guidance of 15 main panels. All work submitted to a UOA was classified into four levels of quality, defined in terms of originality, significance and rigour as 'world-leading' (4*); 'internationally excellent' (3*); 'internationally recognised' (2*); or 'nationally recognised' (1*). An 'unclassified' category recorded work which fell below this standard. A quality profile was then drawn up for every institutional submission to show the proportion of research activity found at each level.

³⁹ For a full list of UK Nobel Laureates, see <http://nobelprize.org>

⁴⁰ Evidence Ltd. for the Department of Business, Innovation and Skills, *International comparative performance of the UK research base* (September 2009), p. 4. This report, the sixth undertaken by Evidence, is available online at: http://www.dius.gov.uk/assets/biscore/corporate/migratedd/publications/i/icpruk09v1_4.pdf

⁴¹ See <http://www.rae.ac.uk>

For the 2008 RAE, 2,344 submissions were made by 159 higher education institutions. The world-class standing of UK research was demonstrated by the results, which showed that:

- 54 per cent of the research submitted was either ‘world-leading’ (17 per cent at 4*) or ‘internationally excellent’ (37 per cent at 3*);
- 87 per cent of the research submitted was of international quality (taking the top three grades together);
- 150 of the 159 UK institutions who made submissions had some work of world-leading quality;
- 49 institutions had research of the highest quality in all their submissions.

Research activity submitted included strategic, basic, applied and inter-disciplinary research across the whole of the UK. The results were consistent with other benchmarking data which indicate that the UK maintains second place to the US globally in major subject areas.

The Research Excellence Framework (REF)

In 2014 the RAE is being replaced by a new system: the Research Excellence Framework (REF). The REF consists of a single framework for the funding and assessment of research across all subjects. The quality of research outputs will continue to be the primary factor used in the assessment, as with the RAE, with judgments being made by expert panels against international standards of excellence. The REF will make increased use of bibliometric indicators and, controversially, the ‘impact’ of research on the wider society will also be included among the assessment criteria, alongside ‘outputs’ and ‘environment’. The assessment of impact will be based on expert review of case studies submitted by HEIs. “Case studies may include any social, economic or cultural impact or benefit beyond academia that has taken place during the assessment period, and was underpinned by excellent research produced by the submitting institution within a given timeframe. Submissions will also include information about how the unit has supported and enabled impact during the assessment period.” The weighting of this ‘impact’ measure will eventually be 25 per cent but will be reduced to 20 per cent for the 2014 exercise because its use is deemed ‘developmental’. The assessment of research ‘outputs’ will account for 65 per cent and ‘environment’ will account for 15 per cent of the overall assessment outcomes in 2014, and these weightings will apply to all units of assessment.⁴²

The primary outcome of the assessment will be an overall quality profile awarded to each submission, showing the proportion of the submission that meets each point on a five-point scale (1* to 4* plus

⁴² See the executive summary of ‘Decisions on assessing research impact’ (2011), a report produced by the four HE funding bodies, at <http://www.ref.ac.uk/pubs/2011-01/> where the full text can also be downloaded.

unclassified). Results will be published in December 2014 and will be used by the HE funding bodies to inform research funding from academic year 2015-16.⁴³

⁴³ For a full explanation of submission procedures, assessment criteria and the proposed timetable, see 'Assessment framework and guidance on submissions' (2011) at <http://www.ref.ac.uk/pubs/2011-02/>

Chapter 6: Developments in UK higher education

This paper has considered the history and recent development of the UK higher education sector, its governance, funding, quality assurance features, and a commentary on the implications of massification in the UK context.

This final chapter sets out some brief comments on some major developments and trends in UK higher education.

Rethinking the purpose of higher education

Expansion of higher education, coupled with increasing competition for UK and international students has driven efforts among HEIs to differentiate themselves. This paper has described the way in which, as participation in higher education rises towards 50% a particular emphasis has been placed on ensuring that graduates get good graduate level jobs. While some commentators have complained of an increasingly utilitarian approach to the development of higher education by both government and higher education leaders, this preoccupation responds to the primary motivations described by prospective applicants to HEIs, and public and political pressure to demonstrate that mass higher education does not diminish the value of a degree to the individual.

However this is also part of a wider drive to foster closer links between universities and business and public sector employers. Policy incentives, such as the Higher Education Innovation Fund, the development of Sector Skills Councils and funding mechanisms to encourage universities to develop higher education provision which meets the expressed needs of groups of employers has driven an increasing level of engagement between HEIs and industry. The annual Higher Education Business and Community Interaction Survey estimate the value of this interaction to be £3.5 billion in 2012-13, a 45% increase compared to 2002-03. Activity ranges from collaborative and contract research, to continuing professional development courses for a range of professions. 89% of HEIs have a dedicated enquiry point for SMEs, and 86% offer short bespoke courses on client premises.

As close and widespread interaction between universities and business become the norm, the knock on benefits for teaching and research become more apparent. Increasingly universities engage employers in the design of courses, develop placement opportunities for students to enrich their courses, and use real-life business challenges as teaching tools.

HEIs are also increasingly seen as major economic actors in their own right – they are recognised as major employers and as anchor institutions in many cities, playing a strong role in local and regional economic development.

Finally, UK higher education is increasingly understood to be a major facet of the UK's international profile and a major source of export earnings. UK HE is now highly internationalised: 24% of university staff are international, and 17% of students. 48% of research articles published by UK HEIs have an international co-author. There are 600,000 student currently enrolled in UK higher education programmes outside the UK, and the UK remains the second most popular destination for international students. Evidence increasingly points to the benefits of international research collaboration on the quality of research, and the benefits of an international staff and student body for the learning environment are also increasingly clear, especially in an age of globally mobile graduates.

Despite the tensions between UK HEIs' success in internationalisation, and the UK's domestic visa policy, UK political and public debate increasingly recognises that the benefits of internationally engaged universities extend to all parts of the UK, contributing to the UK economy, society and the UK's so-called 'soft power'.

Where next?

It seems likely that a combination of factors – ranging from changing public and student expectations, increased competition for UK students, to shifting patterns of enrolment, to increasingly outward facing approaches to higher education and research could lead to further substantial evolution in the UK HE system. A larger, more diverse sector, potentially with a differentiated regulatory framework is already emerging. New territory, such as the development of Massive Open and Online Courses, the proliferation of UK HE offered outside UK borders, and the emergence of multi-campus institutions – locally rooted but with a genuinely global outlook could also have a profound effect on the landscape of UK HE. However, the story of the last millennium – since the establishment of the University of Oxford in 1096 has been one of remarkable consistency of purpose and fundamental character, in which the values of academic freedom, critical enquiry, and institutional autonomy have proved capable of flexing as the character of the system as a whole evolves.