

Election 2024: Three Vice-Chancellors' Manifestos



MANIFESTO



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Introduction

Lucy Haire, Director of Partnerships, HEPI

At the time of writing, in autumn 2023, there feels to be a void when it comes to knowing what exactly the main political parties, one or more of which will form the next UK government, are planning to do in terms of their education policies. Higher education in particular is an area in which we do not know what will happen after the next General Election, which is due to take place by January 2025. It is certainly no easy task to put together a manifesto when money is exceptionally tight and when demands in other areas of policy such as health, housing and welfare are very high. There are also lots of big questions swirling around about the future direction of higher education. One of the biggest questions is about whether the UK's universities have expanded too much, too little or in the right way over the past three decades.

HEPI is therefore delighted to publish three UK vice-chancellors' ideas for the next higher education manifesto, which we hope will inspire all the political parties. The three authors all lead English institutions, so we are conscious their recommendations have somewhat less direct relevance to Scotland, Wales and Northern Ireland. However, in the months ahead we will supplement this report with other work looking ahead to the next Election.

There are some notable areas of consensus among the three authors, including on the need to tackle the cost-of-living crisis among students, on the growing shortage of student accommodation and on the need for a single Whitehall department in place of the two that currently oversee higher education. However, the three authors differ in the priority they give to asking for more public funding.

The three vice-chancellors, Professor Sir Chris Husbands, Professor Sasha Roseneil and Professor Adam Tickell, who have each contributed an essay for this report, lead institutions which reflect the very diverse nature of the higher education sector and between them have decades of experience in the academy. We are very grateful to them for putting their thoughts on record.

1. The fourth mission: mobilising universities to drive a high-skill society

Professor Sir Chris Husbands and Natalie Day,
Sheffield Hallam University

Universities and the challenge of high skills

Universities are not solely defined by their role in driving a stronger economy.¹ As the Australian Government's *Interim Report* on their Accord process recently put it:

Higher education prepares and inspires us to continue to press forward and emboldens us to meet the challenges heading our way. It delivers endless, intangible benefits to the nation, far beyond any individual qualification or job it provides.²

But if universities do not simply exist to drive national economies, the economic role of universities matters a lot: the United Kingdom's future prosperity equips us as a society to provide better for our people.

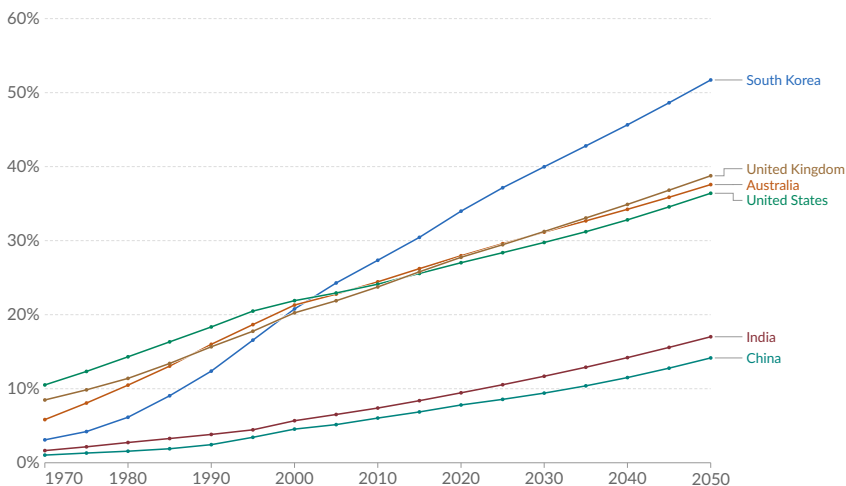
Few things date more than predictions of the future. History is littered with confident assertions which were rendered laughable by subsequent events. It is not hard to find statements that there would never be widespread demand for personal computers and the internet, for televisions or motor cars. But at the same time, it is all too easy to find examples of organisations that were rendered obsolete by failing to understand the intersection of technological and social change: the loss of high street stores and once all but ubiquitous household names are a reminder that the economy, society and culture are all intolerant of a failure to shift with the times.

Predicting detailed future skill demands is particularly difficult, even if the main overarching trends are clear. Over the past generation, Britain's labour market has changed almost beyond recognition. The labour market of the mid-twentieth century demanded relatively low-skill levels from large labour forces working in mass employment. In industry after industry, workplace after workplace, the nature of work and the demands placed on the workforce have changed fundamentally.

Low-skill and repetitive jobs have been automated and transformed out of existence; once apparently reliable white-collar jobs have been thinned out by the inexorable development of technology. Within the last year, the pace of change has only accelerated with the rapid development of generative artificial intelligence. The only certainty for the future is further change.

This makes it nearly impossible to make secure predictions about skills demands and possible shortages over the next 30 to 40 years. Even if we cannot be sure about the nature of skill demands, we can be confident about some long-term shifts. We know the economy is becoming more knowledge intensive, with greater demands for the ability to interrogate, use and deploy knowledge. We know that, as technology automates more aspects of work, the premium is on developing ever higher levels of skill. Artificial intelligence (AI), digitisation and automation mean that many routine and medium-skilled occupations will either disappear or evolve rapidly. Technology-driven economic change will increase demand for advanced skills.

Projections of the share of adults educated to degree level, 1970 to 2050



Our World in Data, 2015

In this context, it is small wonder that around the world, high- and middle-income countries are investing rapidly in higher education (see chart above). The growth of participation in higher education around the world has been extraordinary. Over the past 50 years, as the global population has doubled, higher education participation has sextupled. Low participation nations have seen higher education rocket: before 1998, university participation in China was below 5 per cent of school-leavers; in 2022 it was almost 50 per cent. In South Korea, tertiary participation is more than three-quarters of school leavers. Participation rates in higher education in sub-Saharan Africa and India are also increasing rapidly.³ In Australia, the Government claims that 'more than nine-in-ten new jobs will require post-school qualifications, and 50 per cent of new jobs are expected to require a bachelor's degree or higher' by 2026, which requires 'substantial growth

in participation from cohorts currently under-represented in Australian higher education.⁴

Universities are critical to the development of a knowledge-rich, high-skill economy in the UK and globally because they routinely deal with advanced knowledge, its creation, development and dissemination. As other countries have discovered, they are also relatively efficient institutions for developing both advanced knowledge because of their proximity to knowledge creation or research and innovation activities and advanced skills through their deployment of interactive pedagogies. This does not depend on the ability to predict detailed skill demands: the evidence is strong that advanced degree-level learning provides the basis not just for developing high skills but also lays the foundations for subsequent re-skilling and up-skilling. Every advanced economy envisages a future based on higher skill, knowledge-intensive employment.

Universities are a vital ingredient in this – not just because they are centres for knowledge creation and dissemination nor because they are adept at shaping advanced skills through effective pedagogies. Universities are the critical players in shaping the future economy because, uniquely, they develop both advanced knowledge and high-level skills in tight connection.

Historically, the UK has been good at some of the things which need to be done, but not all. It has always been good at fundamental science and research, and extremely good at educating the highest attaining students to very high levels. But it has been poor at turning inventions into innovations, and then deploying innovation into the wider economy. And, historically, it has not been good at developing mid-level skills. The 2008 financial crash exposed serious weaknesses

in the economy, and productivity improvements, which had been strong in the decade and a half before 2008, stalled and have not recovered. The pandemic and now the cost-of-living crisis have further exposed weaknesses in the UK's economic model. It has never been more important to put in place the policies and infrastructure the UK needs for the knowledge-intensive high-skilled economy the future demands. We need to understand the barriers to entrepreneurialism, innovation and investment, and focus on how to overcome them, which is often best achieved through a more localised regional approach. Universities are central to this vision.

How universities can drive skills

Universities already do important work in driving up skill levels. The challenge is to design a policy and financial framework that gives universities the incentives, flexibility and autonomy to satisfy the full range of skilling, up-skilling and re-skilling the economy needs. There are some things only government can provide if universities are to realise their potential for individuals, communities and societies. There are three principal areas where government action is needed: funding; regional policy; and regulation.

Funding

The university funding regime which introduced £9,000 fees in 2012 in England was instrumental in driving increases in participation. However, the 2012 funding regime has some serious weaknesses. The most glaring is that it drives participation almost entirely into full-time undergraduate degrees and has led to a precipitate decline in part-time students. Subsequent regressive changes to student maintenance support, with the replacement of all maintenance grants by loans in England, reinforced this trend. While

participation among school leavers has risen sharply, mature participation has declined. Put differently, if students miss the boat for higher education at 18, it is difficult for them to access higher education later in life. This makes little sense for a society in which up-skilling and re-skilling is increasingly important.

By the same token, the funding regime makes it difficult for students to access, and disincentivises universities from offering, short stackable micro-credentials which can build up over time as individuals' skills demands shift. The Government has already flagged significant change here, proposing a Lifelong Learning Entitlement (LLE) from 2025, although limited progress is visible in tackling the structural and technical impediments to delivering this ambition. While the principle of supporting lifelong learning makes sense, in the current economic climate further incentives are required to encourage more mature students to take up extra study. Although some maintenance loans are available through the LLE, the idea of taking on more debt on top of tuition fees when they are likely to have a mortgage or other financial pressures has the potential to restrain take up of the loan, and consequently on the transition to a more diverse higher education system.

If government is to provide a stable framework in which universities can respond to the need to up-skill and re-skill a diverse population, it needs to fix these funding flaws.

Regional policy

Universities are fundamentally institutions of place. In this essay, the focus is on universities as drivers of high-skill supply. That is a fundamental part of the prosperity jigsaw. But it is only one part. The supply of skills matters a lot. Supplying

highly skilled people will not be transformational for prosperity and productivity without attention to the demand-side of the challenge. We know that, in many cases, universities in the North and the Midlands are exporters of skills: they train highly skilled young people who then move to London and the South East for their first or, more likely, second job.⁵ They do this because regional economies are not sufficiently strong to retain highly skilled people. Those that do stay often undermine their higher earning potential or pursue labour options which undervalue their skills.

The key to overcoming this is active regional policy. 'Levelling up' is a bold aspiration, but it demands attention to a lot of detail. Government has made some sensible moves here, by driving the relocation of central government agencies from the South East and London to the regions, and the rebalancing of the public sector is a vital tool. But the real key lies in incentivising the private sector to invest in skills through staffing and investment decisions that grow productivity. The UK is predominantly an economy of small- and medium-sized enterprises. Growth depends on expanding the private sector in the regions through investment incentives, stable skill structures and attention to building the capacity of companies to hire more people at higher levels of skill.

Regulation

Good regulation drives good innovation. Stable, accessible regulation creates stable effective markets. Throughout history, the principal purpose of markets has been to provide a regulated space in which legitimate traders can operate with confidence.

In higher education, effective regulation is important in driving out low quality or even fraudulent provision. Regulation in the student interest matters. But the regulatory tools need to reflect the realities of the market in which providers (universities and others) and consumers (individual and companies) operate. Before 2017 in England, universities were overseen by a single minister and a single funding council. Now, the Westminster Government has split higher education between two different ministries, with separate oversight of teaching (the Office for Students) and research and innovation (UK Research and Innovation). The separation has made it far more difficult for government to shape successful higher education policy, much more difficult for universities to manage the full range of their activities and almost impossible for joined-up policymaking linking universities to partners in other sectors. The holistic overview of 'the university sector' and its connection to skills, place and productivity has been lost.

In respect of the regulation of the student interest, the Office for Students has, of necessity, been required to shape regulation around the assumption of full-time three-year undergraduate provision. The Office for Students is poorly designed to respond to more fluid and dynamic stackable provision, poorly attuned to the relationship between universities and their regions and not well positioned to encourage connectivity across teaching and research. Despite outstanding staff committed to seeing institutions and students succeed, it is a flawed regulator because of this blinkered remit.

Shifting for the times — what role for government and universities?

There is broad political consensus about the importance of

a more inclusive, knowledge-led and high-skilled economy, but limited serious thinking about the policy framework or institutional infrastructure which could drive it. The gap between aspiration and capacity to deliver is vast. Our policy proposals suggest a roadmap for change.

1) Delivering a 10-year vision for skills, with partnership as paramount

The first idea is overarching. In the post-Brexit post-pandemic landscape, the UK economy needs to redefine its place in the global economy. Despite such rhetoric as ‘science superpower’ and ‘global Britain’, the UK lacks a compelling plan for the knowledge-led highly skilled future to which it aspires. For too long, many businesses have not taken sufficient responsibility for their roles in the skills infrastructure, and have woefully underinvested in training and development for their staff. This needs rebalancing as part of a plan which uses all the levers at its disposal and which sees the broader skills ecosystem as a shared priority, drawing on regional expertise and experience of barriers to prosperity and growth. As part of this, government needs to see universities – collectively – as a key partner in re-energising the UK economy and society. This makes particular sense when you consider the reputation of UK higher education in global markets, as demonstrated by the continued demand from international students. This vision requires a long-term commitment to social partnership, in which universities are seen as partners and allies rather than as standalone businesses or even hindrances. **Government should establish a National Skills Council, bringing together government, universities, further education colleges, sector bodies and business leaders to shape a long-term skills strategy founded on collaboration.**

2) Embrace mission diversity and innovation

For too long, too many universities have spent too much effort competing to be more like each other, as research-rich providers of full-time undergraduate education. But this does not reflect the needs of a twenty-first century economy. Full-time and research-rich undergraduate education is simply one mode in which universities need to operate. Society, and students, also need them to engage with lifelong learning, with embedding innovation in developing parts of the economy, reaching out to disadvantaged groups, developing professional practice and up-skilling and re-skilling people throughout their lives. No one institution can excel at all these things. With greater diversity of mission, and much less emphasis on turning diversity into hierarchy, innovation can be unleashed across higher education. This means that universities need to embrace transformational change in the way they plan, work and engage with communities. The future will mean a much more diverse sector, with greater differentiation of mission underpinned by funding which encourages and celebrates differences rather than driving similarity and homogeneity.

To drive greater diversity, government needs to refocus existing targeted funding on different parts of the sector in order to drive more diverse skills. More universities need to embrace their civic and local role, and become much more comfortable at working in close collaboration with each other, with further education and with other civic institutions. **In order to achieve this, current support from Innovate UK and Higher Education Innovation Funding (HEIF) should encourage differentiated institutional missions and structures, which might focus on educational cold spots, or offer specific teaching-only vocational provision, tailored to the region.** This needs to be a porous arrangement,

recognising that innovation is non-linear, complex and works best across different disciplines, different skill sets and often different geographies.

3) More flexible student funding

The student funding regime must be overhauled. Current funding arrangements will not drive either lifelong participation or greater diversity of provision. It has been said that the current regime is the 'right approach with the wrong parameters': a loan-based funding regime for tuition fees makes, largely, good sense, but it needs to be much more flexible.⁶ **Government needs to re-engineer the Student Loans Company to drive flexible and part-time learning.** At the same time, and noting the tight constraints on public funding, government needs to recognise that loan-based support for student maintenance for day-to-day living costs will never be attractive to students from less well-off backgrounds, whether young or mature. Social justice and economic success depend on providing appropriate maintenance costs for less well-off and mature students, focused on priority skill areas.

4) Focusing lifelong learning where most needed

Policies to up-skill and re-skill mature workers have struggled due to a mixture of policy churn, under-investment and government impatience. A serious lifelong learning offer will need investment, at least in information and guidance provision, and co-operation between different training providers. The Government's LLE is an important step forward, but progress has been too slow, and limited investment alongside a trepidatious sector means that it remains far from a reality.

A key feature of the more flexible funding system would include the removal of the significant structural and regulatory barriers which currently hamper efforts to deliver the LLE. In

order for the LLE to fulfil its transformative potential, we need a clear roadmap to encourage and connect learners with alternative pathways and possibilities that address economic and societal skill shortages. At the same time, universities need to be more agile and responsive to alternative models of delivery, through the LLE as well as broader regional based co-operation between higher education providers and FE, and open to more innovative curricula approaches fit for twenty-first century skills needs. **Given resource constraints, we propose to fast-track the delivery of the LLE via regional Higher Skills Centres (HSC), focused on mature learners, and located in educational cold spots across the UK rather than a wide-scale rollout – for which systems and demand are still underdeveloped.** Working directly with local employers, these Higher Skills Centres would offer tailored short stackable courses in areas of local skills shortages – but with a ‘High Skills Bonus’ of £2,000 to the first 100,000 learners – to help overcome perceived barriers to further training, and recognising reluctance to take on more loans.

5) Reshaping innovation and research funding

There needs to be a reshaping of innovation and research funding. In principle, research funding in the UK is ‘place-blind’. In practice, it is far from place blind: the overwhelming majority goes to the ‘golden triangle’ of Oxford, Cambridge and a few London institutions. These centres will remain important, not least for their capacity to make use of research and innovation funding, but UK research and innovation needs a greater diversity of priorities, places and people. National long-term prosperity depends on driving skills development, research and innovation success outside the South East. Elements of UK Research and Innovation and Innovate UK funding need to be targeted to provide genuine place-based innovation funding to drive productivity and skills across the entire economy. Current Innovation Zone investments are helpful but there needs to be

an equivalent scheme focused on driving innovation in small-to-medium employers. Government needs to redouble its work on auditing innovation capacity outside London and the South East to identify potential clusters of capacity and capability for future growth. Redirected research funding also needs to increase the capacity of regions to drive, attract and retain new talent.

When the UK voted to leave the European Union, the Government at the time made a commitment that it would maintain funding which had hitherto been provided by European Union structural funds. These funds were instrumental in equipping universities to provide business support. Government did not keep its word, and the business support which regional economies have taken for granted is now at risk; replacement funds are much smaller, delays and policy uncertainty have undermined capacity and, critically, universities are no longer allowed to be budget holders.

Government must be held to its word on this: regional business support needs to be restored with universities as key partners.

6) Driving skills through innovation in apprenticeship provision

Conservatives and Labour alike see degree apprenticeships as central to the future of tertiary education, even if apprenticeship provision is not suited to every course or institution. Expansion has been rapid, and the infrastructure is developing fast. Reform rather than revolution is required here.

Although the Apprenticeship Levy has taken time to bed in, it would be wrong to tear it up and start again. It is now beginning to drive employer decision-making, building a stronger training culture and providing the basis for higher productivity. Funding and regulatory arrangements need to remain stable. Further streamlining of bureaucracy would better encourage innovation in apprenticeship delivery

through recognising and rewarding different business models, course and support structures and skills prerequisites, without compromising quality. To then drive further skills, the key next step is in making it simpler for small firms – who make up the vast bulk of the UK economy – to work with universities. **Government should create a ‘shared apprenticeship facility’ which would enable SMEs to pool their apprenticeship demands and connect to training providers, including universities.** The basis for this already exists through flexi-job apprenticeships, and is, in part, already the Scottish model, but must be accelerated.

7) *Supporting collaboration between further and higher education*

Current arrangements by and large create a wedge between two sorts of institutions which should be complementary – universities and further education colleges. As highlighted in our report, *Going Further and Higher*, there are real and important differences in the mission of higher education and further education, but the learner would be best served by successful collaborations between these two complementary parts of the system.⁷ The Institutes of Technology provide one model of successful collaboration, but there is a need and a place for much more systematic operation. **Government should establish a funding pot, which need not be large, to drive higher education and further education collaboration in areas where advanced training provision is underdeveloped – largely those towns and smaller cities which do not have a university presence.** Such a fund could be locally transformative for institutions and individuals. Capital funding is already provided via the Skills Injector Fund and Institutes of Technology (IoT) funding, so this new funding pot should be for revenue and fund time to create the systems rather than to deliver outputs.

8) Regulatory reach that encompasses all missions of a university

Since the Higher Education and Research Act (2017), there has been no body with strategic oversight of the sector, of the overall performance and sustainability of institutions and of the long-term development of higher education in England. While the Office for Students may have few friends or advocates in higher education, there is a strong case for a regulator in the student interest.

Government should overhaul the regulation and management of the sector. The Office for Students should be merged with the Office of the Independent Adjudicator for Higher Education to provide coherent oversight in the student interest. Government should establish a strategic Tertiary Funding Council with oversight of the sector and the sustainability of institutions, with a more systemic view of the potential of universities to contribute to the full range of economic and social objectives. This would range from workforce development and economic regeneration to innovative, place-based research. The new system architecture would separate funding, with a new Higher Education Commission, and a student regulator, focused on holding institutions to account in the student interest and amplifying student voices.

Conclusion

We cannot claim to predict the future. But we can reasonably predict that a vibrant and sustainable higher education sector, underpinned by a diverse and collaborative mission, will be in the interests of learning, the interests of prosperity and the interests of a good society in which more people can thrive. We have many of the building blocks, but we need radical system transformation if universities are to drive the inclusive high-skill and knowledge-rich economy of the twenty-first century.

Endnotes

- 1 The authors would like to acknowledge and thanks colleagues at Sheffield Hallam University who have tested, challenged and helped us in finalising this paper. Particular thanks to Dan Lally and Lizzie Morgan. All mistakes and errors remain entirely our own.
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- 5 Kostas Kollydas and Anne Green, *Graduate pathways: identifying patterns of regional retention and attraction*, January 2022, University of Birmingham;

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- 7 Philippa Alway, Lewis Cooper, Natalie Day and Elizabeth Morgan, *Going Further and Higher: How collaboration between colleges and university can transform lives and places*, Commission for the College of the Future & Civic University Network, March 2022 <https://civicuniversitynetwork.co.uk/wp-content/uploads/2022/02/Going-Further-and-Higher-English.pdf>

2. Investing in our future: higher education as a public good

Professor Sasha Roseneil, University of Sussex

Why universities matter

As we approach the first general election since the COVID-19 pandemic, against the backdrop of high levels of inflation and the cost-of-living crisis, and with media and political focus on universities more intense than ever, it is time to boldly assert a truth that has disappeared from political discourse: higher education is a public good that benefits the whole of society.

Universities develop and train the minds and characters of their students, preparing hundreds of thousands of young (and not so young) people each year for fulfilling and productive lives as citizens and workers. Attending university is, at its best, a richly transformative experience that offers a significant boost to individual graduates' lifetime earnings, particularly for first-in-family students, as well as improving health and wellbeing, opening up new worlds of knowledge and imagination, and creating networks of friendship and support that can be carried through the decades.

And through their three-fold mission of advanced education, research and external engagement, universities are also vital engines of cultural creativity, economic change, societal development and technological innovation. Universities provide our country with the professionals and specialists who run every industry and public service. Throughout the UK, universities are anchor institutions in their localities, partnering with businesses, voluntary organisations and

public bodies to enhance, energise and up-skill regional economies and communities. They preserve and pass on our history and culture, curating knowledge about the past for each new generation, and ensuring that understandings about the complexity of global cultures, environments and politics are constantly updated. They weave networks of scientific collaboration and personal connection around the world, and through the flows of the knowledge they create and the students they educate, they maintain and grow our nation's influence and reputation. University researchers pose challenging questions about every aspect of planetary existence, and the threats to it, developing hypotheses and methodologies and gathering and analysing data to answer those questions. On the basis of their research, academics suggest practical interventions and policy changes and create new technologies to address the multitude of problems that humanity faces.

Above all, universities are crucibles of new ideas and disruptive invention, constantly expanding our sense of what is possible in the future. Sometimes they can seem troublesome to the status quo, and to established ways of thinking, but a robust culture of critical thinking, scientific challenge and innovation rooted in universities is fundamental to democracy, to economic and societal progress and, now more than ever, to the survival of our planet.

The funding challenge in higher education

Universities matter enormously to the long-term wellbeing and prosperity of the British public, but government investment in higher education has been declining over many years, and,

in 2023, the sector is in financial difficulty. Government and charitable funding falls far below the full cost of research, and undergraduate tuition fees do not cover the cost of educating and supporting students. Income in many universities is, therefore, failing to meet expenditure needs, with deficit budgets all too common, leading to job losses and an inability to meet staff pay demands, which have, in turn, resulted in a series of strikes and a national Marking and Assessment Boycott. This industrial action has negatively impacted several cohorts of students whose education and lives have already been disrupted hugely by the pandemic.

On average, in 2021/22, UK universities received only 69 per cent of the cost of research from funders (down from 76 per cent in 2014/15), and they were, therefore, subsidising research by £5 billion a year (up from £2.9 billion in 2014/15).¹ In 2012, home undergraduate fees were increased to a maximum of £9,000 in England, which initially enabled the sector to begin to address long-standing needs to repair and update buildings and equipment, in order to keep up with the growth in student numbers and new technologies for research and teaching. But since then tuition fees have not kept pace with inflation, and the current fee of £9,250² (set in 2017 but not uplifted since) is now worth around £6,000 per annum in real terms.³ Had 2012's £9,000 per annum home fee cap increased in line with inflation, fees would be now be something like £14,000 per annum.⁴ It is estimated that English universities supplemented the cost of undergraduate education by an average of £2,500 per year in 2022/23.⁵ Claims that universities are well-funded because the 2012 settlement seemed generous at the time, and because students are graduating with unprecedented levels of personal

debt, fail to grasp the reality that the sector is now significantly under-funded. Costs are continuing to escalate and, in the aftermath of the pandemic, and in the context of longer-term mental health and wellbeing challenges facing young people, expectations and needs of students for academic and pastoral support are rising.

What is to be done?

Student fees have been a highly politically charged issue for over 25 years now, and politicians are understandably wary of directly increasing the burden of debt carried by individual graduates. In a cost-of-living crisis, after more than a decade of anaemic economic growth, with house prices increasingly out of reach for most young people, why would any politician do this? This question weighs particularly heavily because any increase to the home fee cap requires a vote in Parliament and so directly implicates individual MPs.

But there are other ways to increase the funds available to educate and support students without directly charging students more. What universities receive to educate students is not the same as what graduates are liable to pay for their education: the two are independent. Indeed, the 2022 changes to the system – requiring, among other things, that graduates repay for longer, and start repaying at a lower salary – increased what graduates expect to repay but put no extra money into universities.

With this distinction in mind, I want to suggest seven ways in which university funding could be increased without increasing student fees. These policy proposals also directly tackle real societal challenges that are deserving of public

investment and would serve to improve collaboration between universities and key public bodies.

Policy proposal 1: A COVID generation student premium

For many years to come – perhaps a decade or more – our education system is going to be dealing with a generation whose learning, skills and personal development have been profoundly affected by the pandemic. Few people argue against increasing funding to primary and secondary education to support these young people; very few argue for the same for university education. Why? Probably because people associate extra funding for universities with increasing student fees. And it does seem profoundly unjust to say, ‘you have been harmed by a powerful global force outside your control ... now have more debt’.

But government can increase support for the COVID generation of students in other ways. There could be the equivalent of the pupil premium for undergraduates – a COVID Generation Student Premium.⁶ This might be paid for every UK undergraduate, but with an enhanced level to support the academic skills and personal development of students from disadvantaged backgrounds.⁷ Tailoring the COVID Student Premium to each university’s student profile would target the largest funding increases at the institutions with the greatest need to intervene to enable students to ‘catch up’, while ensuring that all universities receive additional funding to make good the lost learning opportunities of lockdown, and to embed the best changes in pedagogy and educational technologies that have emerged from the pandemic.

Policy proposal 2: A mental health and wellbeing support grant and University Clinics

Growing numbers of young people are reporting mental health problems as they enter and progress through higher education, and the demands on universities to provide mental health and wellbeing support to their students are rising significantly. The Minister for Skills, Apprenticeships and Higher Education, the Rt Hon. Robert Halfon MP, recently wrote to providers requesting they join the University Mental Health Charter programme. Universities already offer a wide range of forms of support and are deeply committed to the wellbeing of students, but to step up fully to the complex challenge of the high levels of anxiety, depression and other forms of psychological distress experienced by today's students requires significant investment in additional staff, and new ways of delivering mental health services and developing 'psychological capital' and resilience.⁸

So far, resources have been directed to student mental health from student fees, but these fees are stretched too thinly to meet current needs and expectations, let alone to address the growing demands of new cohorts of students and their parents. What is needed is dedicated mental health and wellbeing funding for universities, which could be paid on the basis of an acceptable plan to work in integrated partnership with local NHS providers.

Similar to the COVID Student Premium, the Mental Health and Wellbeing Support Grant could be tailored, so that universities with the highest number of students reporting mental health problems receive more funding. And universities

that themselves train mental health practitioners, clinical psychologists, psychiatrists, psychotherapists and counsellors, as many do, could be incentivised to establish 'University Clinics', open to all young people in their area.⁹ These University Clinics would offer training placements for advanced students and would develop evidence-based best practice in student and young people's mental health services, which could be shared across a national network of clinical services. This would significantly extend the provision for young people that ends abruptly once they leave NHS child and adolescent mental health services, and who are not currently well served by primary and secondary adult mental health provision.

Policy proposal 3: A 'Science Superpower and Crucible for Creativity' grant

The current Government has a stated ambition for the UK to be a science superpower by 2030, and all political parties, at various times, have recognised the distinctive global contribution and economic importance of the UK's cultural industries.¹⁰ So, a laser-like focus on developing our national capacity and prowess in science and creativity should be central to public policy in the coming years, with universities at the heart of this.

But the long-term policy of underfunding research, the sustained real terms cut to student fees of the past decade and the targeted cuts in funding for arts and creative subjects that were introduced in 2021 are fundamentally compromising universities' ability to train, retain and recruit world-class scientists and arts and creative practitioners and to fund the laboratories, workshops, studios and other infrastructure that

are the essential base for a science superpower and a world-leading creative sector. Many university facilities built during the 1960s and 1970s are in dire need of renewal, not least with recently discovered RAAC (reinforced auto-claved aerated concrete) that must be replaced. But there is no stream of government funding to tackle the repairs and maintenance that are urgently required. Recruiting world-class academics from overseas is expensive and growing our own requires system-wide funding to sustain a high-quality research base, out of which will emerge new minds and ideas.

There is no need to increase the undergraduate fee cap or to charge students more to support this national ambition. Government could offer 'Science Superpower and Crucible for Creativity' grants to support directly the renewal of infrastructure and equipment, the appointment and employment of world-leading researchers and educators and the training of the next generation of innovators and inventors.

These three dedicated streams of funding – to support the COVID generation, student and young people's mental health and the development of world-leading science and creative industries – would greatly enhance the capacity of universities to fulfil their public service mission, without adding to student debt. These new funds could make a rapid difference to the financial circumstances of universities, and hence to the working conditions of staff and the learning conditions of students.

Policy proposal 4: A new focus on student maintenance

But it is not just universities that are grappling with inflationary pressures and flat cash from government. The everyday living

costs of students have been soaring, and large numbers of students are struggling to pay their bills, to eat, to heat their homes and to find the money to travel to campus. A recent survey from the Office for National Statistics found that student loans fail to cover living costs in 58 per cent of cases.¹¹ Many students are working long shifts to make ends meet, with deleterious effects on their studies and their wellbeing. Student maintenance is, therefore, an urgent problem that needs to be addressed by any incoming government that is concerned about issues of intergenerational fairness and tackling socio-economic inequality.

As an immediate first action, I propose a small but significant change to public sector accounting for government expenditure on higher education, which would re-centre the issue of student maintenance in higher education policy. The so-called 'RAB charge' – the percentage of money loaned to students that is not expected to be repaid when individuals' liability ends – currently drives policy. Reducing the RAB charge was one of the chief aims of changes introduced in 2022, which included extending graduates' liability period from 30 to 40 years. By this yardstick, the changes are expected to be a success, with an expected reduction in the RAB charge from 57 per cent to 37 per cent in 2026/27,¹² although it is now widely recognised that these changes are ultimately seriously regressive, resulting in lower lifetime repayments for higher earning graduates and higher repayments for low and middle-income graduates.¹³

The proposal is first, that the RAB charge should in future report student fee loans and student maintenance loans separately, and secondly, that they should be treated differently. The RAB

charge for student maintenance loan write-off is not the cost of educating students, and it is not paid to universities; it is the cost of a social policy that seeks to ensure that individuals' backgrounds do not affect their ability to access higher education. The ability to consider a much higher RAB charge for maintenance loan write-offs than tuition fee write-offs must be made available to politicians and the public, but with a single RAB charge for both fee loans and maintenance loans, this choice is invisible. Moreover, the complex and contested question of whether there should be maintenance grants for all students, or whether, in the context of highly stretched public finances, grants should be targeted at the most economically disadvantaged students, ensuring that such students do not graduate with higher loan debt than their economically more-advantaged peers, should be addressed via policy proposal 5.

Policy proposal 5: An independent, comprehensive review of university funding, to include citizens' voices

With a longer time horizon, there is a need to review the current university funding and student support system as a whole. I propose the establishment of an independent policy review which, supported by relevant experts, should incorporate the methodology of a citizens' assembly. This should be made up of a cross-section of the citizenry, including current and potential future student members, university staff, parents and also have general taxpayer representation.

The review should be comprehensive and consider the replacement of the current personal debt structure of student financing, which weighs so heavily on individual graduates, is politically toxic and prevents governments from recognising

the real cost of university education in setting fees. This policy review should ensure a wider evaluation of how best to surface issues of intergenerational fairness and economic and educational disadvantage in the context of multiple demands on the public purse.

My preferred solution is for a progressive graduate tax. This would re-institute the principle that higher education is a public good that should be paid for through general taxation, while also recognising that the lifetime benefits to individuals from higher education require a contribution from them. However, it is important not to anticipate the outcome of any review.

Policy proposal 6: Facilitating local public investment in student housing

There is now a widely recognised housing crisis affecting students across the UK: there is neither enough housing available to meet demand, nor is it affordable to large numbers of students, especially those without significant financial support from their families. This housing crisis has very real impacts on student wellbeing, equality of opportunity and on academic achievement.

Rent is a student's single biggest outlay, eating up an average of 68 per cent (university rental) or 74 per cent (private rented sector) of the maximum student maintenance loan outside London, according to one report,¹⁴ or, worse still, according to PwC, average annual rent for private student accommodation outside London, now exceeds the maximum loan by over £200.¹⁵ Outpacing inflation and increases in maintenance loans, rents have risen disproportionately over the last decade or so, particularly with the emergence of the Purpose-Built

Student Accommodation (PBSA) sector, which is now the fastest growing mode of provision.¹⁶ Rent in the PBSA sector is typically considerably higher than in university-owned accommodation, with a difference of about £500 per annum, and over £1,400 per annum for new accommodation.¹⁷

With very little funding available from government to support capital expenditure in higher education, universities have to choose between updating research and teaching facilities and building student residential accommodation. In this context the PBSA sector fulfils a need and plays a vital role in housing students, but what this means is that, in effect, taxpayer-backed student loans (as well as parental contributions) are in large part funding the PBSA sector. Anyone concerned with student wellbeing or with the public cost of universities, particularly as reflected in the RAB charge, should be concerned about student rent levels.

In this context, I propose that government should provide incentives for local authorities and universities to work in partnership to develop public student housing. Together they should have access to the Public Works Loan Board to build accommodation and the community facilities needed to support increased numbers of students in particular neighbourhoods. This would give universities access to cheaper capital and local authorities would get a much-needed revenue stream from student rents, and a greater say over the type of accommodation built. Given concerns about the 'studentification' of neighbourhoods close to universities, local authorities could plan the distribution of students in a more considered and consensual way, working with local communities to develop mixed residential areas, with shared

communal facilities, and improvements to local infrastructure to benefit non-student populations.

Local authorities and universities are committed to their places in a way that some PBSAs providers are not, and so it makes sense to give the former greater control over student accommodation and a greater share of the benefits that flow from it. This should go some way to slow down rent increases. If it does not, government has more levers over local authorities and universities than PBSAs to achieve the same thing.

Policy proposal 7: Universities under a single government department

Government should always aim to reduce unnecessary complexity in policy and regulation, in order to develop the most rational and cost-effective frameworks for public life and the delivery of services. Universities are currently subject to undue complexity in their interactions with government. With regard to teaching and students, they are answerable to the Department for Education (DfE) (through the Office for Students [OfS]) and with regard to research and innovation, to the Department for Science, Innovation & Technology (DSIT) (through UK Research and Innovation [UKRI]). In relation to international students, they are subject to Home Office regulations and the interventions of the Home Secretary. These Departments have different strategic priorities, for universities and for the country, and different reporting and regulatory requirements.

So, for example, quite legitimately, DSIT is imposing new expectations on universities in relation to partnerships with overseas institutions. At the same time, the OfS is adding

its own regulatory requirements. These requirements might separately be reasonable, and it is the prerogative of government to intervene in each of these areas, but added together they require universities to devote ever more time and resource to compliance activities. Then there are the Departments' different strategic priorities. As university funding has become tighter, there has been greater cross-subsidy between university functions, so that research (as well as, in many cases, home undergraduate teaching), is now very significantly subsidised by international student fees.¹⁸ There is no government department taking an integrated and holistic approach to universities that is able to take a view on, let alone develop policy to tackle, these complex interdependencies, or to intervene to point out the implications for universities of changes to, for instance, immigration rules and targets. If universities were accountable to a single government department it would at least become clear to that Department and its Secretary of State that some of its own aims for universities were inconsistent with some of its other aims for universities. This would be a considerable improvement over the status quo, for government and for institutions.

Investing in our future

Universities in the UK currently occupy a profoundly paradoxical space. There has been a long-term, real-value decline in funding for higher education, and universities are subject to media scrutiny and often hostile commentary from journalists and politicians, who are sceptical about the cost and value of degrees and who prefer skills-focused training delivered through apprenticeships and funded by employers. Yet at the same time, more and more young people and

their parents express the desire for higher education, and participation rates have increased very significantly in recent years. Indeed, other advanced economies already have participation rates of 60 per cent to 70 per cent.¹⁹

It is the argument of this manifesto that, if the aspirations of current and future generations of young people are to be met, and if the country is to flourish in the coming years in the face of multiple cultural, economic, environmental, health and technological challenges, increased public investment in universities is vital. The decline in funding for universities must be reversed, and the proposals set out here identify a range of ways of doing so without increasing the levels of student debt carried by individual graduates. These proposals would make access to higher education more equitable and they provide long-term solutions to some of the most serious problems facing students – mental health and wellbeing, living costs and housing – that would also benefit non-student populations. They also seek to improve collaboration between universities and other public bodies, namely the NHS, local authorities and central government. Underpinning these proposals is the belief that higher education is a public good that benefits the whole of society, and that investment in universities is one of the most important ways to shape our collective future for the better.

Endnotes

- 1 See Russell Group, *Understanding a research-intensive university's business model for educating students* https://russellgroup.ac.uk/media/6142/rg_university_business_model_education_2023.pdf
- 2 £9,000 in Wales.

- 3 Using the July inflation rate. <https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/l55o/mm23>
- 4 See the Inflation Calculator from the Bank of England <https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator>
- 5 Russell Group, *Understanding a research-intensive university's business model for educating students* https://russellgroup.ac.uk/media/6142/rg_university_business_model_education_2023.pdf
- 6 In 2023/24 pupil premium spending is worth almost £2.9 billion <https://www.gov.uk/government/publications/pupil-premium/pupil-premium>
- 7 On the impact of COVID-19 school closures on the disadvantage gap, see reports by the Educational Endowment Foundation <https://educationendowmentfoundation.org.uk/guidance-for-teachers/covid-19-resources/best-evidence-on-impact-of-covid-19-on-pupil-attainment>
- 8 On developing psychological capital in universities, see Vicki Harvey, 'Employability is boosted when we focus on psychological capital', *Wonkhe*, 29 August 2023 <https://wonkhe.com/blogs/employability-is-boosted-when-we-focus-on-psychological-capital/> and on developing the capacity to manage uncertainty, see Perpetua Kirby and Rebecca Webb (editors), 'Creating with uncertainty: sustainability education resources for a changing world', University of Sussex <https://openpress.sussex.ac.uk/creatingwithuncertainty/>
- 9 UCL and the University of Sheffield are currently piloting a university clinic model <https://www.ucl.ac.uk/pals/psychology-informing-university-practices-wellbeing/university-clinic>
- 10 The UK as a science and technology superpower <https://www.gov.uk/government/publications/the-uk-as-a-science-and-technology-superpower>
- 11 As reported by those students who responded and who were in receipt of a student loan. See <https://www.ons.gov.uk/peoplepopulationandcommunity/educationandchildcare/bulletins/>

- 12 See the Office for Budget Responsibility, *The fiscal impact of student loans reforms* <https://obr.uk/box/the-fiscal-impact-of-student-loans-reforms/>
- 13 See London Economics for the University of the Arts London, 'Higher education fees and funding: Assessing potential alternatives to the Department for Education's response to the Augar Review', 13 December 2022 <https://londoneconomics.co.uk/blog/publication/higher-education-fees-and-funding-assessing-potential-alternatives-to-the-department-for-educations-response-to-the-augar-review/>
- 14 See Cushman & Wakefield, *UK Student Accommodation Report*, 2022 <https://image.comm.cushmanwakefield.com/lib/fe37117171640578741271/m/2/Cushman+Wakefield+Student+Accommodation+Report+EXPO+2022.pdf>
- 15 <https://www.pwc.co.uk/press-room/press-releases/increasing-demand-and-rental-costs-for-student-accommodation-create-barriers-to-higher-education.html>
- 16 In 2013/14 over three-fifths of student accommodation was university-owned; in 2021/22 this was down to under half. See Cushman & Wakefield, *UK Student Accommodation Report*, 2022 <https://image.comm.cushmanwakefield.com/lib/fe37117171640578741271/m/2/Cushman+Wakefield+Student+Accommodation+Report+EXPO+2022.pdf>
- 17 Cushman & Wakefield, *UK Student Accommodation Report*, 2022 <https://image.comm.cushmanwakefield.com/lib/fe37117171640578741271/m/2/Cushman+Wakefield+Student+Accommodation+Report+EXPO+2022.pdf>
- 18 See, Nick Hillman, *Why the UK will miss the R&D targets if we cut funding for students*, HEPI Report 127, March 2020 <https://www.hepi.ac.uk/2020/03/09/why-the-uk-will-miss-the-rd-targets-if-we-cut-funding-for-students/> and Russell Group, *Understanding a research-intensive university's business model for educating students* https://russellgroup.ac.uk/media/6142/rg_university_business_model_education_2023.pdf

19 For an argument in favour of a 70 per cent target, see Tony Blair Institute for Global Change, *We Don't Need No Education? The Case for Expanding Higher Education*, April 2022 <https://www.institute.global/insights/economic-prosperity/we-dont-need-no-education-case-expanding-higher-education>

3. Unleash universities' potential to solve the nation's challenges

Professor Adam Tickell, University of Birmingham

The value of universities to society

The UK's universities are, on most measures, among our most important national assets. Universities train the UK's workforce both in advanced skills and knowledge, and by developing the curiosity and creativity that people need to adapt to a changing world (without universities, we would not have doctors, nurses, lawyers, accountants, engineers, scientists, creative industry professionals and so on). Our universities undertake genuinely world-leading research, which translates into the innovation vital both for the UK's economy and for us to meet the huge challenges that we face in the coming decades (universities were central to tackling COVID in – for example – developing the vaccine, in developing the testing regime and in informing the epidemiology of the disease). Universities generate over £20 billion for the UK in invisible exports and are the mainstay of the local economy in many of our towns and cities (imagine Newcastle, Liverpool or Sunderland without higher education institutions).¹ Seventeen of the world's top 100 universities are in the UK and the system is envied and emulated across the globe.²

As recently as a decade ago, the importance of universities was part of the accepted political consensus. Prime Ministers from John Major through to David Cameron recognised the transformational impact that higher education institutions have, supporting investment in both research and a major increase in opportunities for young people to study.

This consensus has broken quickly and catastrophically. Increased numbers of students have, unsurprisingly, led to increased scrutiny and a new regulatory regime in England which is both more challenging and less sympathetic to the sector than universities have been used to. An unfortunate habit has developed in parts of the media of denigrating our universities in public, domestically and overseas, and of politicians and commentators expecting higher education to solve every problem the country faces (and / or simultaneously being responsible for them), then of burdening them with regulation to try and solve their perceived failings.

This is not to suggest that there are not real challenges or, indeed, to deny that some of the problems we face have been self-inflicted. Nor should we be surprised that students felt that they missed out on something essential about the university experience during the pandemic, or that seemingly relentless industrial action has taken a real toll.

Before I move on to my asks of the next government, I want to emphasise that universities can help to address the myriad challenges that the UK faces; rather than expecting government to solve our problems, we must be here to help the government solve theirs. To do this, universities should be the architects of our own destiny and we need to recognise that the answer to the challenges we face is not always more money. As our universities are full of some of the brightest and most talented people in the world, we have the capacity and capability to make a greater contribution to our nation.

In that vein, this essay sets out my policy asks, which, if implemented, will allow universities to continue to serve the national good.

Ask 1: Foster a conducive environment for universities to thrive, so they can help to tackle the pressing challenges facing the country

My first, and cheapest, manifesto ask is that universities receive wholehearted support and partnership from the public realm to continue to develop one of Britain's most resilient, successful and globally influential sectors. Britain faces real problems: growth and productivity are low; public services need improvement; we have a chronic shortage of medical professionals; rapid climate change is challenging our infrastructure; and so on. Universities are not only part of the solution – they are integral to almost every major issue that needs to be addressed and we need to be backed to do so. We are partners of government, business, public services and global exporters, providing the skilled graduates, innovative technologies and original research that boost productivity and make the country more prosperous.

Starting with growth and productivity, the UK ranks fourth in the Global Innovation Index, significantly due to the strength of our universities. We are an 'efficient economy' with innovation outputs outweighing inputs.³ In 2020/21 alone, over 4,500 new graduate start-ups and 167 new university-owned or part-owned spin-off companies were created in leading sectors such as Artificial Intelligence, precision medicine, eHealth, big data and national security.⁴ The results are new products, technologies, businesses and services that create growth, improve health, benefit our local populations and expand the UK's international influence.

Ask 2: Prioritise quality-related funding to allow universities to pursue high-risk high-reward discovery research

Innovation in universities is founded on discovery research, and much of this is underpinned by quality-related (QR)

funding: grant funding provided for the long-term based on a university's track record in research (as measured by the Research Excellence Framework) that allows universities to create capacity, capability and facilities to address short-term challenges and to make strategic investments. Given time, this is the kind of ground-breaking research that grows to become world-changing innovation. QR funding is often threatened because it can feel hard to pin down. But the stability and predictability of QR funding – which is currently based upon a rigorous assessment of the quality of research across the four administrations of the UK – is a major source of global strength. Maintaining both the value of this funding, and the emphasis on outstanding research and the real-world impact it has, is essential. When the temptation to pinch a little inevitably arises for the new government, please do not do it. Alongside competitively won funding from the UK's Research Councils, charities and industry, it is the lifeblood of research in universities.

What does this research funding result in? At the University of Birmingham, government investment in our research helps to fund radical new treatments for mental health conditions, the creation of globally-unique rail research centres in South Wales and Goole to deploy innovations into the rail sector, establishing a new centre to turn evidence into practice for adult social care – promoting and maintaining people's independence and wellbeing and supercharging the West Midlands' ability to introduce new health and medical technologies that will improve people's lives. Research funding allows private companies to take the risk in developing R&D alongside universities, whether this is Rolls Royce's signature investment of £40 million with the University of Birmingham, Jaguar Land Rover's long-standing collaborations with the University of Warwick or the University of Oxford's collaboration with Astra-Zeneca on the COVID vaccine. All

of these collaborations have safeguarded and enhanced UK manufacturing capacity.

Ask 3: Adopt a long-term, sustainable and predictable funding model for higher education to protect universities' future

The reforms ushered through a decade ago – when student number controls were first eased and then finally lifted in 2015 – meant that the government could no longer control how many students studied in England's universities. Around the same time, the Government all but ended direct funding for higher education in favour of student loans and a fee cap of £9,000 (raised only once by £250). In many respects, this led to a brief golden age, as students were given the opportunity to study at their university of choice – as long as they were suitably qualified and the university had sufficient capacity – and universities saw real income growth, even if the amount of money per student was progressively eroded by inflation.

Yet even the most casual observer of universities must recognise that the current funding system is – if not fundamentally broken – in an unhealthy state and manages to satisfy no one. The average student from the UK leaves university with among the highest levels of debt of any students in the world; many universities now only break even – at best – teaching students from the UK (and heavily subsidise students studying higher cost subjects such as Engineering and the sciences); while the size of the student loan book is growing inexorably.⁵

It is also true that universities do so much more than educate students and are at the heart of the UK's research and innovation ecosystem. They run vital cultural assets like art galleries and museums, sponsor and support schools, provide SMEs with subsidised advice, run 'public good' programmes such as degree apprenticeships at a considerable loss,

contribute to social mobility measures and so on. At a time when the public realm has withdrawn from many of these areas, such contributions are vital to the quality of local and national life.

Yet all of this is under pressure. Maintaining the status quo in student finance will mean that by 2024/25, per student funding will at its lowest point this millennium.⁶ University finances are complex, but already some institutions are reducing employment, reducing the breadth of options available to students and reducing non-core services. And because both research and home student tuition are non-viable, we risk seeing home students being turned away in favour of international students simply to balance the books.

There is no easy answer and a matter as complex as university finance is best tackled on a cross-party basis. I recommend, therefore, that a cross-party independent commission be established to interrogate – honestly – the choices the nation faces. This should clearly establish the facts and identify the competing expectations of higher education including:

- (i) establishing the right balance of public funding and student investment in higher education, allowing for the fact that both the public and the individual benefit;
- (ii) being honest about the appropriate levels of support and the consequences of the choices being made – if, for example, fees remain frozen, universities will increasingly resemble their neighbours on the continent or in Australia with larger classes and lower levels of contact with staff.

While I was arguing for the benefits and effectiveness of university R&D, I was probably – mostly – speaking to a receptive audience. Now that I have moved on to student funding challenges, I sense the political climate becoming less

welcoming. But it is the same universities and, most importantly, the same world-class academics that are educating our students as are creating pioneering original research and innovation. Partly because of a separation in ministerial brief, they are often considered as mutually independent issues, but research and education are not easily separated. In particular, funding challenges in one area affects the other.

While the Government's continuing commitment to research funding is very welcome, the reality is that the full cost of research is not covered by government and other funders. In 2020/21, UK universities ran a £4.2 billion deficit on research, an increase from £2.2 billion in 2008/09 (Russell Group analysis).⁷ In common with other parts of the world, such as Australia, we currently co-invest from international student fees to make up for this shortfall. But that co-investment now increasingly has to be used to cover losses in home student teaching too. For research-intensive institutions in particular, this means the tuition fee freeze will have implications for our research, with a risk to the quantity, quality and variety of research performed, and limiting opportunities to bring talented postgraduate researchers to the UK.

Ask 4: Rebalance the current framework so that UK R&D remains internationally competitive

During the last two decades, at least, governments have consistently demonstrated that they understand the contribution that universities make to the research and innovation ecosystem. The announcement in September 2023 that the UK would rejoin the European Horizon Programme was a very real demonstration that the commitment is backed up with substantial investment.

World-class R&D takes place in a global context, and it is vital that it is matched by world-class levels of funding. We know

that other countries are increasing their R&D investment further – the US has proposed the largest-ever increase in non-defence R&D spending, and China is targeting an annual increase of 7 per cent or more in each of the next five years.⁸ We also know that the UK is particularly efficient: the most recent Universitas 21 analysis of international university systems ranked the UK just nineteenth for the resources invested into the system, but an astonishing second – globally – for outputs.⁹ Our universities make the most of what they have, but please make sure they have it!

Ask 5: Promote and support UK universities on the world stage to maintain the UK's attractiveness to international students

Central to both research and education success is our universities' ability to compete on a global platform. Even with an inflationary increase to the home tuition fee, it would still be necessary to recruit significant numbers of international students. International students studying in the UK are equivalent in export earnings to the whole of the UK automotive sector.¹⁰ In practical terms, many courses, particularly at Master's level, are simply not viable without them. Those same international students enliven and broaden the culture and diversity of our campuses. They expand the horizons of those with whom they study. They create soft power for the UK when they return home and pursue their careers.¹¹ For our research and innovation to be globally competitive, we need to be able to attract the world's best academics to live and research here.

For this, my ask to an incoming government is simple: create a positive environment for us to compete globally. The headlines created about universities here in the UK, sometimes for political expediency, are the headlines that are read in

Mumbai and Shanghai. An over-amplification of the few 'low-value' degree courses that 'let students down', or inaccurate rhetorical claims that international students 'take' places away from domestic students, create the sense of an unwelcoming environment for students and academics from overseas. For so many reasons, that is not in the interests of our economic prospects.

In turn, universities need to ensure that we do not let international students 'crowd out' students from within the UK. This is non-trivial; students need places to live and study in and, as the financial settlement currently depends on a cross-subsidy from international students, we will need to ensure that there is enough accommodation and that our estates allow us to teach at high quality.

Ask 6: Set the broad policy parameters, then leave universities to get on with what they do best

Universities are autonomous organisations, and our autonomy is one of the most important factors in determining our success and our ability to deliver the outcomes that people want to be delivered. So we must resist the temptation to look to government to answer all our problems and recognise that we are the architects of our own future. We have a long history of overcoming challenges – financial, social and political – and coming out of it stronger. But there are some things where we do need government's support to enable a thriving sector.

In this context, we recognise that universities have an important part to play in maintaining national infrastructure and security and we are already ensuring that we do not engage in research with partners that deal with dangerous technologies. This has been a real area of focus for universities in recent years, working closely with government, for example through the introduction of strengthened security checks

when forming new partnerships, and enhanced IT systems to protect sensitive research.

As major national institutions supported by substantial direct and indirect public funding, universities are – quite legitimately – subject to intense scrutiny and regulation. But the regulatory burden needs to be proportionate and focussed on key public policy objectives rather than continually accreting. I led a review on reducing bureaucracy in the research system on behalf of the Government and my report was clear that there are many areas where bureaucracy is essential, but that the overall burden is too high.¹² We are already seeing substantial reductions in response, but there is much further to go. A similar review of bureaucracy in education would help to cut costs while allowing greater focus on essential areas.

Conclusion

In the midst of high inflation and a cost-of-living crisis, it is perhaps not surprising that the value, purpose and cost effectiveness of our higher education institutions are being questioned. But far from being part of the problem, our universities are part of the solution to the UK's chronic and endemic challenges and can help overcome the issues the country is facing. In order to allow us to do so, I call on the incoming government to do its part in creating a conducive environment for universities to flourish; in other words, help us to help you.

It can do this by reviewing the current funding framework, through an independent cross-party commission, with a view to establishing a sustainable funding model that is fit for purpose and which ensures our R&D spending reflects our aspirations to be a global science superpower. Rather than generating unhelpful headlines that damage our reputation internationally, I urge the next government to celebrate and

champion us on the world stage and to recognise the value that international students bring to the UK, both economically and socially. I also encourage them to undertake a review of bureaucracy in education to reduce unnecessary regulatory burden and free universities up to focus on what they excel at: delivering for the public good.

Universities, in turn, have to help themselves by recognising that they should not always look to government to fix their problems and that more money is not necessarily the best answer to the issues they face. What we do need from government, however, is their unwavering support and favourable conditions in which to succeed. Give us these, and we will do the rest.

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