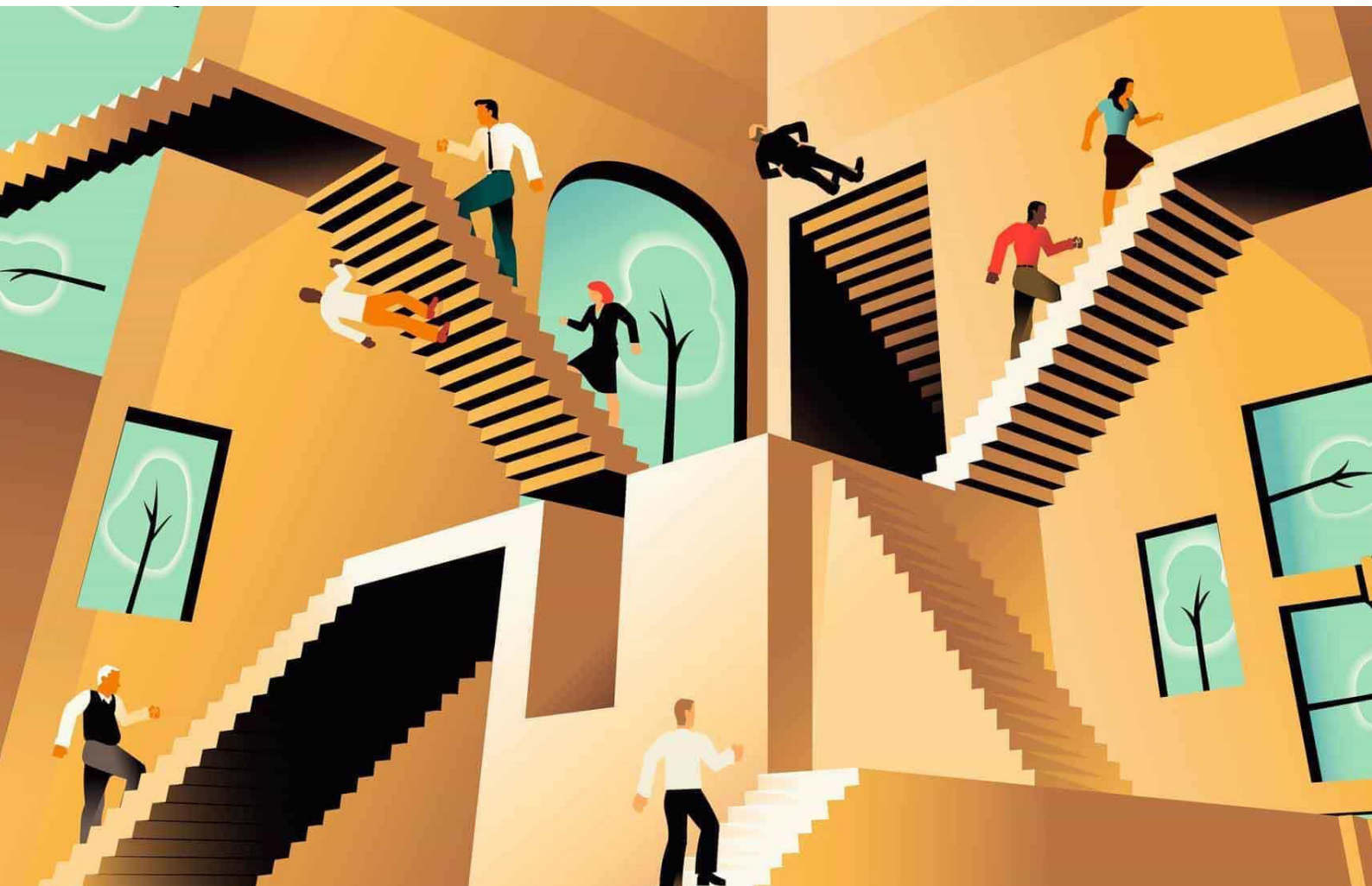


THE WONKHE BRIEFING

Volume 1, Issue 2, February 2018



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ISSUE TWO OF THE WONKHE BRIEFING

Welcome to the second edition of our actual physical hard copy publication - the Wonkhe Briefing. It is a deliberately big-picture, longer-term and strategic view of higher education policy, for those taking time to make big decisions. We already serve those immersed in the day-to-day with articles on our blogs, email briefings and relentless twittering. The briefing takes a step back, to look beyond short-term media storms, and identify the prevailing winds that really matter to those steering the higher education sector through choppy waters.

It aims to give readers independent and original insights about what the real priorities are for their institutions. Please share your copy with others, or let us know where to send more. We sincerely hope it's useful to you, we welcome any feedback at team@wonkhe.com.



EDITOR'S NOTE

There's no let-up in the pace of policy change in the higher education sector. A new minister and the long-awaited review of funding in England are keeping universities on their toes. And while the review may be the start of one exploratory process, we see the conclusion of another in the form of the regulatory framework for English higher education and defining the role of the Office for Students.

OfS begins its work formally in April and with it the provider registration process. While it's declared position is "for students", it's not clear exactly what students' involvement with the regulator will be. While there's an advisory board in place, has the tide turned on the student engagement agenda? This is just one area in which English HE appears on a steady path of divergence from the other UK nations. And the outcome of the review of post-18 education and funding, in spring of 2019 could see further differentiation in the conditions for providers and students across the systems.

The long, long-awaited industrial strategy finally appeared in November, aiming to unpick the complex knot of challenges facing the UK economy. Universities feature throughout, with strong support for R&D, but it remains to be seen if it constitutes a coherent plan the whole sector can throw its weight behind. If you were looking for a vision of universities that goes beyond one of economic instrumentalism then it's best not to engage with the industrial strategy, or the fees review, or the OfS's focus on "value for money".

As if the whole system of regulation and the wider economy weren't enough, it's been a turbulent time for student recruitment with variable fortunes across provider groups. We've seen further declines in part-time students too.

More positively, Wonkhe has been working with KPMG to understand more of the opportunities that can be realised from learning about practice outside higher education. We've enjoyed interesting comparisons with health, parliament and private sector approaches to customer service. We've summarised some key findings here, with more detail available on Wonkhe's blogs.

We also want to use the Wonkhe Briefing to provide updates and reminders about key issues that are ongoing but may slip down the agenda in the context of the big announcements. We have an update on industrial action, free speech, the Teaching Excellence and Student Outcomes Framework and the establishment of Advance HE, the result of the merger of LFHE, HEA and ECU.

It's been an exciting time for new development at Wonkhe too. We recently launched a podcast platform so we're available to give you the latest and best analysis of what's going on in UK higher education in a new format. Search for The University Show wherever you get your podcasts. Wonkhe will host a major one-day conference on regulation on 20th March 2018, and we've locked in the dates for Wonkfest18. Ravensbourne, on the Greenwich peninsula, will once again be the venue for the best policy jamboree of the year. Mark your diaries for 5th and 6th November.

From the whole (growing) Wonkhe team, I sincerely hope that you enjoy this second edition, do please spread the word about it and let us know what we might do differently next time.



Mark Leach
Editor, Wonkhe

As a firm with deep roots in the sector we are avid readers of the Wonkhe daily and weekly briefings. It is clear that with the various sector challenges (and opportunities) at the moment sensible debate is not only healthy but required. We are pleased to be supporting The Wonkhe Briefing and hope the focused analysis is both thought provoking and insightful.

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REGULATE THIS: WHAT THE NEW OFFICE FOR STUDENTS MEANS FOR HIGHER EDUCATION

OfS by the numbers **Playing the market**

1st April 2018 - the Office for Students fully emerges.

£119,700 - the OfS subscription fees for HE Providers with more than **20,001** students (subject to consultation)

93 alternative providers - how many new providers DfE predicts will join the register by **2019/20** under these reforms.

From 1st April 2018, the Office for Students will become the regulator of English higher education. Born from the Higher Education and Research Act 2017 (HERA), its creation aims to simplify the regulatory framework by bringing together many of the functions of HEFCE, OFFA, the Department for Education, and the Privy Council. The OfS is first and foremost a regulator of the English HE marketplace – designed to encourage the growth of a more competitive market, inform student choice, intervene when the market is failing in areas such as equal access, and protect the interests of its stakeholders (student ‘consumers’, government, and wider society).

At a sector level, the OfS aims to increase access to the market through two main means. First, New Degree Awarding Powers (NDAPs) that allow new providers to hold provisional degree awarding powers without a track record, and second, by acting as a validator of last resort for those providers who can’t find a suitable partner to validate their degrees. The latter is to counter the anti-competitive nature of current validation arrangements - as the last universities minister Jo Johnson famously said “It’s akin to Byron Burger having to ask permission of McDonald’s to open up a new restaurant.”

According to OfS, to ensure that all HE providers function in a truly competitive market, it must be underpinned by student choice. But, unlike other markets, a student is making a single long-term investment with little prior experience, and where poor choices, experiences and outcomes remain unclear until much later. Consequently, OfS will be focusing on improving the information available for students, and improving students ability to transfer between courses. The information offer will include the Teaching Excellence Framework (TEF), which OfS will deliver on behalf of the government.

One of the biggest tasks for the OfS will be to manage and maintain a single list of registered English higher education providers. This register means there will be one point of entry for all HE providers, for everything from university title to designation for funding. There will be different categories of registration with varying benefits attached.



Are there any problems?

Despite the stated focus on students, the proposed regulatory framework is actually more focused on managing risks to the taxpayer. What does a market-driven approach, that includes the organisations failing, mean for the UK-wide higher education system? This approach to regulation is so out of step with the Welsh and Scottish regulatory systems and stated aims, that it's hard to imagine how a UK-wide system can be maintained. Many of the sector agencies (QAA, HESA, Jisc, and Advance HE) are UK-wide organisations, and will have designated roles under the OfS. They'll have a task ahead of them to keep this increasingly fragmented sector together.

A key function apparently missing from OfS, which was a core feature of HEFCE in particular, is a policy role. The new agency has already made it clear that it doesn't intend to get involved with policy, leaving a much more centralised system under direct government control. Instead, a well-functioning market is planned to create strong competition and thus drive improvement, meaning the OfS does not need to take an enhancement approach to policy. However, following the 'year of discontent' in 2017, the higher education sector has found itself under increasing scrutiny and criticism from the media, and the (now-former) minister. The anticipated role of OfS keeps expanding – far beyond the scope outlined in HERA or its preceding green and white papers – to respond to these criticisms, including freedom of speech, senior pay, contact hours, and the skills gap. Yet the proposed, more interventionist solutions, look both difficult to enforce under the current legislative framework, and rather a lot like the sort of policy activity the OfS was not meant to get dragged in to.

How many lawyers does it take to regulate a sector?

The board for the Office for Students was announced on 1st January 2018, the day it came into its shadow form. The headlines focused on the controversial appointment of Toby Young, who later went on to resign, but the overall makeup of the board provides an interesting insight into how the OfS will function.

It is notable that the new board is much less rooted in the higher education sector than that of HEFCE. There is one current vice chancellor (Steve West of the University of the West of England), with David Palfreyman (Bursar of New College, University of Oxford) the only other person with a current full-time sector role. Furthermore, although Nicola Dandridge was previously CEO at UUK, you'd be foolish to expect a champion for the sector. Instead, she'll have to show she isn't part of the "cartel", demonstrating she can challenge the sector when needed.

One thing that OfS has in abundance is legal expertise, with five lawyers on the board including Nicola Dandridge, who has a background in equalities and trade union law. Furthermore, one of the first appointments the OfS makes will of course be Head of Legal Services, to head up a new in-house legal team. Is this an indication that the new regulatory body preparing to flex its statutory arm, expecting significant legal challenge in the years to come, or both? Furthermore, the new Chair of the Office for Students, Michael Barber, is already proving himself to be a very 'hands-on' chair. The appointment clearly set the agenda for a more metrics-based system, one used elsewhere in government and the private sector at his behest, an approach he calls "deliverology". Indeed, the new regulatory system is very outcomes based, clearly differentiating from any previous process-focused oversight.



The Office for [some] students

The Office for Students is so named to visibly put students at the heart of the market and ensure that it functions for the students. However, the low level of student representation in OfS has been controversial since its inception. Ruth Carlson – a civil engineering student from the University of Surrey, who is currently running social media for the women’s football team – has been appointed for one year on an interim basis as a representative of the new student panel, after ‘no suitable appointment’ was made from the recruitment exercise. However, a written question to new minister Sam Gyimah found that ministers chose not to appoint the three student board candidates deemed appointable by the OfS. Instead, they chose to make the interim appointment of a student with limited experience of governance and student representation. It’s not clear yet what support she will receive.

Furthermore, the National Union of Students has been kept at arm’s length, with no formal appointments to any of OfS’s structures, although Amatey Doku (NUS Vice President Higher Education) does sit on the advisory student panel. This has followed recent years seeing NUS campaign against the TEF, boycott the NSS, and challenge a market-driven system. Following Toby Young’s very public resignation, Shakira Martin (current NUS President) has been running a campaign to take his place on the board.

In for a penny, in for a pound

In the past, HEFCE received funding directly from government through the annual grant letter - which outlined how much money that it would receive and their priorities for the year. The Office for Students will instead charge ‘registration fees’ - an annual subscription to cover the regulator’s running costs. In the Department for Education’s consultation on the fee model, it was proposed that all providers on the register will play a flat rate of £1,000 and those categorised as approved or approved (fee cap), will be charged an additional fee based on the size of their student population, which can go as high as £119,700 per year.

However, the cost of running OfS is difficult to predict, with significant reliance on funds from new providers entering the sector. To assure the sector that their registration fees won’t suddenly increase, the OfS will cut costs by not providing funding to either QAA or HESA (the bodies formally designed for quality and data, respectively). In reality, this means the OfS administration costs will shift to the designated bodies – which will likely cause rises in their own subscription fees. This means that overall the sector will still see an increase in what it has to pay.

This new system will be more costly to the sector, but the OfS has laudable aims to bring in a risk-based subscription model in the future. With the organisations which are higher risk, and thus cost OfS more to regulate, having greater fees. For more established organisations this could be seen as a significant positive. However, when greater regulatory action is required providers could find themselves with additional financial burden. The chair has also promised the new system will involve a lower administrative burden overall, but that remains to be seen. Getting the balance of the new regulatory regime right will require some difficult decisions and careful consultation.



FUNDING, FORECASTS AND FEES

Everything must go

The Conservative manifesto of 2017 promised a major review of funding across tertiary education in England. With Labour's (and others') fee-free offerings a major talking point in the election campaign - and beyond - tuition fees were still high on the agenda by the time of the autumn party conferences. The government's raising of the repayment threshold from £21,000 to £25,000 seemed to be the wrong intervention at the wrong time, and making it so that now four in five English graduates will never repay their loans in full before they're written off after thirty years. Freezing the fee cap at £9,250 will cost the sector £113m in 2018-19.

Following the announcement of the fees review at the Conservative Party's conference, there was much back-and-forth about: whether there would really be any review; what the terms of a review would be; who would lead any review. There has been speculation about Treasury-led reviews as well as other parts of government stepping in, muscling out the Department for Education.

But, in the end, the post-18 education and funding review will be conducted by the Department for Education - though an expert panel led by former equities trader (and former bursar of St Catharine's College, Cambridge) Philip Augar will offer guidance - will have four clear aims:

- [Access to tertiary education for all, including maintenance support for disadvantaged students.](#)
- [More informed choice \(and competition\) between the options available.](#)
- [Delivering the skills that the economy needs, to support the industrial strategy.](#)
- [Value for money - for students, graduates and taxpayers.](#)

There's obviously a lot at stake - politically at the highest level, but also within every institution taking undergraduates in England. A major review could upend current business models and squeeze tight margins for many.

Scotland and Wales

In contrast, a new Welsh funding system - with a far greater emphasis on support for maintenance costs - is currently being implemented to admiration elsewhere in the UK. A more progressive system, based on a similar contributory idea, it is (ironically) far closer to some of the original spirit of the Browne review than the current approach in England.

Meanwhile, in Scotland, maintenance grants and loans were the subject of an independent report. Whilst free tuition is a political shibboleth, support for students whilst studying has long lagged behind that available elsewhere - resulting in Scotland having a lower rate of participation from disadvantaged groups. How the government responds to the review is an expensive decision, which at the time of writing has yet to be made.

Wales and Scotland are working to integrate funding for HE and FE into a more unified approach. While English policy making has always treated separate systems in separate ways - the mere existence of a post-18 education review is almost unprecedented in a country that once had separate systems for universities, polytechnics and further education - the clear UK trend is towards a more aligned approach. Recent comments by Sam Gyimah about "scenic routes", and the ongoing emphasis on degree apprenticeships, suggest England will follow where Scotland and Wales lead.



A STRATEGY FOR INDUSTRY (AND UNIVERSITIES)

The strategy's 'four grand challenges'

*Artificial intelligence
and data economy*

Clean growth

Future of mobility

Ageing society

When you hear “industrial strategy” you could be forgiven for remembering the flagship failures of British Leyland and Concorde. What you might forget however, are some of the successes, such as Rolls Royce. The latest industrial strategy, the UK’s third in a decade, is about more than picking winners.

From the get-go, Theresa May has been a more interventionist Prime Minister than the free-market-oriented policies of either the five years of post-financial crash coalition government, or the fourteen months of David Cameron’s Conservatives.

Greg Clark’s homework

Greg Clark has no small task delivering an effective industrial strategy; distributing growth across the country, supporting key industries post-Brexit, and jolting flatlining national productivity back to life.

He spent his first seven months leading the - appropriately rebranded - Business, Energy and Industrial Strategy department, building-up to January 2017, when the 132 page industrial strategy consultation was launched. However, over 2,000 responses and one snap-election later, it is a weaker, minority government that eventually published the final version ten months later, in November 2017. At 255 pages long, the much-anticipated ‘Building a Britain fit for the future’ document is nothing if not extensive.

Much of it sounds familiar - because it is - with many previous announcements and manifesto pledges brought together in one place. But there is also some new thinking, particularly with the ‘five foundations’ structure repeated throughout. It remains to be seen if this constitutes a coherent and useful vision, let alone a meaningful strategy.

The risk is that it represents just one department’s efforts, rather than a coherent whole-government approach. Policy wonks often say that cross-departmental projects are doomed to fail, but surely it’s not too much to expect a little joining-up? The challenges and the ambitions of the industrial strategy are all appropriately grand, the real test will come with delivery and implementation, in a highly challenging context where political and financial capital are in short supply.



R&D £

Research and development, including in universities, appears to be one clear ‘winner’. There is the (already announced) promise of an extra £4.7 billion in R&D investment by 2021, with the aim of catching-up to the current OECD average of 2.4% of GDP by 2027. However, that assumes that comparator countries won’t increase their investment too.

What this means post-Brexit remains to be seen, with the UK a net-beneficiary of EU R&D funding, to the tune of £3.4bn. Universities and their allies will need to work hard to ensure that international collaboration - including funding, staff and students - stays high-up the agenda during negotiations. Perhaps one difference can be seen in the industrial strategy’s greater emphasis on later-stage commercialisation, something the UK particularly lags behind on.

The strategy’s ‘five foundations’

Ideas

People

Infrastructure

Business environment

Places



Piecing the puzzle together

The two areas which don't feature nearly enough, given their relationship to the objectives of the industrial strategy, are social mobility and immigration. It remains to be seen of the new ministers responsible for either can address that, though we know one lady is not for turning on the latter issue.

The role of universities in regards to technological changes such as automation and artificial intelligence are clearer, with world-leading research taking place across the sector. However world-leading teaching is key to the industrial strategy too, with some new investments in human capital, including for retraining. Longer term this means more part-time and mature students, as well as new teaching and learning methods, including the use of education technology.

There's confusion about the precise boundaries of the terms vocational, professional and technical education. Sometimes "skills" and "tertiary education" get bandied about too, with the latter featuring in the 2017 Conservative election manifesto and statements about the "major review", as well as the industrial strategy. Often these labels are unhelpful, setting-up false dichotomies that don't exist in the real world. For instance much higher education provision could be labelled as technical or vocational.

The recently proposed technical levels ("T-levels"), as well as apprenticeships (including degree apprenticeships) are seen as part of the solution to skills gaps and social mobility. The latter, with accompanying levy funding, offers a significant opportunity to those HE institutions that can meet employer needs as well as those of students. But the system feels shaky, with the target of three million apprenticeship starts by 2020 now at risk, let alone the issues of completion, quality and outcomes.

Institutes of Technology, and the four employer-led National Colleges, are yet other opportunities for some institutions to engage with, but the funding is limited and the landscape of stakeholders complex.

Time and again the offer for the 'other 50%' of students is beset by constant policy churn, low-status, low-confidence and chronic underfunding. If rising expectations are to be met then real stability and investment are required, in order to build capacity.





Growth for all

The strategy shows a commitment to further devolution, where regions and sectors can agree what their pitch to government is. The life sciences ‘sector deal’, and Greater Manchester’s ‘local industrial strategy’, show some of those who are out the blocks early. The industrial strategy also emphasises partnership work with the three devolved administrations, including six City Deals and counting.

However, the machinery of devolution is still in transition. Regional Development Agencies are long gone, local authorities are much-reduced after years of swingeing cuts, and the future for sector skills councils/bodies and National Skills Academies uncertain. New institutions and concepts - such as Local Enterprise Partnerships, Metro-Areas, City Deals, Growth Deals, Devolution Deals, sector deals, and local industrial strategies - are all still finding their feet, with capacity variable and responsibilities unclear.

Employers at the heart of the system too

A major new function for the OfS is to address employer needs as well as those of students - something that used to be done by HEFCE and the UK Commission for Employment and Skills (UKCES was shut-down in March 2017). This will require institutions to truly understand the needs of different businesses, employers, sectors and regions - and not to be captured by those lobbying for narrow interests.

The industrial strategy aims to be strategic with limited resources, addressing market failures and using funds to leverage investment from others. Universities are uniquely well-placed to help, with existing local, regional, national and international networks. They can also help to support SMEs and those sectors and disciplines that are left out of the industrial strategy.

The industrial strategy rightly recognises the importance of the higher education sector to ‘innovation ecosystems’, but it will be for individual institutions to determine where their focus will be, what they can contribute, and what they need.



RECRUITMENT TRENDS

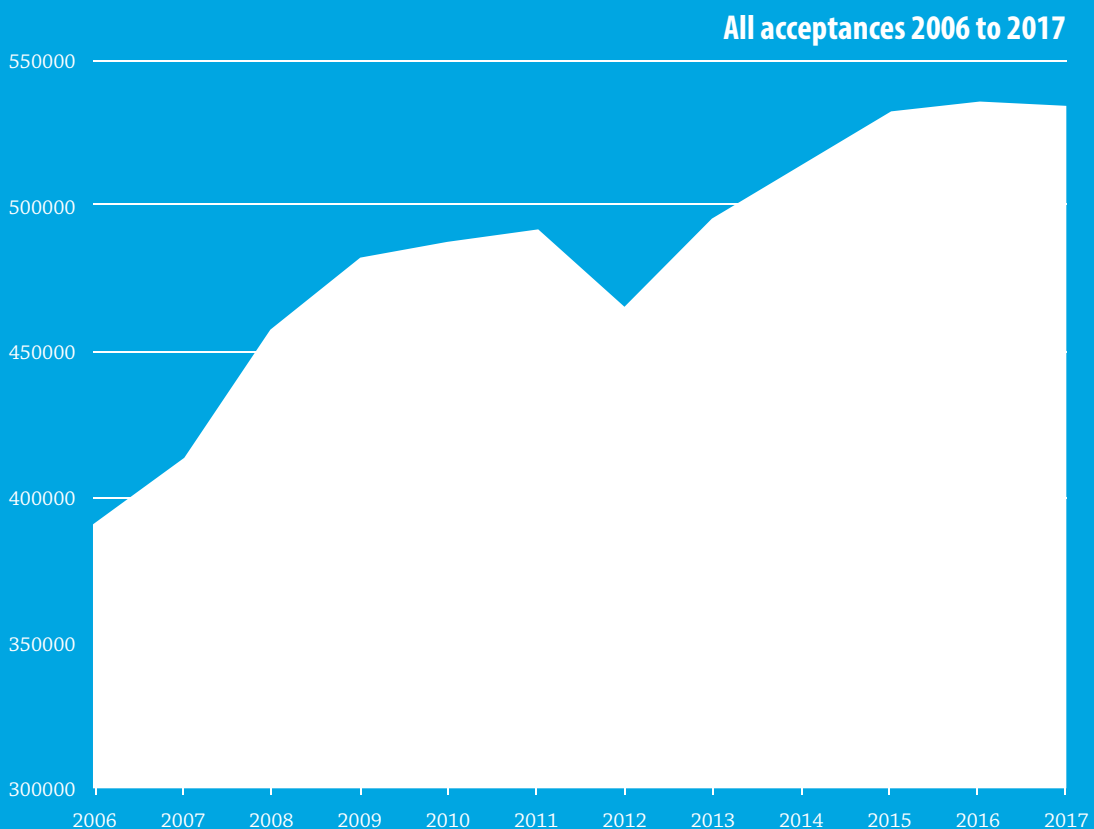
The last few months have seen wave after wave of data on the 2016-17 admissions cycle and, most recently, a first look at applications made in the 2017-18 cycle. Here is a summary of some important trends we've picked out from sifting through all the data. You can also use our interactive charts on our website to cut the data as you wish.

First, it's a good time to be an applicant in the UK. Despite falls in both applications and acceptances, the odds of getting into higher education are the highest they've been in nine years. Overall applications across the UK decreased in 2016-17 by 3.1% to 572,285, and acceptances are down by 0.5% to 462,945. Nonetheless, over three-quarters of applicants were accepted into higher education.

The last (2016-17) cycle

Overall view at the end of the admissions cycle

Both the number and proportion of 18-year-olds accessing higher education in the 2016-17 admissions cycle were the highest ever - but if you include all applicants we see a very slight fall from the previous year.





However, this overall good news must be set against the continuing decline in the numbers of mature and part-time students entering higher education. HESA student data for 2016-17 shows a 3.8% fall in part-time enrolments compared to the year before, and a 1.2% fall in enrolments among students aged over 21.

The number of non-UK applicants accepted into UK higher education institutions continued its year-on-year rise to 70,945 – the highest figure yet, and an increase of 1.8% on last year. Within this statistic, 2.1% (650) fewer EU applicants were accepted this year, but acceptances of non-EU international applicants increased by a notable 5% (1,900 acceptances), bolstering total international figures.

The gap in equality of representation continues to narrow, as it has every year since 2009, however it is still 9.8 times more likely for an applicant from the most privileged quintile to enter a high-tariff provider than one from the most disadvantaged. The gaps tend to be smaller at medium- and lower-tariff providers.

By provider

TEF

The TEF year two results have not had a significant impact on acceptances, as one might expect. The release of TEF results came too late to influence the main cycle, so any change would be seen in clearing only.

Mission groups

Russell Group universities performed well in the 2016-17 cycle, on the whole: most saw an increase in both applications and acceptances, and for some, those increases were significant. By comparison, most Million Plus institutions saw a fall in both applications and acceptances this year with only a small handful of exceptions.

In the regions

Institutions in a number of regions saw a general trend of declining applications – this trend was particularly pronounced in the East and the North of England, with the former seeing not only high numbers of universities reporting a decline in applications, but high percentages of decline at that. Applications fell to six of the seven Welsh institutions included in the data, and acceptances fell at three of those.



What we know about the 2018 cycle so far

The data shows that there was an overall 1.4% decline in applications compared to last year, however 18 year-olds are 1% more likely to apply than in 2017.

We looked at the trends among subject groups and neighbourhoods of different levels of participation, as given by the POLAR 3 classification. This divides applicants into five quintiles based on participation rates in higher education within their neighbourhood, with quintile 1 referring to the neighbourhoods with the lowest rates of participation (and so highest disadvantage).

Applications from all POLAR quintiles have dropped in the 2017-18 admissions cycle so far. It is also the first year since 2011-12 that applications from the lowest participation neighbourhoods fell. However, it's important to set this against the context of the 2.5% fall in the size of the 18 year-old population compared with last year.

Conclusion

The data draws our attention to some important trends. The stark difference in patterns among different age groups and different modes of study within higher education, the changing demographics of the international student population entering the UK, and the largely unchanged gap in access between the least and most disadvantaged. These all require focus if they are to improve.



WIDENING PARTICIPATION, STUDENT SUCCESS AND SOCIAL MOBILITY

Contextualised admissions were the focus of a significant amount of press attention on widening participation over the last few months, but there were also developments in institutional monitoring of widening participation activity, and in the debate surrounding name-blind applications. Concerning trends in the makeup of the student population continued, according to the latest statistics on students and admissions.

Contextualised admissions

Talk of contextualising university admissions - by making different university offers to students of different backgrounds - dominated public debate about the sector. A report by think tank Reform highlighted the issue among high-tariff institutions in September 2017. Then again in October, after the results of a Freedom of Information request made by Labour MP for Tottenham David Lammy were published. The figures obtained by Lammy suggest that more offers were made by the Universities of Oxford and Cambridge to applicants from a handful of counties surrounding and south of London, than to the whole of the North. 108 cross-party MPs signed a letter to those two institutions' vice chancellors, demanding "urgent action" to improve the numbers of disadvantaged students, and those from different regions. Amidst the media storm, the issue of contextualised admissions came to the fore as Lammy called for universities to use contextual data at the point of application, to recruit students from under-represented parts of the UK, and to publish data about where their students come from.

Hot on the heels of Lammy's data release, the Sutton Trust presented evidence in favour of contextualised admissions, its headline claim being that lowering offers to disadvantaged pupils by two grades (e.g. BBC instead of ABB) could increase admissions for pupils entitled to free school meals (FSM) by 50%. No significant gap in attainment was found at entry between students of different backgrounds, either comparing FSM-students with peers, or between high- and low-participation areas, so universities were advised to apply 'individual-level indicators', such as FSM, and were again called upon to be more transparent about how they use contextual data. In December, Peter Scott, commissioner for fair access in Scotland, encouraged universities to make "much bolder" use of contextualised admissions, adding that it was not the same as "dumbing down" entry standards.



Scottish success

There was some good news; the Scottish Funding Council recorded the highest number of students entering university in Scotland in 2015-16, with recruitment of students from the 20% and 40% most deprived areas in the country at all-time highs, of 14.4% and 31.4% respectively. Projects conducted by UCAS suggested that there might be less unconscious bias at play in university admissions than we worried about, and as such a name-blind approach to admissions was not advised as a way to improve outcomes for disadvantaged students.

There were mixed results from the findings of the Office for Fair Access (OFFA) on access monitoring by providers. Although most institutions reported that they had carried out some evaluation of their access agreement activities, and there was evidence of more advanced evaluation being better-embedded into institutional practice this year, there is still £37 million of financial support for activity that has had no evaluation of impact at all. This is the kind of practice that the OfS, and the emerging Evidence and Impact Exchange, will aim to address.

What do we know now?

UCAS's latest analysis of the 2017 admissions cycle found that, while the gap in entry rates between the most and least advantaged 18 year-olds in the UK continues to close, it remains wide. Young people from the most advantaged parts of the UK are 2.3 times more likely to enter higher education than their counterparts from the most disadvantaged areas, while an applicant from the most privileged quintile is a staggering 9.8 times more likely to enter a high-tariff provider than one from the most disadvantaged.

The alarming and sustained decline in part-time student numbers is a particular concern for the widening participation agenda, as students of diverse profiles and older age groups are traditionally well-represented on part-time courses. Lee Elliott-Major, chief executive of the Sutton Trust pointed out

that “part-time higher education is often a second chance for adults who missed out on higher education after school. Yet numbers have more than halved over the last decade.” As per figures released by the Higher Education Statistics Agency (HESA) earlier this year, part-time numbers continue their alarming decline - last year of an overall 4% across the UK, despite a modest increase in Scotland.

The sector is gearing up to produce outcomes on social mobility under the regulation of OfS. Under the new regulator, the focus is on access plans, which will be part of the registration conditions for Approved (fee cap) institutions. According to the regulatory framework, the OfS will monitor access plans but will not set targets for the sector. The OfS plans to develop more “risk-based innovations” to widen participation, and how it will achieve this, is not clear.

Looking ahead

Universities are grappling with issues surrounding the persistent gaps between admissions of the most disadvantaged - compared to the most advantaged - applicants, and pressure for greater transparency about their decision-making. Large proportions of widening participation programmes are still without evaluation, but the currently high figure is decreasing. Also, there is potentially less bias in university admissions than some thought, which means name-blind admissions processes could do more harm than good. The next few months, however, will be defined by how institutions navigate the transition to OfS, and its stringent - and at times unclear - regulations affecting different types of providers.



STUDENT EXPERIENCE, HARNESSING DATA AND CIVIC MISSIONS

Dirty word? Thinking about customers

The ongoing debate about treating students as “customers” has the tendency - in some quarters at least - to result in a difficult (and important) conversation about values and the commodification of education. But there’s a more positive side, which already has advocates in pockets across universities, in which principles of customer service are being deployed to ensure the best possible student experience. Often this is within specific areas - library, student services, accommodation - but there are also moves to take institution-wide approaches.

When it comes to excellent customer service, there’s much that universities can learn from other businesses and sectors. And it’s not just multi-billion-pound mega-businesses which are working on customer experience, public-sector organisations are too. The Houses of Parliament, with a sprawling estate, entrenched traditions, creaking buildings and many vocal occupants (sound familiar?) has worked on a project to examine the experience of visitors. A willingness to challenge “that’s the way we’ve always done it” is essential to improve the experiences of guests, tourists and expert evidence-providers accessing the parliamentary estate. It’s not easy mapping out every stage of the visitor journey, being honest about what’s working well – and less well – and then prioritising how to make it better. But if the mother of all parliaments can do it, why not a university?

KPMG Nunwood has a framework of “The Six Pillars” which explains the values of the best customer service, with characteristics such as integrity and personalisation. These are useful provocations – and all very reasonable – to help think about how the best service can be delivered. Its report “2017 UK Customer Experience Excellence analysis” shows that top-ranking firms are achieving sustained improvements in customer experience that deliver financial results too.

Too much data, not enough insight

Central to the deployment of great customer service is the effective (and efficient) management of data. It’s an area where universities often come unstuck: there are plenty of opportunities for data collection, but how many are used to improve and refine the services that universities offer? Most institutions are gathering – or at the very least have the capacity to gather – data all the time on student attendance, academic performance and the location of the student is via their wifi logins, cashless spending cards or building access. And most providers are capable of analysing patterns of thousands of past and current students. With all that data at hand, it’s possible to look for the trends which can predict likely outcomes. Just as we want to prevent a patient from taking medicine incorrectly, surely we want to identify students who are at risk, say, of dropping out in order to intervene.



It's another area where universities can learn from other sectors. For example, the patient at the heart of the system is now an accepted part of healthcare design. That's not for a sense of the warm-and-fuzzies but a response to the challenges of (severely) constrained resource and a need to do more, with less. Understanding patient behaviour is a key part of the transformation: how can systems work with – rather than against – patients' instincts in order to be more efficient? One key element of that is the psychology of health behaviours; another is the use of data to analyse problems and design creative solutions. This is precisely the kind of parallel from which universities can draw interesting insights.

The use of data is only likely to grow in importance. The volume and speed of data collection will surely increase and with that the opportunities it represents. Competition between providers will further differentiate those who have the command of the data, and those that have fallen behind. If a case can be made which supports more efficient and cost-effective business delivery, as well as improving student outcomes and experience, there's a huge opportunity for innovative providers.

Universities to the rescue: harnessing institutions' superpowers

Universities, as locally-rooted charities should both do good and also be seen to do good. As part of their day to day operations of course they need to engage more widely be it to get planning permission, leverage investment or local funding, collaborate on projects, or recruit the right workforce. Likewise, potential local partner organisations frequently look to universities to fill committee seats; as potential funders of projects or sources of brain power.

To explore the question of universities' opportunities as anchor institutions, KPMG has published a case study on the experience of universities in Toronto: "Universities: harnessing their superpowers." It contains practical recommendations for what collaboration can look like between universities and their cities. Toronto's universities demonstrate how it's possible to excel in individual initiatives, yet also come together for the benefit of the city.

Making real the aspirations of connecting with a local community can be difficult. The warm words can come easily, but in a world of many competing priorities (including the need to succeed nationally, and to have global ambitions) bringing this to fruition can be difficult. Learning from others' experience is one way of shedding light on this question and, through the Toronto case study, KPMG hopes that the UK's universities can take on board ideas for action close to home.

Wonkhe is grateful to KPMG's Marty Herbert, Paul Henderson and Simon Livings for sharing their expertise and examples, and to Justine Andrew for writing for Wonkhe on the report into universities' civic missions.



TEF UPDATE

The latest instalment of the government's Teaching Excellence and Student Outcomes Framework (TEF) is underway, with 126 universities, colleges and alternative providers opting in to "TEF3." As awards - Gold, Silver, Bronze - can last for up to three years, only a minority of last year's entrants put in for the exercise. Results will be available in June from the exercise which sees data on student outcomes and feedback through the National Student Survey assessed by reviewers alongside institutions' narrative submissions.

There were changes made to the formula between TEF2 and TEF3 with reduced weighting on students' feedback about their experiences. A new measure, tackling so called "grade inflation" has also been introduced in an attempt to push institutions to justify any growth in the proportion of first and upper second class degrees awarded to undergraduates. As Jo Johnson said when

he announced the new measure, the question of grade inflation is only tangential to the question of standards: "At the very heart of this issue is a lack of sector-recognised minimum standards for all classifications of degrees." By choosing to focus on grade inflation, the exercise avoids any more meaningful discussion of the nature of standards, how assessment is made, and how comparability could - or should - be achieved.

Alongside TEF3 - for institution-level assessment - sit the "subject pilots." Fifty institutions have opted to work with the Department for Education on two methods of assessing "excellence" in subject areas - either by an aggregation of subject scores or by considering only subject areas where the data suggest divergence from the institution-level assessment. Early indications are that the pilot is showing up the potential for a very costly exercise (if something's worth doing...) and also some teething problems around subject classifications. However, this is fortunately a testing activity which should allow time for iterative development before information is released to the public, something sadly missing from the main exercise.

AGENCY UPDATE - ADVANCE HE

The fallout from last years Bell review continues, with a high profile reorganisation. Advance HE is the new name for the Equality Challenge Unit, Higher Education Academy, and Leadership Foundation. Led by the latter's Alison Johns, it will take on the roles of it's three predecessor organisations in supporting equality guidance, teaching quality enhancement, and leadership development. Athena SWAN, National Teaching Fellowships,

and the Top Management Programme, are brought into a single, subscription-funded agency.

However, concerns about the level of institutional subscriptions to agencies and bodies of all types still remain. The OfS itself will charge an annual subscription linked to institutional size, while QAA, HESA, Jisc, UCAS and others all continue to require contributions from the sector. Advance HE is unlikely to be the last reconfiguration of sector agencies that we see.



USS, PENSIONS, INDUSTRIAL ACTION

The deficit in the Universities Superannuation Scheme (USS) has been a major headache for institutions as they stare down some major costs, both in the need for ongoing contributions and the potential of crystallisation of the share of the deficit. While institutions with a large number of members face the biggest potential costs, the risk of crystallisation is more acute for institutions with a small number of scheme members where they could end up having to pay a one-off bill when their final USS employee retires.

Universities UK, which represents the employer side of USS, has said that the threats posed by increasing contributions are significant:

“ Most universities can't afford to pay more into pensions without diverting money from other central areas, such as teaching or research, reducing their positive impact. Increasing contributions could damage the high standards that students, research funders and others rightly expect. It could even undermine the sustainability of some institutions. ”

The Joint Negotiating Committee (JNC) agreed with a UUK proposal in late January to offer a defined contribution scheme on all salaries from 1st April 2019, with an option to discuss if defined benefits could be reintroduced in three years' time should funding conditions improve. But, understandably, employees who face reduced retirement benefits are unhappy with the proposals: the University and College Union (UCU) held a strike ballot which backed industrial action, with 88% of members who voted backed strike action and 93% backed action short of a strike; overall turnout was 58%. Action planned for spring 2018 are due to affect more than sixty institutions and last for a total of fourteen days.

Discussion of USS has raised questions about the viability of the various schemes to which the sector's institutions are exposed and the dispute is likely to surface broader questions about pay and conditions. Comparability between parts of the sector, and with the world outside universities, is also a hot topic. It is entirely possible that the future will see much more variety in schemes and benefit packages as an increasingly diverse sector sees institutions compete to offer the benefits - in pay, or deferred in pensions, and non-cash - based on their individual circumstances.



FREE SPEECH HYPERBOLE

Free speech was not mentioned once in either the green or white papers that eventually became the Higher Education Research Act 2017. Strange then, when the Office for Students revealed its colours in October last year, that it had suddenly become a “cornerstone” issue. Could it be to do with (now Transport Minister) Jo Johnson’s seemingly sudden obsession with it in his last few months in office as universities minister? For an organisation committed to not “doing policy”, it’s been interesting to see how quickly the nascent OfS has jumped on this issue.

This is despite no actual changes to the 1986 Education Act, which already mandates how universities must support free speech. Likewise, there’s been no changes to how the Charity Commission regulates charities - which includes nearly all students’ unions. Before the OfS gets involved, with threats of fines or worse, it’s already an opaque regulatory landscape, with the Prevent strategy for anti-radicalisation cutting across campus life, sometimes in unanticipated and controversial ways.

Dubious and contested examples of supposed free speech restrictions seem to get disproportionate coverage from some sections of the press, exacerbated by the rather dubious methodology of the annual Spiked free speech rankings which regularly get significant media traction. This gets bundled in with various “political correctness gone mad” narratives, and flows into the wider “culture wars” concept which has flared up in the USA unpleasantly.

Free speech, including in universities, is an inherently contested and political subject. It has been used as a symbol by different groups throughout history, with today no different in some respects. However, a context of mass and instant communication, combined with Brexit, a minority government, and rising questions about intergenerational fairness, are together building this issue up into a crude battle of symbols. This is the post-truth world at its worst, where evidence and experts are sidelined in favour of identity politics. Cries of “free speech”, perversely, can be used to curtail free expression.

Universities must navigate this challenge, alongside all the others, by being thorough, fair and open. The diversity of the UK sector, and its ongoing promotion of free speech, is just one of the reasons it is so desirable around the world.

Just some of the recent Wonkhe articles on free speech:

Andrew Rudd *‘Charity law and free speech: a cleft stick for universities?’*

Alison Scott-Baumann and Simon Perfect *‘An anatomy of judgement: how do ‘snowflakes’ think?’*

Team Wonkhe *‘To platform or not to platform?’*

Jim Dickinson *‘We’re all special snowflakes now’*

Ant Bagshaw *‘No platform? No worries! The case against free speech hysteria’*

Danny Stone *‘Anti-Semitism, free speech and no platform’*

Read them all at <http://wonkhe.com/tag/free-speech/>

On 15 March there is also a UPP Foundation/Wonkhe Policy Forum on ‘the realities of free speech in universities’



MOVERS AND SHAKERS

It's been another quarter of new faces, and old faces in new roles.

Among the politicians, Justine Greening and Jo Johnson were shuffled-off, the former to the back benches (after turning down the DWP job), and the latter to transport. The new boys on the DfE block are Damian Hinds (MP for East Hampshire since 2010, and Secretary of State for Education) and Sam Gyimah (MP for East Surrey since 2010, and eventually given the title Minister of State for Universities, Science, Research and Innovation). Neither have a university in their constituency, and both seem keen to push on with the "major review". Elsewhere, Theresa May and Greg Clark are staying (relatively) strong and stable, as are Jeremy Corbyn and Angela Rayner, with Gordon Marsden still shadowing the HE brief for Labour.

At the **Office for Students**, significant appointments so far include one lone student to the board (Ruth Carlson), and a brief 9-day stint by self-styled provocateur, Toby Young. Expect better due diligence and further announcements soon. Neither UCU nor NUS has any representation, and nor too does the FE sector.

Million Plus - the Association for modern universities - welcomes new chief executive Greg Walker. He was involved in the Diamond Review of HE Funding and Student Finance in Wales, and Universities UK's review of sector agencies. Previously he was Deputy Chief Executive at Colleges Wales, and acting Director of Universities Wales.



Wonkfest18

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