

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

HIGHER EDUCATION AND RESEARCH BILL

First Sitting

Tuesday 6 September 2016

(Morning)

CONTENTS

Programme motion agreed to.
Written evidence (Reporting to the House) motion agreed to.
Motion to sit in private agreed to.
Examination of witnesses.
Adjourned till this day at Two o'clock.

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor's Room, House of Commons,

not later than

Saturday 10 September 2016

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The Committee consisted of the following Members:

Chairs: SIR EDWARD LEIGH, † MR DAVID HANSON

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| † Argar, Edward (<i>Charnwood</i>) (Con) | † Milling, Amanda (<i>Cannock Chase</i>) (Con) |
| † Blackman-Woods, Dr Roberta (<i>City of Durham</i>) (Lab) | † Monaghan, Carol (<i>Glasgow North West</i>) (SNP) |
| † Blomfield, Paul (<i>Sheffield Central</i>) (Lab) | † Morton, Wendy (<i>Aldridge-Brownhills</i>) (Con) |
| † Chalk, Alex (<i>Cheltenham</i>) (Con) | † Mullin, Roger (<i>Kirkcaldy and Cowdenbeath</i>) (SNP) |
| † Churchill, Jo (<i>Bury St Edmunds</i>) (Con) | † Pawsey, Mark (<i>Rugby</i>) (Con) |
| † Evennett, Mr David (<i>Lord Commissioner of Her Majesty's Treasury</i>) | † Rayner, Angela (<i>Ashton-under-Lyne</i>) (Lab) |
| † Howlett, Ben (<i>Bath</i>) (Con) | † Smith, Jeff (<i>Manchester, Withington</i>) (Lab) |
| † Johnson, Joseph (<i>Minister for Universities, Science, Research and Innovation</i>) | † Streeting, Wes (<i>Ilford North</i>) (Lab) |
| † Kennedy, Seema (<i>South Ribble</i>) (Con) | † Vaz, Valerie (<i>Walsall South</i>) (Lab) |
| † Marsden, Mr Gordon (<i>Blackpool South</i>) (Lab) | † Warman, Matt (<i>Boston and Skegness</i>) (Con) |
| | Katy Stout, Glenn McKee, <i>Committee Clerks</i> |
| | † attended the Committee |

Witnesses

Professor Simon Gaskell, Universities UK

Professor Joy Carter, Chair, and Gordon McKenzie, Chief Executive, GuildHE

Paul Kirkham, Vice Chair, and Alex Proudfoot, Chief Executive, Independent Higher Education

Pam Tatlow, Chief Executive, MillionPlus

Sir Alan Langlands, Vice-Chancellor, University of Leeds

Professor Quintin McKellar, Vice-Chancellor, University of Hertfordshire, University Alliance

Professor Sir Leszek Borysiewicz, Vice-Chancellor, University of Cambridge

Mary Curnock Cook, Chief Executive, UCAS

Public Bill Committee

Tuesday 6 September 2016

(Morning)

[MR DAVID HANSON *in the Chair*]

Higher Education and Research Bill

9.25 am

The Chair: Good morning, colleagues. Before we begin, I have a few preliminary comments. First, we must silence or switch off mobile phones. Neither teas nor coffees are appropriate during our deliberations. I and my co-Chair, Sir Edward Leigh, welcome you all to the Committee. Today we are considering various proposals, beginning with the programme motion. We will then deliberate in private about the questioning of today's witnesses. Later in the week we will move on to the formal line-by-line consideration of the Bill. We have limited time and have to finish the first question session by 10.30 and the second session by 11.25. Any time spent debating the programme motion will be taken out of the first witness session, but it is entirely up to the Committee how it wishes to deal with that.

Mr Gordon Marsden (Blackpool South) (Lab): Mr Hanson, is it in order for us to remove our jackets?

The Chair: It is. I will not be difficult about that. Indeed, Mr Smith has already removed his, as has Mr Howlett, and that is fine. I am fairly relaxed about that, so please feel free, Mr Marsden.

The Minister for Universities, Science, Research and Innovation (Joseph Johnson): I beg to move,

That—

(1) the Committee shall (in addition to its first meeting at 9.25 am on Tuesday 6 September) meet—

- (a) at 2.00 pm on Tuesday 6 September;
- (b) at 11.30 am and 2.00 pm on Thursday 8 September;
- (c) at 9.25 am and 2.00 pm on Tuesday 13 September;
- (d) at 11.30 am and 2.00 pm on Thursday 15 September;
- (e) at 9.25 am and 2.00 pm on Tuesday 11 October;
- (f) at 11.30 am and 2.00 pm on Thursday 13 October;
- (g) at 9.25 am and 2.00 pm on Tuesday 18 October;

(2) the Committee shall hear oral evidence in accordance with the following Table:

Date	Time	Witness
Tuesday 6 September	Until no later than 10.30 am	Universities UK; GuildHE; Independent Higher Education (formerly Study UK); MillionPlus

Tuesday 6 September	Until no later than 11.25 am	Sir Alan Langlands, Vice-Chancellor, University of Leeds; Professor Sir Leszek Borysiewicz, Vice-Chancellor, University Cambridge; University of Alliance; Universities and Colleges Admissions Service (UCAS)
Tuesday 6 September	Until no later than 2.45 pm	Which?; Confederation of British Industry; MoneySavingExpert.com; Professor Chris Husbands, Chair of the Teaching Excellence Framework and Vice-Chancellor, Sheffield Hallam University
Tuesday 6 September	Until no later than 3.30 pm	University and College of Football Business (UCFB); Condé Nast College of Fashion and Design; Further Education Trust for Leadership; Prospects College of Advanced Technology
Tuesday 6 September	Until no later than 4.15 pm	University and College Union; Alison Goddard, Editor of HE; Office for Fair Access
Tuesday 6 September	Until no later than 5.15 pm	Universities Scotland; Royal Society of Edinburgh; Scottish Funding Council; John Kingman, Chair of UK Research and Innovation
Thursday 8 September	Until no later than 12.30 pm	Research Councils UK; Engineering and Physical Sciences Research Council; Innovate UK; The Royal Society
Thursday 8 September	Until no later than 1.00 pm	Department for Business, Energy and Industrial Strategy; Department for Education

(3) proceedings on consideration of the Bill in Committee shall be taken in the following order: Clause 1; Schedule 1; Clauses 2 to 10; Schedule 2; Clauses 11 to 15; Schedule 3; Clauses 16 to 26; Schedule 4; Clauses 27 to 56; Schedule 5; Clauses 57 to 60; Schedule 6; Clauses 61 to 65; Schedule 7; Clauses 66 to 82; Schedule 8; Clause 83; Schedule 9; Clauses 84 to 104; Schedule 10, Clauses 105 to 110; Schedules 11 and 12; Clauses 111 to 113; new Clauses; new Schedules; remaining proceedings on the Bill;

(4) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Tuesday 18 October. —(Joseph Johnson.)

I am pleased to be here this morning to start the Bill's passage through Committee stage. I thank everyone who has given up their time over the summer to make the arrangements for us all to be here today, the members of the Committee, those who have submitted volumes of written evidence, and those who will be giving evidence

today and on Thursday, who include higher education mission groups such as Independent Higher Education and MillionPlus, and vice-chancellors such as Professor Sir Leszek Borysiewicz of Cambridge University and Sir Alan Langlands of the University of Leeds, whose universities are affiliated to the Russell Group.

Dr Roberta Blackman-Woods (City of Durham) (Lab) made a declaration of interest. She said that, given that the Bill created a new office for students, witnesses from student organisations such as the National Union of Students should have been called to give oral evidence, as should representatives of the Quality Assurance Agency for Higher Education.

Joseph Johnson said that it was open to all parties to propose witnesses, but that the Labour party had not proposed NUS representatives until so late in the process that they could not be accommodated within the programme motion. He commented that the Scottish National party had proposed witnesses representing Scottish higher education and that they would give evidence in the afternoon sitting.

Roger Mullin (Kirkcaldy and Cowdenbeath) (SNP) made a declaration of interest in that he is an honorary professor at the University of Stirling.

Mr Marsden made the point that the Government's failure even to consider students' presence in the evidence sessions before being pressed to do so was deplorable, and that they could have accommodated students on the Thursday, as they had the SNP at late notice.

Paul Blomfield (Sheffield Central) (Lab) commented that it was odd not to have witnesses representing students, either from the NUS or those who had participated in QAA audits.

Joseph Johnson thanked hon. Members for their comments and said that he did not want the Committee to think that the Government had not been engaging with students.

The Chair reminded the Committee that further witnesses could be heard on Thursday if an amendment to the programme order were tabled and accepted at the start of the sitting on Thursday morning, although it would be a starred amendment and therefore subject to the Chair's discretion.

Wes Streeting (Ilford North) (Lab) made a declaration of interest as a member of the advisory panel for the University Partnerships Programme Foundation.

Valerie Vaz (Walsall South) (Lab) asked whether there had been any discussions about how the change in the machinery of government would affect the Bill, given that it would be split between two Departments.

Joseph Johnson stated that the machinery of Government changes had gone through in July and that the lines of ownership were clear.

Mr Marsden repeated his view that representatives of the NUS should be called as witnesses, stating that input from students was crucial, and this should be accommodated by the programming motion allowing half an hour on Thursday.

The Chair repeated his advice regarding the tabling of an amendment to the programme order adding further witnesses, saying that the amendment would be a starred amendment and therefore subject to the Chair's discretion, and that, if selected, it would be taken at the start of business on Thursday.

Question put and agreed to.

Resolved,

That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.—(Joseph Johnson.)

Resolved,

That, at this and any subsequent meeting at which oral evidence is to be heard, the Committee shall sit in private until the witnesses are admitted.—(Joseph Johnson.)

9.38 am

The Committee deliberated in private.

Examination of Witnesses

Professor Simon Gaskell, Gordon McKenzie, Professor Joy Carter, Pam Tatlow, Alex Proudfoot and Paul Kirkham gave evidence.

9.42 am

The Chair: Good morning and welcome to our first witnesses. Thank you for joining us for the first session of the Bill today. We are going to hear evidence from the witnesses and I will ask Members to ask questions of the witnesses. Witnesses need to be aware that we will finish this session at 10.30 am. Questions can be put to specific witnesses or to the panel as a whole. If they are to the panel as a whole, given the number of members, I would appreciate brief responses. Will the witnesses please introduce themselves for the record, starting from the left?

Professor Simon Gaskell: I am Simon Gaskell, president and principal of Queen Mary University of London. I am also chair of the Higher Education Statistics Agency and am on the Russell Group board. My primary reason for being here is to represent Universities UK. I have led for UUK on regulation issues and in the responses to the Green Paper, the White Paper and now the Bill.

Gordon McKenzie: I am Gordon McKenzie, chief executive of GuildHE.

Professor Joy Carter: I am Joy Carter. I am chair of GuildHE and also Vice-Chancellor of Winchester University.

Pam Tatlow: I am Pam Tatlow, chief executive of MillionPlus, the association for modern universities, with members throughout the UK.

Alex Proudfoot: I am Alex Proudfoot, chief executive of Independent Higher Education, which represents alternative providers.

Paul Kirkham: I am Paul Kirkham, chief executive of the ICMP, an independent higher education provider. I am also vice-chair of Independent Higher Education.

The Chair: Thank you. We will open for questions, first from Mr Streeting.

Q1 Wes Streeting: Good morning. Thank you for coming to give evidence to the Committee. I have a really simple question to start with, and it would be good to get the views of each organisation represented, if not each panellist. Do you think it is right that there should be student representation on the governing body of every higher education institution, on the board of the office for students, on the board of the quality provider and the quality committee? Would you like to see the scope of the Bill extended to make that provision?

Professor Joy Carter: Absolutely. It has been a revelation to me to engage more with students in the delivery of higher education over the last decade. I think you make an important suggestion.

Pam Tatlow: Yes, we think it is important, but I do not think it is the only answer. We have made some proposals that all members of the OFS board, for example, should have some knowledge of social mobility, widening participation and student interest.

Professor Simon Gaskell: I think it is important to recognise the general point that students, quite correctly, see themselves as co-creators of their own education. That principle would suggest that their voice is extremely important. Your question covered everything from individual institutions to the OFS. As far as my own institution is concerned, we already have two student members on our governing body—one a member, one an observer, but the voice is very loudly heard. There are a variety of mechanisms for ensuring that the student voice is heard, often in conjunction with their own institutions. We can argue about the precise prescription of the extended membership, but the general principle of the student voice being first and foremost is absolutely the right one.

Alex Proudfoot: It is very important that the student voice is heard, both on governing bodies and on the office for students. I believe that the mechanism for that voice being channelled into the office for students is for Government to decide at this juncture. At the moment few alternative providers have student unions that are formally affiliated to the NUS, so I think it would be problematic if a directly nominated NUS representative was on the board, as I would have difficulty finding confidence in their ability to represent the views of the full spectrum of students.

Q2 Wes Streeting: Will you elaborate slightly on that final point?

Alex Proudfoot: Yes. I think student representation is an excellent idea, as long as the views of the full spectrum of students are represented. Students at alternative providers tend not to engage in formal student unions; they tend often to be professionals or mature students or to have responsibilities outside their studies. For that reason, it is difficult to require representation, but it should be encouraged.

Q3 Wes Streeting: Finally, I am interested in the panel's views about the fairness of either institutions or Government being able to alter the repayment terms or the conditions of student loans—whether those are tuition fee levels or repayment terms and conditions—after

a student has enrolled on a course or while they are still repaying the loan as a graduate. Do you think that enabling universities or Government to tinker with the terms and conditions has the serious risk that when students sign up as applicants, they do not necessarily know what they are signing up for? That has real risks for fair access and for basic fairness to consumers.

Gordon McKenzie: I think it is unfair to change the conditions after the student has taken out the loan. When the Government changed the repayment threshold and decided not to uprate it annually by inflation, GuildHE commented that it was unfair—we think it is unfair.

Pam Tatlow: I would distinguish between repayment and fees. Like GuildHE, we commented on and opposed the amendment to repayment conditions and indeed the proposal to abolish maintenance grants. In respect of fees, it has at times been the case under previous Governments that if fees increased by inflation, that could apply to the whole student body. We are dealing with a headline price, if I can put it that way, of £3,000. We might want to distinguish between fee levels and repayment levels. On repayment we have been very clear.

Q4 Wes Streeting: Is there a Universities UK view on that, Professor Gaskell?

Professor Simon Gaskell: The basic principle is that it must surely be right that students know what they are signing up to when they start their course. That places obligations on both institutions and Government. The general principle is that the terms of engagement, as it were, should not be changed after a student has started on their course and made a commitment to a university, as the university has made a commitment to them. The idea that the terms of engagement should not change seems to me to be a basic principle.

Q5 Carol Monaghan (Glasgow North West) (SNP): Professor Carter and Professor Gaskell said that student representation is important and beneficial. Can I ask you to give us a quick example of how student representation has been beneficial and why we should have it?

Professor Joy Carter: It is about not so much representation, but the holistic sense of student engagement, of which representation is a part. If I can answer the question from a more holistic perspective, in my own institution—to give you one example—we have a student fellows scheme. Students work in partnership with members of staff on projects of their choosing to enhance the quality of the higher education that they are receiving. At any one time in my institution we have got 60 to 100 of those enhancement projects—real partnerships between students and staff—going on. The quality of enhancement that is achieved is beyond measure.

Q6 Mark Pawsey (Rugby) (Con): To ask a broader question, how important do you think this piece of legislation is, given that there has not been any legislation for more than 20 years? Which part of the Bill, from your perspective, is the most important?

Paul Kirkham: As an independent provider, working with a very fragmented regulatory system for many, many years has been an absolute nightmare, so having a

simple, straightforward, single regulatory system is absolutely crucial. The most important part is that we have a level playing field whereby providers are treated equally and correctly.

Pam Tatlow: I think we should be looking at the Bill in a holistic way. There is a real risk that we look at the Bill in terms of a silo—the office for students, and then UK Research and Innovation. What we have got at the moment through the Higher Education Funding Council for England is some holistic oversight over the whole of the sector, in terms of reporting. Therefore, there are issues around OFS, and some of the hard corners need to be taken off the regulatory framework. We look at the Bill as a whole, because one impacts on the other. Teaching impacts on research and innovation, and vice versa.

Q7 Mark Pawsey: How important is the Bill?

Pam Tatlow: The Bill is very important because the Government want to table it. It would not have been our most immediate priority, but there are regulatory things that need to be sorted out, as colleagues to my left have pointed out. You can undertake the teaching excellence framework without this Bill—we should be clear about that—and HEFCE is already making preparations to do so. We do not necessarily need the Bill to deliver the Government's commitment to teaching.

Gordon McKenzie: I agree with Mr Kirkham that the Bill is essential. It was essential from 2011, when the Government made substantial changes to the fee regime. I think it is important to look at the Bill holistically. The essential part is the creation of the office for students and the ability to regulate all providers on a fair and equal basis, whatever their background and history. I have concerns that, in the approach taken—having the office for students on the one hand and UKRI on the other—some of the benefits of having a single body looking at higher education as a whole might be lost, but there are perhaps ways around that.

Q8 Roger Mullin: In terms of the panel members who have already commented on the regulatory framework, some people have been criticising the proposals as being overly summative and not formative enough to enable or encourage proper development. Would you like to comment on that?

Professor Simon Gaskell: I will come to your question in a moment. I just want to say, in terms of the need for the Bill, that clearly it is essentially replacing the 1992 legislation, which was appropriate at the time, although the times were quite different then. The argument for an upgrading of the regulatory framework for higher education is compelling.

Of course, it has to be admitted that throughout the coalition Government we survived on, frankly, a series of fudges, which nevertheless enabled the out-of-date legislation to allow the sector to continue. So one could not say that the Bill is absolutely essential, but it does have some important tidying-up aspects. The importance of the Bill derives largely from a measure advocated by Universities UK, which was to have a single entry into the sector through a well described and well regulated register of higher education providers. Whether one calls that a “level playing field” or some other term, that is an important aspect.

If I understood the most recent question correctly, it asked whether the Bill might perhaps be too permissive rather than directive in terms of its content. We at Universities UK and in our member institutions do have concerns about that. There are some aspects of the wording of the Bill which could be interpreted to enable directions from the office for students, or indeed from the Department for Education, that would allow measures to be taken which we think would not be in the best interests of the sector. These may be allowed rather than prescribed by the Bill. We are very aware of the need to get the wording and the detail right to make sure that something which may not be immediately intended would not be allowed by incautious phrasing in the Bill.

Q9 Mr Marsden: Since the Government presented the Bill, and indeed since it came before the House, we have had two major seismic shocks to the British political system. One of them, of course, is the impact of Brexit. The other, although perhaps not as seismic as Brexit, is nevertheless important for us: the changes to the machinery of Government which have moved this subject to the Department for Education rather than the Department for Business, Innovation and Skills. I wanted to ask the panellists if they would give us their views.

The Government have made certain commitments to underwrite funding which comes from the EU, particularly in the area of research, but have made no commitments about where we are going from there. I know very well from conversations with many university providers how concerned they are about this—not simply from the research side, but because community-based universities are worried about loss of funding from the European Social Fund and other things. I wonder if I could take a quick snapshot of whether you think that the Government are on top of this and doing enough about it already.

Pam Tatlow: There are 120,000 EU students studying in the UK. We have a commitment to access to the student loan system only for this admissions year—that is, for students entering higher education in 2016-17. Ministers are, quite correctly, encouraging us to get on the Brexit bus, if I can put it that way. We are slightly worried that the best might leave before we have got all the commitments that we need in place. I think that my colleagues in Scotland also raised this with the Minister in Scotland. The commitments we need include the commitment to EU student funding beyond this academic year, however it is delivered in each Administration. Of course, there are also fairly major issues about how those students will be classified in the future.

The final point I would raise is that there are universities which are very engaged in structural funds. We talked with one principal last week, and there is now £50 million worth of structural funding in the west of Scotland. It is very important that the Government address these things, and that they are addressed not only in DFE but in the Department for Business, Energy and Industrial Strategy, the Department for International Trade and the Home Department. We need a joined-up approach.

Professor Simon Gaskell: We could have a long debate about the effects of Brexit, which I am sure would be inappropriate in this forum. Just to add to the list of concerns, as it were, clearly we are concerned about the loss of EU students. We are concerned about the polls that indicate that overseas non-EU students now find

non-EU Britain to be a less attractive place to study. I am particularly concerned not only about the loss of EU students and EU staff, but about the loss of UK students and UK staff, who are not as enamoured of the system and the environment as they were before.

Clearly there are important financial issues, but actually what is more insidious is the loss of talent, the loss of networking and the loss of engagement with European partners. That will be much less easy to quantify but, unless we are very careful, it will become quite a damaging development over the next few years.

Q10 Mr Marsden: May I press you, Professor Gaskell, on that particular point? Members of the Committee will probably have seen the poll about the reaction to Brexit, which I think said that something like 40% of people between the ages of 18 and 35 were thinking about leaving the country as a result. That addresses one of the points that you made.

May I press you on the particular issues and concerns that you as a Russell Group member and also UUK generally have pressed the Government on? They relate to the very mixed position in terms of funding for research. We have heard all these stories about people being edged out. We know that the Government have supported Horizon 2020, but what is the position with the support they are currently not giving or are giving for beyond the 2020 process, while we are still in the EU and able to bid for these things?

The Chair: I remind colleagues that there is a wide debate on Europe, but we have to keep it within the context of the scope of the Bill.

Professor Simon Gaskell: You are absolutely right to be concerned. The assurances that have been given so far are welcome but do not go anywhere near far enough. Producing evidence will be very difficult, because my colleagues and I do not get phone calls saying, “We were going to include you in our research network, but now we are not.” They do not get the phone call. That will be the problem in amassing the evidence.

Paul Kirkham: There are many issues surrounding Brexit that are important for the sector, but I do not believe they in any way undermine the need for the Bill or its importance. I would hate for things to be distracted in any way as a result of these discussions.

Q11 Amanda Milling (Cannock Chase) (Con): Good morning. I have a question for Mr Kirkham. I want to pick up on the point you made earlier about the importance of the single regulatory framework and creating a level playing field. I was wondering whether you could elaborate further on why that is so important and the benefits from your perspective.

Paul Kirkham: We do not think that the system as it exists is to the benefit of students, the taxpayer or a wide range of providers. There are myriad different regulatory bodies, conflicting data and information that need to be submitted in different ways, differences in fees, and differences in the tier 4 visa system—that is kind of outside the scope of this, but the differences exist.

From the point of view of the provider, having clarity on what we are expected to do is extremely useful. From the point of view of the student, having clarity on what a particular provider offers and how that compares to other providers is absolutely crucial. From the point of

view of the taxpayer, where taxpayer funds are being used for student loans or other grants or associated support, it is absolutely critical to know where that is going and whether, for example, it is going to registered approved providers who are subject to equal quality assurance checks. At the moment, it is very difficult to differentiate between providers on all those issues.

Professor Simon Gaskell: It is seductively attractive to talk about a level playing field, but we should recognise that implicitly or explicitly, we have expectations of our universities that go well beyond financial sustainability. One of the obligations I feel in my university is that we should cover a broad range of subjects.

If I was concerned about financial sustainability, I would close our medical school and certainly would not engage in science and engineering—far too expensive. I would have a management school, a law school and an economics school. I would be wonderfully financially sustainable and attractive to the private sector, but we take on that obligation. That means that we are not on a level playing field with other providers who do not accept that responsibility. We need to be very careful nationally to understand what our expectations are of our universities, because that will help inform a term—“level playing field”—that can otherwise be flippant.

Pam Tatlow: We absolutely endorse that. You can have the lowest common denominator and have a level playing field. Actually, we want high criteria to protect the student interest. It is not so much about protecting the institutional interest; we have got to protect quality and standards for our students. We have also got to maintain a system in which we can maintain confidence. It is in nobody’s interest in the independent sector or the more established sector if any provider goes under. That would undermine confidence and therefore the global reputation of UK higher education. I know what my colleagues mean. They clearly want a level playing field, but we have to unpeel the onion a bit as to what that actually means.

Q12 Dr Blackman-Woods: Would the panel accept that, if we are looking at another playing field, we should consider something beyond regulation and maybe have a set of expectations about what institutions are actually delivering, so that, if it is a level playing field, it goes beyond regulation?

Professor Simon Gaskell: We certainly favour inclusion in the Bill of a clause that indicates that there is a responsibility for the public good of institutions that wish to call themselves universities.

Pam Tatlow: This is properly addressed in terms of the general duties of OFS. For example, we have proposed a reference to confidence and the public interest. In other words, we know that Ministers are very clear that they want a more competitive market. The risk is that we just see students as consumers. Students, and we ourselves, see students as much more than that, and higher education has got a wider purpose.

One way to address the issue would be to knock off what I call some of the hard edges around the general duties of OFS to ensure that there is a wider commitment, which I am convinced Ministers actually have.

Q13 Paul Blomfield: Can I press a little further on the regulatory framework? I think there is a consensus that we need a new regulatory framework and it is welcome

that the Government are bringing forward a Bill to enable us to debate that. The Bill has also been brought forward in the context of trying to change the terrain of higher education and encourage greater diversity of providers. In that context, do you think that the regulatory framework as presented in the Bill is fit for purpose? Are there any risks involved in the proposals before us?

Gordon McKenzie: I think it is broadly fit for purpose. There are risks in some of the detail. Although I know the Government released some further information yesterday evening, which I have still to look at in detail, I do not think the Government are yet saying enough about how they will ensure that the new entrants to the market and sector are high quality.

I do not think the Government are yet convincing about their proposal that some people may be able to have the power to award their own degrees on a probationary basis, because I do not think that the Government have yet answered the question of what happens to the students if the provider fails probation. Who awards their degree? What have they got for their three years?

I think there are elements of the detail that require scrutiny. I do have concerns that at the moment the promised role of the office for students as taking an overview of the sector is not really there or enabled by the Bill. I think those things could be fixed—so it is basically fit for purpose, but with further work.

The Chair: As there are six members of the panel and time is limited, could you give relatively succinct answers? We have other Members who wish to ask questions.

Professor Joy Carter: I echo what Gordon said. For me the risks are in three broad categories. One is speed: are we moving too quickly to give the power to award degrees—the provisional degree-awarding powers and so on? The second category is around university title and the notion that we have already discussed about academic community and public engagement. The third category of risks is about autonomy and the power of the office for students and the power of the Secretary of State in relation to autonomous and successful universities.

Paul Kirkham: I would say that there is greater risk in leaving it as it is and not adjusting this right now. There are significant risks to student and taxpayer of a very static, non-changing universe of providers and way too much emphasis on the three-year, on-campus degree.

The biggest risk for me in the Bill is that it has not properly addressed the issue of student financing. We currently have a student loan system, which is essentially based around a calendar year and predicated primarily on the traditional three-year degree system. Until such time as we have proper reform of the finance system, we will not get proper innovation into the sector. I personally advocate some form of credit-based financing, which will give students much more flexibility, and when combined with more effective credit transfer will also give them much more mobility across the sector.

Pam Tatlow: I simply refer to clause 2, which we think extends the Secretary of State's powers; we have an explanation around that if the Committee wants a supplementary submission on it. We have particular reservations around OFS being a validator and a provider. In other words, it seems almost to be the validator of last resort. You can't have it both ways—the OFS being

a regulator of the sector as well as a validator and provider. That is a contradiction in terms. We have specific queries around that.

We welcome part 2 on a sharia-compliant loan system, but it does absolutely nothing if you want to deliver accelerated degrees, for example. It is a missed opportunity.

Alex Proudfoot: Briefly, I think the OFS needs to have a power reserved in order to validate degrees because, unfortunately, the current validation system in the UK is so broken. That would not be necessary if the autonomous institutions in the UK that currently validate new provision acted as if they had a public interest in diversifying the landscape of higher education and making new provision available to students. Unfortunately, we find that, quite rightly within their own autonomous priorities and strategies, some institutions draw back from validation, leaving institutions and students high and dry. We see institutions blocking new courses from being validated because they compete with one of their own courses or, indeed, one of their own partner's courses. Unfortunately, we see a very high cost and very limited transparency in the process across the sector.

We are currently doing some work to try to improve the situation, but it is important that the OFS has this as validation of last resort, as Pam referred to it. If nothing else, it should encourage validating institutions to take their responsibility seriously.

Pam Tatlow: May I come back on that? More than 100 institutions can validate throughout England. If you cannot be validated as an independent provider by one of those, what is the matter with what you are delivering? That is the point. This is not a closed shop.

Alex Proudfoot: In some cases, the matter—

The Chair: Order. Professor Gaskell?

Professor Simon Gaskell: I think the Bill is right and that the fundamental point is establishing a regulatory framework and pre-eminently the register of providers. That is overdue and very welcome. We need to get the entry standards to that register absolutely right because the key risk here is the reputation of the UK higher education sector. It was pointed out in the press earlier this week that the UK is second to the US in two areas of activity: winning Olympic medals and higher education. I think the second is probably more important to the country than the first, but that is a personal view. We risk that at our peril, which is why the detail is so important. The framework is right; the detail is critical.

The Chair: We do not have a university in my constituency, but we do have a gold medal winner.

Q14 Ben Howlett (Bath) (Con): One of the key areas of regulation proposed in the Bill obviously relates to participation, and for a long time social mobility has been lacking in many areas of the regulatory system.

I want to unpick a bit, following on from the last question, your views on the Government's ambitions for improving participation and also the regulatory framework around improving participation.

Professor Simon Gaskell: I speak as head of an institution where two thirds of our students are from ethnic minorities and 89% are from state schools, so I can speak with some authority on this. That of course is

a set of achievements of which we are very proud and that have been achieved in the current framework—regulatory and otherwise.

My personal view is that widening participation is not enough. We need to do much more and indeed we are doing more at Queen Mary to ensure that students not only get into university and succeed academically while they are at university but, despite a lack of social capital in many cases, succeed after university. There is a lot to be done and we are doing it in universities. I do not think it needs legislation to enforce it.

We have had encouragement through the Office for Fair Access, which has been entirely aligned with our aspirations as an institution. Other institutions have perhaps needed more encouragement in that direction. Fundamentally, I think some universities at least, including my own, are leading the way in recognising what needs to be done in social mobility. Widening participation is not enough.

Pam Tatlow: We support the Government's ambitions 101% and we would add that experience to that of board members to be taken into account.

We think clause 9, which deals with some of the participation figures and information, does not go far enough and, in fact, it should discuss some of the protected characteristics. It does not talk about age: one in three higher education students enter university for the first time when they are over 21, often entering modern universities. That must be reflected in the diversity of the sector. We are proud of that and should do more about it and, therefore, I think more could be done on clause 9.

Professor Joy Carter: Widening the market to alternative providers is often good for widening participation students, because many alternative providers focus on WP students and offer products and prices that are particularly attractive to them. That is good.

My concern about the marketplace and the effect on WP is about the work at primary school and the work of individual institutions at primary school. There is a lot of research that says young people are made or broken at that age and lots of universities already do fantastic work with primary-age children. In the new world allowed by the Bill, how much of that will continue?

Paul Kirkham: Obviously we support this ambition. Independent providers are, traditionally, very good at this in the main. Where you have a fee cap of £6,000 you have two choices: either you deliver a different kind of experience or you have to charge cash, up front, to students, which is not exactly a widening participation exercise. In many cases, we are disadvantaged in the work we can do when we would like to do it given that we have that fee cap of £6,000, but we understand the reasons why that is there.

Q15 Carol Monaghan: The OFS as the regulating body will be funded by subscriptions from higher education institutions. New providers or new entrants, by their nature, will be a higher risk than the more established institutions. Is it right that all institutions pay the same amount of subscriptions or should there be some sort of sliding scale?

Professor Simon Gaskell: Some thought needs to be given to this because you are right, not every institution will require the same degree of scrutiny. You could argue that the most established and most reliable institutions

should pay least. To be fair, there is some offset against that, building on my earlier point: we are all concerned with the reputation of the sector and we all have an interest in the sector. I would not suggest an exact proportionality, but some system that takes note that the greatest demands on the OFS will come from the providers who represent the greatest risk seems to me a reasonable principle.

Pam Tatlow: I understand there will be a consultation if this remains in the Bill, but the more general point is that this is a direct switch from funding from what is now the Department for Education to universities and the average would be about £62,000. If you look at the White Paper, it shows that over several years, the bulk of funding for the OFS will come from providers.

Paul Kirkham: To be clear, not all independent providers are new and pose that kind of risk. Many have decades, if not hundreds of years, of experience in provision. My second point is that it should be equitable in terms of the cost. Many of the incumbent universities' perceived lower risks have been achieved through decades of taxpayer support and I think it would be grossly unfair if a sliding scale were applied on the basis of some form of perceived risk.

Gordon McKenzie: As well as risk, it is also important to take account of a university or a provider's size and resources.

Q16 Matt Warman (Boston and Skegness) (Con): This is a question specifically for Professor Gaskell. I should begin by declaring that my wife is technically a student at Queen Mary University London.

Professor Simon Gaskell: What does technically mean?

Matt Warman: Technically in the sense that she is on maternity leave, but she is still part of it.

The Universities UK report on sustainability and the future of higher education regulation was recently a tangential part of the Science and Technology Committee's review of the future provision of skills. How do you feel the Bill addresses the concerns you brought up in that report?

Professor Simon Gaskell: I think I have covered some of those things already, in the sense that we were looking for a simplification of the system—an assurance of equity of treatment of all providers, whether established or new. That led us to propose a tiered register of providers, which would go well beyond the current HEFCE register, which is essentially a list. A key point that was emphasised in the UUK report was that the register has to have very clearly defined entry standards to protect both the reputation of the sector and, crucially, the position of students at less secure institutions. Indeed, it is often overlooked, but we also need to protect the interests of the alumni of those institutions. If you graduate from an institution that lasted for four years and then disappeared in a puff of smoke, you have a degraded qualification.

The need for a register was emphasised so much in the UUK report because all those things add up to the need not to simply try out a new institution, as it were, or give it an opportunity to fail. The failure of an institution is very problematic for students and the general public, and for the locality in which that institution is placed, because institutions often make critical

contributions to their locations. To us, all that adds up to the need not only for a register, which the Bill certainly includes, but for a clear indication and a secure prescription of entry standards for that register, in the interests of students, the public and the locations in which universities are based.

The Chair: I am sorry to rush you, but we have nine minutes remaining and four Members want to ask questions. I am going to turn first to Roberta Blackman-Woods, then Valerie Vaz, Roger Mullin and Gordon Marsden. No Government Members have indicated that they want to ask any further questions.

Q17 Dr Blackman-Woods: In the interests of brevity, I shall push two questions together. As you know, the OFS will have a remit to cover standards as well as quality. Do you foresee any issues that might emerge from that? The Bill also puts in place provisions on market exit. Do you envisage many institutions exiting the market?

Professor Simon Gaskell: There is some apparent confusion in the current wording of the Bill. I believe that some amendments have been suggested to correct this, but the distinction between standards and quality is critical. In higher education parlance, quality refers to the quality of the provision, while standards refers to the achievements of the students who receive that provision. That clarification needs to be made much more clearly. I, and UUK, would argue that standards are the fundamental responsibility of autonomous institutions, whereas quality is something we need to be very much concerned with nationally and as a sector.

Q18 The Chair: Does any member of the panel have a view that is different from that?

Witnesses indicated dissent.

Q19 Valerie Vaz: I think the UK leads in the league table of Nobel prize winners, so we need to protect that.

On the split between education and research, do you think there is enough protection for, for example, postgraduates who do some of both? What are your views on the split between the two departments?

Paul Kirkham: I think some consideration should be given to how those two arms of the regulatory system will work together.

Pam Tatlow: We are at risk of forgetting that HEFCE has funded postgraduate students and undertakes the research excellence framework exercise. There are implications for the devolved Administrations as well. There has to be on the face of the Bill a very clear idea of joint working, because some things are not referred to. The section on UKRI very much concentrates on what are currently the research councils. We have to do better on what we think those responsibilities are.

One final thing is that I have no idea why students should not be on the board of UKRI as well. I do not agree with the idea that students have no interest in it. We want not only the great and good scientists there, but people who deliver innovation and who are very engaged.

Gordon McKenzie: I agree with that. There is an opportunity to make it clearer on the face of the Bill that both the office for students and UKRI have a joint responsibility for the sector as a whole.

Q20 Valerie Vaz: A quick question about clause 2, which is on general duties. Subsection (1)(c) refers to “the need to promote value for money”.

Do you know what that means and do you think it would help to include a public interest amendment there?

Professor Simon Gaskell: That covers a lot of things. I think universities absolutely do know the value for money. Certainly my finance and investment committee is very keen on value for money and we work on that all the time. In a sense, this addresses a general point—the fiction that the universities do not work in a competitive environment. The current environment is highly competitive. Talk to my colleagues who worked like Trojans a couple of weeks ago on confirmation and clearing—hugely competitive. All this adds up to a very significant current demand for value for money. So, yes, universities do understand what that means.

Q21 Alex Chalk (Cheltenham) (Con): This is about seeing if we can have new providers in the sector. Mr Proudfoot, what is your assessment of the level of demand for new providers?

Alex Proudfoot: The level of demand is clearly significant because already between 250,000 and 300,000 students are currently studying with alternative providers. I do not foresee a deluge of new providers opening up the day after the Bill passes. At the moment we have 700 institutions in the UK which are not considered part of the mainstream framework. We need to be able to bring them into the mainstream framework and provide effective regulation for the benefit of students and taxpayers and provide information that students can use to make choices between the providers.

I think there will be some new providers interested in coming into the sector and some interesting innovations. Already we have seen in the past few years, for example, large employers starting their own colleges and higher education programmes, simply because they were not finding the graduates they needed to take the jobs they had available. That should be encouraged and the opening of overseas higher education institutions could, of course, be a positive effect.

Professor Joy Carter: Current demand requires an environment where bold, innovative, new higher education flourishes. The Bill allows us to do that, but we have to maintain the reputation of UK higher education and the autonomy which leads to that reputation.

Q22 Roger Mullin: The way in which discussions about diversity have been confused with the need for new entrants has been very unhelpful. I come from a Scottish tradition where I would say that quality enhancement of existing institutions is the way to create diversity. When I look at the landscape in Scotland with everything from the University of the Highlands and Islands to traditional universities such as Edinburgh and newer universities such as Stirling, there is plenty of diversity through quality enhancement.

Q23 Mr Marsden: This is a very specific question for Mr Proudfoot, but other colleagues might want to comment briefly. Mr Proudfoot, you have expressed your exasperation with the present system. You must therefore be very pleased that the Government are preparing to give you most of what you want in being able to start off with university-like things from the beginning. Given the issues around security, what extras, representative of those organisations, do you think that alternative providers now need to put into the pot in terms of public interest? Specifically, do you think that issues around size and track record of new providers should be a contingent part of the registration process?

Alex Proudfoot: A great many quality assurance and regulatory burdens are already placed on alternative providers. I think the new system would make that more transparent, clearer and more consistent across the sector. I agree there should be a high bar in quality for new entrants and a very high bar for degree-awarding powers with close monitoring.

Q24 Mr Marsden: And for track record?

Alex Proudfoot: I think not necessarily track record of higher education delivery. There may be education providers in other parts of the sector who have not had a higher education track record who would be well placed to deliver higher education from day one. There could be overseas institutions that would be well placed to deliver higher education from day one. What we need is a flexible system which has proper monitoring in place but a range of options—

Paul Kirkham: It is very frustrating—my institution has 30 years of history and many have much longer than that. Every institution has to start somewhere. Look at the history of the university sector—look at the history of King’s and UCL, for example, look at the red bricks. Everybody has to start somewhere. I think if a provider is capable of providing something that a student needs and the wider economy needs and the regulatory framework is correct, why should they not?

Q25 The Chair: Final comment, Miss Tatlow.

Pam Tatlow: The issue here is not that we do not want competition, nor that we cannot accept new entrants into the sector; the issue is on what terms and conditions they are allowed to flourish. That is a real challenge for the Committee as it works through the Bill.

Gordon McKenzie: Briefly, diversity—yes, agree with that. We have suggested an amendment that would help protect the existing diversity including specialist institutions and those founded by the churches.

The Chair: Order. I thank the panel for their attendance and stand them down.

Examination of Witnesses

Sir Alan Langlands, Professor Quintin McKellar, Professor Sir Leszek Borysiewicz and Mary Curnock Cook gave evidence.

10.31 am

The Chair: We now commence the second witness session of the morning that has to be completed by 11.25 today. It would be helpful if the panel could introduce themselves from left to right.

Sir Alan Langlands: Good morning, my name is Alan Langlands and I am the Vice-Chancellor at the University of Leeds.

Professor Quintin McKellar: Hello, I am Quintin McKellar and I am the Vice-Chancellor at the University of Hertfordshire.

Mary Curnock Cook: Mary Curnock Cook: I am the chief executive of UCAS, the University and Colleges Admissions Service.

Professor Sir Leszek Borysiewicz: Les Borysiewicz, Vice-Chancellor, University of Cambridge and formerly head of the Medical Research Council.

The Chair: You are very welcome and my colleagues will commence questions, starting with Mr Marsden.

Q26 Mr Marsden: If I can ask the panel generally—we have already heard in the previous session about issues around Brexit and the impact that that is going to have. Do you think that the Government have taken sufficient cognisance of the issues around Brexit, particularly in terms of research but also in terms of the development of staff in your organisations?

Sir Alan Langlands: I think, given where we are and how we arrived at the vote, Government have responded as quickly as they could to try to reassure particularly the science and research community. That does not mean that all is particularly well, because people are very anxious. Equally, sensible people are aware that there is a much wider discussion going on about trade and the free movement of people that will dictate the final outcome of other issues in relation to Brexit. I think the higher education sector is patient; I am sure its patience will be tested over time—

Q27 Mr Marsden: The question is whether we have enough time. We are already hearing stories of researchers and people losing grants and things like that.

Sir Alan Langlands: We have had one example of that and I think it needs to be challenged. The discussions that Ministers have had in Brussels have been helpful in essentially saying, “The law is the law, the rules are the rules, and things continue as they are for now,” and it is down to individual universities to make sure that our partners—

Q28 Mr Marsden: So they are on their own?

Sir Alan Langlands: No, I do not think we are on our own. I think there has been good co-operation across the sector. There have been good discussions in Brussels, as I say, in very difficult circumstances. I think Ministers are doing their best to reassure but patience will wear thin as time goes on, there is no doubt about that.

Professor Quintin McKellar: I think we have the wellbeing of our students at heart and we have a lot of EU students within our university. The Government have responded quickly to give us reassurance regarding those who are currently in train within our universities. The issue for us is what is going to happen in the future, and that is an area of considerable concern for us. As for research, the Government have quickly put in place some helpful reassurances. Again these are short-term, and we need to think about what is going to happen in the longer term with regard to research collaborations across Europe, but in the short term they have done all they could.

Mary Curnock Cook: Only to say that the European student intake this summer seems to have been growing strongly, as in previous years, and that includes some who applied before the referendum vote was known and a few who applied afterwards. It will be important for us to be able to tell applying students in the next few weeks what their fee situation will be for the 2017 intake.

Professor Sir Leszek Borysiewicz: The University of Cambridge shows the largest number of awards from the European Union of any institution in Europe, let alone the UK. The total financial sum is in the order of £100 million, so the impact is quite significant in financial terms. We are quite confident that we can deal with the assurances that the Government have given in the short term. The problem is the long term. We have not experienced what many institutions have experienced, with people not being asked to continue on grants. In fact, we have continued to attract considerable sums from the EU, even in the current setting. However, there are two major issues: first, students from the EU contemplating coming to UK universities are already looking at the 2017-18 entry. Current assurances only provide entry for those coming in during this year so we will be looking to Government to provide that assurance. The second issue is the nationality issue. 19% of our staff at the University of Cambridge are EU nationals, and those people want to know whether or not they can reside in the UK, bring up their families, and make their future careers in the UK. That is the current impasse that is probably causing more disquiet among staff than any other. Some statement on this would be very helpful.

Q29 Mr Marsden: Just on that specific point: the issue around EU postgraduates is also important. Would it be helpful if the Government were to make some movement and some flexibility in terms of what those postgraduates themselves could do in this country to contribute locally to the economies?

Professor Sir Leszek Borysiewicz: I think there are a variety of issues that we are exposing here, and if we are not careful this will open up into a whole debate on the immigration issue and the capacity of individuals to make their future lives and help our economy. I do not want to go there, but for the postgraduate side on the EU, nearly 30% of our postgraduate entry is around the EU or around continental European students. We have to remember that on the postgraduate side, over 60% of students are coming into the UK from overseas, and a further 10% to 15% are coming in from the EU. These issues have to be resolved if we wish to remain internationally competitive.

Q30 Mr Marsden: May I put one further brief question to the panel? It relates to the new institutions that have been developed and the Bills around research: there has already been concern about the overlap of responsibilities between the new institutions and UKRI—UK Research and Innovation. The devolved Administrations have raised that as well. Is this an issue for the competition between English-only funding and UK funding, and the impact on the UK brand internationally?

Professor Sir Leszek Borysiewicz: I can only reflect back on my own time in the research councils and therefore the bearing that this has on the matter. There is a long-standing issue, which was identified in the

Nurse review, of ensuring that there is an overall view and perspective taken of where the individual siloed research councils actually sit. There is a lot of sense in having a body that will scrutinise, and ensure that we can take a wider purview of the UK R and D effort. By R and D, I do not just mean science and technology. It is just as important for the humanities, bearing in mind that this is a major source of income for humanities research. There is a lot of sense in what is being proposed. The key things are always going to be the key things. How is this managed at an individual and personal level? You must not degrade the authority of individual research councils—you must make sure that those individuals have standing, because they are well recognised by the research community.

The addition of Innovate UK is welcome, because it means that industry and the translation to industry has skin in the game at the very basic level. That is really important, as is the proposal that Research England play a huge part in ensuring that we can sustain credible international competitiveness for the United Kingdom's very enviable research position. So it looks quite good.

Q31 Mark Pawsey: Again, I would like to go the general and ask if you would tell us which are the most important parts of the Bill as far as you are concerned, and why the Bill is so important right now.

Professor Quintin McKellar: The Bill is important because we have had such a significant change in higher education over the past 20 years. We now have almost 50% of 19 to 23-year-olds going to university, which is a significant change from the situation that existed previously. Even more fundamental to our students is the fact that they are now paying through their tuition fees for that education, which creates a different relationship between universities and students—you might call them customers as well. That has changed significantly and I think that the Government's idea to have an office for students that would primarily be interested in student wellbeing and the student experience is a good thing. Clearly, separating it from research presents some challenges; nevertheless, the idea of UKRI bringing together the majority of the research funding bodies within one remit is a good thing as long as the innovative part of that continues to be business-focused. The challenge might be linking the two and ensuring that there is commonality in membership so that the research activities continue to inform our teaching excellence, at undergraduate and postgraduate level.

Q32 Mark Pawsey: Are you happy with the Bill as it stands on that issue or would you like to see some form of change?

Professor Quintin McKellar: I do not know whether the Bill explicitly suggests that there will be commonality between UKRI and the OFS, but it might be helpful if it did.

The Chair: Does any other panel member wish to respond to Mr Pawsey?

Professor Sir Leszek Borysiewicz: We are broadly supportive of the recognition that the Government are giving to teaching in particular. That is really good, because for a long time the criticism has been that research gets a disproportionality to teaching. I also

particularly like the implicit and explicit recognition of autonomy, as originally proposed by Robbins and Dearing, the fact that diversity in the sector is lauded and also that dual support is for the first time given real recognition for the work it does in supporting the sector.

The problems we see are brought on a little by Brexit and a little by the fact that the remits of research and teaching are now under two different Secretaries of State, so I would be looking for safeguards regarding the unity we were able to get, and in those safeguards I would be particularly looking at PhD students, because all the expertise for ensuring that there is a research environment will sit within the UKRI sector; it does not exist in the OFS sector, yet we note, for example, that higher degrees, which may be largely research-based, are going to sit with the OFS. There are some musts that need to be introduced in the Bill to ensure that there is absolute co-working between UKRI and the OFS in that area.

Sir Alan Langlands: The symbiotic relationship between teaching and research is central, and therefore the office for students and UKRI must collaborate. They need to have equal standing. It is not explicit, of course, but my sense is that UKRI is in the Bill as an independent organisation—a non-departmental public body—to advise Ministers, and the office for students is there to do what Ministers tell it to do. We have to be clear that they have equivalence. For example, the suggestion that was made by, I think, Universities UK, that UKRI provide advice to Ministers show flow to the office for students and be explicit.

My sense is that we have to be clear that the office for students is not just an instrument of Government but is an organisation that is reflecting back to Government the issues and the challenges facing the sector, and that balance has been hugely important since 1992 and has to be sustained.

Q33 The Chair: Ms Cook, do you wish to add anything?

Mary Curnock Cook: I would just say that from the UCAS point of view what we want to be able to do is make sure that students are very clear about what they are getting when they apply for higher education, what they are paying for through their loans or other means—

Q34 Mark Pawsey: Does the Bill make that more explicit? If so, does that help students who are applying to your organisation to understand more?

Mary Curnock Cook: I think it does and, in particular for us anyway, the register of providers, which sets out very clearly the status of each provider, is important, because a lot of providers want to be listed on UCAS, because it gives them a sort of credibility, and to be honest some of the providers who apply to us to use UCAS services are quite shocking in terms of how small they are, how parlous their finances are and so on. It will be very helpful for us to have that kind of regulatory support for who comes into the UCAS service.

Q35 Dr Blackman-Woods: One of the things that the Bill does is open up student data, including individual-level data, to a wider range of people, possibly taking the use of that data outside current research protocols. Do you see that as a problem and something that we should address as a Committee? Also, would it be helpful to have all the data in one place? There are lots of requirements

on individual institutions to produce data, but would it be helpful to have all that data available in one place, for example in UCAS?

Mary Curnock Cook: Yes. We broadly welcome clauses 71 and 72, which require UCAS or potentially other organisations like UCAS to share admissions data for research purposes. Indeed, we have recently signed an agreement with the Administrative Data Research Network, and we will make a very large deposit of data going back to 2007, which will be available to researchers under clearly controlled conditions, including that they only have access to de-identified data, but then they can also link it to other administrative data sets.

We have proposed some amendments to the Bill because the Bill gives powers to the Secretary of State to provide those data from us or organisations like us to other parties, and we are very keen that that is done in a way that offers the same protections to students, particularly over their personal data. Some of the amendments that we have put forward suggest that it is made very clear that access to these data is for researchers and particularly only for public benefit.

UCAS is a charity and our trustees are concerned that UCAS should not have a sort of blank check available, such that data requests could be made on us at any time for multiple purposes, which would obviously increase our costs very considerably and those increased costs would inevitably have to be passed on to students and higher education providers.

The Chair: Thank you. Does any other member of the panel wish to respond to those points? I am conscious that we have to get a number of questions in.

Professor Sir Leszek Borysiewicz: Briefly, the data have a range of granularity and are invariably collected in this sector with a major contextual element. The sector as a whole is keen that where the data are provided, the pure context, which varies from institution to institution, is provided alongside, with a responsibility on the researchers to take into account all the elements. This is not a simple set of numbers merely to make headlines out of; it is something to be very carefully considered.

Sir Alan Langlands: In 2012 I chaired the administrative data taskforce for the Government. The proposals within that were accepted by Government, principally by BIS and the Cabinet Office. If the data, which largely derive from UCAS, are handled properly and within the framework set out in that report, and if UCAS's suggested amendments to the Bill are made, I think people would be content with that.

Professor Quintin McKellar: Very quickly, I would say that as long as the individual is protected, that is fine. I think, though, that the other point to bear in mind is that the effort of collection ought to be proportionate. In other words, it should be value for money, if I can put it like that, to collect the data.

Q36 Ben Howlett: I want to find out what your views are on the creation of UKRI, and your thoughts on whether it will bring a greater sense of oversight and more strategic direction as well. Professor McKellar, perhaps you can start off.

Professor Quintin McKellar: I am very comfortable with the creation of UKRI. It seems that bringing together the major funders for what you might call

blue-sky research with those that have responsibility for innovation and knowledge transfer is a good thing. What we must reassure ourselves of is that those two different activities are and continue to be funded in an appropriate way. We would want neither the blue-sky research—I am using “blue sky” in a generic sense—nor what might be classified as the business-facing research that is undertaken to be sacrificed at the expense of the other. Provided that we can get those reassurances, putting the whole thing together potentially provides administrative savings and seems a relatively straightforward and sensible way to go.

Q37 Ben Howlett: Do you agree with that assessment, Professor?

Professor Sir Leszek Borysiewicz: Yes, overall I would, but one has to remember that of the research funders in the UK, UKRI merely looks after the Government component side of the funding. For instance, 30% of funding sits with the charitable sector. What is important with UKRI, which is fine as is currently laid out, is that the support and the safeguards proposed in relationship to Research England are also very good. It has to be a body that takes into account the whole of the United Kingdom in its purview. It also has to work closely with other funders and other organisations that have a say in this important area, and it has to relate to individual researchers and research communities. It is a very important body, but it has to be born of the community to be able to provide the right guidance and advice that Ministers can call on in making decisions about policy and public direction. It has a role and I think it is a good structure that is proposed.

Q38 Ben Howlett: Does the legislation as it currently reads enable that to take place?

Professor Sir Leszek Borysiewicz: In the main, I would read it that it probably does. I would want to see a much tougher line in terms of the postgraduate student and the research environment in which postgraduate students find themselves, because I do not see where in OFS that expertise sits. It sits in UKRI, whose constituent members will after all be funding those postgraduate courses, so it has to have a role in assuring itself that the environment in which that investment is to be made is an appropriate environment for the UK as a whole.

The Chair: Does any other member of the panel wish to comment? Sir Alan.

Sir Alan Langlands: Going back to an earlier point, I think that this depends on very strong personal relationships. The relationships not just between UKRI and the charities, but with industry contacts, other parts of central Government, the Government’s chief scientist, and now, critically, with the EU and other overseas research organisations, are absolutely critical. That comes down to personal relationships.

I can remember a time when all of those different players were falling out with each other. We have now lived through a time, in England and across the UK as a whole, where the science and research community at a national level has really got its act together. We must sustain that into the future, so those relationships will be absolutely critical. To reinforce that point, now, given Brexit, UKRI has a hugely important part to play in promoting and looking after the interests of UK science and research around the world.

Q39 Carol Monaghan: Following on from that, I am looking at clause 84(2), which appears to give the Secretary of State the authority to add or remove a council from UKRI. Does that concern the panel at all?

The Chair: Does anybody wish to comment?

Professor Sir Leszek Borysiewicz: It is a very important measure. Clearly, that would be debated in the public context and among the scientific community. The question is, at what level within the Bill would the Secretary of State have to account for that to Parliament? It is a moot point. Also—still speaking as a Welshman—the role of devolved Administrations is important. A lot of investment goes on locally, not just in the devolved Administrations but in the regions, to ensure that the research enterprise can work. How that can all be brought together and, at the same time, have a body that is not so unwieldy that there are 100 members sitting round a table—which means that it can decide nothing—is very important. As my colleague Alan Langlands said, it is very much down to the individuals leading this organisation, who will have to be engaged, inclusive, and listen hard, both to the research community and communities outside the UK, if we are to sustain Britain’s enviable leadership in this area. Let us not forget that that is the real prize that UKRI has to fight for. We are in a fantastic position internationally; despite everything else, we really want to make sure that that is retained.

Q40 Carol Monaghan: You have answered my second question, namely: is there a requirement to have devolved Administrations represented on the board of UKRI?

Professor Sir Leszek Borysiewicz: That is an interesting one. If you are going to have a manageable board of 12 individuals—and I note that the Russell Group is proposing that the chair of each of the research councils sits on it, with which Cambridge would not agree—there would be little opportunity for additional input. If you have all four devolved Administrations represented, it tends to load the committee with particular areas. So the choice of members of that committee will be absolutely vital. These will have to be individuals who are broadly respected across the devolved Administrations, the different elements of research across industry and the different players, so that they are genuinely seen to be acting in the interests of UK research and our international positioning, first and foremost.

Professor Quintin McKellar: It is a really good point. The research councils have evolved into the shape they are in over a period of time and that has helped to deliver extraordinary success for the UK. What we would not want to see is any of the particular areas of research activity weakened as a consequence of one of the research councils or the remit of one of the research councils disappearing. As you have heard, that would be debated long and hard before it actually happened. The fact that there is legislative power in the Bill to remove the title of one of the research councils presents a challenge, but one that can be dealt with.

Sir Alan Langlands: I was the vice-chancellor of a Scottish university for nine years. It was absolutely critical that we were part of the UK-wide discussion and that we had access to UK-based charities and the UK research councils. Even given the dynamics of

devolution and the fact that essentially we are dealing with four different financial systems and four different policy frameworks, the one thing that has stuck together through all this has been the UK science and research community. The research councils, HEFCE and, indeed, BIS have played a hugely important part in that. It is very precious: the Scottish universities and the universities in Northern Ireland and Wales make a huge contribution to UK research output. Damaging that would be something we do at our peril.

Q41 Amanda Milling: Good morning. I want to go back to the creation of the single regulatory system. I want to understand how important you think it is, and why—the benefits, but also any points you want to raise in the context of the system.

Sir Alan Langlands: I think it is important, because for some time, through the growth of student numbers, the introduction of higher fees, the creation of the Office for Fair Access and the changing arrangements in relation to quality assurance, everything has been very untidy. Having sat at HEFCE for four and a half years, I would say that it was very difficult when something went wrong—sometimes things did go quite badly wrong in higher education—to find a locus for intervention. There needs to be a bit of sorting out. I think the Government have struck a reasonable balance, and putting students at the centre is sensible, but we need to be careful not to go too far, because the whole system is based on institutional autonomy. We already have a hugely diverse higher education system in this country, and one set of rules does not apply to every institution around the country; many of them have very specialist needs. My sense is that, yes, it is the correct thing to do, but we must be very careful, and I am particularly concerned about some of the changes that might begin to eat away at institutional autonomy.

I have three specifics to mention quickly. The first is clause 2; I really do not understand why the Secretary of State's guidance need

“in particular, be framed by reference to particular courses”.

Equally, in clauses 13 and 23, which deal with quality and standards, I am not sure that the current definition of “standards” in the Bill sits comfortably with the requirements and the dynamic of an autonomous institution. I would like to see that softened a bit; the Russell Group and others have suggested amendments to that part of the Bill. I hope we are talking about threshold standards, because there are some very clear benchmarks already in place for each subject. It is often a complex area, and we cannot move ourselves into a national curriculum mindset. There still has to be flexibility and innovation in how universities design their own programmes. We also often have to take account of external regulators in the development of professional programmes: regulatory bodies for engineering, for example, or the General Medical Council for the way we design medical education. There are many parts to this jigsaw, and universities are very good at it, in the main. The notion that another body, removed from the action, would somehow second-guess universities on standards and on the quality of their degrees needs attention.

The Chair: Order. I apologise, Sir Alan, but we have very limited time and a number of Members wish to ask questions. Does any other member of the panel wish to respond to Amanda Milling's points?

Professor Quintin McKellar: I support Sir Alan in what he said, and would say essentially the same things, with one exception—perhaps not an exception, but I emphasise that the Bill looks at too granular a level, in the sense of looking at courses within universities. We develop our own courses according to their popularity and according to the expertise within our institutions. Having the autonomy to develop those courses has helped our institutions become great, if I am allowed to say that, so I think removing it at that level would be a mistake.

Professor Sir Leszek Borysiewicz: If you remove that ability, you remove the ability of institutions to innovate and to remain at the cutting edge. It is therefore important to retain that right at the autonomous institutional level; it is also right to scrutinise it to make sure that it is appropriately continued. The powers seem a little over the top at times in relation to what is going on, because most institutions could not continue courses that were not financially viable.

Q42 Valerie Vaz: To touch on the split between research and education—you have made your views clear—is there anything that would help the collaboration between the two parts? Obviously, there is still a big gap about where postgraduates fit between the two. We would like people, rather than having lots of discussions and meetings, to just get on and do their work. This is not a leading question, but is it your view—this is to all of you—that it would be better if it sits in one Department?

Sir Alan Langlands: I think it may well be better if it sits in one Department. There have been instances in the past where the educational activity in higher education has been in one place, and science and research has been in another place, but not since 1992 have the questions of funding for teaching and quality-related funding for research been separated. That would be a big thing, and something that we have to be careful of. The Government are very clear about wanting to protect dual support, and that is welcome. We are dealing not just with quality-related funding for research. At the moment in HEFCE, there is funding related to charity support, support for research degrees, and businesses research and innovation. All those things need to be resolved. It needs to be very clear between UKRI and the Government who is doing what in those areas.

The Chair: Does any other member of the panel wish to comment on that?

Professor Sir Leszek Borysiewicz: May I just comment—

The Chair: Professor McKellar first.

Professor Quintin McKellar: Can I emphasise that while we have, to some extent, focused on the contribution that research makes to postgraduate teaching, it also makes a huge contribution to undergraduate teaching? We must not forget that. Ensuring that there is an appropriate relationship between UKRI and the office for students is going to be critically important. I cannot answer your question about whether it is important at a departmental level, but certainly at the level of the organisations it is going to be absolutely critical. We have suggested that there be commonality in membership between the two.

Professor Sir Leszek Borysiewicz: That is the point that I was going to make. If the two Secretaries of State can work together, this can be made to work, but it requires an awful lot of collaborative work between those two versions. Continually scrutinising it is going to be an important issue for Select Committees and other bodies.

Q43 Valerie Vaz: Briefly, on science, technology, engineering and mathematics subjects, there is a great opportunity to put things into this Bill to protect certain subjects. You do not operate on a basis on which you can make a profit on things like that, because all those subjects operate at a deficit. There are laboratory issues that you have to work with, and medicine is a long degree. What can we do that is not already in the Bill to protect those subjects? To the best of your knowledge, how can we protect the strategically important vulnerable subjects—for example, chemistry and physics?

Sir Alan Langlands: We probably should not get into the funding argument, but there is, I think, a funding shortfall in the top-up for STEM subjects, and that should be registered very clearly. I think people are aware of that. You struck an important point in focusing on the health of subjects. That is where the research community and those who oversee it and the education community need to come together. If you want to worry about the health of physics and chemistry, or other subjects, such as foreign languages, in the UK higher education sector, you need to do so from an educational and a research perspective. The two things have to work hand in hand. That is why the office for students and UKRI have to work together. At the moment, HEFCE is able to fulfil that role, but often it does so with reference to the wider research community and the charitable community.

The Chair: Order. I must remind the Committee that five Members have indicated that they wish to ask questions and we have 16 minutes left before I have to call order, so we need brief questions and answers.

Q44 Jo Churchill (Bury St Edmunds) (Con): Moving to a slightly different area, do you think the reforms in the Bill will help to drive social mobility and widen participation? I am particularly interested in capturing the more mature people in our workforce to ensure skills are kept up throughout a working life.

Professor Quintin McKellar: We would specifically hope that the Bill might include not only elements that drive competition but those that drive collaboration, because we think that collaborative activity can help us with our widening participation. To give one example, black and minority ethnic students have currently got an attainment disadvantage across the sector and we are working together collaboratively across the sector to try to address that. Without that sort of collaboration—if we were simply competing with each other—it is very difficult. Collaboration is hugely important, particularly in regard to social mobility.

Mary Curnock Cook: While the arrangements for making data from UCAS, for example, available to researchers will not change social mobility in itself, it does open up the opportunity to look specifically at different aspects of social mobility.

Professor Sir Leszek Borysiewicz: One potential advantage that we must recognise of the move of some of the education and OFS to the Department for Education is that it may well begin to address the continuum of education and the attainment shortfalls that largely reside within the secondary schools. If that promotes greater interaction between the requirements for entry into higher education and a greater understanding of that within secondary education and more cohesion at that level, that could be a real help towards closing the attainment gap of BME students.

Q45 Paul Blomfield: May I pursue the issue of the regulatory framework a little further? Obviously, this is the first major discussion we have had on this for some time and it is important that we get it right. It is in the context of a Bill that is also seeking to encourage new providers. What thoughts do members of the panel have on how we should get it right and whether there are any ways in which the Bill could be improved in relation to the entry point of the new providers, the overall oversight of the system and the potential for market failure?

Professor Sir Leszek Borysiewicz: This is a difficult issue. I think the provision of diversity in the sector is something that has stood British higher education well. Different institutions have different goals and directions and cater for different needs for higher education within the sector, from mature students at one end, to vocational courses, to those operating in a very academic sphere.

New providers have to be looked at in the context of what is the positive contribution they can make. Two important issues will be the demand from the sector for this new provision and, secondly, the standards under which those institutions are recognised. From my point of view there is a third which is very important: high standards have to be set for the sustainability of new providers in the sector. It is no good an operation starting with an income stream that is predicated on a business plan of recruitment without a sufficient resource to ensure that those entering in year one will be able to complete their studies and end up with a degree that is actually worth something when facing employers. Otherwise, this is something that becomes not helpful and potentially very detrimental to the achievement and attainment of those individual students. That is the one area on which I would like to see rather more stress paid; the sustainability of the provision by a new provider.

Professor Quintin McKellar: We would support the diversity and competition that new providers would bring to the sector. The concern we have is one that has been raised already: that they cherry-pick subjects. In terms of continuing to provide across the board STEM subjects of engineering, mathematics and so on, it is unlikely that the new providers will enter those areas, and that could be a risk for the rest of us.

Sir Alan Langlands: I think the Bill does try to strike the balance between rigour in relation to new entries and streamlining the system a bit. We have to be careful that we are not driven too much in the direction of streamlining without the rigour. The rigour has to be on quality and standards, access and participation, good governance. Linking to Professor Borysiewicz's point, it is hugely important that financial sustainability is seen alongside academic sustainability. This has got to be a long-term effort, if you are developing a new universe.

Mary Curnock Cook: Briefly, I would like to echo the points about sustainability, because I think it is absolutely catastrophic for students if their provider is forced to exit the market. A lot of higher education is very local. A lot of students go to university within a few miles of where they live, and there are not necessarily other providers where they could continue their studies if their institution fails.

The only other point I would make is about university title. I do not want to start a debate about “What is a university?”, but I think that most people, their parents, advisers, teachers and everyone else involved has a clear idea about what they think a university is. It would be of concern if students were applying to something that they thought was a university in the general understanding of the issue and found that it was something quite different.

The Chair: Three Members, 10 minutes.

Q46 Matt Warman: I want to return to the issue of data, but not looking at the social mobility aspect. We know that students struggle to come to sensible decisions in their own eyes about which university to go to. Do you feel the Bill will address the level of data that is available to students to allow them to make better decisions about which universities to go to?

Mary Curnock Cook: Honestly, the more data that are published—whether that is about who goes to university, who does not go to university, what qualifications they go with and their retention and success in their studies, which relates to the transparency clause—the more that organisations like UCAS have a much better opportunity to make that information available and accessible to students. A lot of students and the people who advise them think that they have information overload, because there are so many sources of it in the technological age. It is not as simple as just making more and more information available. The transparency duty and the ability of UCAS to make data available to researchers will be helpful overall.

Q47 Matt Warman: Would the duty put organisations such as UCAS in a better position to be able to translate the data and see what the worthwhile stuff is that students should perhaps look at first?

Mary Curnock Cook: It does not necessarily put UCAS itself in a better position, because we have most of the data. The critical bit for us is being able to link our data with the Higher Education Statistics Agency, which then allows us to track progress all the way through. We are talking to HESA about doing that so that the transparency goes right through application, retention and success and even to employment afterwards.

The Chair: Do any other panel members wish to comment? No.

Q48 Roger Mullin: The clear concern is about some of the managerialist assumptions that are built into the Bill. Can the panel help me understand what they think the Bill will do to help their institutions enhance quality development?

The Chair: Any takers?

Sir Alan Langlands: I think having a national system of quality assessment is important and has proved to be important in recent times. It is only as recently as 2014 that the new UK quality code was published. I think it is a good model that works extremely well, within reason. It certainly creates within institutions a clear sense of responsibility for the quality of provision. People sometimes misunderstand the extent and depth at which institutions tackle this issue on a day-to-day basis. I come back to my point about standards. I do not think that interfering further in standards will help UK higher education at all. I think it will just be an extra administrative burden that will take us nowhere. Being content with the current benchmarked approach, as I outlined earlier, would from my point of view be a better way forward.

Professor Sir Leszek Borysiewicz: In the main, what the Bill does within an institution such as Cambridge is about the broad statements that are made. There is the implication of trust in the autonomy of an institution. There becomes a partnership between the institution and the Government in trying to deliver an end outcome that is done on the basis of trust and not imposition. That is something that is implicit and really important.

Another statement the Bill makes is that diversity is valued. If you have new ideas for new courses and new areas, that is now going to be lauded and supported. That matters. The fact of dual support, and the positioning that those who work in universities will not be subject to an institute-driven direction in research, are an absolute recognition of the fantastic contribution which British universities make to research diversity.

On UKRI, the capacity to establish a voice in some of the major decisions the United Kingdom has to make about capital infrastructure for large-scale projects and programmes, and the capacity to be overtly engaged in some of those debates and discussions, are the take-away areas. Above all else, even in an institution such as Cambridge, we are hearing for the first time that teaching is as important as research. That goes to every higher education institution in this country. There are some very important statements in the Bill in the round, but I think that the specifics will have much less impact.

Q49 Wes Streeting: Mary Curnock Cook, you said it was important for applicants to know what they should expect when they apply to university. Do you think that that also applies to student finance? What challenges present themselves from the Government or universities being able to tinker with repayment terms and conditions after students have entered university?

Mary Curnock Cook: It does. You are absolutely right. UCAS goes to extraordinary lengths to make sure that students know how they can fund their tuition, and there are pages about this on our website. We are a UK organisation so obviously there are different arrangements in the four countries. It is not for me to comment on the tuition fees going up or down in line with the teaching excellence framework outcomes, but our concern is that we need to get the information early enough in the cycle so that we are able to tell students who are starting to apply for 2017 clearly what they are getting into. Right now—this week—we opened the UCAS application system for 2017. We need to be able to tell students about this so that they are making those choices and those applications with their eyes open. We just want to

make sure that, whatever decisions are made, we know about them and we are told early enough to make sure that students make informed decisions.

Q50 Wes Streeting: Is it right that universities or Government should be able to alter the terms and conditions after a student has enrolled on a course or after they have graduated?

Mary Curnock Cook: I do not think that that is really for me to say, but as I said we are on the receiving end of decisions that are made and do our best to—

Q51 Wes Streeting: Nicely dodged. We have a few minutes left, so let me ask Professor Borysiewicz why the university council proposed to move in the wrong direction when it came to access and participation targets for low-participation neighbourhoods?

Professor Sir Leszek Borysiewicz: Sorry, that was based on a series of information from more than 10 years of data collection, and what we thought was a realistic target that was subject to discussion. The universities agreed a 13% target on POLAR—participation of local areas—one and two.

Q52 Wes Streeting: When the university council made its approach to OFFA, how did the target move from the moment you first engaged with OFFA to the agreement you reached? What was the difference, and how would you characterise that process of discussion?

Professor Sir Leszek Borysiewicz: There was a productive discussion with OFFA over the issues that they saw as opposed to what the data indicated to us. As always, this was resolved by amicable discussion between OFFA and ourselves.

The Chair: I am afraid that this must be the final question.

Q53 Mr Marsden: Sir Alan, you said earlier that OFS was there to do what Ministers told it to do. I assume that you meant that that was the ministerial view, rather than the OFS view. Do you think that there are sufficient safeguards to the autonomy of the OFS in this legislation, in particular the autonomy of the director of the Office for Fair Access? This is very specific; you have had 20 years at the highest levels in these areas and you know that the devil is in the details.

Sir Alan Langlands: I do think that there may be an issue there which needs to be looked at. I was very clear in saying—and maybe this is born from experience—that the tone seemed to me to suggest that the Government were perhaps going to be more directive in relation to OFS than they were to UKRI. I think that that is fundamentally wrong. The strengths of the financial allocation system and the regulatory system in higher education have depended on HEFCE playing it absolutely fair, and working clearly to the Government's remit while representing the interests of the service.

Q54 Mr Marsden: Would the other panellists share that view?

The Chair: Briefly.

Professor Quintin McKellar: Yes. [*Laughter.*]

The Chair: As there are no further questions, I invite the Whip to move the motion to adjourn.

Ordered, That further consideration be now adjourned. —(*David Evennett.*)

11.24 am

Adjourned till this day at Two o'clock.

