

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

HIGHER EDUCATION AND RESEARCH BILL

Second Sitting

Tuesday 6 September 2016

(Afternoon)

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Examination of witnesses.

Adjourned till Thursday 8 September at half-past Eleven o'clock.

Written evidence reported to the House.

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,

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Saturday 10 September 2016

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The Committee consisted of the following Members:

Chairs: † SIR EDWARD LEIGH, MR DAVID HANSON

† 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

Pete Moorey, Lead on policy and campaigns work, Which?

Neil Carberry, Director of Employment and Skills, CBI

Professor Chris Husbands, Vice-Chancellor, Sheffield Hallam University

Martin Lewis, Founder, moneysavingexpert.com

Professor Philip Wilson, Chief Executive, UCFB

Angela Jones, Academic Director, Condé Nast College

Susie Forbes, Principal, Condé Nast College

Dame Ruth Silver, Chief Executive, Further Education Trust for Leadership

Neil Bates, Principal and Chief Executive, Prospects College of Advanced Technology

Sally Hunt, General Secretary, University and College Union

Professor Les Ebdon CBE, Director, Office for Fair Access

Alison Goddard, Editor, HE

Alastair Sim, Director, Universities Scotland

Dr John Kemp, Interim Chief Executive, Scottish Funding Council

Dr John Kingman, Chair, UK Research and Innovation

Professor Jonathan Seckl, Vice-Principal (Planning, Resources and Research Policy), Royal Society of Edinburgh

Public Bill Committee

Tuesday 6 September 2016

(Afternoon)

[SIR EDWARD LEIGH *in the Chair*]

Higher Education and Research Bill

Examination of Witnesses

Pete Moorey, Neil Carberry, Professor Chris Husbands and Martin Lewis gave evidence.

2 pm

The Chair: Welcome to our afternoon sitting. We will now hear oral evidence from Which?, the Confederation of British Industry, moneysavingexpert.com, and the chair of the teaching excellence framework panel and vice-chancellor of Sheffield Hallam University.

Would you like to introduce yourselves? The session is quite informal. Colleagues will ask you questions—already about six colleagues have said that they are interested in doing so. Obviously, we have not got a lot of time, so I ask for brief answers. I will leave it to you to decide, as a question is asked, which of you wants to answer it. Would you like to introduce yourselves quickly?

Martin Lewis: I am Martin Lewis, founder of moneysavingexpert.com and former head of the Independent Taskforce on Student Finance Information.

Neil Carberry: I am Neil Carberry. I am director for people and skills at the Confederation of British Industry.

Professor Chris Husbands: I am Chris Husbands. I am Vice-Chancellor at Sheffield Hallam University, and I have been appointed to chair the teaching excellence framework panel.

Pete Moorey: I am Pete Moorey, head of campaigns at Which?

Q55 Mr Gordon Marsden (Blackpool South) (Lab): May I say at the beginning of this sitting that it is a pleasure to serve under your chairmanship, Sir Edward?

Let me turn to our colleagues. Can I start you off with a question about the issue of students as consumers? Obviously, the language of the Bill talks, significantly—as the Government have—about boosting the rights of students as consumers, yet the paradox is that, in the past few months, some of the main controversies have been about the way in which students as consumers seem to be getting a raw deal from the Government, who have moved the goalposts in certain areas. With that in mind, would you like to comment, first, on whether the Government are right to put so much emphasis on students as consumers and, secondly, on whether there are practical measures in the Bill that strengthen their position as consumers?

Pete Moorey: I am happy to start. The fact is that universities have been covered by consumer law for some time—that was further confirmed by the passage of the Consumer Rights Act 2015—but the Competition and Markets Authority, partly as a result of research

that Which? conducted, has demonstrated that, on occasion, some universities have failed to comply with consumer law. That has gone across a range of issues, including the information that they made available to students, whether prospective or sitting; their terms and conditions; their complaints handling; and a whole range of other issues. We welcome the fact that as a result of the Bill we will have, hopefully, a proper regulatory structure to deal with that issue.

We very much welcome the creation of the office for students. We think that there has been an issue with regulation of this sector. Clearly, we now need to ensure that that regulator works effectively and has the powers to take action because, although we have seen some improvements from universities, in the way that they are complying with consumer law, we are still finding too much evidence from students around problems that they are facing. Therefore, action needs to be taken by regulators when that is found, so that students who are, obviously, now paying an awful lot of money are properly protected.

Martin Lewis: I think that raises lots of things. Students as consumers is a difficult one. It is a difficult to be a consumer where we should not automatically give a good consumer full choice: they should not choose what the make-up of their course is and what the academic standards are. The subtext to this question is the abominable and disgraceful behaviour of the Government in the retrospective hike in student loan fees. Looking at students as consumers, if they had borrowed money from a commercial lender, the Financial Conduct Authority would have struck out in a second the idea that, five years after announcing that the repayment threshold would go up from £21,000 in April 2017 with average earnings, that would be frozen.

Let us make no bones about it: that is a hike for students. They will pay more each month and the vast majority of them will pay more in total. In fact, the only ones who will not pay more in total are the very high-earning ones who will pay off their loans more quickly. There has been a lot of debate about whether the Government actually promised this or not. It was not in the terms and conditions, but the FCA regulations are quite clear: if your major marketing states that you will do something, whether the terms and conditions have an exemption for it—we have seen it with shared appreciation mortgages and others—it will be ruled out.

I am very pleased that last week—which was rather wonderful timing—I finally got my hands on this letter that I would like to submit as evidence, if I may. It is from David Willets, the former Minister for Universities, and is written to a parent telling them that the rate would go up in April 2017 with average earnings. If I were sitting in another forum I would be here lobbying you, if a company had done this, for mis-selling and for compensation for the students who have been affected. We have a higher education Bill, which touts throughout, and goes on about, equality and fairness. It is built on a lie if the Government and the state itself are not behaving fairly to students.

This is a retrospective hike. It breaks all good principles of good governance. It breaks all good principles of good finance. Moreover, not only that, but this breach of trust makes it more difficult for people like me who have been trying to say to students, regardless of the political spittle generated—forgive me—by you people

when you argue over these issues, that students can still afford to go to university. I get asked the question, “Can we trust what you say?” Well, how can they if the Government will retrospectively change terms?

Let us not just treat students as consumers; let us treat them as voters and citizens. The danger here is that, when you retrospectively change terms, when people have signed a contract with the Government and you breach that contract, you knock not only the faith in the student finance system, but the belief in politics as a whole. It is absolutely wrong and until that is sorted out, until student finance is put on statutory terms and until the Minister—who it is nice to see sitting there, and we have discussed this—gets his Government, in this new era of fairness and equality for all, which we hear about, to turn this abomination around, then no, students will not be treated fairly as consumers and this whole thing is a bloody farce.

The Chair: Okay. I will appeal for crisp answers. Are you finished with your question, Gordon?

Mr Marsden: No, I am almost speechless at that strong rhetoric that was used. I would like to press one—

The Chair: One more question—perhaps we will just get one answer to the next question, because there are a number of other people who want to come in.

Mr Marsden: The point that you touched on, Mr Lewis, is about the spirit of the proposals, as well as the letter of the proposals. It is in that spirit that I want to—

2.9 pm

Sitting suspended for a Division in the House.

2.30 pm

On resuming—

The Chair: Gordon, you have the floor for a brisk question and a brisk answer. As time is now galloping on, just one answer from our panel to each question, please—and a crisp answer. You decide between you.

Q56 Mr Marsden: Thank you, Sir Edward. Moving on from the consumer issue, I want to ask about where the panel sees the role of skills in the Bill. Mr Carberry, you have waxed lyrical on this issue on a number of occasions, but the fact of the matter is that the skills issues that affect us are, I would suggest, relatively untouched in the Bill. Are you concerned by that? Do other people have concerns?

Neil Carberry: You are right to raise it. Clearly, we live in different times from the last time we regulated universities. Participation at higher levels is much higher, and necessarily much higher now. Our key concern regarding skills is, first, making sure that the diversity of our university base is protected through things like the teaching excellence framework, and what it recognises as good provision. To ensure that diversity of provision is encouraged, we would very much like to see more focus on a statutory basis for the promotion of part-time learning, which is something we need to be thinking

about, as most of the people who will be in the labour market in 2030 are in the labour market now. Broadly, the approach of the Bill is one that we support.

I will put one other thing on the table, which is around research and engagement with business on the research side. A lot of focus goes into things like the higher education innovation fund and knowledge transfer, which helps businesses to develop their skills and production. We would like to see more focus on knowledge exchange and protection for the Innovate UK role so that that remains business focused and we get some really genuine business engagement out of the new system.

Q57 Ben Howlett (Bath) (Con): I want to move on to the alternative provider of student finance, which some of the panel have talked about heavily. Given that, over the years, a large number of religious students are not necessarily able to access that funding, I was wondering in terms of the Bill itself whether you support what is being detailed and outlined here, or is there anything that should be enhanced or improved?

Martin Lewis: Certainly on sharia finance, I think it is a very good move towards having an alternative. The provisions need to make sure that there is no benefit or disbenefit in doing so, and that it works on the same basis as for other students. I think that is important, because having been out there talking to people, there is often a question from non-sharia students, “Does this mean that they’re getting a better deal than us?” We do not want to get involved in that type of social division. On a straight basis, certainly having given many, many talks on this issue over the years, every time I go there and there are members of the Islamic faith there, if they are more religious they are disengaged from the student finance process and looking at parents funding them. That is not often possible, because we are talking about large amounts of money and, generally, it is bad finance for anyone to be funding up front—it does not work with the way our system works. Therefore, they are disfranchised from the system, so I wholeheartedly support it—it is something I have asked for in the past. I need to do more work on the exact structure, but presuming it is a sharia-compliant mimic of the existing system, I think it is very good news.

Q58 Carol Monaghan (Glasgow North West) (SNP): Since tuition fees were trebled in 2012, there is no evidence to suggest that there has been an improvement in either teaching quality or student satisfaction. Do you have concerns that we are tying in TEF to fees and that we could have a situation where there is no benefit for the students involved?

Professor Chris Husbands: To answer that from a TEF point of view, it is worth putting this into a slightly longer term context. Since 1986, when the research selectivity exercise became the research assessment exercise that became the research excellence framework, there has been a performance management regime around research, which is a critical function of universities but only one function. What that has tended to do at some institutional levels is focus attention on career development through research. The bulk of university income, for virtually all universities, is from teaching. What the TEF is designed to do is provide a framework that encourages universities to focus on teaching quality, in

much the same way that the REF has encouraged them to focus on research quality. The fees issue is absolutely critical. What the tripling of fees for students did in 2012 was not to shift the amount of resource going to universities, because the fee backfilled the loss of T-grant. At some point, we as a sector are going to need to look at fee increases, because if there is a fixed fee against rising costs, essentially fees have been falling since 2012. What we are interested in the TEF doing is providing a mechanism for focusing attention on quality at a time when we need to look at the way in which the fee increases to meet rising costs.

Q59 Carol Monaghan: Are you confident that the metrics used within the TEF are going to tease out that quality?

Professor Chris Husbands: I will take that on two levels. It seems to me that the broad core metrics, which are about teaching quality, learning environment and student outcomes, are absolutely the right places to look in a mass higher education system. There is more work to be done on how you drive that out in terms of precise metrics. We have some indicators in there, largely from existing datasets. My assumption is that, as the TEF develops, pretty much as the REF develops, so the nature of the metrics will develop over time.

Q60 Alex Chalk (Cheltenham) (Con): If I may step back for a moment, picking a higher education provider is one of the most important decisions any of these younger people—or, indeed, older people—can take. Do you think that students have sufficient information at the moment on which to make such a life-changing decision?

Pete Moorey: No. From our perspective, we think an awful lot has been done over the years to make information more available to students, but we think that a lot more can be done with that. One of the things that Which? does in the university space is provide Which? University: a website that prospective students can use to find the right course for them. That is really important. The critical thing that needs to be done is ensuring that more people and organisations such as Which? have access to a rich dataset, which they can be taking, analysing and presenting to students and parents, so that they can make the right choice. I think that more can be done in the Bill on that. There could be an amendment to clause 59, which could explicitly state that third-party information providers such as Which?—but not just us; there are plenty of other organisations that do it—could have access to this information so that we can make it more readily available to prospective students. Also, the office for students will need to look quite carefully at the range of information that is provided. We have a long list that we would be happy to provide to the Committee around a whole range of information that we think should be made available.

Professor Chris Husbands: May I gloss that with one sentence? I think that the issue is not so much about the range of information available but navigating that information. There is a vast amount of data out there; it is navigating it that is difficult.

Martin Lewis: There is a secondary issue, in that universities do not yet present themselves in the way that one would expect of large corporate entities. I have

been to open days where grand professors of a subject have come and spoken to the students. Once some clever students picked up and said, “How many contact hours do you have?” and the professor said, “Actually, I don’t teach undergraduates.” That was the person who was doing the talk on undergraduates, set up to sell. In other categories that would be a mis-sell; I think we have to be careful about that.

If I could go back to the earlier point for a second, I think that the language of the trebling of tuition fees is a rather dangerous one for institutions, because it makes the public perceive they have had three times as much money which, as we all know, is far from true. It was just a shift from the state paying directly to the state giving the burden to the student to pay and to pay back.

There is a bigger point regarding the increase of fees that comes with the ratings up to £9,250. I do not have much of a problem with that, because when you do the maths, only students who start on £35,000 salaries and who have above-inflation pay rises afterwards will pay any more from the increase to £9,250. The rest will not clear within 30 years anyway, so it does not have any increase.

The problem with this whole system—and this is an opportunity for me to say this—is that it is time for all of you to change the name. These are not student loans. They do not work like any other form of loan. They are paid through the payroll. It is somewhere between a loan and a tax, and the fact that we call it a loan scares people from non-traditional university backgrounds from going because they are scared of debt. More so, it also inures students to other forms of debt—credit cards and payday loans—because we have educated them into debt with the student loan.

Other countries call our system the graduate contribution. If I call the system a graduate contribution it is much easier to explain, because that name actually fits the product. When we start to talk about tuition fee rises and we have this hideous language of “You will be £53,000 in debt,” this is a meaningless figure. Some people will pay nothing back while others will pay hundreds of thousands of pounds back, with the interest on top.

It is time to change the name for the benefit of our future generations so they understand what they are getting. Call it a graduate contribution. Of course, some parties are suggesting a graduate tax. It is not that dissimilar, except a graduate contribution stops and a graduate tax does not. This is a good opportunity to start looking at the language.

I know politicians are scared of this, especially those from the parties that introduced it, because they fear it will look like they are trying to spin, but we have a duty to our future generations to start calling the product what it is.

The Chair: Okay Mr Lewis, thank you very much. You have made your point in a very articulate way, but lots of people want to ask questions.

Q61 Paul Blomfield (Sheffield Central) (Lab): Can I probe Chris a little bit more on the teaching excellence framework? When we conducted an inquiry on the Select Committee into teaching quality, there was uniform agreement that it is good for the Government to focus

on teaching excellence, but concern about the metrics. It is welcome that Government thinking has been evolving and did so during the course of our inquiry. You were suggesting there is room for further evolution. I am thinking particularly about how satisfied you are with the pretty crude metrics around employment retention and the national student survey. There is also the balance between the quantitative metrics and qualitative assessment.

Professor Chris Husbands: My brief is to deliver the TEF in a transparent, robust and reliable way. What I said and what I would defend is that the three broad areas—teaching quality, learning environment, student destinations—are absolutely the right place to look. I am also comfortable with the fact that we have started with already existing datasets: essentially, the national student survey and the destination of leavers from higher education. That gives us a purchase on what are some really difficult issues.

My professional judgment is that, as we go forward, we will refine the metrics within those broad indicators. The TEF will work by getting the initial fix on institutional performance from the core metrics. There is then a providers' submission, which allows providers to draw on a range of quantitative and qualitative data that will allow them to gloss those data or throw further light on them in ways that paint the institutional picture.

I am broadly comfortable that this is a very difficult task that we have started in broadly the right place. As ever in these things, as you take the logic of applying this technically, bringing professional judgment into play, we can deliver this in a way that does what it is intended to do—providing better information for students; encouraging an institutional focus on teaching quality; and drawing all that together in a frame that looks at student outcomes.

Q62 Paul Blomfield: You mentioned earlier a comparison with the REF. To get to the current stage with the REF took a considerable amount of time. Do you think we are rushing it with the TEF before moving on to stages two and three?

Professor Chris Husbands: At the risk of giving a slightly technical answer, the REF always began with peer review and it has increasingly supplemented that with metrics. Given the range and amount of data we now have across the sector, the TEF is doing this the other way around, starting with metrics and supplementing it with peer judgments.

We have a published timetable. We look at institutional judgment in year 2; judgments that we will reach in the early part of next year. We will then work with the sector to work out how we can most effectively move that to institution level and probably at a slightly later date move that to incorporate postgraduate teaching quality as well. I am broadly comfortable with the timetable, while accepting that these are technically difficult questions.

Q63 Paul Blomfield: Will you be able to take account of the work that HEFCE is doing on value added?

Professor Chris Husbands: We will certainly be able to take account of the HEFCE learning-gain work. There is some really interesting stuff coming out of that.

The Chair: We have only 10 more minutes for this session.

Q64 Mark Pawsey (Rugby) (Con): I would like to know whether the changes we are making will provide our businesses with more qualified people with the right qualifications to enable our economy to grow. Mr Carberry, is the CBI satisfied that the Bill does that?

Neil Carberry: We are broadly supportive of the Bill. Our members feel that—

Q65 Mark Pawsey: What else would you like? What is not there that you would like to see?

Neil Carberry: Higher education is a critical part of our industrial strategy. We support the TEF. As Chris has just said, we favour an element of narrative alongside the metrics to allow for acknowledgement of things such as student entrepreneurship and engagement with careers. These are really important things for universities to be thinking of alongside pure teaching and student experience.

I come back to the point I made earlier. We need to make sure that the Bill works for students on all parts of the life span and not just those who go at 18. We need to make sure that the office for students is looking at making sure that part-time and later life learners—

Q66 Mark Pawsey: Do your members think that once the Bill is implemented, they are more likely to get the kind of graduates that they need than they would have had previously?

Neil Carberry: I think broadly that is the case. We would like to see a move on part-time. We would also like to make sure that the development of the TEF is an inclusive process that includes business throughout its development. As Chris has just said, it is a long path. I think broadly business feels we have got to a very positive place on the REF now. We would like to go in the same direction on this.

Q67 Dr Roberta Blackman-Woods (City of Durham) (Lab): Returning to the TEF, do you think it is going to raise teaching standards or is it going to provide a mechanism to increase fees? Could we end up with a very complicated system of fees, where the levels are changing from one course to another or from one year to another, leaving quite a difficult situation for students to comprehend?

Professor Chris Husbands: The policy intention is to provide clearer information for students. The question some way down the track—I do not think the sector has begun to think this one through—is whether once you move to discipline level TEF you end up with discipline variability in fees. There is experience on this. If you look at the postgraduate or international market, which are unregulated in terms of fees, there tends not to be, with one or two exceptions, institutional differentiation—*intra-institutional differentiation*—on fees, so I think that is unlikely.

As I said earlier, at some point, the reality of higher education economics is that we have to have a framework for increasing the fee basis. We cannot be here in 30 or 40 years' time on £9,000 fees when prices are considerably higher. The challenge for me and the panel is to make

sure that as those fees increase, the institutions are appropriately focused on developing and further enhancing teaching quality.

Q68 Mr Marsden: At the risk of making this a TEF love-in, I would like to pursue a final point with Chris. The elephant in the room on TEF, which has not surfaced today, although it has at many other meetings, not least the meeting of vice-chancellors with the all-party parliamentary group, is the basis on which the TEF is produced. If we go back to the consumer conversations we had earlier, if you were a consumer, you would not just want to know whether chocolate was good or bad for you; you would want to know whether dark chocolate or white chocolate was. This inevitably raises questions about whether you do the test on the basis of disciplines, which would probably be hugely complicated, or perhaps by schools of humanities, et cetera. Have you any thoughts at the moment? Have the Government given you any guidance on where they want you to go with that?

Professor Chris Husbands: I will make three brief points if I may. First, the Government did not need, I suspect, to appoint a serving vice-chancellor to chair the TEF panel. I have taken that as an indication that they want to work with the grain of the sector on this. The second point is that we have said that as we move beyond year 2 and from institution to discipline level we will be working as far as we can to co-design this with sector bodies—with individual institutions, mission groups and the sector. That is very important.

The third thing—I genuinely do not have an answer to this, and as this is a TEF love-in, I am very happy to come back for another one—is this. There are some challenges that we have to negotiate in relation to discipline level, because one of the things that Neil's members value is the very broad variety of course provision in universities. There is a real danger—I am keenly aware that we have to avoid this—that you produce an assessment regime that leads institutions to make their offering less entrepreneurial and more small-c conservative, whereas what we need to be doing to meet the demand in a very dynamic economy is increasing the diverse provision at discipline level. We have to get that right and we have to work at it. There are a range of ways—I have had some discussions with civil servants about what it might look like, but we are not in a position yet to say what it looks like.

The Chair: We have time for one last question and answer.

Q69 Amanda Milling (Cannock Chase) (Con): I too want to pick up on the subject of the TEF. This question is for Mr Carberry. We talked about metrics at length in the Select Committee. From a business perspective, what is your view of including employability in assessing teaching excellence?

Neil Carberry: One has to approach employability with a certain amount of care, but to me, there are three things that would be a sign that universities were engaging with employability. The first would be that they have a robust careers framework placed around students and focused on destinations—not necessarily coming to one of our members, but maybe doing other things in future, including student entrepreneurship, which really matters.

The second thing would be business engagement. I am thinking back to the other parts of the Bill, on research, where our concern is making sure that the business-focused part of the Higher Education Innovation Fund and Innovate UK is not lost. We want to see that travelling across into the teaching side. Where there is genuine business engagement in courses, we see innovation; we see accelerated courses, which we have not seen since the fees reform. All of that over time ought to encourage businesses as and when they have apprenticeship levy funds—a subject on which I have many opinions. At higher level, the apprenticeship level, it ought to encourage businesses to lean in to work with universities more, to do more engagement.

The third thing—going back to the Wakeham and Shadbolt reviews on some of the science, technology, engineering and maths work—is this: how often are curriculums in universities being refreshed to match up to the needs of, the nature of, UK business and UK society more broadly?

Those things, I think, are good proxies for employability. I would probably also say that measuring students' employment outcomes six months after they have left university is a little soon; we need a longer view than that.

The Chair: Thank you, gentlemen. That concludes this session. We are very grateful to you and we apologise for the interruption.

Examination of Witnesses

Dame Ruth Silver, Neil Bates, Professor Philip Wilson, Angela Jones and Susie Forbes gave evidence.

2.54 pm

The Chair: Welcome to our fourth panel of witnesses. We will now hear oral evidence from the University College of Football Business, Condé Nast College of Fashion and Design, the Further Education Trust for Leadership, and Prospects College of Advanced Technology. Ladies and gentlemen, would you like to introduce yourselves very briefly?

Dame Ruth Silver: I am Ruth Silver. I am co-chair of the Skills Commission with Barry Sheerman, and I am the president of the Further Education Trust for Leadership.

Neil Bates: I am Neil Bates. I am the chief executive and principal of Prospects College of Advanced Technology.

Professor Philip Wilson: I am Philip Wilson. I am the provost and chief executive of UCFB, and also the chair of Independent Higher Education.

Angela Jones: I am Angela Jones. I am the academic director of the Condé Nast College of Fashion and Design.

Susie Forbes: I am Susie Forbes. I am the principal of the Condé Nast College of Fashion and Design.

The Chair: I am afraid that I am bound by a programme motion which is quite rigid in its timings, so I will call for crisp questions and answers. The entire panel does not need to answer every question, so let us have perhaps one person answering each question. We want to try to let in all of my colleagues who want to ask questions. First, Gordon Marsden.

Q70 Mr Marsden: All the members of the panel are—I will not say not in the mainstream—not in the usual stream of what people think of as higher education. I want to ask two questions to two sides. To witnesses from what might broadly be described as the vocational and further education sector, do you feel that this Bill has enough for you? There has been a lot of talk about alternative providers, but there is not much detail in the Bill about skills or about how FE and vocational education can help with the promotion and expansion of HE.

To our other witnesses from UCFB and Condé Nast college, a further question. You operate at the moment as independent providers in a different field. Some of your fees, not least those of Condé Nast, are fairly eye-watering. How would you feel about your institution and others being brought into the central process, where you might be regulated more than you are at the moment?

Susie Forbes: I can speak for Condé Nast college as its principal. I feel that we are already pretty regulated. Yes, we are operating as an independent, but we have already had to adhere to QAA and all of the other normal bureaucracy that everybody else is facing, so we are already in a highly compliant and regulated industry as part of the HE field. I believe that the idea is to bring in more streamlining and more ease for people such as us, so that we do not have to depend on HEFCE, QAA and everybody else. When we have a tiny team of 10 people it is quite hard to deal with the multiple systems of the HE pattern, so in principle that streamlining and ease of the OFS might help us. I do not get the impression that we are about to get a new fee structure imposed upon us, because we remain a private provider.

Q71 Mr Marsden: That is perfectly true, but it is also true that one of the aims of the Bill is to widen access and participation. The fees for your school are £27,000 per year. Clearly, at the moment you are probably not in a very good position to do that. If you come into a mainstream system, how will you be able to address that particular aspect of the Bill?

Susie Forbes: The way we do it now is to offer three full, free scholarship places. Out of 100 students that is not a bad proportion. We are also interested in looking at projects beyond the bricks and mortar college in Greek Street, and earlier somebody mentioned the apprenticeship levy. There are all sorts of things that we could do beyond our building. We also only set out to be a very—we give incredible value for money, and that is what all of our students say.

Mr Marsden: It is a very niche offering.

Susie Forbes: It is a very niche, very specialist offering. We sit where we sit.

Angela Jones: There are also economies of scale.

Q72 Mr Marsden: To be fair, perhaps I should bring in Philip to give us his perspective on that.

Professor Philip Wilson: We very much welcome the new HE Bill opportunity. Again, we are very highly regulated. We proactively subscribed to QAA oversight four years ago, and we are looking to start the TDAP—taught degree awarding powers—process in the next six to 12 months, hopefully with the university title following that. So we are very much conforming to the checks and

balances of wider higher education. We charge a £9,000 fee through our validation partner, so any fee changes would be in line with any public provider.

Dame Ruth Silver: There is lots to welcome in the Bill in relation to further education colleges. Neil and I represent the college sector and the independent sector. The college sector, of course, has its roots in Victorian mechanics' institutes, so we have long been around in this field. The Bill does much to lift lots of parts of the college sector.

I welcome the plans for regulation, though I am concerned about its fairness, both in terms of costs and data. If we look at the numbers of what is going on in colleges, 220 colleges offer HE provision, and 70 of those have more than 500 learners, but a lot have much smaller groups of learners, and for them to be paying the same fee as everybody else is really prohibitive. So, fairer regulation that is fit for size, context and purpose is what we are looking for in the FE sector.

Neil Bates: We are the first new college of advanced technology to be established since the Further and Higher Education Act 1992. We have been established to try to address a fundamental problem within the skills system, because we think there is a fundamental faultline that runs through it. On the one hand it unhelpfully channels people between an academic and vocational route, while equally a significant skills gap exists, particularly at technical professional levels 3, 4 and 5, which we need to solve. The UK economy is not going to be globally competitive unless we have people with the right skills to respond to that challenge.

We approach this not just from the point of view of the student, but from the problem we are trying to solve, which is that, in the engineering sector alone, we need 80,000 new technicians at levels 3, 4 and 5 in order to support businesses. The faultline has occurred because, after the 1992 Act, polytechnics became universities and a whole gap opened in HNC and HND level of provision. Further education colleges saw part-time participation in HE decline dramatically and the consequence is a gap between apprenticeships that are high volume and low level and an HE system that is high level but remote from the needs of business.

Q73 Mr Marsden: But what do you see in the Bill that is actually going to change that? Is there much read-across from the Bill and, for example, some of the proposals from the Sainsbury review? When you look at the forecasts in the technical documents that go with it, the number of FE colleges that are guesstimated to be providing HE courses in 10 years' time is more or less exactly the same as at the moment. The concerns of many people are that this is a Bill that is predicated for alternative providers, but the FE sector does not really seem to be at the table.

Dame Ruth Silver: I have been both surprised and shocked at two things: first, the lack of mention of skills generally in the Bill, and secondly, the lack of knowledge or appreciation of what colleges do. To give some figures, 10% of HE graduates in 2014-15 came through colleges—180,000 learners every year. Those learners are different from the traditional, rather “boarding school” model of universities. They are part-time working while they have families, they are women returners and so on. Colleges widen access in crucial areas and areas where there is a cold place for communities. They are

local, they are everywhere, and they are actually well used to the coming challenges, too. Neil talked about the polytechnics, which came from colleges of advanced technology, but the CATs came from technical colleges, so we have a long tradition of moving in, challenging and enriching the spread and fairness of offer to all in our communities, especially those in cold spots.

We are nearly ready. Look at the number of colleges that award higher education qualifications. I am hoping you will look, too, at thinking further about colleges having degree-awarding powers as well, again fitting employers' and local community needs. This could be rather like the Olympic legacy planning. Start early and work with local communities; bring them in and bring them on. Go downstream and give people a fairer chance in the way that local colleges and local training providers can.

Q74 Amanda Milling: Good afternoon. I want to take a slight step back. Could you outline some of the barriers and challenges that new providers face in entering the market? How do you feel the Bill and the reforms will address these?

Angela Jones: We have just been through the whole process of finding a validating partner for our degree, and it was really difficult. There was no one place to go. There was no guidance. It was just a case of trying a few different bodies and trying to find some place that would support us. There was nothing central—no one that you could go to and say, “This is what we are looking to do. Can you advise us and help us through that process?” For us, the idea of an office for students in a central place to go and be supported through that process is very helpful.

We got a very different response from different universities. We started our own piece of research into the places that would suit us. We shortlisted five different universities that might work with us on the validation of our BA, and the responses that we received were wildly different. Some people just did not want anything to do with us; with some people we could not even find the information, despite them doing it as part of their business. Finding the partner initially was the biggest challenge. Anything that can address that for alternative providers is very important.

Professor Philip Wilson: We have been through the same process with finding a validation partner. The fees quoted by vice-chancellors for a validation partnership are very different. Because these agreements are often for a four to five-year period, business planning in the long term, particularly around capital expenditure on buildings, staff recruitment and staff planning, is very difficult. It almost encourages a shorter-term view of your business strategy, rather than something longer term. I totally agree about having a centralised place where there could be a list of universities that would be prepared to enter the validation market. That has become more difficult since the student number controls came off, because universities do not necessarily need the income. We have seen a number of institutions pull the ladder up from colleges on validation powers with pretty much no notice, which has caused a number of issues—it filters down to the students and causes disruption.

Neil Bates: Can I pick up on Gordon's question? We as an organisation provide a whole range of high-level HE provision, but it is all delivered in the workplace context. All of our students on HNCs, HNDs or indeed our new degree apprenticeship in embedded electronics

are employed by the businesses we work with. Our relationship with those businesses is extremely close. We support them in all their workforce development. We will be applying to have our own awarding powers because of our concern about the ability and capacity of universities to deliver degree-level programmes in a workplace context.

We spoke to two universities about our degree apprenticeship. One wanted to deliver it over six years and the other wanted to deliver it over four years. All of them wanted the apprentices to spend a whole year at the university, which is not what businesses want. Businesses want a responsive way of training their workforce up to degree level, and universities either have to become much more flexible and much more responsive or they are going to face competition from other organisations that are prepared to do that.

Q75 Ben Howlett: One question that came up a number of times earlier today is about social mobility. We often hear in the media that we should be focusing on the red brick and Russell Group universities. We hear a lot about that, but obviously organisations and institutions in the same sectors as your own have a responsibility to do that, too. What I would like to hear, further to your reading and understanding of the Bill, is how that is going to be enhanced within your sectors as a result of this Bill being introduced.

Neil Bates: One of the ways that is enhanced is that colleges are much more responsive to their local communities and much clearer about the needs of the local community and those areas of disadvantage. In our own college, 53% of our students come from disadvantaged areas, and we target those areas deliberately to try to encourage mobility.

The other issue is that if someone comes to us and does an advanced apprenticeship over four years and then goes on and does an HNC, they are earning from day one. On one of our advanced rail apprenticeships, they are earning £18,500 in year one; they are earning £40,000 by the end of a four-year apprenticeship; they have no debt, and they have four years of employment experience. That makes it much more accessible for young people to follow a higher education route without having to take on debt, live away and all of that. It is a much more responsive approach to linking the needs of individuals to those of the economy.

Dame Ruth Silver: The FE colleges, of course, have the long tradition of the dual mission: widening participation into education and widening participation onwards into economic life. Doing that at a local level, and with local employers, we offer part-time short courses and full-time courses flexibly to people who have needs other than learning needs—social needs and support for care. Colleges too are closely linked to employers in order to enable links for job offers. You will find employer days in colleges: employers coming down to offer opportunities to people.

The benefits of colleges are that we are local, we are everywhere, and we do evening classes, part-time classes, weekend classes and short courses. We are responsive and offer a variety of entry points.

Q76 Ben Howlett: I am glad you are but social mobility is not just about socio-economic factors; it is also around the public sector equality duty. In terms of

BME for example, and in relation to women within STEM as a prime example of under-representation, do you see this Bill presenting new opportunities to enable greater participation in other areas, not just in socio-economic terms?

Dame Ruth Silver: I think it is what I meant when I talked about cold spots. My own college was in downtown Deptford and we had a high percentage of all that you mentioned and a long tradition of engineering and construction down in docklands as well. It opened up all sorts of opportunities: good relationships with universities and with local authorities, for example, made movement and change much more available. Also working with people in work, with employers—a different stage from Neil—we were able to work out special compact programmes as the area needed, and as people like the planning authorities decided. That flexibility and the fact that most of the members of staff there—and I am concerned about how you get staff ready for this increased participation in vocational education—of course, had come through the vocational route and its strong contacts.

Ben Howlett: Any comments from anyone else?

Neil Bates: I just wanted to pick up on the gender issue as it is a real issue. We always start by asking, “What is the problem that we are trying to solve?” As a practical example, in the rail industry there is a huge shortage of technician engineers, partly the result of having an ageing workforce that is about to retire without the investment in training over the last decade, and they are finding it extremely difficult. Yet at the same time there are no more women working in the rail industry than there were at the end of the first world war: only 4% of women are technician engineers. We need to be saying to employers, “You’ve got to play your part. There is 50% of the workforce that you are largely ignoring.” We can do some of that work in producing those pathways for young women to go through into that industry because we are connected to the local economy.

Professor Philip Wilson: One thing that alternative providers do very well is the recruitment of students from a very wide, diverse background. It is not death by UCAS points, because we are smaller. To judge an 18-year-old on 16 hours—which is eight exams on four A levels—is short-sighted, because they have been on the planet for 18 years, and we look at people with a holistic approach. In the same way, if you apply for a job your degree or your postgraduate qualification gets you in through the door but you are employed based on who you are as an individual, and that is what employers look for.

We do very well on that: we have got 94% employability for our graduates. On the day of graduation last year, 90% of our graduates already had a job. That is because we recruit people who are suitable for the industry because we ask the industry and then fold that back into the way we recruit the students, so we work on being work ready for day one. That encourages people from very diverse backgrounds.

I would probably also touch on the reporting of the ranking of how institutions are perceived. Take what is called “good honours”—first class degrees and 2:1 degrees. If we are going to look at wider participation, then the dichotomy is that we get clobbered at the other end by

having students with lots of 2:1s, 2:2s and thirds. For me, the impact on an institution is: what does that institution do for a young person for three years in their building? If you have a good public institution that recruits people with straight As and they all go through an automatic path and get first class degrees, where is the impact? If you get students from a wider participation background and they get a 2:2, that could be the absolute pinnacle of their academic achievement, and will change their life. So the way that educational success is understood needs to be examined at the other end of the process.

Q77 Paul Blomfield: You made a very powerful point, and contributed to the discussion that we have been having around the TEF and its metrics. I wanted to raise a different point which is around part-time students, because whatever the other impacts of the 2012 changes to fees and student funding, which we could debate, the consequences for part-time students have been devastating—I think everybody agrees on that. Do you see anything in the Bill that addresses that issue?

Dame Ruth Silver: It depends on who else you let into the sector. The Bill is predicated on a very traditional model of HE. It is not systematic or systemic reform. So bringing in new providers, particularly colleges, is quite important. It is easier for FE students locally to manage some of the costs. There is quite a gap to be caught up with since 2012, and it has been difficult for part-timers to do this. Full-timers are much easier to serve. So there is a real catch-up there, but this notion of “local is easier, flexible is easier, part-time is easier” will, on the whole, happen in non-traditional HE.

Neil Bates: I do not have the exact figures, but if you looked at participation at levels 4 and 5 in FE some 10 years ago, you would have seen large numbers of people who were in work, coming into their FE colleges in the evenings, attending twilight sessions to get their HNCs and HNDs and so on. That whole system evaporated as colleges were driven towards full-time students and away from workforce training. We are living with the consequences of that now.

Dame Ruth Silver: May I comment on the disconnect between the skills world and the reforms going on there? There are 3 million apprentices to be trained: those are high-level, in great part. The Institute for Apprenticeships is about to start as well. That is not connected to this. It is a traditional model but it is also a very closed system of higher education, and it is in the other areas where you find a more flexible, responsive curriculum on offer. That responsiveness is key to dealing with the long problem we have had here relating to technicians in the economy and also high-level skills qualifications.

Q78 Dr Blackman-Woods: I wonder if it is entirely accurate to categorise universities as boarding schools, having no links with business and not having employability as part of their agenda. The picture of HE is actually quite diverse, and that is creating a bit of a problem for the TEF. I wonder whether some of the issues that you are raising could be addressed by making employability, for example, central to the TEF.

Dame Ruth Silver: It depends which part of the UK you look at. I know you have got colleagues coming from Scotland where the third highest number of graduates

come through the FE sector and come through a relationship jointly with universities called articulation at high-level skills qualifications. Wales is different as well. It varies; there are national variations in what is going on.

What has happened with all the reforms in universities is that today it is easier to take more and more bachelor degree, full-time younger people. There is an impact. It depends where you are looking for impact. I am very focused on access and social mobility and those are the things that universities are not strong at, certainly in England. They are very closely connected to employers in postgraduate roles and in research.

Q79 Mark Pawsey: I want to ask the representatives of the independent sector here today how representative are you of the sector? How much bigger could the independent sector be once the Bill is enacted? Are you the tip of the iceberg, or are you just going to be able to grow a little bigger and do a little bit more than you used to be able to do?

Professor Philip Wilson: The majority of the independent sector are specialist in a narrow field, in which case there is a glass ceiling of how many people want to work in a certain industry, whether it be in the arts or within our degree portfolio. I think there will be a natural point where, because employability will be everything, we as an institution have to be very careful of market saturation.

We have actually self-imposed a cap for the number of students we will take in the UK because of that. The majority of the independent sector have no ambition to become the University of Manchester with 30,000 students. With an independent HE hat on, anyone who says different to that is maybe not representative of what the independent sector feels.

Q80 Mark Pawsey: Why is this Bill so important to you?

Professor Philip Wilson: It is about a level playing field, absolutely. We want to be considered and judged and monitored the same as everybody else. That then leads through to more informed student choice. I get frustrated at open days talking to parents who spend more time researching their summer holiday on TripAdvisor and look for more information than they will do on their university of choice. We need to educate the parents and the families on how they choose their institutions. It is not just based on longevity—how long an institution has been around.

Angela Jones: For us it is about a change in emphasis away from research and into teaching quality and excellence because that is what we do and do well. We are providing an excellent environment for students to learn in and that is our focus. Higher education has always traditionally been judged on research output. If we are being judged against people based on research output, essentially we have to compete on a different level and the TEF is better.

Professor Philip Wilson: I also think the QAA need to expand and broaden their assessment when they come into an institution. We have had some very successful QAA reviews but when they do not actually go into a classroom it beggars belief—I just do not get it, because that is what the student interaction point is; that is

where the customer service interaction is. I really would support the QAA getting into the classroom, sitting at the back of the room and understanding what the teaching quality is like, so that students are not having PhD students doing the majority of their teaching. Institutions must be held to account of qualified people standing at the front of every room.

Q81 Mr Marsden: Both our colleagues from the FE sector have laid stress on the way that higher degrees can be delivered through very strong local connectivity. To be fair to the Government, the Government have banged on in the Bill all the time about higher skills but there are issues at the moment, I would suggest, around the implications of Brexit for funding. The figure that I had from the Government just before the referendum was in the region of £725 million of ESF funding.

We have heard from colleagues this morning about the support that the Government are giving to the university sector in terms of research. Are you concerned that a lot of that money that fuels the sort of work that you do will go west if there is not a renewed effort on that part by the Government?

Dame Ruth Silver: It is a growing concern certainly in colleges, where European social funds come through local authorities and through universities. A lot of partnership work is funded by that, so it is a great concern. What will be removed would be those new initiatives that seem to have an impact on bringing people in, dealing with individuals but helping employers as well. Diversity of employers in Lewisham has certainly been helped by that. It is the loss of the layer below that will infect and affect progression for those communities. There is a concern that that money will be lost at the same time.

Q82 Mr Marsden: So you are looking for similar guarantees to the ones that the HE sector and universities have had?

Dame Ruth Silver: Absolutely.

Neil Bates: I would like to link this back to the previous question on why we are interested in offering degrees in our own right. Part of the answer to that is that we are not much interested in providing a traditional degree like the universities. We are not trying to compete with universities like that. We are trying to create a legitimate pathway for young people who do not want to go down the A-level, university and degree route, but who want to get their professional development, high-level skills and degree through a work-based route. Frankly, we are better positioned to be able to provide that kind of experience, through the College of Advanced Technology, than many universities are.

In our experience, the universities' default position has been to go back to the traditional model and to offer that as the diet for people who want to do a degree. We are looking to do this in a different way. There is a mile of difference between the funding of a university compared with the funding available in FE. One of the real challenges for us is levelling that a bit so that we can actually provide the quality of experience that they would expect.

Q83 Dr Blackman-Woods: We have heard quite a lot already about a level playing field. For the independent sector, it is generally about regulation. Do you think

that we should look at a level playing field in other ways? If a student goes to university, they have access to a whole range of cultural and sporting activities, they have intensive student support and they can exchange with other universities. Should not that be a set of demands that we also place on the independent sector?

Angela Jones: I think they are getting something different, and that is the point. We do not do what big universities do. They come to us because they do not want to go to a big university. We can give them other experiences and arrange for other things for them to do that our small numbers allow, but our small numbers do not allow us, for example, to have whole departments to support student activities such as sports clubs and things like that. We do everything that we can to provide access to those things or point our students in the right direction. We have a really particular set of students and that is not why they come to us. They do not want those things from us. They have a different set of expectations and demands.

Q84 Dr Blackman-Woods: So is it not right then that you remain outside the main university sector and you are never categorised as that, and that it is clear to the students that, although they may be getting specialist education, it is not the same as getting university education?

Angela Jones: I would not go so far as to see it that way. They are still getting a university education in the sense that they are getting a degree and a really high standard of education in the classroom. It is the extra-curricular things that are different.

Professor Philip Wilson: I would agree but also disagree. Purely from a UCFB perspective, we provide all those additional services for students. We have very successful teams—male and female—in football leagues and other sporting areas. A degree means different things to different people. Some people just want to get a piece of A4 with the word “degree” on it. Some people want to have the specialist vocational experience and knowledge, particularly in the arts and music sector. For other people, it is about growing as a human being.

When I speak to parents at graduation, they do not talk about the great lecture their son or daughter had on gearing in their finance degree in year 2. It is more about how they have grown up as an individual, so our enrichment is different. I have created what we call the complementary curriculum, which runs parallel to the academic curriculum and is a three-year journey of personal and professional development. We give our students double the contact time of a traditional institution. That includes everything from essentials of public speaking certificates to food and wine appreciation—if you are in the business world, you need to understand those softer skills—media training and so on.

We try to create an all-round, holistic human being, not purely get people through to pass exams. This brings up the point that we are representative of the same sector and we would be in the same bit of the Venn diagram, so to speak, yet we have differences.

Susie Forbes: I would like to add something. The word “eye-watering” was used about our fees earlier. When we have open days, people have a choice. No one is sending them to our college with a big stick, saying, “You must pay £27,000 a year and go to that one.” They choose us, and all of the things we are talking about are the reasons why.

Mr Marsden: With respect, the point is that that is the classic definition of the freedom to dine at the Ritz.

The Chair: I am afraid that is going to have to be the last answer.

Dame Ruth Silver: May I make a point? I think that the non-traditional sector needs to be represented at the Office for Students and the quality assurance committee. The Education Committee must scrutinise the student experience—not just the culture, but learning support for learners who may struggle in a different flexibility.

The Chair: Thank you very much for your evidence, ladies and gentlemen.

Examination of Witnesses

Sally Hunt, Professor Les Ebdon and Alison Goddard gave evidence.

3.31 pm

Q85 The Chair: We will now hear oral evidence from the University and College Union, the editor of *HE* and the Office for Fair Access. Perhaps you could kindly introduce yourselves. Remember that the acoustics in this room are not very good and you are not necessarily talking to the person asking you the question, who might be quite close to you; you are also talking to someone 10 rows behind you and, more importantly, to me. I want to hear every word you say.

Alison Goddard: I am Alison Goddard. I am a journalist who has been reporting on higher education and research for the past 20 years.

Professor Les Ebdon: I am Les Ebdon. I am the Director of Fair Access to Higher Education.

Sally Hunt: I am Sally Hunt, the general secretary of the University and College Union.

The Chair: Thank you very much. Gordon, do you want to start?

Q86 Mr Marsden: Yes, if I may. We have heard this morning some spirited conversation from witnesses about the extent to which this is a Bill for students, the issue of representation and the office for students, for example, as part of that process. I wonder whether I could ask the witnesses to look more broadly than simply the issues in terms of students, and to look at all the people who make HE institutions tick. Obviously, that includes students, and it also includes big issues around the extent to which, for example, the director of fair access at OFFA is empowered more in this Bill than he or she is at present. To start us off, does the Bill do enough to put students more in the driving seat? Does it do enough for the people who work in our HE institutions?

Sally Hunt: I will start, and please tell me if I have not got the volume right, because I agree—I was finding it very difficult to hear at the back. Does this put students in the driving seat? I think that what it actually does is turn the whole debate on where students sit within the university system and the degree awarding system—be that within universities, further education or others—into a debate on the level of fees and on the relationship being one of customer and provider. Rather than empowering them, that actually gives them quite a strange set of tests—if I may put it that way—by which

they are meant to judge the whole system, which, I acknowledge up front, is complex, can be intimidating and can sometimes be quite opaque.

What I think would be helpful, in response to the more general point you are making, Gordon, is that, if we are looking through this Bill to improve student experience, employability and quality—all of which I would tick the box on for the people I represent, in very strong terms—what we have to say is, how does the Bill actually do that? Does it actually make it a better experience for students, or is it simply a case of fulfilling a manifesto commitment? Is this a case of reinventing the wheel in terms of how we justify and explain increased fees for students? Is this a way by which we are going to open the door for different providers to come in to a sector that is already under great strain? That is the question that has to be answered straightaway, because unless you can actually show that the student is going to come away better as a result of the Bill—and I really question that—I do not know why we are at this point anyway. I think we ought to ask that question before we get into anything else.

Professor Les Ebdon: In a sense, I have a role not only to protect the interests of current students but to protect the interests of potential students and the opportunity for those with talent, wherever they come from, to get to university. I welcome the Bill, in the sense that fair access and participation will have the possibility of permeating all the activity of the office for students. I am fond of saying that universities that are successful at fair access have embodied that in the totality of their strategy. There is the opportunity in this legislation to do that for potential students to make a significant stride in social mobility and towards a fairer society.

The concern that I would have is around whether it actually gives more power to the director of fair access or not. At the moment, the director of fair access has the sole authority for deciding whether an access plan is sufficient and universities have done what is sufficient to promote and safeguard the interests of students. I know there would be a number of universities that, if they had somebody else—another chief executive above me—to go to, would take my decision to them, because they argue long and hard with me about the decisions I make.

Q87 Mr Marsden: Are you concerned that the specific and technical nature of the clauses that have been put in regarding where you sit in relation to the OFS and the Secretary of State do not give that clarity at the moment?

Professor Les Ebdon: I am concerned that there should be clarity in those clauses to make it clear that the responsibility, particularly for deciding on an access plan and approving it, should rest with the director for fair access and participation. There should be absolute clarity about the responsibility. The expression used in the Bill at the moment is “report”; I understand from lawyers that a report is a narrative exercise and the report could describe a good or a bad situation. I want to see words like “responsibility” and “accountable for” in there.

When it comes to the delegation of authority, as far as access and participation are concerned, that should be exclusively delegated to the director for access and participation, so that there is clarity about that particular role—and indeed, a greater power there—and the progress

that we have made in recent years through OFFA can be sustained and, indeed, we can make further and faster progress.

Alison Goddard: I come to this as an observer, rather than a player in the higher education game. I applaud the aim of the Bill in putting students at the heart of the system; however, I have concerns that it will fail to do so. I have concerns especially about the funding of the office for students. It strikes me as being much more of an office for higher education. At the moment, it is funded almost entirely by universities. There may be some role for Government funding. If the office for students is to regulate properly the university system, it cannot be funded by those universities themselves.

Q88 Valerie Vaz (Walsall South) (Lab): I want to pick up on some points that you have made. I have not got the feel of a definitive answer from any of you as to whether the Bill puts students at its heart. Professor Ebdon, you have been doing the job around fair access. My view is that students think they are paying £27,000 net for higher education, and yet they are receiving bills for £45,000, which comes as a great shock to them. Also, I cannot see anything about lifelong learning here—the value of education throughout one’s life. Could you be a bit more definitive about whether you think this is a good, necessary Bill and whether it fulfils the function of putting students at the heart of it?

Professor Les Ebdon: The Bill is not fundamentally about funding the system and that is not my responsibility. Parliament decides on the level of fees and I believe you may soon have a vote on that matter. I am concerned that we continue to make progress in fair access so that people from all parts of the country, all groups, can get to university.

We have seen a 65% increase in the numbers of students from the most disadvantaged communities in our universities since 2006, in the first 10 years of access agreements. The entry rate has gone up by some 65% for the most disadvantaged 20%. I want to see us building on that and increasing that dimension and I think that we can do that. We have found in access agreements a way of doing that. Incidentally, the application rate is up by 76%. If we could turn that increase in application rate into an increase in acceptances, we would be doing even better.

Q89 Valerie Vaz: I sometimes get responses like this from the Minister, who says lots of people are doing it, but if you drill down into the figures, that is not quite what I was asking you. I was asking, is the Bill necessary, does it put students at its heart, and does it address the issue of lifelong learning? After all, that is what education is about. We do not just do it at university, we go on—for example, the diversity, the part-time learning, that kind of thing. I do not want to deal with Brexit that much, but there is a change. We also have a change in the machinery of government. Are all those issues really addressed in the Bill?

Alison Goddard: My answer to that question is no, but that is at least in part because it is a very difficult thing to do. When you try to put students at the heart of the system, your first question is, what do we mean by students? We heard from the previous panel how parents very much value the way in which children grow up at

university. The person who arrives is not the person who leaves at the end. You have the elements of lifelong learning.

I would say the Bill does not take on lifelong learning and it really cannot put students right at the heart of the system, not least because students are evolving the whole time, they are a diverse bunch of people and the institutions at the heart of this are the universities, which are ancient institutions that have a very strong track record of providing high-quality, world-class higher education and research. So, at present, the university is very much in the driving seat.

Sally Hunt: My answer is no, I do not think the Bill is going to address the points you have made, Valerie. Although you said that you do not want to explore in depth the issues surrounding Brexit, the changes in where higher education and further education in particular sit within the government function mean you really do have to think about that because the timelines that we are talking about with the Bill are exact when you look at the timelines that you are talking about with the implementation of the Brexit vote. That is just reality. The reality is also that, as a result of that, we have a system that, while having to perform at a very high level and maintain the high quality that we expect of it through the work it does, is going to be put under severe pressure. So I think there is an issue there. I put that in the UCU submission and I would ask you to reflect on that.

Does the Bill put students at the heart of it? Every single measure I have ever heard from any Government has always said that students are at the heart of it. That, again, is fact. It is also rather sad that, if we are talking about this issue, we do not have the National Union of Students giving evidence to you in some way, shape or form because I think it has a view that reflects the student body. The NUS is not here. I am, and I represent the people who teach students and undertake research with them. What I think this does is introduce a further justification for higher fees. What I think this does is introduce a rationale for extending the system and access to public funds for profit. What I think this does is introduce a further complication to quality through TEF, which is not necessarily going to hit the nail. Since those seem to be the key pointers in the Bill, I do not see that it actually addresses what it should be doing, which is, what is the great experience that every student should have at university? That is about the teacher and the students in the lecture hall, in the seminar or in the one-to-one interaction that they should have. That is something that does not need this Bill, but it does need a lot of discussion and a lot of thought about what actually drives that and makes it better.

Q90 Alex Chalk: May I ask about social mobility? Professor Ebdon, you rightly said that since 2006 there had been a 65% increase. This Bill contains a number of provisions requiring providers to publish more information about all sorts of metrics. Do you think it provides the architecture for us to move to the next phase of improving social mobility between now and the end of this decade?

Professor Les Ebdon: With the amendments that you should make to ensure that you properly empower the director of access and participation, I think the Bill can make a contribution. Of course it will be backed by a number of regulations, which I hope will reflect a

recognition that postgraduate education represents almost a double glazed glass ceiling these days. We have made good progress on access at undergraduate level, but we need to make progress at postgraduate level. How can we do that? Perhaps there is an opportunity in this legislation to make progress on postgraduate education. If we really want this concept of social mobility to permeate the OFS, we should make it one of the criteria for appointment of the board. Strangely it has dropped out, but I think it should be one of the criteria so that people focus on it. It would also help to have an annual report to Parliament on progress, as we do at the moment.

Q91 Dr Blackman-Woods: I want to return to the student issue. The sell of this Bill, and I am sure the Minister will correct me if I am wrong, is that opening up the sector will provide more diversity and more choice for students and that the TEF will deliver more information to students to help them make up their mind about where to go, which will add some transparency on the quality of teaching and provide a mechanism to relate it to fees. We know what the possible positives are, but the risks to students from the Bill are less clear. Have any of you thought through what some of the risks could be?

Alison Goddard: I have thought through some of those risks, and I am afraid that to my eye they extend far wider than risks to students. There are also risks to the future economic success and the cultural, scientific and diplomatic strengths of this nation. What we have here in the UK is a world-class system of higher education and research, which has taken hundreds of years to emerge—its roots lie before the formation of the modern state. Fundamental to that success is institutional autonomy. At the moment, universities are answerable to Parliament. Creating the office for students and enabling it essentially to override existing royal charters and previous Acts of Parliament will allow what is essentially a Government body to remove from universities the right to call themselves universities or to award degrees; it will make those Government functions.

If I can draw a parallel, the BBC is also protected by a royal charter at the moment. The Bill appears to enable removal of the protections of the royal charter; if that applied to the BBC, it would essentially make the BBC a body within the Department for Culture, Media and Sport. I really worry that, if the Bill is passed unamended, it will allow future Administrations to interfere with institutions and universities to the extent of damaging the future prosperity of the whole nation.

Q92 Roger Mullin (Kirkcaldy and Cowdenbeath) (SNP): I am going to dare to ask a question similar to one that was asked of an earlier panel and that led to some hilarity. I have deep concern about the applied managerialist approach in the Bill. If you look at the institutional architecture and the metrics that are being used, I do not see how they are going to contribute very much to true quality enhancement, either for students or for research. Would you like to comment on that?

Sally Hunt: I will probably be picking up on some of the points Dr Blackman-Woods was asking about as well. If we are looking at a risk matrix, which is the same point phrased in a different way—“What does this actually do to enhance the sector or our ability to

contribute to our nation's economy or to a world-class reputation within higher education?"—there are real risks. If you start from where the student is being given information and the university is being given the funding stream, those become very narrowed by the Bill. They become narrowed for the student because the questions they are being schooled to ask—"What is your employability? What is the drop-out rate?"—are very narrow and do not necessarily give the right indications. To me, those things do not tell you the quality of the course; they tell you that there might be differences in your ability to go through three years, depending on your class, your type of university and the student intake, but that is not the same as saying whether the course is good or bad at providing a good foundation. They are too narrow and too opaque. They do not ask us to encourage the student to say, "What is the level of the teacher who will be giving me the education and the teaching I have signed up for?"

I think someone made the same point earlier: as the student, you are not being told at any point how many of the people who will be teaching you are on casual contracts, how many can guarantee they will be there in a year's time, or how many will be able to say, "I have been paid enough that I can do proper preparation, teaching, feedback and all the stuff I ought to be doing to enable you to be confident of getting what you signed up for." None of that is in the Bill as it stands.

There are some very practical points at issue. Alison's point is really important. I think you should all be very concerned about the issues of governance and the lack of oversight given to Parliament by the Bill, because that is going to strip away the ability for us to guarantee and protect academic freedom, which is fundamental to student choice and student education and is important for our ability to develop critical thinking and difficult and challenging research areas. That is not there in the Bill. As it stands, the office for students is very much Government-driven; it does not have staff representation or enough student representation on it. All of these points need to be teased out. As I said at the beginning, that is set against a really stressful time for universities. They do not have the answers about student funding or about the stability of their staff, and they have big questions about their ability to deliver against the current environment, let alone if this is put in place. There are real problems alongside opportunities. We should all say that these opportunities are positive. We should all say that we are looking to increase quality, increase choice and increase knowledge, but I am not sure that the Bill is delivering at this point. I hope that that covers both the points.

Professor Les Ebdon: I am not sure that I entirely recognise the picture that has been painted. For a start, you can make a very strong case that increased transparency is not inimical to freedom. I welcome the requirements for increased transparency of data. You might argue with the particular data points specified in the legislation, but they are just indicative of the points that could be asked for. I have no problem with that transparency of data.

Of course, there is clear recognition within the Bill of the importance of academic freedom. The way that we approach access agreements at the moment is a good indication of how you can work with the grain, using the context of institutions. This could involve getting

the institutions themselves to set their own challenging targets and negotiating with them to do this, and also giving them support, particularly through enhanced research and evaluation of what is happening. This would go with the grain of the institutions and build on the great strengths of our universities in terms of researchers and their interest in finding out what works to achieve the kind of success that we have. I do not see a tremendous threat to academic freedom in anything related to access and participation which, clearly, are the parts of the legislation that I have studied in detail.

Q93 Roger Mullin: I was not suggesting that, and I accept that it is not a threat to academic freedom. That was not the point I was making. Professor Ebdon, your response makes me more concerned, because you talked about data and the use of data. It is the metrics that I am concerned about, and the way in which they are moving away from a concern about quality development and quality enhancement. One of the great features, which I think Alison talked about in her earlier remarks, is that institutions have built up over centuries. They have developed cultures of engaging in different ways with the learning as well as the research in their institutions. That is just so difficult to capture through the kind of metrics that are applied in the Bill.

Professor Les Ebdon: I certainly understand the point that the data have to be interpreted in the context of the institutions, and I think that I was implying that in terms of the way that we approach access agreements. I do not have a problem with that information being in the public domain. I am surprised that in this day and age people do have a problem with that.

Q94 Roger Mullin: I do not have a problem with it. It is just that it is an inadequate way of looking at teaching in universities.

Alison Goddard: I think that there is always a danger that you end up with metrics looking at what can be measured, rather than what you actually wish to measure. That is a problem which pervades modern life.

Q95 Amanda Milling: The research excellence framework has been in place for some time now and is well established. Ms Hunt, you referenced TEF briefly. Do you recognise the need for greater emphasis on the teaching aspect of the sector? That is a question to all three of you. What will that ultimately mean for students?

Sally Hunt: We have always said that teaching ought to have greater recognition and greater celebration in terms of the funding streams for universities, because without that there has always been a mismatch between some universities and others depending on whether they have a stronger research stream and reputation. We have found from what our members have told us that that has never been about the quality of experience for the students. We have no objection whatsoever to teaching being raised up, being part of the standard by which a university is judged, alongside its research. In fact, we would say that that is a good thing. All we are questioning is how.

All we are saying—we have said it repeatedly—is that if you start this process, rather than using blunt instruments that do not necessarily address the core issue that we are all told this Bill is about, which is increasing the quality of teaching for students, you need to look at what is going on in the classroom and why. That means that

you have to address the fundamentals of how teaching is delivered in most universities. In most universities, if you are an undergraduate student, particularly in your first year, you are going to have the least experienced, qualified and stable—in terms of their contracts—group of teachers in universities. That, I think, is the issue that has to be addressed, not simply the outcomes, which as I said, can be quite blunt in the way that they are interpreted. They are not themselves necessarily about the quality of the course or the teaching. But in terms of the principle, absolutely; teaching is as important as research in terms of how the quality of a university should be judged. That is something that should be welcomed in the debate that is starting to happen now.

Q96 Amanda Milling: In the Select Committee, we talked a lot about metrics and the balance between quantitative and qualitative metrics. Does the use of qualitative measures to evaluate performance address some of your concerns?

Sally Hunt: It is hard to answer the question. I do not mean to avoid it. What I am trying to convey is that TEF is not enough as it is constructed at the moment, with the criteria and tests that are being put in place and the links that are being created, for example, with fees. Peer review should be sitting at the core of it. What should also be at the core of it is universities showing students that the teachers in place are well trained, resourced and supported. That is not necessarily something that will be delivered through the criteria put in place at this point in time.

We are concerned about the Bill because it will put in place a system that will increase the complexity that universities have to weave their way through in order to get funding. It will increase the pressure on teachers, who are already under a great deal of strain—the average week is 50-plus hours and the average contract is very insecure—without necessarily asking universities to embed what will make the real difference to teaching, which is making sure they have quality terms and conditions for staff.

That is my central point on this. I recognise that others do not necessarily agree with us, but I think it is our duty and our role to bring it to your attention. There is nothing in the Bill at the moment that talks about the quality of staff, in terms of how they are supported, resourced and employed. At the end of the day, staff members and students in the classroom are critical, rather than everything going on around them.

Q97 Mr Marsden: The White Paper that gave birth to the Bill talks—in fact, it waxes lyrical—about the trials and potential successes, but also the downside, of the market. It talks about market failure. Particularly in respect of new providers and the proposals to lower the threshold at which they can come in—and, indeed, enjoy a form of university title almost from day one—what do the panel think the pluses and minuses of that process might be, in terms of both the teachers at those institutions and of the students? Obviously in your case, Professor Ebdon, if we have a large number of market failures, there are implications for what you are trying to do with the Office for Fair Access.

The Chair: Time is running out, so perhaps a crisp answer and then we will move on to a couple more questions.

Professor Les Ebdon: Students are weak consumers, which is why it is important to have a regulator to ensure that their interests are protected. University education is expensive and it is a one-off investment that students make, and therefore it is very important to protect students. I do recognise particularly that some of the newer entrants have been quite active in recruiting students from disadvantaged areas. I welcome the opportunity now for proper regulation across the sector.

Q98 Mr Marsden: What if they go bust?

Professor Les Ebdon: The interests of those students must be protected. If they have paid their fees, they need to be protected. I would always hope that the sector would be able to come up with something on that, but I assume that the regulations underpinning the Bill will ensure that they are protected. I would certainly think it a national scandal if students had invested their money—aided and abetted, as it were, by the state, through the Student Loans Company—and not received the education for which they had paid.

Q99 Ben Howlett: Going back to some of the points raised earlier by Professor Ebdon in relation to the independence of OFFA, how does the Bill deliver true independence and actually enhance independence?

Professor Les Ebdon: I am not arguing for independence in the sense that we have independence now. I quite value the coherence that bringing the Office for Fair Access activity into the office for students brings. I am concerned about the authority of the director for access and participation. Based on my experience, you need to have the authority to sign off or not to sign off on an access agreement and for that to be untrammelled, other than the usual opportunity to appeal against a totally unreasonable decision. That does not guarantee it.

I also think that it is important, if you are going to get a high-profile director for access and participation, that that authority is enshrined. The responsibility lies with the director. One of the reasons I can be successful is that I am a former vice-chancellor. I know most of the tricks; in fact, I invented one or two. Therefore, that gives me greater authority in dealing with universities. That is my concern.

Q100 Paul Blomfield: I was going to ask much the same question as Ben, so perhaps I could drive that home a bit further. Since you were not an uncontroversial appointment by David Willetts, you have been extremely successful. What do we have to hang on to from that success, in integrating the Office for Fair Access into the office for students?

Professor Les Ebdon: A single focus. I do not have to worry about things other than access and participation. We need to ensure there is independence; that the role is not trammelled by an interfering chief executive or chair of OFS, for example—or indeed, dare I say it here, a Secretary of State or Minister.

You need somebody who is going to be a champion of fair access, keeping it high up on the agenda. One reason we are successful now is because it is recognised as a vitally important aspect of modern society that we build a fairer, more inclusive society. That is all about championing fair access and participation.

The Chair: Thank you very much, ladies and gentlemen, for your evidence.

Examination of Witnesses

Alastair Sim, Dr John Kemp, Dr John Kingman and Professor Jonathan Seckl gave evidence.

4.10 pm

The Chair: Good afternoon. We are now hearing oral evidence from Universities Scotland, the Royal Society of Edinburgh, the Scottish Funding Council and the chair of UK Research and Innovation. Please remember that the acoustics in this room are not good, so you are speaking to both ends of a rather large room, not just the person asking the question. We have limited time, and not every person needs to answer each question.

Dr John Kingman: I am the chair of UK Research and Innovation, which is a body that currently exists in shadow form and will, subject to the Bill's passage, come into existence from April 2018.

Alastair Sim: I am a director of Universities Scotland, the representative organisation for Scotland's university leaders.

Dr John Kemp: I am the interim chief executive of the Scottish Funding Council.

Professor Jonathan Seckl: I am vice-principal at the University of Edinburgh, representing the Royal Society of Edinburgh. When I do not do that, I am a humble hormone doctor.

The Chair: Good. As there is a Scottish theme to this session, I think Roger should ask—*[Interruption.]* Sorry, Carol wants to ask the first question.

Roger Mullin: Ladies first.

Q101 Carol Monaghan: Thank you very much for coming. I know you have come at short notice this afternoon, so we appreciate you taking the time to be here. One of our concerns is that at the moment Scotland's quality assurance in higher education is distinct. We have concerns that that is not being recognised in the TEF. Do you think that Scotland's distinct quality assurance is being considered fully and is there provision for further work to be done on that?

Alastair Sim: It might be helpful if I describe what the sector leadership is thinking about this. We think that the Bill has presented us in Scotland, with the TEF, with what one might describe as a bit of a cleft stick. On the one hand, we are not sure that the TEF is exactly right for Scotland; on the other, there are strong competitive pressures. If institutions are going to get markings for being very high quality in terms of their teaching in England, there is a competitive disadvantage to Scottish institutions in not being part of that. The reasons that we have reservations about TEF is because we think that what we have in Scotland is, in some respects, quite special. It is a very collaborative system, which involves students very much at the heart of assessing whether quality and enhancement is what it should be. It is very enhancement-driven; it is about institutions learning from themselves, from peers and from international panellists on enhancement review panels about how to

make the system better and how to collaborate across the system—for instance, produce graduates that are more employable and respond to that sort of challenge. There is a strong feeling in Scotland that we want to protect the best of what we have, but we also wonder whether, given this competitive pressure, institutions will end up deciding to go into the TEF. We do not know the answer to that yet. Given that that is also a possibility, we are working with the Department for Education to make sure that as the TEF is engineered, it does not have metrics in it that are perverse to Scotland, that sufficient recognition is given to the way things are done in Scotland and that potentially an equivalence is drawn between an evolution of the quality enhancement framework in Scotland and the teaching excellence framework in England.

Dr John Kemp: To be clear, there is no intention to get rid of the Scottish quality system. We will retain a distinctive Scottish quality system. However, we are keen to make sure that the possibility exists, should institutions in Scotland and the Scottish Government wish, for Scottish institutions then to have the TEF. For comparative reasons internationally, and also because a substantial number of students at Scottish universities come from England, that might be valuable; but we have no intention of changing the Scottish quality system and replacing it with the TEF. The TEF would sit alongside, rather than replace it.

Q102 Carol Monaghan: Alastair Sim, you mentioned the potential implications of what Scottish institutions choose to do. Can you expand on that?

Alastair Sim: The essential implication is a competitive one. Everyone is out there to attract the best students and to build the best possible reputation for their institution. If you have institutions in England being able to say, for instance, that they are outstanding in terms of teaching quality and you have an unvariegated system in Scotland where everyone is working on this consensual basis to continually enhance and improve but not compete against each other in a gamed system to get better marks than your neighbour, there is a risk, competitively, that you are not seen to be as high quality as English institutions, even if you believe in the integrity of the Scottish system.

Professor Jonathan Seckl: From an institutional point of view, the metric that TEF will give is obviously sought after—I say that on the day the University of Edinburgh moved up to 19th in the world on the QS rankings, so I am sitting here with a big smile on my face.

The Chair: Yes, we all want to congratulate you.

Professor Jonathan Seckl: It is clearly a badge we would all like. We would be very keen for TEF to recognise the differences in the Scottish system, to recognise the equivalent but different nature of what we do and maybe celebrate that and incorporate the best of the best.

In some ways, the devolved nature of the United Kingdom allows a lot of experiments in how to do things, and it would be good if we could take the very best from what this experiment delivers and incorporate it more widely.

Q103 Carol Monaghan: Do you think there has been enough engagement between the UK Government and the Scottish Government or Scottish higher education institutions in the run-up to the White Paper and then the Bill?

Professor Jonathan Seckl: I cannot comment on what Governments do in terms of their engagement; it is way outside my humble pay grade. I think there is an opportunity going forward for learning and appreciating the best of the two systems, as I said.

Alastair Sim: If I may say, on a clerical note, over the past few weeks the engagement with the Department for Education has been constructive and creative about how the metrics of the TEF might be configured in ways that take account of Scottish interests. I think Scottish institutions are still on the cusp of this decision about whether to go into TEF or to do something, as Professor Seckl says, that is different but equivalent.

The Chair: Well, I think we want to hear from someone from an even more humble pay grade. Matt?

Q104 Matt Warman (Boston and Skegness) (Con): I am not sure how to take that.

As Carol and Valerie will know, part of what the Bill seeks to do is put the Nurse review into effect. Where there is some concern—if there is concern—it is about putting research and innovation together and ensuring that the innovation aspect continues to be complementary but also to work as well as it can. Dr Kingman, can you tell us how you envisage that working in practice and how you will safeguard the innovation aspect in particular?

Dr John Kingman: You are absolutely right about the range of views on this topic, though I think they might be coming together a little bit.

I believe very strongly that we would be better advised to have Innovate UK in the new body. I have been involved in this area over a long period and I think one of the things we have got better at over the years is recognising that the world does not divide starkly between the basic pursuit of pure knowledge and the exciting innovation happening in British companies. Actually, there is an interesting terrain between these two extremes and it is much better filled than it used to be. We are seeing part of that in how Innovate UK has really come on as an organisation and it is doing a lot of interesting work, working with the research councils within that terrain.

I think we would lose something and it would be a step backward if we somehow disconnected Innovate UK. That said, there are very important protections in the Bill that I fully support. It is correct to say Innovate UK has a very different culture and mission and a rather different—for the want of a better phrase—client base than the research councils. I was involved in the creation of the original technology strategy board that preceded Innovate UK. As I said, that organisation has really come on, and my responsibility, if Parliament chooses that it should be, is to nurture that and to build within this mid-terrain as far as we can.

Q105 Matt Warman: Will you give us a sense of what that means in practice in terms of the measures that you approve of in this Bill that you mentioned but were not specific about?

Dr John Kingman: The Bill is very clear that Innovate UK has to focus on the growth of the economy and on business, which obviously involves a distinct set of legal duties from those that apply to the research councils. It is also quite clear that the separate status and standing of Innovate UK as an organisation is permanently protected in the Bill and I welcome that. Frankly, even if these protections were not in the Bill, my approach to the role would certainly be one that—you know, I would like to see Innovate UK come further faster. I will be challenging it to do so in a supportive and constructive way. That simply reflects the approach that I have taken throughout my career with other hats on.

The Chair: Okay, we have a long list: Roger and then Valerie.

Q106 Roger Mullin: As a former student and teacher at Edinburgh University who is pleased to see us doing so well at the moment, I am a bit concerned about some of the institutional architecture. I am sure it was without any malice whatsoever but the first draft of those called to give evidence did not include any representatives from Scotland. Carol and I intervened and we got plenty of co-operation to allow that to happen. My concern is that in some of the institutions proposed in this Bill, I do not see any place for formal representation of the Scottish sector which, as already indicated, has some particularly unique and important features. Do you have a view on that?

Dr John Kemp: Yes, we do. Clearly, because UK Research and Innovation—I presume you are talking about the architecture of UKRI—is UK-wide as regards some of its funding and because a substantial amount of research council funding comes north of the border, we think it is important that Scotland is part of that architecture and that somebody with knowledge of the Scottish research landscape is involved in it. It is also important that in the architecture of UKRI the distinction is drawn between the UK-wide parts and the England-only parts, which mirrors what is called “balanced funding” in the Bill: keeping the idea of a distinction between focused research council funding and wider RAE funding. It is important that the architecture keeps that distinct.

Alastair Sim: If I could pick up on what John Kemp has said, in our paper we suggested some specific ways in which the Bill could be amended that would address these concerns. It would be sensible for UKRI to be a under a general duty to discharge its functions for the benefit of England, Scotland, Wales and Northern Ireland. Membership-wise, yes, the membership should be expertise-based but it should also be based on geographic balance so as to have people with experience from across the UK sitting on UKRI and on the councils within it.

Innovate UK presents a particular issue. As an agency it particularly relates to economic policy and given that there are different economic policies within the devolved jurisdictions, I think it is sensible for UKRI to have regard both to UK Government and to devolved Administration economic policies. Given that the devolved Administrations are themselves major research funders, when UKRI is developing a strategy or a Secretary of State is considering whether to approve a strategy, that should be the subject of consultation with the devolved Administrations.

Research England raises a bit of a special issue. Here we have an institution of England-only funding relevance sitting within a UK-wide UKRI. Culturally, that raises some issues that UKRI will need to address about how to make sure there is no unconscious bias that favours the institutions you work with most closely on a day to day basis through your Research England function. More for the legislation, I think it would be sensible for the whole of the UK for there to be a statutory firewall between the funding of UKRI's UK functions and UKRI's English functions, so that money is not leaching across without parliamentary consent and without devolved administrations being consulted about the UK functions of UKRI and the England-only functions of UKRI.

The Chair: The wind-ups are starting in the main Chamber and I do not want to keep our witnesses waiting through a Division, so perhaps we will carry on until the Division and perhaps we can have some quick questions and answers.

Q107 Valerie Vaz: Dr Kingman, you are obviously quite interested in the science side of things and preserving that. I want to focus on the research element of UKRI and the teaching element given that postgraduates have to do the two. Do you think it will work having it separated like that?

Dr John Kingman: I am very confident about this. In my role so far I have obviously had a great deal to do with colleagues in HEFCE because there are very important links, as you say. All that dialogue has been incredibly constructive and helpful. I think it is quite clear that this whole structure could not be made to work unless these two bodies work hand in glove. I have no doubt whatever about our ability to do that.

Q108 Valerie Vaz: You will know the understanding and definition of dual funding. That definition has slightly changed in the Bill in clause 95, where it is called balanced funding. Do you understand that to mean exactly the same thing as dual funding and preserving dual funding?

Dr John Kingman: Yes, and for what it is worth I have always been a very strong supporter of a dual support system.

Q109 Valerie Vaz: Why do you think there has been a change in wording?

Dr John Kingman: I am afraid I do not think that I am qualified to answer that. It is probably a legal question. *[Laughter.]*

Valerie Vaz: It is not actually funny, because it is not a legal question. This person will be the head of an institution that is going to try to understand what that is, so it is not funny. It is about money going to certain areas of science research. With the greatest respect, you should understand the difference.

Dr John Kingman: What I believe very strongly and what—

Valerie Vaz: You were involved in the White Paper, weren't you? Were you involved in the White Paper?

The Chair: Order. This is not a personal conversation, so let's have an answer for the room.

Valerie Vaz: He is a witness and I am entitled to ask the witness a question.

The Chair: Would you like to answer the question, then?

Dr John Kingman: What I believe very strongly is that it is a huge strength of the UK support system for science that we have both project-specific support within research and institution-specific support. If that were to change, I think it would be a huge step backwards. I intend to preserve it, but even if I did not intend to preserve it, I think the Bill ensures that I have to preserve it.

Q110 Valerie Vaz: I understand your commitment absolutely and appreciate that. My question was why was there a difference in the terminology and do you understand the difference to be the same? Are you convinced that the change of words is going to protect dual funding?

Dr John Kingman: I am absolutely confident of that and that is how I understand it.

Q111 Valerie Vaz: One last question. I know you are a Treasury man. If I was a researcher I would be a bit terrified of this. You hope that the aim is making sure that we invest every pound wisely. Do you believe that is currently not taking place in UK research?

Dr John Kingman: I go back to Paul Nurse's report, which I think sets the agenda for the organisation I have been asked to lead. It does not describe a broken system, but it does describe a system where certain things are lacking. One is strategic prioritisation between disciplines across the system, particularly when it comes to interdisciplinary work, which is becoming ever more important; another is a perspective across the system and an ability to speak for the system. I think the organisation I have been asked to set up is one that needs to be very clearly focused on those specific roles and not, as it were, attempt to throw up in the air the institutional arrangements underneath it which broadly speaking, I think, do an excellent job.

Q112 Dr Blackman-Woods: Do you think the measures in the Bill are sufficient to protect the excellence of research in the UK and enhance it, if that is possible, post-Brexit?

Professor Jonathan Seckl: The concern I have is about the potential for emasculation of the research councils which have served us so well. It has been well aired here I am sure, and it is well aired in the press that the UK is No. 1 pound for pound in delivery of research excellence on the globe. We do this really well. The academic community—the Royal Society of Edinburgh has to reflect that—has concerns about this. There is some reassurance, but it will be interesting to see how it works out.

The research councils are highly trusted by their constituents and it would be terrible to see their ability to drive forward research in their communities being lost. I fully endorse the inter-disciplinary argument—we have enormous opportunities to become more inter-disciplinary, but we must not do that at the expense of losing our existing world-class disciplinary expertise.

Q113 Ben Howlett: There is an elephant in the room, and I am surprised that it has not yet come up. The Sutton Trust report which came out earlier this year—this is more of a question to Mr Sim—it stated that Scottish 18-year-olds from the most advantaged areas are still more than four times more likely to go straight to university than those from the least advantaged areas, compared with 2.4 times more likely in England. First, why do you think that is the case? Secondly, we were talking about experiments earlier on: how long is an experiment that is causing a reverse trend in social mobility going to continue?

Alastair Sim: Before I deal with the substance of that question, I would quickly address the statistical basis. One of the frustrations of my professional life is that there is not a statistical basis for comparing widening access in Scotland and England, because they use different statistical means of calculating who is in a deprived population from which we are drawing. That has been very frustrating, because it does lead to these miscomparisons.

We have had a serious challenge in Scotland from Ruth Silver's commission on widening access which has said, "There are lots and lots of good things going on, but somehow across the school, college and university system they are not adding up to the sort of step change we would want to see in addressing the attainment gap and improving access to higher education." I think that we, as a university leadership community, want to take ownership of pressing things forward. We want to look at how we can make better and greater use of contextual admissions so that people from disadvantaged backgrounds are recognised and are able to get an offer at a potentially lower level that recognises that their exam grades are harder won than those of more privileged people. We want to look at how we can further build articulation routes from college—which are often second chances for people from challenged backgrounds—and we want to look at how bridging programmes can be used to give people from challenged backgrounds an easier transition from school into university, and a wider choice of where they transition into.

Q114 Ben Howlett: So you have identified the problem, and you have come up with what is almost a small tweak to the system. Surely, with a four-times disparity, that requires fundamental change in the system itself?

Dr John Kemp: I do not think we would accept that there is a four-times disparity. As Alistair said, it is quite difficult to compare the figures across the two countries, because of the different ways of doing so—

Ben Howlett: This is not comparing with the UK.

The Chair: Okay, let him answer.

Dr John Kemp: I accept that point. However, we are not talking about tweaks here. The Government in Scotland have set fairly radical targets for improving widening access, which will be backed up by outcome agreements with the universities and a programme of work, some of which might begin to be announced this afternoon. It is far more than tweaks to the system in Scotland to widen access. We recognise that meeting the targets set by the government in Scotland will require substantial work by the sector, by the funding council

and by other sectors, including schools and colleges in Scotland too. It is something that sees a whole-system approach rather than tweaks.

Q115 Mr Marsden: I have a fairly quick question to Mr Kingman. You have talked eloquently about where you want to take UKRI. I am sure that your senior roles in the Treasury will equip you in many ways for that task, but you are going to be doing it at a time when there is going to be a flux between the development of HEFCE and QAA and finally the OFS. As someone said earlier, that may mirror the time it takes us to operate Brexit. How are you going to promote the UK brand, which you need to do, when you have the OFS coming up, which may in decades come to be a sufficient substitute for the Privy Council brand internationally but certainly will not be initially?

Dr John Kingman: I think it is a very fair point, but I would argue that the creation of UKRI means that, for the very first time, there is an organisation whose job is partly to put the case internationally for the extraordinary strength of the UK science and research base. I am in the process of recruiting a chief executive of this organisation, and I believe we will be able to hire an outstanding one, part of whose role will be absolutely focused on that. That is a new role that has never existed historically. This whole architecture was designed in a pre-Brexit world, but as it happens, I think it is very opportune.

Q116 Mr Marsden: Okay. You are optimistic about this, but I have a supplementary. There is a great queasiness—I put it no more strongly than that—in the representations that I and others have had from the research community about the powers that this new Bill will give the OFS, and by implication the Secretary of State, in relation to research councils. Are you queasy about the fact that research councils could be abolished under this Bill, without it having to come to the Floor of the House?

Dr John Kingman: I would certainly say that I cannot imagine it. The Bill provides for circumstances in which Ministers could change the structure of the research councils.

Q117 Mr Marsden: But is that the same as abolishing them?

Dr John Kingman: I cannot imagine circumstances in which Ministers would choose to exercise that power without consulting widely.

Q118 Roger Mullin: Can you confirm, Dr Kemp, in terms of access in Scotland, that over 20% of students entering HE do so through the college sector?

Dr John Kemp: Yes, and the students entering HE in the college sector more or less exactly match the population, in terms of social background.

The Chair: Thank you very much, gentlemen, for some excellent testimony. We are very grateful.

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

4.35 pm

Adjourned till Thursday 8 September at half-past Eleven o'clock.

Written evidence reported to the House

HERB 01 UCL's Vice-Provost (Research)

HERB 02 Professor G.R. Evans, Emeritus Professor
University of Cambridge

HERB 03 Bournemouth University

HERB 04 *Research

HERB 05 Royal Society of Chemistry

HERB 06 Universities UK

HERB 07 Association of Colleges

HERB 08 National Union of Students

HERB 09 University of Nottingham

HERB 10 UCAS

HERB 11 GuildHE

HERB 12 Association of Medical Research Charities

HERB 13 Open University

HERB 14 Professor Les Ebdon, Director of Fair Access
to Higher Education, The Office for Fair Access

HERB 15 MillionPlus

HERB 16 MillionPlus (further submission of key questions)

HERB 17 University of Cambridge

HERB 18 The Russell Group

HERB 19 Universities Scotland

HERB 20 Quality Assurance Agency for Higher Education

HERB 21 University Alliance

HERB 22 This individual wishes to remain anonymous

HERB 23 Estelle Clarke, Solicitor

HERB 24 GSM London