



Defining the changing HE landscape

Implications of emerging government policy for
institutions 2012 and beyond

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Key drivers

- supporting economic recovery and growth
- building education and research partnerships in the faster growing economies
- preparing graduates with a 'global' outlook
- maintaining a rich diversity of higher education institutions
- focusing research efforts

... institutional autonomy remains the key to success.

Building on strong foundations

- a large and largely successful sector
- success based on diversity and autonomy of institutions
- major contributions to economic, social and cultural development – £59 billion in output to economy and creation of over 300,000 full time jobs
- strong innovation economy – UK universities delivered £3 billion in services to business and industry in 2010-11
- high levels of demand - just over 2 million students at English HEIs (home, EU and international)
- universities and HE colleges with strong cash balances and healthy reserves

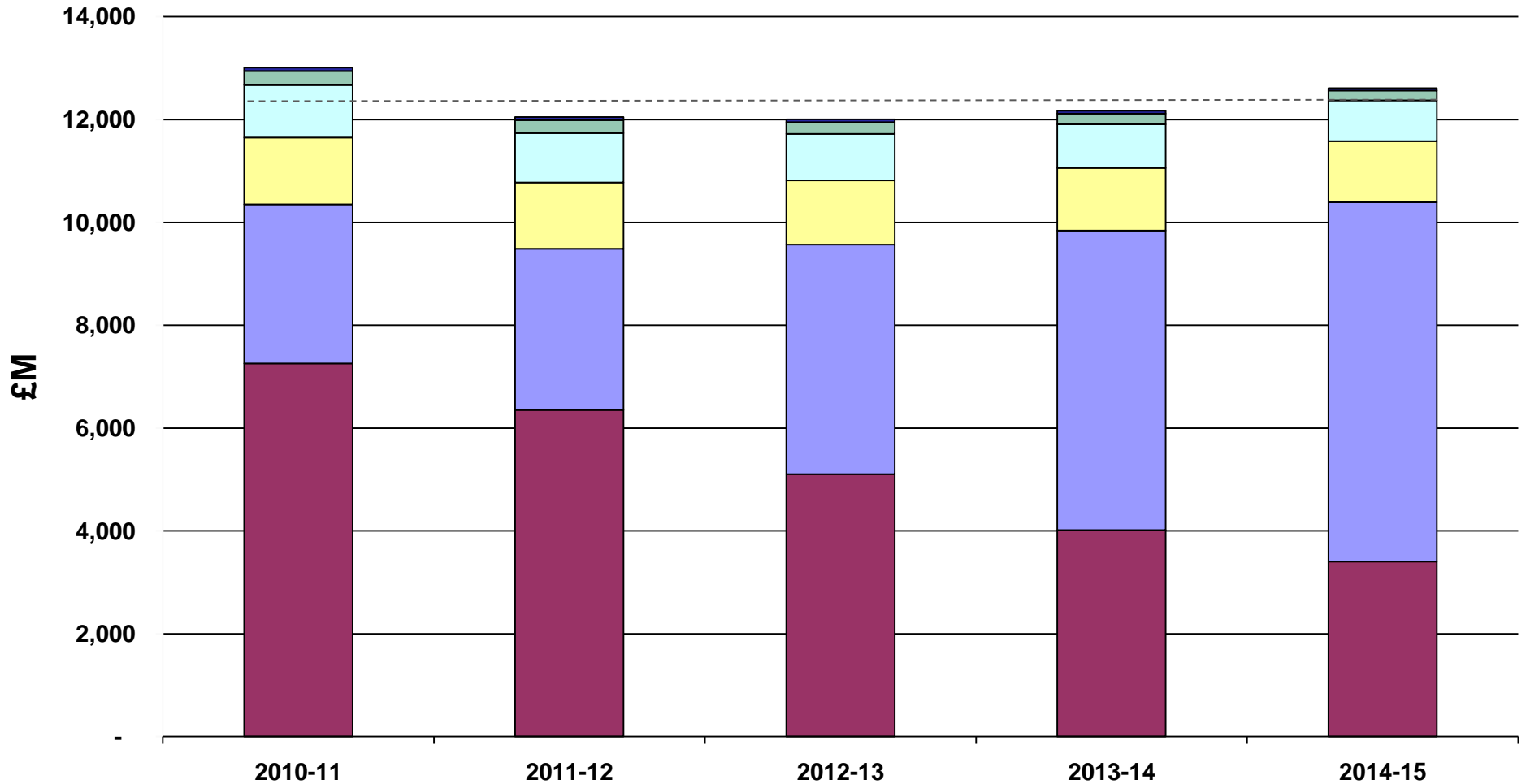
Changing for the future

- system change
 - *a new paradigm for higher education funding including new student number control; a single, unified regulatory framework*
- legislative change
 - *increased fee cap; new interest rate; a rework of the 1992 Act*
- organisational change
 - *rapid adjustment of universities and colleges to ‘new world’ and clarity on future role of key higher education bodies including greater integration and partnership working*
- *Putting the student at the centre...*

Key elements of HE reform

- increase in graduate contributions supported by government loans - offset by reduction in HEFCE grant from 2012-13
- a maximum graduate contribution of £6-9k
- single, simplified system of grants and maintenance loans, with increased support for students from lower socio-economic backgrounds
- expansion of 'free at point of entry' system to include PT students
- raised repayment threshold to £21k
- institutional student number controls to remain in place (for now)
- emphasis on information for students

Illustrative income 2010-11 to 2014-15



All years expressed in 2010-11 prices.
Excludes postgraduate income, overseas students and non RC/QR research income and expenditure on bursaries.

Academic years

- FE in HE
- NHS
- FT+ PT undergraduate fees
- TDA
- Research Councils
- HEFCE

White Paper

A fairer, better and more sustainable HE system

- HE that is more responsive to student choice
- Putting higher education on a sustainable footing
- Delivering a better student experience
- Encouraging institutions to take more responsibility for increasing social mobility

White Paper

Key focus:

- Undergraduate Teaching
- A new regulatory framework for HE
- Proposals for Dynamism
 - High Grade, Core/Margin
 - Implications for number controls

New challenges

- making sense of government policy
- controlling student finance budget whilst facilitating greater market dynamism in the sector
- degree and nature of the regulatory regime
- quality vs price/cost
- managing supply-side reform including entry of new providers
- establishing a 'level playing field' – including a unified set of accountability and regulatory requirements for all providers
- mitigating against unintended consequences e.g. impact on part-time, postgraduate economy and overseas market

New regulatory framework

Key characteristics:

- protect interests of students and wider public
- continued respect for institutional autonomy
- ensure oversight of the requirements to enter and operate in higher education in England – including issues of quality, fair access and financial sustainability, University title, degree awarding powers
- move towards less not more regulation for the majority of HE providers but with necessary powers to resolve issues resolutely as they arise
- development of a regulatory partnership with national HE providers, Government and other funders to consult on details this summer

The challenges ahead

- substantial reductions in public funding for teaching in HE
- continued need to control student numbers
- end of the Aimhigher programme
- higher fees vs debt aversion
- shift in focus to issues of fair access
- targets

Key activities next six months

- OFFA assessment of access/outreach proposals (ongoing to July)
- HEFCE consultation on post-2012 teaching funding – transition, new funding, student finance controls (June and autumn)
- development of new regulatory approach (from White Paper)
- Key Information for Students proposals (July)
- beginning of 2012 admissions cycle (from autumn)



Thank you for listening

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