



The All-Party Parliamentary
University Group

16 November 2016

Agenda

The subject of the meeting of the **All-Party Parliamentary University Group** is the **Higher Education and Research Bill**.

6.00pm **Roberta Blackman-Woods MP**, Chair of the All-Party Parliamentary University Group, welcome and introductions.

6.05pm **Professor Andrew Wathey**, Vice-Chancellor, Northumbria University

c6.15pm **Jo Johnson MP**, Minister for Universities and Science

c6.25pm **Gordon Marsden MP**, Shadow Minister for Higher and Further Education

c6.35pm Questions, comments, and discussion with university leaders, MPs and Peers.

7.30pm Speaker meeting concludes.

Speaker biographies

Professor Andrew Wathey

Professor Andrew Wathey became Vice-Chancellor and Chief Executive of Northumbria University in September 2008. Previously, he was Senior Vice-Principal at Royal Holloway, University of London, from 2006, and Vice-Principal from 2003.

Professor Wathey has served on a number of national bodies and committees. He chairs the Student Loans Company Stakeholder Forum, and the UK Standing Committee, and is a Board member of the Leadership Foundation for

Higher Education, and of the Quality Assurance Agency, and is a member of the Council of the All Party Parliamentary Universities Group. He has chaired the North East regional higher education association Universities for the North East, and was Deputy Chair of the University Alliance 2009-12.

Regionally, he is an elected Member of the CBI Regional Council, and a Governor of Newcastle Hospitals NHS Foundation Trust. He also serves on the Boards of the BAL-TIC Centre for Contemporary Arts and the NewcastleGateshead Initiative. Professor Wathey was appointed a Commander of the Order of the British Empire (CBE) in the New Year 2016 Honours List, for services to Higher Education.



Jo Johnson MP

Jo Johnson was elected as the Member of Parliament for Orpington in May 2010. He is currently the Minister of State for Universities, Science, Research and Innovation and was previously the Head of the Prime Minister's Policy Unit in No 10.

Prior to his election in 2010, he was Associate Editor of the Financial Times and Head of Lex, the newspaper's agenda-setting daily business and financial column. His principal areas of interest were the UK and global economy, business and finance. His regional specialisms relate to India and France, the countries in which he lived and worked during successive four-year foreign postings for the Financial Times between 2001-2008.

Gordon Marsden MP

Gordon Marsden MP was elected as the first Labour Member of Parliament for Blackpool South in 1997. He was educated at Oxford University, University of London and Harvard. Prior to his election, he was the Editor of History Today magazine.



As a Member of Parliament Gordon previously was Labour Shadow Minister for Regional Growth, chair of Parliament's All Party Education and Skills Committee, and a former member of Education and Business and Skills Select Committees. He is currently the Shadow Minister for Higher Education, Further Education and Skills.'

Briefing: The Higher Education and Research Bill

Prepared for members of the All-Party Parliamentary University Group

This is not an official publication of the House of Commons or the House of Lords. It has not been approved by either House or its committees. All-Party Groups are informal groups of Members of both Houses with a common interest in particular issues.

This briefing document has been produced by the Royal Society and Universities UK which provides the Secretariat for the University APPG.

The Higher Education and Research Bill

The Higher Education and Research Bill fundamentally reforms the regulatory architecture of higher education in England, and the government's research agencies that operate across the UK. The last time such comprehensive reforms were introduced was through the Further and Higher Education Act 1992. Accompanying the Bill is the White Paper, 'Higher education: success as a knowledge economy'.

The UK's higher education sector is a national success story, attracting students and researchers from around the world. Universities are also operating in an increasingly competitive environment and as such are responsive to the needs of students and employers. 86% of students studying in the UK are satisfied with their course and we outperform our international competitors in 15 out of 23 international student barometer benchmarks.

Key reforms proposed by the Bill

The principal reforms legislated for in the Bill include:

- reducing the number of arm's-length bodies, from 10 to two:
 - the Office for Students: merging the Office for Fair Access with the learning and teaching functions of the Higher Education Funding Council for England
 - UK Research and Innovation: bringing together the seven research councils, Innovate UK, and the current research functions of the Higher Education Funding Council for England in a committee of UK Research and Innovation, to be called Research England
- establishing the Teaching Excellence Framework, which will assess institutions on the quality of their teaching, and provide for a link between performance in this assessment and the fee cap which applies to the institution
- allowing the secretary of state to limit those institutions which can increase tuition fees in line with inflation to those that can demonstrate high-quality teaching, based on performance in the Teaching Excellence Framework
- giving the Office for Students significant power over granting and revoking degree awarding powers, allowing for the possibility of 'probationary' degree awarding powers and a quicker route to gaining university title requiring all

providers to have protection plans in place setting out how students would be supported in the event of course or university closure

- placing a requirement on universities and admissions bodies to publish data related to admissions and course completion rates

Entry to the market for new higher education providers

The Bill gives the newly-created Office for Students (OfS) the ability to give institutions degree awarding powers (DAPs). This power currently sits with the Privy Council, which acts on the basis of guidance and criteria set out by the Department for Education (DfE), with advice from the Quality Assurance Agency. In using these powers, the OfS will also act according to guidance from the appropriate government department.

The government has made clear in the White Paper that the criteria for institutions wishing to be granted DAPs will be less restrictive than they are at present. The current criteria involve a requirement for a track record in delivering higher education (normally through a validation arrangement with another institution which has its own DAPs). Currently, institutions are required to have delivered higher education for a period of at least four consecutive years before they can be given the power to award their own degrees.

The White Paper also outlines plans for institutions to be given probationary degree awarding powers through which they could award degrees on a probationary basis for a period of three years with no track record in delivering higher education.

The requirement in the Bill for institutions to put in place a Student Protection Plan should give additional assurances to students that their interests will be protected should institutions or courses close.

The Bill also transfers powers to award the use of university title (the ability for an institution to call itself a university) to the OfS.

Powers of the Office for Students and the secretary of state

The Bill grants the OfS the power to make use of a range of sanctions against institutions, some with no formal means of independent appeal. The sanctions available to the OfS include fines, removal from the formal register of higher education provid-

ers, and removal or suspension of the ability to award degrees or university title – including from institutions awarded university title or DAPs through specific Royal Charters or Acts of Parliament.

The Bill also allows for the secretary of state to ‘frame’ the guidance given to the OfS ‘by reference to particular courses’.

Teaching Excellence Framework and tuition fees

The Bill provides the legislative framework for the government to introduce the Teaching Excellence Framework (TEF) that is outlined in its White Paper. The TEF will be an assessment of the quality of institutions’ teaching (with the intention of assessments at course level in the future), which will be made available both to inform students and to have a role in determining the fee cap which applies to individual institutions.

Social mobility

One of the key priorities for the government is to widen participation in higher education. The OfS will have new powers to require institutions to provide data on a number of measures relating to admissions and the retention of students – including from UCAS.

The new OfS retains the power currently held by the Office for Fair Access to require universities to submit and adhere to specific plans in relation to access and participation if they are to charge fees above the ‘basic rate’ (currently £6,000 per year).

Research and innovation agencies

The Bill allows for the reforms of the government agencies which fund and support research in the UK, many of which reflect the recommendations of the Nurse Review published in November 2015. The various existing research councils and Innovate UK will be brought together as ‘autonomous councils’ of one body: UK Research and Innovation (UKRI). These councils will, as at present, operate across the UK as a whole.

Also within UKRI will be an autonomous Research England, which will have responsibility for funding research in higher education institutions in England. This stream of funding will reflect that currently dispersed by HEFCE through the quality-related (QR) funding stream. This is funding that is granted on the basis of research excellence, rather than to fund a particular named research project. This type of funding

plays an important role in underpinning the sector as a whole, allowing for investment in interdisciplinary and experimental research, and for institutions to establish research centres and projects in new areas.

The Bill allows the minister to change or alter the committee/council line-up through regulation, with the exception of Innovate UK and Research England, which have additional protections.

The Bill provides for cooperation and information sharing between UKRI and the OfS and the White Paper states that there will be close working between the two bodies.

Devolution

Devolution impacts the Bill and its policy objectives in ways that are likely to be complex and will require further discussion and scrutiny. The sector is made up of institutions with functions split across devolved and non-devolved policy areas. Scottish, Welsh and Northern Irish institutions may choose (whether en masse or individually) to 'opt in' to the TEF, and HEFCE currently operates elements of the Research Excellence Framework process on behalf of the funding councils in all four nations.

The OfS and UKRI to have the ability to enter discussions with the relevant funding bodies in the devolved nations and to perform functions on a UK-wide basis when this is agreed.

A summary of the proposals for UK research within the Higher Education and Research Bill

This document provides a summary and illustration of the proposed changes to UK research, based on the available information within the Higher Education and Research Bill and White Paper *Success as a Knowledge Economy*. The National Academies have produced this to support parliamentary scrutiny of the Bill to ensure the best outcomes for research.

Background

In 2014, the Coalition government published a UK science and innovation strategy. In this they commissioned two reviews – one by Sir Paul Nurse on how the research councils can support research most effectively, and one by Dame Ann Dowling of business-university research collaborations. The Dowling review was published in July 2015.

After the general election, the Conservative government consulted on proposals for the future of research, higher education and innovation, including a Teaching Excellence Framework and making changes to the UK's research landscape in a Green Paper *Fulfilling our Potential* in November 2015. The Nurse review of Research Councils was published shortly afterwards in November 2015.

In the 2015 Autumn Statement, the government announced that it would be taking forward the recommendations of the Nurse review. Government also announced that it would look to integrate Innovate UK in the new body proposed by Nurse. This announcement was followed by a government consultation on the proposal in February 2016.

On 16 May, the government published a White Paper on higher education, *Success as a Knowledge Economy* confirming plans to improve teaching quality and changes to the structures that govern and fund research and innovation in the UK including:

- Introducing a Teaching Excellence Framework (TEF) to link funding to the quality of teaching in universities.
- Creating a new market regulator of higher and further education and alternative providers, the 'Office for Students', in place of the Higher Education Funding Council for England (HEFCE), and creating a research and innovation funding body, UK Research and Innovation (UKRI).
 - UKRI will incorporate the functions of nine Councils, each led by an Executive Chair and with delegated autonomy and authority.
 - Seven of the Councils will reflect the functions of the existing Research Councils, one will reflect the functions of Innovate UK and one, Research England, the research funding and knowledge exchange functions that are currently performed by HEFCE.
 - The UKRI board will have responsibility for overall strategic direction, cross-cutting decision making and advising the Secretary of State on the balance of funding between research disciplines.
- The paper restated the government's commitment to the Haldane Principle, and its intention to put in place legislative protection for the dual support system in England.

John Kingman has been appointed as interim Chair of UKRI. He will both set up the new organisation in shadow form and lead the search for a CEO. He was previously Second Permanent Secretary to the HM Treasury.

On 19 May, the Government introduced the Higher Education and Research Bill to the Commons that includes primary legislation intended to make these changes.

Following the EU referendum, Jo Johnson confirmed in a speech on Thursday 30 June that the government will continue to take forward the Higher Education and Research Bill. He also highlighted the role of UKRI going forward:

“I have no doubt that the formation of UKRI will provide indispensable support to our research and innovation leadership during this period of change in our relationship with the European Union. Now, more than ever, as these communities face new challenges, we need a strong and unified voice to represent your interests across government, across Europe and around the world.”

Key concepts

UK research and dual support

The UK has a dual support system for research where much public funding flows through two complementary streams, one of which supports specific research projects and the other provides general funding for higher education institutions. Currently, the former is disbursed by the 7 Research Councils and the latter through HEFCE and its devolved counterparts: the Scottish Funding Council (SFC), Higher Education Funding Council for Wales (HEFCW) and the Department for the Economy in Northern Ireland (DfE NI).

The proposed reforms would bring the 7 Research Councils and the England only research funding functions of HEFCE, in the form of Research England, into one umbrella body, UKRI, that also incorporates Innovate UK. SFC, HEFCW and DfE NI would remain the same, sitting outside UKRI.

It is intended that as part of the proposed integration of Innovate UK into UKRI, Innovate UK will retain its distinctive business focus and separate funding scheme.

The Haldane Principle

The Higher Education and Research White Paper commits the Government to enshrining in legislation the Haldane Principle. The principle means that decisions on individual research proposals are best taken by researchers themselves through peer review by committees of experts. Ministers provide overall strategic direction for funding, while experts identify exactly which research proposals should be supported as those at the cutting edge of their field are best placed to make such technical decisions.

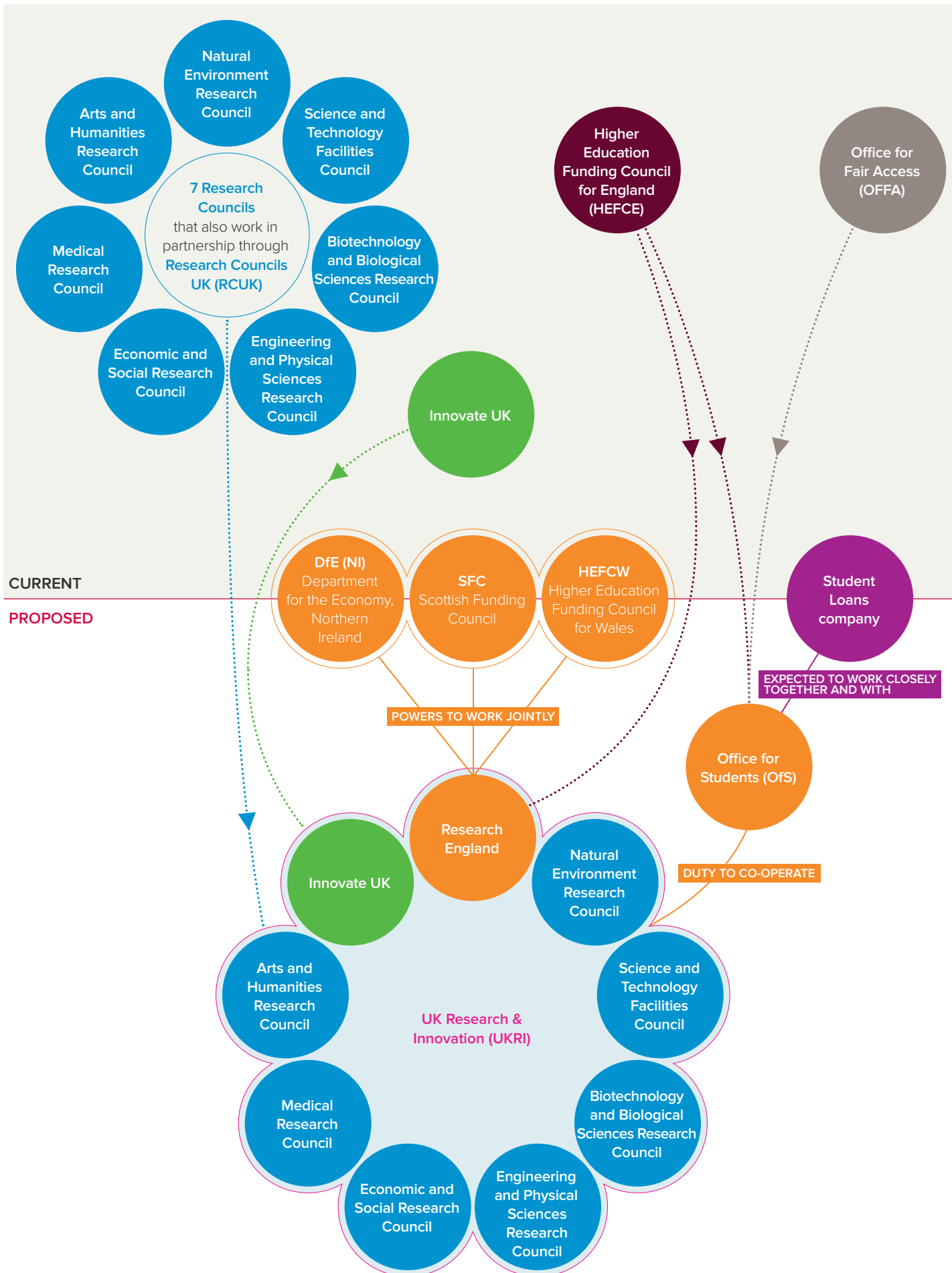
New providers

At present the process for creating a new higher education institution from scratch is lengthy. Degree awarding powers currently take at least six years to obtain, with courses initially needing to be validated by an existing higher education provider. The government is proposing a risk-based system where the OfS can grant provisional degree awarding powers as soon as they are satisfied that the conditions of being an approved provider are met. A new provider could be granted full awarding powers once they have a 3 year track record. The government is also proposing to make it easier for an institution to achieve a university title.

Teaching Excellence Framework (TEF)

The government's proposed TEF is intended to encourage higher education institutions to raise standards in their teaching. TEF panels will assess institutions based on common metrics including student satisfaction and additional evidence provided by the institutions. The exact details are currently being consulted on. Institutions will be awarded a TEF level and will be able to raise their fees by RPI inflation or a proportion of it. A TEF award will last three years, with a history-blind model in place where institutions' fee levels can rise to the new top level or fall back to £9,000 depending on the level awarded.

UK higher education, research and innovation current and prospective landscape



Innovate UK

Function Business-facing public support for innovation including the Catapult network

Governance Chief Executive, non-Executive Chair, Governing Board

Remit UK-wide

7 Research Councils

Function Support excellent research that has an impact on the growth, prosperity and wellbeing of the UK

Governance Chief Executive, Chair, Council

Remit UK-wide

Research Councils UK (RCUK)

Function Optimise the ways that Research Councils work together to deliver their goals. It is not a separate legal entity

Governance RCUK Strategic Executive led by the Research Council Chief Executives

Remit UK-wide

Higher Education Funding Council for England (HEFCE)

Function Funding and regulation of higher education in England, including capital and grant funding, Higher Education Innovation Fund (HEIF), knowledge exchange, and quality assurance. Also works with devolved funding councils on the Research Excellence Framework (REF)

Governance Chair, Chief Executive, Board

Remit England-only

Office for Fair Access (OFFA)

Function Independent body regulating fair access to higher education and widening participation in England

Governance Director of Fair Access to Higher Education and Advisory Group

Remit England-only

HEFCW, SFC, DfE (NI)

Function Responsible for funding and regulation of higher education in Wales, Scotland and Northern Ireland respectively

Governance Varies between organisations. Their structure and function would be unchanged by the proposals

Remit Wales, Scotland and Northern Ireland respectively

UK Research & Innovation (UKRI)

Function Single research and innovation funding body including 9 Councils: the 7 Research Councils, Innovate UK and Research England

Governance Board (CEO, CFO, Chair, 9 – 12 representatives of academia and industry). Each Council headed by an Executive Chair with 5 – 9 ordinary Council Members

Remit UK-wide (with exception of Research England)

Innovate UK (a Council of UKRI)

Function Business-facing public support for innovation including the Catapult network.

Governance Executive Chair with 5 – 9 ordinary Council Members.

Remit UK-wide.

7 Research Councils (Councils of UKRI)

Function Support excellent research that has an impact on the growth, prosperity and wellbeing of the UK

Governance Executive Chair with 5 – 9 ordinary Council Members

Research England (a Council of UKRI)

Function Takes over the England-only funding of research and knowledge exchange formerly performed by HEFCE (working with OfS on HEIF). Also works with devolved funding councils on the Research Excellence Framework (REF)

Governance Executive Chair with 5 – 9 ordinary Council Members

Remit England-only

Office for Students (OfS)

Function Single market regulator of higher education providers including new entrants, Teaching Excellence Framework (TEF), allocating teaching grants, fair access and widening participation in England

Governance Board (Chief Executive, Chair, non-Executive Board Members)

Remit England-only

This map provides a high-level overview of the changes proposed to government support for research and innovation in the 2016 Higher Education Research White Paper and Bill. Many of the details of the current structures have not been included for clarity. The proposed changes are based exclusively on the White Paper and Bill, and many further details remain to be determined by Parliamentary and other processes. Other governmental sources of support for science and innovation, being largely unaffected by the Bill, have not been included.

About the Academies

The Academy of Medical Sciences, the British Academy, the Royal Academy of Engineering and the Royal Society are working together to highlight the value of research and innovation to the UK, and to support researchers, industry and policy makers to make the UK the location of choice for world class research, development and innovation. We are working with our research communities to maximize the value of research funding and to support the translation of knowledge into benefits for individuals and society at large.

For further information

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The All-Party Parliamentary **University Group**

Future meetings

Tuesday 6 December 2016

The impact of social media on the mental health of staff and students

8.30-10am, Dining Room B

For more information about the group please email appug@universitiesuk.ac.uk or visit www.universityappg.co.uk