

# Working Paper 6

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Key informants' views of higher education  
in the rest of the UK and the Republic of Ireland

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## Key Points

This paper presents the views of 18 individuals from universities and university-related organisations in the rest of the UK and the Republic of Ireland, and complements [working paper 5](#), which deals with Scottish key informants. Interviewees commented on core values of higher education in the UK, policy and drivers, fees and funding, cross-border flows, social justice and future developments. Key points included the following:

### *Defining features and core values*

- Diversity and institutional autonomy were considered key features of UK higher education, particularly in England.
- Respondents noted the growing impact of marketisation and competition in English higher education. Some believed that Scotland and Wales placed greater emphasis on higher education as a public, and not just a private, good.
- Welsh respondents noted a stronger commitment to social justice in Wales and Scotland than in England.
- In Northern Ireland a commitment to the local and the business community were considered core values and Republic of Ireland was seen as dominated by human capital values.

### *Policy and drivers*

- Funding, sustainability and social mobility were seen as key drivers and student choice was highlighted in England.
- Across the UK, there was a strong focus on producing high quality research. In Wales this had prompted a restructuring of the university sector and in Northern Ireland it had led to recruitment of international staff and students.
- In the Republic of Ireland, human capital development was noted as a strong driver.
- The Russell group was seen as the most influential interest group and one that was listened to by the government. HEFCE, OFFA and NUS (England) were seen as less influential. In Wales, Northern Ireland, Scotland and the Republic of Ireland the relationship between universities and the government and politicians was seen as much closer than in England. The Scottish NUS was considered highly influential and close to the government.
- International bodies and the Bologna process were thought to have little influence on UK higher education although EU research funding was of importance. The EU was considered an important influence in Northern Ireland and the OECD in the Republic of Ireland.

### *Funding and fees*

- Fees were considered beneficial in that they made students think more carefully about choosing where and what to study as well as providing funding for institutions. However, the current level was felt to be too high.
- Deferred fees and a student loan were seen as essential to promote social inclusion.
- The current loan system was described by many as inherently unstable due to anticipated low levels of repayment. It also led to continuing state subsidy and costs to the taxpayer which

tended to benefit the middle classes to a greater extent than those from lower socioeconomic backgrounds.

- There were concerns about the different funding regimes that had occurred as a result of devolution in terms of fairness, though some felt this was an inevitable consequence of devolution.

### *Cross border flows of students*

- Enabling students to move across borders to study was considered beneficial.
- Of the four home nations, Wales has the highest proportion of students leaving their home country to study (38% compared with 5% of Scottish students). Fee structures have impacted on flows across the border between Northern Ireland and the Republic of Ireland but there is little evidence of change in the proportion of Scottish students studying elsewhere or in the proportion of students coming to Scotland from the rest of the UK.

### *Social justice*

- All respondents thought that there had been some progress on widening access but that it had been very slow, especially to the more selective institutions. There was concern among some of the respondents that the current Coalition government was less interested in widening participation.
- There was agreement that widening participation measures had had some but fairly limited impact and that, in England, OFFA had some effect through its access agreements.
- It was noted that the bursaries (non-repayable) for students in England were better than what was available in Scotland but that there was considerable institutional variation in England. The use of fee waivers as one form of support in England was questioned by one of the respondents. The Welsh provision of student support was similar to that in England and provided better support than the Scottish bursaries.
- There had been a number of measures to promote widening participation, especially in Wales but respondents noted lack of systematic evidence to evaluate the initiatives.
- Several respondents raised issues relating to the need to deal with the school system to improve widening participation rates. Both of the Welsh respondents also felt that there was a lack of funding for other aspects of further education and vocational training.

### *International students and postgraduate students*

- All respondents noted the benefits of cultural diversity that international students brought to institutions. Many were concerned about the student experience for this group of students as well as the overdependence in some institutions on the income from international students. UKBA immigration rules were seen as problematic for international student recruitment.
- UK graduates were considered unlikely to continue into postgraduate studies due to the level of debt they would accrue as undergraduates. It was suggested that institutions needed to become more flexible in terms of part-time study and to ensure fees were affordable.

### *Policy futures and systemic stability*

- Most but not all respondents thought that shared services could be retained but this would depend on complex and difficult negotiations.

- The majority of respondents felt that the current funding of higher education was unstable and the loan system was problematic. They suggested that changes would need to be made in the future but these would depend on the outcome of the general election. The English funding system was considered unsustainable because of problems with the repayment of student loans. Institutional funding was likely to become an issue for Scotland and Wales.
- It was unlikely that some of the most prestigious institutions would choose to become private universities as that would impact considerably on their access to government research funding.
- The Welsh respondents felt that the impact of further devolution in Scotland would be mixed and the Irish respondent noted that independence might not lead to major changes. The Northern Irish respondent felt that Scottish independence would have a considerable impact due to past historical ties.

## Introduction

This working paper begins with a brief overview of current higher education policy in the four home nations, followed by a discussion of research methods. Subsequently, we present key informants' views of policy developments in England, Wales, Northern Ireland and the Republic of Ireland.

### *Policy overview*

Higher education policy was similar across the UK until administrative devolution in 1992 and parliamentary devolution in 1998. Gallacher and Raffe ([2012](#)) provide an overview of changes from 1999 onwards when the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly took over powers relating to education and training. One area of divergence between the four UK jurisdictions is in relation to undergraduate tuition fees and student support. Prior to devolution, the Labour government introduced tuition fees in 1997 of £1,000 payable upfront. These fees were implemented in 1998 across the whole of the UK, with exemptions and reductions for low income students. Post devolution, the Scottish Executive abolished fees and established the graduate endowment. Under this system, graduates had to commence repayment of the sum of £2,000 once their earnings reached a threshold of £10,000 a year. Northern Ireland and Wales continued with the same fee arrangements as those in England.

There were further changes in England and Northern Ireland in 2005, when fees were increased to £3,000. Support for students from poorer families was enhanced to ensure these changes did not adversely affect those from low income groups. The Office for Fair Access (OFFA) was set up in England to ensure that institutions developed measures to include students from non-traditional groups. In Wales the same level of fees was introduced a year later. The payment of fees could be deferred until after graduation and graduates were only required to start repayments when they earned more than £15,000. Tuition remained free in Scotland and the graduate endowment was abolished for students graduating after 2007.

The next major change to tuition fees came after the publication of the Browne Review in 2010 ([www.independent.gov.uk/browne-report](http://www.independent.gov.uk/browne-report)). It recommended a number of changes to higher education including an increase in undergraduate tuition fees. The UK government decided to increase fees, with a cap set at £9,000. Institutions charging more than £6,000 were required to put measures in place to support low income students. The Browne review recommended that tuition fees should be supported by a student loan, repayments should be 'affordable' and not start until graduates were earning £21,000. These recommendations were accepted by the UK government and new tuition fees and loan arrangements began in England in 2012. The responses across the other jurisdictions to this change varied. Scotland continued to have no tuition fees for Scottish domiciled students but universities were allowed to charge students from the rest of the UK up to £9,000 per year. In Wales, the Assembly continued charging Welsh domiciled students the lower tuition fee which had risen to £3,685 by 2014. Universities were allowed to charge up to £9,000 but any difference between the fee and £9,000 is covered by a tuition fee grant which Welsh domiciled student get irrespective of whether they study in Wales or elsewhere in the UK. In Northern Ireland a similar arrangement exists but students only get the tuition fee grant if they study at a Northern Irish university. Each jurisdiction provides student support at varying levels (see [appendix](#) for further details) with the most generous support for low income students in Wales and the least generous in Scotland.

Since devolution, there has also been policy divergence in the four jurisdictions in relation to widening access and research support. Although the initiatives for widening access are specific to

each jurisdiction, the goals are similar. In all four jurisdictions, universities strive to produce high quality research and compete for research funding and highly qualified staff. The UK wide research councils operate across the four countries. Universities also use a number of shared services such as the Universities and Colleges Admissions Service (UCAS) and the Quality Assurance Agency (QAA).

### Methods

Semi-structured interviews were conducted with a total of 18 key informants. We sought to include respondents who were experts in higher education either because they were involved in research in this area or because they had served on committees relating to higher education policy. In addition, we wanted representation from a range of different types of university. The Republic of Ireland was also included because we were interested in cross-border flows between the two jurisdictions. Interviewees were generally located in the older pre-92 institutions. Because of the small sample size, the findings should not be seen as representative of views across the sector. Rather, they provide a snapshot of expert views relating to current issues in higher education in the UK and the Republic of Ireland. Table 1 provides an overview of participants.

**Table 1: Overview of KI participants**

	University senior academic		University senior manager		University lobby groups	HE related organisations	Total
	<i>Pre-92</i>	<i>Post-92</i>	<i>Pre-92</i>	<i>Post-92</i>			
England	2	1	1	2	2	6	14
Wales	2						2
Northern Ireland			1				1
The Republic of Ireland	1						1
<b>Total</b>							<b>18</b>

Each interviewee was contacted personally (or through their personal assistant) and interviews were conducted mainly by telephone. All were interviewed individually except for two interviewees from the same organisation, who were interviewed together, since they provided insights into different aspects of the organisation's work. The interviews were recorded and transcribed; each interview lasted between 40 minutes and 1 hour and 20 minutes. On request, the transcripts were returned to interviewees to check for accuracy. The main areas explored in the interviews were: defining features and core values of higher education; student funding; cross border flows of student; higher education and social justice; international and postgraduate students; policy futures and systemic stability. Interviewees were asked to focus initially on their own jurisdiction and then its relationship with the rest of the UK.



## Findings

The findings are presented following the main themes of the interviews, starting with core values of higher education.

### *Defining features and core values of higher education in the UK and the Republic of Ireland*

Participants were asked what they considered were the core values of higher education in their jurisdiction and whether there were differences between their jurisdiction and other parts of the UK.

### *Higher education as a market?*

Interviewees commented on the growth of marketisation. One academic, from a post-92 institution, felt that there was evidence of 'cut throat' competition for students and research funding. Others believed that a fully-fledged market had yet to emerge, but there was movement in that direction:

*I think ...there are the beginnings of a market in the sense that there is a definite movement, you can see it ... So I think that students are making quite cute judgements and tough judgements about whether a degree is worth the candle. (Senior manager 2, pre-92 university, England, KI 34)*

The cap on student numbers was also noted as an indication of ongoing government control rather than the operation of a market (although it was announced in December 2013 that the cap on student numbers in England was to be lifted by 2016). One academic was adamant that government policy had not produced a market as there was little price differentiation, although this had been the intention of the Browne reforms:

*It certainly hasn't produced a market in terms of price because most institutions charge at the top ... So actually, again that goes back to the differentiation thing. In this sort of pursuit for a market, the government naively felt that this would produce greater differentiation, segmentation of the market. Actually it has produced probably the reverse effect. (Senior academic 2, pre-92 university, England, KI 29)*

The use of student choice as the driver of the HE market in England was also noted:

*... using student choice as a driver for change and accountability is much more central to this government [Westminster] than to previous governments. ... it's never market forces ... it's cleverer than that. It's not just market forces because it's not a market. It's the student choice driving one end and then you've got strategic planning choices at the other. So, you look at the way Scotland do it with outcome agreements, those are driven by the government. That doesn't happen here. We don't have outcome agreements. We have students deciding where to go and the money follows the students and we've got research, we have the REF with the accountability on performance. But in Wales you have the drive towards reconfiguration which is mergers, alliances. In England the chips fall the way they fall and that's the way it is. It may be towards mergers and collaborations but it could also be towards more fragmentation and smaller units. (Spokesperson, HE related organisation, England, KI 43)*

Respondents from Wales, Northern Ireland and the Republic of Ireland believed that

marketisation had progressed further in England than in other parts of the British Isles.

### *Diversity and/or commonality*

The diversity and heterogeneity of the English higher education system was identified by a number of respondents as a central feature of the system and this made it difficult to generalise about all institutions:

*It's very diverse ... a lot of that is to do with their history ... something with roots and roots in the community and roots in the subject and its own entity ... all the main traditional providers are publicly funded and charities. (Spokesperson HE related organisation, England, KI 43)*

In contrast, some respondents felt that there were common values that united the higher education sector, not just in England, but across the UK.

*I think they have more in common, the universities, than [differences] because of the common heritage. I think it goes far beyond and shapes the DNA of the institutions [so that] current political developments really only touch the surface. So [they have] absolute commitment to teaching, research and scholarship and community engagement. (Spokesperson, HE related organisation, England, KI 27)*

And

*It [HE] cleaves to an enlightenment perspective of society ... it likes ideas, it values discourse, it looks to learning, and teaching, and research as goals in themselves but also as pathways for success in its broader sense. (Spokesperson 1, HE related organisation, England, KI 37)*

The Welsh respondents spoke of considerable recent changes in higher education due to restructuring and mergers of institutions. Traditionally, the geography of Wales had led to a large number of smaller institutions. This had impeded the ability of Welsh institutions to develop excellence, especially in research. A desire to compete with institutions across the UK and internationally had driven these changes. Despite these changes, there was an ongoing commitment to widening participation. Northern Irish higher education was described as having a strong commitment to the local and business community.

Across the UK, respondents believed that there was an emphasis on institutional autonomy. One respondent noted that this was stronger in the UK than in the US and, in particular, than in other European countries:

*In this country we have a much stronger tradition of institutional autonomy and academic freedom than other countries ... particularly true in [comparison with] Europe but also in the public sector in America. (Spokesperson, HE related organisation, England, KI 43)*

### *Differences across the UK*

Compared with England, it was believed Scotland and Wales placed greater value on higher education as a public good:

*I still have more of sense that Scottish higher education is a social good, whereas I think in England that sense has been lost a bit, certainly officially ... I think Scotland is closer to Wales ...* (Spokesperson, HE related organisation, England, KI 25)

Several of the respondents noted the differences in relation to student funding and some thought that there might be a stronger commitment to social justice in Scotland as well as in Wales. A key difference raised by one of the Welsh respondents was the considerable cross border flows of students in Wales, especially between England and Wales. The proportion of Welsh students going to England was far higher than the proportion of Scottish or Northern Irish students studying outside their own jurisdiction. In addition the idea of a civic university rooted in its community was seen as characteristic of both the Scottish and Northern Irish sectors.

### **Policy formation**

In relation to policy formation, interviewees were asked to identify the main policy drivers, interest groups and the influence of international bodies and organisations.

### **Policy drivers**

Across the jurisdictions, sustainability, funding and widening participation were identified as important policy drivers. A number of respondents drew attention to the different implications of using the term 'social mobility' rather than 'widening participation' and noted that this was ideologically driven. One of the academics expressed concern about the shift towards the term 'social mobility' as this had been accompanied by a reduction in funding linked to widening participation, such as Aim Higher and the education maintenance allowance (EMA). Funding and sustainability were linked and seen by many as allied to the attempts to create a market which included increasing diversity in higher education in England.

*So England has been driven very much by ... I am trying to think of a neutral word, not sound perjorative ... but by a marketisation agenda, which is informed by student number control, fees, those are really the two critical drivers and then consequently the nature and shape of institutions.* (Spokesperson 1, HE related organisation, England, KI 37)

And

*So the whole issue of differentiation, diversity, hierarchy, pluralism is a big policy driver ... the second one is funding obviously, trying to shift away from funding institutions to funding students or at least getting students to pay fees.* (Senior academic 2, pre-92 university, England, KI 29)

These policy drivers were, according to one of the respondents, changing the nature of academia. People were becoming more instrumental about higher education, a market was emerging and this was more evident in England than in Scotland:

*Knowledge for knowledge's sake is under much more pressure in England than in Scotland. I think academics are under pressure to show that their courses add up to something in the labour market ... universities are under pressure to have impact research [through] research assessment. All this is making people much more instrumental about higher education than they used to be. And that's why when I said I know a lot of people who like to say that, 'the market's making no difference ... And in the next breath say, 'well what I've just told you but actually the logical position is what I've just said'. I mean it [the*

*market] is going to make a difference and it is making a difference on funding this education. (Senior manager 2, pre-92 university, England, KI 34)*

The Welsh respondent noted that some of the drivers in Wales were similar to England and these related to issues around funding a mass higher education system that was very different from what it had been when there were far fewer students. Research, especially in STEM subjects, was also an increasingly strong driver and this was linked to the restructuring agenda. Similarly in Northern Ireland, funding and sustainability featured as well as the need to increase the level of world class research. One of the English respondents felt that global competition was a strong driver for institutions both in terms of getting the best staff and students. This, according to her, was not properly acknowledged by the government, as its immigration policy had a negative impact on many institutions.

### **Interest groups**

English respondents believed that the Russell Group stood out as having considerable influence, lobbying for greater research funding, funds for capital projects, relaxation of access requirements and/or removal of the cap on student fees. An interviewee referred to its influence as *the class system reproduced*. Another respondent considered the influence of the Russell Group to be disproportionate and felt that it did not recognise the role of other types of institutions:

*No doubt the Russell Group and Oxford and Cambridge have disproportionate impacts. I am dismayed actually by how little impact or how disregarding of their efforts the authorities are of the new universities despite their fundamental role in more practical vocational education. The '92 group is not as effective as it should be. And within the Russell group it's clearly tiered ... the people who get access to Downing Street, the Department of Business are the people in the top four universities in the country and that's just it. (Senior manager 2, pre-92 university, England, KI 34)*

Respondents disagreed over the extent to which the funding councils were able to influence higher education. One respondent felt that HEFCE had considerable power, whilst another thought its power had been substantially reduced:

*If you look over time, I think that HEFCE has lost its power base. Its power base was it had funding as a lever to make universities do what it wanted to do. Also, if you look over time ... if you look at the letters from ministers to HEFCE, over the years those letters have become longer ... more detailed and have become in some sense, I use the word 'dictatorial' but I don't really want to use it ... instead of [the letters] being a guiding principle, they look to be more assertive in terms of what they want HEFCE to be doing ... [HEFCE] is a puppet. (Senior academic 3, pre-92 university, England, KI 35)*

Power had shifted to the Treasury and BIS according to this respondent. A range of other interest groups were identified but there was variation in terms of the impact they were considered to have. Other university mission groups were seen as having limited influence due to their inability to speak with one voice. The NUS in England was unlikely to have the ear of government, in contrast with the role of the NUS in Scotland. The media was identified as having considerable influence and its negative attitude towards widening participation was seen as unhelpful. Constituency MPs were also seen as having some influence.

In Wales, Scotland and Northern Ireland, where the higher education sector was much smaller, it was believed that universities found it easier to speak with one voice through their representative bodies and to engage more directly with politicians. In the Republic of Ireland, the Irish Universities Association worked in a partnership with the Higher Education Authority and the government. In Wales, local authorities were also seen as having some influence. A Welsh respondent commented on the dual influence of both the Welsh and the UK governments:

*The economic policies of the UK government, clearly that has a very, very significant influence in terms of what it is possible to do inside Wales ... I think that successive administrations in Wales have been concerned to develop the policies in regard to HE that they see to be attuned both to the needs of Wales and the politics of Wales ... the outcomes are best described in terms of the interaction ... but certainly I do not think it is sensible to answer your question in terms of 'well it is either Wales or it is UK wide' ... both are significant. (Senior academic 2, pre-92 university, Wales, KI 7)*

### **International organisations**

English respondents did not identify any strong influences from international bodies or organisations. It was suggested that, in relation to Bologna, the UK was probably more of an influencer than being influenced. The English system, especially for undergraduates, was considered already to be 'Bologna compliant'. One respondent, who had been closely engaged in higher education in Europe, added that there was suspicion in the UK of developing a European brand of higher education as this might hamper Britain's ability to engage with the global market. However, membership of the EU was considered essential as the UK benefited considerably from EU research funding. One respondent commented on the importance of EU membership for the university sector:

*We wouldn't be able to shape the rules, we would be on the outside looking in [if we were not in the EU]. We get ... a huge amount of research funding, disproportionately high research funding ... and to secure that we need to put a lot in it. We can't do that if we're on the sidelines as a non-member. (Spokesperson, University lobby group, England, KI 27)*

The OECD was also considered to have little influence although the data produced by this organisation was felt to be useful. In contrast to the respondents from the other jurisdictions, the Northern Irish respondent emphasised the links to the EU especially in relation to peace money. He also mentioned that Northern Ireland's interests were quite peripheral to the UK government and that they often collaborated with the Irish government on joint research bids. The Irish interviewee considered the OECD as highly influential, particularly in their economic reviews which often included education. She felt that the human capital agenda of the Irish government was linked to the dominant discourse of the OECD.

## **Student funding**

### **Undergraduate tuition fees England**

There was considerable discussion around undergraduate fees and institutional sustainability. The majority of the English respondents were in favour of some form of student contribution but felt that income contingent student loans were essential. It was felt that the current English system ensured that funding came directly into institutions, protecting universities from public sector cuts. Individual students benefited from higher education and, by making a financial contribution, they were likely to act as discerning consumers:

*Well we've certainly supported the increase in the fee cap though we didn't particularly advocate a cap at £9,000. We acknowledged it needed to be capped somewhere. And the reason that we supported a significant rebalancing away from direct state funding to funding by the students is that we felt it would put universities down here on a more sustainable financial footing which undoubtedly it has done. So I think the first advantage is that it does feel that, for all its imperfections, we do have a sustainable funding model. Secondly, because of the protections built into the system it genuinely hasn't put off poorer students from applying. And that was always central. If poor students couldn't go to University the whole system would have failed. We were very clear about that. It hasn't happened. And indeed the number of students from disadvantaged backgrounds has slightly gone up for all manner of reasons. Thirdly, it has undoubtedly affected universities' attitude towards the centrality of the student experience and the quality of teaching and learning. I see that all the time. You sink or swim now down in England by virtue of the number of students you get. And you may object, as many people do, to the marketisation of the system. But it undoubtedly is concentrating minds on the quality of provision. And that has to be good. And fourthly, the deregulation of student numbers, hugely problematic in the way it's been implemented. But nonetheless, if you look at it from the student's perspective, more students are getting into their first choice university. And although it's really tough from the institutions' point of view because it's volatile and unreliable, I have to take a very deep breath when I say it, but nonetheless from the point of view of the students, there are more students who wanted to go to university, actually now can go there. So those are four good things.*

At the same time, this respondent identified a number of problems:

*Bad things are the volatility and the unpredictability of the system from a supply side perspective. It's really tough. This is a very, very difficult world to be operating in down here. Secondly, the system is sustainable in theory. In practice it's quite flawed. But having said that I think we can sort that. But it'll need a bit of reconfiguration so it's far from perfect. Thirdly, the deregulation is not total deregulation. It's the most distorted deregulation, deregulating above ABB and below seven and a half. And I mean what maths is that [laughs]. So it's a very messy system. And also actually, the fourth, let's be even handed about it, is the fact that it could put some institutions, long term, in a very difficult position. I don't think they're going to fail. I genuinely don't see any evidence of institutional failure. But nonetheless I think there might be some institutions who will find it very tough. And then you ask questions about how that would impact on the quality of the student experience. So pros and cons. (Spokesperson HE related organisation, England, KI 43)*

Other interviewees noted:

*... what you're trying to do is strike a balance between the public good aspects of having a university and providing a university education and actually the individual good of doing it. Most people will increase their lifetime earnings by some amount by going to university. And some of that, because they enjoy it, they should in a sense, pay for by borrowing but not all of it. £9,000 is too high and £1,000 is too low. £3,300-£5,000 probably strikes the right balance. (Senior manager 2, pre-92 university, England, KI 34)*

*Obviously the biggest pro that any vice chancellor will point out to you is that the English system brings in significantly more money in universities than the Scottish system. At the time of austerity the universities are one of the few parts of England that have actually seen an increase in income, a significant increase in income ... they are all declaring surpluses ... and of course pleading poverty at the same time. So I think financially it has been a way of routing more money into universities ... clearly there is a significant additional burden on graduates and it will be interesting to see how that plays out. At the very least I imagine it will play out in terms of differential ways between England and Scotland ... (Spokesperson HE related organisation, England, KI 36)*

Concerns were raised about the impact of differential fees regimes across the UK, with the resulting divergence in social entitlement:

*Apart from the profound inequity of it, in the end it's the same pool of taxpayers paying for very different life experiences. But there you are. I'm for fees in principle and I think the Scots are wrong really. I think they're wrong actually and they also deter their students from coming South. And actually it weakens the university system. And I personally think that where we were pre the rise in fees was about right. Maybe you could lift a little bit more. The good thing is it has insulated the university sector from what would otherwise have been severe cuts. But the taxpayer is going to pay in the end. I don't think the student loan book is going to be worth, I think it's going to be worth 35 or 40p for every pound that's been borrowed. So I think that the impact of the £9,000 fees is toxic on the education system. Toxic on academic life in the medium term. And the fact the Scottish system is very different, I understand why they've done it. But it's profoundly inequitable. The whole thing is ghastly actually. (Senior manager, Russell Group university, England)*

Contrasting views were expressed by other respondents, one of whom believed that higher education should be funded through progressive taxation:

*In principle, yes [I think that the state should fund higher education]. I don't think it's ever going to happen now. In principle I would go for a progressive tax regime which then funds higher education and adult education and further education ... I don't have kids who are benefiting from school education, but I accept that as part of a civilised society, my taxes contribute to school education ... I would rather pay more taxes and have a decent public and social system that includes education. (Senior academic, post-92 university, England, KI 26)*

The main disadvantage with the current English funding system centred on the difficulties of managing the student loan. Most of the respondents were therefore of the view that taxpayers would continue to subsidise students to a considerable extent. A further disadvantage identified by one respondent was that it did not encourage efficiency savings in the institutions.

*... it actually has cost more money ... the disadvantage [of the current system] is deferred payments. Behavioural economics tell us [that deferred payments] have very limited impact on behaviour ... so charge £9,000, £8,000 it's not going to be in most kids' thinking ... where they should go. So universities can charge £9,000 which actually makes the whole system much more expensive and doesn't give any efficiency driver to institutions in*

*a way that a pure market system would.* (Spokesperson HE related organisation, England, KI 43)

### **Undergraduate tuition fees in Wales, Northern Ireland and the Republic of Ireland**

The discussion around tuition fees differed somewhat in the other three jurisdictions. In Wales and Northern Ireland, students were able to take out a tuition fee loan of £3,500, with the rest of the £9,000 fee being paid from the public purse. The pros and cons of the Welsh system were explained thus:

*The pros of it are that, and this is how it is justified ... in terms of the fact that this is a policy which makes it most likely that as many individuals from as wide a range of social backgrounds are able to go to higher education as possible. And those are indeed quite explicitly the terms in which the policy is justified by Welsh Government ministers ... Now the difficulty with all of that of course is that as we know ... all of the changes that have taken place hitherto in terms of fee structures do not appear to have had that much of an effect in terms of the recruitment, the social background of people entering higher education ... The cons again are pretty clear. The fact is that most students, the substantial majority of students going into HE are from middle class families. And therefore you have very substantial state funding going to support individuals from relatively advantaged backgrounds.* (Senior academic 2, pre-92 university, Wales, KI 7)

Both Welsh respondents commented on the use of state funding for higher education students at the expense of other public services and the provision of high quality vocational education:

*And a totally ridiculous amount of it goes to the students really ... a lot of that could go into proper vocational training, skills training for people who are not that academically inclined. I think a lot of people are not academically inclined in universities at the moment. You could do proper vocational training linked with employers, graduate apprenticeships, all sorts of things. So we're neglecting, we're saying yes we want 50 percent of the population [in universities], what about the other 50 percent then?* (Senior academic 1, pre-92 university, Wales, KI 18)

In the Republic of Ireland, undergraduates no longer pay fees but they have to pay an administration charge of €2,500. Like the Welsh respondents, the Irish respondent noted that abolishing the fees had been expected to increase social inclusion and this had not happened. The main beneficiaries had been farm families and self-employed groups:

*They abolished fees, saying it was going to be more socially inclusive. Empirically it wasn't. The absolute numbers of more disadvantaged groups obviously have increased with expansion but there was no leap upwards with the removal of fees. The one group that did benefit from the removal of fees empirically were the farm families ... their position is more controversial too because for maintenance grants it is more or less an income test. And there have been a number of suggestions that a wealth test will be used, a couple of tests and there have been a commitment by the current government to do that but it seems to have fallen off the table. So it means that actually the proportions of farms and other self-employed groups who get maintenance grants are quite high, possibly higher than they should be.* (Senior academic, the Republic of Ireland, KI 19)



She went on to say that she was in favour of some form of contribution by the student:

*I think overall there is an argument for a loan system, because certainly in Ireland there is still a very significant pay premium attached to having a tertiary qualification. And I think given that level of individual pay-off, I don't think it's asking too much for that to be paid for in some way by the individual. And I mean certainly things like medicine, like a lot of people would move out of the country after taking a medical degree, okay they have paid their registration fee but... (Senior academic, the Republic of Ireland, KI 19)*

### **Undergraduate tuition fees: interactions across the UK**

Whilst there was a general sense that it was up to each jurisdiction to decide on its funding regime, it was recognised that the interactions between them could be problematic:

*There is no doubt about that these different funding regimes are fine in their own right. It's the interaction between them that's problematic. (Spokesperson HE related organisation, England, KI 25)*

It was noted that devolution inevitably would lead to some differences but that problems could arise when arrangements in one jurisdiction was seen as unfair by those in another. This was explained by the Northern Irish respondent:

*Well you have different conditions in each part of the UK. In Wales, the home students don't pay [fees of £9,000] and in fact the students from Wales going to English universities, currently the Welsh Assembly will cover their costs as well. And I know some of the universities in Wales think that that's just not sustainable and have grave concerns about pressure ... if you have an increasingly federalised political situation, then within that you have to allow the possibility for different parts of the federation to go their own way on certain things and to make their own decisions, and that's fine. There is at some point the risk of an English backlash if the assumption is that they are paying too much in terms of subsidising the regional areas and allowing them to set more favourable conditions for their students, for example. But we already see some evidence of some elements of an English backlash in some of these areas already. I suspect that the pressure is only likely to increase over time. (Senior manager, pre-92 university, Northern Ireland, KI 32)*

To summarise, most of the respondents felt the some form of student contribution to tuition fees was fair but £9,000 was considered too high. The availability of a tuition fee loan was seen as essential to ensure that going to university was not only for those who could afford to pay up front. One benefit of tuition fees was that they made students think more carefully about choosing where and what to study as well as providing funding for institutions. However, funding higher education through a loan system was seen as a tax payer subsidy as many loans were unlikely to be fully repaid. Several of the English respondents felt that the lack of tuition fees in Scotland disadvantaged Scottish institutions and that charging students from the rest of the UK was unfair. The different levels of student funding in the UK were considered a result of devolution and strongly influenced by decisions taken by the Westminster government. Both Welsh respondents were concerned about the amount of funding going into higher education at the expense of higher level vocational education.

### *Cross border flows*

Respondents agreed on the beneficial impact of cross-border flows. The different fee structures were seen as potentially disincentivising Scottish students from leaving their home country, although it was noted that traditionally only a small proportion of Scottish students had attended university in another jurisdiction (for further detail see [working paper 8](#)). According to the UCAS spokesperson, there had been little evidence of changes in mobility among Scottish students and he felt it was unlikely to impact on flows to Scotland because of the type of student that was most likely to come to Scotland:

*I don't think [rUK students in Scotland] will increase by much. It rather depends. The ancients are very attractive to English students. At the moment the widening participation policies that outcome agreements use for Scottish students don't apply to the market from the rest of the UK. And if they were to then it would be very different indeed because what you are getting are people who generally come from independent schools for whom the four years in a Scottish university are cheaper than the fees that would have been paid at schools. So you have got that market but they [the institutions] are required to meet targets from outcome agreements in terms of the social makeup and backgrounds of their intake from Scotland and then they take the elite of England en masse! (Spokesperson, HE related organisation, England, KI 25)*

The Welsh respondents commented on the difficulties that cross border flows posed for the Welsh Government and universities if a growing proportion of students opted to study in England or elsewhere. This problem of Welsh money flowing out of Wales was also noted by several of the non-Welsh respondents. The Northern Irish respondent felt that there were significant impacts on cross border flows as funding regimes changed, with a smaller proportion of Irish students moving to Northern Ireland:

*We have always had a situation where we had a border with the Republic of Ireland obviously and there were at different points a significant number of students from Northern Ireland going South or students coming in the other direction. And it all was very heavily influenced by the funding arrangements and in particular fees. At the moment there is a disincentive for students from the Republic to come North so the numbers that do so are quite small. The new situation created by the different systems in the UK have simply complicated the situation because you now have more borders across which people can flow with different policy regimes in each place. And the Republic is in a change of circumstance because they do charge fees, although they don't call it that. Those fees have been going up steadily over the last few years with the economic crisis down there. (Senior manager, pre-92 university, Northern Ireland, KI 32)*

The Irish respondent explained that cross-border student flows between the Republic of Ireland and the north had reduced over time due to changes in funding regimes:

*Before they removed the fees in the South, there had been, I think, at one stage around late 80s, early 90s, there was a bit of a movement up North for places that I think was due to a shortage of places in the South. But then you also have to remember parts of the Republic are quite close to the border. So if you were in Donegal it's going to be easier to go to Derry for university. So there's that. It's not simply a North/South thing. But I think the removal of the fees just changed the incentive structure ... Northern Ireland students will pay the registration fee in southern universities. So their fee levels are lower so the*

*incentive, okay there is a gap between the registration fee and their university fees, but probably the living costs would wipe out that gap and more. (Senior academic, the Republic of Ireland, KI 19)*

In summary, enabling students to move across boundaries to study was considered beneficial. Whilst the different funding regimes might hamper this, one of the respondents noted that it had had little impact overall on the cross border flows of Scottish students. Changes in cross border flows had considerably more impact on the smaller jurisdictions, especially Wales and also Northern Ireland.

### **Higher education and social justice**

Respondents were asked to comment on the success of measures to widen participation and the role and effectiveness of OFFA. A number of interviewees also mentioned the role of student support in widening participation.

### **Measures and initiatives to widen participation**

It was noted that, at the macro level, policies on widening participation had been successful because there were now more students from lower socioeconomic backgrounds going to university. However, the majority of respondents felt that progress was '*painfully slow*'. Many attributed the success to a general expansion of higher education which had benefited all students. One of the respondents felt that the issue was now more about the type of institution attended by non-traditional students, and governments found it difficult to influence admissions because policies were controlled by universities:

*It's about who enters certain kind of institutions within HE ... that's where it is more difficult for the Government to create progress ... because they don't ultimately have control over admissions ... so then they're in this constant stand-off ... I would say there's a lot of money going into widening access to higher education through different initiatives and it's really hard to actually know what impact any of them are having ...*  
(Spokesperson, University lobby group, KI 47)

Although all respondents noted some progress in widening access, a number of them expressed concerns about the UK government's attitude to widening participation. One respondent stated that in spite of access agreements, several elite institutions had failed to reach their benchmarks. Another felt that fees would have a detrimental impact in the long term and that part-time students had been seriously disadvantaged. Two of the respondents commented on the benefits of Aim Higher and the fact that it had been discontinued along with the National Scholarship fund. It was also believed that the Student Opportunities Fund was likely to be cut. One of these respondents was concerned in the change in discourse from widening participation to social mobility and fair access:

*First of all there's been a shift in thinking, ideology for want of a better term, away from a notion of widening participation to one about social mobility and fair access, that's in England. ... the change in rhetoric from widening participation to social mobility is a different agenda. So I think that the widening participation agenda is threatened by this move to social mobility. And it's threatened because various other things have happened in England that undermine a widening participation initiative. And those things include the abolition of Aim Higher, the abolition of the EMAs, the educational maintenance allowances ... Also very importantly, for those over the age of 25, the fact that in order to*

*get their first level three, i.e. A-levels or the equivalent to enter into HE if they're over 25, that's no longer free. So if they want to do a course they have to get a loan. Right, so if you take those sorts of policies together and you take the policy of AAB or ABB, that is given, we know the association between educational attainment and social class, for me those are all issues that undermine a widening participation agenda. (Senior academic 3, pre-92 university, England, KI 35)*

The Welsh respondents felt that there was a stronger commitment to widening access in Wales than in England. Two main initiatives were identified as of importance: (i) the Welsh Government's arrangements for paying part of the tuition fee; (ii) initiatives in schools to raise attainment. The contingency fund for students and good advice and guidance were also regarded as promoting access for under-represented groups. Although these were considered positive measures, both respondents highlighted that there was a lack of systematic evidence that could be used to judge the success of any of these measures. However, one of them noted that there was a strong relationship between receipt of the Assembly Learning Grant and living in an area of deprivation and that this was possibly one measure of success.

The senior manager from Northern Ireland noted that, according to HESA statistics, Northern Ireland looked successful in relation to widening participation. In his view this was a slightly problematic statistic as the figure did not include around 30% of Northern Irish students who studied elsewhere who generally were more middle class. He also felt there was a need to address retention as well as access because the drop-out rate for widening access students tended to be higher than for traditional students. A further area highlighted by him and a number of other respondents was the role of the school system in widening access:

*We are committed to doing things that we think are sensible to do. At the same time, part of the problem arises with the school system ... we don't think that it's appropriate that you leave the school system as it is if it's creating difficulties and look to higher education to solve those problems ... There needs to be a focus on the pipeline as well. (Senior manager, pre-92 university, Northern Ireland, KI 32)*

And

*The difficulty is that universities can only do a limited amount to correct the deep inequalities in British life which throw up disproportionately more candidates coming from better off homes. (Senior manager 2, pre-92 university, England, KI 34)*

Inequality in educational outcomes at school level was also considered a problem by the Irish respondent:

*I think there are still very significant differences in outcomes at primary and secondary level. And I think that the discussion about access and equity at third level hasn't always taken an integrated view of the system as a whole. So ultimately, if you have very differential, well retention has improved but you know we still have differential retention by social background. You definitely have different performance by social backgrounds, even if you set lower entry rates, if you settle on grade entry requirement, it's still not really going to fully compensate. So I think that is one of the things. (Senior academic, the Republic of Ireland, KI 19)*

It was evident that most agreed that more students from lower socioeconomic backgrounds were now attending university across the UK and the Republic of Ireland but this was due to a large extent to an expansion of the sector. Access to elite institutions was considered problematic and several of the respondents felt that the school system was to some extent responsible for some of the difficulties in widening access.

### *The role of OFFA, access agreements and Scottish outcome agreements*

The Office for Fair Access (OFFA) was set up in England by the Labour Government following the Higher Education Act 2004. Its aim was to ensure that the increase in fees did not deter people from lower socioeconomic backgrounds from going to university. Currently universities charging fees more than £6,000 per year are required to submit an access agreement to OFFA setting out the support they intend to provide to students from lower socioeconomic backgrounds. OFFA has powers to stop institutions from charging more than £6,000 if their access agreement does not provide sufficient support for this group of students.

There was considerable discussion and disagreement among the respondents about the extent to which OFFA was able to hold institutions to account. In the view of two senior managers, one from a pre-92 institution and the other from a new university, OFFA was powerful. Another respondent agreed; however, she tempered this with fact that the government could not control admissions:

*There is a lot of activity in our institutions around securing that compliance with OFFA regulations. ... I think successive governments, both the previous Labour one and the Coalition have fully realised the importance of universities' autonomy of their admissions. So they have not pushed too hard, OFFA, in that direction. But the current situation therefore has been that rather than pushing too hard on who you actually admit, he has (referring to Director of OFFA) pushed quite hard on how much you spend on access measures ... actually huge amounts of our fee income having to be invested into what OFFA wants us to invest in because of the powers that OFFA has there. (Spokesperson, University lobby group, England, KI 47)*

Others were more sceptical as to whether widening access measures were effective. OFFA was described by one respondent from another pre-92 institution as having 'no teeth'. One of the respondents commented that OFFA had been more powerful under the previous Labour Government. The current Westminster government placed less pressure on institutions such as Oxford and Cambridge to widen access and focused on the promotion of world class research. The spokesperson for one HE related organisation felt that OFFA was effective because it was 'negotiating with a nuclear option'. He noted that around a third of access agreements were returned to be 'reworked'. In contrast, the spokesperson for another HE related organisation wondered how well OFFA's regulation of the sector worked:

*Does it work? A really good question and I'm not sure what the answer to that is. It's a lot of bureaucracy and a lot of compliance. But compliance processes and bureaucratic process can achieve certain things, minimum standards and so on and no doubt it has achieved that, but I think the sector was probably there anyway, most of them. I think you need something else in order to get true transformative change. So I think OFFA, as a regulatory tool, has limited ability to do things. It maybe that it's still worth doing but you shouldn't put all your hope in that cause, that's not going to do it. (Spokesperson HE related organisation, England, KI 43)*

A small number of respondents commented on the distinction between access agreements in England and Scottish outcome agreements. One difference identified was that institutions in England set their own targets whereas in Scotland the index of multiple deprivation was used:

*There is possibly a significant difference between England and Scotland. In England, because people can choose their own targets, they will argue that particular measures are more appropriate for their mission than other measures. Whereas in Scotland I think there is a good deal of agreement on using the index for multiple deprivation ... in England few institutions use that. Many highly selective institutions use the percentage of state school pupils ... that's probably the most controversial of all the measures of social deprivation ... so we usually ask anybody who uses that measure to also use another measure ... often that will be ... POLAR ... HEFCE distributes their student opportunity funding partially on the POLAR data. So institutions have a vested interest in having the best POLAR outcomes. (Spokesperson HE related organisation, England, KI 36)*

Whilst he agreed that it would be useful for OFFA if there was a comparable measure right across institutions he felt that differences between institutions warranted different measures. One of the other respondents felt that ultimately the outcome agreements in Scotland might have more effect as they were underpinned by legislation:

*Outcome agreements have got more legal basis to them than access agreements in England because for some reason or other we never had in England an HE bill. ... so what's designed for each [Scottish] university is an outcome agreement which they agreed they can reasonably meet and which reflects their mission; whereas the OFFA arrangements are much more mechanical if you like, not as individualised ... I suppose ultimately the funding council [SFC] has more sanctions than OFFA ... and we have got this strange situation in England that the funding council [HEFCE] is now year on year responsible for an ever decreasing proportion of the funds. (Spokesperson HE related organisation, England, KI 25)*

On the matter of comparable measures, POLAR was identified as a sophisticated tool but not useful at the individual level:

*[PIs] they are very sophisticated, I think they are the best in the world. I think they have given us valuable insights. I think when you start to try to use them at an individual level that's when you misuse them because there'll always be people who come from a particular geographic area who don't fit the average profile. (Spokesperson HE related organisation, England, KI 43)*

It was evident that there were different opinions in relation to the powers and effectiveness of OFFA in regulating institutions and some felt that the Scottish Funding Council had greater powers to hold institutions to account.

### ***Student support***

There was some discussion of the role of student support in promoting access for students from lower socioeconomic backgrounds. It was noted that the position on loans and grants was better in England than in Scotland but that it was provided at institutional level and institutions differed to a great extent especially in terms of using fee waivers:

*There are some [that are good], there is variety. So most access agreements will provide for some [financial support] ... actually there is a difference between financial support through waiving of fees and financial support through bursaries. The NUS has said a lot about this because fee waivers, they say, is a sort of 'so what' issue because a fee waiver just means that in thirty years' time you owe £20,000 not £30,000. It doesn't mean that today you've got money to go out and buy lunch or whatever or dinner or pay your rent or the heating. It just reduces this hypothetical loan ... (Spokesperson 1, HE related organisation, KI 37)*

In the view of the Welsh and Irish respondents, support whilst studying was vital for students from low socioeconomic backgrounds.

*My view is that in terms of finance, the immediate problems of how am I going to survive for three years ... will be more influential in shaping that decision than the issue of fees. And something that in a sense even in the English and Welsh system is something that can be paid back over a long period and so on. So I think that that distinction is crucial ... Of course the Welsh Government has pursued a system of grants that are means-tested grants. ... but again there is no particular evidence to suggest that that has actually been influential ... [but] again it might well have been influential in terms of shaping individual decisions. (Senior academic 2, pre-92 university, Wales, KI 7)*

In summary, most of the respondents felt that there had been some success in widening access to higher education but that progress had been slow especially to the more selective institutions. They differed in their views of the extent to which OFFA could hold institutions to account. It was noted that English institutions set their own targets for widening participation to fit in with their particular mission. This approach was contrasted with the use of SIMD in outcome agreements in Scotland. HEFCE uses POLAR to allocate some premium funding and this was considered to be a robust measure.

There were concerns among some of the respondents about the current government's commitment to the widening participation agenda and some respondents felt that fees would ultimately impact detrimentally on widening access. Several also voiced the view that there was a need for changes to the school system in order to improve access to higher education. Student support in the form of grants was considered a vital part of promoting widening access.

### ***International and postgraduate students***

Most of the respondents felt that universities benefited from having international students as this enhanced the culture of the university. This was considered of great importance by the Northern Irish respondent who mentioned that there had been particular efforts made to recruit both staff and students from international backgrounds:

*Our reason for wanting to dramatically increase the number of international students was, obviously the money is important, but it is primarily about trying to increase the intellectual impact on the campus ... If you have large numbers of international students here or students from outside Northern Ireland from anywhere, so you include GB students in that ... that helps to make it a much more vibrant place and that's good for our local students. It is easier to internationalise the curriculum if you have lots of international students around. That's why we have also had a strong commitment in the last couple of*



*years to dramatically increasing the number of international staff that we have brought in. So we totally revamped our recruitment strategy to try and tap into a much wider pool of international expertise and that's been very successful. We have got a lot more international staff to work here in the last couple of years than we did previously.* (Senior manager, pre-92 university, Northern Ireland, KI 32)

There was considerable unease among many of the respondents that the motives for recruiting international students centred on finance. They felt they were recruited because they paid high fees and many institutions failed to provide adequate support. There was a concern about the impact on the curriculum and also that overdependence on international students could impact on future sustainability of an institution:

*Obviously bits of it (international student recruitment) are very positive. It's allowed us to maintain academic capacity which would otherwise be lost ... The UK like the US, the vitality of our whole university and research system depends to some extent on the imported talent from elsewhere ... More negative things, obviously they are bunched in particular subjects. And that can produce distortions in the curriculum ... I think it can produce, in certain institutions, an overdependence on income from international students ... And then the big question is, how sustainable is this?* (Senior academic 2, pre-92 university, England, KI 29)

The impact of a negative immigration policy and the attitudes of UKBA were also noted as problematic in relation to the recruitment of international students. One senior manager felt that bringing back the post study work visa would be beneficial for institutions and students.

In relation to postgraduate students the main issue raised by one of the respondents was that the level of debt incurred at undergraduate level was likely to lead to fewer UK postgraduate students. He felt there was a need for institutions to become much more flexible and to offer part-time courses that could fit in with employment. There was also a need to ensure that fees were affordable.

To summarise, the respondents were positive about the cultural benefits that international students brought to UK institutions. There were considerable misgivings about the way that international students were sometimes treated, high fees were questioned and it was felt that there was a danger that institutions might become too reliant on overseas fee income.

### ***Policy futures and systemic stability***

Respondents were asked to reflect on what higher education in the UK and in the Republic of Ireland might be like in the future, especially in relation to devolution and the effect of an independent Scotland. This included the stability of funding regimes as well as services currently shared across the UK.

One of the Welsh respondent felt that the implications of further devolution for Scotland would be mixed. It could allow for some further divergence but that would be constrained by the relationship between Edinburgh and London. It could lead to greater levels of decision-making within Scotland. The Northern Irish respondent felt that implications of a yes vote would be considerable for Northern Ireland because of the historical connection between the two. In addition he commented on the complexity of negotiations following a yes vote. The Irish respondent felt that the impact on higher education of further devolution or a yes vote might be



less than one would expect because of cross border flows that would impact on funding structures, pay and taxation levels.

### **Shared services**

There were differences between the respondents in terms of the fate of shared services in an independent Scotland. Views from academics ranged from it being impossible for an independent Scotland to remain part of the UK common research area to one that viewed it as feasible but extremely difficult. The representatives of the UK higher education organisations were less pessimistic about retaining shared services. In the view of one of them it all depended on the business case that could be made for it. The spokesperson for another HE organisation was also of the opinion that retaining a shared research council would be beneficial. In his view there should be a European Union research area in order to challenge US supremacy:

*Yes I do, yes on both of those. Of course, I would go further than that and say I think we should have a European Union research area if we're going to really challenge the United States as a powerhouse. ... It would not be sensible for Scotland to try and establish [one] and to think they could fund world class research with a scaled down version of the RCUK ... I see absolutely no problem with doing it. If you have got a system that funds the best applications then you can operate that globally ... I think that the BIS thing [against UK wide research area] is a bit of a bluster ...* (Spokesperson HE related organisation, England, KI 36)

This is in contrast with one of the English senior managers who thought that the views of academics in England would be:

*'go fish in your own pond, more for us' because that's the way those research intensives tend to behave ...* (Senior manager 3, post-92 university, England, KI 38)

Another senior manager of a pre-92 institution believed that elite universities in Scotland would become second tier universities if the shared research council was discontinued. Two of the other respondents were more guarded and felt, that whilst it would not be impossible to have a shared research council provided Scotland paid into the fund, it would be difficult to maintain and require complex negotiations. Finally one of the senior managers noted that, if there was a vote for independence, retaining a UK wide research area would be beneficial for the whole of the UK and that the views of politicians on this matter had to be taken with *'a slight pinch of salt'*. The spokesperson one of the university lobby groups mentioned the considerable amount of interdependency between institutions across the UK. She thought that their Scottish members would want to remain part of a UK wide research base and also that the rest of their UK institutions would be in favour of such an arrangement.

Other shared services were considered less problematic. It was noted that UCAS could set up a Scottish *'sub system'* within the UK wide system and that technologically it was feasible. In part this was because UCAS was a membership organisation. Funding for ECU also comes in part from the SFC which means that retaining membership of that organisation would be feasible. The spokesperson for USS explained that it mainly catered for pre-92 institutions and that it operated in the same way in all parts of the UK. The main difficulty in sustaining a shared pension fund following independence was that EU regulations required a cross border to scheme to be financially solvent. He added that it would be feasible to set up a USS Scotland as a *'clone'*. This

would transfer responsibility to the 24 employers in Scotland that were currently part of the scheme along with all the assets attributable to those people in the Scottish scheme. This could potentially get around EU regulations but would lose the benefit of spreading risk across a larger number of individuals. A further complication could occur if there were differences in tax rates between the two countries, as would any changes in currency used. The strength of the university sector in terms of its ability to support a pension scheme would also matter, as would any new regulation in relation to Scottish pensions. State pension arrangements might also have an impact, for example, in terms of Scotland setting a different age for entitlement to a state pension than the rest of the UK. In spite of potential difficulties, respondents felt that shared services could be retained but this would be dependent on political commitment.

### **Student funding**

All respondents noted the lack of stability in higher education policy. One respondent commented: *'I think it's endlessly work in progress, I don't think it will last'*. It was expected that changes would be made to student funding in the future but that nothing would happen until after the general election in 2015. Most of the respondents felt that change was politically driven and dependent on the party in power:

*It doesn't feel very stable in England ... it's always been a political issue ... you've got political parties but rather than maintain any sort of continuity of previous policy, they want to come up with a new HE policy ... so our big fear at the moment is that we have a change of government in 2015 and you could have one that wants to completely unpick the reforms that have been put in place here since 2012. ... Labour here has talked of lowering fees ... and then they start talking about graduate tax and things. (Spokesperson, University lobby group, England, KI 47)*

She added as an afterthought:

*I don't know if it may be more stable in the devolved administrations where they haven't reformed as fast and as dramatically as this government did here. It may be there's more political consensus in terms of future directions or at least no great political appetite to move any dramatic reform. (Spokesperson, University lobby group, England, KI 47)*

Whilst she felt that there was instability in the system, she felt that its sustainability depended on the taxpayer being willing to support it through the loan system. Another respondent considered current policy problematic because members of the coalition government came from different perspectives. He spoke of short term policy and a *'car crash'* kind of a system in England (referring to the differences between Conservative and Liberal Democrat members of the coalition government). In contrast to one of the university lobby group respondents, he questioned the stability of the systems in the devolved administrations. Free tuition in Scotland was unlikely to be sustainable in the long run, and in Wales the funding for those leaving the country was very high, leaving some institutions exposed. A Welsh respondent concurred:

*Well in Wales I think that student funding is extremely unstable simply because I cannot see how it is viable ... I think the most likely alternative in Wales would be something closer to the English system but with a more generous system with means-tested set of subsidies in a sense. And I think that would be a way of maintaining the ideological commitment to*

*a more social democratic system whilst reducing its costs. (Senior academic, pre-92 university, Wales, KI 7)*

The Northern Irish senior manager believed that student funding in England was highly unstable, the Scottish system was somewhat more stable and the Welsh system was problematic:

*I get the impression that in London or in England that it's completely unstable and it's causing people nightmares. My perception of the Scottish situation is that it's a little more stable but there is a question mark as to whether it is sustainable in the long term. And Wales, there seems to be a direction of travel around concentration which maybe makes sense. Their bigger problem is continuing commitment to fund Welsh students who leave Wales and whether that's sustainable or not. Our system in Northern Ireland is probably at this point the one I imagine is most stable. But maybe that's just because I know it better. (Senior manager, pre-92 university, Northern Ireland, KI 32)*

The Irish respondent felt that the Irish government would have to reconsider its views on tuition fees. There were concerns among some about the level of debt, particularly for English graduates, and one respondent wondered if this would lead to a revolt by the younger generation at some point:

*It's a new system which places a lot of debt on children, has cost a lot more money ... the disadvantages we've had are considerable, I would say, massive intergenerational unfairness that the younger generation are bearing effectively a bigger proportion of the tax burden than the older generation. And you run that alongside things like pensions, an ageing population and all those kinds of things ... I think it could create, at some point, a political reaction. If you look 10 years down the line when we get 10 years' worth of students paying £9,000, having debts, becoming a bigger voting force, we might see some change in the relative balance of the tax burdens. (Spokesperson HE related organisation, England, KI 43)*

There were concerns about the use of a state-financed loan to fund higher education and concerns about the way that the government managed the loan:

*We've already seen the English government sell, what was it £800 millions of loan money and getting 150 million back or something ... or maybe I should be talking about billions, but we can see already that very significant discounts have been given in terms of selling this debt off. And we've seen the damage that bad debt can cause the banking system ... equally I have talked to vice chancellors [in Scotland] and they are significantly worried that the costs of university go up as the number of people wanting to go to university and the need, indeed for economies to increase the number of graduates in the economy ... that the funding model where it's all government grant is a challenged one. (Spokesperson HE related organisation, England, KI 36)*

The Irish respondent thought that Irish HE policy was relatively stable but when asked what she felt the government needed to do, she responded:

*Two things, I would say that you can't talk about higher education access without talking about equity and the system as a whole. So I think that really just has to be up fronted. And I think the second thing would be that we ultimately need an income contingent loan*

*system in conjunction with, I would say, a generous income support system for more disadvantaged groups. (Senior academic, the Republic of Ireland, KI 19)*

In contrast, she felt that English system was highly unstable. In terms of advice for the Westminster government she felt that the balance between loan and grant component needed to be addressed. She added that there was a need to look at the rest of the system and referred to the highly selective education system in Northern Ireland and commented on the fact that there were whole groups of Northern Irish pupils who would not make it into higher education.

The overall sense was that the majority of the respondents felt that there would be changes to the funding of higher education in the British Isles. Questions were raised about the sustainability of the current funding regimes and some felt that it was driven by ideological motives.

### **Lifting of the funding cap and cap on numbers**

There was consensus that there would be no changes to the funding cap in England until after the next general election in 2015. One of the respondents suggested that the cap might rise in line with inflation or be removed entirely for some courses such as medicine but not for others. It was clear that lifting the cap was considered problematic for the loan system and it would have to be reviewed:

*There are lots of different models [to consider] if the cap was lifted. The government could turn round and say, 'OK you can lift the cap but loans will only be available for up to a maximum of £9,000. And then if you want to put up your fees to £15,000 for low income students or for certain groups of students, you're going to have to fund them in some way'. That's one model and that could happen. There are other models. (Senior academic, post-92 university, England, KI 35)*

One of the other respondent felt that loans might only be available to students with higher academic achievement, e.g. A-levels at ABB or above. The spokesperson for one of the lobby groups thought that lifting the cap on student numbers would impact differently on different institutions for different reasons and that the system might become unaffordable for the government:

*I think it will be very different across the sector. If you take some of our members, like the University of Cambridge, for example, almost no impact at all because they're not going to increase their undergraduate recruits ... Other institutions may face more competition from institutions that for the first time are able to expand their student numbers indefinitely and that competition will tell on certain institutions ... I think the other big dimension to it is when student numbers are relaxed on alternative providers, it could also mean quite a shift in numbers from established universities or public sector institution to alternative providers ... I guess the way it could impact on any institution is if it becomes unaffordable for the government. So as I say, in the short term, probably no impact on Cambridge but if it results in unexpectedly high numbers of students entering the sector that is not funded by the government then even Cambridge may see it as something for its high cost subjects or its research funding being constrained because of this commitment to fund unlimited numbers of undergraduates. (Spokesperson, University lobby group, England, KI 47)*

### **Universities becoming private institutions**

Some of the respondents in England discussed the possibility of some, especially elite, institutions in England opting to become private institutions. Only one person considered this a possible scenario whilst others felt it was unlikely. The main reason against it happening was that it would impact on government research funding that they received, which according to one respondent meant *'they'd wave goodbye to an awful lot of state funding'*.

Another respondent referred to the interesting blurring of boundaries between public and private that had occurred as a result of current loan arrangements. Students attending private institutions can access a student loan and therefore do not have to pay up front. In effect this can become a state subsidy to these institutions if the student fails to earn above the income threshold level or defaults on the loan.

In summary, most, but not all respondents thought that shared services could be retained but this would depend on complex and difficult negotiations. It was also felt that it was possibly more dependent on political commitment to negotiating on the matter than on it being impossible in practice. The majority of respondents felt that the funding of higher education was unstable and the loan system was problematic. They anticipated changes to both in the future. The English funding system was considered unsustainable because of problems with student loans and institutional funding was likely to become an issue for Scotland and Wales.

Nobody anticipated changes to funding or the cap on students before the next general election but there was a sense that changes would occur after the election. The kind of change would depend on the political party in power. It was unlikely that some of the most prestigious institutions would choose to become private universities as that would impact considerably on their access to government research funding.

### **Conclusion**

There was a general sense that there were considerable similarities in higher education systems across the UK and that core values included an emphasis on autonomy and, mainly in England, diversity among institutions. There was some sense that England is heading towards a market economy in higher education but this was disputed by several respondents who pointed towards the lack of differentiation in fees and the cap on student numbers. Several of the respondents pointed towards a greater commitment to widening participation in Wales and in Scotland. This is supported by evidence from performance indicators for Wales but not Scotland ([Riddell, et al, 2013](#)).

Policy was seen as strongly influenced by the Russell Group which was considered as having undue influence on the UK Government. This was in contrast with other lobby groups and organisations such as HEFCE and OFFA which were seen as influential by some but as losing influence by others. The smaller jurisdictions were described as having a close relationship between the university sector and the devolved governments. International organisations were considered as having little influence England though EU research funding was important.

There was general support for a student contribution to higher education, but a feeling that £9,000 was too high. This coincides with the views of the young people that we interviewed (see [working paper 7](#)). There was a strong feeling that the current student loan system in England was unsustainable and also that changes would occur in the future in this area. Widening

participation was considered important but most felt that progress had been slow, that ultimately the higher fees would deter those from low socioeconomic backgrounds and that the school system would need to be changed as university cannot compensate for poor school attainment. International students were considered beneficial to the ethos and culture of UK institutions but many questioned the high fees and some institutions' overdependence on this funding stream.

In relation to constitutional change, the future of shared research funding was considered problematic should Scotland become independent, whilst others, particularly those paid for by the universities themselves such as UCAS, were seen as less problematic. The view overall was that, irrespective of the outcome of the Scottish referendum, there would be change to higher education policy across the British Isles, especially in relation to fees and funding. Changes in one jurisdiction, particularly England, would continue to impact on the devolved administrations.

## References

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## Appendix

**Table 1: Undergraduate tuition fees/administration charges in the UK and the Republic of Ireland, 2014-15**

Scotland	England	Wales	Northern Ireland	Republic of Ireland
No fees for Scottish domiciled students and EU students	Up to £9,000	£3,685 for Welsh domiciled and EU students	£3,685 for NI domiciled students if studying in Northern Ireland and EU students; up to £9,000 if elsewhere in UK	Up to €2,750 for all students

**Table 2: Student support, living cost loans in the UK, 2014-15**

	Living at home	Living away from home, not London	Living away from home, London
England	Up to 4,418 <sup>1</sup>	Up to £5,555 <sup>1</sup>	£7,751 <sup>1</sup>
Wales	£4,027 <sup>1</sup> £3,020 <sup>2</sup>	£5,202 <sup>1</sup> £3,902 <sup>2</sup>	£7,288 <sup>1</sup> £5,466 <sup>2</sup>
Northern Ireland	£3,750 <sup>1</sup>	£4,840 <sup>1</sup>	£6,780 <sup>1</sup>
Scotland	Up to £5,750 for income below £33,999; up to £4,750 for incomes of £34,000 and above		

1. Means tested;
2. not means tested

**Table 3: Student support, means tested maintenance grants, 2014-15**

Scotland		England		Wales		Northern Ireland	
Income	Grant	Income	Grant	Income	Grant	Income	Grant
Up to £16,999	£1,750	£25,000 or below	£3,387	£18,370 or below	£5,161	£19,203 or below	£3,475
£17,000 - £23,999	£1,000			£20,000	£4,715	£19,204 - £41,065	Partial grant
£24,000 - £33,999	£500			£25,000	£3,347		
				£26,500	£2,936		
		£30,000	£2,441	£30,000	£2,099		
		£35,000	£1,494	£34,000	£1,142		
		£40,000	£547	£40,000	£734		
		£42,620	£50	£45,000	£393		
				£50,020	£50		

Sources: Scotland: [www.saas.gov.uk](http://www.saas.gov.uk)  
 England: [www.gov.uk/student-finance/](http://www.gov.uk/student-finance/)  
 Wales: [www.studentfinancewales.co.uk/](http://www.studentfinancewales.co.uk/)  
 Northern Ireland: [www.studentfinancenir.co.uk](http://www.studentfinancenir.co.uk)