

# Parliamentary Briefing

July 2016



## Briefing for the 2<sup>nd</sup> Reading of the Higher Education and Research Bill (Commons)

### Overview

The Higher Education and Research Bill contains several radical proposals for the re-organisation of the UK's Higher Education sector. It affects not only how universities are regulated, but the whole landscape of research funding. The UK's university sector is currently one of the great success stories of the nation on the international stage, attracting the second-highest number of overseas students in the world, after the US.<sup>12</sup> The UK research sector, of which universities make up more than a quarter, is number one in the world in Field Weighted Research Impact.<sup>3</sup> While the University of Oxford recognises that there is always room for improvement, and welcomes the focus on students, there are some parts of the bill which give cause for concern.

### Key Points

- Universities in England will face a more expensive and complicated regulatory and funding environment. We would like to see more clarity, through assurances and greater detail on the face of the bill. In the light of the uncertainty caused by the EU referendum result this becomes even more important.
- The bill as it stands will place at risk the existing “dual support” architecture for funding research. This is of major concern, and could threaten the viability of the UK university research sector. There must be greater protection in the bill.
- The Office for Students will have sweeping powers to regulate. These must be used in a risk-based and proportionate way across the sector, and be targeted to ensure that new providers serve the students' interests and do not damage the excellent reputation of the UK university sector .

<sup>1</sup> Over 130,000 20145-15: <http://www.thecompleteuniversityguide.co.uk/international/international-students-the-facts/where-they-come-from/>

<sup>2</sup> <http://www.theguardian.com/higher-education-network/blog/2014/jul/17/top-20-countries-international-students>

<sup>3</sup> Elsevier: *International Comparators of the UK research base*, (2013) DBIS p2

## Part 1. Office for Students

- 1.1. The Office for Students (OfS) will replace the current Higher Education Funding Council for England (HEFCE) and the Office for Fair Access (OFFA). Our first concern is that the scope of the OfS does not include any research funding at all, whereas HEFCE provided additional Quality Related (QR) research funding for those organisations judged to be providing excellent research via the REF. This could lead to serious funding gaps in the research landscape. *(See 3.1 below)* Following the referendum on the 23<sup>rd</sup> June the University also faces a £66 million pa research funding gap once any deal is signed. This makes getting the UK research funding framework right even more important.
- 1.2. Clause 23 places a responsibility on the OfS to assess, or make arrangements for the assessment of, both quality and standards of higher education provided by individual HE providers. The inclusion of standards as well as quality is a marked extension of powers and is contrary to the accepted view in the sector that HE providers with degree awarding powers are responsible, as autonomous institutions, for the standard of their awards. As it stands it contradicts the principle of institutional autonomy which has been the basis of regulation by HEFCE, and enshrined in the arrangements for guidance and review by the Quality Assurance Agency on HEFCE's behalf. **We would like further explanation and assurances from the minister as to the purpose of this power, and some clarity as to how it will be used.**
- 1.3. Clause 43 gives the OfS the power to revoke, by order, the acts of Parliament or Royal Charters that have established our universities. We feel that there is genuine imbalance, where institutions, some of very ancient standing, can be abolished by the weakest of parliamentary scrutiny mechanisms. **We would like to see an enhanced scrutiny process for this procedure.**

**Part 2. Other Education Measures:** *The University of Oxford has no comment to make on this part of the bill.*

## Part 3. UK Research and Innovation

- 3.1 The current architecture of research funding in the UK is based on the "dual support" principle. In the past HEFCE provided block grants to institutions based on the quality and breadth of their output. This provided for infrastructure, resources and admin support, which are often shared by the different projects, as well as for support for newer and untried pieces of work. Alongside this the Research Councils provided funding for individual projects based on the quality of the project and the priorities of the Council. While the White Paper suggests the continuance of this principle it is clear that all funding is to sit with UKRI, and there is no specific mention in the bill of anything which would ring-fence funding for anything other than specific pieces of work. The bill calls for a "balanced funding principle", (95.3) but this is very vague. It is not difficult to see that in times of financial restraint all but the most directly-beneficial current projects would lose funding, and the capacity to carry out future research would gradually decline. **We would like to see a stronger commitment on the face of the bill to the dual support system.**

- 3.2** The Bill creates an artificial divide between research and education, where in practice the two often go hand in hand. There are a number of activities, such as museums, which do both. One major example is the so-called “well-founded laboratory” principle which currently ensures that existing facilities maintain quality services and equipment as well as providing teaching facilities for students. **We would like to see greater clarity as to the role and responsibilities of organisations that will straddle this divide, such as HEIF, which does so much to straddle the gap between research and innovation, JISC and university museums.**
- 3.3** The University of Oxford is concerned that there is no apparent requirement on the UKRI to make provision for research training or postgraduate research education and training. Post-graduates moving on to the hi-tech sector (and 80% of Oxford University students do so) is one of the most effective routes of knowledge exchange. The Research Councils had this written into their Royal Charters. Assurances have been given that UKRI will take on this responsibility, but **we would like to see this strengthened by inclusion on the face of the bill.**
- 3.4** While the White Paper made reference to the fact that the “names and brands of the Research Councils and Innovate UK will be retained” and there is protection for Innovate UK on the face of the bill, the Research Councils can be deleted or merged according to provision under the bill (84.2). This can be done by order. We consider that a decision to effectively stop, or relegate, the funding of one area of research is sufficiently serious for Parliament to have proper oversight of it. **We would like to see an enhanced scrutiny process for this procedure.**

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