



Universities Scotland's briefing on the Higher Education and Research Bill for the Second Reading debate on 19 July 2016

Introduction & overview

The Higher Education and Research Bill **directly** affects Scottish HEIs in both their teaching and their research. We ask for the support of Scottish MPs throughout the passage of the Bill to ensure that it develops in a way that will serve the interests of Scotland's higher education institutions which have an international reputation for their teaching and research.

We ask you to contribute to the second reading of the Bill. We see this as particularly important because it provides scope to discuss the principles of the Bill which includes a proper discussion of the Teaching Excellence Framework (TEF). TEF is provided for in clauses 25-6 of the Bill but its development will be based primarily in policy rather than legislative means. We believe it is important that there is proper scrutiny and discussion of the implications of the TEF for Scottish HE in the House.

Whilst higher education is principally devolved to the Scottish Parliament certain aspects (including some research funding) remain with Westminster. Changes to teaching and those that affect students also have direct impacts in Scottish HE because of student mobility and choice. Changes to the UK Research Council (RCUK) the body that allocates a significant amount of research grants across the UK is directly relevant to Scotland by the nature of reserved matters.

There are many provisions in the Bill with significant implications for Scotland's 19 HEIs:

- The Bill makes changes to UK research infrastructure including the UK Research Councils. To give a sense of the scale of importance of these grants to Scotland, last year £254.9 million of research grants came to Scottish HEIs from the RCUK (2014/15). Income competitively-won from RCUK is the major second plank of the dual-support funding system for research.
- The Bill looks to establish the Teaching Excellence Framework (TEF) which will be a new way of assessing universities on the quality of their teaching. This can be found in clause 25 & 26 of the Bill. The Bill looks to link these to tuition fee increases (clause 27).
- It looks to 'increase competition and choice' in the higher education sector including making it easier for unproven providers to have degree-awarding powers and use 'university' title.
- It creates a new body, the Office for Students (OfS) which has the ability to give institutions degree awarding powers (a power that currently sits with the Privy Council) and run the new TEF. As such, this body will be relevant to HEIs in Scotland, and its relation with Scottish regulators is unclear.

The idea for a TEF has come from a desire to ensure high standards in university teaching and to place it on an equal footing with the importance attached to university research (Jo Johnson MP, July 2015). Universities Scotland and our 19 member higher education institutions agree that teaching and

learning in our institutions should be of the highest standards. We have no qualms with this objective but we do have a number of concerns related to the means of achieving it. We pride ourselves on:

- The fact that 95.1 per cent of graduates from Scottish higher education institutions were in positive destinations of work and/or further study within six months of graduation.
- The fact that 86 per cent of students are satisfied with the overall quality of their course at that 87 per cent consider their course to be intellectually stimulating.
- The highest level of graduates in graduate level jobs in the UK, within six months of graduating, at 72 per cent (of those in employment).
- The fact that over 84% of international students recommend Scotland as a place to study, this is above the UK average.

How to use this brief

The brief is structured to show the direct and indirect impacts of the Bill on Scottish higher education institutions firstly research and innovation (section 1), and then on the teaching side (section 2). It then outlines which aspects of the Bill do not apply to Scotland (section 3).

Key asks:

- That devolved administrations have a statutory role in the governance of UK Research and Innovation
- That Scottish institutions not to be disadvantaged by the Bill's proposals for a Teaching Excellence Framework.

1. How the Bill affects research and innovation in Scotland

The Bill allows for the reform of UK government agencies which fund and support research in the UK. The various existing research councils (all 7 of them) and Innovate UK will be brought together as 'autonomous councils' of one new body, UK Research and Innovation (UKRI). These councils will, as at present, operate across the UK as a whole. Research England (another new body) will also sit within UKRI. It will have responsibility for funding research in HEIs in England (in a similar function to that performed by the SFC for Scottish HEIs).

To contextualise the importance of many of these bodies to be combined within UKRI to HEIs in Scotland:

- Scotland has world-class research and currently receives a high proportion of Research Council funding (10% of RCUK resource spend in 2014-15)
- Innovate UK support important activities in Scotland including the high value manufacturing catapult and knowledge transfer partnerships. Scotland secures 10% of Innovate UK funding
- In both cases therefore Scotland performs better than relative share of the UK population due to high class research and innovation
- It's important that the new UK-level structures enable Scotland to continue to succeed

Universities Scotland is concerned that the Bill sets up governance for UK Research and Innovation (UKRI) that is *only* accountable to Whitehall Ministers, with principally English interests. We strongly believe that the governance of UKRI needs to reflect the priorities of each of the governments within the UK. For instance, the distinctive economic policies of each of the governments within the UK need to be reflected within the priorities of the Innovate UK arm of UKRI as it works to promote innovation-driven economic growth.

Research is a UK-wide ecosystem. The research and innovation system will only be successful across the UK if it producing outcomes that sustain that ecosystem in every part of the UK.

Universities Scotland will promote specific amendments to the research & innovation sections of the Bill at Committee stage. However, in summary our concerns about Part 3 of the Bill are that:

- There is no requirement on UKRI to act for the benefit of the whole of the UK.
- The Board membership of UK Research and Innovation does not include any requirement about membership being drawn from across the UK.
- Only the Whitehall Secretary of State can give directions to UKRI, with no requirement to consult the devolved administrations.
- UKRI proposes its plans only to the Whitehall Secretary of State with no requirement to consult the devolved administrations.
- The Whitehall Secretary of State can decide how much money should go to the territorially-limited Research England and how much should go to the UK-wide functions of UKRI. There should be clear and robust separation of devolved and UK-wide funding in UKRI structures
- The commitment to dual support in research funding could be clarified further as it is described as achieving a balance between the ‘functions exercisable’ by Research England and ‘functions exercisable’ by Research Councils. It would be helpful if there was a clear definition of dual support in research funding in the Bill. The balanced funding principle must be exercised in a way that recognises the interdependence of these two funding streams.
- UKRI must have the capacity to work with, and act on behalf of, all the Funding Councils as appropriate.

Dual support in research funding

Research funding according to the dual support model is very important to higher education institutions across the UK. The model sees institutions receive grant funding from the respective funding body (Scottish Funding Council in Scotland) for research based on past performance in peer-reviewed research. This funding is more predictable and helps support research staff and infrastructure within institutions.

The second aspect of the dual support model is project-based funding for excellent research that institutions compete for on a project-by-project basis. These grants are time limited. RCUK funding is a major part of research funding in the dual support model.

We would like to see a definition of dual support funding included in the Bill to the effect that:

- Research England will be responsible for allocating predictable institutional funding on the basis of past peer reviewed performance.
- Research Councils will do so on the basis of future-facing project-based funding for excellent research.

Further there should be acknowledgement that:

- Funding provided by Research England will be integral to the performance of the Research Councils (and therefore UKRI's ability to deliver the functions outlined in s85 (1)).
- The balanced funding principle must be exercised in a way that doesn't just focus on the functions exercised by the parts of UKRI but the interdependence between them.

2. How the Bill affects university teaching and assessment in Scotland

The bill looks to establish the Teaching Excellence Framework (TEF) in England, which will be a new way of assessing universities on the quality of their teaching. The UK Government proposes that there be a link between performance in the TEF and increases in the fee cap (currently up to £9,000 per year) which applies to the university.

While the relevant sections of the Bill are specific to England, the UK Government's policy intention is that universities throughout the UK should choose to participate in the TEF. The TEF proposals are highly relevant to Scottish HEIs. Scottish universities are faced with an unwelcome 'Hobson's Choice' in response to the TEF, i.e.

- *Either* participate in a new system whose merits are unconvincing and where the link with fees increases appears to encourage 'gaming' of the system
- *Or* preserve the student-centred system of quality enhancement in Scotland and risk competitive disadvantage as Scottish HEIs will not have the same perceived markers of quality as rUK institutions.

Individual Scottish universities will have to decide whether to engage in future rounds of the TEF. In the meantime, Scottish universities are exploring whether it may be possible to create a 'different but equivalent' system in Scotland that keeps a focus on student-led enhancement while demonstrating that Scottish universities are of at least equivalent teaching excellence to their English peers.

Scottish HEIs attract 19,365 students from the rest of the UK at undergraduate level (2014/15), many of whom would rely on the new TEF to inform their decision-making about university. If they do not participate, there is a major risk that Scottish institutions will be presented in an unfavourable light relative to rUK institutions as they will not have the same perceived markers of quality as rUK institutions. Scottish HEIs are inevitably compared with their peers across the UK when it comes to student decision-making. This is a risk not only to the prospective community of rUK applicants but also to the community of prospective international applicants.

Similarly, international student choice and 'league table' rating will be affected by whether or not Scottish universities can demonstrate equivalence to the TEF.

Perceived risks of participating in the TEF in the Scottish sector include:

- distracting from our enhancement-led approach to quality and challenging collaboration, diversity and other key Scottish sector principles;
- the potential costs of participation (particularly in any subject-level elements); and
- Scottish institutions being presented in an unfavourable light relative to rUK institutions due to rUK comparability issues.

We ask for your support to secure:

1. Scope for formal recognition of ‘different but equivalent’ quality assurance mechanisms across the devolved nations

Scotland’s higher education institutions are committed to excellence in learning and teaching. Scotland’s system of quality assurance in HE – the Quality Enhancement Framework - has been different to that in England for well over a decade. We believe our system of QEF to be a strong, student-focused approach to quality that takes an enhancement-based approach, which is to say the sector is open to introducing new ideas and concepts in our teaching and we are always striving to be better. Further details on the features of QEF are listed below (sub-heading: Features of Scotland’s QEF).

We recognise that our system of QEF will need to evolve to be comparable with the plans for TEF but we believe that it should be possible, within a devolved UK, to build a framework that works for the whole of the UK; one that offers the potential to recognise ‘different but equivalent’ in quality assurance methods. This is important to Scottish HEIs given the many thousands of students from the rest of the UK that study in Scotland.

We were delighted to read the [White Paper’s](#) emphasis on recognising the interconnectivity of HE across the UK and the desire to explore how TEF can be designed in a way to be compatible with participation by higher education institutions in Scotland, Wales and Northern Ireland. That is the approach we would like to see taken forward throughout the development of TEF.

We do not yet have detailed plans to share on what ‘different but equivalent’ might look like or how it might operate. However, we believe the timeline for TEF implementation gives Scotland two years (by TEF 3) to develop a comprehensive proposal to put to the relevant UK Government department (it was led by BIS but the UK Government cabinet reshuffle on 13/14 July has seen responsibility pass to the Department for Education. Universities Scotland is engaging constructively in the development of the TEF. We have established a working group in the Scottish sector to look at the way forward.

We ask the UK Government to be open to considering a detailed proposal from the sector in Scotland that would recognise Scottish quality methods as ‘different but equivalent’.

2. Scottish representation on the HEFCE project board and BIS groups taking forward TEF implementation.

This follows on from the former request at #1. There are clear implications for the devolved nations in this Bill and the plans for TEF. It will be important that there is Scottish (and Welsh) representation on the various project boards and groups taking this forward within HEFCE and BIS. At present there are none.

We have been very grateful to BIS for its engagement with the sector in Scotland so far. A recent workshop run by BIS and hosted by Universities Scotland in Edinburgh was much appreciated by our HEI members. However, we need a seat at the various tables that will be discussing the fine details of the TEF scheme to ensure that it fully understands and properly accounts for the points of differentiation in Scottish HE.

3. TEF to develop with metrics that give Scottish HEIs an equal chance to have their excellence recognised.

The plans for TEF involve using a series of data to assess university outcomes – and therefore, by proxy, the quality - of teaching and learning at university. Some of these metrics use data that is more suited to HEIs in England than in Scotland (we are uncertain of the suitability for HEIs in Wales).

Examples of this include the proposed metric for widening access which is POLAR, a measure widely acknowledged to have a methodological approach that does not work for Scotland because it fails to account for the element of HE delivered in FE colleges in Scotland. The HE Statistics Agency (HESA) stopped using POLAR as a metric for Scottish HEIs in [check year] in recognition of its shortcomings but we are faced with POLAR again in TEF.

There are other data issues with the metric proposed for non-continuation (drop-out) as it is likely to disadvantage Scotland for various structural reasons including Scotland' four-year undergraduate degree compared to three-years in England and Wales. In England colleges are included in records for student transfers but in Scotland they are not which means a student leaving university to continue education in a college results in a 'non-continuation' data return for a Scottish HEI but a 'transfer' data return for an English HEI.

If Scottish HEIs are to participate in TEF (on the opt-in basis provided for) then we ask that the system gives all parts of the UK equal scope to compete fairly and be judged equally. We expect to be held up to the same standards as HEIs in England, we just want to make sure that the methods of assessment are fair.

4. Less haste in the development and implementation of TEF.

We have real concerns at the speed at which these proposals have been developed and thrust upon the HE sector. The first year of award of TEF is AY 2016-17 with assessments for the second year also taking place in 2016-17 and constant annual changes for at least three years until the system reaches steady-state.

These are major changes and they come with little time to ensure that the assessments work and actually measure teaching excellence. The TEF proposals start off focussed on quality at an intuition level (in years 1 & 2) but then move swiftly to measuring quality at subject level (years 3 & 4). University teaching is currently of high-quality and is highly respected at home and abroad. We should take the time needed to ensure that changes do not put this excellence, and our reputation, at risk.

This pace of change comes at a time when the higher education sector faces major instability as a result of the Brexit vote

Features of Scotland's QEF

We believe our enhancement-led approach to quality teaching in Scotland is strong. The following are features of that approach:

- **collaboration and collegiality.** Institutions learn from each other and share experience as part of our system. Enhancement themes involve teams from all 19 institutions in Scotland (all of which include at least one student). The enhancement themes have covered research-teaching links, student transitions, 'graduates for the 21st century' etc.
- **purposeful striving to continuously improve teaching.** The principle of enhancement in Scotland encourages a culture which understands that we have not arrived, there is always something we can do to improve. This spurs the sector on.
- **student partnership.** This has been a key principle since 2003. Students are on review teams and the process works with students recognising the expertise they can bring to their own learning.
- **supporting learning excellence.** Self-reflection provided for in Enhancement-led Institutional, Review (ELIR) encourages honesty from HEIs. It allows them to get advice from the review team if needed. Students provide written and oral evidence.
- **recognition of the interdependence of research and teaching links.** Students are exposed to research and taught research methods which links to employability skills.
- **learning from international experience.** There is an international member on the review team for the Enhancement-led Institution Review (ELIR). This helps to ensure we are outward-looking in our approach to quality.
- **preserving the diversity of the sector.** Scotland's current approach works for our large, broad-based universities and our small, specialist institutions.

3. Not directly applicable in Scotland - but of concern

New degree-awarding powers and university title

Clauses 40-45 look to 'speed up' the process of giving degree-awarding powers to new entrants. Clauses 51-55 look to change the process and criteria involved in achieving university title.

We are concerned about proposals to significantly relax requirements made of unproven providers.

Entering into higher education is a significant undertaking for students and they should have the security and peace of mind that comes from knowing that their educational provider has met robust requirements.

We believe in diversity and choice within the higher education sector but we are concerned about the potential risks involved for the student community and the potential impact on the sector's reputation at home and abroad if disreputable providers are able to award degrees or call themselves universities. If the brand of Scottish/UK higher education is tarnished by a disreputable new entrant to the 'market' it will cause damage to the reputation of all institutions.

Not directly applicable in Scotland: Provisions relating to access and participation

Clauses 28-36 of the Bill relate to widening access and participation as they propose the merger of the Office for Access (OFFA) into the (to be created) Office for Students (OfS).

Widening access policy is devolved to Scotland. OFFA does not have a remit for Scottish higher education. It was established following the introduction of fees of up to £9,000 a year in English HEIs.

Scotland has its own policy direction for widening access. The Commission for Widening Access, established by the Scottish Government, reported in March 2016 with a set of 32 recommendations for action in Scotland.

Universities Scotland responded to the Commission's recommendations by saying it would take a bolder approach to access. If you would be interested in talking to us about our plans for delivery on access in Scotland we would be delighted to meet with you.

Ends

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