

THE LEADERSHIP FOUNDATION FOR HIGHER EDUCATION

The National Mentoring Scheme for Leaders in Higher Education

ADVISORY GROUP

A Brief Introduction to UK Higher Education

Notes for NMS Mentors From Outside the HE Sector

Introduction

The UK Higher Education sector is diverse. It encompasses the full range from world class research universities to specialist conservatoires and colleges of art and design. Some 12% of higher education is also undertaken in further education colleges. The sector has attracted considerable, long-standing, world-wide respect; and a good number of UK institutions have established pre-eminent positions in their specialist fields against prominent international competitors. The sector is noted for the quality of its teaching, the standard of its research activity (both 'blue sky' and applied research) and, increasingly, for its enterprise and entrepreneurship. To advance these latter activities, universities have established strong collaborative ventures with regional development agencies, governmental offices and a range of private, voluntary and public sector organisations. Chief amongst this last group are the NHS and Regional Health Authorities.

In significantly increasing its partnership activities the sector has become a key provider of knowledge-based services and a major player in technology transfer and local regeneration. Much of this latter activity is progressed via consultancy to SMEs and business start-ups. The bulk of institutions are major employers and make significant contributions to their local economy, directly through the labour market and, indirectly, through student spending in the community. Higher Education Institutions (HEIs) also contribute to the social and cultural life of their regions through support for minority communities, theatre, cinema and the arts. A number of current strategic challenges facing UK higher education can be found in the attached diagram, published in 2005 by The Leadership Foundation.

The Student Population

The higher education sector consists of some 170 institutions catering for a rich diversity of home-based, EU and other overseas students. This student body is growing in size and character with a 39% overall increase between 1995 and 2003 to a current total of 2.2 million students. Such growth is unprecedented and has been managed against a steadily declining unit of resource for teaching which only levelled off in 2002. The largest increases have been in part-time undergraduates (99% up on 1995) and part-time postgraduates (41% up on 1995). Growth of this scale is part of a national strategy that has seen participation rates for 17-30 year olds in England increase from 14% of the age range in 1985 to 44% in 2003, moving towards the government's target of 50% participation in some form of HE by 2010. In Scotland the equivalents are 20% to 52% in the same period with some 30% of HE being undertaken in FE colleges (mostly through HNC/HND and similar awards).

Unprecedented increases in their teaching function have presented universities with a range of financial and academic challenges during the last decade and have stimulated wide spread curriculum renewal, new modes of teaching and learning, and significant investment in the professional development of all categories of staff. The most recent challenge with respect to students will be the introduction from 2006 of differential fees for full-time students from the EU (part-time, non-EU and post-graduate students already pay differential fees). Most institutions have said they will charge £3000 per annum for most programmes of study. This is likely to stimulate an even more customer and client responsive culture in the sector. Even so, some institutions and courses make a loss on every student they teach; hence cross-subsidy is necessary and much teaching and research has been at the expense of investment in infrastructure. Margins across the sector are paper thin. Pricing decisions tend to reflect the decisions by university councils (or their equivalent - see below) on the positioning of the institutional brand.

Many of the students now entering UK universities come from family backgrounds and geographical regions which have been traditionally under-represented in higher education. Despite the increasing and more diverse student population course completion rates continue to be high and record numbers graduate with a gradient of awards from foundation to doctoral levels. UK completion rates are amongst the highest in the world.

Diversity in the Sector

HEIs vary greatly in size (from <1000 to >30000 students), in income (from <£10m to >£150m) and mission. This last feature displays itself in marked differences of emphasis in both the nature of an institution's subject provision and its research profile. The sector embraces small, specialist colleges committed to the creative and performing arts, for example, The Royal College of Art; university institutions which emphasise their role in regional affairs and professional/vocational formation, for example, Leeds Metropolitan University and The Royal Agricultural College; and more traditional 'research intensive' universities with international reputations in the scientific, technological and medical fields, for example, the Universities of Cambridge, Glasgow and Manchester (now the largest single institution in the UK). Diversity of interests and traditions among HEIs is formalised to some extent through voluntary association into special interest groupings of institutions with similar missions and perceived status, for example: the Russell Group, the 1994 Group and the Campaigning for Modern Universities (CMU) group.

Finance and Unit Costs

Universities derive their income from a number of sources with the bulk (39%) coming from the Funding Councils (HEFCE [Higher Education Funding Council for England], SHEFC [Scottish Higher Education Funding Council] and HEFCW [Higher Education Funding Council for Wales]) and grants from the UK Research Councils (17%). Course fees make up some 25% of income and approximately 19% of total income is self generated through consultancy, business contracts and spin off companies. These national averages mask considerable differences between individual institutions. Virtually all institutions worldwide face considerable cost pressures as they seek to satisfy rising student demand within constrained state budgets. In 2000, public expenditure on tertiary education in the UK represented 0.7 % of GDP (the OECD mean is 1%) and placed the country in 26th place on the OECD list, below such countries as Mexico, Slovakia and Turkey. It should also be noted that the UK's position is well below other Scandinavian and European neighbours. Unit costs per full-time student have fallen significantly from around £7,600 to £5000 in the period 1989 to 2003. Few outside higher education appreciate that the value of higher education and training exports from the combined UK universities totalled £4017M in 2002, a sum which clearly demonstrates the sector's contribution to the national

economy. There is every expectation that this amount will continue to rise as our institutions continue to attract students from overseas and track and contribute to the growth of global knowledge-based economies.

The Higher Education Workforce

The higher education sector employs 2% (450,000 people) of the UK workforce and employment is spread across the whole country with notably large clusters in London and the South East (19% and 12% respectively) and the North West (11%). Employment opportunities within the sector have grown by 11% since 1994, in line with the general UK trend, but with marked growth in associate professional and technical jobs, such as research assistants and laboratory technicians. Despite this, academics, including lecturers and researchers, still account for half of all jobs in the sector.

In terms of demographic profile, the HE workforce is slightly older than the UK workforce as a whole, largely because employment demands higher entry qualifications. Significantly, 16% of the workforce is over the age of 55 compared to 12% in the population as a whole. Over the next decade replacing these retiring employees will become a major challenge for the sector, particularly in some academic/professional disciplines and in business schools. A number of recent HEFCE initiatives aim to tackle this issue through a focus on strategic human resource management, succession planning, retention and reward. The last issue is of particular importance as academic salaries have deteriorated significantly against other benchmark occupations making it particularly difficult to recruit in such fields as law, business management, accountancy and IT where there are comparable private sector jobs.

Governance, Quality and Standards

HEIs are not public sector institutions. They are “not for profit” organisations established by a mixture of statute and acts of the Privy Council. They can be categorised into the ancient Universities of Oxford and Cambridge, universities, university colleges and specialist colleges. (Scotland has its own equivalent of medieval institutions with the universities of Edinburgh, Glasgow, St. Andrews and Aberdeen). The heads of the first two categories belong to Universities UK and those of the latter two to the Standing Conference of the Principals of Colleges of HE (SCOP).

HEIs are complex organisations producing a wide range of products and services. As such, arrangements for their internal management vary, as do job titles of senior level posts and portfolios of responsibilities. All HEIs, however, have well founded governance mechanisms (variously called Courts, Councils or Governing Bodies). The Council is chaired by the Chair and most of these belong to the Council of University Chairs (though the Chairs of HEIs other than universities do not belong to this body).

Most HEIs have a Chancellor or similar titular head. They preside at award ceremonies and can represent the HEI at ceremonial occasions.

The management structure of a typical HEI is composed of a Vice-Chancellor or Principal (sometimes now also called a Chief Executive) with a second tier of Pro Vice-Chancellors. Increasingly universities may have Deputy Vice-Chancellors leaving the VC to focus more on external issues. With regards to their internal structure, institutions are generally organised around Faculties/Schools or subject disciplines (such as humanities or mathematics). Faculties and Schools maybe headed by a Dean who increasingly has budgetary responsibility and frequently some other cross-institutional responsibilities.

There are differences between the pre-92 and post-92 HEIs. The latter were previously Polytechnics under the control of local authorities. The 1992 Education Act gave them university status and the ability to award their own degrees. It also gave a common governance approach with greater responsibilities vested in the VC than is usually the case in the pre-92 universities. In pre-92 universities the VC does not have the powers of a Chief Executive in the private sector.

Although the majority are autonomous bodies, university level institutions are subjected to regular external scrutiny in a variety of ways. The quality of their research output and teaching is reviewed periodically through a national Research Assessment Exercise (RAE) - next due in 2008 - and the work of the Quality Assurance Agency (QAA). The latter produces detailed reports covering many subjects as well as institutional level audits. These involve making judgements about the standards of awards and quality of individual taught programmes. The focus is now almost entirely at the institutional level. Other professional, statutory and regulatory bodies provide forms of public assurance with respect to course accreditation and graduate entry to the professions. A notable example here is the regulation of medical and dental curricula by The General Medical and General Dental Councils.

Observers coming to the sector for the first time are often struck by the complexity and extent of the sector's regulatory framework. Despite (or possibly because of) this weight of scrutiny, evidence from all external sources indicates that UK higher education enjoys secure standards and is generally providing students with a cost effective, high quality experience which they have said they value. Overseas students, many of them postgraduates, make particularly favourable comparisons between the quality of their UK-based programmes and their experience as undergraduates in their own countries.

Further Information *about the UK HE sector, working in universities and current issues faced by academics can be found in:*

Fry, Heather, Steve Ketteridge, and Stephanie Marshall, [A Handbook for Teaching and Learning in Higher Education](#), 2nd edition, 2003, London: Kogan Page.

Ketteridge, Steve, Stephanie Marshall and Heather Fry, [The Effective Academic](#), 2002, London: Kogan Page.

The following websites contain a wealth of information about the HE sector:

For policy and funding issues, see:

Higher Education Funding Council for England (HEFCE) www.hefce.ac.uk
Scottish Higher Education Funding Council (SHEFC) www.shefc.ac.uk
Higher Education Funding Council for Wales (HEFCW) www.hefce.ac.uk

For reports of subject level reviews and institutional audits, see:

Quality Assurance Agency (QAA) www.qaa.ac.uk

For details of the work of the sector's representative bodies and a range of reports on contemporary issues, see:

Universities UK www.UniversitiesUK.ac.uk
Standing Conference of Principals (SCoP) www.scop.ac.uk

For statistical information about institutions and the sector, see:

Higher Education Statistics Agency (HESA) www.hesa.ac.uk

For information about partnerships/collaboration between HE and industry, see:

Council for Industry and Higher Education (CIHE) www.cihe-uk.com

For governance issues, see:

Committee of University Chairmen (CUC) www.shef.ac.uk/cuc

For information about teaching and learning issues, see:

Higher Education Academy (HEA) www.heacademy.ac.uk

For information about senior management and leadership development see

Leadership Foundation for Higher Education www.lfhe.ac.uk

For information about research issues and the Research Councils in the UK, see:

Research Councils UK www.rcuk.ac.uk

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