

7th November 2024



Leeds

Higher Education Policy Institute

The Higher Education Policy Context

Josh Freeman

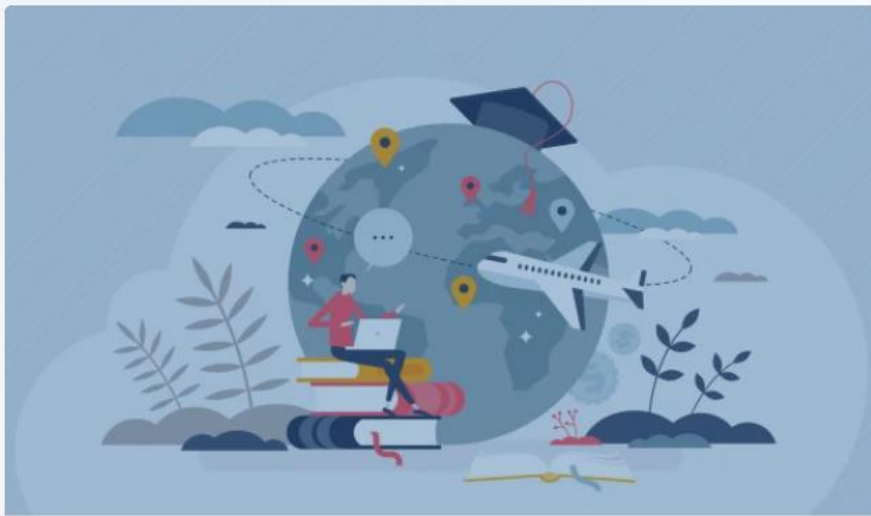
About HEPI



- HEPI is a non-partisan think tank specialising in higher education.
- We are the UK's only think tank solely devoted to HE.
- We have 130+ University Partners and around 20 other Partner organisations.



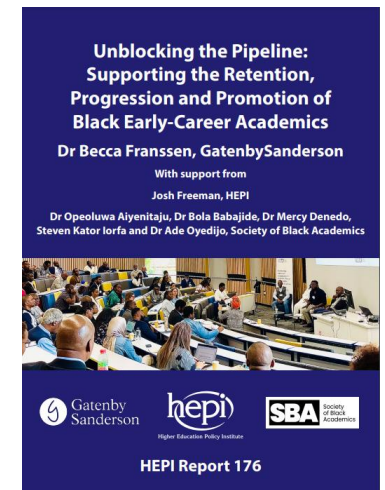
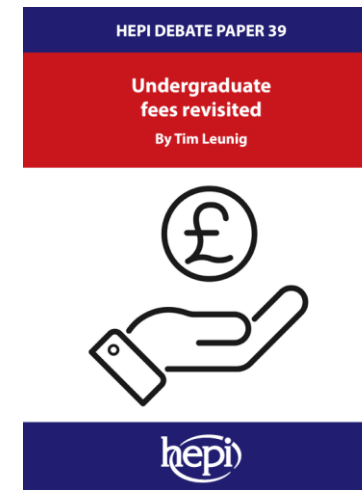
Our outputs



What can we learn from prospective international students this cycle?

30 October 2024 by Alex Berka

The QS International Student Survey highlights international students' priorities: career outcomes, affordability, sustainability, and AI integration in UK higher education.



Our events



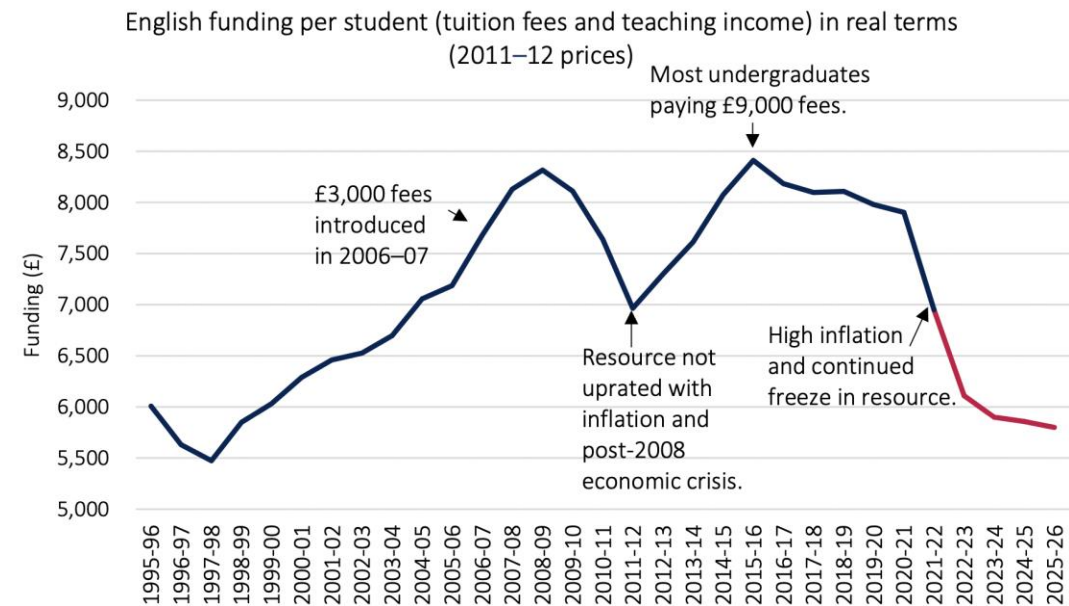
Structure

1. Fees and funding
2. Skills agenda
3. Student costs and access
4. Research funding
5. AI
6. International students
7. Free speech



1) Fees and funding

- Fees raised only once since 2012 (in 2017)
- They are now worth less than two-thirds of their value in 2012.
- [Sasha Roseneil, VC at Sussex:](#) home students are now cross-subsidised by international fees



Funding crisis

Too hard, too fast? One in three campuses now making redundancies

Number of institutions making redundancies passes 50, reflecting scale of financial challenge facing sector, but even some senior leaders fear rush into irreversible changes will do long-term harm

April 25, 2024

Tom Williams

Twitter: [@TWilliamsTHE](https://twitter.com/TWilliamsTHE)

The number of UK universities cutting jobs has passed 50, with leaders claiming drastic action is required to prevent institutions going under, but some are worried that the speed and scale of the restructuring has gone too far with no way back even if financial conditions improve.







“Cuts of the scale being threatened at universities... will devastate local economies and cause long-term harm to key British industries like the creative arts.”

- Jo Grady, recently re-elected General Secretary of the University and College Union (UCU)



How do the Home Nations differ in terms of funding? Substantially!

Balance of total contribution between the Exchequer vs.
students/graduates

	Exchequer	Students/Graduates
	16%	84%
	44%	56%
	113%	-13%
	51%	49%

- In **England**, most of the cost of HE is borne by students/graduates.
- In **Wales and Northern Ireland**, the split between Exchequer vs. student/graduate cost is roughly even.
- In **Scotland**, students are effectively *paid* to attend HE (as they typically pay no fees but receive maintenance funding).

Note: The balance of contribution between the Exchequer and students/graduates was calculated across *all* students in the relevant 2023-24 entry cohort of English, Scottish, Welsh, and Northern Irish domiciled undergraduate students (studying anywhere in the UK and including both full-time and part-time students).

Politics: Smoke signals in the fog?

Labour to 'change the way students pay for time at university'

Shadow education secretary avoids mention of the word 'fees' in conference speech comments

October 11, 2023

[John Morgan](#)

Twitter: [@johncmorgan3](#)

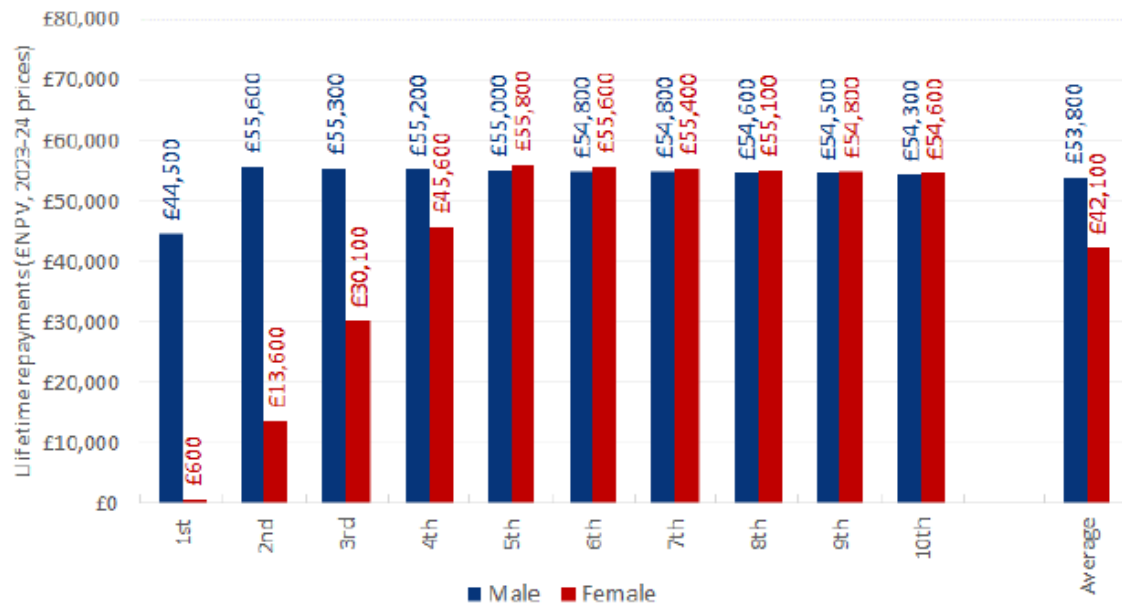


- Higher tuition fees remain the easiest and cheapest way of increasing financial support to universities
- BBC (and others) predicted fee rises in last weeks' Budget – but none materialised
- May be a price – efficiencies?
- Other big questions:
 - Fairness
 - Politically unpopular

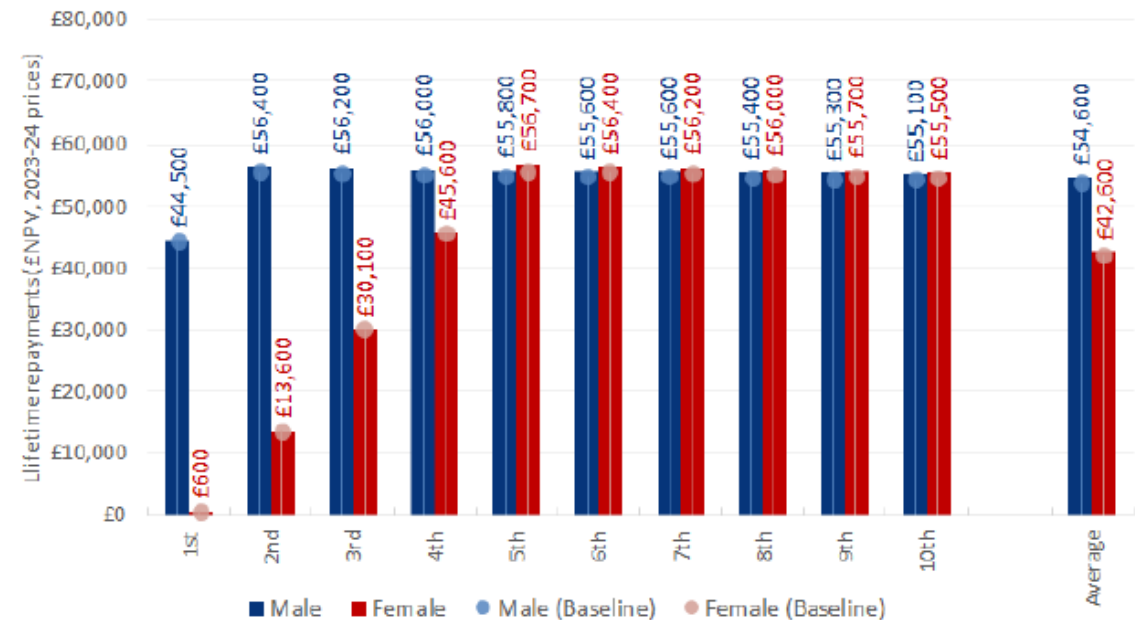


Raising fees – impact on students

Baseline (England)



Scenario 2: Jo Johnson



- Under Scenario 2, middle- and high-income graduates would make slightly *higher* lifetime loan repayments than under the current system.
- In contrast, graduates at the bottom off the income distribution (1st decile for men, and 1st to 4th decile for women) would be *unaffected* by the higher loan balance, as these graduates would already be expected to never fully pay off their loan by the end of the repayment period. As a result, these graduates' repayments are not impacted by the increase in fees over time.

2) Skills agenda

“We will establish Skills England to bring together business, training providers and unions with national and local government to ensure we have the highly trained workforce needed to deliver Labour’s Industrial Strategy.”

“Labour will create a flexible Growth and Skills Levy, with Skills England consulting on eligible courses to ensure qualifications offer value for money.”

- Apprenticeship Levy to become the Growth and Skills Levy
- Skills England to identify skills needs in society and determine where Growth and Skills Levy funding can be used
- And the Lifelong Learning Entitlement (LLE) is still in the mix (albeit delayed)
- Result = general confusion








Qualification funding landscape

Level	Academic pathway	Vocational pathway	Work-based pathway	
8	Doctorate			
7	Master's degree		Higher apprenticeship	Degree apprenticeship
6	Honours Degree			
5	Diploma of HE / Foundation degree	Higher National Diploma (HND)		
4	Certificate of HE	Higher National Certificate (HNC)		
3	A Level	BTEC Diploma / Certificate / NVQ Level 3	Advanced apprenticeship	T-Level
2	GCSE (grades 4 - 9)	BTEC First Diploma / NVQ Level 2	Intermediate apprenticeship	
1	GCSE (grades 1 - 3)	Foundation diploma	Traineeships	

- LLE to fund academic qualifications at levels 4-6
- Growth and Skills Levy to fund vocational and/or work-based pathways... details TBC

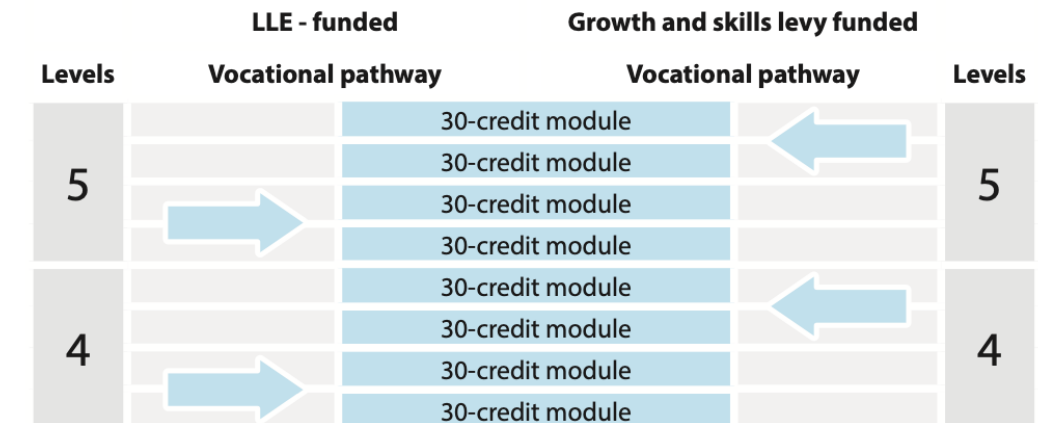
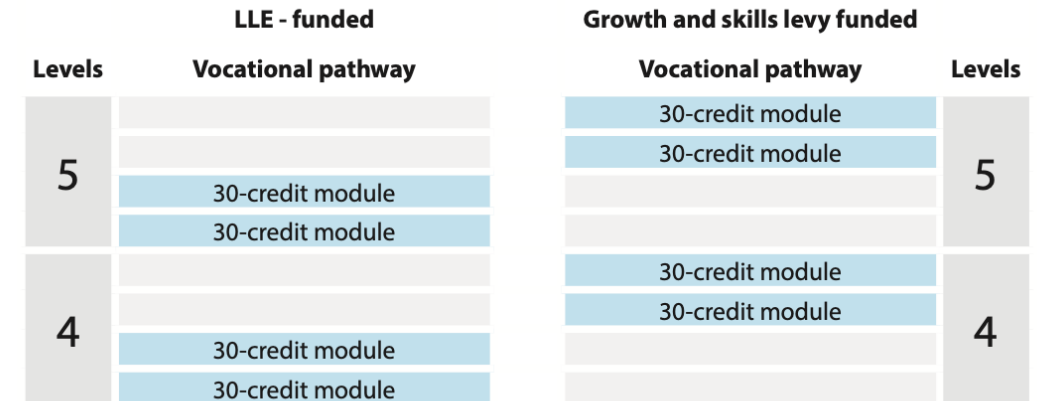
Funding

	The education system / adult learner fund
	Apprenticeship Levy
	Advanced learner loans / employer funded
	Higher Education Student Finance
	Doctoral funding - multiple routes



GSL and LLE in harmony?

- Will it/should it be possible to combine modules from different funding streams to reach a qualification?
- Can we/should we 'stack' modules in this way – or at all?



3) Student costs and access

UK 'going backwards' on university access, warns Justine Greening

Former education secretary tells World Academic Summit that UK has 'deprioritised' equitable access

October 7, 2024

[Jack Grove](#)

Disadvantaged students fall further behind on university access

Enrolment rate for free school meal and black pupils is in reverse, according to DfE data


October 24, 2024


[Patrick Jack](#)

Recent admissions round: concerns about entry rates and progress on widening access

UCAS data shows a slight drop in undergraduate applicants as of June 2024

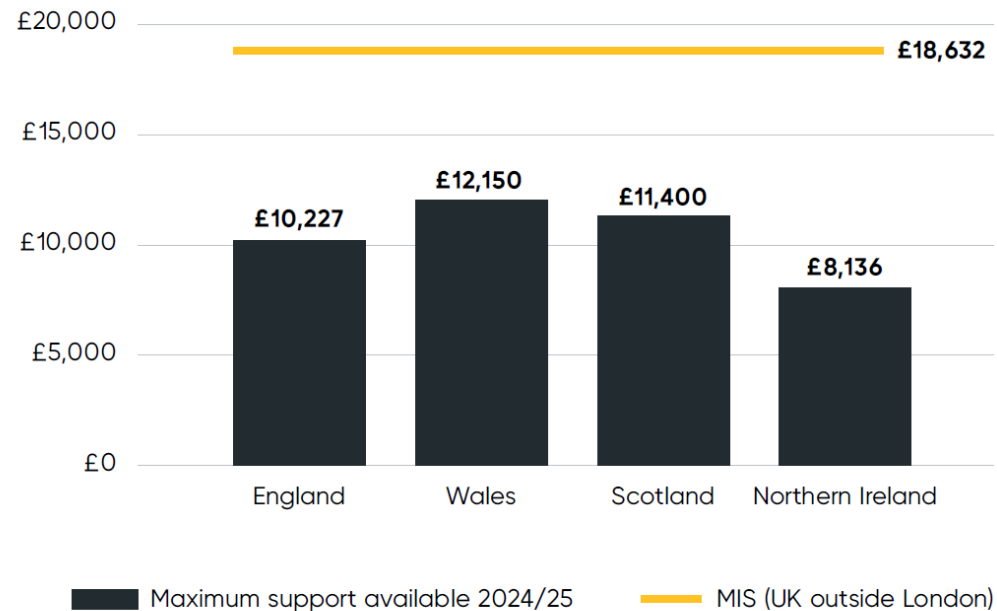
by Kevin Prest

 30/07/2024

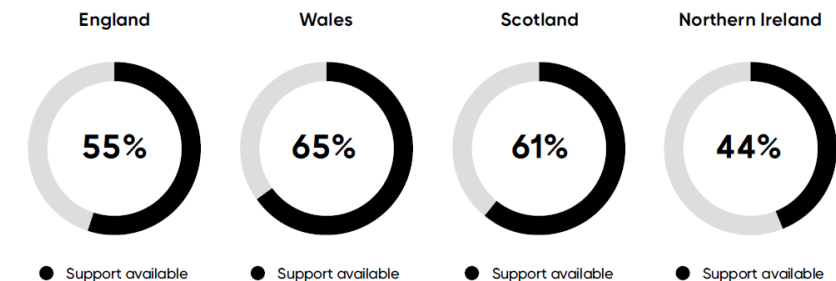
 Higher Education Institutions



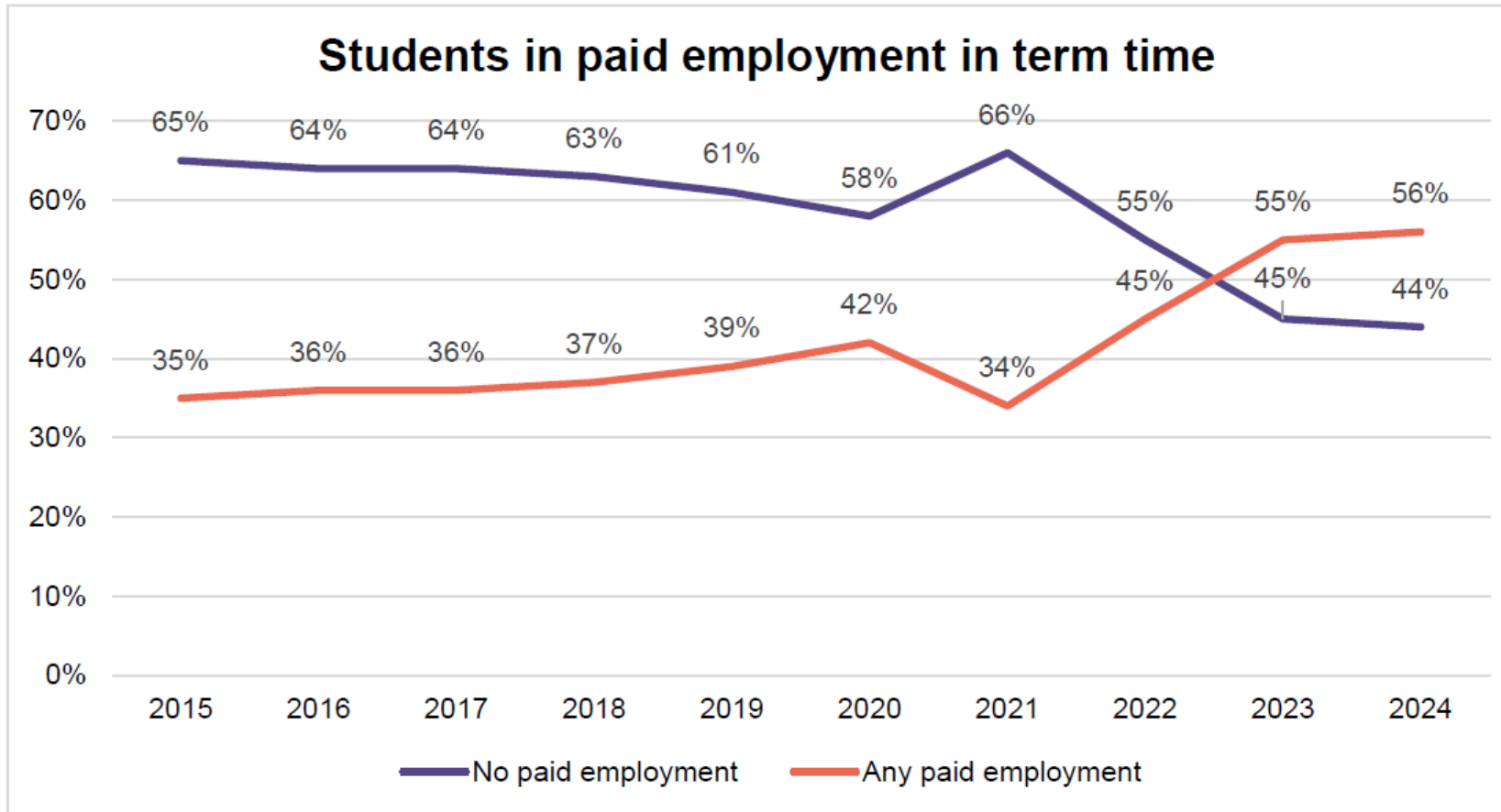
One possible explanation: student costs



- HEPI & TechnologyOne & Loughborough: students need £18,600 a year to live on (and £21,700 a year in London)
- Maximum maintenance support covers less than two-thirds of costs including just 55% in England

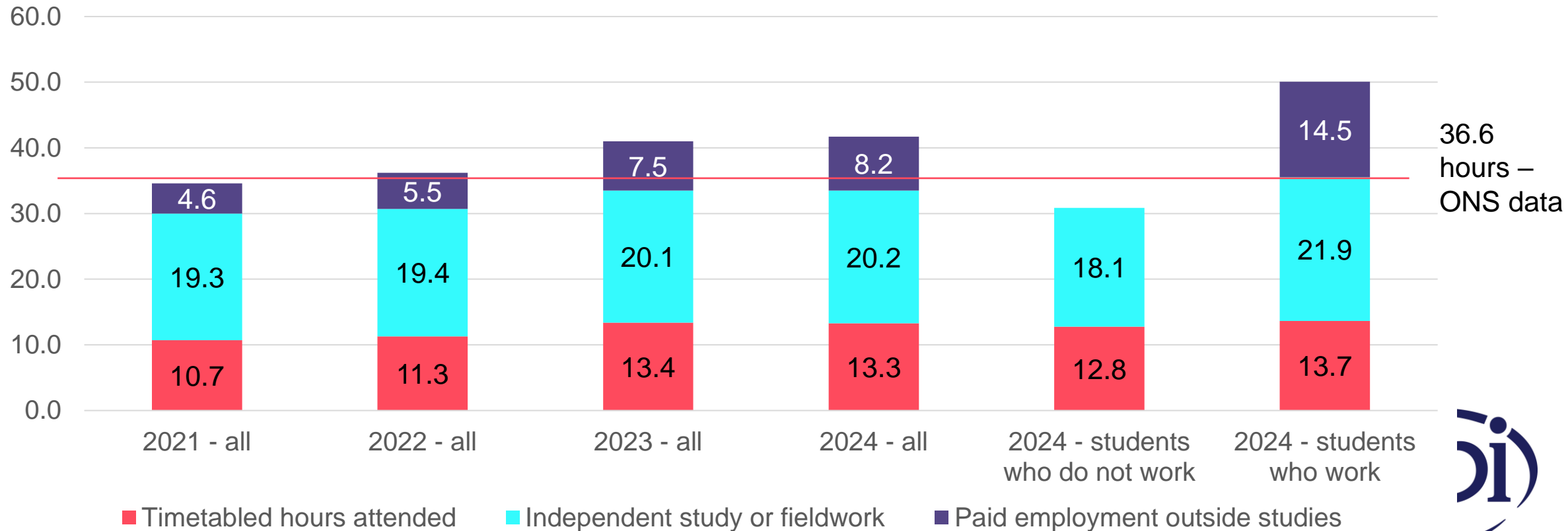


The consequence: students are working more than ever



The consequence: students are working more than ever

Average number of hours spent studying or in employment



Phillipson: we're not ruling out maintenance grants



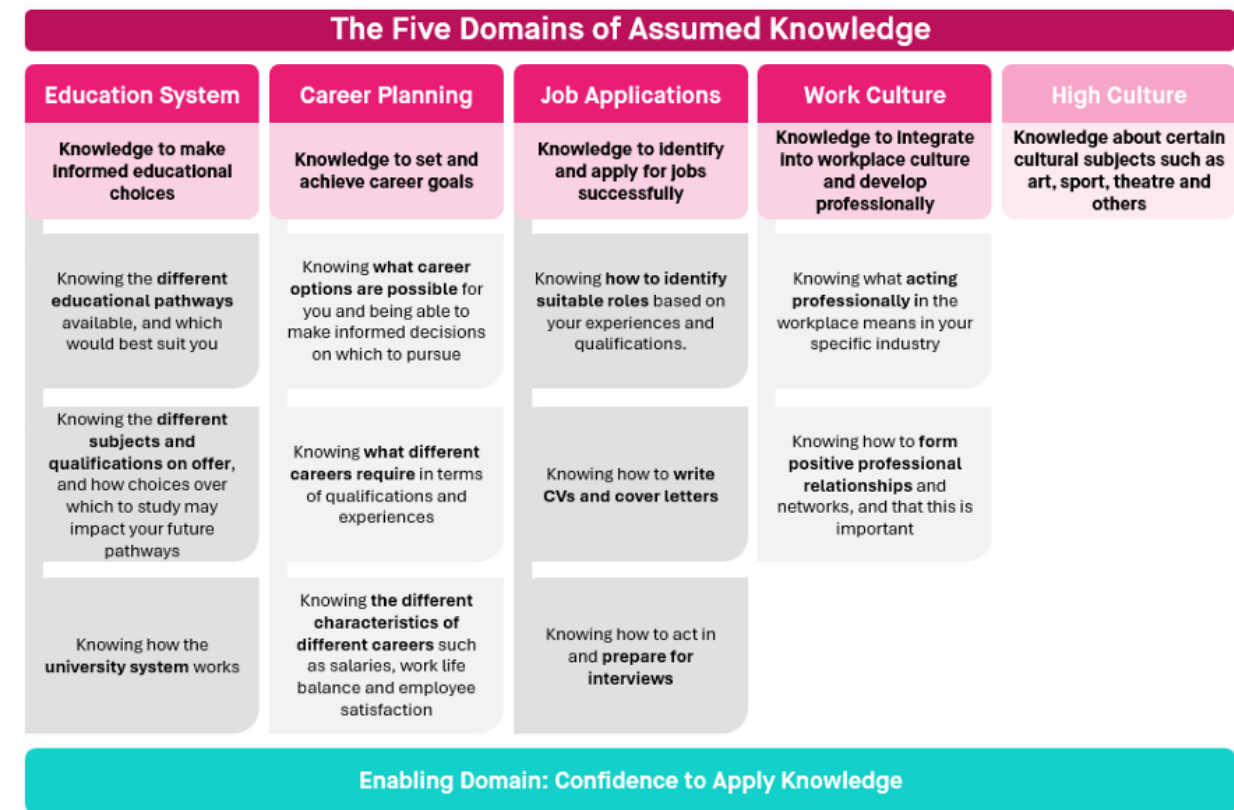
“I don’t want young people to be put off applying to university on the basis of financial imperative and, sadly, I think increasingly we’re seeing young people making decisions based on their finances and that’s a really big challenge.”

Any update may come soon and certainly before the end of January – watch this space!

Other access barriers

- Persistent poor understanding of loans (e.g. risk of going ‘bankrupt’) – and HE (e.g. graduate premium) – SMF
- The curriculum/subject choices – see Curriculum and Assessment Review
- Government rhetoric around low-quality degrees

Figure 2: SMF Detailed Assumed Knowledge Framework



4) Research funding

- Budget 2024: Reeves pledges to “protect core research funding”.
- £20.4bn committed for 2024/25, with £6.1bn for core research, including £2.7bn for Horizon association – so no effective cut
- Relief – for now

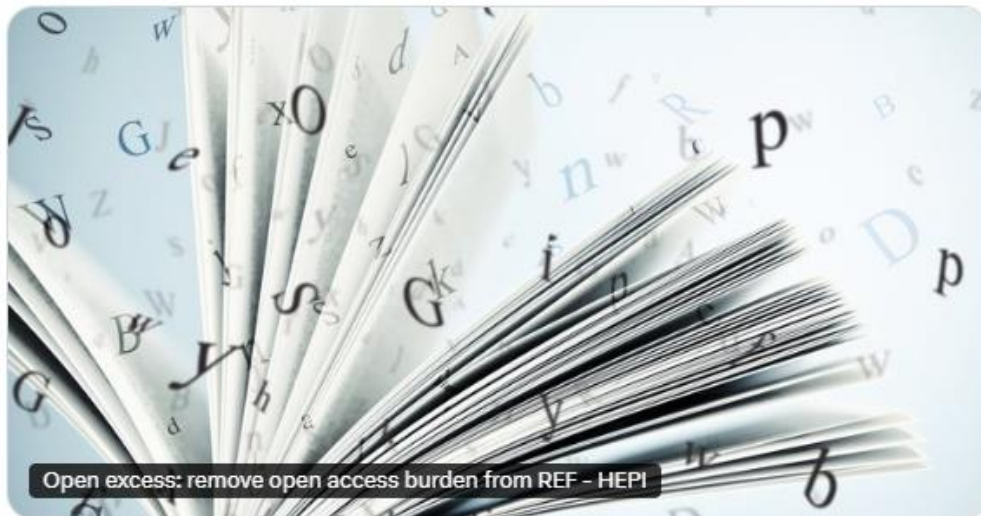


It all goes back to REF



Miles Padgett
@MilesPadgett

Open excess: remove open access burden from REF - HEPI. A fantastic piece from Patrick @tanitacasci @sljconway15. I too believe in Open Access but by mandating it REF risks undermining both our research environment and value for money.



Open excess: remove open access burden from REF - HEPI

From hepi.ac.uk

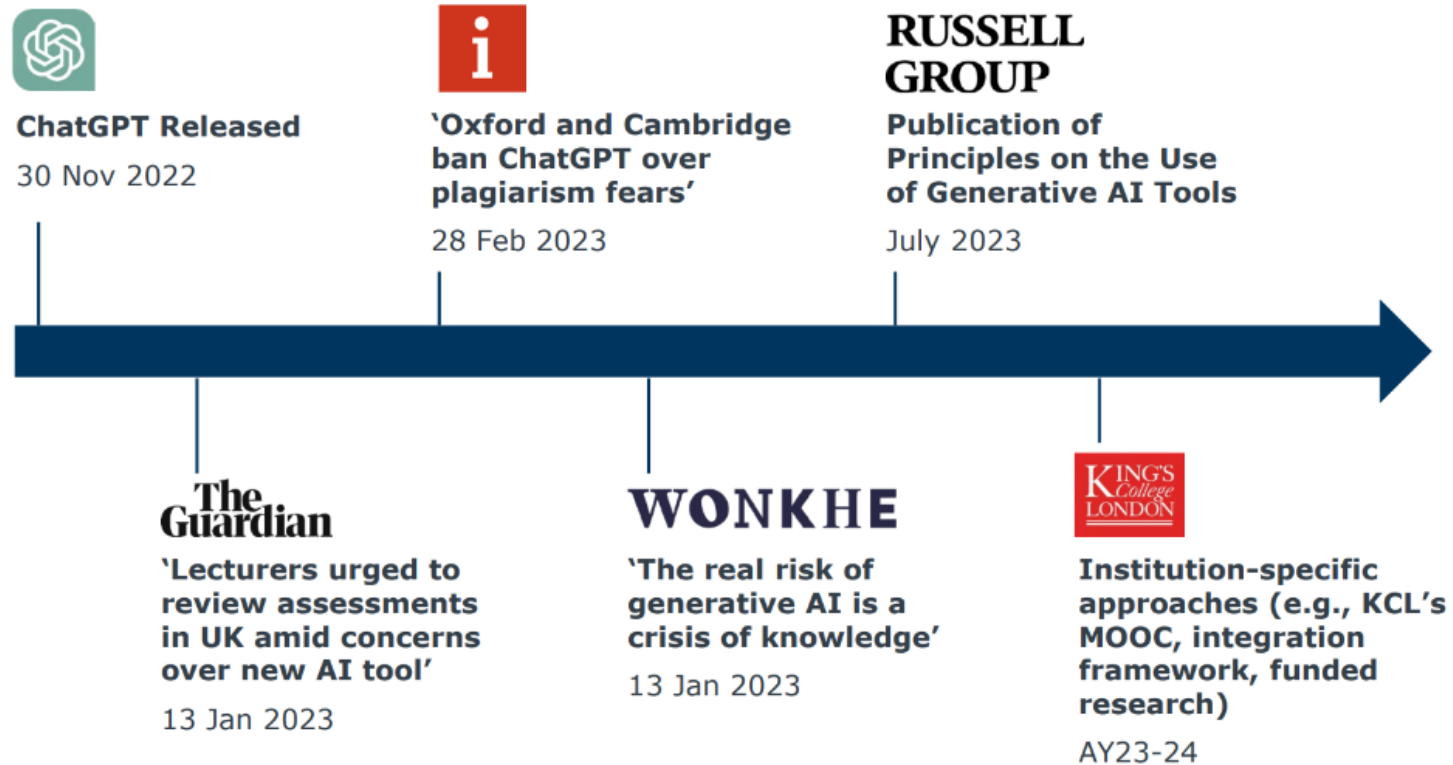
2:42 PM · Jun 12, 2024 · 976 Views

- Research Excellence Framework is “too bureaucratic”
- UK Day One: Replace REF with a system that allocates quality-related funding based on external research income
- People, Culture and Environment now to be assessed in REF2029
- And debates about open access...



5) AI

Early Panic, Handwringing Leads to Levelheaded Opportunity Assessment



Russell Group principles on AI

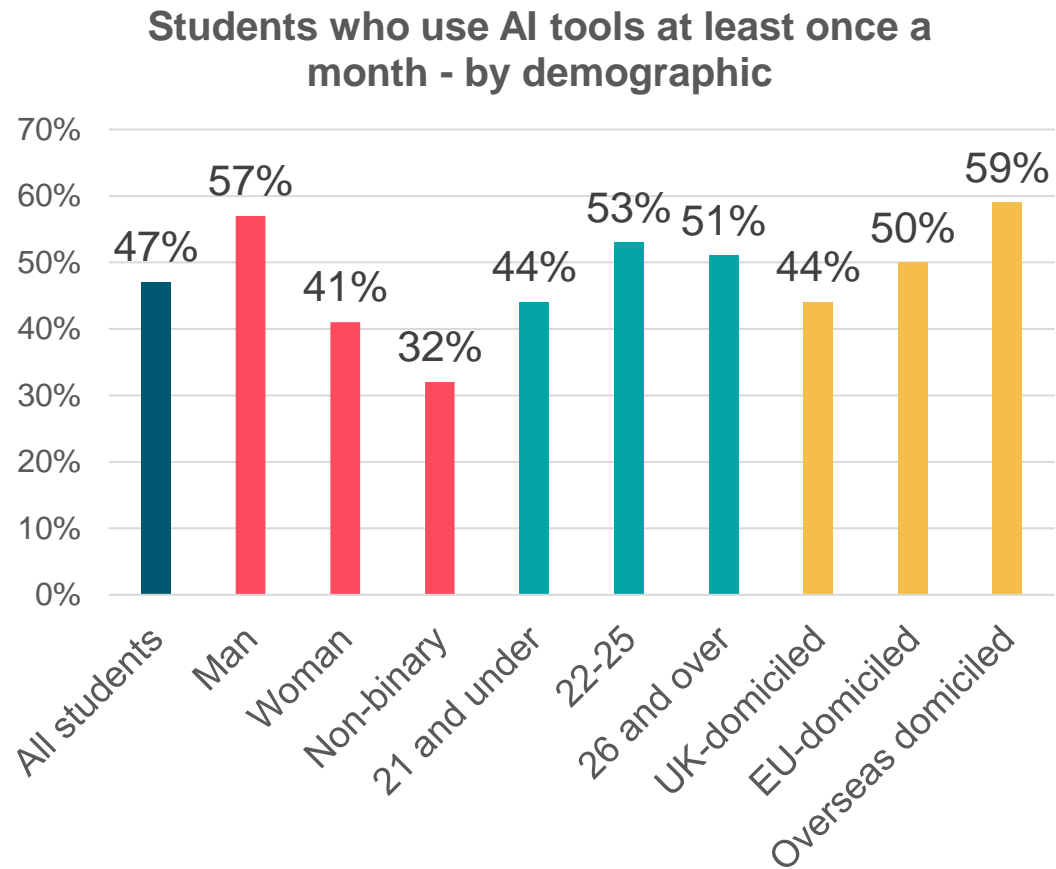
1. Universities will support students and staff to become AI-literate.
2. Staff should be equipped to support students to use generative AI tools effectively and appropriately in their learning experience.
3. Universities will adapt teaching and assessment to incorporate the ethical use of generative AI and support equal access.
4. Universities will ensure academic rigour and integrity is upheld.
5. Universities will work collaboratively to share best practice as the technology and its application in education evolves.

**RUSSELL
GROUP**

“AI breakthroughs are already changing the way we work and its crucial students get the new skills they need to build a fulfilling career. University staff also need support as they look at how AI can be used to enhance their teaching and help bring subjects to life.”



HEPI research



Artificial intelligence (AI)

This article is more than 8 months old

More than half of UK undergraduates say they use AI to help with essays

Teachers also using the generative technology to aid with lesson planning, with hopes it could ease the burden of their workload

Richard Adams Education editor

Thu 1 Feb 2024 00.01 GMT

Share



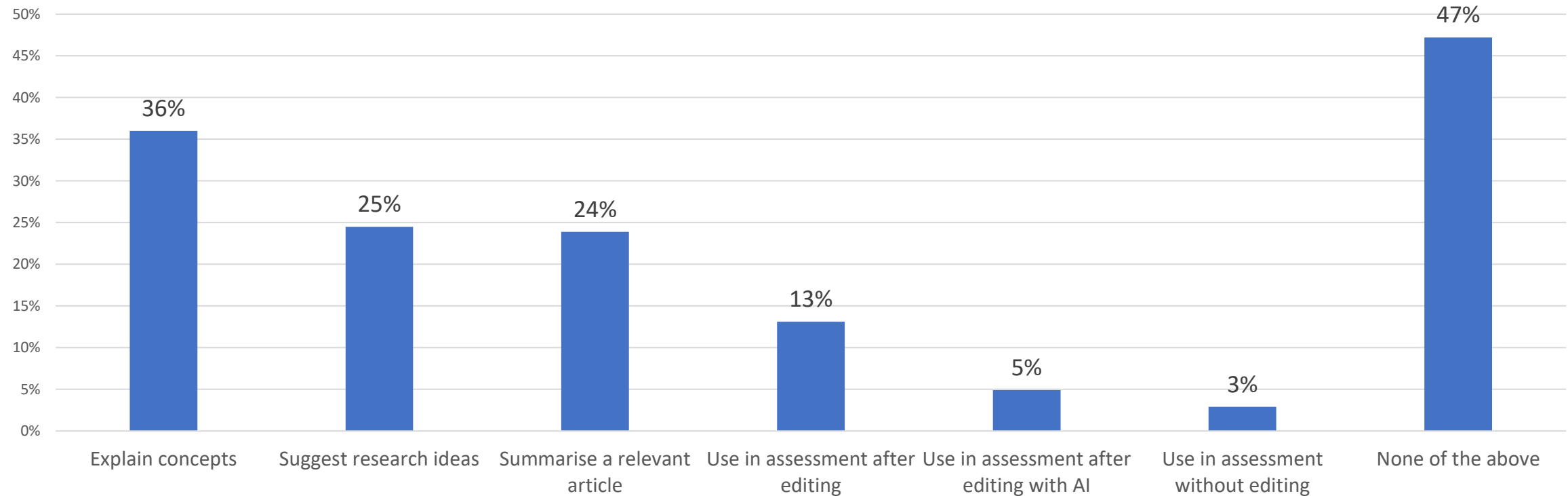
Left: Student Academic Experience Survey (with Advance HE) June 2024

Right: HEPI/Kortext Survey Feb 2024

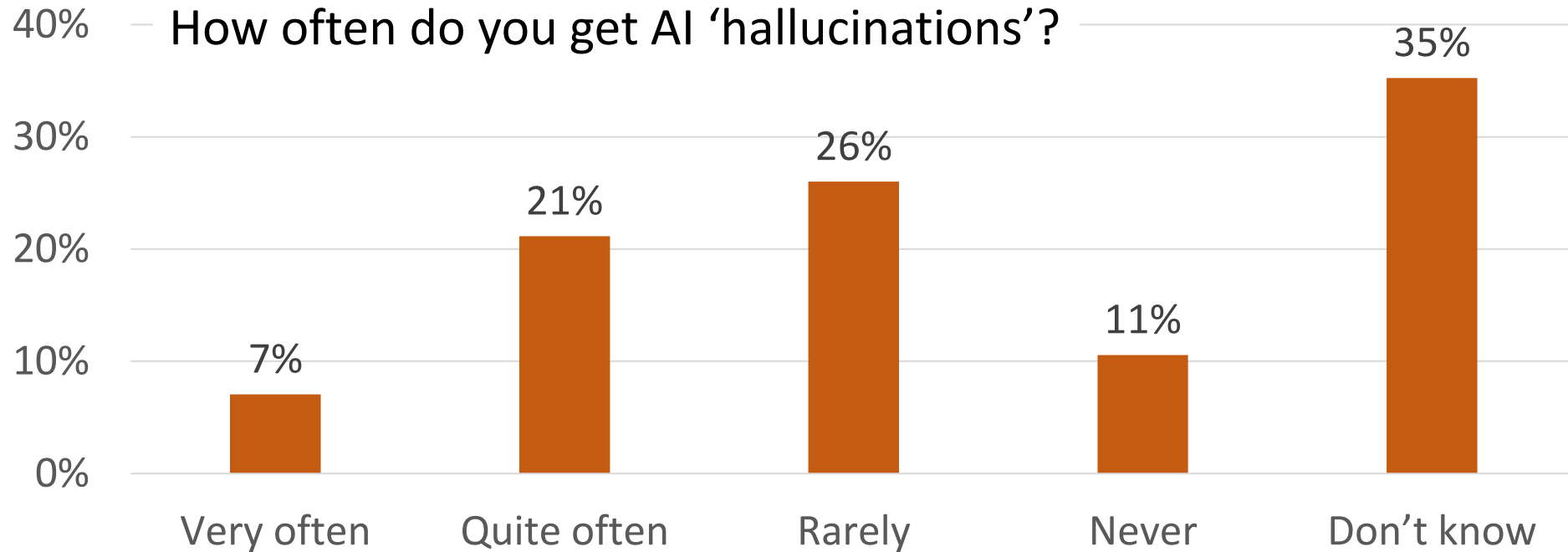


All students using AI – and widespread cheating?

When thinking about using generative AI to prepare assessed work, which of the following have you ever done? Tick all that apply. (Fieldwork November 2023)



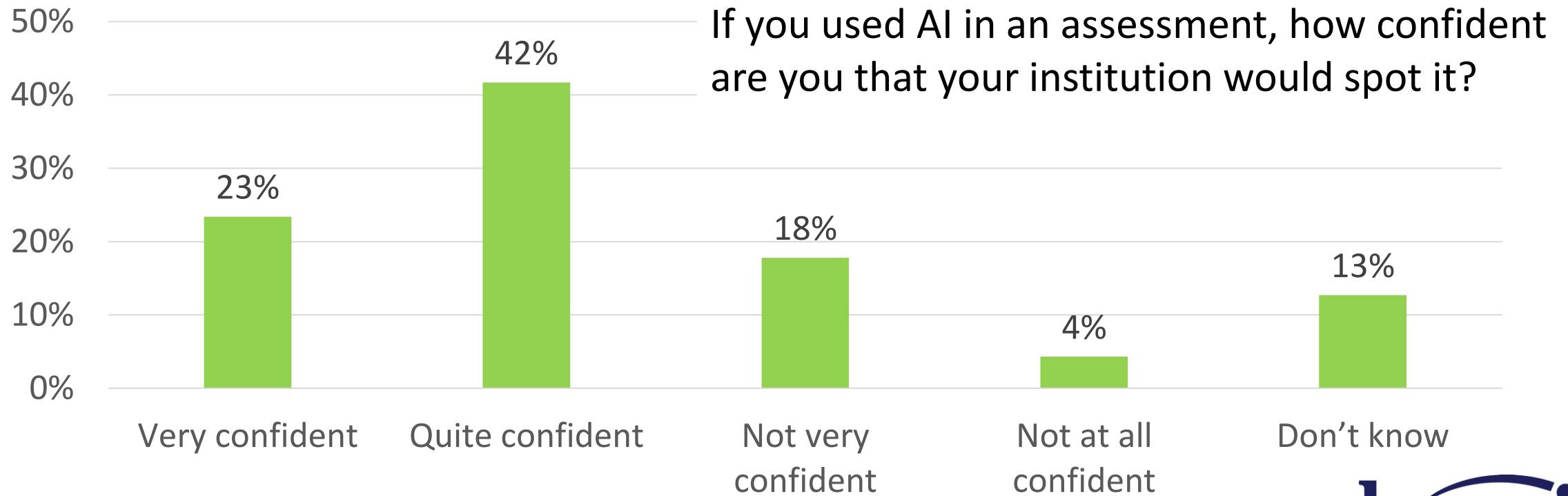
Trust in generative AI



How often does the generative AI you use produce 'hallucinations', entirely made-up facts, statistics or citations? (Of those who have used generative AI).



They trust universities to catch cheating



For any given piece of assessed work, how confident are you that your institution could correctly determine whether generative AI was used in producing it?'



Solutions?

- Assessment reform
 - Some courses still use online quizzes as summative assessment
 - Full redo? E.g. Imperial
- Clear guidelines
- Strategies to close 'digital divide' – e.g. AI training



6) International students

Sharp fall in international applicants wanting to study at UK universities

Home Office figures show 15% fewer sponsored student visa applications were received in July

- International student numbers dropping in 2024
- Reasons: Graduate Route visa uncertainty, dependency rule changes, hostile rhetoric...
- A blip or a new trend?



7) Free speech

Free Speech Act: what you need to know

[mediaofficer](#), 26 July 2024 - [Higher Education](#), [Universities](#)



In 2023, the Higher Education (Freedom of Speech) Act became law. Due to concerns from vulnerable groups about how the rules might harm student welfare, we are stopping the implementation of the Act.

This means that although the Act received Royal Assent last year, the government will no longer be bringing it into force. The Education Secretary will consider options for the Act, including repeal, in the longer term.

- Free Speech Act, originally proposed by Gavin Williamson, now 'paused', with repeal an option
- Moved hailed by Jewish student groups but the debate rages on

Community

Jewish student leaders hail move to scrap 'car crash' free speech bill

Legislation tabled by the former Conservative government has been halted by Labour



Discussion

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2. Skills agenda
3. Student costs and access
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6. International students
7. Free speech

