

Office for Students
Draft Regulatory Framework Consultation
Submission by Yorkshire Universities
December 2017

1. About Yorkshire Universities

1.1 Yorkshire Universities (YU) is the regional voice for Higher Education (HE) in Yorkshire, representing twelve higher education institutions (HEIs). YU is a diverse partnership based on a shared interest in place and mission to promote the contribution that HEIs make (both individually and collectively) to Yorkshire in economic, social and cultural terms. Yorkshire's universities' economic activity contributes approximately £3.2 billion to regional Gross Value Added (GVA); the universities employ over 33,000 members of staff and attract over 192,000 students from countries around the world.

2. Overview

2.1 In October 2017, the Department for Education (DfE), on behalf of the Office for Students (OfS), launched a formal consultation on a new Regulatory Framework (RF) for the HE sector.¹ The consultation will inform the approach taken by the OfS in its new regulatory role, enacting legislation laid out in the Higher Education and Research Act 2017.²

2.2 Alongside the RF consultation, separate consultations are being held on the designated quality body for higher education, the designated data body for higher education, as well as on degree awarding powers and awarding the 'University' title, and proposed financial penalties that the new regulator will be able to issue.

2.3 The remit for the OfS, as set-out within the consultation documentation, is described as *"a risk-based approach to higher education with an unflinching focus on the student"*³. The relationship between the OfS and HE institutions is expected to be different to that which has existed between the sector and the Higher Education Funding Council for England (HEFCE), as OfS will principally be a regulator. The four key objectives of the OfS are as follows:

- All students, from all backgrounds, are supported to access, succeed in, and progress from, higher education.
- All students, from all backgrounds, receive a high quality academic experience, and their qualifications hold their value over time in line with sector-recognised standards.

¹ <https://www.gov.uk/government/consultations/office-for-students-regulatory-framework-for-higher-education>

² <https://www.legislation.gov.uk/ukpga/2017/29/contents>

³ <https://consult.education.gov.uk/higher-education/higher-education-regulatory-framework/>

- All students, from all backgrounds, have their interests as consumers protected while they study, including in the event of provider, campus, or course closure.
- All students, from all backgrounds, receive value for money.

2.4 At sector level, the OfS aims to create an environment for competition, improvement and student choice. At provider level, OfS aims to ‘mitigate risks’ that any of the four objectives (as set out above) will not be met, by intervening where risks are highest to the student and when relying on the market alone might deliver ‘insufficient outcomes’.

2.5 The OfS is required to meet different duties – some of them potentially conflicting – such as the duties to promote competition and also to have regard to the benefits of collaboration between providers. It also has to consider how best to use the tools at its disposal and take regulatory and funding decisions in ways that, on balance, promote quality, greater choice and opportunities for students.⁴

2.6 The RF consultation is extensive and incorporates a wide range of issues for consideration. On 29 November 2017, the YU Board (comprising the region’s vice-chancellors) met Nicola Dandridge, Chief Executive of the OfS, in Leeds. At the meeting, YU was encouraged to submit a response to the consultation and in particular to consider how the RF should reflect the importance of ‘place’. This dimension has been given added significance following the publication of the Industrial Strategy White Paper. The YU response is designed to complement individual HE institution submissions and those made by national-level HEI membership bodies.

3. Place, Industrial Strategy and HE institutions

3.1 The RF consultation states that the OfS should not be in the business of having to ‘prop-up’ failing institutions; the proposed risk-based approach to regulation aims to identify potential issues before they become problematic. The priority for OfS in the event of an institutional closure will be the interests of students, in particular ensuring that their studies are not adversely affected. YU believes that the OfS should be open to working closely with the sector and other actors in order to develop and implement proposals on how to manage failing institutions, especially given the major civic role they play within their immediate environments.

3.2 Universities are vital assets within their local economies and communities. The implications of potential closure, especially in parts of the country reliant upon local universities as a source of employment and economic growth, are significant. Across Yorkshire, universities employ 33,000 people directly, and through multiplier effects they support an additional 33,000 jobs in the region.⁵ Within Yorkshire, some towns and cities are heavily dependent upon their local institution as the only provider of higher education. The implications of failure here, especially in places deemed to have been ‘left behind’ by

⁴ McKenzie, G. (2017) ‘The industrial strategy highlights OfS’s contradictions’, *WonkHE*, 13 December: <http://wonkhe.com/blogs/the-industrial-strategy-highlights-ofss-contradictions/>

⁵ Universities UK (2017): <http://www.universitiesuk.ac.uk/economic-impact>

economic and social development, would be significant - not just for students (many of whom will be from the locality and living in it) but also for the wider business and local community, reliant on local graduates and the benefits they provide (including but moving beyond the skills graduates can bring to the local economy). Closure would also impact on the social and cultural life of an area by reducing opportunities for public engagement, widening participation and raising aspirations amongst students from disadvantaged backgrounds. While it is argued that new providers might 'step-in' with innovative forms of provision, including shorter degrees better suited to mature learners and those from disadvantaged backgrounds, to date 'new' or 'alternative' providers in Yorkshire continue to represent a very small proportion of the overall higher education offer in the region.

3.3 The implications of broader national policy, such as the Industrial Strategy, should also be considered as part of the new RF and operation of OfS. In relation to the concept of place, the RF and OfS should recognise the value of collaboration between universities and other institutions (including business, local authorities and NHS) where this is in the interest of students and other stakeholders. The Government's Industrial Strategy is very clear about the need for a place-based approach to economic growth, enabling greater prosperity to be shared more fairly across the UK. The Industrial Strategy recognises the important role for universities in supporting national and local industrial policies. Without a genuine place-based approach to industrial policy and strategy, efforts to improve the UK's poor productivity performance and reverse widening spatial disparities are likely to fail. As YU made clear in its response to the Industrial Strategy Green Paper,⁶ linking science and innovation and territorial cohesion [through industrial strategies] speaks to the multi-faceted role of universities as key civic actors, able to foster innovative environments in less successful places. Organisations such as YU provide a valuable mechanism for HE institutions to engage with government, business and local and regional public sector institutions.

3.4 It is thus vital that the role of the OfS as set out in the draft RF, and the role envisaged for the OfS in the Industrial Strategy White Paper complement each other.⁷ The RF outlines OfS' ambitions to use its particular funding and regulatory duties to support a cross-government industrial strategy where universities are identified as central to the government's ambitions of place-making, skills and innovation.⁸ The Industrial Strategy White Paper also indicates that the HE sector will be responsive to employer and industry needs, through new regulation and the OfS. And that the OfS will address employer and student needs and expectations in the short, medium and long term – considering the skills gaps that exist today, and anticipating the demands of the future economy. Given that most labour market issues are best addressed at sub-national and local levels, it is essential that the new RF and OfS engage effectively with the rich diversity of individual places and regions. The RF needs to use quantitative and qualitative approaches and mechanisms to capture, strengthen and utilise knowledge, understanding and foresight about HE provider

⁶ YU (2017) Response to the Industrial Strategy Green Paper, Yorkshire Universities Leeds.

⁷ Westwood, A. (2017) 'Higher Education's Brexit Bandwidth Problem': www.researchprofessional.com/0/rr/he/brexit/2017/12/higher-education-s-brexit-bandwidth-problem.html

⁸ BEIS (2017) Industrial Strategy: Building a Britain fit for the future, Department for Business Energy and Industrial Strategy: London.

roles and performance within and across different parts of the country. Crucially, it is important that poorer regions, and associated HE institutions, are not directly or indirectly penalised by metrics that give disproportionate emphasis to indicators of graduate employment. Otherwise institutions in more affluent areas, where there is greater demand for graduate labour, will benefit more, and institutions in weaker labour markets and with less mobile students will be hit hardest.

4. Student transfer

4.1 The OfS' remit also includes a priority to support and raise the profile of mechanisms that allow student transfer and encourage ease of transfer within and between institutions. Transferring course or institution is viewed as one route to support retention of students and prevent withdrawal. Currently, the majority of institutions do offer opportunities for student transfer, however take-up and awareness amongst students appears to be low.

4.2 YU⁹ supported recent research led by the University of Sheffield,¹⁰ exploring students' perceptions of, and demand for, mobility between institutions, such as through credit transfer schemes. While the research did not identify latent demand for such mobility, students did perceive the option of transferring institution as a way of maintaining retention in higher education. However, students expressed concern around potential negative employer perceptions of a degree undertaken at different institutions.

4.3 Key recommendations in the Sheffield report included:

- Information on mobility / credit transfer should be placed within student support / welfare services and made more transparent
- Perceptions amongst students, employers, and university staff that degrees awarded through the accumulation of credit are of lesser value than degrees awarded from a single institution should be challenged
- Cost should not be a barrier to student transfer and institutions should look to minimise costs for those student who transfer.

4.4 The ability to transfer institution may be of particular relevance to mature students, students with caring responsibilities, and students from disadvantaged backgrounds seeking to study locally (and for whom 'place' is an important aspect of their educational choice). Where mobility is restricted, the student may have to transfer to a very different type of provider offering a course less tailored to their needs (e.g. more 'academic' or more 'vocational') with consequent difficulties and greater risk of withdrawal.

4.5 Increased understanding of the ways in which institutions could act collaboratively to support this process, and the role of employers, should be considered by OfS. Collaboration

⁹YU members University of York, York St John University, Sheffield Hallam University, Leeds College of Music, and the University of Leeds also participated in the research.

¹⁰Dent, S., Mather, H., Nightingale, J. and Strike, T. (2017) Should I Stay or Should I Go? Student Demand for Credit Transfer and Recommendations for Policy and Practice, University of Sheffield: Sheffield.

between institutions will be needed when advising students on all options available to them – and this (in a largely competitive environment) includes recognising that students may go to another institution as a result of their advice.

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