Can We All Do It All? 
Tensions in the Mission and Structure of UK Higher Education

David Watson, University of Brighton

Abstract

Juxtaposing material from an analysis of the institutional returns to the Higher Education Statistics Agency (HESA) for 1995–99 (the ‘Ramsden Report’) with social and political pressures on the system, the author examines the question of whether or not UK higher education is ‘fit for purpose’. He contrasts seven items of strong performance (contribution to economic growth, efficiency, student satisfaction and employability, democratisation and diversity, research quality, ‘service’ and international reputation) with three key ‘tensions’ (financial and institutional stability, class participation, and mission convergence). Suggested priorities for action include: a new ‘access’ agenda, improved market responsiveness, strategic institutional alliances and rationalisation, and action on pay and the profession. The paper concludes with a set of ‘hard questions’ about the maintenance of interdependence, the ‘future-proofing’ of collaborative arrangements, the pattern of incentives, and the creation of public confidence in higher education.

At the turn of the century there are real anxieties about whether or not the system of UK higher education is fit for its purpose. Some of these anxieties are paradoxical, since on many international measures the system is performing extraordinarily well. However, they are felt sufficiently strongly, both within and outside the sector, to have put the question of the optimal organisation of the system firmly on the agenda. The institutions themselves (including their representative bodies), the Government and its agents (such as the Funding Councils), and other key stake-holders (such as employers), all have specific objectives for the sector, which it may not be able to achieve under current arrangements.

During 2000–01, the Longer Term Strategy Group of Universities UK (UUK), with the support of the Standing Conference of Principals
SCOP, commissioned a report, *Patterns of higher education institutions in the UK*, from the retiring Chief Executive of the Higher Education Statistics Agency (HESA), Brian Ramsden (UUK, 2001a). This report was intended to provide a factual basis for such discussions. Ramsden was asked to ‘document the comparative size, financial security and spread of higher education institutions in the UK, also taking into account geographical patterns, and what is known about current joint and complementary planning in which individual institutions are involved’ (UUK, 2001a, p. 13).

The main messages of the Ramsden Report are unequivocal. First, no direct association is found between aspects of performance (for example, curriculum spread, research selectivity, financial security, etc.) and institutional type (for example, new/old, size, specialist, etc.). Secondly, social class emerges as the ‘final frontier’ in terms of widening access. The sector needs to reach students from poorer backgrounds and those with non-traditional qualifications in order to achieve the Government’s participation target that ‘50 per cent of under 30s [should] enter higher education by 2010’ (Morris, 2001, p. 3); interestingly, this is a reduction on the 60 per cent target announced in the Green Paper of 1998 on lifelong learning (DfEE, 1998, p. 4.28). Thirdly, it seems clear that the 14–19 age group is key to achieving this equity of access. The sector needs to think about how to link more organically with schools and further education to encourage staying-on and provide progression routes (UUK, 2001a, pp. 6–9).

These messages can be set in a context of significant success in meeting and exceeding Government targets for higher education expansion. Such success is measured along a number of dimensions.

First, there is the contribution to economic growth. The recent Organisation for Economic Co-operation and Development (OECD) report, *Education at a Glance* (June, 2001), shows that higher educational attainment has a greater impact in the UK than in most other countries – contributing half a percentage point to annual growth. It is also good value for money, with only 1.1 per cent of GDP spent on tertiary education compared to the OECD country mean of 1.3 per cent (OECD, 2001).

Secondly, there is the system’s comparative efficiency (as seen, for example, in recruitment and retention). According to *Education at a Glance*, the UK now has one of the highest higher education participation rates in the OECD. It also has the highest graduation rate (proportion of graduates in the population) in the OECD for ‘medium-length first degree programmes’ at 35.6 per cent. The graduation rate for
second degree programmes is 12.7 per cent, more than twice the OECD average. Retention rates are also good, with non-completion under 20 per cent, compared with up to 60 per cent in some OECD countries (OECD, 2001). However, as the Higher Education Funding Council for England (HEFCE) performance indicators confirm, this figure masks substantial variations between institutions – with some having non-completion rates of up to 40 per cent (HEFCE, 2000).

A third cluster of measures focuses on employment and employability, on student satisfaction, and on more general personal rates of return. Graduate employment in the UK remains high. A recent survey by the Careers Service Unit (CSU), Graduate Market Trends (July, 2001), shows that graduate vacancies have increased by 23 per cent in the last year, with average graduate starting salaries up by 2.5 per cent (CSU, 2001). Unemployment drops to less than 2 per cent three years after graduation, according to research by the Institute for Employment Research (IER et al., 1999). Education at a Glance shows that UK graduates aged between 30 and 44 earn 76 per cent more than non-graduates. This is one of the highest graduate premiums in the world, matched only by the USA, Portugal and Hungary (OECD, 2001). In addition, independent surveys continue to find UK graduates reporting high levels of satisfaction with their higher education (Pirie and Worcester, 1999; Abbot, 2001; UNITE, 2001). Convincing evidence is now available about the so-called ‘wider benefits’ of higher education (even when appropriate allowance is made for the skewed class base of current participation) in health, in career development and in democratic tolerance (HEFCE, 2001a; Schuller et al., 2001).

Fourth, the student body has become genuinely diverse. Students are studying at a wide range of levels in more flexible modes than ever before. The Ramsden Report confirms success in tackling inequalities in participation for women, for mature students and for certain ethnic minority groups, although a subject-level analysis still shows high concentration of men and women in particular areas. Meanwhile, the report also shows that minority groups are concentrated in a comparatively small number of institutions (UUK, 2001a, pp. 50–60). The record on supporting students with disabilities remains relatively disappointing, but may improve with the new Special Educational Needs (SEN) and Disability Act 2001 and its related Code of Practice (Disability Rights Commission, 2001).

Fifth, through its research performance UK higher education is revealed as a vital part of the knowledge economy. The Department of Trade and Industry’s (DTI) competitiveness indicators (2001)
demonstrate the UK’s science base to be one of the best in the world: ‘[w]ith only 1 per cent of the world’s population, the UK is responsible for 4.5 per cent of the world’s spend on science, produces 8 per cent of the world’s scientific papers, receives 9 per cent of citations and claims around 10 per cent of internationally recognised science prizes’ (DTI, 2001).

This performance is increasingly matched by targeted service to business and the community. Another recent report commissioned by UUK and the HEFCE, The Regional Mission, clearly demonstrates the range of ways in which higher education institutions (HEIs) contribute to regional competitiveness, urban and rural regeneration, lifelong learning, cultural activities, social well-being, health and a sustainable environment (UUK, 2001b). The Ramsden Report finds that almost all institutions make provision for personal and professional education and training, more than half of which is targeted at professional groups and employees in support of industry and commerce. The report also finds that the majority of institutions take over 50 per cent of their full-time undergraduates from within 50 miles (UUK, 2001a, p. 52).

Finally, there is the question of international reputation. The UK is highly successful in recruiting international students, who make up 12 per cent of the total student population (one of only four OECD countries with more than 10 per cent) and 38 per cent of full-time postgraduates. Students from other European Union (EU) countries have increased by 53 per cent since 1995. Although there has been a slight downturn on the undergraduate side in 1999–2000, numbers remain higher than two years ago and postgraduate numbers are still strong. Fee income from students from outside the EU now makes up 10 per cent of all teaching income (over £600m annually) (UUK, 2001a, pp. 21–23).

However, none of the items listed above justifies complacency. Putting Ramsden in a wider context exposes at least three key tensions in the structure and function of UK higher education.

First, there are issues of institutional stability, in both financial and other aspects. The Ramsden Report includes analyses of variations in growth between institutions, and of the financial position of the sector. It finds that the overall growth in student numbers, of 18 per cent between 1994–95 and 1998–99, conceals great variation between institutions: from over 50 per cent expansion to actual reductions in student numbers. In this same period, income rose by only 7 per cent, largely from sources other than planned public funding (such as research grants and contracts and other operating income). At no stage in that period has the sector as a whole achieved the 3 per cent retained surplus
recommended by the funding councils, and a clear majority of institutions is operating below this level. Again, the surplus across the sector as a whole conceals very considerable differences between institutions (UUK, 2001a, pp. 20, 75).

The Ramsden Report looks at a number of indicators of the financial security of institutions: profit and loss, liquidity, retention of reserves, servicing of borrowing, dependence on international student fees, and dependence on funding council income. An index is then created to identify any features that correlate with financial security. No direct relationship can be found between the size of institutions and their financial security, and only modest correlations between ‘security’ and public funding for research or the proportion of entrants with non-traditional qualifications (UUK, 2001a, pp. 73–87).

In a time-honoured phrase, the sector is apparently ‘undercapitalised and over-trading’. This weakness has been disguised by extraordinarily effective financial management over a long period (in a way in which it has not in many parts of the compulsory education sector, further education or the National Health Service [NHS]).

Secondly, there is the problem of a narrow class participation and social polarisation. Social class is proving difficult for the sector to tackle at a fundamental level. It is well known that the participation rates in higher education by social class go down dramatically: from 72 per cent of the children of professional classes to just 13 per cent of children of unskilled workers. The figures show that the participation of the lower groups has grown, but has not significantly improved proportionately within the growth of the sector as a whole.

This is a much more profound problem than that of recruiting well-qualified students from poorer areas. Tackling it, together with maintaining, and ideally improving, retention, is now urgent. Certainly, there has been progress in widening participation as a result of special initiatives, partnerships, flexible entry and targeted financial support for students. However, the sector is still in a situation where supply has met demand for the middle classes and those well qualified, and where a much smaller impression has been made on social groups IIIm, IV and V (the children of manual workers) (HEFCE, 2001b). In these circumstances – and especially given the current narrow market base – the 50 per cent target becomes critically dependent upon widening, not just increasing, participation.

The Ramsden Report looks at a range of measures of accessibility including entry qualifications, ethnicity and social class. It has some interesting findings, not all of which have been fully appreciated by the
policy-makers. As expected, there is a convincing linear relationship between two characteristics: the percentage of young students from social groups IIIm, IV and V admitted to full-time first-degree programmes, and the percentage of students admitted from low-participation neighbourhoods. Meanwhile, there is a clear correlation between those institutions that admit a high proportion of students from these social groups and those that have a high intake of students with non-traditional entry qualifications. However, there is huge variation between institutions in the acceptance of applicants with non-traditional entry qualifications, ranging from less than one per cent to over 70 per cent. Finally, there is a further strong correlation between average A-level points score and distance travelled, with those with higher points scores travelling further to study (UUK, 2001a, pp. 52–60).

In effect, both Ramsden and the HEFCE ‘supply and demand’ study have placed UK higher education at a fork in the road. Either the sector will contribute to further social polarisation, or it will make a major contribution to overcoming it. In other words, higher education is deeply implicated in the solutions to the wider problems of a society increasingly separated by divergences in skills, in access to information and, as a recent Economic and Social Research Council (ESRC) study (Berthoud and Gershuny, 2000) has shown (see Table 2), to work itself. A recent discussion paper for the Prime Ministerial Performance and Innovation Unit (PIU) has shown the effects of higher education both as a strong safeguard against downward mobility for ‘dull middle class children’ and as an increasingly critical positional good (the more people have it, the less valuable it may be; but simultaneously the penalties for not having it increase) (PIU, 2001).

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### TABLE 1
Estimated participation rates in higher education by social class

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<tr>
<td>I Professional</td>
<td>55%</td>
<td>71%</td>
<td>73%</td>
<td>78%</td>
<td>79%</td>
<td>82%</td>
<td>79%</td>
<td>72%</td>
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<tr>
<td>II Intermediate</td>
<td>36%</td>
<td>39%</td>
<td>42%</td>
<td>45%</td>
<td>45%</td>
<td>47%</td>
<td>48%</td>
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<td>IIIm Skilled non-manual</td>
<td>22%</td>
<td>27%</td>
<td>29%</td>
<td>31%</td>
<td>31%</td>
<td>32%</td>
<td>31%</td>
<td>29%</td>
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<td>IIIm Skilled manual</td>
<td>11%</td>
<td>15%</td>
<td>17%</td>
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<td>19%</td>
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<td>IV Partly skilled</td>
<td>12%</td>
<td>14%</td>
<td>16%</td>
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<tr>
<td>V Unskilled</td>
<td>6%</td>
<td>9%</td>
<td>11%</td>
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This problem is compounded by other features of the environment, originating in both politics and public opinion. The pressures of performance indicators regarding retention and employability often impact most negatively on institutions that have been highly successful in recruitment from deprived areas and from other under-represented groups. In other words, the most successfully inclusive institutions are in danger of being branded as failures. Meanwhile, issues arise of public confidence and media portrayal, especially over performance in recruitment, retention or employability. UK higher education is still regarded by a significant section of the opinion-forming media (from the tabloid *Daily Mail* to the broadsheet *Telegraph*) with a mixture of envy and contempt. For example, only thus can marginal increases in student non-completion (against a background of huge so-called ‘efficiency gains’ and a continued world lead in graduation rates) be presented as a classic ‘moral panic’ (*Daily Mail*, 1999, 2000; *Daily Telegraph*, 1999).

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A third set of tensions arises from the impact of New Labour’s ‘universal agenda’. The Government is pushing two main ambitions for UK higher education: that it should be globally competitive, fuelling the new knowledge economy; and that it should be accessible and equitable, promoting social inclusion. Funding levers have been used to help achieve these goals, including a whole raft of special initiatives (Watson and Bowden, 2001). Underlining this point, the Government has promoted a universal agenda for higher education institutions, as set out in the then Secretary of State’s speech at Greenwich in 2000 (echoing Tony Crosland’s famous speech in the same location):

Second, the system must now evolve greater diversity, so that there is effective responsiveness from the local through to the global. As I have said, this will mean a strengthening of global alliances and further structural reorganisation, and a new shape to the sector with the widespread take-up of Foundation Degrees. The critical issue is that universities define their missions and pursue them with vigour. A unitary sector is not a uniform one. Rather, we must seek excellence with genuine diversity. Mission statements are not PR brochures; they are essential definitions of ethos and purpose.

For institutions, this means, in different measures, conscious action to:
• balance teaching, research and knowledge transfer;
• secure improved quality across each of these missions;
• support wider participation and the drive for social inclusion;
• expand into new markets, particularly continuing professional development and lifelong learning provision, facilitating recurrent higher education participation and opening up towards business in more radical and imaginative ways;
• preserve and enhance the sector’s traditional scholarship role, one which higher education, and higher education alone, can perform;
• improve management capacity, particularly for effective staff development, within the context of clear accountability to government and society;
• develop far better links with employers and others, and significantly improve careers guidance and work placements, in order to equip students with the skills and aptitudes they require to prosper in their careers and contribute effectively to workplace performance;
• develop and utilise ICT more systematically and effectively, both in core activity, and in the development of new teaching and learning alliances between institutions, so that excellence can be offered to an expanded student population;
• and, not least, tackle the unacceptable situation in respect of equal opportunities.

(Blunkett, 2000, paras. 100–101)

These two adjacent paragraphs underline a profound ambivalence in official thinking. The first presents the case for diversity, and yet diversity in the sector has previously meant a range of complementary and
differentiated higher education institutions, of different sizes, missions and ranges of specialism. However, as the second paragraph (and its now famous list) reveals, unwittingly the government has made mission differentiation and planned complementarity harder rather than easier. These are renewed pressures for all institutions to ‘do it all’, as a consequence of which the organisation of the system as a whole is opened up for debate. Such pressure on institutional missions – particularly in a static market – raises urgent questions about alliances, potential mergers and whether, with a large number of relatively small higher education institutions, we have a system that is fit for purpose.

In tackling these tensions a number of priorities for action emerge.

First, it is clear that the access agenda has changed. Now that the system has used up its traditional sources of supply (including of young adult ‘second chancers’), the problem of non-continuation after Level 2 (GCSE standard) has moved centre stage, as the Kennedy Report of 1997 predicted it would (FEFC, 1997). Kennedy’s advocacy of Level 3 as ‘the platform for lifelong learning’ seems extraordinarily prescient today. Coupled with the national crisis on adult basic skills, this cannot become an excuse for universities and colleges to wash their hands and push the problem into schools and further education (FE). HEIs are deeply implicated in the success or failure of both compulsory education and the non-advanced parts of tertiary education (as indeed they now are for other parts of the public sector such as the NHS). For example, it has been calculated that, to meet the Government’s targets on teacher supply, one in every ten new graduates will have to be recruited into that profession (Horne, 2001).

To make progress on this new agenda (and to meet the Government’s ambitious participation targets) will require long-term, medium-term and short-term interventions. In the longer term, the traditional throughput of normally qualified students – from schools and tertiary colleges – will have to grow. In the medium term, it will be necessary to win the systematic support of those responsible for qualified, non-participating young adults. This means employers, including the public sector. In the short term, the only available solution is to improve the position of partly qualified non-participants (the approximately 1 million young people who the Department for Education and Skills (DfES) estimates are caught somewhere between Levels 2 and 3). Suggested devices include elongating their entitlement to tuition and support, sponsoring Accreditation of Prior Experiential Learning (APEL), etc., and funding ‘access’ and ‘foundation’ courses (LET, 2000; Parry and Thompson, 2001).
More honesty will also be needed on the limited potential impact of several of the devices which have been tried already. ‘Summer schools’ and targeted out-reach to well-motivated (and predicted successful) students from poorer backgrounds may increase the latter’s range of applications to institutions; it will not necessarily increase the overall pool of applicants. Similarly, the much-vaunted ‘post code’ premium not only has a similar effect (more institutions chasing the same number of students), but has also been shown to confirm the ‘ecological fallacy’: a large minority of the students earning the premium for their institutions is sufficiently well-off to be assessed for full fees. An analysis at the University of Brighton of the 176 students carrying the Low Participation Neighbourhood bounty in 1998 found 85 (48 per cent) of them wealthy enough to have been assessed for the full fee (University of Brighton, 2001). Nor will the supply-side approach of novel and alternative routes (such as the ‘foundation degree’) prove a panacea. Successive new initiatives of this type have simultaneously confused the student market and diverted the institutions. As the new chairman of the national Learning and Skills Council has recently appealed, it is vital for FE now to ‘stabilise the offer’ (Sanderson, 2001).

Secondly, the sector will have to respond more effectively to ‘market’ forces and to engage in subject rationalisation. ‘Modern’ students, in a ‘mass’ system, are canny consumers. Their motives in flocking towards media studies and away from engineering have, for example (despite the howls of anguish) been broadly validated by the employment market (HEFCE, 2001c). The down-side of strong financial management at the institutional level has been an almost complete failure to engage with the rationalisation problem at this level, as vice-chancellors and others have clung on to unattractive and uneconomic provision on the basis that their institution may turn out to be the ‘last man standing’.

Thirdly, such rationalisation must move to the level of strategic relationships, in the form of systematic alliances, status changes and, in key cases, mergers. Such developments follow the grain of the development of the UK system, which is marked by its historically high levels of interdependence, of collective responsibility and of institutional fluidity. Chief executives and their governing bodies, now more than ever, need to rediscover this collaborative gene.

Fourth, there is the challenge of pay and the profession. Unlike schools, higher education has disguised the problem of professional renewal. The post-Bett discussions (recently re-started) need to be tackled on the basis of traditional negotiation (over pay-scales, job evaluation and other sources of unequal opportunity and anomaly). It is just
not an option to wait for the Chancellor to deliver substantial new resources without restructuring.

Even if progress is made in each of these four areas, a number of hard questions will remain.

First, there is the question of interdependence. Has the sector in fact been fatally corroded by competitive pressure (much of it induced from outside)? As it attempts the necessary repair work, does ‘the sector’ in fact still exist?

Secondly, if the parts of the agenda which stress rationalisation (for example, of subjects) and re-structuring (for example, of institutions) are to go forward, how shall we ensure that the gains are effectively future-proofed and not just temporary? Who will need to own the collaborative scenarios, once the vice-chancellors and other senior managers who have brokered them move on? What will be the necessary and sufficient commitment of institutions at the level of governance?

Thirdly, a significant part of this analysis has stressed the actual and potential perversity of the pattern of incentives. This has played a large part in the encouragement of institutional drift as set out above in the analysis of missions. How can this be reversed? Will a funding council ever have the nerve to offer significant financial incentives to downsizing, to giving up or handing over provision, rather than to growth?

Finally, there is a genuine issue of hearts and minds. Trapped in its own developmental problems, the sector and its leaders in the UK have paid too little attention to questions of public or political confidence in what they are attempting to achieve. As a result, most of their campaigns have been read as pleas for institutional comfort rather than for the resources, the structures and the other elements of support needed to ensure the success of their students and other partners.

It is here that the juxtaposition of good and bad news in Ramsden bites most keenly. The historically strong performance of UK higher education – and the mutual respect and interdependence on which it is founded – could lead some parts of the sector into complacency and introspection. If that happens, the penalties of under-funded expansion and of failure to meet goals of social inclusion could be dramatic.

**Note**

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