

# The Future of Higher Education in England - A User View

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**QinetiQ**

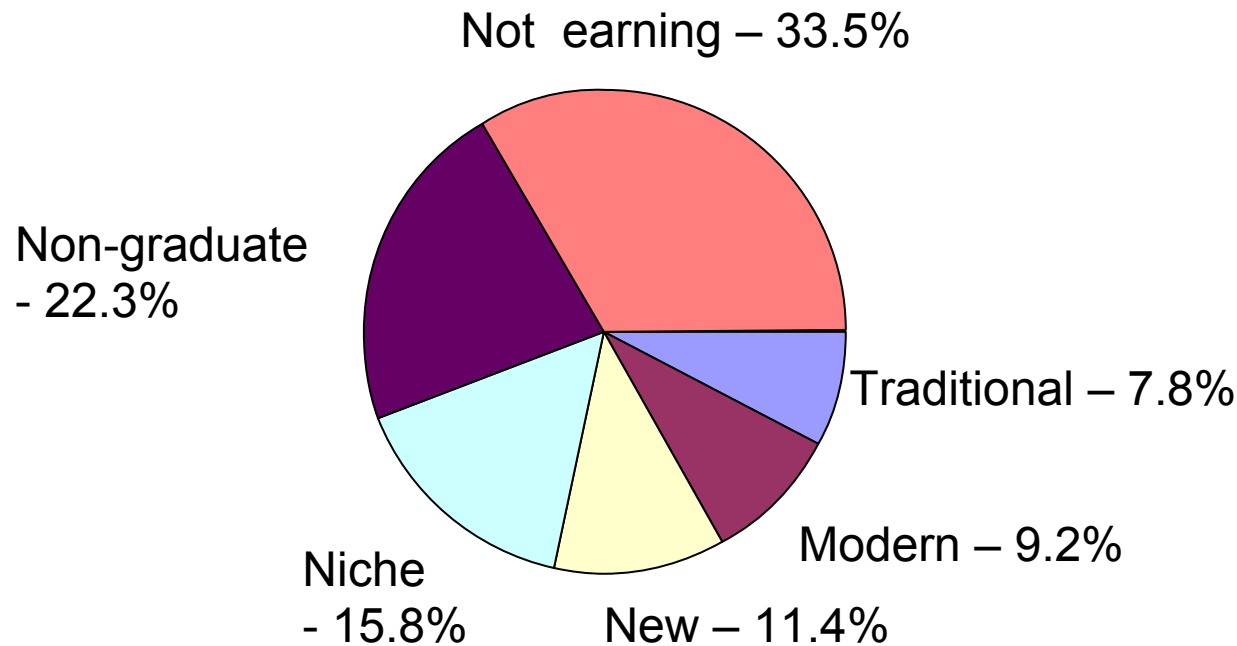
**MRC** | Medical  
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Council

# What do companies want from Universities?

1. graduates and post graduates with excellent subject skills.
2. graduates who display life skills such as self motivation, knowledge gathering, social poise, and networking
3. flexible continuing education.
4. new knowledge to be mined as a potential source of innovation
5. an agent to attract the best talent to form a key ingredient in a cluster

# Today's economy has an enormous variety of 'Users'

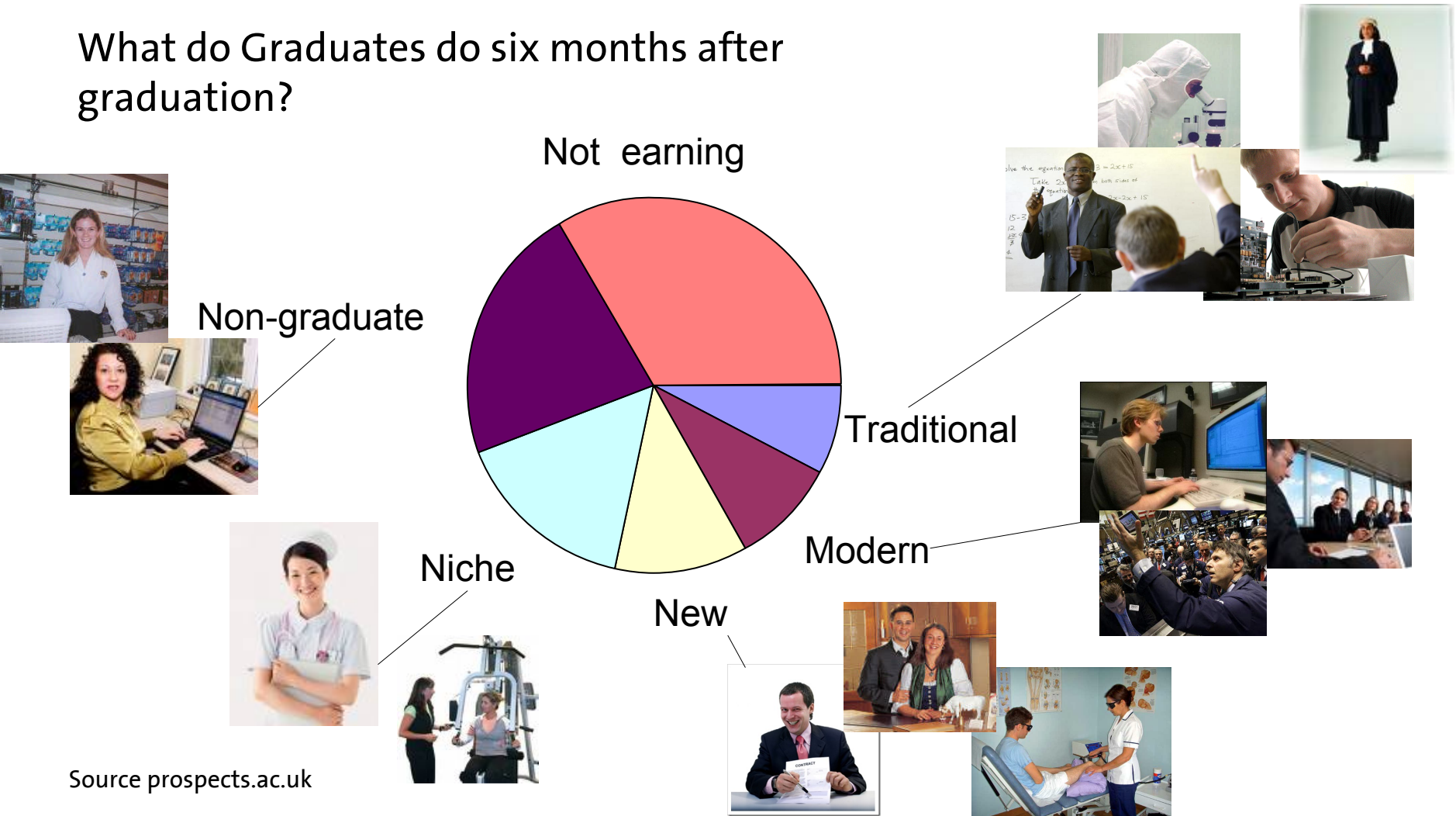
What do Graduates do six months after graduation?



Source prospects.ac.uk

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Source [prospects.ac.uk](http://prospects.ac.uk)

# The HE Sector says it has changed too

Between 1997 and 2007

- Number of students in higher education grew from 1.8m to 2.4m
- Number of part-time students grew from 618000 to 911000
- Overseas students grew from 203000 to 358000
- Fees introduced
- Income from private sources increased from 29% to 37%

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Over the same period government expenditure has increased

- HEFCE funds have grown 6.6% pa
- Research Council funds have grown 10.3% pa

# Incentives in HE sector remain orientated towards excellence

## At the individual level

- Career progression, peer esteem, and promotion are all (understandably) focused on academic excellence

## At the institutional level

- Core funding is largely volume orientated
- Variable funding is determined by excellence
- Grant funding is allocated competitively (i.e. according to excellence of proposition)



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Is it a surprise that institutions focus their strategies on demonstrating excellence?

# The UK is rightly proud of its academic success

- Shanghai rankings
  - 2 in the top 10
  - 4 in the top 30
  - 10 in the top 100 (versus 23 in the rest of Europe)
- UK now scores 13.4% of cited papers
- Excellent record in most prestigious prizes (MRC alone claims 29 Nobel prizes)
- Employment prospects for graduates of top universities remain strong

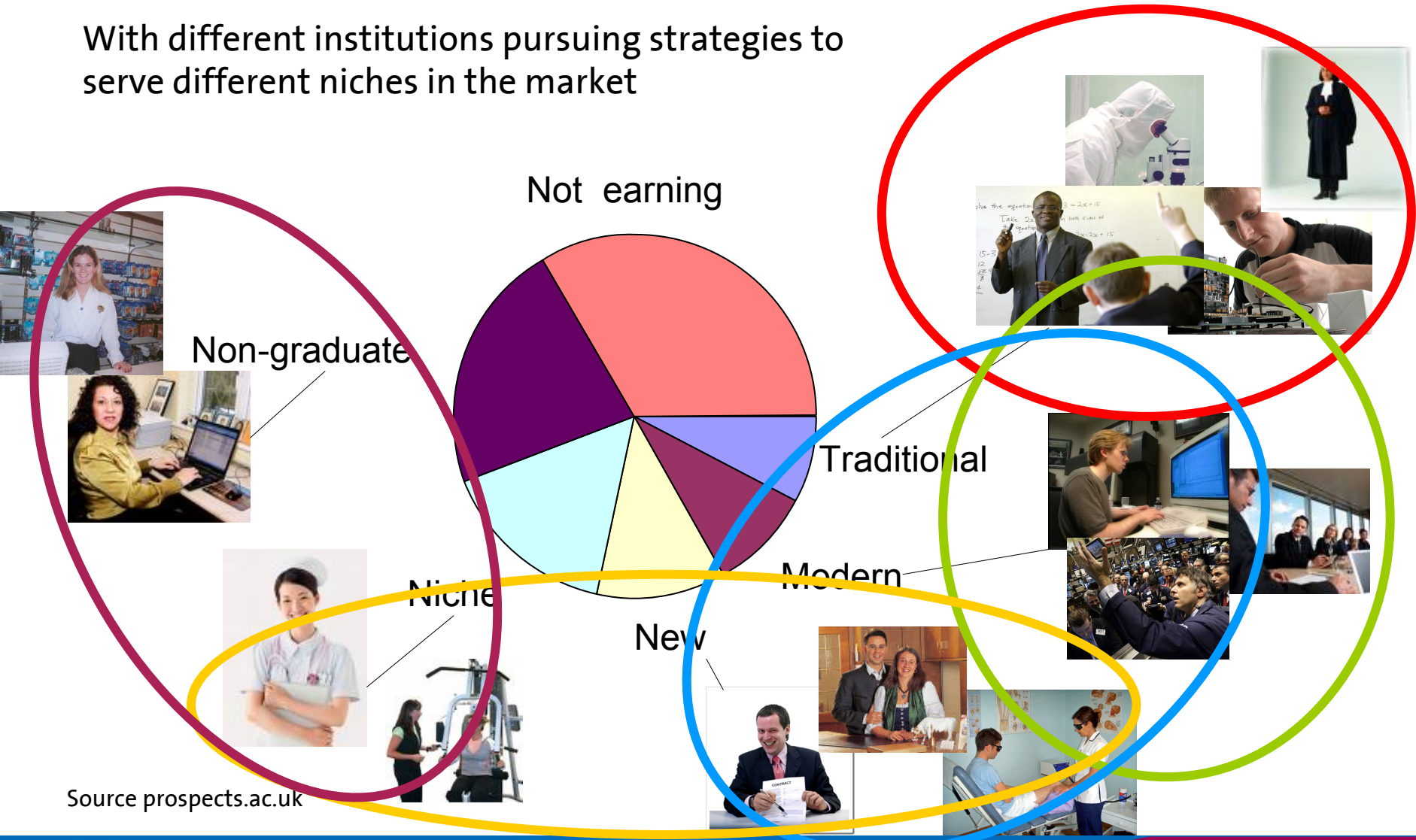
# Innovation-intensive companies are satisfied with the quality of the output

But

- Satisfaction largely relates to traditional degree subjects
- There has been an increasing trend towards ‘diluted science’
- The root cause appears to lie with the schools rather than the HE sector
  - CBI say in the past 10 years compared to a 12% growth in the number of A level entries overall maths has fallen 18%, physics by 11% and chemistry by 6%.

# We need a diverse HE sector for all these 'Users'

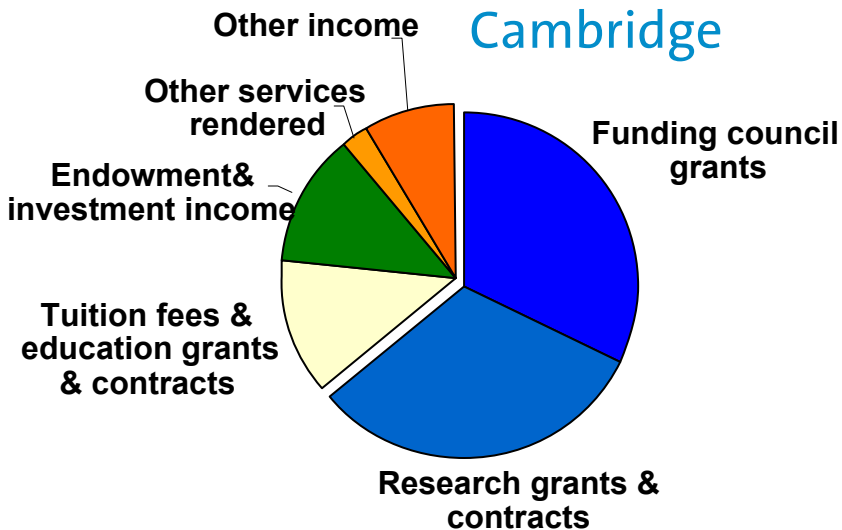
With different institutions pursuing strategies to serve different niches in the market



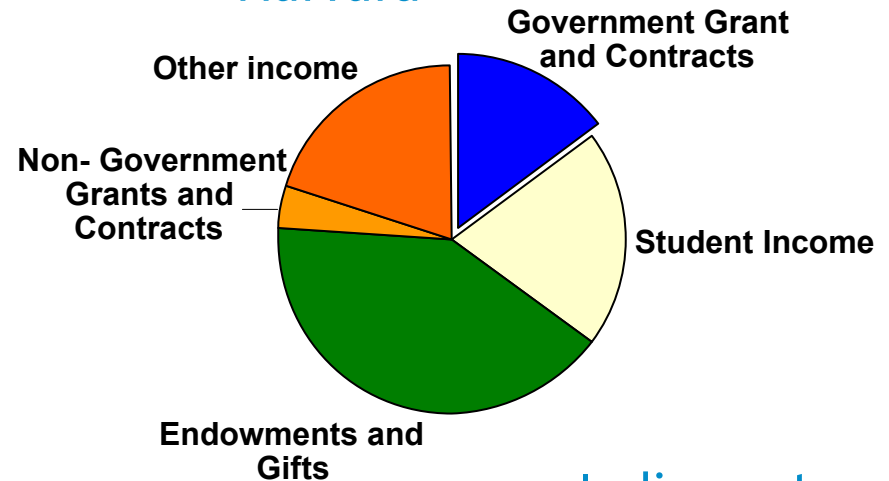
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# UK and US universities compared

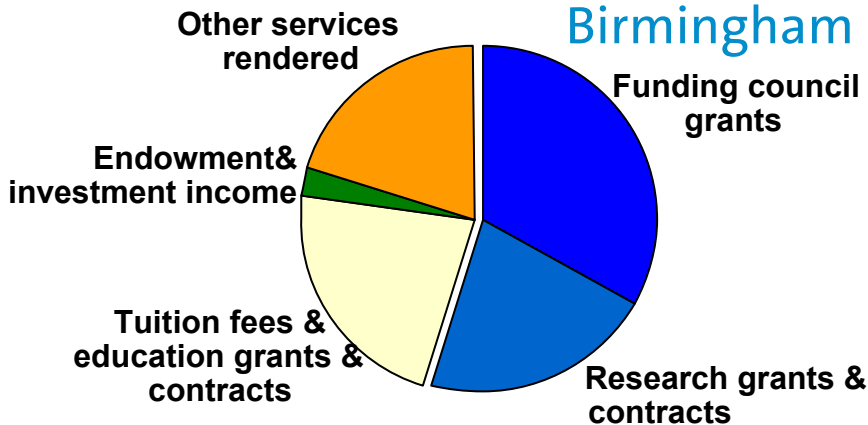
## Cambridge



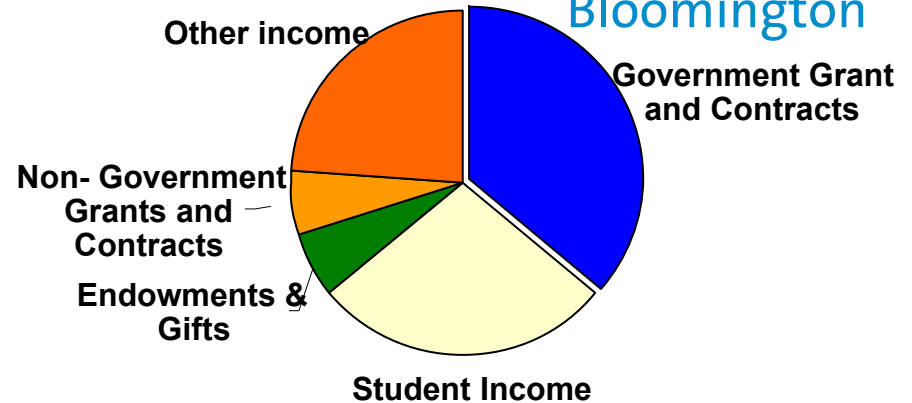
## Harvard



## Birmingham



## Indiana at Bloomington



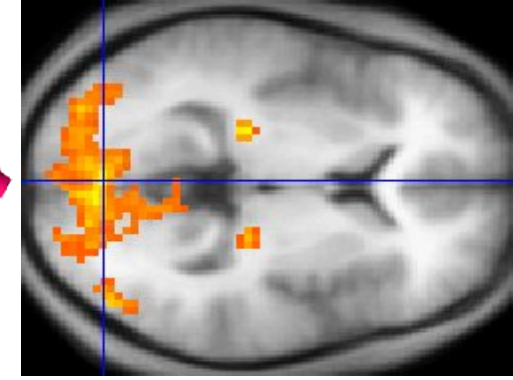
# So what is the best way to encourage diversity without compromising excellence?

## The central planning route

- Do we ask HEFCE to be ever more inventive in its distribution algorithms?

Or should we look for a more market orientated approach?

- In most markets diversity of product is a result of competing independent providers each adopting strategies to find their own niche
- If we want to encourage a similar variety of excellent participants in an open HE market we might consider:
  - Being more prepared to see research income concentrated in the truly excellent
  - Making the student users more important by de-restricting fees
  - Channelling more money to the students, including by stimulating the supply of industrial scholarships
  - Further stimulating an endowment culture through fiscal incentives



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