



hefce

Higher Education Funding Council for England





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What are universities for?

The peculiar history of England's universities

- The real medieval concept of University
- State building and universities: the different histories of Germany, the US...and Scotland
- England's non-university scientific tradition
- The English universities at the Industrial Revolution.

From Utility to Self-Definition: The University in the 19th Century

- Humboldt and the Modern Idea of a university
- Who teaches, who researches: Newman's separation, Oxford's separation, America's Germanization
- Did England have a great university in the 19th Century?

The emergence of England's university system

- Post industrial revolution
- But some civics were rooted in local industries
- By 1900 still a small scale system
- Training for the Empire, sustaining civic ambitions
- Heavy reliance on public funding (UGC created in 1919)

The Legacy of this Peculiar History: or the essential modernity of England's HE system

- Real expansion came late: after 1960
- The real engagement of the universities with science, research, knowledge creation came late: largely after 1900
- England moved very quickly from elite to mass higher education
- The last 40 years have been years of profound transformation for England's universities.

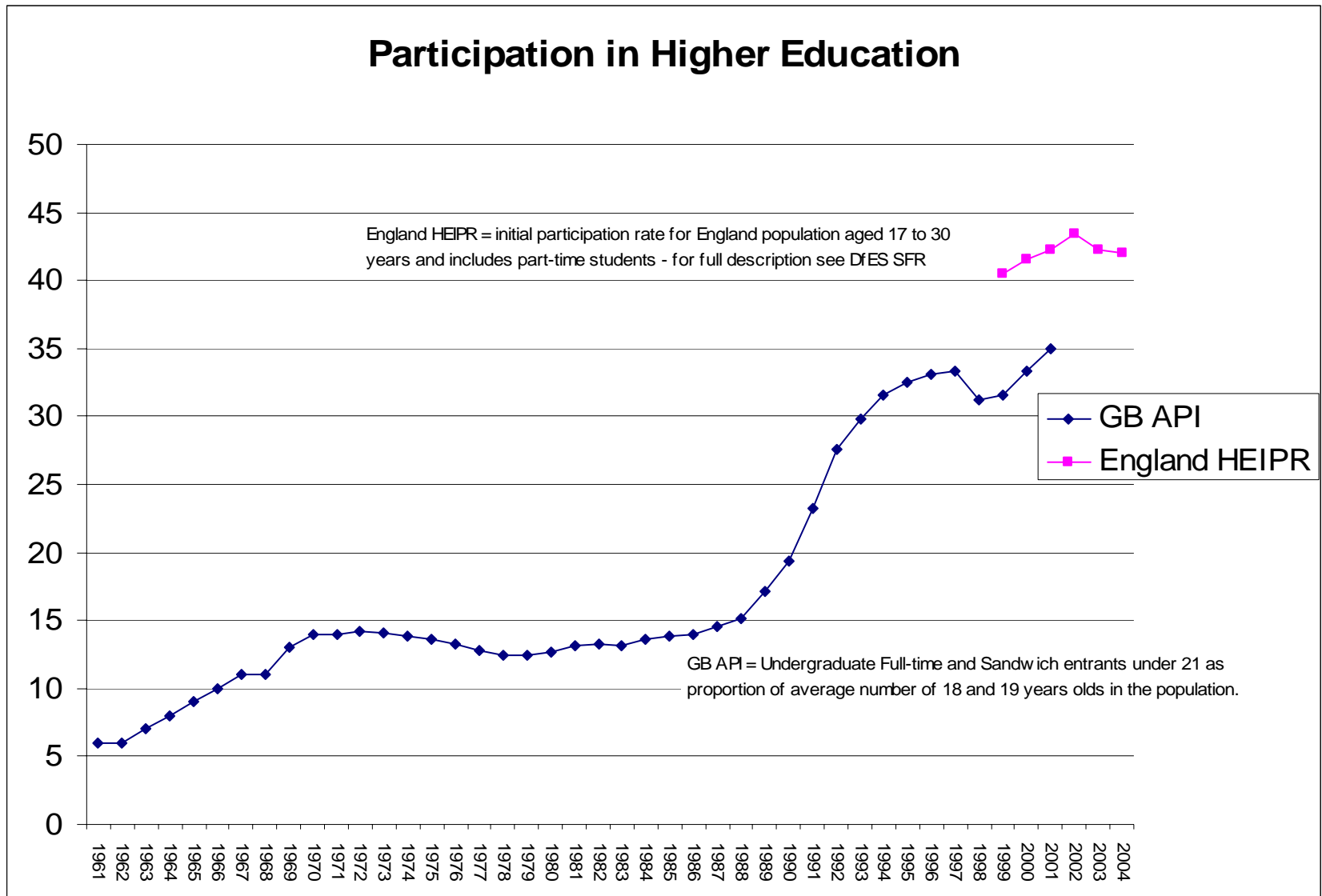
The purposes of higher education

- To inspire and enable individuals to develop their capabilities throughout life to contribute to society and achieve personal fulfilment
- To increase knowledge and understanding for their own sake and to foster their application to the benefit of the economy and society
- To serve the needs of an adaptable, sustainable knowledge based economy at local, regional and national levels
- To play a major role in shaping a democratic, civilised, inclusive society.

(Dearing Committee of Inquiry, 1997)



Age participation



Drivers of change

- The research-based/research led university
- The entrepreneurial university
- Economic engagement
- Mass higher education and new media for teaching
- Autonomous university in a national system
- Embracing, embodying, and enabling the knowledge economy.

The success of the higher education system

- Our universities are a great success story - research output; knowledge transfer; increasing and widening participation; and quality of learning and teaching
- We have world renowned universities – look at the recent THES world university rankings
- The HE system has proved resilient and productive notwithstanding periods of significant under-investment
- Our collective ambition is to ensure that we continue to have an HE system to match the best in the world – achievable but we need the right level of investment.

Some key facts about HE

- The English HE system has delivered substantial efficiencies over many years – a real terms reduction of just over 25% in the unit of funding since 1989-90
- More than 80% of students are satisfied with the quality of their HE courses (NSS 2006)
- UK HE non-completion rates are low and among the best in the world – 14.9% in 2003-04
- Participation in HE continues to increase – in the early 1960s only 6% of under-21s went to university; today around 42% of 17-30 year olds participate.

Key facts continued

- Overseas student numbers and fee income have grown rapidly during the past decade exceeding the Prime Minister's initiative target set in 2001. We now have the challenge of PMI2. Overseas income increased from £386M in 1994-95 to £1,215M in 2004-05
- Although the UK has only 1% of the world's population, it carries out 5% of world research and produces 12% of all cited papers. UK ranks second in the world to USA on research.
- Our HE institutions are worth £45 billion to the UK economy.

Essential characteristics of English higher education

- Blue skies research
- Applied/translational research
- Nurturing and developing high level skills
- The social and cultural value of graduates
- Widening access helps create a more inclusive, socially just and enlightened society
- Employer and SME engagement.

Engagement is working

	2000-01	2001-02	2002-03	2003-04
Number of disclosures	2,159	2,478	2,710	3,029
Consultancy income (£M in real terms*)	112	129	172	211
Collaborative research income (£M in real terms*)	447	495	491	541
A required contracting system for all staff-business consulting activities (% of UK HEIs)	60%	65%	66%	68%
An enquiry point for SMEs (% of UK HEIs)	83%	85%	89%	90%
Regeneration income (£M in real terms*)	129	134	150	216
Facilities and equipment related services income (£M in real terms*)	28	53	68	80
HEIs providing short bespoke courses on companies' premises	62%	67%	78%	80%
HEIs providing distance learning for business	52%	52%	66%	66%

* All figures have been adjusted to 2003-04 prices

From HE-BCI survey

How has this success been achieved?

- Our universities have evolved over time as reflective practitioners adapting to the needs of society
- HE has helped to create and define the future
- World-class talent in our teachers and researchers
- Effective leadership and good governance
- Efficient and effective use of public funding
- A diverse HE sector that meets the needs of a wide range of stakeholders
- Academic freedom and institutional autonomy
- University values transcend the 'politics of the moment'.

Role of HEFCE

- The major funder of HE - seeking to balance block grant and special funding streams
- Statutory responsibility to advise Govt. on the needs of HE
- Working in partnership with a range of stakeholders
- Maintaining the highest standards of public accountability – risk based approach
- Protecting the public interest in HE
- Promoting best practice
- Commissioning research to inform policy development
- A modern and sensitive regulator with vision.
- A strong HEFCE and a strong HE sector.

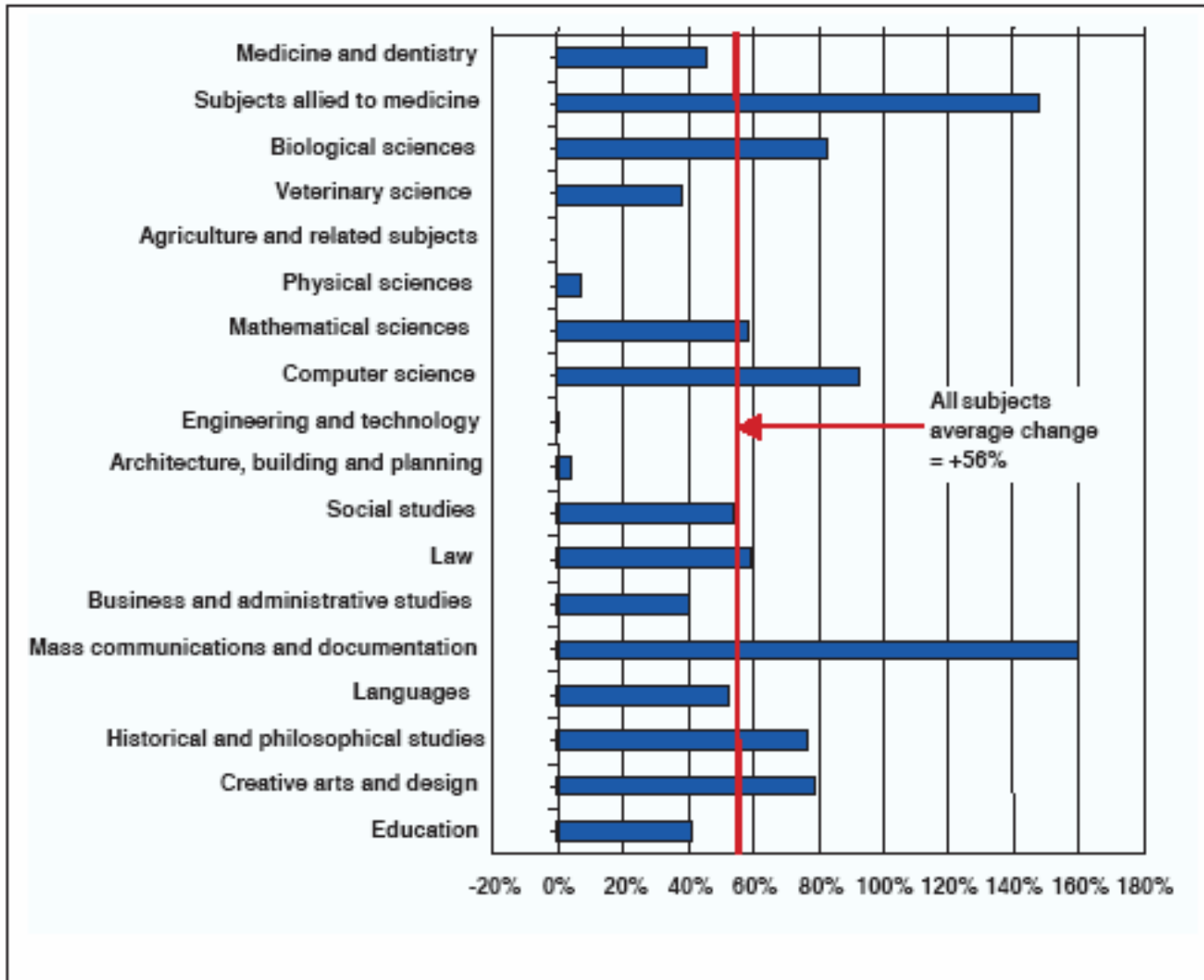


STEM subjects

- HEFCE working in partnership with Government, subject organisations, and the HE sector to build demand for STEM subjects
- Recently launched four major initiatives in Chemistry, Physics, Maths and Engineering – science skills projects
- Raising aspirations and providing opportunities for young people
- STEM programme complements the earlier Government commitments to improve science teaching and learning.

STEM subjects

Percentage change in student numbers by subject area, 1995/96 to 2004/05



Source: Universities UK 'Patterns of higher education institutions in the UK: Sixth Report

Where are our universities going?

- Shaping the intellectual development of a democratic society in a global political environment of increasing complexity
- Increasing engagement with the internationalisation of higher education – collaboration and competition
- Research engine for a modern knowledge based economy
- The university is the most significant creation of the second millennium and who is to say it will not be the most significant organisation in the third?