



University

BIS | Department for Business
Innovation & Skills

HIGHER AMBITIONS

The future of universities in
a knowledge economy

EXECUTIVE SUMMARY

Building 
Britain's Future

Executive Summary

British higher education is a success story. Over the last decade we have pursued the twin objectives of supporting excellence and widening access, and these have proved to be complementary and mutually reinforcing.

The UK is home to a disproportionate share of the world's leading research universities. With one per cent of the world's population the UK achieved 12 per cent of the world's scientific citations in 2007/08. The UK arts and humanities community published 33 per cent of the world's output in the period 2006 to 2008.

This research excellence has been accompanied by a sustained increase in student numbers. In 1997 921,000 students in all categories entered higher education. In the current year that figure has risen to over 1.1 million. Within that total there has been a particularly noticeable increase in the number of mature students, most of whom have had the chance to experience higher education for the first time.

This progress has been supported by a sustained increase in investment. By 2010-11, total funding for institutions will have doubled from 1997 levels.

Investment in higher education has paid significant dividends. Even during the current global downturn, university graduates are more likely to be employed than non graduates; and graduates earn substantially more over their lifetime than non-graduates¹. Higher education is a successful sector

of the economy, in which we enjoy competitive advantage over developed and developing nations. The most recent estimate is that UK universities' economic output is £59 billion a year, and amounts to 2.3 per cent of UK GDP². The sector is expanding its role as a provider of education to a growing world market consisting of hundreds of millions of new learners who wish to study in English.

The success of the last decade is not simply the achievements of the ancient institutions and the leading research centres. Many of the most encouraging developments have come in new and transformed institutions which are pursuing excellence in particular fields and building creative links to local communities and businesses around the country.

Our success in higher education is rooted in a commitment to institutional autonomy within a framework of shared values and goals. Freed to define their own strategies for achieving core national priorities, our universities and colleges have innovated and adapted to new ways of serving students and contributing to our national life.

¹ "Over their working life graduates earn, on average, comfortably over £100,000 more than an individual whose highest qualification is 2 or more A-levels, net of taxes and in today's valuation", based on a number of analyses undertaken inside and outside BIS..

² *The impact of universities on the UK economy, UUK 2009*

The challenge is to maintain the progress we have made. In a knowledge economy, universities are the most important mechanism we have for generating and preserving, disseminating, and transforming knowledge into wider social and economic benefits.

They are crucial, too, as the providers of life chances for individuals in an environment where skills and the ability to apply those skills are essential preconditions for employment.

The demand for higher education continues to grow but our participation rate, though improved over the last decade is still below that of many other developed economies. Access to higher education remains significantly correlated with parental income and wealth. Too many people with the ability to benefit from higher education are still not entering the system.

Meeting these challenges is made all the more important by the current economic circumstances and the need to renew our economic base. Universities have a vital role to play in that process. But the constraints on public finances will make it impossible to sustain the growth in public spending on universities seen over the last decade.

This is by no means the only change in circumstances which universities face. Demography, advances in technology, the increasing importance of knowledge and intellectual property and the increasingly international nature of so many activities including education itself are all altering the nature and form of higher education. Universities within the UK are already part of numerous European and global networks and we have much to gain from the continued development of such links.

That is the context which shapes the proposals contained in *Higher Ambitions*.

Our proposals

In this document we set out our strategy for sustaining the strength of higher education in this increasingly demanding and competitive environment.

We set out proposals in six main areas.

How we will ensure that all those who have the ability to benefit can get access to higher education

This challenge was framed by Alan Milburn's recent report³, and *Higher Ambitions* is an important part of the Government's response. Because higher skills significantly influence life chances and earning potential, wider and fairer access to higher education is a question of basic social justice. It is in the interests of our society that there are no caps on talent in Britain. Our universities have succeeded in widening access to poorer students over the last decade, but this progress has been uneven across the system, with our most selective institutions seeing only modest increases. Fairer access for educationally disadvantaged but able UK pupils has to remain a key part of how our world class universities see their missions.

Since 1998 the UK participation rate for higher education has slipped from 7th in the OECD to 15th. This is because although we have grown, others have grown faster⁴. The Government remains committed to the goal that at least 50% of young people should enter higher education. However, this has never meant that 50 per cent of the population should enter higher education directly from school to study on a conventional three year degree programme. We aim to widen participation through the expansion of the number of adults at university and by promoting a broader range of course models alongside the three year degree. This has been a problem in the past: the number of students on sandwich courses, for example, has fallen by four per cent since the middle of the last decade during a period when overall student numbers have increased by around 32 per cent, an outcome that is not in the long-term interests of either students or employers. In order to attract a greater diversity of students, more part-time study, more vocationally-based foundation degrees, more work-based study and more study whilst living at home must be made available. This is a core aim of these proposals, and our wider skills strategy.

³ *Unleashing Aspiration: The Final Report of the Panel on Fair Access to the Professions Milburn 2009*

⁴ *Education at a Glance 2009*

This goal reflects some basic realities about the UK's demographic and labour market profile. Around three quarters of the UK workforce of 2020 have already left compulsory education⁵. The UK retains a large pool of just under six million workers with qualifications at level three (equivalent to A-levels in standard) but no experience of higher education⁶. Raising the potential of our workforce must involve drawing more of these people into higher education, while also strengthening the skills pipeline that helps young people and adults gain skills and qualifications at every level. Widening access means building new stronger ladders of opportunity from apprenticeships to advanced apprenticeships and new technician qualifications into foundation degrees and other vocational higher education programmes. There should be more bridges between further and higher education.

This requires a major change in the culture of our higher education system where the focus of expansion has hitherto been in three year full time degree courses. Reflecting demand from learners and employers, those courses will continue to play a central part. However, the next phase of expansion in higher education will hinge on providing opportunities for different types of people to study in a wider range of ways than in the past. The focus will therefore be on a greater diversity of models of learning: part-time, work-based, foundation degrees, and studying whilst at home.

⁵ BIS analysis of Government Actuary's Department population data 2007

⁶ Labour Force Survey, Q2 2009

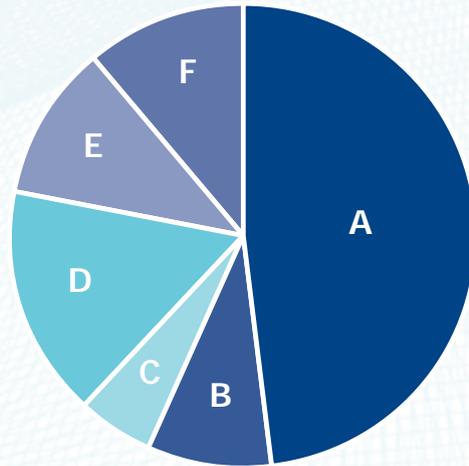
We propose four key changes in this area:

1) We will improve the advice and encouragement that students receive earlier in their education with respect to setting their sights on university.

Universities are increasingly involved in shaping the ambition and personal performance of young people who have had no family experience of higher education, and in improving the way in which schools themselves bring out the best in their pupils. Good advice is crucial: the availability of study and training options and the choices pupils make can affect their later course options and life chances. We will strengthen our partnership with the Department for Children, Schools and Families, (DCSF) building on the strategy published by DCSF in October 2009 to guarantee that all young people get advice that encourages them to strive for challenging goals, and that teachers have ambitious expectations for them.

We announced in the New Opportunities White Paper a guarantee that high performing pupils from low income backgrounds will have a structured package of assistance to help them progress to higher education. Schools and colleges working in close partnership with higher education institutions are key to delivering this commitment. We will publish, early in 2010, our plans for delivering this commitment.

Student by mode and level of study



A	First degree full-time	1,108,685
B	First degree part-time	198,155
C	Other undergraduate full-time	123,320
D	Other undergraduate part-time	374,810
E	Postgraduate full-time	248,380
F	Postgraduate part-time	252,755

2) Many universities are developing new ways to use contextual data in their admissions procedures to assess the aptitude and potential to succeed of those from poor backgrounds. We believe this is a valid approach and hope that all universities will consider it.

In assessing candidates, universities already expect to look not only at what individuals have achieved, particularly through their exam grades, but also at their aptitude and potential to succeed. While the principle of university autonomy means that Government does not interfere with any university's admissions procedures, we believe that the use of appropriate contextual criteria could help to ensure that high-potential candidates are not missed by the system.

3) We are asking Sir Martin Harris, the Director of Fair Access, to consult Vice Chancellors and advise the Government by Spring 2010 on further action that could be taken to widen access to highly selective universities for those from under privileged backgrounds – and to ensure that measures for wider access are prioritised most effectively and do not suffer in a time of greater fiscal constraints. His report will be available in time to influence the conclusions of the Fees Review.

Working with universities, he will look at how best individual universities can set and achieve targets for themselves. He will advise on how best to promote the partnership of schools and universities to identify and mentor the most talented young people from an early age. He will also advise on whether the money currently used by universities under access agreements, mainly spent on bursaries for their students, can be better targeted in order to give more effective support to fair access.

4) We will expand new types of higher education programmes that widen opportunities for flexible study for young people and adults and reflect the reality of the modern working lives.

We will give priority to growing a diverse range of models of higher education. These include options such as part-time and workplace-based courses aimed particularly at mature students or those from non-conventional backgrounds. We will also encourage the further expansion of the successful foundation degree, a vocational qualification completed in two years designed jointly between employers and higher education; and more opportunities to progress from Apprenticeship programmes and vocational qualifications at Technician level into higher education. There will be an important role for further education colleges as well as for universities in such provision – a role that will be set out in detail in our forthcoming Skills Strategy⁷. We are committed to the enhancement of locally accessible higher education that can create new opportunities for individuals and their communities. This will be achieved, as resources allow, through innovative partnerships between universities and further education colleges, and by support for new local higher education centres under the New University Challenge initiative.

⁷ National Skills Strategy to be published by BIS later in 2009

How we will support universities in making an even bigger contribution to economic recovery and future growth

Alongside its social and cultural role, higher education is, and will continue to be, central to this country's economic performance in the twenty first century. It is the key mechanism through which knowledge is generated, preserved and passed on. It equips people for the increasingly complex challenges of the modern workplace by teaching skills and instilling intellectual curiosity and self-confidence.

This process of knowledge generation and stewardship is a public trust and important in its own right. However it is vital that universities use it to contribute to economic growth, both through the commercial application of the knowledge they generate and through preparing our people for the world of modern work. Building new partnerships with business and industry will provide an important channel for generating the financial resources universities need to fund further investment. And greater use of cutting edge university research will improve our public services and public policy.

We propose four key changes in this area:

5) We will ask the Higher Education Funding Council for England (HEFCE) to devise new funding incentives to develop higher education programmes that deliver the higher level skills needed

We will give new priority to the programmes that meet the need for high level skills, especially for key sectors including those identified in the New Industries New Jobs strategy of April. This will mean enhanced support for the 'STEM' subjects – degrees in the sciences, technology, engineering, and mathematics – and other skills that underwrite this country's competitive advantages. There will be a greater element of competition between universities for funding, with the winners being those universities who can best respond to these evolving economic challenges. We will invite the Funding Council to consult on how these changes should be implemented. We accept that the effect of these changes in HEFCE's approach to contestable funding will vary between universities: increasing funding for some and reducing it for others. To allow funds to be diverted to courses that meet strategic skills needs they will be diverted away from institutions whose courses fail to meet high standards of quality or outcome.

6) We will bring together universities, employers, HEFCE and the UK Commission for Employment and Skills (UKCES) to identify and tackle specific areas where university supply is not meeting demand for key skills, and will expect all universities to describe how they enhance students' employability

There can be no room in the system for vocational programmes that do not constantly evolve to meet changing business needs. There will be a new central role for the UK Commission for Employment and Skills to advise on areas where there is an insufficient supply of graduates in particular disciplines, and also cases where university programmes are failing to reflect changed business requirements or the priorities articulated by employer-led bodies such as Sector Skills Councils (SSCs) and Regional Development Agencies (RDAs).

We will ask all universities to publish a statement on how they promote student employability. Universities must be free to define what works best for students in different courses and different institutions. But it is a top concern for business that students should leave university better equipped with a wider range of employability skills. All universities should be expected to demonstrate how their institution prepares its students for employment, including through training in modern workplace skills such as team working, business awareness, and communication skills. This information should help students choose courses that offer the greatest returns in terms of graduate opportunity.

7) Our expectations of business will continue to rise: they need to be active partners with universities, not passive customers.

As the key definers of the skills needs of our economy and the key beneficiaries of the skilled workers produced by higher education, businesses have a crucial role in the funding and design of programmes, in the sponsorship of students, and in offering work placements and practical experience for students. The majority of businesses that invest in high level skills do not make enough use of higher education. This should change: businesses should tap the resources available in universities more effectively, and universities should become more flexible in providing for business demand. We welcome the commitments made by business in the CBI's recent report on higher education⁸. The role that business people play as members of University Boards of Governors, as members of University Advisory Councils and in influencing course provision through employer led Sector Skills Councils is of great importance and will become greater in future.

8) We will conclude a review into the future of postgraduate provision.

Postgraduate qualifications, both from taught and research courses, are increasingly a necessity for careers in the public and private sectors alike. As part of our New Industry, New Jobs strategy, we need to strengthen the flow of skills at the highest level into key sectors of the economy. Today's postgraduates are also tomorrow's leading academics. Increasing fee income from overseas postgraduate students is of crucial importance to the financial planning of many institutions, as well as enriching our international networks. All of this makes postgraduate provision a critical strategic issue for the sector and the country. Professor Adrian Smith is working with leading figures in the sector to review postgraduate level higher education, to ensure that it meets both the sector's and the economy's needs for skills at the highest levels. The independent review of student fees will have access to this review's findings before it finalises its own conclusions.

⁸ *Stronger together: Business and universities in turbulent times*, CBI 2009

How we will strengthen the research capacity of our universities, and its translation into economic impact

After a decade of unprecedented investment, our universities are among the best in the world for research. Since 1997, the Government has doubled investment in the research base, with the Science and Research budget due to rise to unprecedented levels of almost £4 billion by 2010/11. Ring fencing of the Science and Research budget has created a climate of confidence in our research base. Our challenge now is to reinforce this strength and to develop further our capacity to translate this scientific excellence into economic benefits. There will be no question of compromising our position in pure research, and we recognise that the way in which research drives commercial development is often unpredictable.

We make three key proposals in this area:

9) In a more challenging climate for research, with tighter fiscal constraints and increased competition from other countries, we will need to carefully protect the excellence of our research base. This will require a greater focus on world-class research and greater recognition of the potential benefits of research concentration in key areas.

Excellence must remain the defining basis for allocating research funding. Especially in areas such as advanced science, limited resources mean that public investment in the UK must be prioritised on strengthening research

centres with world-class capability. This will include further development of multidisciplinary centres bringing together many areas of expertise, and building relationships between teams in universities and industry.

We must use scarce resources well. In future this should mean more research concentration, not less, especially in the high cost scientific disciplines. In a diverse higher education system, not every institution should feel that maximising its success in the research assessment exercise or recruiting doctoral students is central to its mission. There are pockets of research excellence across a very wide number of institutions, but a more sustainable model for the future may involve new forms of collaboration between universities so that the best researchers can cooperate rather than compete against each other for scarce funds.

10) We are establishing strong new incentives to increase the economic and social impact of research.

The new Research Excellence Framework⁹, which will drive HEFCE's allocation of the research block grant, will for the first time explicitly assess the impact of past research on the economy and society. Those institutions that can demonstrate a track record of delivering impact from their research will be rewarded. It will also encourage greater mobility of researchers between academia and industry. This will help us understand and reinforce over time the way in which different funding choices are creating economic impact.

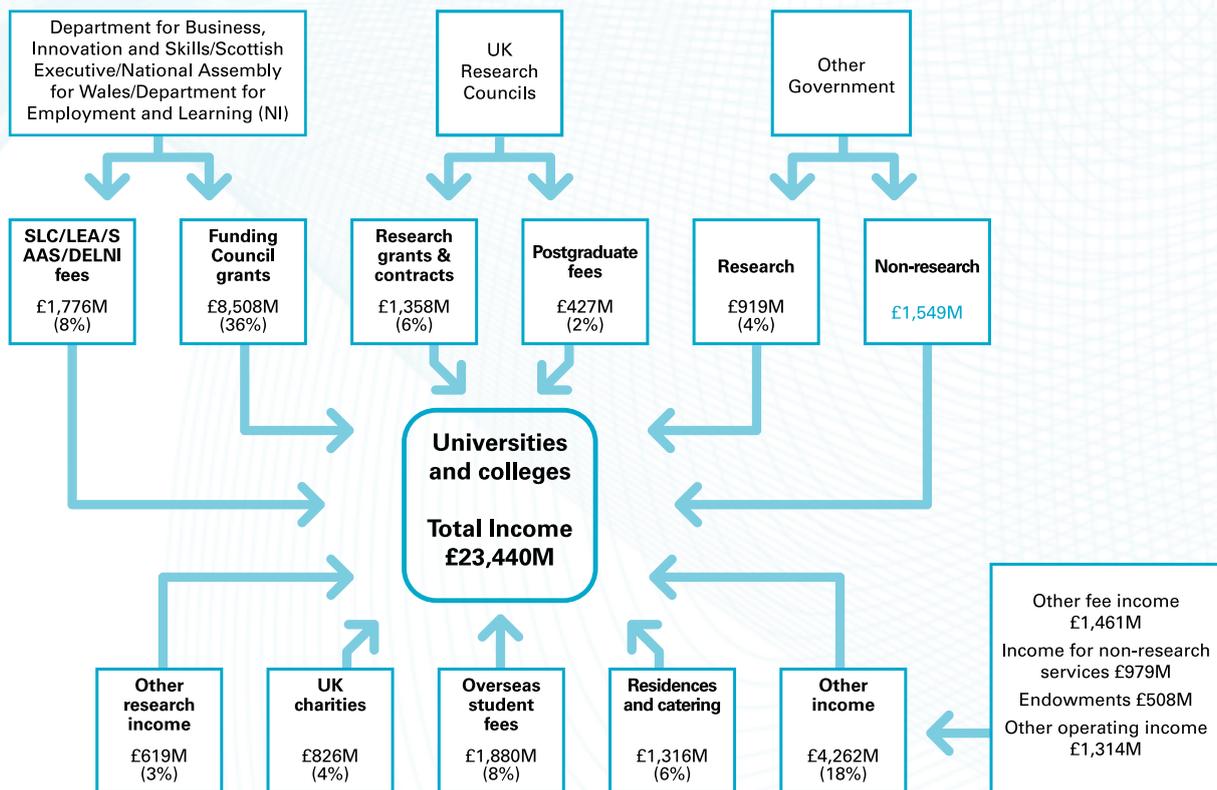
⁹ The Research Excellence Framework (REF) is the new system for assessing the quality of research in UK higher education institutions (HEIs). The first REF exercise is due to be completed by HEFCE in 2013.

11) We will support stronger long term relationships between business and universities.

Interaction between universities and business has increased significantly over the last decade. We will build on this with continued investment in collaborative research via the Research Councils and the Technology Strategy Board. We will also build on the success of the HEFCE Higher Education

Innovation Fund which has supported the development of links between business and universities. Our primary motivation for supporting this research commercialisation and knowledge exchange is to generate economic and social benefits for the nation, not simply to raise revenue for institutions. We will encourage universities to seek greater use of shared services for managing and commercialising their intellectual property.

Sources of finance for UK universities and colleges 2007-08



How we will promote excellent teaching for all students in higher education, with universities competing to attract students on the basis of the excellent service they provide

The quality of the higher education provided by our universities stands comparison with the best in the world. However, there are a number of ways in which it could be further improved to ensure the best possible student experience, particularly through maintaining high quality teaching. The Government's proposals were set out in our October 2009 response to the report from the Innovation, Universities, Science and Skills Select Committee, Students and Universities. Excellence in teaching should be recognised and rewarded. Alongside excellence in research, we welcome the trend in increasing numbers of universities of recognising excellence in teaching – for instance through the appointment of teaching professors.

We take very seriously any public concern over the quality of the student experience in higher education. A poor quality service to students by any institution should not be tolerated and we support a more active and transparent approach to investigating complaints about standards. There will be the opportunity for all involved to examine how best to develop and simplify the existing quality review process as the current cycle comes to an end. It is also important to ensure that potential students have the best possible information on the content of courses and on the value in academic and employment terms of specific qualifications.

We propose two key changes in this area:

12) All universities should publish a standard set of information setting out what students can expect in terms of the nature and quality of their programme.

This should set out how and what students will learn, what that knowledge will qualify them to do, whether they will have access to external expertise or experience, how much direct contact there will be with academic staff, what their own study responsibilities will be, what facilities they will have access to, and any opportunities for international experience. It should also offer information about what students on individual courses have done after graduation. The Unistats website will continue to bring together information in a comparable way so that students can make well-informed choices, based on an understanding of the nature of the teaching programme they can expect, and the long-term employment prospects it offers. We will invite HEFCE, the Quality Assurance Agency for Higher Education (QAA) and UKCES to work with the sector and advise on how these goals should be achieved.

13) We will support universities' work to strengthen the role of the external examiner system.

The external examiner system is a key component in ensuring consistent standards across the sector. Sector-led plans to reinforce its authority and role will help guarantee confidence that no one institution is devaluing the currency of the degree award and will provide a stronger assurance of the quality of the education being provided.

How we will further strengthen the role of universities at the heart of our communities and shared intellectual life, and as one of the key ways in which we engage with the wider world

Universities have a vital role in our collective life, both shaping our communities and how we engage with the rest of Europe and the wider world. They play a huge role in our communities through the provision of cultural and sporting amenities and in passing on and preserving a set of shared societal values, including tolerance, freedom of expression and civic engagement. They have the capacity to provide intellectual leadership in our society, in areas such as the transition to a low carbon economy.

14) We will build on the contribution that universities have made, in partnership with Regional Development Agencies and local business, to regional economic development

To sustain the role of universities in urban renewal and regeneration, the Government will protect the freedoms that higher education institutions currently enjoy, within the framework of existing capital and investment approval processes, to devise their own business plans and borrow commercially to fund new developments. The Government supports the role that Regional Development Agencies play to provide capital for university schemes that they judge to be of high economic value to the locality and region. The Government also believes that RDAs have a key role to play in working with business at local and regional level to support knowledge transfer activities and deepen university links with local and regional businesses: this is crucial to improving the quality of management in Britain and Britain's future success as an innovation economy.

All universities are major contributors to the regions where they are located. They are large employers and the students they attract bring revenue to local businesses. Many universities also see themselves as important civic institutions in their city and region: this role is to be praised and should be enhanced. The Government welcomes the role that universities play in engaging their local business community and strengthening the quality of local civic leadership. They are usually active contributors to the economic development strategies of Regional Development Agencies and local authorities, supporting the creation and growth of local businesses. Their building programmes can be integral to wider regeneration programmes. The projects supported by HEFCE's Economic Challenge Investment Fund illustrate the many ways that universities can help their areas get through the economic downturn.

Local engagement is also crucial to the university function of extending access to higher education among social groups and in areas where it is unacceptably low. Public funding has already supported the creation of new universities in parts of the country, like Cornwall and Cumbria, where no university previously existed. The Government also welcomes higher education provided by and with FE colleges and other providers as a means of promoting easier and wider access.

Universities are one of the key ways in which people from outside Britain engage with us, and through which we engage with the world. Our universities need to be strongly committed to internationalism; attracting students from abroad; collaborating with institutions overseas; and bringing their expertise to bear on global challenges. They should instil a sense of internationalism in students by teaching European and global perspectives and encouraging language learning and study abroad.

15) We will champion the international standing of our universities.

UK higher education is well regarded internationally. We attract high quality students, researchers and university staff from around the world. Currently there are 340,000 foreign students in the UK from 239 different countries; the UK is second only to the USA as a destination for such students. One sixth of our academic staff are from outside the UK, and 90 per cent of our universities have international research links. The net annual contribution to the UK's national income made by international (non EU) students in higher education is estimated at £5.5bn.

Individual institutions have built strong partnerships with China, India, and other countries. However, the strength of the international market for higher education means that many other countries are competing with us. To retain their position, our universities need to demonstrate strengths in research and knowledge transfer as well as student recruitment, growing long-term strategic partnerships in key countries.

Different institutions will pursue their own priorities, but the Government can help communicate a strong “UK Higher Education” brand, and align it with the Government’s diplomatic and cultural agenda, and with our international trade strategy led by UKTI. We have just established a new International Education Research Advisory Forum, chaired by the Minister of State for Higher Education, to bring together Government departments and agencies, the UK’s devolved administrations, and universities. Its purpose is to strengthen links between the British Council, UKTI, the Research Councils, and BIS’ own Science and Innovation Network, so that the UK presents its strongest possible story to potential international partners.

16) We will empower our universities to be world leaders in the growing market in transnational education based on e-learning

We will support the new task force led by Lynne Brindley, Chief Executive of the British Library, to help UK higher education remain a world leader in online learning, and grow its market share by 2015. The task force will identify opportunities for investment and innovation within and between universities and colleges, and with the private sector, in the development of online learning, including the building of critical mass. Through HEFCE, we will be prepared to provide seedcorn funding on a competitive basis for university-private sector partnerships which will strengthen our market position.

We believe that in a rapidly expanding global market, institutions based here have a unique opportunity to provide education in many different forms. The UK’s advantages in both research and teaching are supported by our established strengths in both accreditation and educational publishing. The potential to develop international education through partnerships with broadcasters and internet service providers is considerable, and in our view will shape and strengthen the higher education sector over the coming decade.

How we will ensure that our universities continue to maintain excellence, even under tighter public financial constraints

Our challenge is to nurture a higher education system, responsive to the demands of both undergraduate and postgraduate training, embedded and integrated in a wider education and skills framework and capable of equipping all students with the capabilities and confidence to prosper.

We must achieve these goals in an economic environment that has been transformed by the banking crisis and the downturn. Britain must rebuild its economic growth and invest in the skills and competitive strengths that will underwrite a sustainable recovery and a balanced future economy with a strong mix of services and modern manufacturing. It will have to do this in an environment of fiscal constraint.

Universities have enjoyed a benign financial climate over recent years. Growth based so heavily on state funding cannot continue and this confronts government and universities with a series of challenges. Maintaining excellence in both teaching and research is key. We recognise that per capita funding is important but also that in the current circumstances maintaining that level through public expenditure alone will be extremely difficult. That is why the development of a diverse set of funding streams is important if the quality of higher education is to be maintained and improved.

Our universities need to continue to benchmark themselves against the best in the world, and the highest expectations of their localities and regional economies. Our world class universities are unique national assets, and must be recognised as such. Along with this recognition come reciprocal responsibilities. We need to treat these world class institutions for what they are, and the institutions themselves need to recognise their own obligations to UK undergraduates, in terms of excellent teaching and fair access on merit and potential, regardless of family background.

The rest of the sector contains many examples of excellence of a different kind. Sustaining a diversity of excellence through a period of increased competition and public spending constraint will require each institution to develop its own distinctive mission, and for funding to be focused on investing in and nurturing excellence. Universities may need to withdraw from activities in which they cannot achieve excellence in order to focus on the areas where they can. The Government will need to direct funding more strategically if the resources provided are to achieve public policy goals. In future, new priorities will be chiefly supported by redistribution of existing funds and leverage of private investment rather than provision of new money. We acknowledge HEFCE's role in actively monitoring the financial health of institutions and offering support where necessary.

The universities that succeed best are likely to be those with strong leadership that has the confidence to challenge vested interests. Universities will need to control costs, including pay. They will need to be more flexible in their pay arrangements, to respond to local conditions, promote career paths that span business and academe, and compete for top talent in the international arena.

Universities will need to seek out other sources of funding, from overseas sources as well as domestic ones. The experience of the last decade suggests there is considerable capacity to do this: public funding for higher education increased by 25 per cent in real terms, while total university income has increased by over 50 per cent¹⁰. This new money has come from creating greater economic benefits from the knowledge they generate or the teaching expertise they provide and from philanthropic sources of income and increased international earnings. It is also the result of the Government's decision to introduce variable fees, which has generated an additional £1.3bn of income into the sector, without any apparent negative impact on access¹¹.

In future the burden of financing higher education's diversity of excellence will need to be more equitably shared between employers, the taxpayer, and individuals.

17) Following the publication of these proposals we will launch a review of the fees structure in English universities, as promised at the time of the establishment of variable fees for full time undergraduate students in 2004.

Higher Ambitions will provide important context for the work of the independent review. The focus of the review will be the objectives of sustaining genuinely world-class institutions and fair access to universities, while ensuring value for money for the taxpayer.

¹⁰ HESA data, 2009

¹¹ HESA figures on participation in 2007/08 and UCAS figures for 2008/09 show record numbers of students participating in higher education, including record numbers from lower socio-economic groups.

Conclusion: The heart of a knowledge economy and a civilised society

Britain's universities are fundamental to our character as a country and to our standing in the world.

A strong university system is essential to a country's economic success and the vibrancy and depth of its intellectual and cultural life. Universities embody both our values and our aspirations. They play a huge role in our communities through the provision of cultural and sporting amenities and in passing on and preserving a set of shared societal values, including tolerance, freedom of expression and civic engagement. They shape how we engage with the rest of Europe and the wider world. At a time when public institutions are under intense criticism, universities have an important role in restoring the standards of our public life and in the renewal of trust in the workings of a democratic society.

The aim of these proposals is to build a new national consensus between individuals, government, and employers as to how our higher education system should be supported, adapted and expanded. We can only hope to achieve this through effective partnerships with universities themselves. Indeed, while we have pointed to a number of things that Government can do, either directly or working with the funding bodies, the responsibility for success lies principally with higher education institutions themselves. The chief role of Government is to empower them to deliver.

