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Afterword: A Positive Future for Higher Education in England

Professor Sir Steve Smith

I disagree with other contributors to this book. My core claim is that the future is indeed positive, not in some Panglossian sense, but rather because many of the reforms carried out by the coalition government and its predecessor are aimed, at least in part, at strengthening the overall standing of HE with regards to its global competitors. That is decidedly not the common understanding, and I fully accept that my perspective will be controversial. But whatever my personal views of the proportion of the HE system that should be funded by the taxpayer (for the record, I support more of the cost of HE coming from the taxpayer than the system to be introduced in 2012 will require), I am clear that the recent changes will strengthen England's universities. I want to use this afterword to explain why I believe that to be the case. I will try and be as clear and explicit as possible, in order that my claims can either be proved or disproved by future events.

Over the past two years, as President of Universities UK (UUK), I have worked closely with both this government and the Labour administration during the most significant period of change in HE in this country since the 1960s. The result of their decisions mean that universities face some momentous financial as well as cultural challenges that will affect profoundly everything that they do. Much of the change we are experiencing has been driven by the fiscal environment, but there is also a strong push to introduce wider changes such as more competition, a more responsive student-centred system, greater transparency, and a focus on efficiency and value for money. The changed funding arrangements will create a very different HE environment, and it likely that we will also end up with a new regulatory landscape.

And the sector faces a significant PR task in communicating to the

general public what the changes really mean for the students of the future. But I believe that the future for HE is not bleak and will not mean that students from less well-off backgrounds will be disadvantaged. I believe in the long term that students will get a better experience of HE and better value for money as a result of them.

Changes introduced by the Labour government

It is worth noting at the outset that the cutbacks in funding for English HE did not start with the arrival of the new coalition government: the Labour government had already announced plans for significant cutbacks in HEFCE funding, and had set up Lord Browne's review and agreed its terms of reference with the Conservative Party. The aim of the review was to deal with the unsustainable costs of the student loans system, the underestimating of which had led to consequent reductions in funding for universities of about £449 million by 2010–11, with a further £600 million reduction to come by 2013. To that £1,049 million cut was to be added HE's share of the planned 12 per cent cut across government spending proposed by the Labour government in advance of the 2010 election. That 12 per cent would have equated to an additional £1.6 billion. So, just to be completely clear, the choice was never between a coalition government that cut HE and a Labour government that would not have cut HE. In truth, the coalition government has cut HE by more than Labour would have done, but not by so much more as might be thought. My calculations suggest a coalition government cut to the university/science/student support budgets of about £3 billion in addition to the Labour government's imposed cuts of £449 million, compared to a Labour government's projected cut of about £1.6 billion in addition to the £449 million.

A new government

But of course, it became immediately clear to UUK that the new coalition government started from a very clear commitment to reducing government spending. I warned of the consequences of such reductions in a series of newspaper articles (Lambert and Smith 2009; Smith 2010a; Smith 2010b; Smith 2010c). But clearly UUK needed to be pragmatic and try to maximize the amount of funding that came to universities. Indeed, that was the position the UUK Board consistently took. The obvious problem was that if we were unable to persuade the new government that HE should not be cut significantly, then we would have to find the money from other sources. Obviously, we did not succeed in persuading the new government that there should be no cuts to HE, but it is critically important to note that the outcome of all the changes to the funding regime is that universities in England will get about 10 per cent more cash in 2014 than in 2010. That is not a real-terms increase, of course, but it is a far better outcome than those of the vast majority of the publicly funded sectors. Nor, I readily admit, will the funding be distributed in the same way as it is currently. There will be winners and losers, but these winners and losers are not simply distributed on an old hierarchy, but from all we know about the cost bases of different types of institutions (and we have excellent data on costs) it is clear that there will be winners and losers across all the four main mission groups in the sector.

This decision to minimize the reductions in funding to universities meant that we based our case on the economic role of universities. We faced such a strong call for significant reductions in direct public funding to universities that we felt the language of economics was the only language that would secure the future prosperity of our universities and higher education institutions. This language generated a sense amongst many that long-cherished ideals about the educational and social purposes of higher education were under threat, and perhaps disappearing forever. But the political reality was that the severity of the difficulties facing the government in dealing with the public finances meant a reduction in public financing was completely inevitable. Indeed, by late June 2010 we had a clear indication of the likely level of such reductions, and we spent the summer of 2010 fighting to limit those cutbacks.

Our core argument was that HE played not only a major educational and social role, but also a massive economic role. HE was, we claimed, a great success story and it would be madness to damage it. This is because universities are critical agents of economic regeneration and growth, as well as creators of knowledge. Research-intensive universities have a key role to play in generating curiosity-driven research and knowledge transfer. They attract around them high-quality businesses, and also help develop societies that can thrive in a globalized, competitive economy: a society where skills, knowledge and industry are important. According to a report published by the National Endowment for Science, Technology and the Arts (NESTA) in 2010, new knowledge and innovation has generated at least two-thirds of productivity growth in the UK over the past ten years (Shanmugalingam *et al* 2010). The UK sells more brainpower per capita than anywhere else in the world. In 2005, this amounted to £75 billion in knowledge services – a quarter of all UK exports.

And the industries at the heart of the knowledge economy are dependent on universities for the creation of an educated and highly skilled workforce. Universities are the engine rooms of the modern global economy. Our universities pump about £59 billion into the economy each year. That's 2.3 per cent of the annual Gross Domestic Product of the UK – a bigger direct contribution to the economy than the advertising and pharmaceutical industries. And I am proud to say that in the UK we have one of the very best quality university systems in the world.

The arguments for knowledge

I would like to state unequivocally that UUK strongly opposed the massive reductions in public spending on higher education. However, the utterly inevitable abandonment of the state's direct role in funding universities meant that we had no choice but to focus our efforts on securing an alternative income stream for higher education – or risk losing forever our international reputation as one of the best HE systems in the world. As I have said, this was achieved by focusing our arguments on the economic role played by universities, and particularly research.

If you start with the future of the UK economy, as the coalition government claimed to do when it came to power, the logic was to ask

what choices we had over the kind of economy the UK will be in the future, and then to ask what this implied for the research base. Higher level skills were also a key part of the story. Of course, similar arguments can be made about the role of universities in social mobility, social justice and social inclusion, but in the case of the research base I argued that there is literally no substitute for the role that universities play if the UK was to secure a successful economy in the future. We tailored a narrative that did not start with the universities and what might be good for them, but with the economy, and specifically with the best strategy to ensure future economic growth. It was critically important for universities to emphasize to government the importance of not making decisions that would fundamentally undermine our future capacity to be a globally competitive knowledge economy. No other sector argued as strongly the criticality of its role in determining the nature of the future economy.

NESTA's Report (Shanmugalingam *et al.* 2010) argued this with incisive clarity. Looking at four scenarios for future economic growth (business-as-usual; manufacturing renaissance; high-tech flourishing; innovation across the economy), it concluded that the best chances for future economic growth come from the last two scenarios, and in each case they highlight 'the important role that ... the so called knowledge economy... [has] in driving growth over the next decade' (2010: 28).

Of course, we had been here before: the previous government commissioned two reports that looked at the skills needed for such a knowledge economy (Leitch 2006) and at government's science and innovation policies (Sainsbury Report 2007). Taken together these reports painted a detailed, evidence-based and compelling account of what kinds of skills and research the UK needed to compete in the future. Indeed, the central conclusion of the Leitch report (that the proportion of jobs requiring skills of level 4 or above will increase from 29 per cent to 40 per cent by 2020) has recently been reinforced by recent reports by both the CBI (Confederation of British Industry 2011) and the UKCES Skills Audit (UK Commission for Employment and Skills 2010); both argue for substantial increase in rate of participation in HE in order for the UK to remain globally competitive as a knowledge economy.

Lord Sainsbury's report, *The Race to the Top* (Sainsbury Report 2007), is the most intellectually convincing report on the topic that I have ever read. It is the alpha and omega of analysis on how science and research policy relate to economic growth. It presents a joined up analysis, has a clear vision and provides a long-term strategy for maximizing innovation

and economic growth. Its core claim is that the UK cannot possibly win a race to the bottom on low wage rates for low added-value jobs, and thus has to win the race to the top by creating high value-added jobs. To do this requires investing in the innovation eco-system. He concludes that ‘we can be a winner in “the race to the top”, but only if we run fast’ (Sainsbury Report 2007: 2).

Given that conclusion, the UK Trade and Investment’s July 2010 report on inward investment, with a preface by William Hague and Vince Cable, makes interesting reading. It argued that currently the UK has the strongest research base in Europe. It stated: ‘For international companies, the benefits of locating in the UK to access the world class R&D base remain clear – for example, overseas entities own 37% of patents in the UK, compared with just 11.2% in the USA and just 4.4% in Japan’ (UK Trade and Investment 2010: 12). But it warned that ‘the international competitive environment to win high value R&D investment is intense’ with 80 per cent of the £400 billion annually invested by the 1,000 largest companies concentrated in just five countries (the United Kingdom, Germany, France, Japan and the United States).

Our international competitors are investing in their R&D bases. Here the UK compares poorly. Using the latest OECD figures, whereas the UK spends 1.78 per cent of GDP on R&D, Sweden spends 3.73 per cent, Japan 3.39 per cent, Korea 3.23 per cent, the United States 2.62 per cent and Germany 2.53 per cent (OECD 2010).

The data presented a depressing picture in terms of the comparison between UK investment decisions over science and research and those of our major competitors. For example, the United States doubled its science spend to 2016, with a \$21 billion increase in science and research over the next two years alone. Germany announced an additional €18 billion for science and R&D from 2010–15, on top of current spend of €30 billion. China announced an additional \$860 million research support fund. And France announced an additional €8 billion for research over five years, including €3.5 billion on world-class innovation clusters and €1 billion for the creation of research centres of excellence in universities, plus an additional €11 billion for HE generally. The only countries reducing their research funding at a time of global recession were Spain, the Czech Republic and Ecuador.

And all the international and UK evidence pointed to one inescapable conclusion: in R&D, it is governmental spending that leverages out private-sector spending. Government R&D spending is a magnet for

private investment and, crucially, for inward investment. A reduction in governmental R&D spending thus starts a vicious circle, leading not to replacement private R&D spending but to reductions in private spend. Business leaders made their position clear in letters to *The Times* and to the *Daily Telegraph* on 16 June 2010, in which a group of CEOs wrote that: ‘We need a credible plan for restoring fiscal balance but urge the government to be cautious over those elements of public spending that are vital to the future growth and prosperity of our economy – science, innovation and knowledge.’

At the time that negotiations over the Spending Review settlement were at its height, I used the analogy that cutting back on the UK’s R&D base would be the equivalent of the government cutting back on the production of Spitfires in the early summer of 1940. I wanted the government to be in no doubt about the risks these cuts in funding posed to the world-class standing of higher education in this country. Indeed, as I argued in the *Guardian* in October 2010, the day before the government’s Spending Review, where exactly was the government’s mandate for cutting spending on HE (Smith 2010c)? I also pointed out that: ‘While many commentators see Browne as offering savings to the Treasury by introducing increased graduate contributions, it is the spending review that sets the context within which to understand Browne. Browne is not the cause of the reductions in state funding; it is an attempt to substitute other funding sources for lost government revenue.’ I noted ‘how strongly opposed UUK is to tomorrow’s announcements of these massive reductions,’ adding that the government ‘should be in no doubt about the risks these cuts in funding pose to the world-class standing of our higher education system, and thus to the country’s future economic growth and prosperity. The UK’s competitors face the same deficit reduction challenges as we do, but they have decided to invest in higher education at this crucial time, not cut it.’

In reality, the government did not cut universities as much as UUK feared. A week before the Spending Review, we had been warned that the cut to the science (i.e. research council and quality-related [QR]) budget would be around 12–20 per cent. It turned out to be protected in cash (but not real) terms. Nonetheless, as expected, there remained a massive reduction in planned funding to universities: the expectation of this had led UUK the week before to welcome Lord Browne’s proposals. We thought that they would achieve better outcomes (in terms of financial sustainability, promoting access, reducing low-earner repayments on

student loans, enhancing student choice and improving the quality of the student experience) than would be possible without them. There were wider potential consequences that would transform higher education in the UK to be borne in mind, most obviously the replacement of the state as funder by the student/graduate, and the withdrawal of state funding from nearly all social science and humanities subjects. State funding becomes almost completely concentrated on student support. The creation of a real market in home undergraduate students, in terms of price and numbers, would rely on student choice to drive quality and efficiency, and will remove the predictability of the current state funding system at a stroke. This is an uncomfortable place to be for many of us in higher education. But it's happening. This new landscape is coming up on the horizon and there is no turning back.

Prevailing myths about the new higher education landscape

Although universities continue to be the focus of public attention, it is surprising how many myths and untruths prevail in the popular imagination about the new system. Undoubtedly, the issues we have been debating, and are still debating, are absolutely critical to future generations. They are central to how Britain sees itself in future decades, its position in the world economy, our ability to develop our citizens, how we adapt to long-term challenges such as environmental sustainability, a shifting balance of global power and the need to diversify our own economy.

As Alison Wolf (2011) pointed out in her review of vocational education, participation in higher education is now a near universal aspiration. Among mothers of children born in 2000, 98 per cent want their child to go to university. That is a radically different picture from when I was studying for a degree. Then around one in seven people went into higher education and less than 10 per cent of people from the lowest income brackets did so.

Because of this we must fully engage with, and indeed welcome, the debate. And we must be clear that quietly wishing nothing will change is simply not an option.

Let me focus on three key myths that have become established in the public debate. The first is that funding for higher education has been reduced. Second, that this spells the end for humanities and social

sciences. And third, that the new system places impenetrable barriers in the way of students from poorer backgrounds.

Higher education funding

As I have already noted, I have argued throughout the debate that the government must not leave universities with a massive gap in funding. With HE and research making up the bulk of Department for Business, Innovation and Skills (BIS) spending, it was always going to be the case that direct funding to universities would face a sharp reduction. Yet there was no guarantee initially that government would be able to deliver replacement funding through a higher fee cap.

We now face a radical recasting of the funding model for HE. The BIS annual resource allocation for HE will fall by £2.9 billion by 2015. The direct HEFCE grant for teaching will reduce from around £5 billion to around £2 billion as new tuition fee income comes on stream. Research and science spending is frozen in cash terms. The capital budget is being cut by 44 per cent and we should not forget the knock-on effects of policy changes in health and teaching that will likely reduce university income further.

But government support for higher education is not ending. Instead, its direction is being shifted dramatically. As David Willetts pointed out at UUK's 2011 spring conference, the government expects to be spending around £6.5 billion in tuition loans, £3.5 billion in maintenance loans and £2 billion in maintenance grants and scholarships on top of the remaining teaching grant in 2014–15. The balance in funding between teaching grant and loans is currently about two-thirds to one-third. By 2014–15 the balance is expected to be around 80/20 loans to teaching grant. The fees announcements from across the sector could make this bill considerably higher.

That is a radical shift that is driven by a clear political aim: to introduce more market incentives into the system. Those market drivers mean that universities have to be clear about what we offer: that is, a high-quality product, provision of skills and experiences that will directly benefit the student, and adding real value to them as individuals as they go through life.

Crucially, based on an average annual tuition fee of £7,500, the sector will be getting 10 per cent *more income* than it does currently by 2014–15.

This is good news, although we must acknowledge that it comes with significant consequences and risks. There will be a risk of market failure for institutions, and the student as ‘co-investor’ will pose institutions with a distinct set of expectations to meet. These are very big questions that everyone working in higher education will need to consider. And it concerns me that HEFCE will not have the level of resources necessary to be able to intervene in case of market failure.

It is worth noting one other oddity about the financing of HE. Paradoxically, the outlay of government on HE is significantly greater from 2012 than it is currently. As I argued in the *Guardian* in March 2011, ‘while funding to HEFCE reduces by about £3bn by 2014, public spending on fees and maintenance loans is expected to increase by about £4.3bn – and spending on student grants is also likely to increase by about £0.6bn. This equates to an increase of about £2bn in public spending on HE by 2014’ (Smith 2011). As I have said, the reality is that the government will spend much more on HE in 2014 than it does in 2011. The explanation for this seeming paradox lies in the arcane rules of government accounting. Cash advanced to the Students Loan Company (SLC) to pay to universities on behalf of students does not count as public expenditure: the only part that counts is the estimated amount that will not be re-paid – the Resource Accounting and Budgeting (RAB) charge – which currently is estimated at 31 per cent. This is not classified as cash expenditure in the year in which the money is spent, but only as a charge to hit the national accounts when the unpaid debt is forgiven after thirty years. The savings to government therefore come from the fact that the reduction in HEFCE funding of about £3 billion is only offset during the year by the increased grant expenditure (of £600 million) and by the RAB charge of about £1.33 billion. Government thus spends about £2 billion more each year, but the national accounts record this as a net reduction of about £1.07 billion.

Humanities and social sciences

The second myth assumes that the Humanities and Social Sciences (HASS) subjects will be unable to compete in this new environment. On the one hand, the skills that HASS students acquire are relevant to the modern jobs market. UUK’s (2011) report on the creative industries made that clear, for example. That means students will continue to be attracted

to high-quality courses. David Willetts has spoken publicly about the importance of these subjects and has acknowledged that almost every big issue in society needs to be looked at from the perspective of different disciplines. Sir Adam Roberts (Roberts 2011), President of the British Academy, has also recently made a robust case for the sustainability of HASS subjects. He pointed out that the disciplines are thriving with a 40 per cent increase in student numbers between 2001–2 and 2009–10. International recruitment has been particularly strong and is no doubt driven in part by the world-class standard of research outputs. Sir Adam called for threats to be accurately identified and for solutions to be tailored to suit. And I am in no doubt that the key solution is a continued focus on quality and on equipping students with essential skills.

But the biggest concerns relate to the future levels of funding of the HASS subjects. Well, contrary to the myth, they have not been adversely hit by funding reductions. Indeed, we are now seeing a reaction from those in Science, Technology, Engineering and Mathematics (STEM) subjects who now realize that the new funding regime is more favourable to the HASS subjects.

This is for three main reasons: first, no subject has had its QR funding raided in cash terms. Second, every single subject studied in this country, even medicine, has had its government teaching funding cut by at least the same amount as has hit the HASS subjects (HEFCE Bands C and D disappear, and the same amount is taken from Bands A and B, but in addition Band B is reduced by about a further £600 per student). Third, and most significantly, the £9,000 maximum fee means that HASS subjects get significantly more funding than they currently receive. The basic calculation is that the current Bands D and C resources, including the student fee are (in 2010–11) about £5,950 and £7,125 gross, or after Office for Fair Access (OFFA) reductions, a net figure of about £5,450 and £6,625 respectively. Under the new fee regime, these figures become £9,000 gross and £8,100 net. That translates into an increase of about 48 per cent for Band D and 22 per cent for Band C. To be fully comparable, lost teaching capital needs to be subtracted from the new fee levels, which reduces the increases to about 41 per cent and 16 per cent respectively. Of course, not all institutions will charge £9,000, but then again they will pay significantly less of a payment to satisfy OFFA.¹

These figures have led to a feeling amongst colleagues working in STEM-dominant institutions that HASS subjects will be able to spend much more on the student experience and on staff-student ratios than

will be available for STEM subjects. This is because the residual HEFCE funding for Band B subjects only results in a total resource of £10,500, compared to a resource of £9,000 for Band C and Band D subjects. Overall funding thus increases much more for humanities and social science subjects than for STEM subjects. Of course, institutions may want or need to cross-subsidize STEM by top-slicing HASS subjects, but then again many would argue that this has always happened. However you look at it, though, HASS subjects are in a far better financial position after the reforms than before them. But, to repeat, this is not exactly the commonly accepted view of their fate.

Access and widening participation

But doesn't the new system of funding mean that we face a form of financial apartheid in access to higher education? Let me state absolutely clearly that I am committed to maintaining the widest possible participation in higher education and to expanding access in traditionally low take-up parts of the community. No one should be deterred from going to university by fear of the costs if they can benefit from the experience. Worst of all would be for anyone to be deterred by a misunderstanding about the costs.

The student financial support package has been deliberately designed to minimize the costs for those graduates who are least able to pay. There has been some concern about the future costs of the system but the government must maintain its commitment to fair access through its package of student support. Also, all higher education institutions have a responsibility to provide support for widening participation (WP). Those charging more than the basic fee level must prove that they can fulfil their obligations in this regard. Information, advice and guidance to students must also be right. Potential students must not be encouraged away from higher education because of misapprehensions among teachers and parents. That demands a real commitment of resources and willingness for all universities to work together across government and with schools.

However, the main issues concern the effect of the changes in university funding on access and social mobility. I have been involved with HE admissions for many years, both at institutional level and at a national level, including representing UUK on the UCAS Board, chairing the Higher Education strand of the National Council for Educational

Excellence under the last Labour government, and as a member of the Delivery Partnership which delivered a series of reforms to the current application process. I am also about to take up chairmanship of the Supporting Professionalism in Admissions Programme. I have always maintained vehemently that access to higher education has to be free at the point of delivery; access to students from low socioeconomic backgrounds has to be enhanced by a system of institutional bursaries and government grants; there has to be a system of student financing that deals with the distinct problems of part-time students; and the outcome has to preserve the essential link between the student and the institution they attend. Universities act as vehicles to facilitate upward social mobility and, by doing so, make a significant contribution to creating a society that is economically equitable and socially just. It is vitally important therefore, that we maintain a fair admissions system where suitably qualified people are able to access the programmes and institutions that best meet their needs and aspirations regardless of their background or social class, and that everyone understands this and has confidence in the integrity of the admissions process.

Sadly, we know that not all young people have an equal chance of attaining the highest grades of which they are capable. This is borne out in the research that Mark Corver (2010) has undertaken for HEFCE on the trends in young participation in higher education in England. He found that if you were a young person from a disadvantaged area you would have a one in five chance of progressing to higher education compared to one in two for those from the most advantaged neighbourhoods. The research also demonstrated that a key barrier to access is prior attainment. For a given A-level performance, the chances of going to university do not differ between social classes. Indeed, the evidence from the 2006 rise in fees is instructive here. Despite the predictions that participation by students from lower socioeconomic classes would fall, in fact the data show that not only did participation from the lowest socioeconomic classes increase more in relative terms from 2003–9 (by 26 per cent compared to 4 per cent) than did participation from the highest socioeconomic classes, but it also increased more in absolute terms (by 4 per cent compared to 2 per cent).

However, one worrying trend concerns the institutions that students from lower socioeconomic backgrounds go to. Despite the significant increase in their participation noted above, it has been focused in the less selective institutions. In this light, Fair Access (who goes to which

university) remains a potent political issue every bit as much as does Widening Participation (increasing the overall level of participation in universities). The results of OFFA's negotiations with institutions published in July 2011 shows that the more selective institutions will be paying a lot more of the increased 'fee' income in bursaries and fee waivers than will the less selective institutions, an outcome intended to rectify the existing pattern of student recruitment.

Research by the Sutton Trust (2004; 2008) also demonstrates the problem starkly. It has estimated that Fair Access affects roughly 3,000 state school pupils each year, whereas widening participation refers to about 360,000 sixteen-year-olds each year who do not obtain five good GCSEs between A* and C including English and Maths (only 53 per cent of sixteen-year-olds currently attain that level) and are therefore unable to progress to A level. Around 60,000 of those were in the top 20 per cent at some time in their school education but do not go on to higher education by the age of nineteen. Furthermore, nearly 60 per cent of children from higher socioeconomic groups achieve five good GCSEs compared to only 31 per cent from lower socioeconomic groups and just 16 per cent of those eligible for free school meals.

I believe that all students deserve a level playing field in terms of opportunities to enter higher education and benefit from it. Participation in HE must be about the ability of a student to fulfil their potential and not just a reward based on past achievement. To do this means moving beyond just looking at academic achievement. Should other additional factors be considered when selecting students, if so how, when and to what extent? And should this include making an offer that can differ in some way from the 'standard' offer for a course?

I am clear where I stand on this. I believe that we should use such contextual data. I think that this will be increasingly important in the new world. But it is a fiercely contentious issue and we need more evidence that supports using it. It is important that contextual information is only used as part of a holistic form of assessment. I would not propose using school performance data in isolation in the offer-making process, but to take account of it in deciding the appropriate level of offer within the published offer range. This means that we primarily support excellence. In the future, if universities are to become more sophisticated in the use of contextual admissions, we will need access to more robust information that is consistent, reliable and accessible. And it is encouraging that this evidence base is now expanding.

Like many, I was the first in my family to go to university. I have never forgotten that, and I never will. Neither have I forgotten my German teacher at grammar school, who told my parents that the best job I could ever expect to get would be to sweep the floors in Norvic shoe factory in Norwich. Thanks to my parents, and to one inspirational teacher in particular (Mr Shearing), I did get the encouragement needed to raise my aspirations. And education has played a major role in making me the person I am today. If it had not been for my education, I would not have had the life opportunities I have had. Not many of my peers went to university, and not a day goes by without me reminding myself of how lucky I was to have had that encouragement. Part of the reason why I do what I do is because I am committed, like so many teachers, lecturers and professors, to helping create the same possibilities for others.

Through the seismic changes we are currently witnessing, all of us must work tirelessly to ensure that this remains the case. I fervently hope that universities can continue to be – and indeed can increase their role as – critical agents of social mobility in the future. I see no reason why this cannot be the case, especially if all concerned work together to inform prospective students about the realities of the new funding regime. In this light the work of Martin Lewis in publicizing the ‘facts’ of the new student funding package has been particularly interesting. Of course, we need to wait to see the outcomes of the new student funding package on participation, but I remain strongly of the view that if the actual proposals are communicated, rather than the myths, typified by a focus on ‘fees’ as distinct from ‘graduate repayments’, the applicants should not be put off going to university. Having said all of which, I expect applications to dip in 2012 before picking up again thereafter. And, do remember that over 200,000 applicants through UCAS did not end up going to university in 2010 (the evidence suggests that upwards of 97,000 did not succeed in getting a place).

Conclusion

I write this piece just a few days before I step down as President of Universities UK. It would be a massive understatement to say that it has been an eventful, stressful and challenging time at which to serve in that position. It has also been unavoidably controversial. Yet I truly believe that the future is bright for our universities. I have confidence

that students will continue to see the value of that offer once the new funding regime is in place. I am sure, too, that it will drive major changes to the way the sector operates but that is something we should embrace and welcome. We need government to make the right choices to support participation, support research and develop skills. And we should aim to create a university system that is even more relevant and even better equipped to deliver the best possible higher education to the students of tomorrow. Working towards these goals has meant that UUK as an organization, through its Board, and myself as its President has had to take some very difficult decisions. It has not been possible to satisfy all our members, nor to come up with an outcome that suited all interested parties in the debates over the future of HE in this county. I only hope that in this brief afterword I have explained the rationale behind the choices I have made in terms of which policies to support. The most complicated, and fraught, choice was whether to believe that the new government meant what it said over the level of cuts to teaching funding. I was absolutely convinced that they did mean it, and from that conviction my policy positions followed.

I do not expect my arguments to convince those who disagree with the positions I've taken, but please do believe one statement: whatever I have done as President of UUK it was intended to strengthen, not weaken, the UK's universities; to make them more internationally competitive; to make them stronger financially; and, above all, to promote greater social inclusion. If I was right in believing the government's position on the reductions in funding of universities, then the crucial question becomes how would those who disagree with the policies adopted by UUK have achieved these objectives?