The future of English higher education: the changing landscape[1][2]

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Abstract

A Delphi study has been carried out, soliciting views from higher education experts on likely and desirable developments in English higher education until 2025. 44 experts participated in the first round of the study and 31 of these also participated in the second. The paper will report on the most salient findings of the Delphi questionnaire and present the two scenarios. The two scenarios focus largely on the institutional fabric of the system. The first scenario follows the general agreement (relatively speaking) emerging from the two rounds of the Delphi scenario. The second scenario is a counter-scenario that intends to present an alternative picture of English higher education in 2025.

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1 *Introduction*

Many observers think that the UK higher education system will undergo significant changes in the coming years. The 2010 Browne report, the 2010 Spending Review and the 2011 White Paper include clear signals that will trigger policies that definitely will shake up the system, or will it? It is likely that there are hard times ahead for the arts and humanities, and it is widely assumed that fee increases will affect access. But … things may be less straightforward than they seem at first sight. To take the example of the fee proposals: they might have negative consequences for access to higher education, but the plans contain elements that might affect different types of domestic students differently. In addition, we also have to view the fee proposals in a broader context: will high fees challenge domestic students to go abroad for a degree? And this brings us to potential impacts beyond the fee issue: will UK higher education evolve towards a (or an even more) marketised sector? Will the existing system's stratification continue to exist? Will private providers and professional bodies become important players in the field?

To understand better any potential futures of the UK higher education system, a scenario study has been carried out. The objective was further to fuel the debate on the future of the system. The study can be seen as a 'logical' follow up to a 2010 LFHE project (Kubler and Sayers, 2010). Whereas that report provided a framework for leaders to help them plan for the future, this project actually develops a set of well-informed scenarios, using the Delphi method. Acknowledging that scenario planning has shortcomings (see e.g. Ringland, 1998), the scenarios aim to provide thought-provoking images of a future higher education system, stimulate discussions on the likelihood and desirability of such images and – importantly – provide learning opportunities for organisational managers and leaders (thinking outside the box) and trigger and support organisational strategising (see also Sayers, 2009 who mentions e.g. dialogue and learning, engagement, planning improvement, resolving conflicts and challenging mindsets as benefits of scenario planning). And, the scenarios *may* lead to further (re)thinking of appropriate higher education policies.

2 *Research design*

The scenario study was based on the Delphi approach, in which views and perspectives were solicited from higher education experts on developments in English higher education. Generally, the objective of a Delphi study is to "… encourage a 'controlled' debate … an interactive communication structure between [anonymous] experts in a field, facilitated by researchers doing the work" (De Boer and Westerheijden, 2005, 16). Experts indicate the likelihood and desirability of certain statements relating to a facet of the future of UK higher education (e.g. using Likert scales, ranging from "very unlikely" to "very likely" and from "very undesirable" to "very desirable") and – crucially – are invited to explain their answers. The findings are analysed and summarized and presented to the experts for subsequent rounds of answers/comments. Based on the collective experts' views, the individual experts fill out the questionnaire again. Ideally, this process continues until saturation (considerable agreement on the statements) is achieved.

Experiences of part of the research team with future-oriented research projects (Huisman et al., 2001; Westerheijden et al., 2004; Enders et al., 2005) led us to design an e-survey organised around the following key – partly overlapping – themes: landscape, funding, research, and education and students. These themes are in line with those used in previous research and those presented by e.g. Kubler and Sayers (2010). In the 21 statements and explanatory notes, links are made between factors affecting the landscape and potential outcomes. Examples of statements are: “In English higher education in 2025, the number of universities has decreased by 20%”, “In English higher education in 2025, fees will vary by institution, but are at least £15,000 per year” and “In English higher education in 2025, access has widened”. The survey focused on developments in England, to avoid discussions (and potential confusion) on the differential impacts in England, Wales, Scotland and Northern Ireland.

In May 2011, around 250 experienced administrators/managers working at senior level positions in the English higher education system and researchers on higher education (policy and management) were approached. The former category included persons active in universities, but also those (partly) outside these organisations (HEFCE, research councils, UUK, HEA, etc.) A reminder was sent at the end of May. Full first round responses were received from 44 individuals, all currently working and/or living in England (responses of seven experts that started but did not finish the survey were discarded). Among the 44 respondents, there were 22 (senior) researchers, specialised in higher education management, governance and/or policy, 17 senior higher education managers, two respondents from stakeholder organisations (three respondents did not reveal their affiliation). In all, a reasonable turn-out, stressing that it is not so much the quantity of responses that counts, but particularly the quality of the input. Choosing persons from within the higher education fabric has an important advantage, but a downside as well. By relying on their expertise on higher education, we may have downplayed the potential impact of e.g. technological impacts (ICT) on the higher education landscape and possibly neglected that higher education institutions may be organised very differently (see e.g. Middlehurst, 1999, on quite different structural configurations of higher education institutions and its potential impact on leadership and governance).

The first round data were analysed, and key arguments were summarised under three headings (agreed, somewhat agreed, disagreed) and ten statements were selected for the second round. The selection criterion for the second round was considerable disagreement on the likelihood of what was stated. Two indicators were used, the standard deviation (the higher the standard deviation, the more dispersed the answers/views) and the probable-not probable split, which is the percentage of respondents that indicated the statement was (very) probable versus those that indicated it was (highly) improbable (a division of 50-50 suggests a high level of disagreement). The two indicators overlap somewhat and therefore pointed sometimes in the direction of the same statements. For each of the ten selected statements, the arguments were presented and respondents were asked to tick as many arguments they agreed with. They also were asked to reassess the probability of the statement – in light of the arguments presented – and were given the opportunity to supply additional comments. The second round was launched in the third week of June 2011. A reminder was sent at the beginning of July. The reminder more or less coincided with the appearance of the White Paper “Students at the heart of the system” (Department for Business Innovation and Skills, 2011), which may have affected respondents' perspectives on the future of English higher education. Although the White Paper is likely to be influential, it must be stressed that it will not fully determine developments in the coming fifteen years or so and that there are many other forces that will shape the developments in higher education. A total of 31 respondents (a fairly representative subset of 70% of tbe first round respondents) participated in the second round.

Based on the fact that considerable consensus emerged regarding half of the statements, that the second round provided a wealth of arguments pro and contra the statements, and that our experience points out that a certain level of response fatigue takes place after two rounds, we decided to develop the scenarios on the basis of the two survey rounds.

3 Outcomes: the survey

Below the most salient details are presented from the first round of the Delphi survey.

3.1 Considerable consensus on likelihood

The first set of statements received considerable agreement, i.e. these five statements were largely endorsed by the respondents, having average scores ranging from 1.83 to 1.98 on a 1-4 scale (presented in rank order):

- In English higher education in 2025, the 'average university' receives more than 10% of its revenues from private sources (excluding tuition fees).

- In English higher education in 2025, universities are much more specialised in terms of their educational offer

- In English higher education in 2025, there are clearly differentiated fees for undergraduate programmes

- In English higher education in 2025, the division between pre-1992 and post-1992 is sharper due to mission differentiation – the functional stratification of the system is highly visible in funding mechanisms, missions, activities and performance

- In 2025, English universities are still significantly represented among the world-class universities in global rankings

There was also considerable consensus on the following five statements being most unlikely (with average scores for the statements – in rank order – ranging from 3.29 to 2.69 on a 1-4 scale):

- In English higher education in 2025, student feedback mechanisms (course evaluations, National Student Survey) and other quality assurance instruments (institutional audits) are obsolete

- In English higher education in 2025, only about 10% of the universities include in their mission elements like: independent contribution to intellectual and cultural life; citizenship; critical thinking; and academic freedom

- In English higher education in 2025, less than 1% of the gross domestic product (GDP) is spent on higher education

- In English higher education in 2025, the European Research Council (ERC) funds more than 70% of basic research conducted at English universities

- In English higher education in 2025, access has widened

3.2 Considerable consensus on desirability

The items considered as being the three most desirable were (scores ranging from 1.73 to 2.05 on a 1-4 scale):

- In English higher education in 2025, the quality of study programmes is consistently high across all universities

- Towards 2025, outgoing mobility of English students increased significantly

- In English higher education in 2025, access has widened.

The items considered being the (three) least desirable were (scores ranging from 3.58 to 3.36 on a 1-4 scale):

- In English higher education in 2025, the European Research Council (ERC) funds more than 70% of basic research conducted at English universities

- In English higher education in 2025, only about 10% of the universities include in their mission elements like: independent contribution to intellectual and cultural life; citizenship; critical thinking; and academic freedom

- In English higher education in 2025, fees will vary by institution, but are at least £15,000 per year

3.3 Dissent

There was considerable disagreement on some of the items. We present the top-five. Three of these were selected on the criterion of a high standard deviation, these ranged from 1.06 to 0.98 (statements presented in rank order).

- In English higher education in 2025, the number of universities has decreased by 20%

- In English higher education in 2025, only about 10% of the universities include in their mission elements like: independent contribution to intellectual and cultural life; citizenship; critical thinking; and academic freedom

- In English higher education in 2025, fees will vary by institution, but are at least £15,000 per year

- In English higher education in 2025, less than 1% of the gross domestic product (GDP) is spent on higher education

- In English higher education in 2025, research performance measurement is institutionalised at departmental levels

Another indicator of dissent is where views on probability and desirability differ significantly. The three statements with the largest differences (standard deviation ranging from 1.20 to 0.97 on a four-point scale) are:

- In English higher education in 2025, the ‘average university’ receives more than 10% of its revenues from private sources (excluding tuition fees).

- In English higher education in 2025, private providers cater for 15% of students

- In English higher education in 2025, fees will vary by institution, but are at least £15,000 per year.

Interestingly, the respondents (in general) thought all these statements were undesirable, but (very) likely to happen.

4 Scenarios

Below we present two scenarios for English higher education 2025. The first scenario is built around the consensus elements of the survey responses. Obviously, we added our own arguments, but the respondents’ answers form the backbone of this scenario. The fact that the White Paper appeared while we were gathering data, implies that we could not ask the respondents about elements of the White Paper. Nevertheless, we take key issues of the White Paper on board (e.g. the AAB proposals; the Wolf report) in the scenario(s). The second scenario should be read as a “counter scenario”. This is not necessarily the opposite of the first scenario, but it deviates from the first scenario in a number of significant respects. Given space restrictions we concentrate on the key elements of the infrastructure.

4.1 Scenario 1

4.1.1 Landscape

The higher education system in 2025 consists of two clearly distinguishable types of higher education institutions. The differences between universities and former polytechnics (and colleges) increased and a new binary line emerged. Until about the mid 2010s, there was a substantial number of institutions that thrived (or survived) in the greyish zone between being research-intensive or teaching-oriented. They existed comfortably as the funding regimes catered for both types of institutions as well as for higher education institutions that wanted to (or were forced to be …) slightly different in terms of their missions and subsequently their teaching, research and third mission portfolios. That is, institutions received their income from diverse sources including the funding council (teaching and research grant), research councils (grants) students (fees) and business and society (applied research, consultancy, research & development). This definitely has changed since 2012, for the funding mechanisms in place forced institutions to make choices, or … choices were made on behalf of these institutions, either by the government or by the invisible hand of the market. It was partly a change in the balance of funders that made the difference, partly a change in the funding mechanisms (see also section on funding). As a result, the two sectors are clearly segregated in 2025. There are about 25 research-intensive universities and 70 other higher education institutions, compared to the about 100 universities in 2010.

The system is a bit smaller than in 2011, for a number of institutions did not survive the economic crisis and governmental policies. There were a couple of forced mergers: the government decided to step in and supported the survival of struggling institutions – on governmental conditions regarding the mission of the merged institution and the amount of governmental funding in the relaunch period. Also, a number of institutions that realised they were unlikely to survive independently, merged voluntary. A few universities have been taken over by private for-profit providers, which are able to offer similar quality at lower costs (and hence, lower tuition fees). A shake-out of the system – in terms of the demise of many universities – did not occur however, if only because the governments in place in the 2010s did not want to go in the history books as the government that closed 20% of its universities …. And, the closing down of a limited number of public institutions has been compensated (although not fully) by the rise of private for-profit providers.

Another part of the explanation for a somewhat smaller system relates to demographic developments. The total population has gradually grown over the years, but on average the population is older, because there are many more pensioners than new-borns. That this would happen was known well in advance, given that major demographic patterns are difficult to change. The most uncertain factor in demographics is the balance between immigration and emigration. Although immigration increased from 2015, lowering to some extent the average age of the population, it did not have a huge impact. There is an increasing interest from adult learners in higher education, but most universities have been reluctant to fully cater for that market. Also, students have become risk-aversive and seek cheaper training and education opportunities outside “traditional” higher education. The reorganisation of the vocational sector, particularly the strengthening of the apprenticeship model (following some of the recommendations of the 2011 Wolf report), has been successful in that students graduating from the vocational sector to a much lesser extent seek entry into higher education. And, large companies – trying to be cost-effective – have (re)turned to in-house training instead of sending employees on relatively expensive courses and programmes offered by the universities.

4.1.1.1 Research universities

The research-intensive universities form a rather homogeneous set in 2025. They differ in terms of the disciplines offered, but otherwise all of them offer some undergraduate courses, while mostly focusing on postgraduate education. Most of the universities are former Russell Group members, but also a few former 1994 Group institutions have been able to "fight themselves in". Their missions focus on research, teaching and third mission activities. Compared to the situation in 2011, the research-intensive universities are more specialised and concentrate on fewer disciplines, with an emphasis on the disciplines that were of sufficient 'quality and relevance' (in the eyes of the government) to survive the budget cuts in the period 2010-2015. The humanities and arts disciplines suffered from the lack of governmental support (the withdrawal of the teaching grant), and although these disciplines are still visible, these disciplines are certainly not marginalised. Talented students continue to pursue their disciplinary preferences, but the fees are relatively high and there are a limited numbers of grants. Consequently there are fewer students in these disciplines and – for reasons of scale efficiencies – the arts and humanities disciplines are less abundantly spread across the institutions.

The budget cuts forced senior management teams to make unpopular decisions and to "streamline" their institutions. Not surprisingly, the Russell group universities have been able to profit from the AAB policy. This policy introduced in the 2011 White Paper, implied that about 65,000 places for students with at least two A-grades and a B-grade for their A-levels (or an equivalent of that) would be open for competition between the universities. The research-intensive universities have expanded their student numbers – although not dramatically. Indeed, they have secured the larger share of competitive places, but not all of these. But, as a consequence, they improved their market position *vis-à-vis* the other higher education institutions. Whereas the AAB policy was abolished a few years after it was introduced, the impact – a considerable difference in student profiles, specifically the spread of students with good A-levels across the higher education institutions – is still visible a decade later.

The research-intensive universities still figure largely in the global rankings. Although the reduction of funding affected the universities significantly, many other leading universities across the globe (particularly in the US) suffered from similar problems, hence the net result that the global top-25 of so-called world-class universities did not change that much. Life is challenging for academics at the research-intensive universities, for standing in the rankings and publication metrics dominate the discussion at the cost of the intrinsic value of the research carried out. Most academics have clear performance targets (publishing in selected journals, citation scores, getting research grants). Rankings were already influential at the beginning of the century, but at that time many institutions could still discard ranking as being fraught. With improved indicators (sophisticated citation measures and other performance indicators that are now easily available), the rankings give a better insight into the "quality" of institutions and their programmes/departments. Much to the chagrin of rankings critics, institutional positions did not change significantly as a result of more sophisticated measurements.

4.1.1.2 Post-2015 universities

The second group of higher education institutions is much more diverse in terms of missions, size etc. What binds them is their focus on teaching and third mission activities and their collective fight over resources, prestige and status with the research-intensive universities. Although their focus is largely on undergraduate education, they offer Masters and PhD programmes and do carry out research, but at a more modest scale than the research-intensive universities. Indeed, some of these universities are able to support "pockets of excellence", however small such pockets may be. Some of the post-2015 universities work closely together with further education colleges. The stress on AAB student profiles for research universities has led the post-2015 institutions to cater for students with other qualification profiles (e.g. BTEC level 3) as well.

The group as a whole is known as post-2015 universities; a label that illustrates that it was hard to find another common denominator for the variety of institutions. Half-hearted governmental attempts to create a "real" binary system - similar to the pre-1992 situation – have failed, because of great resistance in the field (from the post-2015 institutions catering for 70% of students and representing 60% of staff in higher education) and the simple fact that, although the concept of the "university" eroded over the years, the government could not come up with an adequate new label. Subgroups have sometimes formed, but most of the attempts to form stable interest-groups were not long-lived.

4.1.1.3 Private providers

The change in the rules regarding degree-awarding powers opened opportunities for private for-profit providers to enter the English market. Theoretically, there was scope for not-for-profit providers as well, but these did not dare to take the risk of entering the market. Although the private providers still have to fulfil certain criteria, the barriers are currently definitely lower. These providers were able to offer low-cost, low-fee programmes. They focus largely on undergraduate teaching and some do try to develop a third mission: working with business and industry on professionalization of staff and carrying out consultancy activities. They profited from the demise of a number of public providers that were facing severe financial problems and happily accepted students that left these institutions. Subsequent audits from the quality assurance agency and the funding council confirmed that the for-profit institutions met the requirements. There have been a few cases of underperforming private institutions, but critical observers were forced to admit that such cases could be found in the public sector as well. Student satisfaction played an important role in the further institutionalisation of for-profit providers. Consequently, the for-profit higher education institutions (about fifteen in 2025) have 'earned' their position in the higher education marketplace and nowadays many students, especially mature students, prefer a private option above a place at an English university. Most of the providers are relatively small, but there are a few big players as well, such as the British Petroleum University and the Thames Water University.

4.1.2 Research

In 2025, English universities are still significantly represented among the world-class universities in global rankings. The gap with the US is as big, but some European countries – especially in the northern part of Europe, where governments still invest large sums of money in (higher) education and research – were able to make the gap with England smaller. The network model – in which universities are strongly embedded in associations, partnerships, and other cooperative efforts – is clearly visible throughout the system. Networking is more explicit at post-2015 institutions, for the research-intensive universities can still rely to a large extent on their individual brands and images. But they also can “naturally” rely on the fact that research is almost by default international. For the research-intensive universities, there is therefore much cooperation across institutions and national borders, characterised by many cooperative efforts at the individual and departmental levels. For post-2015 institutions cooperation became a much more important strategic concern, if only to deal with the vulnerable domestic policy and funding context. The network was deliberately embraced as a safety net under the adage “united we stand”.

Another element of networking, but this one mostly related to teaching, is the continuous rise of transnational higher education (teaching-oriented international branch campuses). This type of higher education provision profited from the visa problems for international students trying to secure a place at an English university in England. Also, after some start-up problems, the early adopters of the branch campus model have been able to turn the model into a viable and profitable enterprise. They are not only profitable from the perspective of the providers, but also from the perspective of the host country and its students and employers of graduates. Mature overseas campuses now offer the top-performing undergraduates graduate positions at the English campuses.

In carrying out research, academics keep two things in mind, both relating to accountability: what is the (potential) societal impact of my research and in which outlet should I publish the results? The idea that – by default – research should have societal impact is deeply engrained in the English higher education system, with only limited scope for “blue skies” research. Journal rankings at (sub)discipline levels determine the rules of the academic game in terms of what counts as a significant contribution to the discipline’s stock of knowledge. That said, academics are less dependent on publishing in journals previously controlled by a few powerful publishers, open access journals are now major players. There have been fears about brain drain, given the very competitive English context and poor terms of employment. Brain drain did, however, not materialise to the extent feared, to a large extent due to the fact that greener pastures were hard to find, only in some northern European countries. Competitors such as the US, Canada, some European countries also suffered from the economic crisis and cutbacks in higher education.

4.1.3 Teaching, learning and students

Despite increasing marketisation (competition for students) and privatisation, which hint at a rather pragmatic focus on employability and satisfying customers, most universities in 2025 still include independent contributions to intellectual and cultural life; citizenship; critical thinking; and academic freedom in their missions, despite much less attention being paid to social sciences and arts and humanities. This is largely due to the fact that these mission elements are not necessarily contradictory to a knowledge economy approach stressing employability and entrepreneurship. It was discovered that social and community enterprise actually comes pretty close to notions of (traditional) citizenship. Also, employers will continue to be keen to recruit critical and creative graduates. Whether the higher education institutions live up to the mission is another question, but the key point is that these mission elements (the essence of their existence) allow the universities to distinguish themselves from private for-profit providers who are much more instrumental in their approach to teaching and learning.

Access to higher education has decreased. Despite the fact that students (and their parents) think higher education is a necessity to gain access to a “decent” job, many students prefer to study outside the formal higher education sector, e.g. at further education colleges that offer foundation degrees, and at institutions that do not (yet) have degree-awarding powers, where fees are lower and courses tailor-made. Another group of potential students simply do not want to take the risk of high debts and do not consider higher education at all. For those choosing formal higher education, drop-out rates are high: many are disappointed by the lack of (perceived) academic value for money.

Although England had always been a very attractive destination for foreign students, the country’s share of international students has decreased significantly. The high fees scared off European students, who started to look for cheaper international experiences elsewhere in Europe – despite the fact they were eligible for grants and loans. The same goes to some extent for non-EU students, who were confronted with even higher fees than the domestic/EU students had to pay. In addition, the international competition was severe and from 2010 many European universities started offering programmes of similar quality to the English universities. Many of the programmes are English-taught but the costs for international students (fee levels) are much lower. Particularly the post-2015 universities suffered from the rise in student fees, for they had large shares of international undergraduate students. The research-intensive universities – largely catering for postgraduate international students – were less seriously affected, also because many postgraduate students were supported by grants and scholarships from their home countries.

4.1.4 Funding

Both the research intensive and the Group 2015 institutions are largely dependent on income from student fees and private sources. In particular, fund-raising initiatives have been very successful in the past decade and the research-intensive universities have been able to supplement fee and research income with those donations. The research-intensive universities also successfully compete for grants of UK and European research councils.

Fees for undergraduate programmes are high in 2025, up to £15,000, but there is much diversity across institutions and programmes. Once the fee cap was released (2018), there was no way back for the institutions, i.e. charging lower fees was seen as acknowledging poor quality and institutions saw no alternative but to continue increasing their fee levels. Some institutions – in keeping with their status and prestige – had to stay close to the fee levels they set 2011 (around £ 9,000). The more reputable institutions – read: highly ranked institutions – could afford to raise their fees. Gradually, the key stakeholders in society acknowledged that charging the same "sticker prize" for all subjects was untenable. Consequently, differential fees were introduced by subject group.

4.2 Scenario 2

4.2.1 The landscape

The English higher education landscape has changed dramatically as a result of a fundamentally different view from the government about how to steer its higher education system. Given the deplorable state of English higher education around 2015, as the result of a continuing marketisation that had been setting in since the 1990s, there is a widely held belief that the government should take responsibility and act upon the notion that an effective higher education system is an absolute must for a knowledge-based society and economy. The stakes are too high to leave the creation, dissemination and exploitation of knowledge solely "to the market". The 2015 crisis in higher education demonstrated the shortcomings of the invisible hand of the market: participation rates dropped rapidly, many staff and students moved elsewhere, new target groups did not attend higher education because of high and unfair tuition fees, private for-profit providers, at first instance thinking that they would enter a profitable market, hesitated and companies were not keen to invest in a higher education system in turmoil. Moreover, the economic crisis of the early 2010s put many higher education institutions under huge pressure; several of them were on the brink of being closed down. Action was inevitably called for.

Since then the tide has turned, and 'inspired' by other governments that increased their higher education budgets, the political will in England to invest in higher education grew. In 2025, just over 1% of GDP is publicly spent on higher education and research. Higher education research indicated that public investments paid off in the long run. The 'generosity' of the government has been accompanied with tighter state control: in response to the market failures experienced the government implemented a series of reforms. In close collaboration with the intermediary organizations and higher education sector, it designed a new higher education landscape ("the visible hand of the left-wing government"). As everybody still remembers, these were emotional and painful processes, in which the government ruthlessly followed a 'take it or leave it' strategy. Several institutions closed due to bankruptcy, and others felt that they had no real alternative other than to accept the proposed design.

The main consequence of the government-imposed reforms has been the establishment of a three-tier system: two publicly funded groups and one privately funded group: (1) the Super Six, research-intensive universities who have successfully pursued “excellence strategies” in both teaching and research; (2) the Grand Universities, 40 comprehensive universities with broad missions offering a wide range of higher education services; and (3) five private (for-profit) universities – by and large their number has not changed over the last fifteen years.

The 2025 English higher education landscape is characterized by low external diversity. Although there are three types of institutions, the differences in mission and services offered within these three tiers are relatively small. One way to look at it is to take the Grand Universities group as a point of departure. These are comprehensive, region-based, large universities, having a wide range of activities such as academic *and* professional/vocational programmes, they carry out fundamental *and* applied research, and are regionally-engaged *and* nationally and internationally focused. The Super Six differ from the Grand Universities in that they are relatively small, highly selective and competitive (“best brains only”). The private for-profit institutions do not differ that much either: they are also much smaller than the Grand Universities and focus on programmes low in operating costs and with huge demand and – obviously – their funding base is quite different.

4.2.2.1 The Super Six

The Super Six have successfully exploited their reputational advantage and simultaneously managed to become more entrepreneurial. They realized that a focus on academic reputation only is too narrow a strategy. The Super Six are not just excellent in their research but also in generating “consultancy income”. Despite overlap in missions with the Grand Universities, the Super Six are keen to maintain their distinctiveness. They have successfully fought to retain their autonomy and the culture that goes with it. A number of universities that once belonged to the Russell group have not been able to incorporate entrepreneurialism and for that reason lost their position in the first tier. Nowadays they are leading members of the group of Grand Universities.

The Super Six are highly autonomous institutions, and in contrast to the other institutions, they are permitted to set their own tuition fee levels. These tuition fees are much higher than those charged by the other institutions (see below). Nevertheless, because of prestige, quality and career prospects, student demand exceeds supply. For private institutions this creates a problematic situation: because they are denied public funding (and public institutions have benefited from a financial boost in the second decade of the millennium), they have to charge market-based fees, but they cannot compete with the (prestige and quality of the) Super Six. Because of lower fees at the Grand Universities and the fact that these also offer cross-subsidised courses and programmes for the private sector, the private sector is not really a strong alternative to the public sector: the vast majority of students ‘goes public’.

4.2.2.2 Grand Universities

The Grand Universities are the result of government-imposed, regional mergers. The Grand Universities take credit for successfully implementing widening participation programmes, actively supported by the government. The mission of the comprehensive universities is to provide as much choice within their institutions as possible. The mergers were the government’s response to the 2015 crisis in English higher education. To secure a geographical spread of higher education provision and to stimulate regional economies, the government divided the country in nine regions. Each region has a limited number of large-scale, comprehensive, multi-campus universities, incorporating pre- and post-1992 universities (as we used to know them in the previous century), further education colleges, specialised (research) institutes and the like. Apart from 'regular' undergraduate and postgraduate studies, the Grand Universities offer tailor-made provisions for the private sector, and lifelong learning and part-time programmes. To the surprise of many, the merged institutions have been remarkably successful in blending traditional academic and modern entrepreneurial spirits. The Grand universities are successfully fishing in the pond of "high demand subjects". Critics argue that the bulk of the English institutions, the Grand Universities, are no longer public but rather not-for-profit organisations that undertake both private and public activities. Indeed, much of what the Grand Universities have been able to achieve is built upon public-private partnerships (PPPs) that were not that successful in other public sectors. Despite the criticism, they do work surprisingly well in post-2015 English higher education.

The government plan to merge institutions regionally met resistance as well as support from the institutions. About the time of the government proposals for mergers, there were both positive and negative experiences of merger processes in other European countries/regions (Wales, Ireland, Denmark and Sweden). Once the Super Six found out that they were left out of the equation, they warmly advocated the plan. Also a significant number of institutions realised that upholding an image of being an international space for excellence in teaching, research and enterprise was no longer justifiable and affordable. It was just too expensive for small universities to compete on the world stage. The 'small is beautiful' lobby, supported by a majority of academics and some institutional leaders (in fear of losing their jobs), could not prevent the proposal becoming a reality.

The Grand Universities are offering more or less the same pallette of services, ranging from basic research to short-cycle, region-oriented courses. The fact that the Grand Universities are regionally-based and play a leading role in the development of regional hot spots, does not mean they have primarily a regional focus. Their size allows them to be active from the regional to the global level. Some departments successfully compete at the global stage (of course via strategic collaborations since single institutions, not to speak of single departments, cannot afford to do this on their own). The Super Six of course claim the fame of their research intensiveness, but the Grand Universities conduct high end research as well, although not everywhere and not in every discipline. Because the scope of the Grand Universities, they are able to create critical mass in their institutions and strong management makes smart strategic choices in terms of focus.

Part of the success of the Grand Universities is that they have cleverly seized the opportunity to incorporate vocational training in their portfolio. The focus on employability in a significant number of their programmes, attracts many students and is well received by employers and supported by both the local and national governments.

The Grand University group looks like a small higher education system itself. Internally, they are “network organisations”. For this reason, it is widely believed that it is appropriate to govern and manage these institutions centrally, although academics strongly oppose this view. Strong institutional leadership and management is necessary to overcome problems of coordination between all the services offered. Some universities still have problems aligning the different “blood types” after the mergers, but many have been remarkably successful. Branding and image building are important, not just for student recruitment but also for creating a home for staff (commitment building is vital). The management focus is on establishing a coherent network of the institution itself (culture) with clear organizational boundaries. It is crucially important for these comprehensive institutions to remain visible as universities. Collaboration with other institutions is also important; there is no contradiction between strong organizational boundaries and strong external partnerships.

The advantage of the Grand Universities, cleverly exploited, is that they have breadth for flexibility in response to shifts in their environments. Within the institution strong leadership and management takes tough decisions where needed; it is not unusual that departments and programmes are closed down as soon as demand breaks down. Leadership and management, opportunistic in the eyes of some, pragmatic and realistic in the eyes of others, balance societal and economy demand to create their portfolios rather than the historical legacy of provision. The wide range of skills and expertise, in combination with a willingness to cross-subsidize, opens up the possibility to focus both on niche-based specialized courses and ‘cash cow curricula’. This flexibility also creates the opportunity to take care of vulnerable subjects of strategic importance, one of the government’s desires that it financially supports. The breadth also creates potential for interdisciplinary research and teaching programmes.

This distinction between the Super Six and Grand Universities creates pressures on academic labour markets. Although the Grand Universities still have excellent research departments, many academics are looking for a Super Six position. Moreover, they believe these universities are less micro-managed. Because research-active staff are not able to migrate to the Super Six (demand for positions exceeds supply), some of them go abroad while others leave the university sector. This explains why several universities have problems adequately staffing their institutions.

The distribution of staff categories at Grand Universities has changed. The traditional hybrid position (both teaching and research) is no longer self-evident. Many staff are predominantly teaching or doing research. Also consultancy, or “knowledge brokering”, is a well-respected job category.

4.3 Access

The government continues its active policy on widening access, acknowledging that the country simply cannot afford to ‘waste talent’. There is a need to encourage social justice and financial incentives effectively stimulate institutions to continue recruiting students from lower socio-economic backgrounds as well as mature students (particularly those aged over 50).

Agreements between the government and institutions about a balanced intake of students (all social classes are well-represented) are complied with, particularly because of the sincere financial penalties for a “breach of contract”. Part of the costs is taken by employers who are ‘willing’ to financially support their employees in lifelong learning programmes.

The Grand Universities serve a large number of students – participation rates have shown a small growth and are around 50%. While the Super Six select their students with care and take only limited numbers of undergraduates to secure their image of high quality teaching (always “demonstrated” in their brochures by pointing at low student/staff ratios), the Grand Universities are able to attract many students. This level of participation is the result of only a slight decrease of the 17-24 year cohorts. Students and their parents realize that higher education pays off (“a good return on private investment”). The expected outward mobility of English students did not take place (although there was a steep growth in the period 2012-2017). Outgoing mobility of English students remains low compared to other (European) countries. For cost reasons most students stay close to home, which is quite possible because the regionally-based Grand Universities offer a wide range of courses nearby. Another reason not to go abroad is that English students do not sufficiently master languages other than their home language.

The growth of the system strongly relates to attracting more students from new target groups: students from low-income families and lifelong learners (a booming ‘business’). Part-time studies, lifelong learning programmes, flexible learning paths and vocational short term programmes are doing well. The number of people studying more than once in their lifetime is increasing. Many programmes are strongly and successfully focusing on employability and this attracts many students. High enrolments of “non-traditional” groups (in fact, it is not clear these days what a traditional student is), are possible because of the changed student support system. The 2025 loans system (“borrow today, pay back tomorrow”) is income dependent – only when graduates earn more than 20% above the national average income, debts have to be paid back. This “generous” student support system excludes students from private for-profit institutions.

4.4 Foreign affairs

The trend of developing branch campuses abroad has come to a halt. The English universities evaluated their international entrepreneurial behaviour, and reached the conclusion that overseas campuses do not pay off for several reasons. This form of internationalisation has turned out to be too expensive and risky: investments are high and revenues fall short. Second, the importance of developing and strengthening a clear identity, particularly after the mergers, is priority number one and calls for an inward-looking perspective. Foreign affairs are distracting. Third, in other parts of the world, countries protect their higher education markets (despite all kinds of international collaborations higher education remains a national affair). Entry conditions are fierce. Fourth, English degrees are regarded as less special (have relatively less value), partly because in other parts of the world the quality of degrees has increased. As some argue, the belief of supremacy of the quality of UK HE has been oversold.

English universities are not as well-positioned in global ranking systems as they used to be: the number of institutions in the top 100 has declined (the Super Six are obviously all in the top 50). The creation of Grand Universities levels out quality at the institutional level: some parts of the university are still known for world-class research, but as a whole several institutions have lost the competition with highly-specialised, very well-funded institutions from other parts of the world. It is the result of the strategic choice of the government to encourage its institutions to focus first and for all on the “local needs” (employability), taking a lower position in global rankings for granted. It is not so much a matter of a declining performance of the English, but a steep increase elsewhere that has shaken up the rankings. Particularly, Chinese, Indian and some Middle East universities have improved in the rankings. Even efforts to change the criteria of UK and European based rankings did not prevent the rise of world class universities from other parts of the world. There is simply more competition and this displaced some of the English universities (“you can’t have 100 institutions in the top 25”). The global shifts in economic dominance from the Atlantic to the Pacific were not of much help either. Closer to home a number of European governments invested heavily in the establishment of a very limited number of world class universities. Particularly the Germans and French have been successful, the German example showing that higher education systems can “free” themselves from an “all universities are equal” doctrine. But – again – successful examples from outside Europe (China, India and the Middle East) must be mentioned as well.

In the area of research, Europe has become more important for the English universities. Europe’s leaders, after long and intense fights, agreed that research, definitely seen as vital for economic competitiveness, required both substantial investments and collaboration. After twenty-five years, the Lisbon strategy is finally becoming a success. In close consultation with the national research councils, the European Research Council has become one of the world’s largest funders of research. The year 2020 was the turning point in European research: at the London summit, European leaders managed to agree on a new governance structure for research that successfully streamlined the growth of a broad set of European research policies and instruments. Although met with scepticism, the English Super Six benefited from this new European research landscape and receive, on average, up to 60% of their research income from the ERC. Because domestic research grants are low and very selective, many institutions have turned their face to Europe and welcome the efforts of the European Commission to fund research and innovation with serious amounts of money. The institutions also learned to understand (and manipulate) the European bureaucracy.

4.5 Funding

The Grand Universities are doing relatively well in financial terms. For teaching, the public operational grant, in combination with tuition fees, cover the costs. Everybody considers tuition fees as a fact of higher education life. After steep increases in the early 2010s, the result of releasing the cap and ‘irresponsible’ institutional behaviour, the complete reaction against the marketisation led to some back-sliding towards more control on fee levels, which has resulted in relatively modest fees. The current system has four cap-categories biannually set by the government and based on a complicated set of criteria (e.g. student demand, labour market demand and strategic considerations). Categories and criteria are negotiated between the government and the institutions, while deciding on the cap levels themselves is a wholly political decision. At the moment fee caps vary from a maximum of £1,000 (cap-group 1) to a maximum of £13,500 (cap-group 4). Taking this into account, institutions have the authority to set the actual fees, which means that there are different fees charged for students at the same institutions, but across the country the fee levels are more or less the same for comparable programmes. Although this system is very complicated (there are serious complaints about its transparency) the majority of institutions and other stakeholders are largely satisfied.

For research, the Grand universities have managed to diversify their income base. As mentioned, many institutions are successful in attracting ERC funds. And the universities receive more than 10% of their revenues from private sources (excluding tuition fees and research council funds). Nevertheless if European practices are taken into account the financial contribution of companies should grow further – this part of the Lisbon agenda is certainly not reached yet. The fear that companies influence the research agendas has proven to be wrong, as indicated by experiences from other countries where third party income has become the norm. Of course the institutions listen carefully to stakeholders but at the end of the day research agendas are set by academics. Part of private income comes from the private units of the Grand University as well as through public-private partnerships (PPPs). Local municipalities are also supporting 'their' Grand Universities. The strength of the Grand Universities is their ability to combine basic and applied research. Through smart internal coordination mechanisms and strong leadership, different parts of the knowledge chain ('create – apply – sell') are well-connected in-house and this pays off. In combination with 'generous' government support – mainly in the area of teaching – institutions manage to survive.

5 Closing comment

Whether the two scenarios are realistic is impossible to tell at this moment. The answer is that we will have to wait for another decade to see whether either of the scenarios is close to reality or not. Both scenarios are built on plausible arguments put forward by experts in the field of higher education research and experienced higher education managers and both scenarios extrapolate from current developments and potential developments in and around higher education in the coming decade. The authors of the scenarios have tried to present consistent pictures of what higher education could look like in 2025, without pretending these are the most likely scenarios, let alone that they would favour either of the two. Anything could happen – either tomorrow or in 2018 – that could disrupt the argument and lead to a different picture. Not so much the question of whether the scenarios are truthful is relevant. It is much more important that readers – managers, academics, administrators, policy-makers, representatives of stakeholder organisations – use the scenarios and the underlying arguments to engage in the debate on what kind of higher education system would be best – from their own perspective, or the view-point of their organisation or agency – for England in 2025.

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