

# Tarnished Towers

Policy  
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Fixing England's Broken Higher Education System

Iain Mansfield, Natasha Feldman and Ben Sweetman





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# Acknowledgements

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# Foreword

*Baroness Deech DBE KC, Former Independent Adjudicator for Higher Education and Former Principal of St Anne's College Oxford*

Universities are responsible for the development and transmission of knowledge across generations, permitting each generation to stand on the shoulders of the last. They foster intelligence, intelligibility, and independence of mind in every student, preparing individuals for citizenship of this country and leadership across all fields. It is for this reason that universities are rightly considered the responsibility of a democratic government and are factored into the allocation of public resources. In general, a university graduate's skills benefit the whole of society, not just the individual – a fact that has not been sufficiently reflected in the ongoing debate over the appropriate balance of funding between state-funded teaching grants and loan-backed tuition fees.

Since Newman (1852), we have seen significant shifts in how the purpose of higher education is understood. Lord Dearing understood the role of higher education in 'developing the powers of the mind', while also highlighting its importance for all sectors of the economy and international competitiveness. Lord Browne similarly described its importance for 'a civilised society' and individuals, as well as its centrality in economic transformation.

Nevertheless, Government policy over the last thirty years has, in practice, involved a sustained commitment to the expansion of numbers and the marketisation of the system. Successive Conservative and Labour governments increasingly supported the uncontrolled expansion of the sector, heedless of the impact on standards, on institutional stability and on student welfare. Students were to be regarded as 'consumers', and a heavy emphasis was placed on 'student satisfaction'. This transformation was facilitated by repeated increases in student fees, the abolition of maintenance grants and a dramatic shifting of the burden of cost from the state to the individual. Despite assurances made at the time, this has not resulted in a sustainable funding model for universities.

This excellent Policy Exchange report appropriately diagnoses a system in crisis. It highlights the financial pressures facing the sector and the burden of debt upon graduates. It sets out that the new quality assurance regime established by the Office for Students, alongside the proliferation of regulatory and reporting requirements, is costly and, in practice, ineffective, and highlights the way that the heightened focus on student

satisfaction, for instance in university league tables, has contributed to an erosion of academic standards. It rightly raises the issues caused by an overdependence on international students, including visa abuses, recruitment of students with poor English and potential espionage, and documents the way in which too many universities have repeatedly failed in their duties to combat extremism and foster civil debate, resulting in some university campuses becoming breeding grounds for antisemitism.

At the same time, university is no longer the offer it once was for many graduates. Students take on substantial debt, a significant portion of which is unlikely to be repaid and frequently enrol in courses that do not meet their expectations, are of a lower standard, or do not reliably lead to strong graduate outcomes.

As the steady erosion of our universities continues, there is an urgent need for decisive action. Over two decades ago, the former education secretary Lord Baker observed that, “When great institutions decline, they do not suddenly fall over a precipice, they simply slide down the slope, a little further each year, in a genteel way, making do in their reduced circumstances, like a spinster in an Edwardian novel.” I quoted this in 2011 in a lecture at Gresham College, Oxford and, a decade on, his warning feels even more resonant. In the present report, Policy Exchange has made a serious and bold attempt to set out the way forward.

## Endorsements

“This excellent report from Policy Exchange highlights the urgent need for reform of higher education in Britain. For too long, too many young people have been pushed into courses that leave them with large debts, limited teaching time and poor employment prospects. Young people deserve far better from a system that is too often failing them.

“The report exposes just how unfair and demoralising the current system has become. Many graduates do exactly what they were told would secure a better future, only to find themselves burdened with debts for qualifications that do not provide the opportunities they were promised. The Conservatives’ New Deal for Young People would fix this by capping dead end degrees and redirecting that funding into apprenticeships, giving young people genuine choice and stronger routes into rewarding careers.

“The findings of this report make the case for change very clearly. In 15 of the 34 subject areas analysed - including Sociology, Creative Arts and Performing Arts - more than a quarter of graduates were earning less than the National Living Wage five years after graduating. Young people should not be encouraged to take on substantial debt for courses that leave them financially worse off.

Our New Deal would also abolish real interest rates on Plan 2 student loans. The current system too often leaves graduates watching their debts rise year after year, despite doing the right thing by studying hard, finding work and contributing to the economy. That is unfair, discouraging and ultimately unsustainable. This report is an important contribution to the debate and strengthens the case for bold reform that restores fairness, raises standards and delivers real opportunity for the next generation.”

**Rt Hon Laura Trott MP**, Shadow Education Secretary

“Policy Exchange’s report exposes the complete disaster of the last three decades of university policy. Mass expansion and marketisation have seen numbers soar, standards collapse and the proportion of Firsts go through the roof – while the construction and manufacturing industries have been starved of the skilled labour our country really needs.

The only problem with the paper is that it does not go far enough: rather than a 30% reduction in those going to university, I have said we should shut down half of them, and turn them into technical colleges. But the direction of travel is spot on: we need fewer graduates, more apprentices and a much stronger alignment of university funding with Britain’s industrial strategy.”

**Lord (Maurice) Glasman**, author of *Blue Labour: The Politics of the Common Good*

“Policy Exchange’s report provides a detailed analysis of all that is wrong with our rigged university system. Our young people have been sold a lie about university, wasting three years of their lives to get massively into debt, while we have a chronic shortage of nurses, builders and care workers. As I have said before, Reform will shut down worthless degrees, end the preferential treatment of foreign students and take action against universities that incubate cancel culture and antisemitism, and I will be carefully considering the recommendations in this report as I develop our policies further.”

**Rt Hon Suella Braverman KC MP**, Reform UK Spokesperson for Education, Skills and Equality

“I welcome this timely report from Policy Exchange, which accurately identifies the problems within our higher education system, while pointing the direction towards potential solutions. Our current higher education system is not working for students, for universities or for taxpayers. Although our leading universities remain world-class, too many young people are being lured into debt-trap degrees that won’t help them get ahead.

Compromises on standards, including on the proportion of Firsts and 2:1s awarded, has undermined the reputation of an English degree, while fair admissions have been compromised by institutions that have prioritised social engineering over meritocracy. Reforms are needed to end funding for low-value degrees, restore high academic standards and create a fairer student finance system that enables us to invest properly in STEM courses and apprenticeships, while reducing the burden of debt on graduates.”

**Neil O’Brien MP**, Shadow Minister for Policy Renewal and Development

“While I disagree with some of its recommendations, this is the best report on our university system, outside the official Robbins and Dearing inquiries, since the neglected gem, *The Years Of Crisis: Report Of The Labour Party’s Study Group On Higher Education* (1963).

Policy Exchange’s work is much more detailed but Harold Wilson’s prophetic Foreword from 1963 captures perfectly the stark realities of 2026: ‘Higher education is facing a crisis of unprecedented severity, and, if disaster is to be averted, vigorous action will be essential...’ That report contrasted two kinds of policy responses. One is merely ‘pious, platitudinous - and worthless’, which sadly could be said of so many comments on higher education over sixty years later. Policy Exchange prefers the other approach of proposing ‘vigorous, stimulating and clearly argued’ reforms to a university system which is on the brink of collapse. Wilson’s brilliant Foreword offered the Labour Party Study Group’s Report to be ‘tested by further discussion and criticism’.

I would call for responses in the same vein to this Report from Policy Exchange, alongside both urgent and strategic action.”

**Simon Lee** is Emeritus Professor of Jurisprudence, Queen’s University Belfast, a former vice-chancellor and a senior fellow of Policy Exchange.

“Policy Exchange has produced a timely assessment of the state of UK HE. It is not comfortable reading but the issues it raises must be addressed if universities are to thrive on into the 2030s able to serve society as well as the economy: if, in short, they are to be fit for purpose in the C21.”

**David Palfreyman OBE**, Fellow, New College, University of Oxford; co-author of “Universities and Colleges: A Very Short Introduction” (Oxford University Press, 2017; second edition due 2027) and former Board Member of the Office for Students.

## Education at Policy Exchange

Policy Exchange's Education Unit has a successful track record of driving ground-breaking work across all parts of the education system. In post-18 education, we are committed to rebalancing the Higher and Further Education system, with a greater emphasis on delivering the skills that our society needs.

*Tarnished Towers* should be read in the context of recent work in this area, including:

- [Double Vision: A roadmap to double medical school places \(2022\)](#): The report set out a detailed and costed roadmap to enable 15,000 medical students a year to enrol on courses in England by 2029.
- [Reforming the Apprenticeship Levy \(2023\)](#). The report set out a comprehensive set of recommendations for reforming the Apprenticeship Levy, including greater flexibility for employers, reduced bureaucracy and direct incentives for employers to take on young apprenticeships.
- [Education not Immigration: Reforming the UK's International Student Regime \(2025\)](#). The report outlines the full scale of international student migration to the UK - and argues British universities must return to selling education, not immigration.
- [Universities in Peripheral Vision: From 'The Idea of a University' in 1852 to 'No Idea of a University' in 2025? \(2025\)](#). Drawing on Newman's *The Idea of a University*, the report reflects on the history, evolution and purposes of our university system, and concludes that universities matter, and our system of higher education needs radical reform.
- [From School to the Skilled Workforce: The Case for University Technical Colleges \(2025\)](#). Carrying out a new assessment of the performance of University Technical Colleges, the report concluded that UTCs can play a vital role in addressing the UK's profound skills crisis, and that more students should be given the choice to access technical education that leads directly to good employment.

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# Executive Summary

The English Higher Education system is at breaking point.<sup>1</sup>

The introduction of £9,000 fees in 2012, followed by the removal of student number caps in 2015, triggered a boom period for the sector, during which many universities invested heavily in growth of physical and human capital – with some expanding and borrowing beyond their means. But the decade-long fee-freeze that followed intersected with high inflation, pension pressures and a reduction in international student numbers to create a perfect storm of a funding crisis, which is now impacting institutions both ancient and modern.

Job losses, course closures and restructuring initiatives are spreading across the sector – while rampant grade inflation and falling standards are raising fundamental questions about the quality of a UK degree. With a typical graduate now needing to make £66,000 a year just to cover the interest on their student debt, increasing numbers are questioning whether university is really worth it. The latest British Social Attitudes Survey found that 34% believe a university education ‘just isn’t worth the time and money it usually takes’ – up from 14% in 2005 – while only 36% believe people who go to university end up being a lot better off financially, down from 50%.

Although public support for universities remains relatively high, that support does not translate into support for funding – with the public regularly placing universities near the bottom of their list of funding priorities, and Ministers unwilling to take either the political cost of raising fees or the financial cost of increasing grants. The Labour Government has changed the rhetoric directed at universities and delivered a stop-gap of increasing fees by inflation, but it has become increasingly clear that the current fiscal environment means there will be no easy solutions to the wider structural issues facing the sector.

The Conservative Party, meanwhile, has pledged to cut university places by 100,000 a year and use the money saved to increase the number of apprenticeships. Reform have similarly criticised the number of people going to university, pledging to crack down on ‘Mickey Mouse’ degrees and ban foreign nationals from receiving student loans. The Liberal Democrats, meanwhile, have bounced back electorally from their low point in 2015, caused in part by renegeing on their 2010 manifesto promise to oppose higher tuition fees – but they also have not yet dealt with that underlying issue of how to finance universities fairly.

We have a funding system that does not enjoy the confidence of the public, who perceive it as usurious and unfair – both absolutely and

1. Higher Education is a devolved matter, with significant differences in the funding, regulation and other aspects of the system between England, Scotland, Wales and Northern Ireland. This report focuses primarily on reform of the system in England.

between generations – and yet is unsustainable, and subjects universities to year-on-year real terms cuts. We have a regulatory system that is heavy-handed and costly – and yet does not provide ministers or the public assurance that quality and standards are maintained. We have a system that was intended to have the student at its heart – and yet struggles to supply basic needs such as a liveable maintenance allowance, available accommodation or mental health support. Increasing precarity of junior staff, a marked growth in senior managerial and administrative roles and remuneration, and ongoing concerns over governance increase the sense of institutions and indeed the sector as a whole being on the brink.

The financial crisis overtaking our higher education system does not just matter for its own sake – or from an education and skills perspective. Universities are the linchpin of the publicly funded research system in the UK, as well as frequently being one of the most significant employers in their town and region. Within a university, funding from both teaching and research must be managed – with shortfalls from one source placing corresponding pressures on the other. Although this report focuses on the teaching mission of universities, resolving the current instability in the higher education system has wider implications for the health of the country's research endeavour.

### Declining returns

A third of graduates are not in graduate jobs and analysis suggests that at least 30% of degrees do not deliver a total positive return. Looking at the most recent Graduate Outcomes data, only 57% of graduates are in full time work 15 months after graduation, and the Milburn Review found that 13% of young NEETs have a degree or other higher education qualification. Outcomes for those with poor A-Level results, with BTECs and on franchised degrees are significantly worse than the sector average. The graduate premium has declined significantly and, whilst the average graduate still benefits financially, the marginal graduate has long since ceased to do so. Meanwhile, data from OECD countries shows a minimal correlation between the proportion of people going to higher education and either GDP or GDP growth.

New analysis from Policy Exchange shows that in 15 of the 34 broad subject classifications, including some of the largest subjects such as Sociology, Creative Arts and Design and Performing Arts, more than a quarter of graduates earned less than the National Living Wage after 5 years. In 27 of 34 subjects (79%), median graduate earnings after 5 years were below the national median earnings for full-time employees (£39,039). Strikingly, these 27 subjects represented 87% of that cohort's total graduates.

There are non-economic, public, benefits from higher education, including the broader benefits of an educated populace and the importance to social mobility of ensuring that the best opportunities are available based on merit, rather than on ability to pay. The state also has a fundamental interest in maintaining the health of disciplines where this

contributes to the UK's longer-term economic strength, national security or cultural heritage. Yet there are also significant opportunity costs to higher education, particularly where the benefits – economic and non-economic – could be more easily obtained elsewhere. It is not simply the economic cost of removing valuable contributors from the labour market for three years. Encouraging young people, not yet academically qualified, to spend three years studying a degree of minimal value, that will provide them with no gains yet burden them with a lifetime of debt, is a tragic waste of human potential.

### Expansion and marketisation have failed

To bring about the high quality and sustainable higher education system that England deserves, requires slaying the two sacred cows that have brought about our current system: expansion and marketisation. Though the first is more associated with the left and the second with the right, in practice the two together have dominated policy choices during the 21<sup>st</sup> century whichever party has been in Government. The failure of both is displayed in the state of the system today.

The totemic commitment to expansion was made in Tony Blair's 1999 speech that set a target of 50% of people to go to higher education, and came to fruition in the Coalition Government's removal of student number caps in 2015. It has led to a dramatic expansion in the number of young people doing a traditional full-time bachelor's degree, many of whom have minimal or no academic qualifications. This expansion has been concentrated in particular subjects, especially in low-cost business studies courses, and has occurred at the expense of other forms of tertiary education, including Level 4 and 5 qualifications, adult learning and further education – leading to a mismatch between the skills the country requires and those it is producing.

With a third of graduates in non-graduate jobs, a graduate premium in sharp decline and 30% of degrees offering no net economic return, much of this expansion has simply served to place people in similar jobs to those they would have been doing before, though now with an additional £50,000 of debt. Contrary to promises, this dramatic and costly expansion of Higher Education has failed to noticeably boost economic growth or productivity, to ease our skills shortages or to increase household incomes.

HESA data shows that, for the cohort of undergraduate entrants that started their studies in 2019/20, the average percentage of students who were no longer in HE the year after entry was around 5.3% across all institutions. For the worst 10% of performers, this figure rises to 14.2%. Similarly, there is a clear correlation between non-continuation rates and previous qualification attainments. For those with at least AAA the non-continuation rate was 1.2%, compared to 9.2% for those whose entry qualifications were BTECs.

Yet the marketisation embraced by the right has similarly failed to deliver – because the Higher Education sector, as currently constituted, is not a market. The individuals who make choices do not feel the impact of

the price, and the cost of poor choices is borne not by the consumer or the provider, but by the state, in the form of the portion of the student loan that is written off. The anticipated competition on price has not materialised, while a focus upon the ‘student as consumer’ caused too many institutions to chase league table rankings by prioritising superficialities such as high-priced accommodation blocks or student ‘satisfaction’ at the expense of quality and educational rigour. Higher tariff universities expanded rapidly, lowering their entry standards and degree standards to do so - all the while inflating grades, reducing staff/student ratios and over-crowding accommodation and lecture theatres. This in turn put yet more pressure on mid- and low- tariff providers, who faced further pressure to drop standards to recruit students, or else lay off staff. Although it has enabled the welcome entry of a number of small, innovative, often specialist providers, these have been unable to either scale or spread best practice through the wider sector, and have been dwarfed by the growth of low-cost, low-quality, often franchised provision.

### Towards a better system

We confront the crisis of our Higher Education system at a time when the job market faces a double-squeeze – with non-participation amongst the lowest skilled manifesting in a rapidly growing number of young people not in education, employment or training (‘NEET’), alongside a tightening of the jobs market for graduates. It is against this backdrop that we must consider the reforms needed to provide the supply of labour that our economy and society require, while equipping young people from all backgrounds with the skills that will enable them to succeed in life.

We need:

- A smaller system with higher academic standards, and a return to a system in which technical and vocational courses are funded appropriately, while those academically qualified to succeed in higher education, from whatever background, are supported to do so.
- A fairer funding system, where the costs of study are split more fairly between the student and the state, where the public subsidy to the system is more transparent, where the median graduate can pay off their debt more quickly and where the Government does not abnegate all responsibility for the sustainability of the sector and the health of disciplines to the choices of 18 year olds.
- A restored focus on standards at every part of the system, from admissions to graduation, in a system that incentivises institutions to compete on quality, not on numbers.
- A regulatory regime that is both sharper-edged and lighter-touch, instead of the current approach which substitutes paperwork and process for effectiveness. This means clear and effective controls on what matters, such as student numbers and standards, but then stepping back to trust institutions to deliver within these boundaries.

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# Recommendations

As the report sets out, England's Higher Education system needs fundamental reform, not simply tinkering. Equally, however, the omnicrisis within the sector has reached sufficient severity that the country cannot afford to put off any changes until the time a Government with sufficient majority, focus and appetite can carry out such far-reaching reforms.

We therefore set out two sets of recommendations:

- First, a set of readily implementable recommendations for stabilising the system that could either be adopted without primary legislation, or else with primary legislation that would not fundamentally upturn the structure of the higher education system. These could be implemented rapidly, within a single Parliament, and would, collectively, deliver significant improvements in terms of funding, stability, quality and standards, for the benefit of students, universities and the taxpayer.
- Second, a more aspirational vision for fundamental reform, that would transform the higher education sector to one that is more diverse, responsive and better fitted to the needs of the nation. This would provide the best possible foundation for universities to not just survive, but thrive, through the 21<sup>st</sup> century; however, its delivery would require far-reaching reforms, significant investment and would require implementation over a number of years.

## Improving the Existing System

### Stability and Consolidation

There are too many students who are not academically qualified for Higher Education, taking courses that should not have been offered, in a system which incentivises numbers growth at the expense of other factors. Contraction, consolidation and restructuring are essential to restore sustainability to the system.

1. **Legislate to reimpose institutional-level student number controls.** This should be operated by the Office for Students and based upon the tried-and-tested model that operated under HEFCE, with similar allocation measures, tolerances and automatic fines for breaches.

2. **Reduce student numbers by 6% year-on-year for five years, for a 30% total reduction in places.**<sup>2,3</sup> Reductions should be targeted at institutions with the highest drop-out rates, lowest progression to highly-skilled employment or further study and lowest earnings, as well as at providers that have grown rapidly at the expense of their staff-student ratio, local accommodation availability or entry standards. The resulting savings should be used in part to fund an increase in apprenticeships, additional places in further education colleges and the uplift to the higher education teaching grant set out below.
3. **Ban franchising.** The minimal benefits offered by franchising are outweighed by the significant detriment to students and the taxpayer. Franchisees should be given a three-year window to teach out current students and either gain degree awarding powers in their own right, or to close.
4. **Close the student loan-book to higher education institutions that operate on a for-profit basis.**<sup>4</sup> As with franchising, any benefits from this are outweighed by the incentives to provide low-quality, low-cost, education on the back of taxpayer-funded loans that will largely not be repaid. For-profit providers could continue to operate and to maintain degree awarding powers, but would not have access to public funds.
5. **Create a Higher Education Consolidation Programme to manage sector contraction.** This should be modelled upon the Higher Education Restructuring Regime<sup>5</sup> and draw on the lessons of the Post-16 Area Review Programme.<sup>6</sup> Where institutions would otherwise face bankruptcy, the Programme should be empowered to close courses, merge higher and further education providers and sell off campuses, while protecting the interests of students to complete their existing courses.

### Fees, Loans and Funding

We need a funding system which provides a fairer sharing of the burden between the student and the state, in which the median graduate can pay off their debt more quickly, and in which decisions on funding are not abnegated almost entirely to the choices of 18 year olds.

6. **Freeze tuition fees for five years.** With tuition fees the highest in the OECD and increasing concerns over student debt, a fairer balance between fees and grant funding is required.
7. **Rename the Strategic Priority Grant to the Teaching Grant.** A symbolic move that would signify the intention to move towards a funding system in which the costs of university were split more fairly between the state and the individual.
8. **Immediately increase the Teaching Grant per student by £2,000 for Price Group A (high cost clinical subjects), £1,000 for Price Group B (lab based STEM) and £250 for Price Group**

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2. As set out in Policy Exchange's report, *Beyond Our Means* (2025), [Link](#)

3. Apprenticeships at Levels 4 and above, including degree apprenticeships, would be excluded from these limits, providing a potential means of diversification for those institutions that wished to do so.

4. This measure would not affect not-for-profit private providers such as the University of Buckingham or NMITE.

5. Department of Education, 'Establishment of a Higher Education Restructuring Regime in Respond to COVID-19', 2020, [Link](#)

6. House of Commons Library, 'Post-16 Area Review Programme', 2018, [Link](#)

- C1.1 (includes computing, archaeology and nursing).** The total cost of this would be approximately £350 million.
- 9. Increase the Teaching Grant by CPI+5% each year for five years.** This should be used to (a) create a baseline level of flat per-student grant funding across every subject that, while initially small, would increase over time; and (b) increase the funding rate for high-cost subjects such that the difference per student between each high-cost band and non-high-cost subjects is maintained in real terms.
  - 10. Abolish funding for price groups C1.2<sup>7</sup>, Uni Connect<sup>8</sup> and TASO<sup>9</sup>, with other funding lines frozen in cash terms.** It is absurd that the Government funds media studies at a higher rate than mathematics, while the activities undertaken by Uni Connect and TASO are more appropriately carried out by institutions than the regulator. Money saved should be rolled into the core grant funding set out above.
  - 11. Give the Office for Students a new duty to maintain the health of disciplines, with regards to the future skills needs of the country.** This should be accompanied by a multi-year capital funding stream, enabling it to take strategic decisions where appropriate.
  - 12. Abolish real interest rates for Plan 2 student loans.** No student should be required to pay back more, in real terms, than they borrowed.
  - 13. All student loans, past and present, should be switched to CPI instead of RPI.** As the Government has acknowledged in other contexts such as pensions and benefits, RPI is a flawed measure of inflation which is not appropriate to use for this purpose.
  - 14. For new students only, a new loan plan should be issued, with interest charged at CPI, and operating on a tiered repayment system.** Graduates would repay 3% of their earnings above £15,000, 6% of their earnings above £25,000 and 9% of their earnings above £35,000. Combined with the five-year freeze to fees, this would help ensure more graduates pay off their loan faster.
  - 15. Loan overpayments should be made tax-deductible.** Any loan repayments made by a graduate would be tax deductible. This would provide a direct incentive to graduates to repay their loans faster – ensuring they can be debt-free sooner, while the Government benefits from faster repayments.
  - 16. Abolish the Post-Graduate Masters Loan.** By unnecessarily stoking demand, the Masters loan introduced in 2016 has further inflated the higher education bubble, driving credentialism and encouraging more young people to undertake Masters simply to keep their CV ahead of their peers. The primary beneficiary of this has been the higher education sector, while young people are trapped in a double-obligation of debt, meaning a Masters

7. Performing arts, creative arts and media studies.

8. Central funding for access programmes.

9. 'Transforming Access and Outcomes for Students' – 'an independent hub for the higher education sector, providing evidence and resources to help reduce equality gaps.'

graduate earning £30,000 would face an effective marginal tax rate of 43%.

- 17. Broaden the Lifelong Learning Entitlement to include more directly job-relevant qualifications.** The current scope of the LLE is overly focused on Higher Education and on higher level skills – even if these are not those the economy needs. It should be broadened to allow people to use it to access job-relevant qualifications such as those required to work as an HGV driver, electrician, heat-pump installer or database manager. The list of qualifications permitted should be maintained by Skills England and updated regularly with input from employers.

### Quality, Standards and Regulation

A collapse in standards at every stage of the system, from admissions to graduation, has fundamentally degraded the value of an English degree. Grade inflation is out of control, while the regulatory oversight of quality and standards is ineffective.

- 18. Cap the proportion of Firsts and 2:1s each institution can award.**  
The cap should be set at a maximum 15% of degrees classified as a First or above and a maximum of 60% classified as either a First, 2:1 or above. In addition, students should be informed of the decile within which the student's final result placed, within that subject at that institution, with this information included upon a student's transcript that would be available to employers or post-graduate programmes.
- 19. Abolish the National Student Survey (NSS).** The NSS exerts a negative pressure upon institutions to adjust courses to what is popular, rather than what is educationally valuable, as well as to award higher grades. It should be abolished.
- 20. The Office for Students should be significantly reformed, and shift from regulating by conditions of registration to a lighter-touch monitoring approach similar to HEFCE, complemented by cyclic quality inspection.** This would require amending the Higher Education and Research Act 2017 and radically stripping back the list of conditions of registration. The current approach has proven neither light-touch, risk-based nor effective, while regulatory interventions – whether on quality, standards or free speech – have typically been lengthy, costly and successfully challenged on appeal.
- 21. The Office for Students should be permitted to consider all relevant facts to determine whether a provider is complying with a requirement.** Regulatory matters should be based on a provider's actual compliance or otherwise, not on whether its governing documents indicate compliance with a condition.
- 22. The Office for Students should merge the current quality regime and the Teaching Excellence Framework into a single cyclical**

**quality review regime.** This would involve a team of inspectors physically inspecting a provider, alongside consideration of the core metrics that underpin the current TEF and B3 conditions. Results of Inspections would be published, with a poor inspection result being able to trigger automatic regulatory action. Inspections would take place every four years, or every six years for Outstanding providers, with the OfS also having the power to carry out snap inspections if there is reason to believe there are serious concerns at a provider.

**23. The Office for Students should appoint a senior individual with direct experience of the current or previous Ofsted Inspection Framework to design and embed the new cyclical quality review regime and associated inspection framework.** While there would be important differences between the two regimes, this would ensure maximum learning can be obtained from the UK's most effective education inspectorate.

**24. Introduce a standardised national exit exam, testing verbal, mathematical, analytical and reasoning.** This would be similar to the US GMAT<sup>10</sup> and mandatory for all graduates, with their score appearing on their degree transcript. This would add context for employers and post-graduate courses when assessing a graduate's degree classification. In addition, if too low a proportion of students from an institution secured a passing grade upon the test – set at the level expected of tertiary-educated adults – this would trigger regulatory intervention, up to and including withdrawal of funding.<sup>11</sup>

### Transparent, Meritocratic and Non-Discriminatory Admissions

Universities have abandoned their traditional role in maintaining entry standards, leading to the admission of large numbers of academically unqualified individuals on to higher education courses, alongside a decline in entry standards at most 'high tariff' providers. The 'widening participation' regime is not only costly and bureaucratic, but by shifting the focus from fair access for students from all backgrounds to equality of outcome, has led to the embedding of discriminatory and antimeritocratic admission practices across the sector.

**25. The current 'Access and Participation' regime (Sections 29-37 of the Higher Education and Research Act 2017) should be abolished.** The current regime is highly bureaucratic and costly, with Access and Participation plans sometimes exceeding 100 pages in length. Furthermore, the undue focus upon targets for students from particular backgrounds – regardless of prior academic achievement – has driven discriminatory and antimeritocratic practices.

**26. A mandatory requirement for transparent, meritocratic and non-discriminatory recruitment should be imposed on all**

10. Alternatively, the Government could license the GMAT.

11. To avoid 'gaming', any student who did not complete their course or transfer to an alternative course would be classed as having failed.

**providers in receipt of Government funding and/or student finance.** This would include a requirement to publish the actual grades obtained by students admitted, as well as an explicit prohibition against discrimination in admissions on the basis of sex, ethnicity, school type, family background, POLAR quintile, Free School Meal eligibility. Institutions would continue to be able to take individual-level factors into account in offer-making, such as whether an applicant had suffered a period of illness during their studies.

**27. UCAS should be prohibited from providing personal data on students – including sex, ethnicity, school type, family background, POLAR quintile, Free School Meal eligibility or other demographic data – to universities.** The only purpose for such information is to enable institutions to discriminate unfairly against students during recruitment. Universities should similarly be directly prohibited from asking students for such information before an offer is made.<sup>12</sup>

**28. A ‘Double-Scholarship’ should be introduced for all students with household income below £25,000 who achieve AAA or higher at A-Level<sup>13</sup>.** This would consist of an additional £3,000 maintenance grant per year of study to the student, in addition to an additional £3,000 teaching grant paid to the institution teaching them. This would ensure cost was not a barrier to the highest ability students from poorer backgrounds studying the courses best suited to them, while providing an incentive for institutions to compete for these students. To be eligible for the grant, a student would need to be studying at a registered higher education or further education institution or be taking an apprenticeship.

**29. The Government should commission a standardised test (‘University Aptitude Test’ or UAT), typically taken in Years 12 or 13, to test reading, writing and mathematical skills, similar to the US SAT.<sup>14</sup>** The principal purpose of this test would be for students with non-traditional or vocational qualifications who wished to proceed to Higher Education to demonstrate their readiness for it.

**30. To be eligible for student finance, any student not achieving CCC or above at A-Level would be required to achieve a set score in the UAT to be eligible for student finance.** This would include those taking vocational qualifications including BTECs, T-Levels or an Access to HE course. The pass mark should be set at a level at which approximately 30% of the full cohort would be able to pass (approximately an 1100 on the US SAT). Mature students (over 21) studying at the Open University would be exempt from this requirement.

**31. All Government funding and loans for Foundation Years in Higher Education Institutions should be ended, with the**

12. Requesting such information after a student has accepted an offer would be permitted in order to determine eligibility for bursaries or other means of support.

13. This would be determined by the highest three A-Level scores, not an equivalent in UCAS points via more A-Levels or other qualifications.

14. Alternatively, the Government could license the US SAT.

**exception of foundation years in medicine.** Students who are not yet academically qualified for Higher Education should instead seek to become qualified in further education colleges, through re-taking A-Levels or an Access to HE Course.

### Governance, Culture and Student Rights

Poor governance, the growth in both number and influence of administrators over academics, and a casual attitude towards student rights has resulted in too many institutions losing focus upon their primary purpose of high quality teaching and research.

- 32. Universities should increase the academic voice within their governance structures.** This could include strengthening the voice of the academic senate, strengthening academic representation on university boards, or ensuring that a plenary of academics is the sovereign decision-making body. The OfS should make clear that a strengthened role for the academic voice in governance would be considered positively in complying with governance obligations.
- 33. The Economic and Social Research Council should fund the establishment of a governance training school as a centre of excellence.** This should be funded through a competitive process in which institutions are encouraged to submit collaborative bids. It would focus upon the role, purpose and obligations of governors, as well as on how Chairs can locate and appoint those with the requisite capabilities.
- 34. Parliamentary Select Committees should more regularly call in Vice-Chancellors to question them publicly over their performance.** This could include holding them to account on governance, quality, treatment of staff or students, pay, free speech and antisemitism, amongst other issues.
- 35. Universities should provide subsidised on-site nurseries for the children of staff, and reduce the casualisation of junior staff in favour of longer-term and permanent contracts.** Such measures would help support women to remain in and progress through academia, in a manner fully compatible with meritocratic principles.
- 36. Government should impose a 30% cap for each institution on the proportion of undergraduate students that may be international students.** This would follow similar caps imposed in Canada and Australia. While international students make a contribution to the intellectual life of a university, when universities are incentivised to maximise their numbers this can warp priorities and lower standards. Other recommendations regarding international students set out in Policy Exchange's report, *Education not Immigration*, should also be enacted.<sup>15</sup>
- 37. The Department for Education should commission a research project to quantify the relative contributions of signalling and**

15. Policy Exchange, *Education not Immigration*, 2025, [Link](#)

**learning gain to the graduate premium.** The research should seek to assess this both overall, and at the level of individual universities, subjects, and subjects within universities.

**38. Government should expand access to the Longitudinal Educational Outcomes (LEO) data set.** This should be made available to a wider range of researchers, with more data freely available to access.

**39. Universities should be required to issue each student, alongside their offer, a standardised student contract, setting out the expected contact time, approximate class sizes and whether delivery is in-person or online.** The contract would also set out the expectations upon the student, such as attending lectures and completing assignments. A streamlined process should be established by the Office of the Independent Adjudicator for student complaints, with institutions that do not deliver their contractual obligations obliged to refund students with a proportion of their tuition fees.

**40. The public sector should end all requirements to have a degree, other than for jobs which require degree-specific knowledge, such as nursing and medicine.** This should apply across the whole of the public sector, including the civil service, local government, the NHS, education and the police. 'Graduate' schemes should be opened to all who can pass the application process. Where specific knowledge is required, employers should consider whether this can be demonstrated in other ways, such as via a professional qualification or an apprenticeship.

# A Vision for Fundamental Transformation

This sets out a more aspirational vision for a fundamental transformation of the higher education sector to one that is more diverse, responsive and better fitted to the needs of the nation. Rather than making incremental improvements to the current system, it would embrace the reality that we require a system of different institutions, serving different needs, in different ways.

This would provide the best possible foundation for universities to not just survive, but thrive, through the 21<sup>st</sup> century; however, its delivery would require far-reaching legislation, significant investment and would require implementation over a number of years.

## Global and Regional Universities

Almost all of the world's leading universities share certain characteristics. These include a high degree of institutional autonomy, a respect for academic freedom, the ability to determine their own courses and curricula, the ability to recruit the brightest and best from a global pool of talent (both staff and students) and a strong research endeavour that informs teaching. These hallmarks of globally competitive universities play an important role in maintaining the outstanding nature of our leading universities.

On the other hand, it is unclear that all of these characteristics are equally beneficial for more local universities serving their community – and, in some cases, may actually be counter-productive. To maintain at the forefront of learning, it may be essential that Imperial or Cambridge is able to design a new cutting-edge course in AI or genetics – but might externally designed and validated courses be more appropriate for a university recruiting less academically able students onto vocational courses such as social work or business and marketing? In many institutions, students would benefit from being taught by lecturers selected for their excellence in teaching, rather than in research – and those who are likely to graduate into more modestly paying roles would benefit from being able to receive a qualification in a way which requires the assumption of significantly lower debt.

We therefore propose that, over the longer term, higher education institutions would be divided into three categories:

- Global universities, world-class institutions undertaking research of international significance, admitting the highest ability students from across the nation and world, on courses of high academic standards and rigour.
- Regional universities, dedicated to serving their local community and region, undertaking research of direct relevance to local businesses, admitting students primarily from their region, and equipping them to progress to skilled employment valued by employers within their region.
- World Leading Specialist Providers, as currently defined by the Office for Students.

Global universities would be granted a higher degree of freedom, autonomy and flexibility – but in exchange would be expected to deliver on their missions with a minimum of central Government support. Regional universities would have a more tightly defined mission, with a higher degree of regulation and control, but would receive a greater degree of Government support, including on the funding of teaching and student support.

The categories would not be fixed, with the expectation that institutions could move between them. To retain Global University status, an institution would be required to:

- Maintain a mean entry tariff equal to AAB or above.
- Maintain a continuation rate of at least 90%.
- Maintain a progression to highly skilled employment or further study of at least 80%.

This would result in approximately 20-30 Global Universities, with the remainder of the sector becoming Regional Universities.<sup>16</sup>

Any Regional University that attained these thresholds, and maintained them for at least three years, would be permitted to (though not required to) become a Global University. Any Global University that fell below these thresholds, and did not rectify this within three years, would be converted to a Regional University.

16. Based on recent data, we believe that the following 22 universities in England would meet these three criteria: The University of Cambridge, The University of Oxford, Imperial College of Science, Technology and Medicine, London School of Economics and Political Science, University of Durham, The University of Bath, University College London, The University of Bristol, The University of Warwick, The University of Manchester, King's College London, The University of Sheffield, The University of Leeds, The University of Birmingham, The University of Exeter, Loughborough University, The University of Southampton, University of Nottingham, The University of York, Queen Mary University of London, The University of Lancaster, Newcastle University. Outside England, The University of St. Andrews, The University of Edinburgh, The University of Glasgow and Queen's University Belfast would also meet these criteria.

17. Subject to the caps on Firsts and 2:1s set out above.

### Privileges and Responsibilities of a Global University

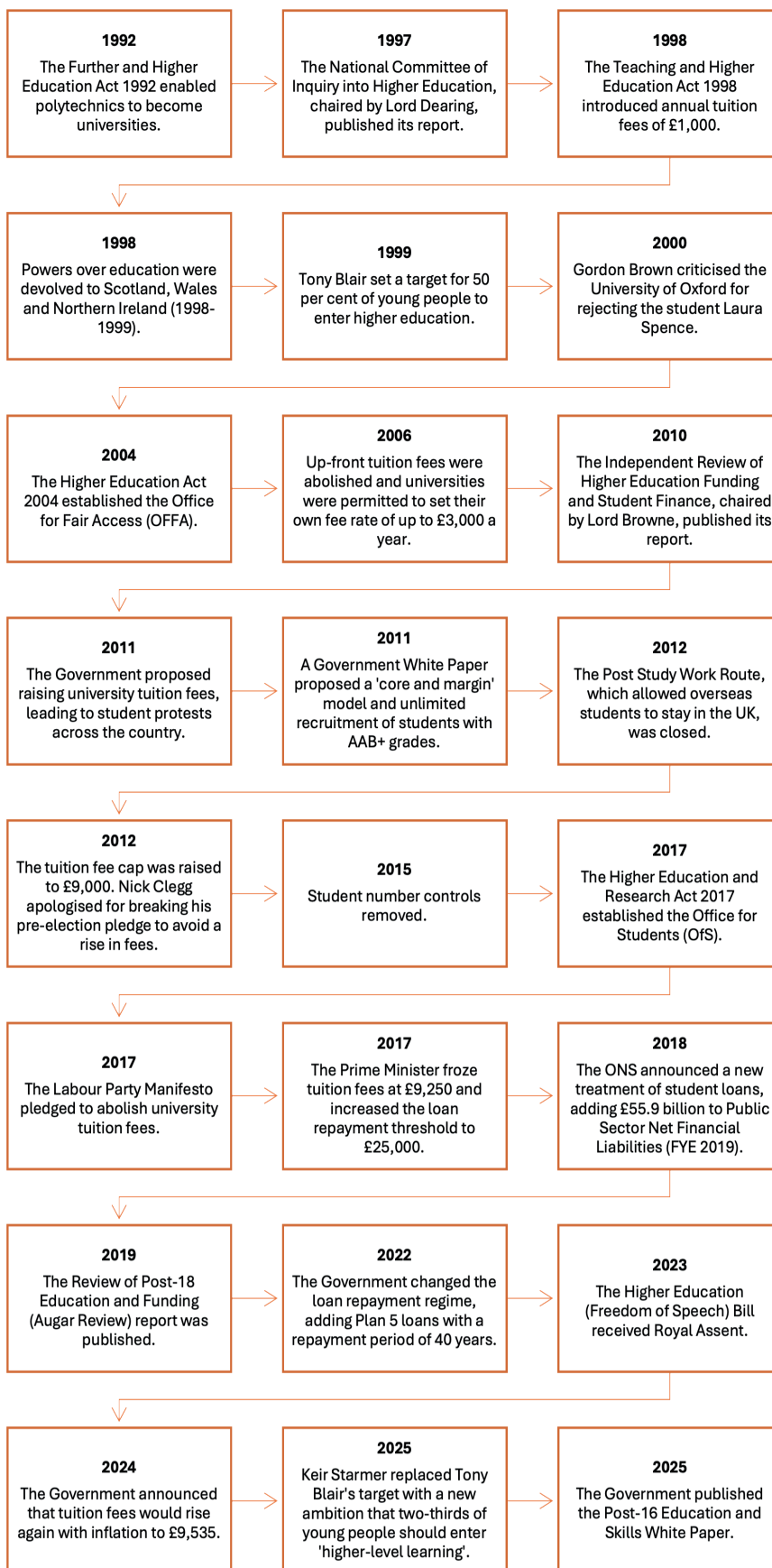
- Fee cap of £12,000.
- Full autonomy over admissions, numbers, courses and subjects offered.
- Ability to develop, validate and determine standards for its own degrees.<sup>17</sup>
- Maximum 35% of undergraduate intake to be international students.
- Receives high-cost subject funding from teaching grant.
- Permitted to take part in the Research Excellence Framework.

- Maintenance grants, on a sliding scale based on parental income, provided for all students from low income house-holds who are admitted.

### Privileges and Responsibilities of a Regional University

- Fee cap of £6,000
- Receives teaching grant funding of £3,000 per student, in addition to high-cost subject funding.
- Requirement for 50% of students admitted to be from the local region.
- Maximum 15% of undergraduate intake to be international students.
- Requirement for 50% of students to be on either apprenticeships or externally validated technical courses at Levels 4 and 5.
- Not permitted to take part in the Research Excellence Framework – though individual academics may still bid for research grants.

## A Timeline of Modern Higher Education Reform



# 1. Introduction: What are Universities For?

In 2025, Policy Exchange published the essay, *Universities in Peripheral Vision*, by Professor Simon Lee, that reflected on the history, evolution and purposes of England's university system through the lens of Cardinal John Henry Newman's influential *The Idea of a University* – and in the context of the current crossroads at which the sector finds itself.<sup>18</sup>

For Newman, teaching was at the heart of the conception of a university, a collegial community pursuing knowledge for its own sake, as an intellectual endeavour, carried out in an environment that was explicitly cross-disciplinary, rather than specialised. An alternative conception, developed by Wilhelm von Humboldt in Germany, places a higher focus upon research, with research-informed teaching across the arts and sciences forming the heart of a university's educational endeavour. Still other higher education institutions in the UK can trace their heritage back to vocational colleges specialising in engineering, teaching and nursing, amongst other disciplines.

The 20<sup>th</sup> century saw further developments in thinking of the purpose of a university. The 1963 Robbins Report, one of the most influential higher education reports of the century, set out the general principle, frequently referred to as the Robbins Principle, that “courses of higher education should be available for all those who are qualified by ability and attainment to pursue them and who wish to do so.”<sup>19</sup> Though in latter years too many within both universities and Government have chosen to disregard the critical rider, ‘who are qualified by ability and attainment,’<sup>20</sup> this remains a principle of fundamental importance to equality of opportunity, provided it is combined with a due maintenance of academic standards in both admissions and awarding.

The founding of the Open University in 1969, providing a unique mode of provision via distance-learning, with a mission to be open to all, regardless of prior academic attainment, was a major development in widening access to the life-changing potential of higher education, opening up life-long learning opportunities to many for whom it had previously been unavailable.

Post-graduate education has also expanded since the Second World War, to the extent that it now forms a major – for some institutions, the majority – aspect of provision, when measured in terms of numbers of students or teaching income. This has been driven firstly by the growth in volume and importance of research, and more recently by a sharp increase

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18. *Universities in Peripheral Vision*, Policy Exchange, 2025, [Link](#)

19. Robbins Report, 1963, [Link](#)

20. Or, more charitably, may genuinely believe that everyone is qualified to pursue higher education, regardless of the level, or indeed existence, of any prior qualifications.

in the prevalence of taught Masters provision, with demand coming both from international students and (supported in part by the introduction of a new Masters loan in 2016) domestic students.

In more recent years there has been a further range of reports and reviews, including Dearing (1997), Browne (2010) and Augar (2019), each of which made important contributions to the policy landscape, as the English Higher Education system shifted to one that was larger, more diverse, more dependent upon fees and with a greater emphasis upon the ‘student as consumer’. It should be noted that not all of the recommendations of these reviews were implemented and, in each case, the authors were constrained in their recommendations within bounds set by the Government that commissioned them.

More recently, as the United States faced a collapse of public confidence in higher education, and following extensive questioning of a number of elite university leaders by Congress (sessions which led directly to the resignation of some of these leaders), the Report of the Yale Committee on Trust in Higher Education set out important actions that the institution in question could take to restore trust, a report which Yale has subsequently adopted.<sup>21</sup> These included a clear statement that in admissions ‘the primacy of academic criteria should be non-negotiable’; acknowledging that ‘Decades of inflation and compression have rendered the college grading system almost meaningless as an academic measure’ and recommending ‘a 3.0 mean, or some other college-wide standard, so that letter grades can once again be used in a reliable and comparable way’; and that ‘Yale treat free speech as a first principle, without which there can be no honest search for the truth.’ Harvard has followed suit, announcing a 20% limit on A grades in undergraduate courses.<sup>22</sup> While, thankfully, neither the underlying problems, nor the fall in trust, in higher education in England are yet as severe as those that have occurred in the US, they are currently following the same trendline – and there is much that English institutions could helpfully adopt from this report.

The more recent approach to considering higher education as a ‘market’, with students as ‘consumers’ has further muddied the water as to the purpose of a university.<sup>23</sup> While student choice plays an important role in the system, and students deserve to receive the education they have signed up for (and, today, are paying for), in the most important ways students are not ‘consumers’. The content and structure of the course should be determined by what is most educationally valuable – which may not be what the student considers is most ‘satisfying’ or pleasurable. A student does not gain the right, by dint of paying fees, to dictate the content, structure or pedagogy of the course, still less the right to receive a certain grade.<sup>24</sup>

The market lens also obscures important ways in which the system is not like a market, such as the lack of price differentiation or price sensitivity, or the way in which neither the decision-maker nor the provider bears the cost of a poor choice, this cost being met by the taxpayer in the form of a student loan write-off. These features contribute to a misalignment of incentives between the individual and society as a whole, such that one

21. Report of the Yale Committee on Trust in Higher Education, Yale University, 2026, [Link](#)

22. The Harvard Crimson, 2026, [Link](#)

23. This fallacy, common to the right

24. While the ‘student as consumer’ fallacy is more prevalent on the political right, it has a mirror in the ‘student as co-creator’ lens more prevalent on the political left, which sees students inappropriately elevated to a co-equal position with lectures in areas such as course design or university governance. In fact, students attend higher education to be educated, and the form and content of that education should be determined primarily by academics who possess the expertise required, not the students themselves.

cannot simply rely on market forces to reduce the number of people going to higher education, even if we are past the level at which society gains further benefit.

This is for three principal reasons. Firstly, for many, university remains a mark of aspiration, for them and their parents, and they may not be willing, or able, to accurately assess the likely benefits. Secondly, some young people will wish to go for social reasons, particularly if the upfront cost is being met by the state. Thirdly, and most importantly, because of credentialism and the signalling property of education.

If employers look more favourably upon applicants with a degree, even if a degree is not required<sup>25</sup>, it may be in the interest of individuals to go to university in order to maintain an advantage over their peers, regardless of the educational value gained – a Red Queen’s race, in which people must run faster to stand still. This creates a stable but undesirable equilibrium in which individuals are rational in making the choice to go, even though societally, everyone would be better off in the scenario in which fewer attended HE and people ended up in the same jobs, but with no debt, less time wasted and lower taxpayer expenditure.<sup>26</sup> Particularly where degrees are heavily subsidised by the state, there is therefore a market failure that justifies state intervention such that public support is only provided for the quantity of higher education that will benefit the nation – and, conversely, that the health of disciplines essential to the future of the nation is maintained.

The truth is that there is not just one purpose of a university, but many. A significant weakness of England’s current regulatory system is its failure to recognise this, with the same fee caps, the same regulatory conditions, the same freedoms and the same assessment of quality for every institution, regardless of purpose, heritage or mission.

Why should a young person studying locally to be a social worker face the same fees and debt as a high attaining student who graduates in economics and proceeds to a job in the City? Why should we assume the regulatory concerns at Oxford will be the same as at Teesside – or at a specialist music conservatoire or private business school? The freedom to design and validate one’s own degrees may be essential for our world-leading universities – but is it equally beneficial for a regional provider offering vocational qualifications for the local labour market? And why would a funding model that was appropriate for a major research university, with the ability to attract large numbers of international students, be considered also fit-for-purpose for a local provider, serving primarily domestic students, with minimal income from research?

Rather than asking what a university is for, we should instead ask, what are universities for – and how can a coherent system of higher education benefit the whole of society?

25. Because, for example, a degree demonstrates an ability to stick at a task for three years without dropping out, to hand in assignments on time, and other factors employers value.

26. Examples of individually rational decisions leading to undesirable aggregate outcomes are common, with classic examples including The Prisoner’s Dilemma, the Tragedy of the Commons and a dollar auction in which both the highest and second highest bidder must pay the value of their bid. It should be no surprise to encounter such a situation here.

## 2. A Snapshot of the Sector

There are currently 425 registered Higher Education (HE) providers in England, 122 of which have the right to use university title.<sup>27</sup> The total number of HE students in the UK in academic year 2024/25 was 2,863,180, including enrolments in all undergraduate and postgraduate courses.<sup>28</sup> 72% of these students were enrolled in undergraduate courses and 28% were enrolled in postgraduate courses.<sup>29</sup>

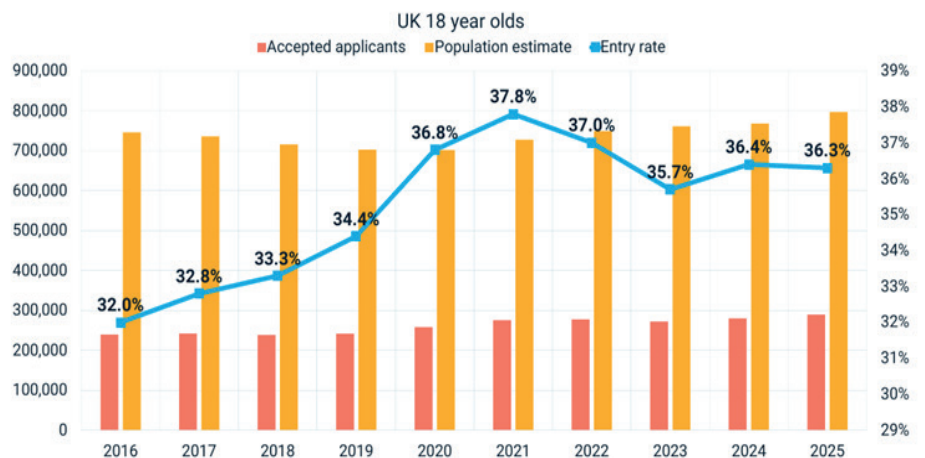
Higher education providers generated an income of £53.9 billion in 2024/25.<sup>30</sup> Just over half of this total income came from tuition fees and education contracts (53%). In the same year, more than one third of the sector reported deficits and 57 providers anticipated a deficit for three consecutive years (2023/24, 2024/25 and 2025/26).<sup>31</sup>

The maximum tuition fee chargeable was £9,250 in 2024/25. The Government lent £20.6 billion in 2024/25; of this, it is estimated that approximately 30% of this will ultimately be written off.<sup>32</sup> The total historic debt currently owed by students to the Government is £266.6 billion.<sup>33</sup>

### 2.1 Students

UCAS estimates that 36.3% of UK 18-year-olds were accepted into Higher Education (HE) in the application cycle ending in 2025.<sup>34</sup>

**Figure 1: Proportion of UK 18-year-olds accepted into Higher Education in the application cycle ending in 2015 to the cycle ending in 2025<sup>35</sup>**

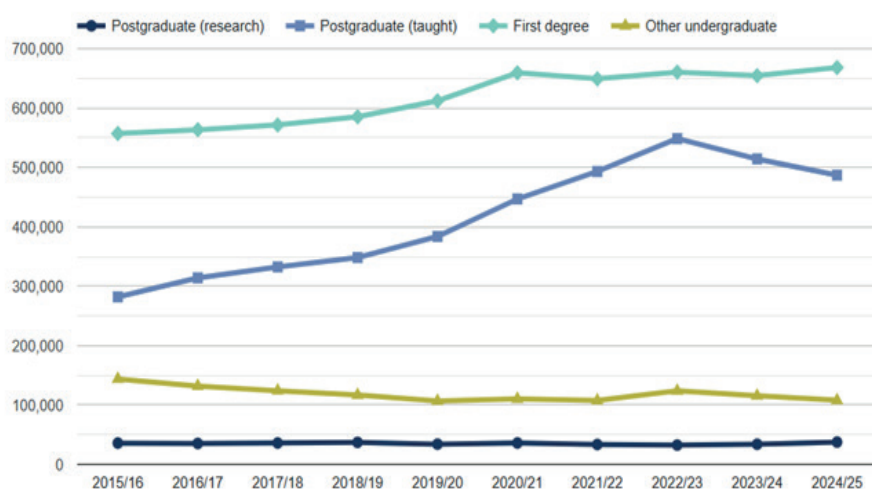


27. Office for Students, 'Guide to the OfS Register', [Link](#)  
 28. HESA, 'Higher Education Student Statistics: UK, 2024/25' (2026), [Link](#)  
 29. HESA, 'Who's studying in HE?' (2026), [Link](#)  
 30. HESA, 'Higher Education Provider Data: Finance 2024/25' (2026), [Link](#)  
 31. Office for Students, 'Financial sustainability of higher education providers in England' (2026), [Link](#)  
 32. Gov.uk, 'Student loan forecasts for England' (2025), [Link](#)  
 33. Gov.uk, 'Student Loans in England: Financial Year 2024-25' (2025), [Link](#)  
 34. UCAS, "UCAS Undergraduate end of cycle data resources 2025", last accessed 21 May 2026, [Link](#), p.6.  
 35. UCAS, "UCAS Undergraduate end of cycle data resources 2025", last accessed 21 May 2026, [Link](#)

The total number of Higher Education (HE) students in the UK in academic year 2024/25 was 2,863,180, including enrolments in all undergraduate and postgraduate courses. The total number of HE entrant students increased between 2015/16 and 2023/24 but from 2023/24 to 2024/25, it decreased by 1%.<sup>36</sup>

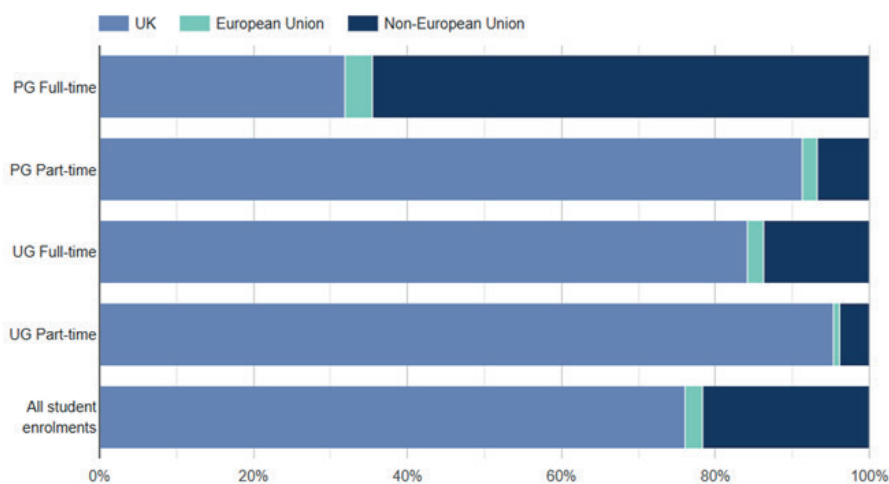
Approximately half (51%) of HE student enrolments were in first degree courses. The number of entrant enrolments in postgraduate taught courses increased from 2015/16 to 2022/3 but decreased between 2022/23 and 2024/25, driven by a fall in international students.<sup>37</sup>

**Figure 2: HE student entrant enrolments by level of study in academic years 2015/16 to 2024/25<sup>38</sup>**



In 2024/25, 76% of all HE enrolments were from students whose permanent address was in the UK. Full-time postgraduate courses had the highest proportion of enrolments from students in Non-European Union and European Union countries, making up 69% of enrolments.<sup>39</sup>

**Figure 3: HE student enrolments by level of study, mode of study and permanent address in the academic year 2024/25<sup>40</sup>**



36. HESA, "Higher Education Student Statistics: UK", 2024/25, 2026, [link](#). [Note: 'Entrant enrolments' will 'show students who were on the first year of their course. This is useful for restricting data to the newest cohort of entrants!']

37. HESA, "Higher Education Student Statistics: UK", 2024/25, 2026, [link](#).

38. HESA, "Higher Education Student Statistics: UK", 2024/25, 2026, [link](#).

39. HESA, "Higher Education Student Statistics: UK", 2024/25, 2026, [link](#).

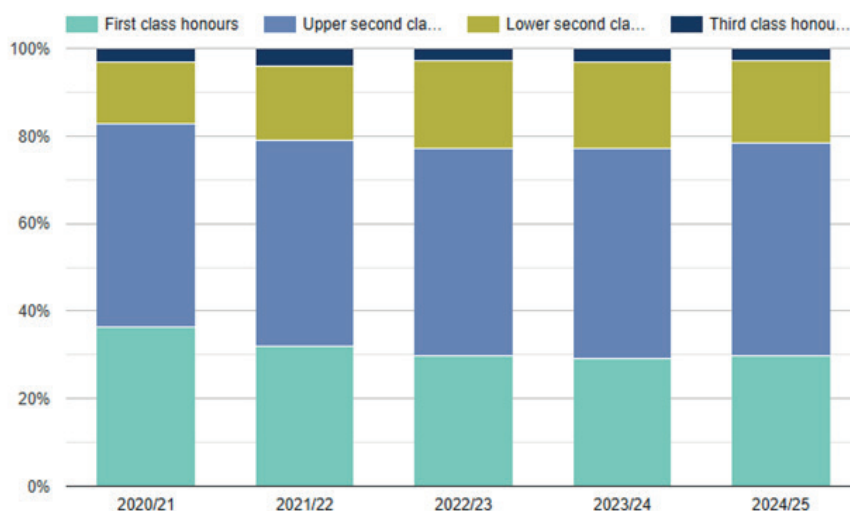
40. HESA, "Higher Education Student Statistics: UK", 2024/25, 2026, [link](#).

Of all the HE students enrolled in 2024/25, 56% were female and 44% were male. 65% were 24 years or under. 19% had a known disability and 81% had no known disability. Between 2020/21 and 2024/25, the proportion of students of white ethnicity decreased from 74% to 68% and the proportion of students with no religious belief decreased from 48% to 44%.<sup>41</sup>

In 2024/25, 20% of all student enrolments were for Business and Management, which was the most popular subject. The next most popular subjects were Subjects Allied to Medicine, Social Sciences, and Computing, with 13%, 10% and 7% of enrolments respectively. Computing saw the largest proportional increase in entrant enrolments between 2023/24 and 2024/25 (8%).<sup>42</sup>

The total number of degree qualifications achieved in 2024/25 was 1,043,665. Of first-degree qualifiers, 30% were awarded First class honours, 49% achieved Upper second class honours, 19% achieved Lower second class honours, and 3% achieved Third class honours.<sup>43</sup> This means that 78% of first-degree students achieved one of the two top grades.

**Figure 4: Percentage of first-degree qualifiers obtaining each classification in the academic years 2020/21 to 2024/25<sup>44</sup>**



## 2.2 Institutions

According to the Office for Students, there are currently 425 registered higher education providers in England. Of these, 122 are universities (‘have the right to use “university” in its title’), while the remainder constitute a wide range of private and specialist institutions, as well as further education colleges that are registered to provide higher education.<sup>45</sup>

The OfS provided an update on their regulatory activity in their 2024/25 annual report. In 2024/25, they increased their financial monitoring activity, resulting in 71 providers being subject to ‘formal monitoring’, which included ‘engagement meetings and possibly regular scrutiny of bespoke data returns’. There were 5 active Student Protection Directions

41. HESA, “Higher Education Student Statistics: UK”, 2024/25, 2026, [link](#).  
 42. HESA, “Higher Education Student Statistics: UK”, 2024/25, 2026, [link](#).  
 43. HESA, “Higher Education Student Statistics: UK”, 2024/25, 2026, [link](#).  
 44. HESA, “Higher Education Student Statistics: UK”, 2024/25, 2026, [link](#).  
 45. OfS, “The OfS Register”, last accessed 21 May 2026, [link](#).

on 31 December 2024.<sup>46</sup>

The OfS produced 12 assessment reports for student outcomes monitoring (B3). They found that for four providers, their context explained their performance, but for eight providers, there was an increased risk of breaching their requirements and they were asked to take further action.<sup>47</sup> They also increased their regulatory activity for providers in sub contractual arrangements. They opened formal investigations into Applied Business Academy (ABA), Brit College Limited, and Leeds Trinity University (LTU) and, in the last case, they imposed a penalty of £115,000. LTU agreed to a range of measures including a restriction on any future partnership activity.<sup>48</sup>

The OfS also reported that the sector is facing significant financial challenges. The total income of higher education providers in the UK in academic year 2024/25 was £53.9 billion and the total expenditure was £53.1 billion, creating a surplus of approximately £0.8 billion. The majority of this income was generated through tuition fees and education contracts (53%), as well as funding body grants (11%), research grants and contracts (14%) and other sources (18%). A smaller proportion was generated through investment income (2%) and donations or endowments (2%).<sup>49</sup>

In 2024/25, only 52 providers (18.6% of the sector) reported surpluses exceeding 10% of total income, while 100 providers (35.8% of the sector) reported deficits. 57 providers anticipated recording a deficit for three consecutive years (2023/24, 2024/25 and 2025/26). In their most recent report, the OfS modelled three scenarios to predict how volatile student recruitment might affect the sector. The most severe model forecast that by 2027/28 cumulative income losses would reach £4.2 billion and 196 providers (70.3% of the sector as a whole) would report deficits.<sup>50</sup>

### 2.3 Loans

The Government shared figures on the Income Contingent Repayment (ICR) Loans administered by the Student Loans Company (SLC) to domiciled borrowers in England in the financial year 2024/25.<sup>51</sup>

The total higher education ICR student loan balance totalled £266.6 billion in 2024/25. The total balance was only £54.4 billion in the financial year 2013/14 and has steadily increased. From 2023/24 to 2024/25 it increased by 12.9% (£30.4 billion).<sup>52</sup>

46. OfS, "Annual report and accounts 2024-25", 2026, [link](#), p.52.

47. OfS, "Annual report and accounts 2024-25", 2026, [link](#), p.31.

48. OfS, "Annual report and accounts 2024-25", 2026, [link](#), p.59.

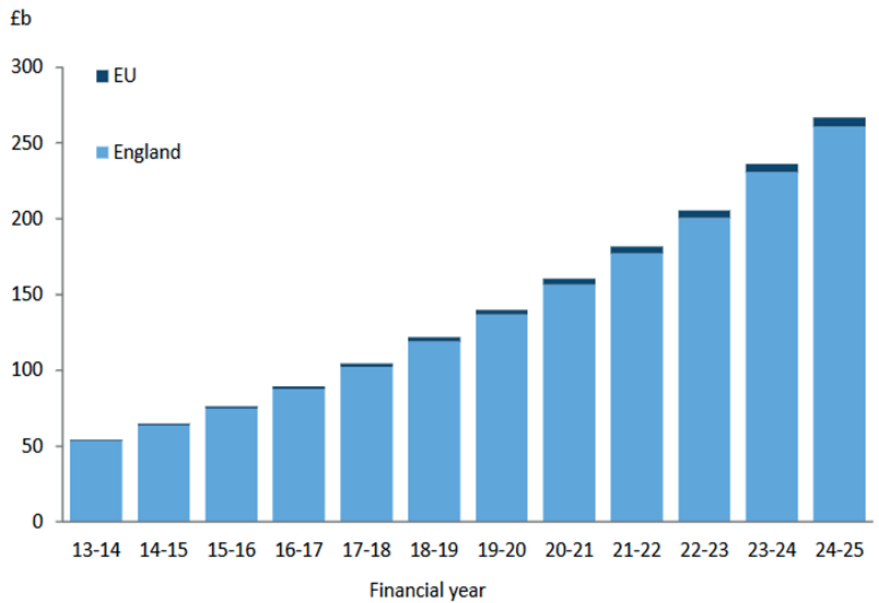
49. HESA, "What is the income of HE providers?", 2026, [link](#). (Excluding 13 which did not finalise their financial data by the publication cut-off date.)

50. OfS, "Financial sustainability of higher education providers in England 2026", 2026, [link](#).

51. Gov.UK, "Accredited official statistics: Student Loans in England: Financial Year 2024-25", 2025, [link](#).

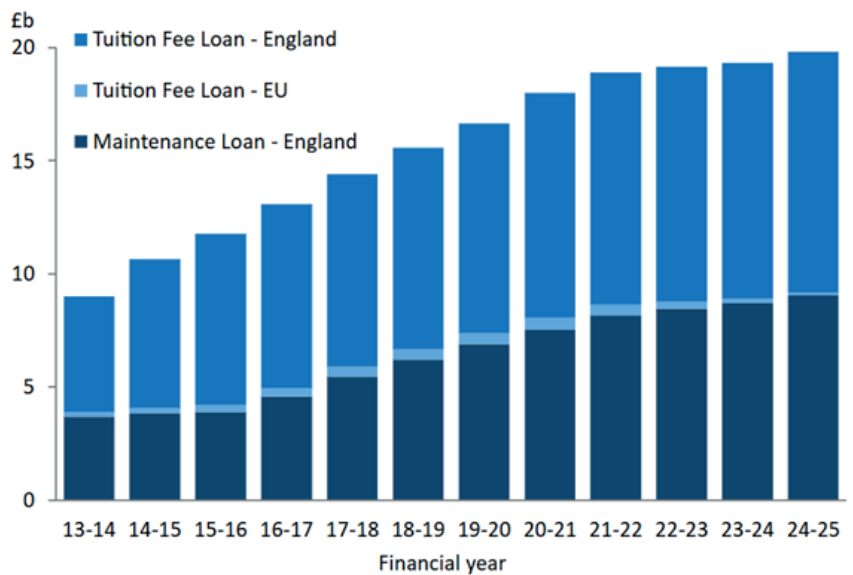
52. Gov.UK, "Accredited official statistics: Student Loans in England: Financial Year 2024-25", 2025, [link](#).

Figure 5: Total balance of ICR student loans at the end of financial year 2013-14 to 2024-25: Higher education (£ billion)<sup>53</sup>



The total amount paid out in higher education loans (undergraduate and postgraduate) was £20.6 billion in 2024/25. Approximately 30% of this is expected to be written off.

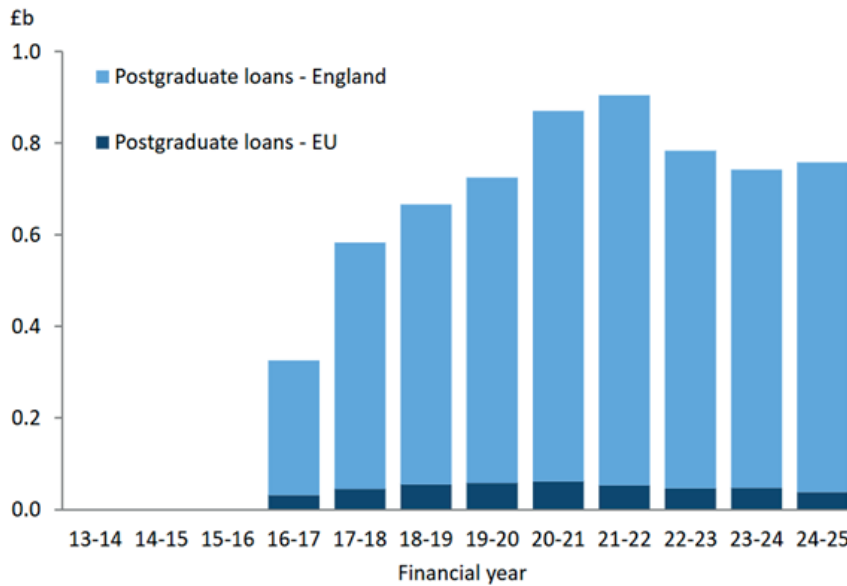
Figure 6: Total amount paid in undergraduate loans in the financial years 2013/14 to 2024/25 (£ billion)<sup>54</sup>



53. Gov.UK, "Accredited official statistics: Student Loans in England: Financial Year 2024-25", 2025, [link](#).

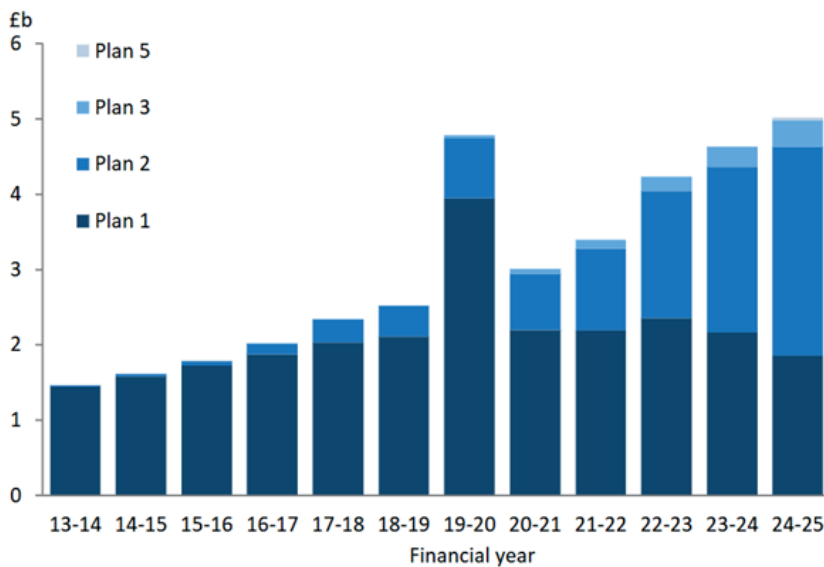
54. Gov.UK, "Accredited official statistics: Student Loans in England: Financial Year 2024-25", 2025, [link](#).

Figure 7: Total amount paid in postgraduate loans in the financial years 2013/14 to 2024/25 (£ million)<sup>55</sup>



The typical student will graduate with a loan balance of £53,000, and half of undergraduates are expected to repay their loan balance within 31 years.<sup>56</sup>

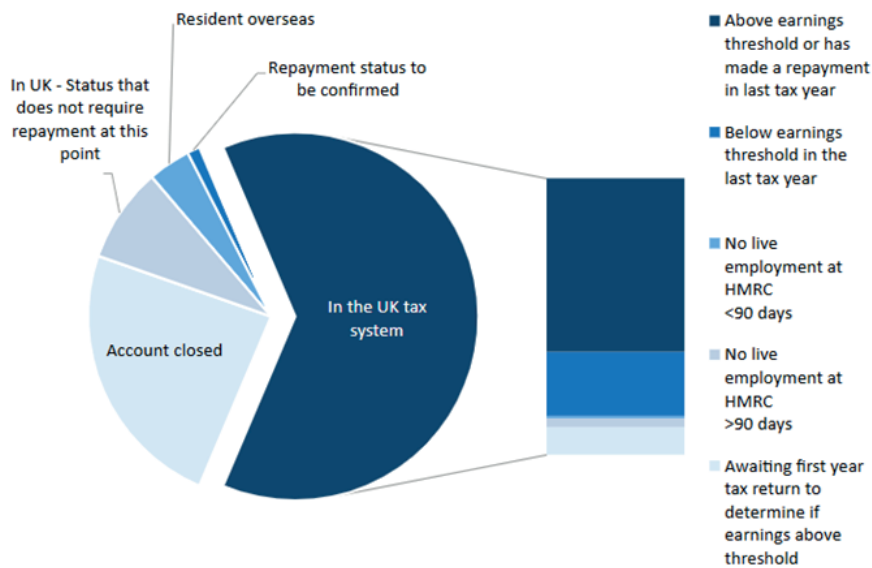
Figure 8: Total amount repaid by higher education borrowers in the financial years 2013/14 to 2024/25 by plan type (£ billion)<sup>57</sup>



Only 39.5% of higher education borrowers liable to repay made a repayment in 2024/25, while a large proportion earn below the repayment threshold, lack stable employment, are overseas or are no longer liable for repayment.<sup>58</sup>

55. Gov.UK, "Accredited official statistics: Student Loans in England: Financial Year 2024-25", 2025, [link](#).  
 56. Gov.uk, 'Student loan forecasts for England', [Link](#).  
 57. Gov.UK, "Accredited official statistics: Student Loans in England: Financial Year 2024-25", 2025, [link](#).  
 58. Gov.UK, "Accredited official statistics: Student Loans in England: Financial Year 2024-25", 2025, [link](#).

Figure 9: ICR student loan borrowers by repayment status at the beginning of FY 2025/26 (higher education) <sup>59</sup>



59. Gov.UK, "Accredited official statistics: Student Loans in England: Financial Year 2024-25", 2025, [link](#).

## 3. International Comparisons

The table below sets out core indicators for the UK and a number of developed country comparators. In order to compare across various countries we have used standardised data, primarily from the OECD. We recognise that the definitions used by the OECD and definitions used by national sources may differ, which means that UK figures here may differ from those used elsewhere in this report.

Indicator	Australia	France	Germany	South Korea	Switzerland	United Kingdom	United States
Percentage of population by education attainment, 25 to 64 years <sup>60</sup>	13% below upper secondary 34% upper secondary 53% tertiary	16% below upper secondary 41% upper secondary 43% tertiary	16% below upper secondary 50% upper secondary 34% tertiary	7% below upper secondary 37% upper secondary 56% tertiary	14% below upper secondary 40% upper secondary 46% tertiary	17% below upper secondary 29% upper secondary 54% tertiary	8% below upper secondary 41% upper secondary 51% tertiary
Enrolment rate into Bachelor's / equivalent level education (% of age group enrolled)	14% for 15-19 year olds  27% for 20-24 year olds	14% for 15-19 year olds  15% for 20-24 year olds	5% for 15-19 year olds  23% for 20-24 year olds	24% for 15-19 year olds  43% for 20-24 year olds	4% for 15-19 year olds  25% for 20-24 year olds	16% for 15-19 year olds  20% for 20-24 year olds	11% for 15-19 year olds  21% for 20-24 year olds
Expected years of tertiary education	4.9	3.6	3.5	4.8	3.2	3.8	4.0
Average annual fee for Bachelor's degree or equivalent (USD, PPP)	5,108	252	157	5,132	1,427	13,135	9,596
Spending on tertiary education (% of GDP)	1.6%	1.7%	1.3%	1.4%	N/A	2.1%	2.3%
% of tertiary education spending, by source (Represents final funds after government transfers to private sector)	36% Government  64% Private	69% Government  29% Private  2% Non-domestic	84% Government  14% Private  2% Non-domestic	45% Government  55% Private	N/A	23% Government  74% Private  3% Non-domestic	39% Government  61% Private
Expenditure on tertiary education institutions per full-time equivalent tertiary student, all financing sources (USD, PPP)	25,162	21,379	23,269	14,695	N/A	35,350	36,274
Graduate premium for 25-34 year olds (earnings differential between full-time employees with a bachelor's or equivalent relative to those with upper secondary attainment)	19.9%	17.5%	32.9%	16.1%	27.0%	28.2%	56.9%
Completion rates of new entrants to bachelor's programmes (by the end of the theoretical duration of the programme)	47.9%	34.3%	N/A	N/A	38.6%	67.2%	N/A

60. Upper secondary figures includes post-secondary non-tertiary education.

Employment rates of Bachelor's (or equivalent) graduates (%)	88.0%	85.4%	87.9%	79.9%	88.9%	87.4%	82.8%
Percentage of 25-34 year olds with level 6+ as their highest qualification (ISCED levels)	49% with level 6+	41% with level 6+	39% with level 6+	51% with level 6+	51% with level 6+	54% with level 6+	42% with level 6+
Percentage of 25-34 year olds who have a vocational qualification as their highest level of education	29%	42%	38%	21%	31%	22%	4% <sup>61</sup>
Ratio of STEM graduates to arts and humanities graduates	2.1 : 1	2.7 : 1	3.9 : 1	2 : 1	3.4 : 1	1.9 : 1	1.3 : 1

**Source: OECD Data Explorer, UNESCO Institute for Statistics – with minor processing by Our World in Data. Latest data is shown for each country.<sup>61</sup>**

The UK has by far the highest average fees of any of the country comparators – even higher than the United States.<sup>62</sup> It spends the second highest share of GDP on tertiary education (behind the US) and has the highest total expenditure per full time tertiary student – or, to put it another way, our higher education is more expensive than in any of the other comparators – and has the highest proportion of this cost borne by the individual, rather than by the state.

Against this, the proportion enrolling into tertiary education is mid-table, below nations such as France and South Korea, but above that of Germany and Switzerland.<sup>63</sup> However, due to a significantly higher completion rate, the proportion of the population educated to Level 6 or above is amongst the highest. While these are imperfect terms, the ratio of STEM:Arts and Humanities graduates is lower than in any comparator other than the United States.

Similarly, the proportion of 15-19 year-olds enrolling straight in bachelor's degrees is higher than any of the comparators with the exception of South Korea – and the proportion of 25-34 year olds who have a vocational orientation as their highest level of education amongst the lowest. This exemplifies the 'school to university' pipeline that operates in the UK, where the three-year, full-time undergraduate degree is increasingly the default option, while more vocational qualifications and other routes are squeezed.

A short description of the higher education system of each country can be found in Annex B, as well as an assessment of the correlation between HE participation, GDP and GDP growth.

61. The OECD metric of vocational qualifications should be interpreted with some caution, particularly in the case of the United States. Missing underlying data for the percentage of the population with certain vocational qualifications means that the US figure has likely been significantly understated.

62. While elite private universities in the US charge significantly higher fees than the maximum in England, the majority of students attend lower cost universities in-state, with a significant level of government subsidy. Even at the elite universities, few students pay the full fee.

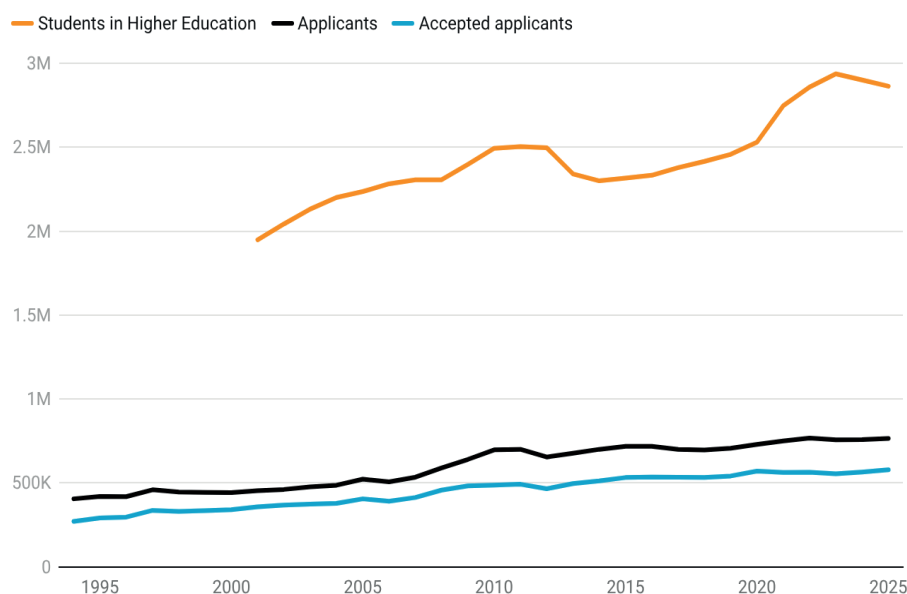
63. Data in the table shows enrolment rates for Bachelor's (and equivalent levels) rather than tertiary education reported in-text.

## 4. The Higher Education Omnicrisis

### 4.1 Expansion

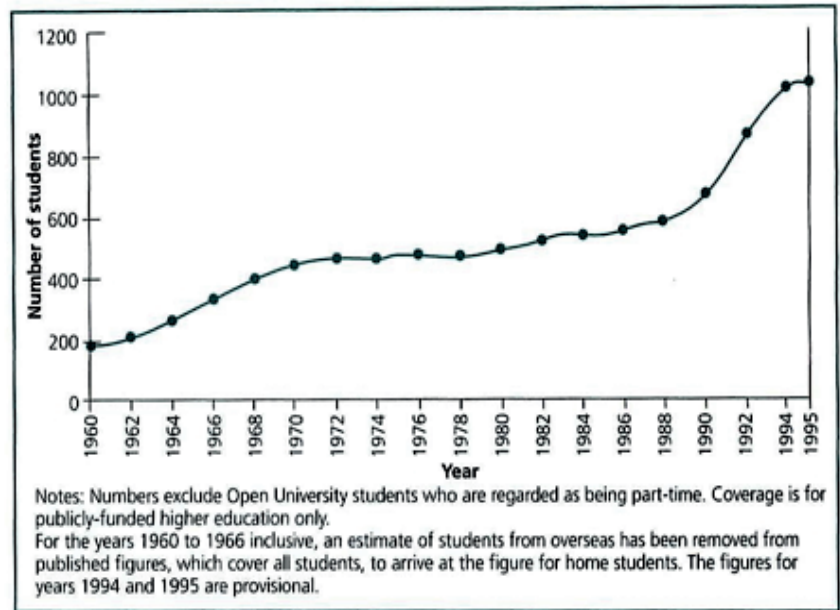
Student numbers have steadily increased over the last 35 years, driven by a cross-party consensus that increasing the proportion of people going to higher education would increase economic growth and support social mobility. Significant milestones included John Major's conversion of the polytechnics into universities in 1992, Tony Blair's 1999 speech setting a target of 50% of people to go to higher education and the Coalition Government's removal of student number caps in 2015.

#### Number of students in Higher Education in the UK and the number of applicants via UCAS, 1994 - 2025



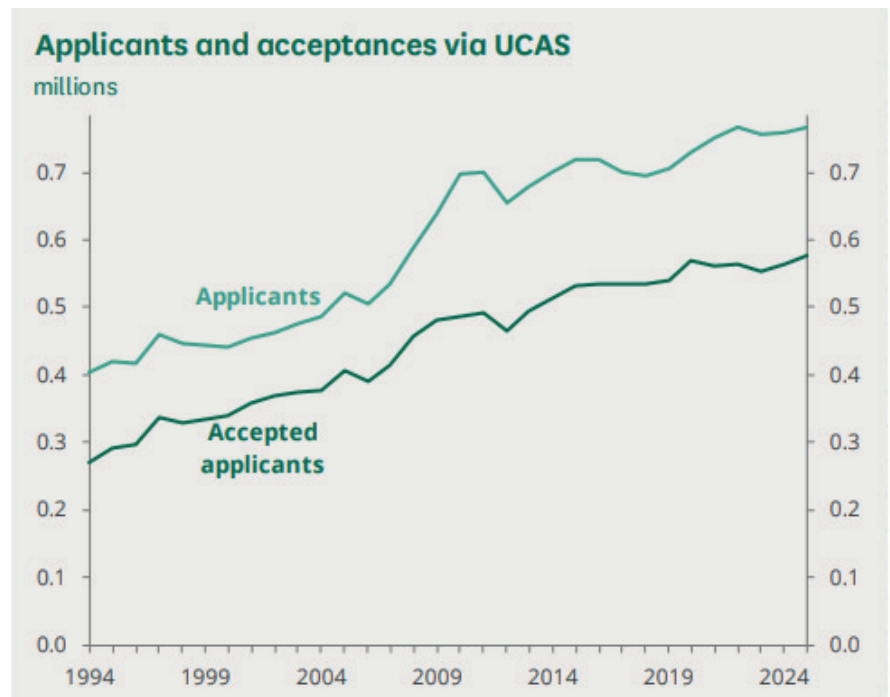
Source: HESA data, 'Who's studying in HE?' (2026); Paul Bolton, 'Higher education student numbers', House of Commons Library (2026). Total HE students figures are for the financial year, such that data shown for 2001 is that of 2000/01.

Figure 10: Full Time UK Students in Higher Education in the UK, 1960-1995<sup>64</sup>



Source: DfE

Figure 11: Applicants and Acceptances via UCAS<sup>65</sup>



Source: [End of cycle data resources 2025](#) (and earlier), UCAS

The proportion of 18 year olds going to higher education increased from 25% in 2006, to 31% in 2015 and reached 36% in 2025.<sup>66</sup> The Cohort-based Higher Education Participation measure, measuring the proportion attending Higher Education at some point before they are 25 (CHEP25), has now reached 50.9%, surpassing the Blair-era target of

64. The Dearing Report, 1997, [Link](#)

65. House of Commons Library, 2026, [Link](#)

66. Bolton, P., 'Higher education student numbers' (2026), [Link](#)

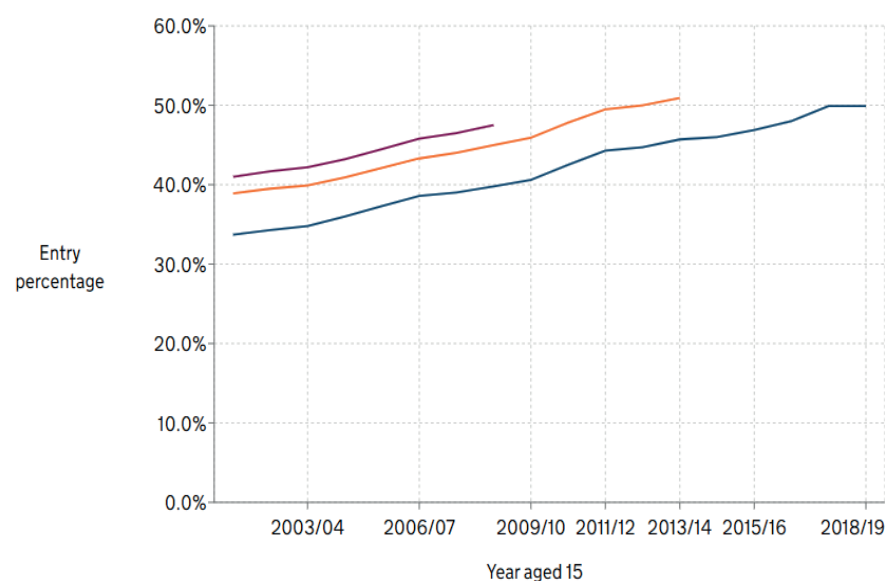
50%.<sup>67</sup>

Given that the UK has relatively high completion rates, this also means that the UK has a higher proportion of graduates than some countries with higher initial participation rates.

### Figure 12: Higher Education Participation rates by cohort<sup>68</sup>

HE participation rates continue to increase year on year for participation by age 25 and 30, with the latest participation rate by age 25 reaching 50.9%.

Figure 1: HE participation by ages 20, 25 and 30 for English cohorts of 15-year-olds between 2001/02 and 2018/19

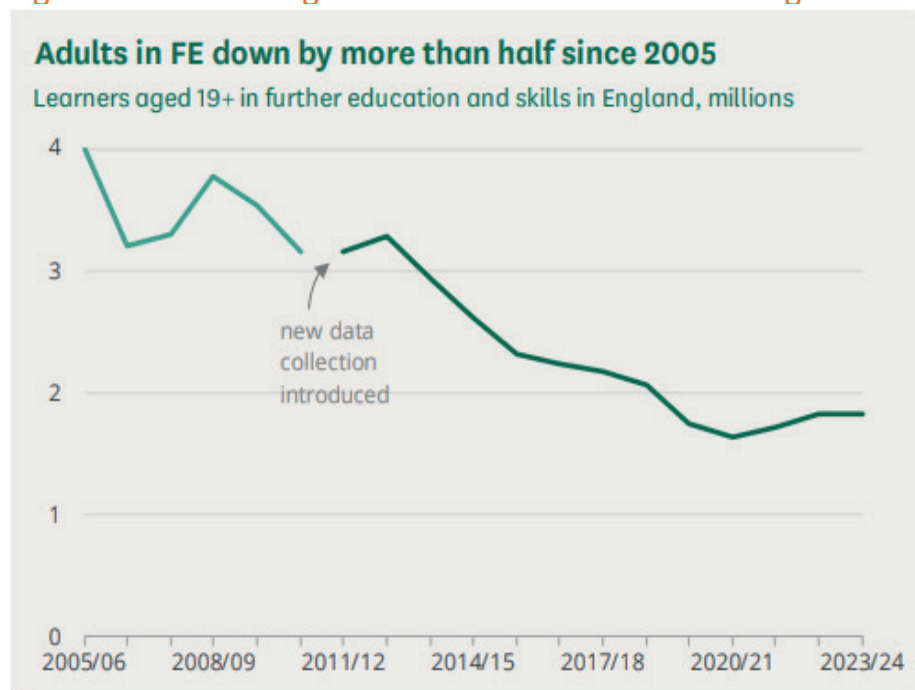


As the overall numbers increased, the nature of the system altered. Despite various attempts by governments to diversify provision, the growth in participation has been driven overwhelmingly by an increase in the number of full-time Level 6 bachelor's degrees, with a corresponding fall, in the number of those studying part-time, in mature students, in Levels 4 and 5 provision, as well as in class-room based further education.<sup>69</sup>

67. Participation measures in higher education, Department for Education, 2026, [Link](#)

68. Ibid

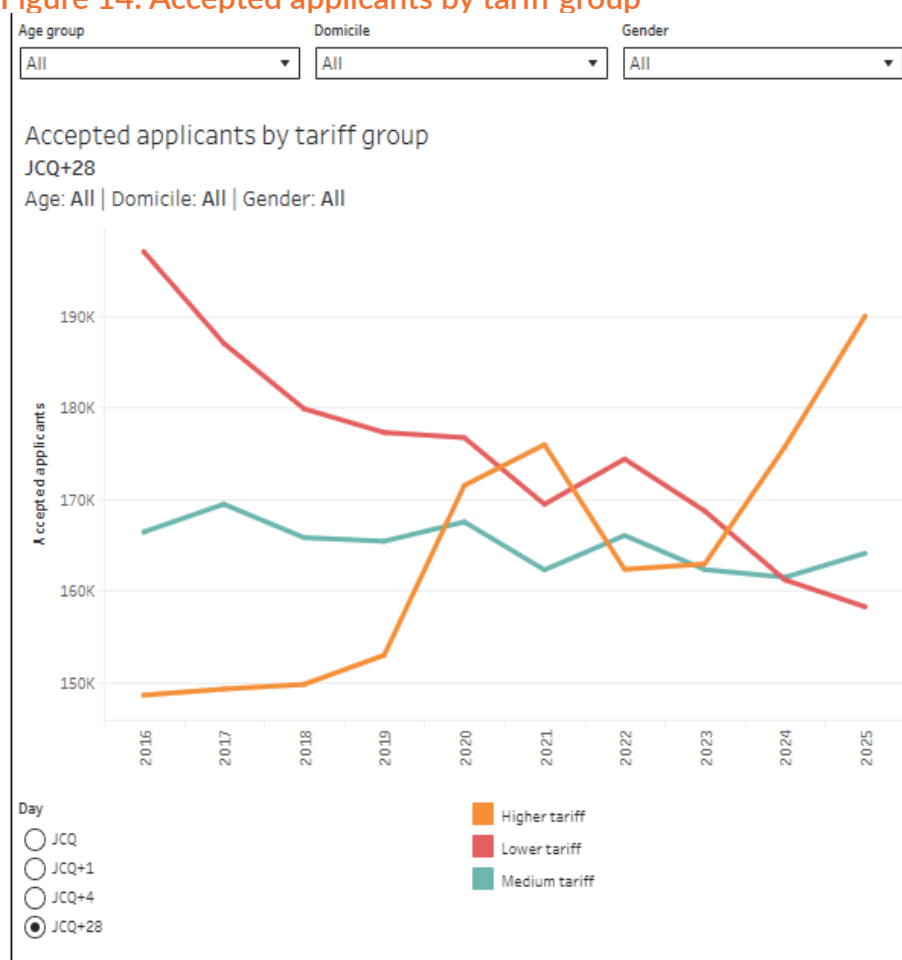
69. Review of Post-18 Education and Funding, 2019, [Link](#)

Figure 13: Learners aged 19+ in further education in England<sup>70</sup>

The total number of higher education institutions also increased, including, particularly after 2010, a significant increase in the number of smaller, private and specialist providers. There has been a surge in the number of students attending franchised provision, to over 135,000 (5.7% of the sector), with increasing concerns over the quality of such provision.<sup>71</sup> As will be discussed further below, there has been an increase in international students, particularly on taught Masters courses. And the removal of number controls resulted in a sharp shift in where students are attending, with an increase in the proportion of students attending high tariff, including Russell Group institutions – with the inevitable corresponding decrease in the prior attainment required to gain entry to such institutions.

70. House of Commons Library, 2025, [Link](#)

71. Statement by Josh McAlister MP, Hansard, 2025, [Link](#)

Figure 14: Accepted applicants by tariff group<sup>72</sup>

### Expansion has led to a fall in outcomes

The long-time assumption that increases in higher education participation would drive economic growth now appears questionable. While that may be true up to a certain point (for example, going from 5% to 15% participation), recent data suggests we may now have passed the point where that relationship holds: the last two decades of expansion have coincided with a slowdown in the UK growth rate and graduate outcomes data suggesting that the UK may now be training too many graduates. Even if the average graduate still gains from their degree, the marginal graduate no longer does and nor does the UK.

At least 30% of degrees now have a net negative total return, when one considers the returns to both the individual and the Exchequer combined.<sup>73</sup> But the reality is that this estimate of 30% is almost certainly much too low.

- Firstly, this figure will be propped up by ‘signalling’ effects, the phenomenon whereby some employers will prefer to employ graduates, even if the degree did not give them any useful skills, simply because the degree signals that the employee has some capability to be accepted to the institution and to persist at a task

72. Wonkhe, High tariff providers may be making medium tariff offers, 2025, [Link](#)

73. The impact of undergraduate degrees on lifetime earnings, Institute for Fiscal Studies, 2020, [Link](#)

for three years.

- Secondly, the study was carried out on the cohort that began university in the mid-2000s - but the graduate wage premium has plummeted since then.

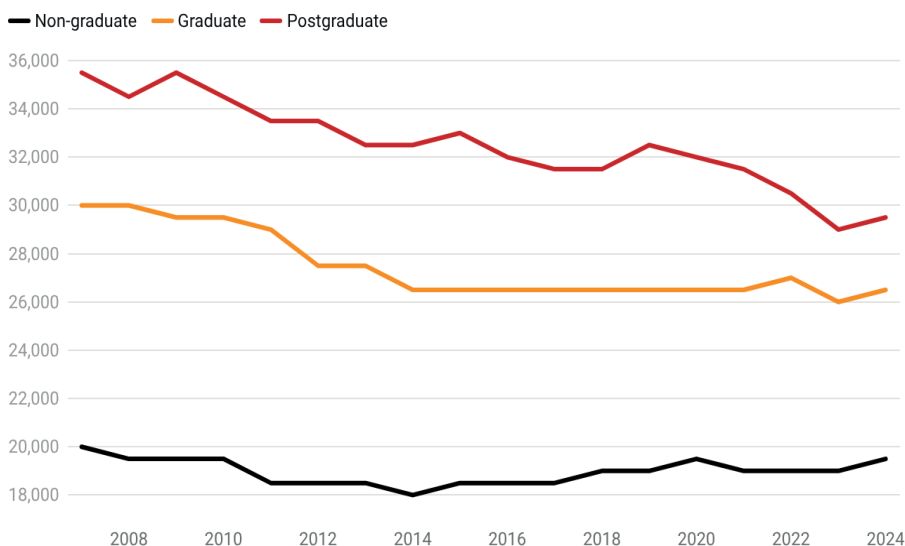
As Policy Exchange wrote in *Beyond Our Means*:<sup>74</sup>

“Over a third (36%) of graduates are overqualified for their role, and repeated studies have found that approximately a third of graduates are in ‘non-graduate’ jobs. Looking at the most recent Graduate Outcomes data, which assesses graduate outcomes 15 months after graduation, only 59%<sup>75</sup> of graduates are in full time work, and only 68% of graduates were in either highly skilled employment (full or part time) or further study.

Whereas historically, people would enter careers such as social work, journalism, banking, the police force or being a paramedic without a degree, either directly after leaving school or following a further education course in a local college, these roles are becoming - either as a direct requirement or by changing norms - increasingly dominated by graduates. The lifetime graduate premium – the amount that graduates can expect to be better off over their lifetimes, after accounting for student loan repayments and other costs, as a result of going to university – has been steadily declining.”

### Real median salaries by graduate type (£), 2007 - 2024

16-64 year olds, base year = 2007



Source: Gov.uk, Graduate labour market statistics

One recent paper has argued that every 1% increase in higher education participation results in a 2% decrease in the median graduate premium and estimated, via a scenario-based analysis, that those below the top 30% of academic attainment (roughly those achieving BBB or above at

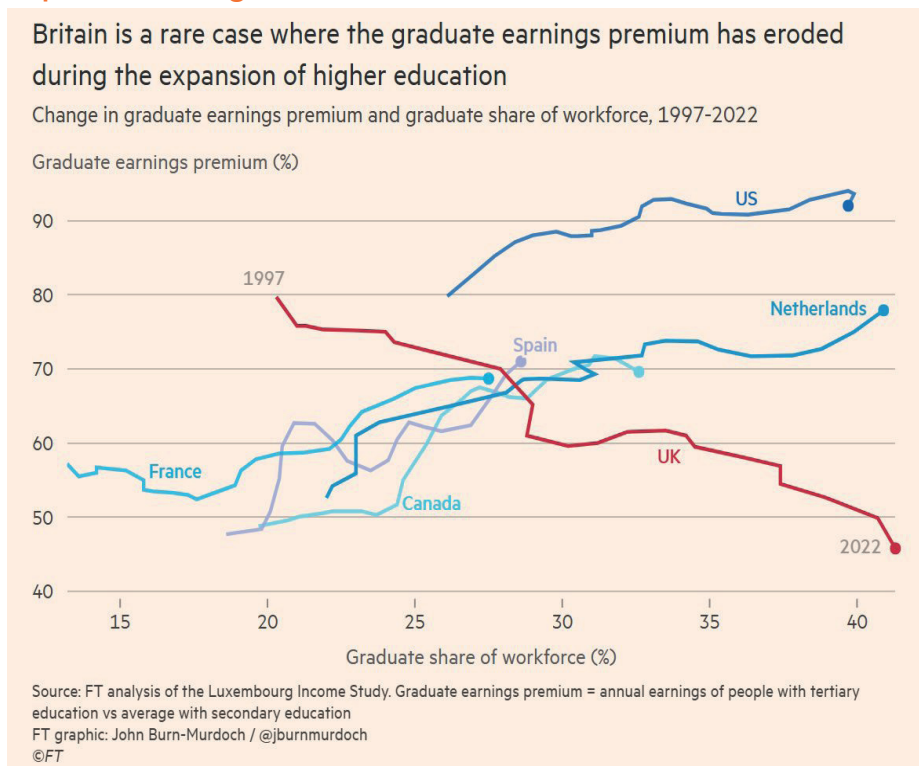
74. Policy Exchange, *Beyond Our Means* (2025), [Link](#)

75. This has now dropped to 57%. HESA Statistics, [Link](#)

A-Level) gain, on average, no financial benefit at all from attending Higher Education, compared to the counter-factual in which higher education participation stood at 30%.<sup>76,77</sup>

As John Burn-Murdoch has documented, it is not inevitable that the graduate premium should decline while HE participation increases, and in some other countries it has not done so. The decline in the graduate premium is as much a consequence of the UK's broader economies difficulties.

**Figure 15: How the Graduate Premium has changed during the Expansion of Higher Education<sup>78</sup>**



Nevertheless while it may not be a fundamental limit, the decline suggests that we are currently sending too many people to higher education for the current state of our economy, that we are likely to be paying an opportunity cost for doing so – and that attempting to stimulate growth by sending yet more people to higher education will be a fool's errand, as the proportion of graduates is not currently a limiting factor.

### Courses, Institutions and Prior Attainment Matter

Outcomes vary dramatically based on the institution attended, the subject studied and the prior attainment of the student.

The increase in the numbers of those attending university has not corresponded with the skills requirements of the country. The number of students on business and management courses has expanded by approximately 100,000 over the last five years – many on cheap courses with poor outcomes. There are more students studying 'social sciences'

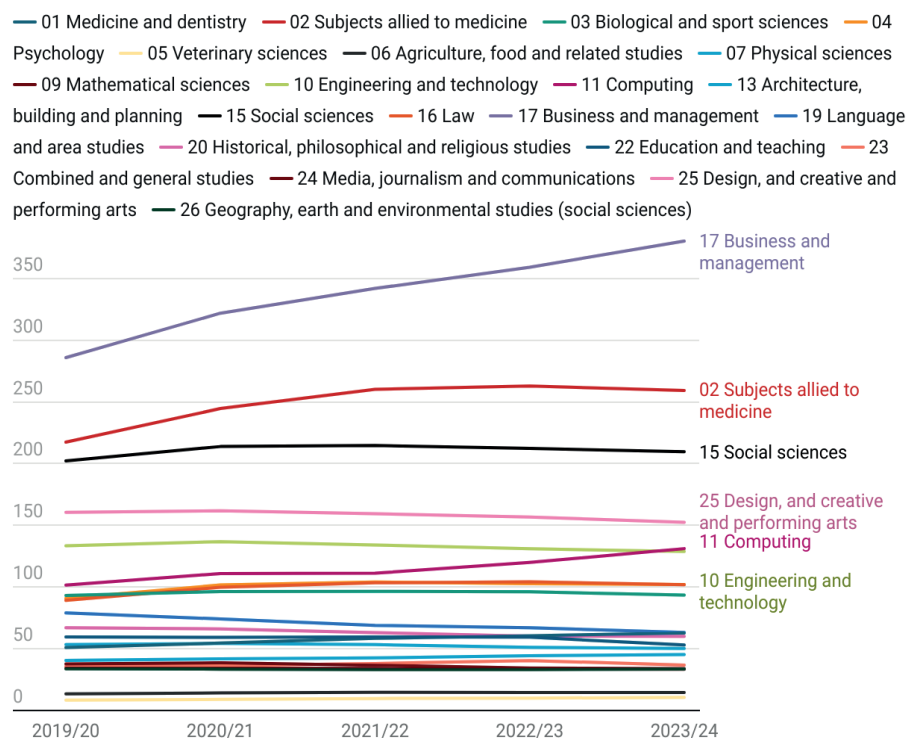
76. In the actual case in which higher education participation stands at 50% these individuals may gain a financial benefit to going, if employers preferentially choose to recruit graduates due to the signalling effect. This represents a perverse effect of uncontrolled HE expansion generating mutually negative outcomes. Both the state and the individuals concerned would be better off in the counterfactual world where they did not go to university, did not incur debt (much of which may ultimately be picked up by the taxpayer) – but still ended up in the same job earning the same salary.

77. Why is the Average Graduate Premium Falling, Paul Wiltshire, 2025, [Link](#)

78. Figure originally appeared in the Financial Times, 2026, [Link](#)

and ‘design, creative and performing arts’ than on ‘computing’ or on ‘engineering and technology.’

Figure 16: Higher Education Undergraduate Numbers by Subject<sup>79</sup>



Different subjects have radically different returns. Some of those with the worst outcomes are not – as is often stereotyped – subjects such as nursing, which reliably leads to a modestly paid job, but rather subjects such as creative arts, where the average male graduate ends up nearly £100,000 worse off over their lifetime than if they had never gone, and the average female graduate only breaks even.<sup>80</sup> Earnings are not the sole measure of success – but it is questionable whether these returns warrant the nation providing so many places on ‘design, creative and performing arts’ that it is the fifth most popular subject in the country.

Within most subjects, returns also vary dramatically depending on which institution one attends, as shown by Figure 17. The variance is smaller for heavily regulated subjects such as ‘medicine and dentistry’, and particularly wide for subjects such as ‘business and management’ and ‘computing’.

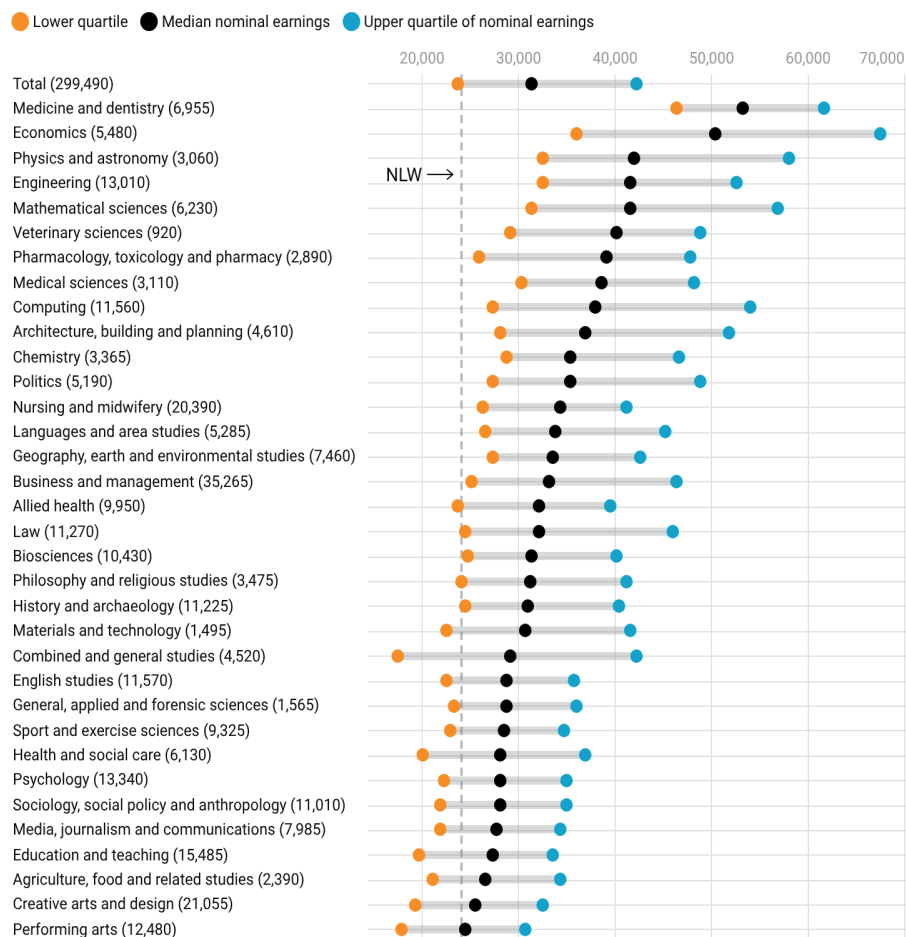
79. Source: HESA Statistics, [Link](#)

80. The impact of undergraduate degrees on lifetime earnings, Institute for Fiscal Studies, 2020, [Link](#)

Figure 17: Distribution of Earnings by Subject and Provider Averages<sup>81</sup>

### Distribution of graduate earnings (£), by subject, 2022-23

Figures show the distribution of graduate earnings in 2022-23, five years after graduating with their first degree (2016-17 graduates). The number of graduates are shown in brackets.



Source: DfE, LEO provider level data, 'Employment outcomes and earnings by subject'. National Living Wage (NLW) calculated using average weekly hours of work for FTEs (36.6).

For the cohort of graduates presented in Figure 17, in 15 of the 34 subjects (44% of subjects), over 25% (the lower quartile) of graduates earned less than the National Living Wage after 5 years.<sup>82</sup> In 27 of 34 subjects (79%), median graduate earnings after 5 years were below the national median earnings for full-time employees (£39,039).<sup>83</sup> Strikingly, these 27 subjects represented 87% of this cohort's total graduates.

Prior attainment also has a significant impact. As was inevitable, the significant increase in the proportion of young people attending higher education has resulted in a corresponding decrease in the academic ability of the average graduate. Considering undergraduate, full-time students (thereby excluding the Open University), in 2024-25, 10.5% of new students (57,115) entered university without A-Levels or equivalents and, of these, 8.1% (43,845) had no formal qualifications at all.<sup>84</sup> The number of students on Foundation Years has almost quadrupled in the last decade, from 25,000 to 95,000, as universities use these as a means of bringing

81. Analysis by Policy Exchange based on DfE LEO provider-level data, Employment Outcomes and Earnings by Subject.

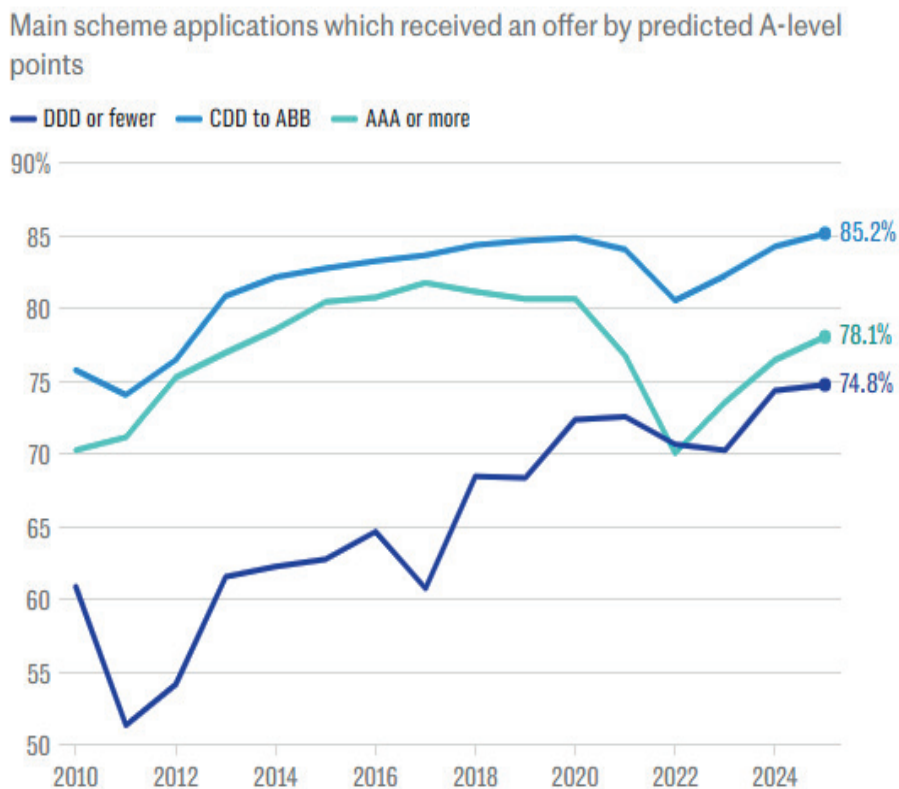
82. The annual salary for the NLW is calculated as the NLW multiplied by the average weekly hours of work for FTEs (36.6) multiplied by 52.

83. Office for National Statistics, 'Employee earnings in the UK: 2025' (2025), [Link](#)

84. Do One in Ten Students Enter University Without a Single A-Level?, Wonkhe, 2026, [Link](#)

students into higher education who would otherwise not have the grades required to do so.<sup>85</sup>

**Figure 18: Proportion of Main Scheme Applications who received an offer by predicted A-Level Points<sup>86</sup>**



85. Surge in students taking foundation years in UK as questions raised over outcomes, Financial Times, 2026, [Link](#)

86. How first-class degrees became meaningless, The Telegraph, 2026, [Link](#)

Figure 19: Graduate Earnings by Prior Attainment and Subject, 2022-23<sup>87</sup>

### Median graduate earnings (£), by prior attainment and subject, 2022-23

Figures show median graduate earnings in 2022-23, five years after graduating with their first degree (2016-17 graduates).



Source: DFE, LEO Graduate and Postgraduate Outcomes. National Living Wage (NLW) calculated using average weekly hours of work for FTEs (36.6).

Considering all graduates, we see a sharp correlation between prior academic attainment and earnings. For those whose highest attainment was a BTEC, median earnings were 24% lower than those attaining 300-359 UCAS points (e.g. BBB) across all subjects, and 47% lower than those attaining 4 As or more.

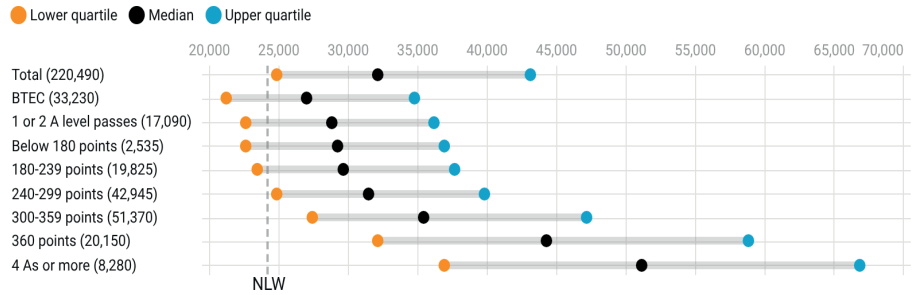
For the cohort presented in Figure 19, 5 of 34 subjects (15% of subjects) resulted in a median income below the National Living Wage (NLW) for those whose highest attained qualification was a BTEC. Meanwhile, 15 of 34 subjects (44% of subjects) had a median income below the NLW or within 10% of it. This is not the case for any of the subjects where students had prior attainment of 300-359 UCAS points or 4 As or more.

87. Ibid

**Figure 20: Median earnings by graduates prior attainment band, UK-domiciled young (under 21 at start of course) first degree graduates, five years after graduation, in the 2022-23 tax year<sup>88</sup>**

**Distribution of graduate earnings (£), by prior attainment, 2022-23**

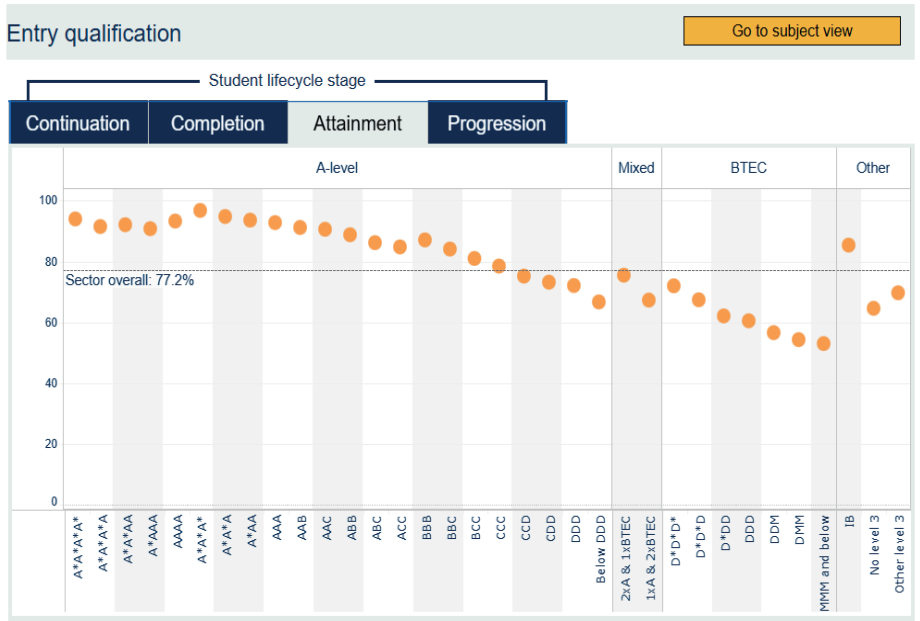
Figures show the earnings distribution for UK graduates five years after graduating with their first degree, excluding those graduates who began their studies at age 21 or higher. The number of graduates are shown in brackets.



Source: DFE, LEO Graduate and Postgraduate Outcomes. National Living Wage (NLW) calculated using average weekly hours of work for FTEs (36.6).

The poor performance of those who enter higher education with BTECs – approximately 18% of the entry cohort, with a further 11% entering with mixed A-Levels and BTECs<sup>89</sup> - can be seen when looking at other measures of success, such as continuation, or the proportion who obtain a 2:1 or First. It is clear from data published by the Office for Students that even the highest attaining BTEC students – those with D\*D\*D\* [D\* = Distinction\*] on an Extended Diploma – achieve at a rate comparable to a DDD in A-Levels, rather than the A\*A\*A\* that it is notionally equivalent to.

**Figure 21: Proportion of Students attaining a 2:1 or First, by entry qualification, 2022-23<sup>90</sup>**



88. Explore Education Statistics, gov.uk, [Link](#)  
 89. Exploring Higher Education Continuation Rates for Level 3 BTEC National Learners, Pearson, 2025, [Link](#)  
 90. Office for Students, [Link](#)

The decoupling of expansion and positive outcomes creates fundamental problems for the Higher Education sector, as not only does it cause

scepticism from politicians over the merits of university expansion but, as set out further below, it creates a backlash from those students who feel they were sold a dream that higher education would give them a better life, but now have only debt to show for it.

## 4.2 Fees and debt

Intimately linked to expansion is the subject of student fees – introduced in 1998 at a rate of £1,000, trebled in 2006 and trebled again in 2012 to £9,000. At every stage when fees were introduced or had risen, one of the reasons for doing so was explicitly linked to the fact that, with more people going to university, the state could not afford to continue to pay the share of funding that it had previously. The removal of number controls in 2015 would not have been possible had fees not been increased to £9,000 three years before.<sup>91</sup>

Alongside this was a fairness argument: that as the benefits of university typically accrue both to the individual and to society, it was fairer that the costs should be met by both, rather than falling wholly on the taxpayer. Though this argument has become less persuasive as the share of teaching grant has diminished, it is an argument that the public show some support for: polling typically shows that a fair number of people are happy with students paying some level of fees, and also that support for the abolition of fees tends to fall away when people are told how much it would cost.<sup>92</sup>

The introduction of fees has not been popular. Although Governments have consistently been re-elected after introducing or increasing fees, there have been large protests about them (often student led), as well as rebellions in the House of Commons (although in each case the Government ultimately won). More recently, opposition to fees has been led by graduates, particularly those who took out Plan 2 Student Loans (between 2012 and 2023). Despite fears, the introduction of fees has not depressed appetite for higher education, which has continued to climb over the period since their introduction.<sup>93</sup>

The shift from a grant-funded to a fee-funded model of higher education has had multiple impacts:

- On how universities are funded.
- On what is taught and how
- On the incomes and lifestyle choices of graduates

### 4.2.1 Funding is perceived and handled differently

Funding for most public services is determined through the Spending Review process. This enables the Treasury to determine the amount of funding that each public service receives, with ultimately, the Prime Minister and Chancellor being the final adjudicators between competing priorities. Funding for science and research - the other big chunk of public funding at universities - is still handled this way, and continues to do relatively well.

Funding universities primarily through fees takes most higher education

91. "In one respect, the announcement was not a surprise. Major reforms of financial support for undergraduate students over the previous 25 years - such as the introduction of maintenance loans in 1990, the introduction of tuition fees in 1998 and the tripling of fees in 2006 - were followed by further expansion. As each restructuring was aimed at reducing the costs of higher education for taxpayers, growth came to seem less expensive. There are important questions about the savings that will accrue from the 2012 reforms. But the Autumn Statement document drew an explicit link between the student finance reforms and the removal of number controls: 'This expansion is affordable within a reducing level of public sector net borrowing as a result of the reforms to higher education finance.'" Nick Hillman, HEPI, "A guide to the removal of student number controls", 2014, [link](#)

92. Public Attitudes to Tuition Fees, Public First, 2023, [Link](#)

93. A small blip was seen around the year in which they were increased to £9,000, when some students who would have otherwise deferred by a year chose not to in order to get into university before the fee rate increased.

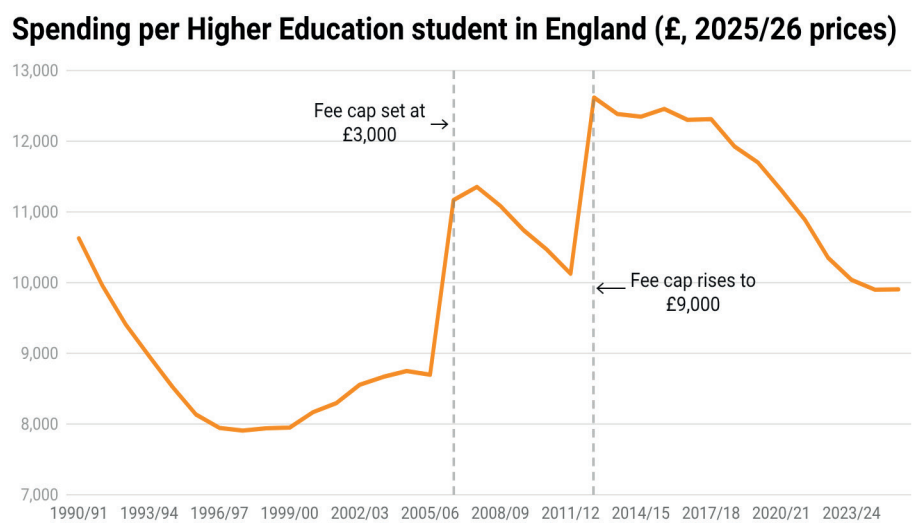
funding out of this process.<sup>94</sup> This fundamentally changes the decision-making process. To increase fees requires a Statutory Instrument to be laid before Parliament and approved by what is known as the ‘affirmative procedure’, meaning that both MPs and Lords have to positively vote for it. That means a debate in Parliament, with plenty of publicity and the opposition party telling everyone that Government is raising fees – which is one reason why fees were frozen between 2013 and 2016 and between 2018 and 2024.

More fundamentally, funding via fees utterly changes the way the public - and the media - view funding increases for universities. Instead of seeing it as ‘public money’, they see it as ‘their money’. Funding increases for schools and the NHS are popular; fee rises for universities are unpopular. Universities are the only public service that Government can impose real cuts on, year after year, and receive positive headlines for doing so.

The presence of fees also splits the priorities of those on the political left. In most areas of state spending, with the exception of defence, a major driver for the political left is to increase its budget. Examples include the highly effective school funding campaign in 2017, or the many campaigns to get more funding for the NHS - or to increase overseas aid, or free school meals, or to remove the two-child benefit cap.

The presence of tuition fees changes that. In Higher Education, instead of campaigning for more funding, a major part of the left’s energy, commitment and focus is diverted to campaign on fees. Sometimes - as in Jeremy Corbyn’s two manifestos - this takes the form of fee abolition. At other times - such as in the United States under President Biden – it takes the form of debt forgiveness or other forms of relieving graduate repayments. Other than universities themselves, there is usually no major constituency that will campaign for more university funding.

**Figure 22: English funding per student**



Source: IFS, ‘Spending per pupil or student per year at different stages of education (2025–26 prices)’

94. Grant funding of approximately £1.6 billion a year continues to be allocated this way.

As can be seen from Figure 22, the initial benefit of £9,000 fees has been entirely eroded in real terms.

Although the upfront funding of universities has shifted strongly towards fees, and away from teaching grant (as shown in Figure 23), in practice there has continued to be a strong element of public subsidy – albeit one that often goes unappreciated by students and graduates – in the form of the proportion of debt that gets written off, known as the RAB charge.

**Figure 23: Balance of funding between fees and grant<sup>95</sup>**



The RAB charge has fluctuated over the years and currently stands at 29% for those taking out new Plan 5 full time loans.<sup>96</sup> Lower graduate wage growth than anticipated over the years – caused by a combination of sluggish wage growth across the economy and the declining graduate premium – has repeatedly seen the RAB charge increase, rising to over 40% at points – with this typically precipitating countervailing measures by the Government, such as freezing the repayment threshold or increasing the repayment term before write-off.

The OBR currently estimates that the impact on public sector net debt of student loans in 2025-26 was £8.9 billion, with this rising to £10.6 billion in 2029-30 – a significant outlay.<sup>97</sup>

#### 4.2.2 Fees distort what is taught – and how

Higher Education functions as a Veblen good, in which price is seen as an indicator of quality. This means that almost all courses charge the full fee, regardless of how much they cost to put on (the Government does provide a top-up for some high-cost subjects, but it rarely covers the differential between this and other courses).

To the extent that providers can afford to put on cheaper courses, they can make a surplus – and thus providers are incentivised to increase the number of cheaper, surplus-generating courses, regardless of the demand from either the economy. In practice, this has led to a significant expansion of business and management provision, or social sciences courses, both of

95. House of Commons Library, 2021, [Link](#)

96. Education.gov.uk, [Link](#)

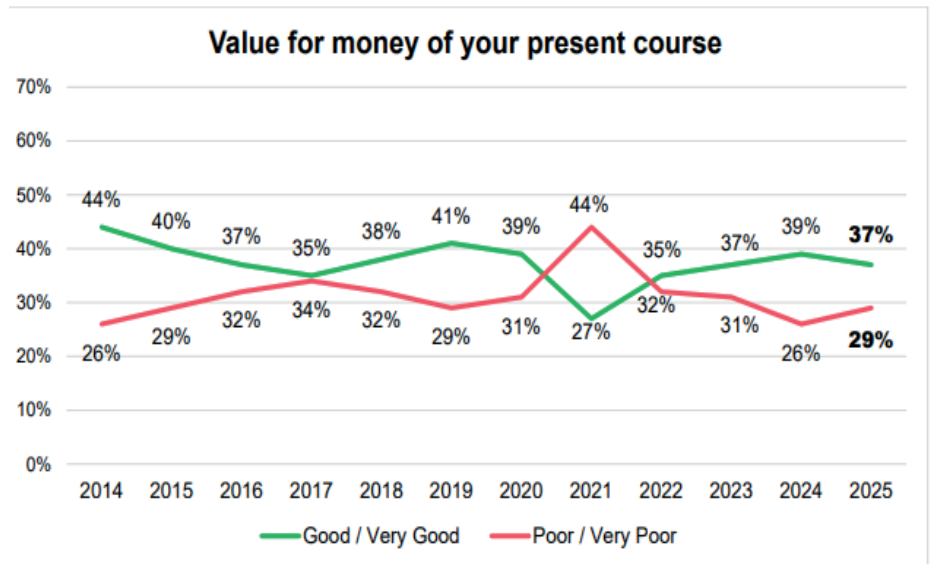
97. OBR Economic and Fiscal Outlook, November 2026, [Link](#)

which are popular and can be provided cheaply.<sup>98</sup>

Fees reduce student satisfaction, with the HEPI-Advance HE Student Academic Experience Survey showing the proportion who consider their course good value for money rates consistently being between 35% and 40%, ten percentage points lower than in Scotland, where there are no tuition fees.<sup>99</sup> Complaints to the Office of the Independent Adjudicator have increased for seven years in a row, reaching 4,234 in 2025.<sup>100</sup> Over a hundred thousand students have signed up to a collective action case seeking compensation for COVID disruption, which is reported to have secured a £21m settlement from UCL, and is pursuing claims against dozens of other universities.<sup>101</sup>

Many in universities have also reported that the introduction of fees has made students more ‘transactional’, seeing their education as a service that they have paid for – an attitude endorsed by references to the student as a ‘consumer’.<sup>102</sup> To the extent that this results in students seeking out high quality teaching this is reasonable. However, to the extent that students consider they are entitled to be ‘satisfied’ or entertained, via shifting course content from material that is most educationally valuable to topics the student body finds most enjoyable, or most conforming to their moral or political views, it is deleterious – as is the sense that a student ‘deserves’ a certain grade, simply because they have paid their fees. Tuition fees have not been the only factor in driving this consumerist attitude to education, which has also been enhanced by the development and widespread use of the National Student Survey, and its use in league tables.

Figure 24: Value for Money of Current Course<sup>103</sup>



98. Of course, a university could provide a high cost business so sociology course – but the lower floor for providing a course in these subjects is much lower than in, for example, chemistry.

99. Student Academic Experience Survey, HE-PI-Advance HE, 2025, [Link](#)

100. Operating Report, Office of the Independent Adjudicator, 2025, [Link](#)

101. Tens of thousands more students join legal action over Covid-hit studies, The Guardian, February 2026, [Link](#)

102. Mike Molesworth, Richard Scullion, and Elizabeth Nixon, eds., *The Marketisation of Higher Education and the Student as Consumer* (London: Routledge, 2011), [link](#); University of Cambridge, “University matters? The University of Cambridge in an increasingly complex world”, 2022, [link](#). [Vice-Chancellor of the University of Cambridge, Professor Stephen J Toope].

103. Student Academic Experience Survey, HE-PI-Advance HE, 2025, [Link](#)

### 4.2.3 The impact on graduates

The 9% repayment on earnings over the repayment threshold functions effectively as an additional tax, increasing graduates’ marginal tax rates. A graduate earning £30,000 will pay an effective marginal rate of 37%,

a higher rate tax payer 51% and a top rate tax payer 56%. When one considers factors such as the withdrawal of child benefit, the effective marginal rate faced by a graduate with children, earning between £60,000 and £80,000 may approach 80%.

Originally, it was thought that most graduates would pay off their loans – but only around a third of Plan 2 graduates are expected to pay back the full amount, leaving the rest repaying until the balance is written off after thirty years.<sup>104</sup> Similarly, the median time to repay a new Plan 5 loan is estimated by the Government to be 31 years.<sup>105</sup>

These are significant sums of money – over £2,000 annually for a graduate earning £55,000 a year. These sums of money will impact the ability of graduates to save up for a deposit, buy a house and start a family – and contribute to the broader cost of living crisis.

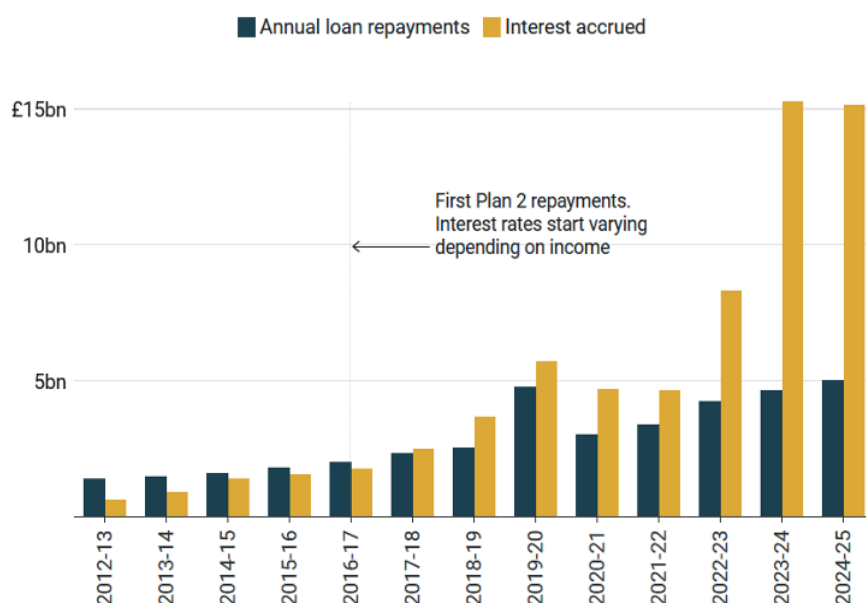
### Plan 2 Student Loans

Particular opprobrium has been directed at the high and variable interest rates on the Plan 2 Student Loans – taken out by over 5 million people who began university between 2012 and 2023 have a Plan 2 Student Loan. During study, the loans accrued interest not at inflation, but at RPI + 3% - and, after study, the interest rate is pegged to the graduate's earnings, on a sliding scale from RPI (if earning £28,470 or below) to RPI + 3% (for those earning £51,245 or more). Between August 2023 and August 2024, all Plan 2 graduates were accruing interest at least 7%, regardless of income.<sup>106</sup>

As a result, the total volume of money owed by Plan 2 students is increasing year-on-year – even though no new loans are being taken out.

**Figure 25: Interest accrued vs loan repayments on Student Loans<sup>107</sup>**  
(Figure originally appeared in *The Times*)

#### Why students can't beat the interest



104. Student Loan Calculator UK, 2026, [Link](#)

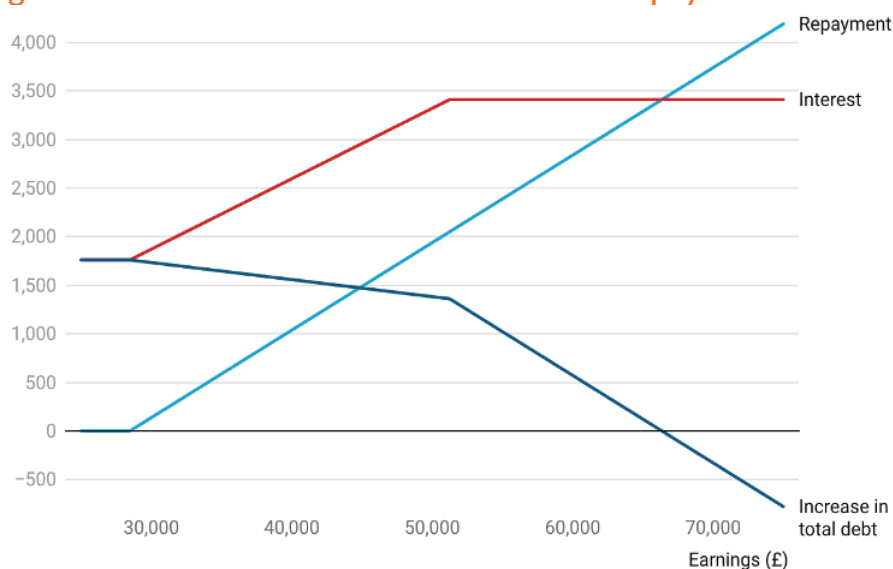
105. Student Finance Statistics, gov.uk, Financial Year 2024-25, [Link](#)

106. How Interest is Calculated, gov.uk, [Link](#)

107. Two thirds of graduates aren't even paying off loan interest, *The Times*, January 2026, [Link](#)

A typical Plan 2 Graduate needs to earn £66,000 a year just to keep pace with the interest.<sup>108</sup> The variable interest gives the scheme a Sisyphean character. As shown in Figure 25, for a graduate with a typical Plan 2 loan, between the lower and upper interest rate thresholds, for every additional £100 a graduate earns they repay an extra £9 - but their debt also accrues an additional £7.20 in interest, thanks to the rising interest rate.

**Figure 26: Plan 2 Student Loans Interest and Repayments**



Source: edrith.co.uk • Created with Datawrapper

Astonishingly, a Plan 2 graduate with £69,000 or more of debt actually sees their debt increase faster as earnings and repayments increase, because the interest effect outweighs the repayment effect.

The high interest rates are sometimes justified as ‘progressive’ – but this argument is misguided. Those with parents rich enough to pay the fees up front don’t pay. High earners who didn’t go to university don’t pay. And even for those with debt, those who rapidly move on to high salaries - such as investment bankers - pay far less (in both absolute terms and as a proportion of income) than middle earners who spend the first half of their career trying to keep up with the interest, and only pay down the debt in their 30s and 40s.

While there is a fair case that graduates should make some contribution to the cost of their degree – the benefits of a degree being split between the individual and society – it is much less clear why any graduate should be required to pay back much more, in real terms, than they borrowed – as many under Plan 2 are required to. A recent calculation in a report by Paul Wiltshire suggested that a Plan 2 graduate who moved into a good graduate job paying £36,000, moved up to £50,000 within five years and whose earnings then followed a typical trajectory, would end up paying £87,000 in real terms.<sup>109</sup>

A final concern over the high levels of graduate debt is on the economy. As the economist Julian Jessop has said, “The increasingly punitive repayments

108. Why graduates need to earn £66k to beat the student loan trap, The Times, 2025, [Link](#)

109. Student Loans: How to turn despondency into hope, Paul Wiltshire, 2026, [Link](#)

on student loans will drag on growth in at least two ways. First, the additional burden on graduates will reduce spending on other goods and services, hurting demand. Second, the very high marginal tax rates faced by many graduates could undermine the incentives to work and earn more, damaging the supply side of the economy too.”<sup>110</sup>

### 4.3 Quality and Standards

How to measure the quality and standards of UK Higher Education has been a subject of much discussion over the years. In the late 1990s, a series of Subject Reviews graded the teaching of each subject at each higher education institution on a 24-point scale; the exercise was later abolished as too burdensome and intrusive. Cyclical review by the Quality Assurance Agency followed, with the Teaching Excellence Framework a more recent initiative to assess the quality of teaching, with the first assessments published in 2017 and a more recent round of assessments taking place in 2023. The OfS’s current quality regime sets out numerous requirements under its ‘B’ conditions of registration, but is primarily a paper-based exercise, with minimal on-site or in-person inspections.

Proxy indicators for whether students consider they are receiving a high-quality education are mixed. The National Student Survey (NSS) consistently records 80% or higher levels of agreement to questions asked on ‘Teaching on my course’, ‘Learning opportunities’ and ‘Assessment and feedback’. The NSS has been criticised for creating incentives for universities to pander to students, ‘spoon-feed’ knowledge and reduce the rigour of courses by prioritising student views over academic rigour<sup>111</sup>; however, defenders of the NSS argue that high scores are also recorded on questions that specifically ask about whether a student’s course was challenging or whether ideas and concepts were explored in depth.

Figure 27: National Student Survey Results 2025<sup>112</sup>



In contrast, the Student Academic Experience Survey presents a more mixed picture. As discussed above, fewer than 40% of students think their course was good value for money, and only around 60% of students would make the same choice again (with a diversity of views as to whether those who would not would choose a different subject, a different university, or not go to university at all).<sup>113</sup>

110. The areas with the most graduates repaying student loan debt, The i Paper, 2026, [Link](#)

111. See, for example, Reducing bureaucratic burden in research, innovation and higher education, gov.uk, 2020, [Link](#)

112. National Student Survey Results 2025, [Link](#)

113. Student Academic Experience Survey, HE-PI-Advance HE, 2025, [Link](#)

Contact hours are one aspect that can impact a student’s perceived quality of experience and value for money. The latest Student Academic Experience Survey finds that the average student receives 15.8 timetabled contact hours a week, with a further 11.6 hours of self-study and 6.2 hours of placements or fieldwork, figures which have been fairly stable over the years.<sup>114</sup>

This average, however, conceals a great variation between institutions and courses. While a decade old, a previous study by HEPI offers one of the best breakdowns of contact time and study hours by subject and institution.

Figure 28: Total Study Hours by Subject (2013)<sup>115</sup>

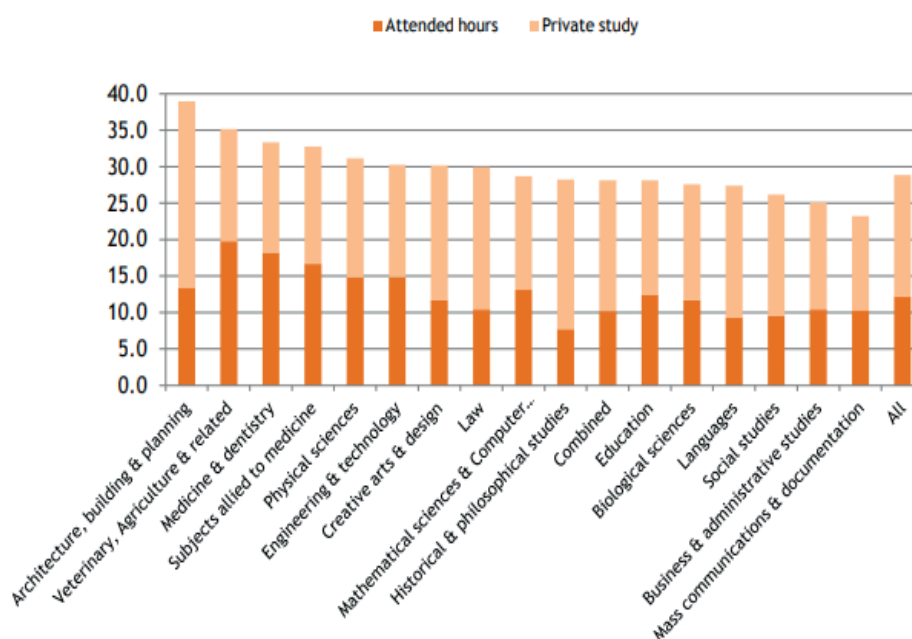


Figure 29: Total study hours by subject and institution (2013)<sup>116</sup>

	Lowest institutional mean	Highest institutional mean	Median institutional mean value
Medicine and dentistry	32.7	49.8	36.3
Subjects allied to medicine	25.3	44.2	34.0
Biological sciences	20.2	46.3	28.2
Veterinary sciences, agriculture & related subjects	34.7	45.5	39.2
Physical sciences	22.8	47.0	31.0
Mathematical & Computer Sciences	23.1	44.0	30.7
Engineering and technology	20.6	47.2	34.5
Social studies	20.0	43.0	25.3
Law	21.5	47.2	29.5
Business and administrative studies	15.9	39.2	24.8
Languages	22.9	42.1	28.1
Historical and philosophical studies	19.3	44.6	27.1
Creative arts and design	22.9	43.0	31.2
Education	21.1	36.6	26.8
<b>All subjects</b>	<b>15.9</b>	<b>49.8</b>	<b>29.6</b>

114. Ibid.

115. The academic experience of students in English universities, Bahram Bekhradnia, HEPI, 2013, [Link](#)

116. Ibid

A 2017 study that considered both contact hours and staff/student ratios within each class came to similar conclusions, finding:

“There is large variation in the teaching received both between and within subjects. Students receive 2.3 times more teaching in physics than in history and 2.9 times more than in economics. The ratios of maximum to minimum teaching provided across universities are 21.6, 6.4 and 25.8 for economics, history and physics respectively.”<sup>117</sup>

More recently, the focus has turned to missed teaching during the COVID pandemic, where a collective claim on the behalf of students recently secured £21 million in a settlement with UCL<sup>118</sup> and is pursuing action against numerous other universities, and the persistence of online teaching, where many courses have continued to provide online or hybrid teaching well after the pandemic has ended.<sup>119</sup>

When considering more objective measures of quality and standards, there is greater cause for concern.

Despite the introduction of the ‘B3’ registration condition by the Office for Students, setting minimum thresholds for drop out rates and progression rates to highly skilled employment or further study, in practice this has been observed in the breach, with no courses closed down or defunded by the regulator as a result. A handful of investigations have resulted in minimal sanctions. Prior data from the OfS show that there were over 200 courses where fewer than half of the students who started both completed and went on to highly skilled employment or further study:

Figure 30: Excerpt from ‘Proceed’ data, Office for Students<sup>120</sup>

UKPRN	Provider name	CAH2 subject code	Subject name	Progression rate (%)	Standard deviation	Progression rate (%)	Standard deviation	Response rate below 50%	Proceed (%)	Standard deviation
10007152	University of Bedfordshire	CAH17-01	Business and management	24.5	1.6	60.7	4.9	Yes	14.8	1.5
10000712	University College Birmingham	CAH25-02	Performing arts	74.5	4.1	20.4	5.5	Yes	15.2	4.2
10007152	University of Bedfordshire	CAH15-01	Sociology, social policy and anthropology	42.8	2.3	51.8	4.6	No	22.2	2.3
10007166	University of Wolverhampton	CAH04-01	Psychology	72.2	3.8	34.7	6.7	No	25.1	5.0
10007166	University of Wolverhampton	CAH15-01	Sociology, social policy and anthropology	62.3	3.7	40.5	6.0	No	25.3	4.0
10007166	University of Wolverhampton	CAH17-01	Business and management	54.2	2.3	48.7	4.7	No	25.4	2.8
10007152	University of Bedfordshire	CAH04-01	Psychology	63.9	4.7	49.5	9.8	No	25.8	5.2
10004048	London Metropolitan University	CAH15-01	Business and management	55.0	2.7	56.2	4.5	Yes	30.9	2.9
10007141	University of Central Lancashire	CAH15-01	Sociology, social policy and anthropology	60.4	2.9	51.1	5.5	No	30.9	3.7
10030129	Nelson College London Limited	CAH17-01	Business and management	72.0	4.2	42.8	9.4	Yes	30.9	7.0
10006566	The University of West London	CAH17-01	Business and management	67.6	2.0	47.8	3.4	No	32.3	2.5
10006841	The University of Bolton	CAH17-01	Business and management	62.7	4.7	51.7	7.6	No	32.4	5.4
10007760	Binbeck College	CAH17-01	Business and management	49.2	3.8	65.8	6.8	No	32.4	4.2
10004048	London Metropolitan University	CAH22-01	Education and teaching	65.7	4.0	50.2	7.3	Yes	33.0	5.2
10006299	Staffordshire University	CAH22-01	Education and teaching	74.2	5.3	45.2	9.9	Yes	33.5	7.1
10007166	University of Wolverhampton	CAH25-01	Creative arts and design	73.2	3.2	45.9	5.1	No	33.6	4.0
10000975	Buckinghamshire New University	CAH15-01	Sociology, social policy and anthropology	62.9	4.0	54.3	8.6	No	34.1	5.8
10007144	University of East London	CAH17-01	Business and management	68.4	2.3	49.9	4.2	No	34.1	3.1
10004351	Middlesex University	CAH17-01	Business and management	63.6	1.8	54.5	3.6	No	34.6	2.5
10000712	University College Birmingham	CAH03-02	Sport and exercise sciences	63.1	4.9	55.5	8.4	No	35.0	6.0
10007138	University of Northampton, The	CAH04-01	Psychology	78.2	3.3	44.4	6.7	No	35.2	5.5
10000385	Arts University Bournemouth, the	CAH25-02	Performing arts	90.0	2.3	39.3	4.1	No	35.4	3.8
10004048	London Metropolitan University	CAH11-01	Computing	54.0	3.9	65.7	6.2	No	35.5	4.2
10004078	London South Bank University	CAH25-02	Performing arts	80.9	4.5	44.0	9.2	Yes	35.6	7.7
10007166	University of Wolverhampton	CAH16-01	Law	64.7	3.2	55.9	6.1	No	35.1	4.3
10007159	University of Sunderland	CAH04-01	Psychology	62.9	3.9	57.6	6.5	No	36.2	4.7
10004078	London South Bank University	CAH03-01	Biosciences	61.9	6.3	58.6	9.1	Yes	36.3	8.8
10004351	Middlesex University	CAH04-01	Psychology	72.4	3.1	50.2	6.1	No	36.4	4.7
10004048	London Metropolitan University	CAH15-01	Sociology, social policy and anthropology	65.0	2.5	56.1	4.7	Yes	36.5	3.4

As discussed above, those admitted with low entry grades, without Level 3 qualifications, with BTECs, or at franchised providers are more likely to drop out or to not go on to work in a graduate level job.

HESA data shows that, for the cohort of undergraduate entrants that started their studies in 2019/20, the average percentage of students who were no longer in HE the year after entry was around 5.3% across all institutions.<sup>121</sup> For the worst 20% of performers, this percentage more than doubles to 11.1%.<sup>122</sup> For the worst 10% of performers, this figure

117. Class Size at University, Huxley et al, 2017, [Link](#)

118. London's UCL pays £21million to thousands of university students over Covid chaos, Evening Standard, 2026, [Link](#)

119. Nearly a third of university courses still have hybrid teaching, BBC News Online, 2023, [Link](#)

120. Projected completion and employment from entrant data (Proceed), Office for Students, 2021, [Link](#)

121. These figures correspond to UK domiciled full-time undergraduate entrants who did not leave within 50 days of commencement at HE providers. Averages are calculated as the sum of students no longer in HE across the relevant HE providers, divided by the total full-time entrants; HESA, 'Non-continuation: UK Performance Indicators' (2022), [Link](#)

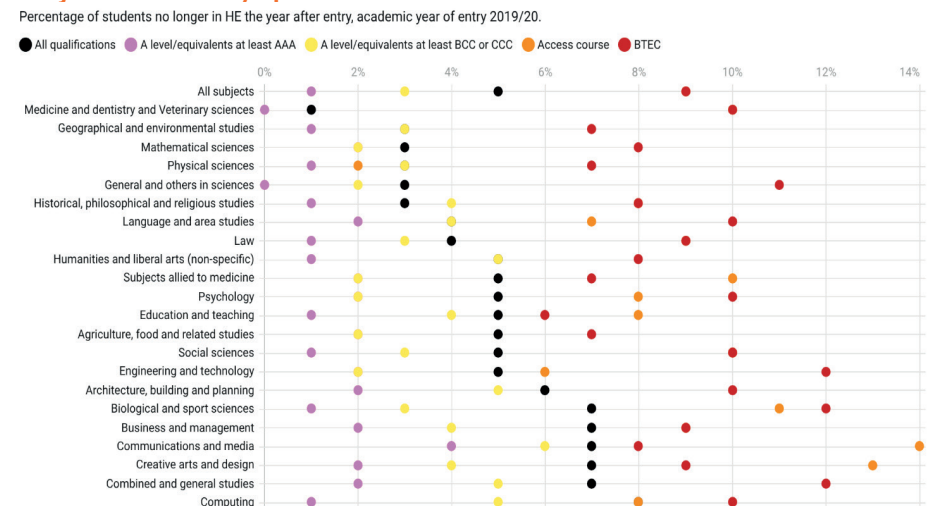
122. There are 179 HE institutions for which data is provided (we exclude The Open University figures), the worst 20% of these 178 performers represents the 36 institutions with the highest non-continuation rates.

rises to 14.2%.

Regarding the non-continuation rate of entrants to full-time undergraduate courses, this figure was the highest for computing (7.7%) compared to an average across all subjects of 5.3%.<sup>123</sup> Computing was followed by combined and general studies (7.4%) and Creative arts & design (7.0%).

There is a clear correlation between non-continuation rates and previous qualification attainments. For those with at least AAA (and equivalent Scottish grades), the non-continuation rate was 1.2%. This rises to 3.3% for those whose entry qualification were at least BCC or CCC (or their Scottish equivalent), and to 9.2% for those whose entry qualifications were BTECs. For those who had no previous qualification, this figure is as high as 24.9%, although this likely represents a much smaller cohort of students. This data is shown below in Figure 31.

**Figure 31: Non-continuation rates in Higher Education (%), by subject and entry qualification**



Source: HESA, Non-continuation: UK Performance Indicators. Data shows UK domiciled full-time undergraduate entrants who did not leave within 50 days of commencement. For A level equivalent qualifications (including Scottish equivalents) see original source. We have removed the 'Access course' result for geographical and environmental studies for a better visualisation, it had a non-continuation rate of 21%.

123.Ibid.

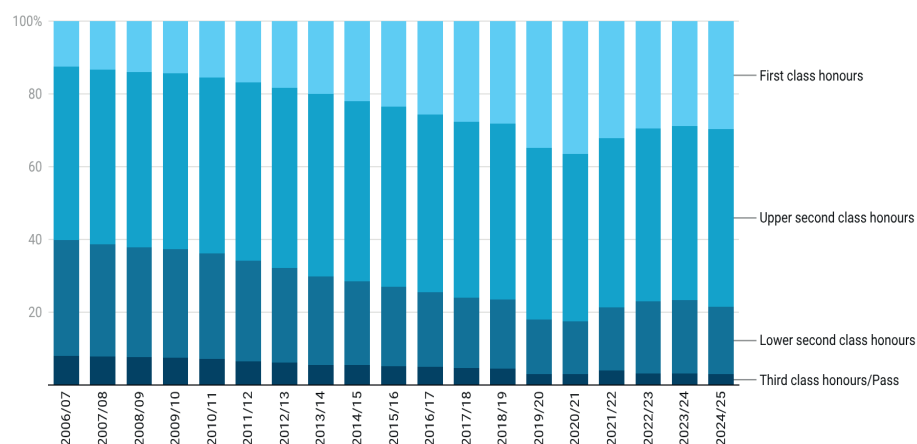
124.We have utilised a UK-wide dataset, rather than focusing on England-only, as this was the only consistent dataset we could find that went back as far as 2006/07. The OfS analysis of degree classifications over time shows a similar trend from 2010/11 in England. HESA, 'Chart 9 - Classified first degree qualifications by class 2006/07 to 2024/25' (2026), [Link](#); Office for Students, 'Analysis of degree classifications over time: Changes in graduate attainment from 2010-11 to 2023-24' (2026), [Link](#)

125.From 2010/11 to 2023/24, the proportion of graduates achieving a first or upper second class degree increased from 87.7% to 91.4% at the University of Cambridge and from 92.5% to 92.8% at the University of Oxford. Meanwhile, the proportion of graduates achieving a first class degree increased from 26.1% to 33.3% at the University of Cambridge and from 28.6% to 34.1% at the University of Oxford over the same period; Office for Students, 'Analysis of degree classifications over time: Changes in graduate attainment from 2010-11 to 2023-24' (2026), [Link](#)

### Standards and grade inflation

The proportion of young people going to university has expanded dramatically to include a much larger proportion of the cohort – meaning that the mean academic ability of the undergraduate cohort has reduced. Most high tariff institutions have also dramatically increased their intake, in part by lowering entry standards. Despite this, grade inflation has surged, with dramatically higher proportions of students getting firsts, or 'good degrees' (a first or 2:1) than 10, 20 or 30 years ago.

In 2024-25, in the UK, the proportion of Firsts currently stands at 30%, compared to just 15% in 2010/11 and around 13% in 2006/07.<sup>124</sup> The number of 'good degrees' has similarly increased from 60% to 78% from 2006/07 to 2024/25. This increase in Firsts and 2:1s awarded has occurred in almost every institution, including Oxbridge.<sup>125</sup>

Figure 32: Proportion of Degrees by Classification over Time<sup>126</sup>

Source: HESA, Chart 9 - Classified first degree qualifications by class 2006/07 to 2024/25. This excludes a number of unclassified degree awards (such as medicine).

Universities operate as their own judge and jury, admitting students who do not have the qualifications for higher education and then determining themselves the standards for assessment and what is required for a 2:1 or a First. Other than in a very small number of subjects, there are no externally set exams or awarding bodies – and neither the traditional external examiner system<sup>127</sup>, nor weak oversight by the regulator, has served to stem the tide of grade inflation.

The proportion of ‘good degrees’ awarded can directly impact a university’s place in national league tables, which forms a core element of a university’s reputation and its ability to attract students and staff. It also indirectly impacts a university’s NSS score – evidence shows that students on track for a higher classification give more favourable answers<sup>128</sup> – and the ability of its graduates to get good jobs (given many employers require a 2:1 or higher), both of which again impact league table placement.

Some universities have reduced standards, such as basic literacy requirements, in a perceived attempt to compensate for the disadvantaged backgrounds of students, or to close attainment gaps<sup>129</sup> between students with different protected characteristics. This has occurred across the sector, including at Russell Group universities, with a recent communique telling lecturers that they should focus on “ideas not grammar” in a slide titled “Equality, Diversity and Inclusion.”<sup>130</sup> And once some universities implemented more generous grading, universities that did not do so might legitimately feel that it was unfair to disadvantage their own students – who would have got a higher grade elsewhere – in the job market, and so raise their own grades in turn.

In short, grade inflation is a collective action problem beyond the ability of any university to solve by themselves in the current system.

#### 4.4 Culture

Debates over ‘cultural’ issues have become increasingly prominent in the university debate, feeding into scepticism by some on the political right over the overall value of universities, as currently constituted, to society.

126. HESA, ‘Chart 9 - Classified first degree qualifications by class 2006/07 to 2024/25’ (2026), [Link](#)

127. Those we spoke to with direct experience of the external examining system told us, under condition of anonymity, of either being strongly pressured to award a certain proportion of Firsts, 2:1s and so forth, regardless of concerns about performance, or that institutions would deliberately select external examiners from institutions with slightly lower entry and graduation standards, so that the examiners themselves would encourage an increase in the generosity of grades provided. It is not clear the extent to which such practices are commonplace, but the underlying and persistent surge in top grades awarded demonstrates the inability of the external examining system in determining standard.

128. National Student Survey: Grade Inflation Analysis, OfS, 2021, [Link](#)

129. Typically referred to in the sector as ‘awarding gaps’.

130. Top British university accused of ‘dumbing down’ assessments as staff told to ‘focus on ideas not grammar’, LBC, 2026, [Link](#)

This is a relatively new phenomenon: just over a decade ago, the Coalition published documents that celebrated not only the economic impacts of universities, but claiming that attending university led to ‘less crime, greater cohesion, social trust and tolerance.’<sup>131</sup>

Today, there are repeated flashpoints over issues including race, gender, free speech and antisemitism. Stories of a university renaming a building, cancelling a speaker or adding ‘trigger warnings’ to classic texts are now regular features of reporting on higher education, with senior politicians regularly intervening to criticise the university sector:

**Figure 33: Rt Hon Oliver Dowden MP, then Deputy Prime Minister, criticises Bristol University**



More recently, on her appointment as Reform’s Education Spokesperson, Rt Hon Suella Braverman MP said that, “To those universities that have descended into hotbeds of cancel culture, antisemitism, and which survive really thanks to the cache of foreign students, and keep conning young people into worthless degrees, Reform is putting you on notice.”<sup>132</sup>

This change has not occurred in a vacuum, but has been a reaction to a real and significant shift in culture and policies within universities, following what has been termed ‘The Great Awakening’,<sup>133</sup> that came to prominence in the early 2010s and accelerated after the Black Lives Matter movement. This involved a shift within progressive spaces, including universities, away from traditional liberalism towards a more

131. The Benefits of Higher Education Participation for Individuals and Society: key findings and reports “The Quadrants”, Department for Business, Innovation and Skills, 2013, [Link](#)

132. HE ‘broken’, says Braverman as she takes Reform education brief, Times Higher, 2026, [Link](#)

133. A term originally coined by the US journalist Matt Yglesias in 2019. [Link](#)

identitarian outlook and included: an emphasis on emotional safety over free speech; a focus on the ‘lived experience’ over objective knowledge; an emphasis on colour-conscious approaches and equity over meritocracy and colour-blindness, a strong focus on trans rights; drives to ‘decolonise the curriculum’; and an emphasis upon approaches to societal change founded in critical theory.

In the UK, free speech has been one of the principal areas of contention. High profile cancellations such as those of academics Kathleen Stock and Jo Phoenix, students such as Felix Ngole and visiting speakers such as Amber Rudd evoked significant criticism, as did attempted cancellations (including of Nigel Biggar and Selina Todd). The implementation of policies considered to suppress free speech – such as anonymous reporting tools for ‘micro-aggressions’ introduced in numerous universities, or an attempt by the University of Cambridge to require its staff and students to be ‘respectful’ rather than ‘tolerant’ the views of others. The subject was addressed in a Policy Exchange report, *Academic Freedom in the UK*,<sup>134</sup> and subsequently a Government publication, *Higher education: free speech and academic freedom*<sup>135</sup> which led to the Higher Education (Freedom of Speech) Act 2023. The Act was passed, but not commenced by the Conservative Government; shortly after the 2024 General Election, the Education Secretary Rt Hon Bridget Phillipson MP announced that she was ‘pausing’ commencement and would consider repealing it; however, following a concerted and broad-based campaign the Government announced in 2025 they would be partially commencing the Act, though would not be taking forward certain provisions including the statutory tort.<sup>136</sup>

Further tensions on culture, mirroring debates across the Atlantic, were exacerbated following the 2020 Black Lives Matter Movement, in the wake of which large numbers of universities commenced, or accelerated, plans to ‘decolonise’ or ‘diversify’ their curriculum, or to commence ‘antiracism’ strategies, actions which were believed by those initiating them to address institutional racism and promote equity, but which have been criticised by opponents as being ‘anti-western’, ideological and antimeritocratic, or to be infringing academic freedom. The role of Equality, Diversity and Inclusion (EDI) policies in universities, in research or in the funding of research, such as in UK Research and Innovation Policies or in the Research Excellence Framework have also been the subject of significant ongoing debate.

Some in the university sector have at times believed that when politicians raise these issues, or bring forward laws or guidance to try to counter them, that they are just trying to win votes or to ‘play to their base’ for publicity. It is true that this is sometimes the case. However, assuming it is always the case can lead to the assumption by the sector that there is no political cost to embracing identitarian policies – an assumption which mistakes the extent to which these criticisms are genuinely held.

Those with ‘cultural’ concerns over the actions of universities can be considered to fall into three, non-mutually-exclusive, camps:

134. Academic Freedom in the UK, Policy Exchange, 2020, [Link](#)

135. Higher education: free speech and academic freedom, gov.uk, 2021, [Link](#)

136. The future of the Higher Education (Freedom of Speech) Act 2023, gov.uk, 2025, [Link](#)

- True believers - who have thought deeply about identitarianism and oppose it on a principled level.
- Traditionalists - who oppose the traducing of traditional British history, heroes and culture.
- Efficiency fiends - who believe it shows universities are over-funded.

### **True believers**

True Believers have looked at what is happening in universities (and elsewhere) on the shift to the identitarian left, and oppose it at a principled level. They have a higher likelihood of being classical liberals (whether originally from a right or left background) and to be genuinely committed to issues such as freedom of speech and association. People in this camp tend to genuinely believe that cancel culture, critical theory and other elements associated with ‘equity, diversity and inclusion’ are worsening racial tensions and increasing polarisation, whilst being a direct threat to meritocracy, freedom of speech and tolerance.

Such concerns have been documented in books by writers such as Yascha Mounk in *The Identity Trap*, or by Jonathan Haidt and Greg Lukianoff in *The Coddling of the American Mind*. In a subsequent piece, Haidt further critiques identitarian reforms:

*“The new morality driving these reforms was antithetical to the traditional virtues of academic life: truthfulness, free inquiry, persuasion via reasoned argument, equal opportunity, judgment by merit, and the pursuit of excellence. A subset of students had learned this new morality in some of their courses, which trained them to view everyone as either an oppressor or a victim. Students were taught to use identity as the primary lens through which everything is to be understood, not just in their coursework but in their personal and political lives. When students are taught to use a single lens for everything, we noted, their education is harming them, rather than improving their ability to think critically.”<sup>137</sup>*

In the UK, academic Eric Kaufmann has written:

*“The culture war is not a campus sideshow but a fight for the basis of our civilization. What will it be: truth, freedom, excellence & cohesion, or equal outcomes & emotional harm protection?”<sup>138</sup>*

For many true believers, opposition to the most (perceived) harmful forms of identitarianism is as moral and important a cause as the ‘EDI’ initiatives themselves are for those who advocate them. Most still recognise the vital roles of universities in education and scientific research - but the ideological trends trouble them greatly.

### **Traditionalists**

In contrast to the true believers, traditionalists have a simpler objection. These are people who are proud of British history, its statues, its literature and its traditions - and strongly dislike it when they perceive that established

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137. Why Antisemitism Sprouted So Quickly on Campus, Jonathan Haidt, 2023, [Link](#)

138. Eric Kaufmann, Taboo, 2024, [Link](#)

institutions, heavily funded by the taxpayer, traduce them.

Many will understand there have always been radical students and Marxist academics - but are much more likely to be upset when the authorities of major institutions take up these causes on an institutional level.

Traditionalists are the target audience for many of the articles that critique universities for various identitarian practices – whether it is the cancellation of a visiting speaker, the renaming of a lecture theatre or the addition of trigger warnings to *Wuthering Heights*. Traditionalists may not spend much time thinking about this – but the knowledge that universities are acting this way weakens their support for universities more broadly.

### Efficiency fiends

Efficiency fiends may or may not share the views of true believers or traditionalists – but they are focused upon getting value for money for taxpayers. For them, the fact that universities are busy decolonising curricula, establishing slavery commissions and appointing highly paid senior roles focused on diversity and social value is a clear sign that universities don't need more money.

University leaders may respond by saying that such activities cost relatively little in the context of organisations with annual turnovers in the hundreds of millions. But at a time in which universities are making the case that there is a funding crisis, the ability to divert funding, organisational capacity and senior leadership time sends a strong contra-signal that universities are not as hard-up as they say – and that there are considerable efficiency gains still to be made.

#### 4.4.1 Antisemitism and Extremism

In Spring 2026, Jewish people have faced a wave of antisemitic violence, including the attack on a Hatzola ambulance, nine other arson/attempted arson attacks, the stabbing attack in Golders Green and an assault.<sup>139</sup>

In recent years, antisemitic incidents have become increasingly prevalent on university campuses. In 2019, the Jewish Leadership Council, the Union of Jewish Students, and the Community Security Trust (CST), raised concerns about Holocaust denial and antisemitism on campus.<sup>140</sup> They reported 'indirect discrimination', as Jewish Societies on campus were being asked to pay up to £2,000 for their own event security.<sup>141</sup>

Research by CST has shown that university-related antisemitic incidents have increased significantly between 2020 and 2024.<sup>142</sup> These incidents include extreme violence, assault, damage and desecration to Jewish property, threats, abusive behaviour, mass-produced antisemitic literature, and online activities, involving students, staff, and external parties.<sup>143</sup> CST recorded 150 incidents from 2020-2022 and 325 incidents from 2022-2024, showing an increase of 117%.<sup>144</sup> They attributed this to 'the wave of anti-Jewish hatred following the 7 October Hamas terror attack on Israel and the subsequent ongoing war in the Middle East.'<sup>145</sup>

139. The Guardian, "Met chief says British Jews 'not safe' in London after series of attacks", 2026, [link](#); The Guardian, "Jewish man in hospital after attack by group of men in Golders Green", 2026, [link](#).

140. The Independent, "Jewish student societies should not have to pay thousands of pounds for security at campus events amid antisemitism concerns, minister says", 2019, [link](#).

141. Gov.UK, "News story: Universities told to stamp out antisemitism on campus", 2019, [link](#).

142. "CST defines an antisemitic incident as any malicious act aimed at Jewish people, organisations or property, where there is evidence that the act has antisemitic motivation or content, or that the victim was targeted because they are (or are believed to be) Jewish. This is a narrower definition than that used by the criminal justice system, which defines a hate incident as 'Any non-crime incident which is perceived by the victim or any other person, to be motivated by a hostility or prejudice based on a person's race/religion or perceived race/religion'". (CST, "CAMPUS ANTISEMITISM IN BRITAIN 2018-2020", [link](#), p.10.)

143. CST, "CAMPUS ANTISEMITISM in Britain 2022-2024", 2024, [link](#), pp.14, 28.

144. CST, "CAMPUS ANTISEMITISM IN BRITAIN 2018-2020", 2020, [link](#), p.6; CST, "CAMPUS ANTISEMITISM in Britain 2022-2024", 2024, [link](#), p.14.

145. CST, "CAMPUS ANTISEMITISM in Britain 2022-2024", 2024, [link](#), p.6.

A recent poll conducted by The Union of Jewish Students (UJS) indicated that the problem extends beyond these isolated cases. Their findings suggest that antisemitism has become widespread and normalised in university communities: in a sample of 1,000 students, one in five said they would be reluctant to share a house with a Jewish student.<sup>146</sup> A further report by StandWithUs reported examples of students who said that lecturers repeated blood libels and saying that ‘Zionists’ control the media and the financial system, and of the harassment they had faced from other students, such as renaming a group chat ‘No Jews Allowed’.<sup>147</sup>

Successive Conservative and Labour governments have taken steps to combat antisemitism on campus, but the current Government’s renewed efforts imply that the problem persists. In 2019, the Universities Minister Chris Skidmore encouraged more universities to adopt the IHRA definition of antisemitism,<sup>148</sup> and a significant proportion of institutions have taken up this recommendation.<sup>149</sup> Nevertheless, consecutive governments have introduced additional measures,<sup>150</sup> and the current government recently committed £7 million to tackle antisemitism in schools, colleges, and universities.<sup>151</sup>

Universities have also been associated with risks of extremism, radicalisation, and terrorism.<sup>152</sup> One study shows that from 1998-2010, 28.85% of individuals who committed Islamism-related offences had attended a Higher Education Institution, and from 2011-2015, this was 22.12%.<sup>153</sup> Clusters of university students were convicted of Al Qa’ida related terrorist offences between 1999 and 2009, and others went to join the Islamic State’s self-proclaimed ‘Caliphate’ in Syria.<sup>154</sup> There are also multiple high-profile cases of university students involved in domestic terrorist attacks: for instance, the Manchester Arena Bomber, Salman Abedi, attended Salford University.<sup>155</sup>

The 2011 Prevent Strategy identified three categories of students involved in extremism and terrorism at university: students ‘already committed to terrorism before they began their university courses’, those ‘radicalised while they studied at university, but by people operating outside of the university itself’, and those who ‘appear to have been attracted to and influenced by extremist ideology while at university and engaged in terrorism-related activity after they had left.’<sup>156</sup> In his 2023 Review of Prevent, Sir William Shawcross said he ‘did not see any evidence to suggest that these dangers have diminished.’<sup>157</sup>

The Government has made clear that all universities have a statutory responsibility to prevent students from turning to extremism and terrorism. Nevertheless, there are difficulties with the existing strategy and its implementation. Universities are required to comply with statutory guidance issued under the 2015 Counter Terrorism and Security Act (Prevent Duty), to prevent students from turning to extremism and terrorism,<sup>158</sup> but implementation remains inconsistent.<sup>159</sup> The 2023 Review of Prevent implied that universities were not upholding their responsibilities due to opposition from the UCU and other staff, as well as the practical difficulties of identifying speakers with Islamist affiliations.<sup>160</sup>

146. UJS, “A Landmark Report on UK Campus Antisemitism”, 2026, [link](#).

147. Stand With Us, “Voice of Students 2025/26 – StandWithUs UK Report”, 2026, [link](#).

148. Gov.UK, “News Story: Universities told to stamp out antisemitism on campus”, 2019, [link](#).

149. Office for Students, “Tackling antisemitism”, last accessed 20 May 2026, [link](#).

150. Gov.UK, “News story: Education Secretary leads call to tackle antisemitic abuse on campuses”, 2022, [link](#); Gov.UK, “Press release: £7 million to tackle antisemitism in education confirmed”, 2024, [link](#).

151. Gov.UK, “Policy paper: Antisemitism: recent government actions and next steps”, 2025, [link](#).

152. ‘Extremism’ and ‘Radicalisation’ are contested terms in academic literature, see Simon Cottee, *Radicalisation Discourse: Consensus Points, Evidence Base and Blind Spots* (London: Commission for Countering Extremism, 2023), [link](#).

153. Islamism-related offences: ‘All data relates to a base total of 269 individual offences, which includes separate convictions as well as those killed in suicide attacks, collectively referred to as Islamism-related offences (IROs)’ (Hannah Stuart, *Islamist Terrorism: Analysis of Offences and Attacks in the UK (1998–2015)* (London: The Henry Jackson Society, 2017), [link](#).)

154. Robin Simcox, *Islamist Terrorism: The British Connections* (London: The Henry Jackson Society, 2011), [link](#).

155. Daily Mail, “Students at bomber’s university tried to sabotage Prevent anti-terror scheme because it ‘demonises Muslims’”, 2017, [link](#).

156. HM Government, “Prevent Strategy”, 2011, [link](#), pp.72-73.

157. Gov.UK, Home Office, “Independent Review of Prevent”, 2024, [link](#).

158. Gov.UK, Counter-Terrorism and Security Act 2015, [link](#); HM Government, “Prevent duty guidance: England and Wales (2023)”, [link](#).

159. Home Office, Independent Review of Prevent, 2024, [link](#).

160. Home Office, Independent Review of Prevent: Higher Education: Disinformation, 2024, [link](#).

On 8 March 2026, the Government proposed that they would introduce even ‘stronger protections’ ‘against extremism, harassment and intimidation on campus’, a pledge that has been subsequently reiterated after the Golders Green stabbings.<sup>161</sup>

The challenge is for universities to balance their responsibilities to preserve free speech and open debate with their duty to protect students and staff from radicalisation and other harms. As articulated in the Government’s 2011 Prevent Strategy, universities must ‘facilitate exchange of opinion and ideas’ and ‘enable debate’ while fulfilling their ‘legal and moral obligation’ to create a safe environment.’<sup>162</sup>

The issue of antisemitism on campus is indelibly linked to the concerns discussed above on free speech, academic freedom and ‘decolonisation’. The fact that many universities that had been at the forefront of clamping down on ‘micro-aggressions’ and signalling solidarity with the Black Lives Matter movement pivoted seamlessly to equivocation when faced with serious and repeated ‘macroaggressions’ – acts of intimidation and harassment – against Jewish students and staff has fundamentally called into question many universities’ ability to maintain and enforce policies with impartiality. In contrast, many universities appear to be unduly influenced by the more vocal members of their staff and student body – whether that is in censoring speech that is unpalatable to the majority, or in tolerating antisemitism when those perpetrating it are aligned with the ‘correct’ political causes.

It is evident that antisemitism and extremism remain a serious problem for universities. This underscores the challenge of ensuring that universities remain a space for facilitating the exchange of ideas and open debate without becoming a breeding ground for hatred or ideologies that incite violence.

Overall, the debates over culture – whether on free speech, ‘decolonisation’, EDI or antisemitism – do several things. They make some people more hostile to universities – and others less inclined to step forward and actively support them. They divert attention from other matters. And they weaken the case that universities genuinely need more support.

### 4.5 Staff

The last decade has seen an increasingly fractious relationship between staff and senior management in higher education, marked by repeated strikes and other forms of industrial action. While a major dispute over the future of the USS pension scheme dominated the earlier part of this period, more recently the focus has turned to pay and redundancies, with over a hundred institutions currently engaged in compulsory or voluntary redundancies, programme closures or restructuring.<sup>163</sup> Alongside these major disputes, concerns over contractualization of staff, race and gender pay-gaps, sexual harassment and vice-chancellor pay have been perennial subjects of friction.

Amongst the most significant incidents of industrial action were

161. Gov.UK, “Students given stronger protections against extremism on campus”, 2026, [link](#).

162. HM Government, “Prevent Strategy”, 2011, [link](#).

163. UK HE Shrinking, Live Tracker, accessed March 2026, [Link](#)

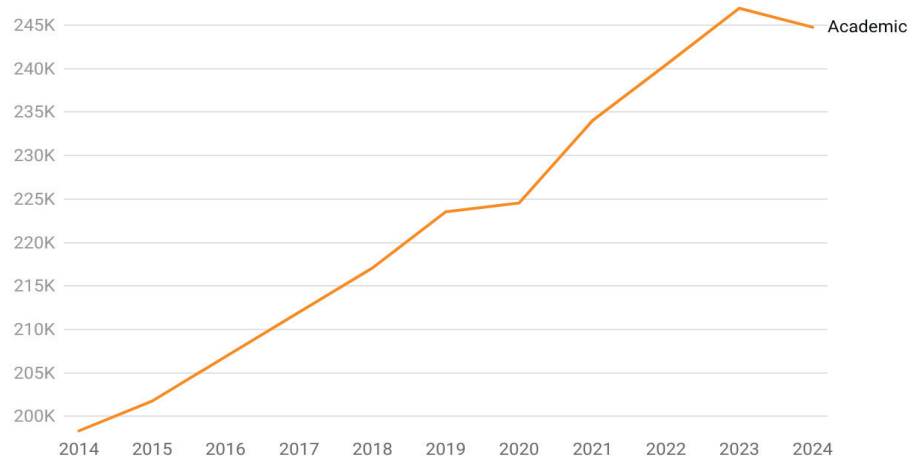
fourteen days of strike action in 2018, over the USS pension scheme,<sup>164</sup> a further wave of strikes in 2019 under the ‘Four Fights’ campaign,<sup>165</sup> ongoing, more limited, industrial action over 2021 and 2022 and a five-month long assessment and marking boycott in 2022, which caused significant disruption to many students.<sup>166</sup> More recent industrial action has frequently been more local and focused on individual disputes.

This worsening relationship has taken place against a backdrop of real and significant changes in Higher Education, including the numbers and composition of its staff.

- A significant increase in student numbers.
- A falling quantum of resource per student, alongside an increase in employer costs.
- An increasingly ‘marketised’ sector, via the introduction of £9,000 fees and the removal of number controls, as well as an increased focus on ‘the student as consumer’.
- An increase in managers and non-academic staff.
- An increase in teaching-only staff.

Despite these tensions, while individual institutions did find themselves in financial difficulties, until academic year 2023-24, the total number of academic staff employed by the sector continued to rise.<sup>167</sup> It dipped for the first time in 2024-25 – and based on the breadth and scale of announced restructurings and redundancies it is likely that this contraction is continuing.

Figure 34: Number of academic staff in UK Higher Education<sup>168</sup>



This overall growth conceals a significant shift in the nature and duties of that workforce – including a very rapid growth in teaching-only and non-academic professional roles, both in absolute terms and as a proportion of the workforce. As Alison Wolf and Andrew Jenkins set out:

“Among non-academic staff, the main area of growth was managers and

164. University lecturers begin strike action over pensions, the Guardian, 2018, [Link](#)

165. Pay, Workload, Equality, Casualisation. [Link](#)

166. University strike action in the UK, House of Commons Library, 2024, [Link](#)

167. HESA ceased to collect non-academic staff data after 2018-19.

168. HESA Workforce Data, [Link](#)

non-academic professionals. The data also show substantial growth in staff employed to deal with all aspects of the ‘student experience’, for instance welfare workers and career advisors...

..., Ongoing centralisation of professional services was a strong theme across the case study institutions. Approval of academic posts was also highly and increasingly centralised. In the case of senior professional service posts, senior leadership teams’ lack of expertise on professional service matters meant that justifications for these roles tended not to be challenged. Hence institution-wide structural barriers to, and constraints on, upward drift in professional service posts were seldom observed. This was in sharp contrast to the situation with academic posts, where scrutiny was extensive.

On our second topic, changes in academic staffing, we found an increase in numbers of more than 80 per cent in teaching-only staff between the academic years 2005/06 and 2018/19, while numbers of ‘traditional’ teaching and research staff (i.e. lecturers, professors, etc, who both teach students and conduct research) rose by just 16 per cent over the same period.”<sup>169</sup>

Repairing the relationships between management and staff will be challenging, with no easy solutions available – particularly at a time when many universities are facing financial challenges. Relationships have been damaged and resentment lingers on both sides. One vice-chancellor we spoke to during the course of researching this report described a small portion of very active staff as now finding active meaning in being in opposition to management.

One of the paradoxes is that while academic jobs remain well-paid when compared to the overall job market, they are less so when one considers the level of qualification required. Attitudes towards the highly generous pension scheme have been damaged by repeated disputes over reforms, returns and contribution rates. At the heart of the challenge is that the conception of what an academic job ‘should be’ – and often was in the past – is now at odds with what is too often required in a mass higher education system. As Sir Anthony Finkelstein, President of City St Georges, University of London, writes:

“At the heart of the challenge is an accelerating decline in professional autonomy and in the capacity for self-determination on the part of academics. There is more oversight and an increasing element of performance management. Workload is allocated in an ever more granular manner. Academics feel hemmed in by process and directive policy.

This loss of autonomy is not confined to workload or management practice, but extends into the organisation of research, the framing of academic careers, and the weakening of meaningful collective governance.”<sup>170</sup>

A further difficulty is that many universities conceive of themselves – and explicitly present themselves – as ‘progressive’ institutions, and are similarly so conceived by their staff. This creates understandably a greater

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169. Managers and academics in a centralising sector, December 2021

170. For Everything to Stay the Same, Everything Must Change, Sir Anthony Finkelstein, 2026, [Link](#)

backlash against management decisions that might be accepted in a more corporate environment, including the casualisation of staff or the use of non-disclosure agreements in cases of dismissal. Casualisation can be particularly detrimental to the retention and progression of women, who may choose to leave the sector for the greater job security, maternity leave and other benefits that can typically be obtained in most other professional occupations.

Vice-chancellors lead large and complex organisations employing thousands of staff and teaching tens of thousands of students; their salaries of £300,000 or more may be organisationally justified where this is what must be paid to secure top global talent. This nevertheless creates resentment amongst many staff who conceive that the organisation they work for should operate in a different ethical framework.

A long-term solution for the higher education sector will need to involve institutions having a workforce that matches their income and mission – both in terms of size, but just as importantly in the roles, responsibilities and expectations of employees. This will require a hard look at both academic and non-academic staff, to restore a clear-sighted focus on universities' core missions of teaching and research.

Sustainable, fairer funding would be an important enabler in helping universities to achieve this, as would regulatory policies that reverse recent trends towards marketisation and consumerism. Simultaneously, though, universities must take responsibility for matching their rhetoric with their internal practices. It is neither possible nor desirable to divorce higher education from the wider labour market – but operating within it, university leaders should ensure that they meet the ethical standards that their staff expect from taxpayer funded organisations with a public mission.

### 4.6 International Students

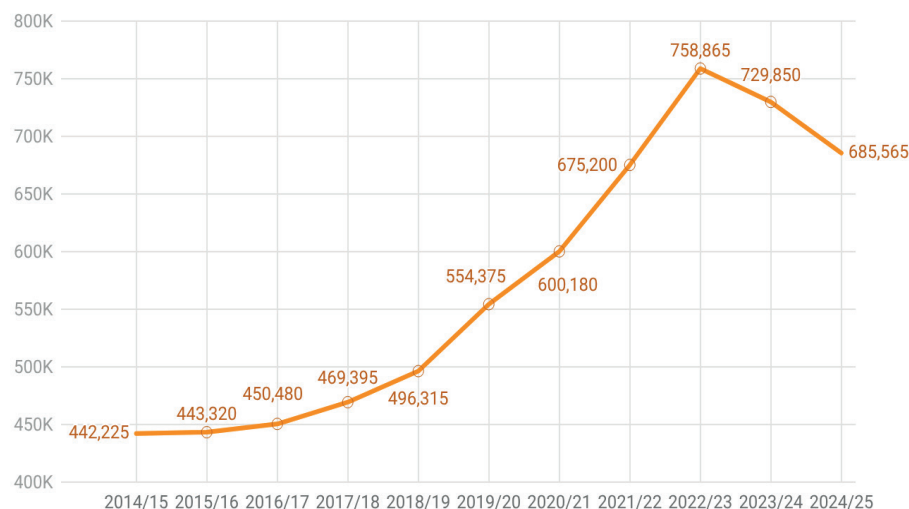
In recent years UK universities have accepted increasing numbers of international students. From 2018/19 non-UK international student numbers began to rise rapidly, peaking in 2022/23 and then declining over the last two years. Between 2014/15 and 2024/25 overall international student numbers nonetheless grew by 55%. In 2024/25 international students accounted for 14% of all undergraduate students and 49% of all postgraduate students at UK universities.<sup>171</sup> Whilst the number of international student visas granted annually remained relatively steady between 2011 and 2016 at approximately 200,000 a year; this had more than doubled to 425,000 in the year to March 2025.<sup>172</sup> This rapid growth coincided with the reintroduction of the Graduate Visa scheme in September 2019, having previously been scrapped in 2012.

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171. HESA, 'Higher Education Student Statistics: UK, 2024/25 - Where students come from and go to study', 27 January 2026, [link](#).

172. Gov.uk, 'Why do people come to the UK - Study?' (2025), [Link](#). Figures refer to sponsored study visas.

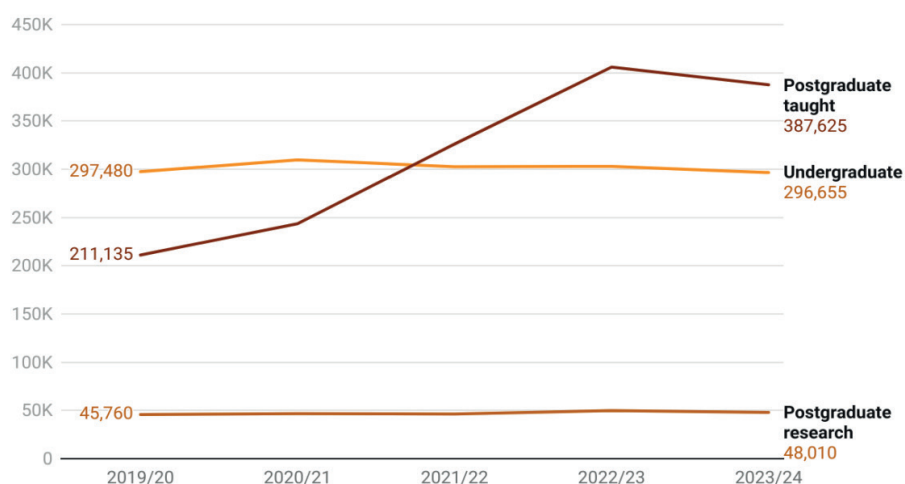
**Figure 35: Total number of non-UK international students present in the UK by year<sup>173</sup>**



The composition of international students in the UK is dominated by a small number of countries. In 2023/24 64% of all international student entrants came from India, China, Nigeria or Pakistan, with India alone accounting for 25% of total entrants.<sup>174</sup>

International students have also increasingly come to the UK primarily to study short, taught, postgraduate courses. Whilst the number of international students coming to the UK to study undergraduate and postgraduate research courses between 2019/20 and 2023/24 was relatively steady, there has been a significant increase in the numbers arriving to study postgraduate taught courses. The Government's Immigration White Paper noted this shift, saying 'the post-COVID-19, post-Brexit increase in study visas was mainly driven by those coming to study for a master's (accounting for 65% of study visas over the last four years)'.<sup>175</sup>

**Figure 36: HE international student enrolments by level of study<sup>176</sup>**



173. HESA, 'Non-UK permanent address students by HE provider and country of permanent address 2014/15 to 2024/25', [link](#).

174. House of Commons Library, 'International students in UK higher education', 27 June 2025, [link](#).

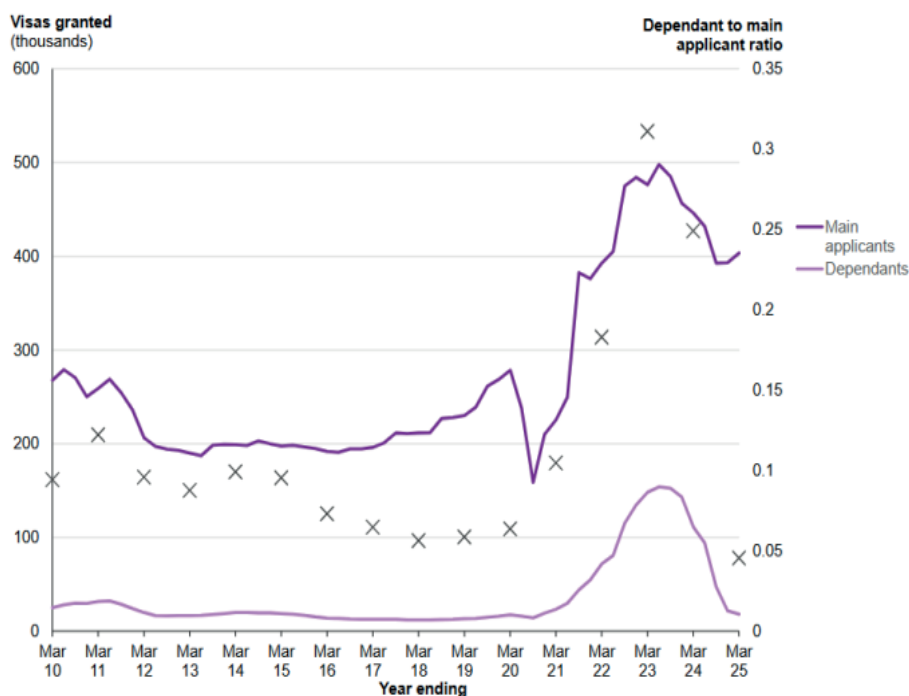
175. HM Government, 'Restoring control over the immigration system', May 2025, [link](#).

176. HESA, 'Higher Education Student Statistics', 20 March 2025, [link](#).

On one level rising international student numbers have been a major economic boon to the UK universities sector. The Department for Education estimated that education exports and transnational educational activity by the higher education sector was worth £32.3 billion to the UK economy in 2022.<sup>177</sup>

Yet the rising numbers and changing profile of international students has posed challenges to universities. In an era of high public concern around migration, fears that international study is being abused – particularly through the Graduate Route and the right to bring dependents to the UK – have become widespread. In the year ending March 2024, at the high point of dependent migration, there was an average of 1 dependent per 4 main visa grants.<sup>178</sup> By March 2025, following a crack down on dependents this ratio had fallen to 1 per 22 main visa grants.<sup>179</sup>

Figure 37: Sponsored visa granted by applicant type, 2010-2025<sup>180</sup>



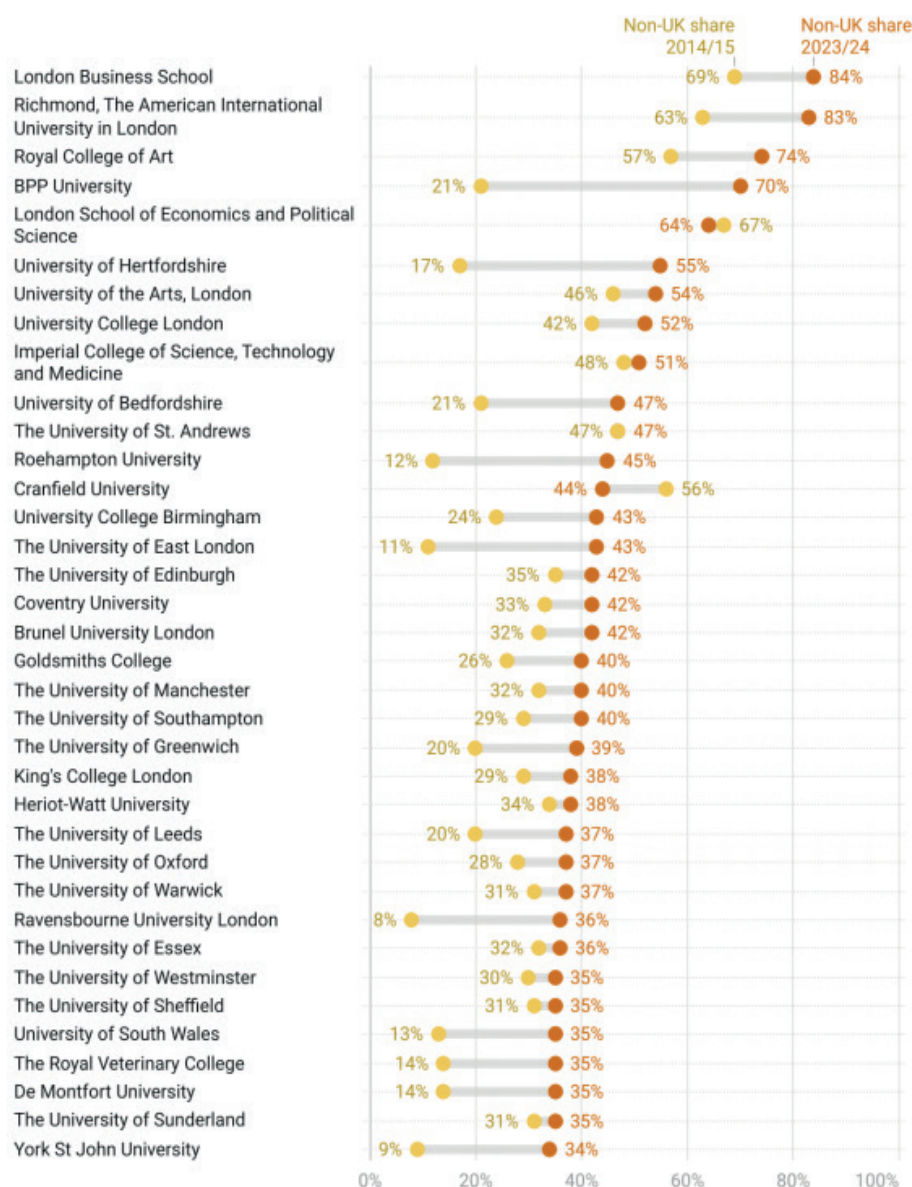
As Policy Exchange identified in its previous report, *Education Not Immigration: Reforming the UK’s International Student Regime*, 40% of those who arrived on study visas in 2023 had transitioned onto another visa type within 12 months.<sup>181</sup> Concerns about these trends and greater scrutiny from the public, media and Government pose a significant reputational risk to the university sector.

There are also signs that some institutions have become increasingly dependent on high intakes of international students to underpin their wider viability. Unlike home students, whose fees are capped, universities can set their own international student course fees in order to generate greater margins per student. Universities make an average of 31 pence for every pound spent educating international students, whilst for domestic

177. Department for Education, 'UK revenue from education related exports and transnational education activity', June 2025, [link](#).  
 178. Home Office, 'Why do people come to the UK - Study?' (2024), [link](#).  
 179. Home Office, 'Why do people come to the UK - Study?' (2025), [link](#).  
 180. Home Office, 'Why do people come to the UK - Study?', 3 June 2025, [link](#).  
 181. Policy Exchange, 'Education Not Immigration: Reforming the UK's International Student Regime', 1 July 2025, [link](#).

students this equates to an 8 pence loss.<sup>182</sup> Since 2014/15 many institutions have overseen significant increases in their numbers of international students, with international students now constituting the majority at some universities including LSE, UCL and the University of Hertfordshire.

Figure 38: Universities by proportion of international students<sup>183</sup>



At some institutions larger proportions of international students have raised concerns about the impact on the overall quality of education. While international students make a contribution to the intellectual life of a university, when universities are incentivised to maximise their numbers this can warp priorities and lower standards. In addition, where a particularly high number of students are recruited from one country, rather than improving diversity this can create homogenous blocs with little mixing with the wider student body.

182. Migration Advisory Committee, 'Rapid Review of the Graduate Route', May 2024, [link](#).

183. HESA, 'HE student enrolments by HE provider 2014/15 to 2023/24', 2024, [link](#).

International students studying degree level qualifications in the UK are required to be proficient in the English language at B2 level on the Common European Framework of Reference for Languages scale (CEFR).<sup>184</sup> B2 requires students to demonstrate skills including ‘can understand the main ideas of complex text’ and ‘can interact with a degree of fluency and spontaneity’, widely compared to the proficiency of a foreign language at A level.<sup>185</sup> However some institutions are allowed to conduct their own language tests, as opposed to a centrally certified Secure English Language Test (SELT). 18% of institutions that offer such internal assessments report no prospective students failing the test, indicating a 100% pass rate.<sup>186</sup>

The inadequacy of language requirements has led to some concerns about the quality of the university experience. An investigation by BBC File on 4 found that in one course, 70% of master’s students in a five-year period ‘did not have sufficient English language skills to be on the course’.<sup>187</sup> A similar investigation by the Guardian quoted a Russell Group academic saying, “It’s commonplace to have students who can barely speak English... They’re clearly just there because the university wants their fees.”<sup>188</sup>

In other cases one-year foundation courses offered to international students have accepted students on low entry requirements, who are then able to automatically passport onto highly competitive full degree courses. For example, whilst Bristol University’s economics undergraduate degree typically requires A\*AA at A Level, the foundation course entry for non-UK students only requires applicants to achieve CCC.<sup>189</sup> A 2024 Sunday Times investigation found such one-year foundation courses were offered by 15 Russell Group Universities. These issues have caused further reputational risks for the sector.

In extreme cases concerns have been raised that some international students have been utilised for foreign interference within the UK universities sector. A report by UK China Transparency (UKCT) found that Chinese students at UK universities were facing pressure to inform on their peers to suppress discussion of China-critical views.<sup>190</sup> The Government has invested £3 million to create a route for university leaders to report interference concerns to security agencies, acknowledging the scale of the problem.<sup>191</sup>

Despite the expansion of international student numbers, in many cases the financial benefits institutions have realised are relatively small – particularly after taking into account agent fees and the new international student levy. Previous research by Policy Exchange has shown that there is wide variation on the surplus profit ratio made by different institutions, which can then be used to subsidise the cost of domestic fees or meet other university priorities.

By estimating average annual international student fees by dividing non-UK fee income declared to HESA by international student numbers, it is estimated that universities ranked in the top 200 on average charged international fees of £23,790 a year, whilst universities ranked 1000+ charged average international fees of £12,513 – over £11,000 less.<sup>192</sup> Even when it is assumed that average course costs are higher in global top 200

184. HM Government, ‘Student Visa – Knowledge of English’, 2025, [link](#).

185. Council of Europe, ‘Global scale - Table 1 (CEFR 3.3): Common Reference levels’, [link](#).

186. Home Office, ‘Student route evaluation (wave 2)’, 12 May 2025, [link](#).

187. BBC News, ‘Universities enrolling foreign students with poor English’, 3 December 2024, [link](#).

188. I see it as trafficking: the brutal reality of life as a foreign student in the UK, The Guardian, 2026, [link](#).

189. The Times, ‘Cash for courses: top universities recruit foreign students on low grades at top universities’, 27 January 2024, [link](#).

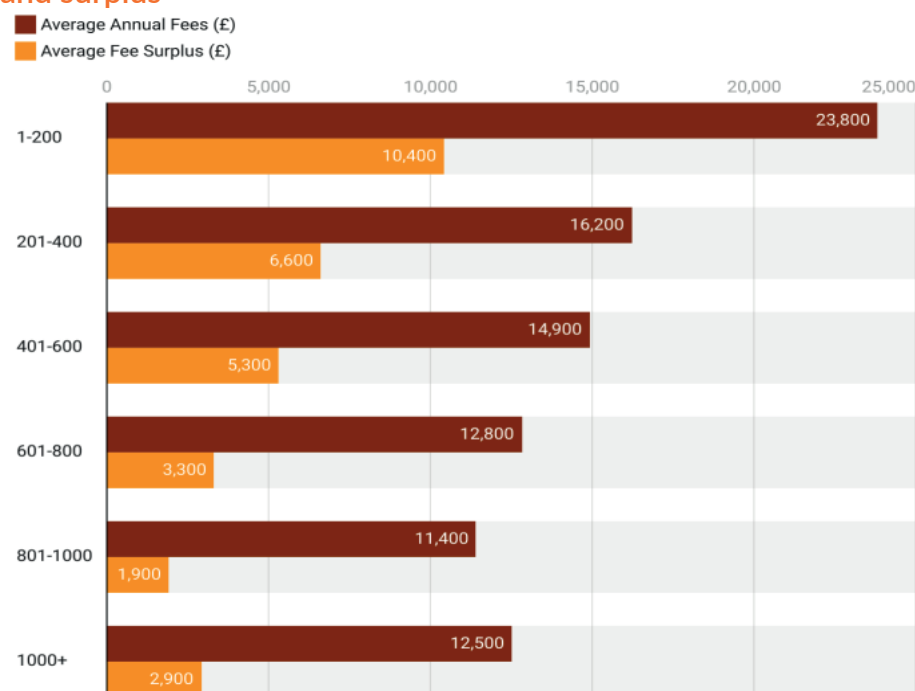
190. BBC News, ‘Chinese university students told to spy on classmates, report says’, 4 August 2025, [link](#).

191. Department for Education, ‘Intelligence agencies provide briefings on foreign interference’, 9 February 2026, [link](#).

192. Policy Exchange, ‘Education Not Immigration: Reforming the UK’s International Student Regime’, 1 July 2025, [link](#).

universities (by using the higher uprated average from the Russell Group of £13,400 in 2025, compared with the uprated Augar Review average of £9600 in 2025) they achieve a significantly larger average fee surplus. Universities ranked in the top 200 globally on the QS World Rankings have an estimated per-head surplus on international fees of £10,400, whilst those ranked 1000 or lower achieve an estimated surplus of just £2,900 per student. The average surplus is even lower for those ranked between 800 and 1000 globally, at £1,900 per international student.

**Figure 39: QS World Ranking by average international student fee and surplus**



This has left many universities in a difficult position. Outside of the highest rankings, the margin on international student fees is relatively low. Institutions have thus become reliant on high numbers of international students to achieve cumulative volume from their fee surplus. This is not only potentially unsustainable but leaves universities highly vulnerable to changes in regulations or immigration policy that restrict the ability of international students to come to the UK to study.

Recent changes under the previous Conservative Government and the current Labour Government have had precisely this effect. In January 2024 the Government both restricted switching from study to work visas prior to the completion of courses and changed regulations so that only students on postgraduate research courses are eligible to bring dependents with them to the UK.<sup>193</sup> The current Government's 2025 Immigration White Paper announced a planned shortening of the Graduate Route from 2 years to 18 months for those with bachelors and masters degrees, increased accountability for universities as sponsors of international students, and introduced a new annual international student levy of £925

193. Home Office, 'Tough government action on student visas comes into effect', 2 January 2024, [link](#).

from 2028.<sup>194</sup> These reforms are largely credited with the downturns in overall international student migration.

At some institutions these changes to the immigration rules governing international students have resulted in rapid reductions in student numbers. The London campus of Glasgow Caledonian University saw enrolments fall from 1,624 in 2024/25 to just 31 in 2025/26, with particular falls amongst students enrolling from India and Pakistan. This reduction has significantly contributed to the university's losses of £33 million in income within a two year period.<sup>195</sup>

In some cases universities that are particularly vulnerable to the fiscal impacts of these changes have taken action to preserve their numbers of international students. This has often taken the form of expanding postgraduate research courses, for which international students are still eligible to bring dependents. An investigation by Times Higher Education found that the University of Greater Manchester, previously the University of Bolton, grew international student numbers on postgraduate research courses from 82 students in 2023-24 to 1748 in 2025/26 – an increase of over 2000% in a two-year period.<sup>196</sup> With the Home Office promising to tighten the system further if abuse is found, avenues like this are unlikely to be sustainable to retain high international student numbers.

### 4.7 Governance

Governance is inextricably linked to other sections of this report, for instance on the history of institutions and in the modern era on the vexed question of student fees. It is worth striving to understand governance in its own right, however, as it is about the fundamental questions of what a university's mission or purpose is and how the guardians of the university's distinctive role in society discharge their responsibilities to students, staff, funders, alumni, partners and other stakeholders, and to the common good.

In most of today's models of governance, there is an expectation that students and staff should be involved in the development of a university and we expect there to be a well-informed non-executive group, who care deeply about the institution but are not paid by it, overseeing the work of those executives who are paid to lead and manage the university.

Some universities' governance arrangements have evolved informally for centuries but most have a definite starting-point with a formal structure.

Sometimes, though, that can change again and again, either as the status of the institution changes or as government policy changes or as institutions merge.

In the modern era, there is also accountability to regulators on funding and quality assurance to consider, overlaid on a system of quality control that is peer-assessed, the longstanding practice of external examiners safeguarding standards and in the last forty years, the assessment of research quality in huge national exercises on a seven year cycle. In addition, the Ofsted model of assessing teaching also applies to some university provision, including teacher-training and apprenticeships.

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194. Home Office, 'Restoring control over the immigration system: white paper', 12 May 2025, [link](#).

195. Financial Times, 'Crackdown on overseas students delivers blow to London campus', 8 March 2026, [link](#).

196. Times Higher Education, 'Universities enrol hundreds more MRes students despite warnings', 23 January 2026, [link](#).

There is also accountability to Parliament given public funding and interest, to the Charity Commission<sup>197</sup> and/or Companies House, to staff and the law on such matters as employment rights and freedom of speech, and increasingly as the burden of debt for fees switches to them, to students themselves. Universities also accept extra accountability in their quests for donations from alumni and philanthropists, and for partnerships with external bodies, often lumped together as stakeholders.

In its simplest form, however, the starting-point for understanding how universities have developed their governance is to recognise that there are usually two bodies which in some sense ‘govern’ them, in accordance with their ‘governing’ documents.<sup>198</sup> One is a body often called an Academic Board but sometimes a Senate. This is chaired by the vice-chancellor, president or chief executive of the institution. The other body is often called a Council or sometimes simply the Governing Body or Board. The nomenclature can be confusing to those outside any given institution. The latter body is chaired by a non-executive, lay person who might also be designated as the senior Pro-Chancellor. A more famous figure would normally have the symbolic or figurehead role of Chancellor, presiding at graduations where available. The chair of the governing body might be a more local character, such as a retired business executive or a local councillor. There will be a limit to their time in office, usually the maximum would be three terms of three years each. There needs to be succession planning.

Each of these bodies will have a defined membership, set out in the memorandum and articles of association in the newer institutions which have a company or charitable structure, and in Charters, other documents or custom and practice in universities of several centuries’ standing.

In practice, the executive management or leadership of a university is formed by a vice-chancellor, deputy- and pro-vice-chancellors, and senior officers including a director of finance, a university secretary, a registrar and a director of human resources, sometimes with other colleagues such as a director of estates, directors of development and alumni relations, and directors of communications and marketing.

The vice-chancellor is appointed by the governing body and is accountable to them as well as being the accounting officer to Parliament and to the funding council, in other words, the chief executive. Those senior executives meet weekly or fortnightly. They consult widely and devise a strategy which they put to both the Academic Board and then the Governing Body for approval, and then they implement it. The Academic Board should in theory ensure that staff and students get to have their say. The Governing Body will typically have a majority of lay people but will also include staff and student representatives. In practice, the relationship between the vice-chancellor and the chair of the governing body is pivotal. If this breaks down, one or the other or both will go. More commonly, if and when opposition to the university’s approach reaches a crescendo, students or alumni or staff, especially trade union representatives, might call for the chair of governors to put pressure on the vice-chancellor to go.

197. Though the majority of HEIs are ‘exempt charities’, meaning that the OfS is the principal regulator rather than the Charity Commission.

198. This, and subsequent descriptions, is less frequently the case at more modern private providers, which have more varied methods of governance, in some cases more closely resembling those of private companies. A significant majority of students, however, continue to be educated in institutions with the governance structures described here.

There are various ways in which that can happen. Then the process begins again, with the Governing Body appointing the next vice-chancellor, and so on.

Again, in practice what happens is that the governors turn to search consultants, colloquially known as head-hunters, who exercise considerable power. They tend to approach and then put forward the same kinds of candidates again and again. A cadre of professional managers has therefore arisen who seem to move between institutions ever more frequently. This in turn affects how they behave. They want some identifiable short-term ‘improvements’ to show the search consultants for their next role.

Increasingly, the trend is for them to set a strategy with the name of the institution and an implausibly distant date, where there is little chance whatsoever that the vice-chancellor will still be in post by the time the strategy can be judged on its outputs. If appointed in the early 2020s, for instance, a vice-chancellor will propose a strategy called Poppleton 2030 but will leave in the mid-2020s, before the research element has had a chance to be tested in the Research Excellence Framework exercise set for 2029. If the outcome is poor, the Pro-Vice-Chancellor for Research will take the blame. A new vice-chancellor and a new pro-vice-chancellor will then devise a strategy for Poppleton 2040 but will not last that long, and the cycle is repeated.

These phoney wars over ‘improving’ institutional performance have one other spurious element which undermines governance. This is an obsession with ‘league table’ placings – which, as discussed above, can lead to actions such as increasing grade inflation or chasing student ‘satisfaction’ at the expense of educational rigour. A certain kind of vice-chancellor and a certain kind of chair of a governing body love to show ‘improvement’ through gaming a league table ranking. The 2030 strategy is then explained in terms of rising from the middle quartile to the upper quartile on student satisfaction or student experience or some other criterion which has no substance in the sense that ‘student satisfaction’ is really a way of expressing self-satisfaction. But there are tricks of the trade in how students are encouraged to fill in surveys, and how a higher percentage of, for example, first class degrees can lead to a better placing even if that is at the expense of lowering standards.

There is a downside for managers and chairs of governing bodies in this preoccupation with league tables. In professional football, managers are sacked with increasing frequency as results on the pitch go against their clubs. Vice-Chancellors are eased out, or otherwise move on, almost as swiftly if ‘results’ in the form of league table placings do not show improvements.

A league table is not an appropriate metaphor, however, for the performance and governance of universities. There are alternatives, such as annual awards for particular aspects of university life. There are other walks of life which have a different way of recognising high quality, sending out reliable signals to potential customers or clients or patrons, and raising standards. The league table mentality, however, reinforces a general sense

that the universities which existed before polytechnics became universities in 1992 are at an elite, unproblematic end of a spectrum, that polytechnics becoming universities diluted quality and trust while admittedly widening participation, and that small colleges which became universities even more recently generate even less confidence in their quality.

This is unfair, however, and the landscape is much more complex. To take just one example, high levels of grade inflation have occurred in both the pre-1992 and post-1992 universities, and levels of teaching quality and attainment – especially if considered in terms of ‘value add’ over incoming students’ prior attainment – can be high in many different parts of the sector.

For example, teacher training colleges from the middle of the 19<sup>th</sup> century, some secular, some founded by churches, had a century of quality control and achievement before the universities which were created out of nothing in the 1960s. The latter were granted degree-awarding powers without any achievements whatsoever, as well as being given land and the funding for buildings and to recruit staff and students.

Some of the nineteenth century colleges, in contrast, were merged into polytechnics and became universities in the 1990s while others merged with each other and became universities in the 21<sup>st</sup> century.

There were other categories, such as the colleges of advanced technology (CATS) which became universities directly in the 1960s without suffering the governance challenges of polytechnics. For example, polytechnics were governed by local authorities who were balancing investment in new buildings and maintenance with their responsibilities for buildings and maintenance in schools. This is why they had many school-like buildings which were unsuitable in the first place for schools or polytechnics or universities. These weaknesses were compounded by a failure to allocate appropriate maintenance budgets.

Meanwhile, failures of internal governance across the sector meant that the funds now available were not always well-spent, invested in unnecessary buildings and unnecessarily high salaries for senior staff. Then came lockdown, followed by a growth in recorded lectures, freely available artificial intelligence and some patterns of behaviour, on which the whole system was premised, collapsed. It was no longer so attractive to move away from home and pay yet more for student accommodation. It was no longer so necessary to turn up at lectures. Many students seemed to be switching to an Open University style of distance learning (which could be attained for £6000) while paying campus-based university fees.

All of these changes in the climate of UK universities have revealed weaknesses in the governance of institutions which could have been glossed over in the ages of plenty. In particular, one of the functions reserved to governing bodies in most university constitutions has been the setting of fees. This seemed peripheral when it was associated with the issue of charging small sums for ‘extra-mural’ education. But once it became a question of setting fees for thousands of pounds, governing bodies moved to centre-stage.

It is worth considering why three of the most common errors of governance keep occurring. These are, firstly, swinging rapidly from the poor estate of a main campus to lavish and under-used buildings which are then derided as vanity projects; secondly adding new locations without rhyme, reason or control; and thirdly paying too many managers' salaries which are too high. Poor industrial relations are explained in large part by the governance of universities then allowing managers to seek to balance the institutional budget and compensate for those three errors by the entirely unrelated device of creating schemes of voluntary and compulsory redundancy. There are so many confusions in all this that it is difficult to disentangle the capital and income problems of universities but there are some common governance issues.

In short, many universities have become too big and complex to manage and to govern effectively under existing arrangements. The Governing Body's lay members are mostly unpaid and have limited time, together in some cases with limited expertise, to challenge estate proposals or to monitor and evaluate senior managers' performance or their more radical proposals. The best the average Governing Body thinks it can do is to devolve responsibilities to a finance committee, a remuneration committee, an estates committee, a staffing committee and an audit committee. Although they report into the full Governing Body meetings, these sub-groups can be captured by managers and can struggle to see the implications for the institution as a whole. Who does not want better buildings for students to enjoy university life and for the university to attract students? If all the soundings taken by the remuneration committee are that the vice-chancellor is doing a good job and those league table placings are improving, why not retain the vice-chancellor by putting the salary up in that league table? The senior officers and deputies who are sounded out, however, have every incentive to argue for the vice-chancellor's pay to be increased as their salaries will be set in effect as a percentage of that figure. If the aim is to attract more foreign students, why not create a new campus in a different place, such as London or Dubai? This can lead to a capture by managerialism, with focus lost on the underlying ethos and purpose of the university.

When all these expenses are added up, though, how can the institution break even? Often, the only proposal put to the governing body by the highly-paid managers responsible for the previous decisions is then to cut the provision in subjects which seem less popular, saving salaries in the long run by redundancy payments in the short run. Not surprisingly, this is anathema to trade unions, to staff and to student representatives. A slightly more cynical approach by senior management over decades, as discussed above, has been to anticipate and hedge against this by appointing staff on short-term, precarious, contracts, so as to create, to lapse into the language of strategic plans, a more 'flexible' or 'nimble' or more 'agile' set of employees, dubbed a 'workforce'.

Ultimately, the Governing Body should be the guardian of something even more fundamental than appointing executive leaders and setting fees,

namely the mission and values of their university. This seemed to happen naturally when local business, political and community leaders lobbied to create a university college in Liverpool or Manchester in the nineteenth century or in Staffordshire after the Second World War. These became the universities of Liverpool, Manchester and Keele in due course, with a continuity of civic accountability. The financial incentives, the league table rankings and the kudos associated with research have operated differently to foster mission drift in some other institutions, often with a less well-endowed heritage, such as former polytechnics and secular colleges. The fundamental challenge here is that no members of the Governing Body might be able to identify readily what is distinctive about their university's mission and values or have the experience to oversee decision-making in contrary directions by a succession of executives.

It is easier in a church foundation, one might have thought, for there to be a cohesive view among a Governing Body which would have places reserved for bishops and trustees of the original orders or denominations. It has been preserved also, to a greater degree, at Oxford and Cambridge who, almost uniquely, have maintained significant power for the wider academic body, which has overruled the executive on a number of high profile occasions. As in Newman's vision, the preservation of collegiality, where it has been possible, has served as at least a partial bulwark against managerialism and corporatism.

In sum, the hidden crisis in our systems of universities is about governance. It is all the more pressing because there will be mergers, closures and radical surgery in the coming years – and because concerns about universities, from value for money to standards, from free speech to antisemitism, and from online lectures to international students, will only become more pressing.

### 4.8 Regulation

The Office for Students was established as a 'consumer focused market regulator with new statutory powers and an extended remit to regulate all registered HE providers.' Amongst the principal rationales were to provide a unified regulatory system for both 'traditional' higher education institutions and newer 'alternative providers' and to create a lighter-touch, more responsive and risk-based regulation. As the White Paper that laid the ground for its establishment said:

*"The OfS will introduce a risk-based approach to monitoring those institutions which pass the regulatory entry requirements, ensuring that we maintain high standards while minimising the regulatory burden. In return for a more flexible process, we will expect a clear demonstration of quality, and the OfS will have the powers to intervene rapidly if it has reason to believe that quality in any institution is failing."<sup>199</sup>*

Ten years on, it has failed to achieve any of these objectives. Despite repeated urgings from ministers to reduce bureaucracy, it has not significantly done so. It appears to interpret "risk-based" as referring only

199. Success as a Knowledge Economy, gov.uk, 2016, [Link](#)

to investigations or other formal inquiries, not to data collection. Hence, it routinely requires the same information from all providers, regardless of their risk in the particular area – and despite this being the major source of bureaucracy and burden. Additional registration conditions, including into harassment, franchising and grade inflation, amongst others, have been added to what is an ever-extending set of compliance requirements. Universities and providers of all types have repeatedly criticised the OfS, privately and publicly, for the level of burden it imposes.

The Access and Participation regime requires the production and approval by each provider of a lengthy and burdensome Access and Participation Plan, plans that may be over a hundred pages long, and commit providers to extensive actions supposed designed to reduce ‘gaps’ and improve access and participation. This highly bureaucratic access and participation regime costs over £700m a year<sup>200</sup> – yet it has neither reduced accusations from the political left that the sector must do more to widen participation, nor accusations from the right over discriminatory admissions. In its strong encouragement to universities to lower entry qualifications in the name of ‘widening participation’ – with some universities dropping entry requirements by up to three A-Level grades for students from certain backgrounds under so-called ‘contextual offers’<sup>201</sup> – it has contributed to the overall degradation of academic standards across the sector.

Neither does the OfS operate nimbly or swiftly. Of eleven investigations into business studies and computing that were initiated in 2022, many took over six months to conclude and some took well over a year – despite none of the investigations leading to significant sanctions or consequences.<sup>202,203</sup> The investigation into free speech at the University of Sussex took over three years.<sup>204</sup> Where significant penalties are imposed, whether on issues of quality and standards or on issues such as free speech, the process of doing so appears to be lengthy, highly bureaucratic and in two of the most high profile cases – that of the Bloomsbury Institute and of the University of Sussex – overturned on appeal.

The OfS already has an operating cost of £33 million and employs 475 full-time equivalent staff – a number that has grown significantly since its formation.<sup>205</sup> With this, it carried out a bare handful of investigations. By comparison, Ofsted used its £140 million budget and 1,800 staff to carry out over 30,000 inspections, including into 5,900 state-funded schools, 640 further education providers and a large number of early-years and childcare providers.<sup>206</sup> While a university is more complex than a school, it would be reasonable for the government to ask what, precisely, it is getting for its money.

The problem is exacerbated in that the OfS is not the only regulator that higher education providers must deal with. Those delivering apprenticeships are inspected by Ofsted (as are all further education colleges, some of which are also registered with the OfS); those delivering Higher Technical Qualifications must interact with Skills England, formerly IFATE. The Office of the Independent Adjudicator has an important role

200. Equality of access and outcomes in higher education in England, House of Commons Library, 2026, [Link](#)

201. See for example Lancaster University, [Link](#)

202. It is recognised that an investigation that would result in major consequences, such as the removal of degree awarding powers, might need to take longer.

203. Quality assessment for registered providers, Office for Students, [Link](#)

204. University of Sussex fined £585,000 for free speech and governance breaches, Office for Students, [Link](#)

205. Office for Students Annual Report and Accounts 2024-25, [Link](#)

206. Ofsted Annual Report 2024-25, [Link](#)

in resolving individual student grievances and the Quality Assurance Agency's guidance, despite it being relieved of any formal quality role, is still looked to by some universities. The Advertising Standards Authority has a role overseeing the accuracy of adverts. This overlapping set of regulatory masters is particularly burdensome for providers that look to straddle the divide between further and higher education.

Independent reports have been highly critical of the OfS. The House of Lords Industry and Regulators Committee's report, *Must do better: The Office for Students and the looming crisis facing higher education*, lambasted its performance, saying:

*"The first is that its relationships with many of its key stakeholders are not satisfactory: this applies not only to providers and other bodies such as the QAA, but also to students, the very people whose interests it is supposed to defend. The OfS does not engage with its stakeholders as well as it should and, when it does, there is a perception that it gives insufficient attention to their feedback.*

*Moreover, the OfS' approach to regulation often seems arbitrary, overly controlling and unnecessarily combative. It has been selective in choosing which of its duties to prioritise, expanded its remit into new areas and created the impression that it seeks to control and micro-manage providers. Whether in its treatment of the QAA or its requests for data from providers, it is often unclear why the OfS does many of the things that it does.*

*Finally, from imposing spelling and grammar requirements on providers to its opaque approach to defining student interests, there have been too many examples of the OfS acting like an instrument of the Government's policy agenda rather than an independent regulator."*<sup>207</sup>

The Behan report took a more measured approach, but similarly made criticism of the OfS's focus and proportionality, including saying that:

*"More could be done by the OfS to streamline and improve its approach to regulation. This could include considering more proportionate regulation and avoiding a 'one size fits all' approach for different types of providers... The OfS should continue to prioritise work to build confidence, respect, and trust in its relationship with the higher education sector. While the OfS has improved recently, there is still more to be done to strengthen this."*<sup>208</sup>

Since these reports were published, the OfS has made considerable efforts to restore its relationship with those it regulates and to shift its focus towards financial sustainability; however, the fundamental regulatory regime remains unchanged.

The irony is that despite the burden, fractious relationship with the sector and perceived closeness to Government, the OfS's regulation has not succeeded in delivering upon the objectives that current or former Governments desired. It has not succeeded in eliminating or significantly reducing 'low quality'/'low value' courses; it has not resolved concerns over

207. House of Lords Industry and Regulators Committee, *Must do better: The Office for Students and the looming crisis facing higher education*, 2023, [Link](#)

208. Independent Review of the Office for Students, gov.uk, 2024, [Link](#)

grade inflation and standards; it has not delivered satisfaction for students distressed at loss of teaching during the pandemic, or afterwards,<sup>209</sup> it has not noticeably reduced concern about sexual harassment or antisemitism; and it has failed to stop the rapid growth of students on lightly regulated franchised provision with poor outcomes. It regularly faces threats of legal challenge to routine activities such as inspections.

In regulation the sector has the worst of both worlds: a burdensome, bureaucratic regime that nevertheless fails to deliver the legitimate objectives of the elected government of the day. There are fundamental questions to be asked about the appropriateness of the regime for a mass education system, including the regulation by ‘conditions of registration’, the high barriers for OfS action (but seemingly low barriers to being able to demand paperwork) and the replacement of cyclical inspection and review with a ‘risk-based’ approach which is simultaneously more burdensome and less responsive.

The OfS has thus far failed to live up to the ambition of its creators to be light-touch and proportionate. This has been the case under three chairs and two chief executives – suggesting the underlying problem is the legal framework upon which it rests. While small adjustments to the regulatory framework would be helpful, a more fundamental examination of how higher education is regulated – with learning where appropriate from the funding council model that preceded the OfS – is now warranted.

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209. Such concerns are being reflected in a large-scale court collective action court case and a record number of complaints to the OIA.

# Annex A: A brief history of UK Higher Education

## Before 1992: Expansion and the Robbins Principle

Before the 19th century, higher education in the United Kingdom (UK) was concentrated in the University of Oxford, the University of Cambridge, and the four Scottish universities of St. Andrews, Glasgow, Aberdeen, and Edinburgh. In the 1820s, the University College, London and King's College were founded, and in 1836 the University of London was constituted by a charter as a degree-awarding body. A wave of 'civic universities' developed in Durham (1832), Manchester (1851), Leeds (1874), Bristol (1876), Birmingham (1880), Liverpool (1881), Reading (1892) and Sheffield (1897). These were initially university colleges, awarding University of London degrees, and only later shifted to full university status with degree awarding power, beginning with Manchester in 1880. In Wales, university colleges were founded at Aberystwyth (1872) Cardiff (1884) and Bangor (1884), before the University of Wales, a federation of the three colleges, was established in 1893. The 'younger wave of civic universities', in Reading, Nottingham, Southampton, Hull, Exeter, and Leicester, were founded as university colleges in the 1910s and 1920s until they received university status.<sup>210</sup>

The Government appointed a Committee on Higher Education in 1961, to be chaired by Lord Robbins. The committee's report, published in 1963, articulated what came to be known as the *Robbins principle*: 'courses of higher education should be available for all those who are qualified by ability and attainment to pursue them and who wish to do so' (para. 31).<sup>211</sup> Robbins recommended that the number of students in full-time higher education should increase from 238,000 in 1963/64 to 558,000 in 1980/81.<sup>212</sup> This established expansion as a central and largely uncontested objective of higher education policy.

Although Harold Wilson's Government did not implement all of Lord Robbins' recommendations,<sup>213</sup> expansion continued throughout the 1960s. Universities were established in Norwich, York, Canterbury, Colchester, Coventry, and Lancaster and in 1969 the Open University was launched. At the same time, teacher training colleges and polytechnics developed across the country.<sup>214</sup> By 1980, there were 534,000 full-time students enrolled in higher education courses, only 6% shy of the Robbins recommendation.<sup>215</sup>

Under Margaret Thatcher, expansion slowed, as higher education

210. Education-UK, "The Robbins Report (1963)", 1963, [link](#); Simon Lee, Policy Exchange, "Universities in Peripheral Vision", 2025, [link](#).

211. Higher Education Policy Institute (HEPI), "The Robbins Report at 60: Essential facts for policymakers today", 2023, [link](#).

212. Higher Education Policy Institute (HEPI), "The Robbins Report at 60: Essential facts for policymakers today", 2023, [link](#).

213. Hansard, "Higher Education, Vol. 270: 1 Dec 1965", 1965, [link](#).

214. W. A. C. Stewart, "The Rise of the Polytechnics," in *Higher Education in Postwar Britain* (London: Palgrave Macmillan, 1989), 223 - 238, [link](#).

215. Higher Education Policy Institute (HEPI), "The Robbins Report at 60: Essential facts for policymakers today", 2023, [link](#).

institutions faced tighter budgets, notably via the 1981 University Grants Committee cuts; increased government oversight; and there was an increased emphasis on efficiency and ties to industry, including through the 1985 Jarratt Review. This marked an early shift away from uncontrolled expansion, as the Government expressed concerns about the funding, performance, and value of higher education.

### 1990-1997: Abolishing the 'Binary Divide'

In 1991, John Major's Conservative Government published two white papers entitled *Education and Training for the 21st Century* and *Higher Education: A New Framework*. The second paper set out Major's vision for higher education reform. The Government was aligned with Thatcher's view of 'the aims and purposes of higher education' but set out to make one significant change: to 'end the increasingly artificial distinction' or the 'binary divide' between universities and polytechnics.<sup>216</sup>

In 1992, the Further and Higher Education Act carried forward these proposals. It extended the title of 'university' and degree-awarding powers, and it established new funding structures (Higher Education Funding Councils).<sup>217</sup> Quality assurance was to be carried out by the HEFCs, through their Quality Assurance Division which developed the 'Teaching Quality Assessment' (TQA), and 'audit' was carried out by the Higher Education Quality Council (HEQC).<sup>218</sup> University league tables were published for the first time in the early 1990s.<sup>219</sup>

By 1996, participation rates had increased but without the adequate increase in funding. This created a funding crisis that emerged as a contentious issue before the 1996 General Election.<sup>220</sup> Both parties agreed to set up a National Committee of Inquiry, chaired by Lord Dearing, to 'make recommendations on how the purposes, shape, structure, size and funding of higher education, including support for students, should develop... over the next 20 years'.<sup>221</sup>

### 1997-2000: The Dearing Report and Blair's Response

In Tony Blair's 1997 campaign, he set out to make 'education Labour's number one priority' and spoke of the need to reform higher education.<sup>222</sup> New Labour won the General Election in May 1997 and then in July 1997 the Dearing Committee published its report: *Higher Education in the Learning Society*, which included 93 recommendations.

The Committee supported the continued expansion of higher education but made it conditional on new funding mechanisms and stronger quality assurance. It claimed that public funding could not meet the costs of the growing higher education system and recommended that graduates make a direct financial contribution to the cost of their education, specifically a 'flat rate contribution of around 25 per cent of the average cost of higher education tuition, through an income contingent mechanism' (rec. 79).<sup>223</sup> Graduate contributions were justified on the basis that students were the primary beneficiaries of higher education and with this came the expectation that higher education institutions must 'demonstrate [their]

216. Education-UK, "White Paper: Higher Education: A New Framework (1991)", 1991, [link](#).

217. Gov.UK, "Further and Higher Education Act 1992", 1992, last accessed 19 May 2026, [link](#); Hansard, "Further and Higher Education Bill HL, Vol. 532: 21 Nov 1991", 1991, [link](#).

218. Parliament UK, "Select Committee on Education and Employment: Appendices to the Minutes of Evidence", 2000, [link](#).

219. World Education News and Reviews, "University Rankings: United Kingdom", 2006, [link](#).

220. BBC, "Labour's 1997 pledges: Education", 2002, [link](#); LSE, *Shaping Higher Education: 40 Years After Robbins*, 2014, [link](#).

221. Education-UK, "The Dearing Report (1997)", 1997, [link](#).

222. Labour Manifesto, "Labour Manifesto 1997", 1997, [link](#).

223. Education-UK, "The Dearing Report (1997)", 1997, [link](#).

value' to students and be 'transparent.'<sup>224</sup> The report also recognised the Quality Assurance Agency (QAA), which had come into existence in March 1997, and proposed an expansion of its functions (rec. 24 and 25).<sup>225</sup>

In 1998, the Government introduced the Teaching and Higher Education Bill. The Dearing Committee had suggested that its recommendations be implemented as a 'coherent package.'<sup>226</sup> The Bill, however, was presented by Education Secretary David Blunkett as combining Blair's manifesto commitments with Dearing's recommendation.<sup>227</sup> It proposed the introduction of means tested tuition fees, set at £1,000, alongside other changes to funding arrangements, grants, loans, and quality assurance measures.<sup>228</sup> The introduction of fees divided Labour, as former Education Secretary Ted Short told the House of Lords that the plan made him ashamed to be a member of the party.<sup>229</sup>

At his Party Conference speech in 1999, Blair reiterated his government's success in promoting education. He set a target of '50 per cent of young adults going into higher education in the next century.'<sup>230</sup> This became a flagship Labour policy, symbolising the party's commitment to expansion and widening participation.<sup>231</sup>

In 1998 - 1999, powers over education and training were devolved to Northern Ireland, Scotland and Wales.<sup>232</sup>

## 2000-2005: Raising Fees and Promoting Access

In the early 2000s, the Labour party expressed concerns about access and equality in higher education. In 2000, British student Laura Spence was rejected from Oxford University but received a scholarship to Harvard University, as one of 10 British students to do so that year.<sup>233</sup> In a statement, Oxford said that it, "received a similar number of applications from students from state and private schools in the north east of England, and accepted the same proportion from each."<sup>234</sup> Nevertheless, the then Chancellor of the Exchequer, Gordon Brown, described the case as an 'absolute scandal', attributing it to an 'old establishment interview system.'<sup>235</sup> He used it to argue for widening access to higher education for students from lower income backgrounds.<sup>236</sup> Around this time, senior Labour figures publicly opposed further increases in tuition fees. The Labour manifesto stated the party would 'not introduce 'top-up' fees' and David Blunkett said he was 'firmly opposed' to this measure.<sup>237</sup>

After the 2001 election, the new Labour Government commissioned a further review of higher education, culminating in *The Future of Higher Education White Paper (2003)*.<sup>238</sup> Following delays linked to concerns about fee levels and graduate debt, the paper set out to promote research excellence and build the relationship between universities and businesses. It proposed continued expansion while addressing access and funding pressures. It proposed restoring grants, abolishing upfront fees, changing loan repayment terms, and appointing an Access Regulator. Crucially, it allowed universities to set tuition fees between £0 - £3,000.<sup>239</sup>

This was followed up by another white paper, published in April 2003, entitled *Widening Participation in Higher Education*. This proposed establishing

224. Vikki Boliver and Lucia Promenzio, "The Hyper-Commodification of Higher Education in England in Cross-Nationally Comparative Perspective," *Higher Education* 91 (2026): 1107-1125, [link](#).

225. Roger Brown and Richard Brown, *Quality Assurance in Higher Education: The UK Experience Since 1992*, 1st ed. (London: Routledge, 2004), [link](#); Education-UK, "The Dearing Report (1997)", 1997, [link](#).

226. Education-UK, "The Dearing Report (1997)", 1997, [link](#).

227. Hansard, "Teaching and Higher Education Bill Lords, Vol. 308: 16 March 1998", 1998, [link](#).

228. Hansard, "Teaching and Higher Education Bill HI, Vol. 583: 26 Nov 1996", 1997, [link](#); House of Commons Library, "Tuition fees in England: History, debates, and international comparisons", 2026, [link](#).

229. BBC, "Tuition fees: How it divided Labour", 2009, [link](#).

230. BBC, "Tony Blair's speech in full", 1999, [link](#).

231. BBC, "Blair wants student boom", 1999, [link](#); BBC, "The symbolic target of 50% at university reached", 2019, [link](#).

232. Gallacher, Jim, and David Raffe. 2012. "Higher Education Policy in Post-Devolution UK: More Convergence than Divergence?" *Journal of Education Policy* 27 (4): 467-90, [link](#).

233. BBC, "Chancellor attacks Oxford admissions", 2000, [link](#).

234. BBC, "Oxford 'reject' wins Harvard Scholarship", 2000, [link](#).

235. BBC, "Chancellor attacks Oxford admissions", 2000, [link](#).

236. Hansard, "Higher Education Bill, Vol. 661: 13 May 2004", 2004, [link](#).

237. Labour Manifesto, "Labour Manifesto 2001", 2001, [link](#); The Guardian, "No university top-up fees, promises Blunkett", 2001, [link](#).

238. House of Commons, Education and Skills Committee, "The Future of Higher Education, Fifth Report of Session 2002 - 03, Volume I", 2003, [link](#); BBC, "Charles Clarke's first-year report", 2003, [link](#).

239. Education-UK, "White Paper: The Future of Higher Education", 2003, [link](#).

the Office of Fair Access (OFFA) for ‘approving and monitoring plans made by institutions in England that wish to set fees higher than the basic amount’,<sup>240</sup> addressing Labour’s concerns over fair access and equity.

The 2004 Higher Education Bill consolidated the reforms of both White Papers. It was highly controversial, in part because the introduction of ‘top-up’ tuition fees appeared to contradict Labour’s pre-election promises. It passed the Second Reading in the House of Commons by only five votes: the Conservatives and the Liberal Democrats opposed it and 72 Labour MPs voted against the Bill. It passed only with the support of Scottish Labour MPs, whose constituents were going to be unaffected by the changes.<sup>241</sup>

### 2005-2010: Continuation and the Browne Review

After devolution, higher education policies diverged significantly. In Scotland, tuition fees had been replaced with a graduate endowment in 2001/02. The graduate endowment was then scrapped by the SNP in 2007/08, with the intention that ‘access to education should be based on the ability to learn, not the ability to pay’.

In 2007/08 Wales introduced variable tuition fees of up to £3000 and a non-means tested tuition fees grant for Welsh students studying in Wales. This fee grant was phased out in 2010/11.<sup>242</sup>

In England, despite the introduction of top-up fees, the 2008 financial crisis and continued increases in participation put further pressure on funding. Before the General Election in 2010, Labour and the Opposition Conservatives agreed to commission another Independent Review, chaired by Lord Browne.<sup>243</sup> Nick Clegg, leader of the Liberal Democrats, made tuition fees a core part of his campaign, saying he would oppose any rise in tuition fees and branding them ‘unfair’.<sup>244</sup>

### 2010-2015: Expansion, Marketisation, and £9,000 Fees

In May 2010, the Liberal Democrats and the Conservatives formed a Coalition Government. Lord Browne published his review in October 2010. The review recommended a ‘radical departure from the existing way in which HEIs are financed’. It stated: ‘HEIs can charge different and higher fees provided that they can show improvements in the student experience and demonstrate progress in providing fair access and of course, students are prepared to entertain such charges.’<sup>245</sup>

In November 2010, David Willetts, the Universities and Science Minister, made a statement in the House of Commons setting out proposals for higher education funding reform. Some of these departed from the recommendations of the Browne report.<sup>246</sup> He proposed a basic threshold of £6,000 for fees and a maximum of £9,000, as well as changes to loan repayment terms.

In June 2011, the Government published a white paper entitled *Higher Education: Students at the Heart of the System*. This review embraced the Browne recommendations and the marketisation of higher education. The Foreword presented a vision of ‘higher education’ as a ‘successful public-

240. Education-UK, “White Paper: Widening Participation in Higher Education”, 2003, [link](#).

241. House of Commons Library, “Tuition fees in England: History, debates, and international comparisons”, 2026, [link](#).

242. HEPI, “WEEKEND READING: Why Scotland’s student funding system is “unfair, unsustainable, unaffordable”, 2025, [link](#); HEPI, “Policy Divergence: Changes in student funding systems across the UK since 2002/03”, 2023, [link](#).

243. Gov.UK, “Independent report: The Browne report: higher education funding and student finance”, 2010, [link](#).

244. BBC, “Have your say: Nick Clegg apology over tuition fees”, 2012, [link](#); 4News, “Tuition fees and the Lib Dems”, 2010, [link](#); HEPI, “Ten Years On: The politics behind the 2010 tuition fee reforms”, 2020, [link](#).

245. Gov.UK, “The Browne report: higher education funding and student finance”, 2010, [link](#).

246. House of Commons Library, “Tuition fees in England: History, debates, and international comparisons”, 2026, [link](#).

private partnership': it proposed 'more investment, greater diversity, less centralised control' and in return expected the sector to become 'accountable to students, as well as to the taxpayer.'<sup>247</sup> It also proposed a relaxation of student number controls. From 2012, universities were able to enrol unlimited students achieving AAB grades or equivalent. In 2013, this was extended to students with ABB and in 2015 controls were removed for all courses except medicine and dentistry.<sup>248</sup>

In April 2012, Home Secretary Theresa May closed the Post Study Work Route which had allowed students who had studied in the UK 'to stay for two years, whether or not they find a job and regardless of the skill level of that job.'<sup>249</sup>

The increase in fees for students came in for students in September 2012.<sup>250</sup> On the 19 September 2012, Nick Clegg released a video message apologising for his pre-election pledge not to raise tuition fees: 'We made a promise before the election that we would vote against any rise in fees under any circumstances. But that was a mistake. It was a pledge made with the best of intentions – but we shouldn't have made a promise we weren't absolutely sure we could deliver.'<sup>251</sup>

Alongside these changes, the Coalition Government also promoted apprenticeships as an alternative education pathway.<sup>252</sup> On 12 March 2015, they announced 9 new industry designed Degree Apprenticeships, including areas such as chartered surveying, aerospace engineering and nuclear.<sup>253</sup>

## 2015-2019: Competition, Choice, and Value for Money

Following the 2015 General Election, the government published a white paper in May 2016 entitled *Higher Education: Success as a Knowledge Economy*. This extended the Coalition Government's support for expansion and marketisation. It was focused on allowing 'competition to flourish', with sections on a 'competitive market', 'choice for students', and 'updating the regulatory architecture'.<sup>254</sup>

These proposals fed into the Higher Education and Research Act, which was passed in 2017. It included measures to help challenger institutions enter the market and give students more information about teaching standards and job prospects. The Teaching Excellence Framework created incentives for universities to improve their standards and was combined with a statutory duty for universities to publish information, and the establishment of the Office for Students.<sup>255</sup>

Before the 2017 General Election, the Labour Party manifesto announced a pledge that Labour would 'reintroduce maintenance grants for university students' and 'abolish university tuition fees.'<sup>256</sup> This proved highly popular, and prior to the election 32% of people remembered Labour's promise.<sup>257</sup> 63% of 18–29-year-olds voting for Labour supported this policy.<sup>258</sup>

The 2017 General Election resulted in a hung Parliament, with the Conservatives losing their majority in the House of Commons.<sup>259</sup> These election results and the popularity of Labour's pledge placed pressure on

247. Department for Business Innovation and Skills, "Higher Education: Students at the Heart of the System", 2011, [link](#).

248. House of Commons Library, "Tuition fees in England: History, debates, and international comparisons", 2026, [link](#).

249. Gov.UK, "Foreign student visas: Home Secretary's statement", 2011, [link](#).

250. House of Commons Library, "Tuition fees in England: History, debates, and international comparisons", 2026, [link](#).

251. The Spectator, "Nick Clegg apologises for tuition fees pledge", 2012, [link](#).

252. Gov.UK, "News: Apprenticeships "absolutely vital" to economy – PM", 2011, [link](#); BBC, "Apprenticeships to be 'the new norm', says David Cameron", 2013 [link](#).

253. Gov.UK, "PM announces rollout of flagship degree apprenticeships", 2015, [link](#).

254. Department for Business, Innovation & Skills, "Success as a Knowledge Economy: Teaching Excellence, Social Mobility and Student Choice", 2016, [link](#).

255. Gov.UK, "Higher Education and Research Act 2017", 2017, last accessed 19 May 2026, [link](#); UK Parliament, "Parliamentary Bills: Higher Education and Research Act 2017", 22 February 2021, [link](#).

256. The Labour Party, "For the Many Not the Few: Manifesto 2017", 2017, [link](#).

257. YouGov, "Manifesto destinies", 2017, [link](#).

258. YouGov, "How Britain voted at the 2017 general election", 2017, [link](#).

259. House of Commons Library, "General Election 2017: full results and analysis", 2019, [link](#).

Prime Minister Theresa May to act on this issue.<sup>260</sup> On 1 October 2017, May announced several changes to the student finance system.<sup>261</sup> She capped fees, freezing them at £9,250, and increased the loan repayment threshold to £25,000.<sup>262</sup> In February 2018, she launched the Post-18 Education and Funding Review, chaired by Philip Augar.<sup>263</sup>

In December 2018, the ONS re-examined the classification of student loans on the government balance sheet, announcing a decision to partition UK loans into lending and expenditure elements.<sup>264</sup> The impact on Public Sector net financial liabilities (PSNFL) was an increase of £55.9 billion in FYE 2019.<sup>265</sup> This intensified concerns that higher education expansion was costly and potentially unsustainable.

The Post-18 Education Review (the Augar Review), published in May 2019, contained 53 recommendations. Importantly, it claimed to be the first report since the Robbins report in 1963 to consider 'both parts of tertiary education together.'<sup>266</sup> The Panel's core proposals were around strengthening tertiary education, including technical education and the Further Education college network, addressing funding issues, and supporting disadvantaged students.<sup>267</sup> It also mentioned 'bearing down on low value HE', acknowledging 'where the university experience leads to disappointment.'<sup>268</sup> This was significant because it implied that higher education expansion was not consistently delivering value for students.

### 2019-2024: A Growing Scepticism

In July 2019, Boris Johnson replaced Theresa May as the UK's new Prime Minister, delaying the Government's official response to the Augar Review.

In September 2020, Boris Johnson made a speech at Exeter College to announce the Lifelong Learning Entitlement: a new funding system for post-18 student finance. He emphasised the importance of 'practical skills', and expressed scepticism about some university degrees, reflecting a growing trend within the Conservative party. He saw the problem as two-fold: universities were not giving people 'the right skills for the jobs our economy creates' and there were 'too many graduates with degrees which don't get them the jobs they want.'<sup>269</sup>

In January 2021, the Government published an 'Interim conclusion' to the Augar Review, announcing a plan to consult on reforms in Spring 2021.<sup>270</sup> Also in January, the Government published the white paper *Skills for Jobs: Lifelong Learning for Opportunity and Growth*. It stressed the 'core purpose' of further education: to support people to 'get the technical skills they need to get good jobs and boost the economy.' It proposed measures to 'put employers at the heart of post-16 skills' and provide the 'advanced technical and higher technical education skills the nation needs', and it introduced a flexible 'Lifetime Skills Guarantee.'<sup>271</sup>

In May 2021, the Higher Education (Freedom of Speech) Bill was introduced into Parliament in 2021, 'to make provision in relation to freedom of speech and academic freedom in higher education institutions and in students' unions'.<sup>272</sup> Policy Exchange published a report advocating for academic freedom in 2019 and a briefing for the Lords Committee

260. Sky, "Theresa May to announce review into university tuition fees and education funding", 2018, [link](#).

261. House of Commons Library, "Prime Minister's announcement on changes to student funding", 2018, [link](#).

262. House of Commons Library, "Prime Minister's announcement on changes to student funding", 2018, [link](#).

263. Gov.UK, "News: Prime Minister launches major review of post-18 education", 2018, [link](#).

264. ONS, "Student loans in the public sector finances: a methodological guide", 2020, [link](#).

265. ONS, "Student loans in the public sector finances: a methodological guide", 2020, [link](#).

266. Department for Education, "Independent panel report to the Review of Post-18 Education and Funding", 2019, [link](#).

267. Department for Education, "Independent panel report to the Review of Post-18 Education and Funding", 2019, [link](#).

268. Department for Education, "Independent panel report to the Review of Post-18 Education and Funding", 2019, [link](#).

269. Gov.UK, "Speech: PM's skills speech: 29 September 2020", 2020, [link](#).

270. Gov.UK, "Policy paper: Post-18 education and funding review: interim conclusion", 2021, [link](#).

271. Gov.UK, "Policy paper: Skills for jobs: lifelong learning for opportunity and growth", 2021, [link](#).

272. Department for Education, "The future of the Higher Education (Freedom of Speech) Act 2023", 2025, [link](#).

stage of the Bill in 2021.<sup>273</sup>

In February 2022, Education Secretary Nadhim Zahawi announced the launch of two consultations: the higher education policy statement and reform consultation, and the Lifelong Loan Entitlement consultation. He also proposed a range of policy changes, including to loan repayment terms and regulatory frameworks. Importantly, he encouraged discussion of minimum eligibility requirements and student number controls to ‘limit the uncontrolled growth of provision that does not lead to good outcomes or good jobs’.<sup>274</sup>

In 2022, the Government passed the Skills and Post-16 Education Act. It focused on linking colleges and other providers with employers, promoting technical education pathways, and supporting the introduction of a flexible loan for higher education.<sup>275</sup> In July 2023, the government published their response to the second consultation on higher education reform.<sup>276</sup> It proposed expanding high-quality Level 4 and 5 provision by continuing to roll out and support Higher Technical Qualifications and introducing the Lifelong Loan Entitlement from 2025. It increased OfS regulation and addressed fee limits and affordability for Foundation years.

In May 2023, the Higher Education (Freedom of Speech) Bill received royal assent and became The Higher Education (Freedom of Speech) Act 2023.<sup>277</sup>

## 2024-present: Labour in Power

In his 2020 leadership campaign, Starmer pledged to support getting rid of fees as part of his 10 leadership pledges. In 2023, he reversed on this commitment, suggesting that his party ‘could not ignore the current economic situation.’<sup>278</sup> The 2024 manifesto promised to ‘support the aspiration of every person who meets the requirements and wants to go to university’, to change the ‘funding settlement’ that ‘does not work’,<sup>279</sup> and to end ‘culture wars’.<sup>280</sup>

Labour won the General election in July 2024, and within a month Bridget Phillipson made an announcement on higher education. She accepted the ‘core analysis’ of the report from the independent review of the Office for Students led by Sir David Behan, *Fit for the Future: Higher Education Regulation Towards 2035*. Furthermore, she would ‘stop the further commencement of the Higher Education (Freedom of Speech) Act 2023, in order to consider options, including its repeal’, citing concerns about burdensome requirements on the OfS.<sup>281</sup> In November, the Government announced that for the first time since 2017 tuition fees would rise in line with inflation.<sup>282</sup>

In June 2025, following a sustained campaign by free speech advocates, Bridget Phillipson, made an updated announcement regarding the Higher Education (Freedom of Speech) Act 2023: ‘whilst I had serious concerns about particular aspects of the Act’, the Government will ‘commence some parts of the Act, and to repeal or amend others.’<sup>283</sup>

At the Labour Party Conference in October 2025, Keir Starmer replaced Tony Blair’s 1999 target, to get 50 per cent of people into higher education,

273. Policy Exchange, “Academic freedom in the UK”, 2019, [link](#); Policy Exchange, “Higher Education (Freedom of Speech) Bill”, 2022, [link](#).

274. Hansard, “Higher Education Reform, Vol. 709: 24 Feb 2022”, 2022, [link](#).

275. Gov.UK, “Skills and Post-16 Education Act 2022”, 2022, last accessed 19 May 2026, [link](#); Department for Education, “Skills and Post-16 Education Act 2022 Impact Assessment”, 2022, [link](#).

276. Gov.UK, “Consultation outcome: Higher education policy statement and reform”, 2022, [link](#).

277. House of Commons Library, “Freedom of speech in universities”, 2025, last accessed 7 October 2025, [link](#).

278. BBC, “Labour set to ditch pledge for free university tuition, Starmer says”, 2023, [link](#).

279. The Labour Party, “Labour Party Manifesto 2024: Change”, 2024, [link](#).

280. BBC, “Government delays university free-speech fines”, 2024, [link](#).

281. UK Parliament, “Higher Education Regulation Update, UIN HLWS23: 26 July 2024”, 2024, [link](#).

282. BBC, “University tuition fees rising to £9,535 in England”, 2024, [link](#).

283. Department for Education, “The future of the Higher Education (Freedom of Speech) Act 2023”, 2025, [link](#).

with a new target. He said the Government will aim to have ‘two-thirds of young people participating in higher-level learning – academic, technical or apprenticeships – by age 25,’<sup>284</sup> signalling a broadening from traditional university routes towards other technical education pathways.

In October 2025, the government published the Post-16 Education and Skills White Paper, which set out to ‘educate and train the workforce of the future and give people the skills and knowledge they need to succeed.’<sup>285</sup> It is notable that despite the Labour Party’s statements in opposition, the White Paper includes a significant degree of continuity with Conservative Party policy.

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284. Gov.UK, “Press release: Prime Minister unveils reforms to transform further and higher education”, 2025, [link](#).

285. Gov.UK, “Policy paper: Post-16 education and skills white paper”, 2025, [link](#).

# Annex B: International Comparisons

## The relationship between enrolment rates and GDP growth

Using data from OECD countries<sup>286</sup>, we ran correlation analyses investigating the relationship between the average enrolment rates and GDP growth from 2013-2023 (this is the period for which enrolment data is available).<sup>287</sup>

Country	Enrolment rate (average from 2013-2023)				GDP and GDP per capita growth (2013-2023)	
	Bachelor's or equivalent		Tertiary education		Average GDP growth	Average GDP per capita growth
	From 15 to 19 years	From 20 to 24 years	From 15 to 19 years	From 20 to 24 years		
Australia	14.8	26.9	17.8	38.0	2.5	1.0
Austria	4.4	19.6	15.4	30.0	1.2	0.5
Belgium	18.2	27.8	18.6	39.1	1.6	1.0
Canada	12.7	23.0	17.5	32.3	1.9	0.6
Chile	11.5	29.4	16.4	40.8	2.1	1.0
Colombia	9.2	18.3	12.6	22.5	3.0	1.8
Costa Rica	4.3	11.5	4.9	13.1	3.3	2.5
Czechia	4.8	25.9	5.5	37.4	2.1	1.8
Denmark	1.2	28.4	1.5	37.6	2.2	1.6
Estonia	5.3	23.7	5.8	30.7	2.2	1.9
Finland	3.2	32.1	3.3	36.0	0.7	0.4
France	10.8	13.7	20.2	34.5	1.1	0.8
Germany	4.9	21.6	5.9	30.5	1.1	0.7
Greece	21.0	42.8	21.0	44.5	1.1	1.6
Hungary	4.6	19.1	6.1	27.7	3.1	3.4
Iceland	1.8	25.8	1.9	28.6	3.7	1.8
Ireland	15.2	30.2	16.2	35.6	7.9	6.5

286. Japan is excluded since it only has one data point for enrolment rates over the given period.

287. OECD Data Explorer, 'Enrolment rate by age', [Link](#); World Bank, 'World Development Indicators', [Link](#)

Israel	1.8	16.5	4.6	20.3	3.8	1.8
Italy	5.2	22.4	6.2	33.9	0.8	1.0
Korea	20.1	39.7	29.4	50.6	2.5	2.3
Latvia	6.6	26.6	8.3	38.7	2.5	3.2
Lithuania	10.2	31.7	11.1	39.4	3.3	3.7
Luxembourg	1.1	6.0	1.2	9.0	2.1	0.0
Mexico	10.0	19.7	10.8	20.6	1.5	0.5
Netherlands	15.2	33.0	15.3	39.7	1.9	1.3
New Zealand	12.7	23.7	15.0	29.5	2.9	1.3
Norway	3.4	27.1	4.0	37.4	1.5	0.6
Poland	6.6	27.0	7.6	40.7	3.5	3.8
Portugal	11.7	19.7	15.0	32.0	1.8	1.7
Slovak Republic	5.0	21.5	5.4	30.2	2.3	2.3
Slovenia	9.6	29.2	11.6	46.6	2.7	2.4
Spain	12.7	24.5	17.7	39.2	1.7	1.4
Sweden	2.3	16.3	3.5	27.8	2.0	1.0
Switzerland	3.5	23.3	3.6	28.4	1.9	0.9
Türkiye	6.3	26.5	11.3	43.5	5.3	4.1
United Kingdom	15.0	19.0	16.2	26.0	1.7	1.0
United States	11.4	20.1	18.4	33.9	2.4	1.8

We investigated enrolment rates in Bachelor's and equivalent courses, as well as tertiary education more generally, looking at those aged 15 to 19 as well as those aged 20 to 24. We took the correlation between these variables and GDP growth from 2013-2023, as well as GDP per capita growth over this period.

The results are shown in the table below. As can be seen, the correlation coefficients between each of these variables and GDP growth are very close to zero suggesting that there is no clear relationship between these variables and economic growth. While the correlation coefficients between these enrolment rate variables and GDP *per capita* are somewhat stronger, their p-values suggest that these results are not statistically significant at the 5% level.

	Bachelor's or equivalent		Tertiary education	
	From 15 to 19 years	From 20 to 24 years	From 15 to 19 years	From 20 to 24 years
<b>Correlation with GDP growth</b>				
Correlation coefficient	0.02	0.06	-0.01	0.01
p value	0.905	0.735	0.963	0.957
<b>Correlation with GDP per capita growth</b>				
Correlation coefficient	0.12	0.27	0.06	0.28
p value	0.496	0.106	0.745	0.094

## A Summary of the Higher Education Systems of Selected Countries

### Australia

In Australia, the federal Government acts as the primary funder and regulator of the higher education system.<sup>288</sup> There are 44 universities offering Bachelor's, Master's and Doctorates to over 1.6 million students, 39 of these are public institutions while 5 are private.<sup>289</sup>

Students primarily enter higher education through the Australian Tertiary Admission Rank (ATAR) which is a ranking based on performance at secondary school, but there are also alternative routes including gaining recognition of prior study or work history.<sup>290</sup> Universities use the ATAR system to determine which students to accept, with higher ATAR thresholds associated with higher-demand courses, and 'adjustment factors' which allow students to improve their ATAR ranking based on outstanding academic achievement or social and economic disadvantages that they may have faced.<sup>291</sup>

Universities are largely funded through research and teaching Government grants, as well as student fees.<sup>292</sup> The Commonwealth Grant Scheme (CGS) is the largest funding source and is allocated based on the number of full-time domestic students. Students can access a Government-backed loan scheme in order to support these payments, facing an average annual cost of \$5,108 (USD, PPP adjusted) for a Bachelor's. Funding also comes from state governments, overseas students, investment income and contract research or consultancy income.

The Vocational Education and Training sector is mainly delivered by government-funded Technical and Further Education institutions (TAFEs), adult and community education centres and private Registered Training Organisations, all of which focus on practical skills in order to transition people from education into work, or sometimes into higher education. Some institutions offer dual higher education and VET programmes.<sup>293</sup> Approximately 16% of the population have either level 4 or 5 qualifications (post-secondary non-tertiary or short-cycle tertiary) compared to 42%

288. Ferguson, H., 'A guide to Australian Government funding for higher education learning and teaching' (2021), [Link](#)

289. Parliament of Australia, 'Chapter 2 - University governance in Australia', [Link](#)

290. Australian Government, 'Getting into higher education', [Link](#)

291. Australian Disability Clearinghouse on Education and Training, 'Higher Education: applying and enrolling in your chosen course', [Link](#)

292. Universities Australia, 'How Universities are funded', [Link](#)

293. Australian Government, 'The Australian Education System', [Link](#)

with level 6 or above (Bachelor's, Master's and Doctorates).

### France

France's higher education system is primarily organised and regulated by the national government, with public universities recognised as state institutions. The Government funds public universities and even determines the content of some higher education programmes.<sup>294</sup> However, in addition to these, there are also the 'grandes écoles', highly selective schools specialising in areas including engineering, business and social sciences, which continue to supply a large proportion of French leaders in government, business and industry.

Students must pass the baccalauréat (a national qualification marking the completion of secondary education covering general, technological or professional pathways) in order to access higher education.<sup>295</sup> Universities have traditionally been less selective in the admissions process, with anyone holding a baccalauréat generally being able to enter, apart from in some competitive institutions. This differs to the grandes écoles which are characterised by a highly selective admissions process and a high level of training/qualifications.<sup>296</sup>

Public universities are primarily funded by the state through multi-year contracts, allowing tuition fees to be kept low.<sup>297</sup> The average annual fee for a Bachelor's degree is around \$250 (USD, PPP). Companies, households and local authorities also contribute towards higher education funding.

France's higher education system also offers vocational pathways as an alternative to education. The Brevet de Technicien Supérieur (BTS) is a two year course and the Bachelor Universitaire de Technologie (BUT) is a three year course; the former offers vocational and job-focused qualifications and the latter offering a combination of theory and practical training.<sup>298</sup> BTS programs are selective and determined by the quality of application, requiring a high school diploma. BUT programs are also open to holders of high school diploma but are selective through their use of a merit-based filtering system which account for academic records, teacher evaluations and cover letters.<sup>299</sup>

### Germany

In Germany, education is not centrally organised. Rather, each of the 16 federal states has its own laws and regulations regarding higher education, with universities also independent for their own policy decisions.<sup>300</sup> The main types of higher education institutions are universities, technical universities (which have a stronger focus on STEM subjects), universities of applied sciences (practice-orientated), and colleges of art and music. Students can enter higher education through the standard academic route (general or subject-specific), or through attaining vocational qualifications.<sup>301</sup> Dual study programmes also offer a hybrid option to students, combining university education with paid work experience leading to academic and practical qualifications.

Universities first check whether students are eligible through a higher

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294. European Observatory of Service-Learning in Higher Education, 'Higher Education Framework in France', [Link](#)

295. Globeducate, 'The French Baccalaureate', [Link](#)

296. European Commission, 'France: 6.1 Types of higher education institutions' (2025), [Link](#)

297. European Commission, 'France: 2.2 Higher education funding' (2025), [Link](#)

298. République Française, 'BTS and DUT programs', [Link](#)

299. République Française, 'Professional training: the new University Bachelor of Technology', [Link](#)

300. Federal Ministry of Research, Technology and Space, 'Get to know the higher education system', [Link](#)

301. Federal Institute for Vocational Education and Training, 'Higher education study programmes within the German VET system' (2019), [Link](#)

education entrance qualification (school-leaving certificate), often through the Abitur, the final exam and diploma taken at ages 18-19, or otherwise through equivalent qualifications.<sup>302</sup> Meeting this requirement, students will be automatically admitted if there are no restrictions on admissions, or if there are limited places, admission is usually based on Abitur grade averages.

Notably, most public universities do not charge tuition fees, but rather a semester contribution priced between €70 and €430.<sup>303</sup> Public higher education institutions get 90% of their funding from government sources, with 75% of that coming from the federal states.<sup>304</sup> Meanwhile, the Federal Government finances research projects and programmes and constructs research facilities. Private universities offer better facilities and generally smaller class sizes, charging around €10,000-15,000 per year for a Bachelor's degree and around €10,000-20,000 per year for a Master's.<sup>305</sup>

Germany's vocational education and training (VET) model is widely recognised as successful, with training taking place at a company and a classroom. This success is partially the result of the dual system which allows students to gain vocational qualifications and transition from education to work smoothly. Private companies bear around two thirds of the total costs spent each year on initial vocational training.<sup>306</sup> At the end of 2025, there were approximately 1.2 million people enrolled in dual vocational training, offering students a viable alternative to university.<sup>307</sup>

## South Korea

South Korea's higher education is highly centralised, with the Ministry of Education overseeing policy and regulation, although there are currently plans to for decentralisation.<sup>308</sup> While the state regulates the system, private institutions dominate provision and account for 81% of universities, with 80% of tertiary students enrolled in private institutions.<sup>309</sup>

South Korea offers two main types of universities, the traditional route which offer Bachelor's, Master's and PhDs, and junior colleges which last 2-3 years and provide vocationally oriented education.<sup>310</sup> After graduation from a junior college, students may earn a bachelor's degree through a 1-2 year advanced major course. Somebody starting tertiary education in South Korea can expect to spend 4.8 years, the second highest of our group of case studies (narrowly behind Australia's 4.9 years).

Students usually enter the higher education system through the College Scholastic Ability Test (CSAT) which is a national exam that can have significant impacts on students' future university, job and income prospects.<sup>311</sup> Students apply directly to universities, with Korea's well-educated population creating a competitive environment. Universities admit students based on their CSAT scores, as well as their school records and personal statements.<sup>312</sup> The top institutions are known to have extremely competitive thresholds.

Private universities are funded through a variety of means, primarily high tuition fees (\$5,132 USD PPP is the annual average for a Bachelor's) but supplemented by private foundations.<sup>313</sup> Public spending per higher

302. Federal Ministry of Research, Technology and Space, 'University entrance qualification', [Link](#)

303. Federal Ministry of Research, Technology and Space, 'Funding', [Link](#)

304. German Rectors' Conference, 'Higher Education Finance', [Link](#)

305. Study.eu, 'Germany: Private vs Public Universities (2025)', [Link](#)

306. The German Vocational Training System: An Overview, [Link](#)

307. STB Web, 'Fewer new contracts in dual vocational training' (2026), [Link](#)

308. EastAsiaForum, 'South Korea's plan to decentralise higher education excellence' (2025), [Link](#)

309. Cheol-min, Y., 'Korea's 80% Private University Reliance Demands Less Regulation, More Funding' (2026), [Link](#); Mani, D., Trines, S., 'Education System Profiles' (2018), [Link](#)

310. Asean University Network, 'An Overview of the Higher Education System of South Korea' (2024), [Link](#)

311. Sharif, H., 'Suneung: The day silence falls over South Korea' (2018), [Link](#)

312. Moon, H., 'How to apply to university in South Korea' (2025), [Link](#)

313. BridgeU, 'Studying in South Korea: The University System Explained' (2023), [Link](#)

education student remains below the OECD average, likely a result of the dominant private sector.<sup>314</sup>

Vocational alternatives to traditional universities do exist through junior colleges, but these are less prominent than in countries such as Switzerland.

### Switzerland

Switzerland's higher education system is decentralised, with responsibility shared between the federal government, who coordinates and funds the system, and the cantons which are responsible for the universities. The ten cantonal universities are public sector institutions, and they regulate their own affairs, with freedom of research and academic freedom.<sup>315</sup>

The key institutions in Switzerland's higher education system are universities, offering Bachelor's, Master's and PhDs, universities of applied sciences, which are practice-oriented and focus on professional training, and universities of teacher education (UTEs). The Matura is the highest secondary school qualification and provides access to all Swiss universities.<sup>316</sup> Alternatively, students can take a vocational pathway, requiring a Federal Vocational Baccalaureate (FVB) which will generally grant access to universities of applied sciences.<sup>317</sup> Switzerland is well regarded for its strong dual educational system accommodating for academic and vocational studies.

Universities will generally admit students with a federally recognised baccalaureate, a FVB, or a Bachelor degree. Interestingly, universities require students to have professional experience, with aptitude tests also deployed for Bachelor programmes.<sup>318</sup> Universities of applied sciences will generally admit students provided they have the relevant qualifications and at least one year's professional experience.

Swiss universities are primarily funded by the cantons and the Confederation, and are supplemented by research grants, tuition fees and donations.<sup>319</sup> The average annual tuition fee for a Bachelor's is \$1,427 (USD, PPP).

Switzerland vocational education and training system presents a strong alternative to traditional university and is very well regarded globally for its quality. Around 70% of Swiss Students choose to do apprenticeships while only 25% choose a traditional university pathway, and youth unemployment is as low as 3.1%.<sup>320</sup> Apprentice programmes begin from the age of 15 and are usually completed by 18 or 19; they are aimed to match the demand for vocational qualifications and to the jobs available.<sup>321</sup> Students are not locked into the occupation that they choose, apprenticeships are designed to provide high quality education and create lifelong learners with greater productivity levels. Switzerland's Professional Education and Training (PET) system also offers tertiary vocational qualifications for workers and compliments the dual VET apprenticeship system.<sup>322</sup>

314. Times Higher Education, 'South Korea's universities can't drive its AI transition without better policy' (2026), [Link](#)

315. European Commission, 'Switzerland; 1.7 Administration and governance at local and/or institutional level' (2024), [Link](#)

316. Hochalpinen Institut Ftan, 'Swiss Matura', [Link](#)

317. European Commission, 'Switzerland; 5. Secondary and post-secondary non-tertiary education' (2023), [Link](#)

318. European Commission, 'Switzerland; 6.2.1 Bachelor' (2023), [Link](#)

319. European Commission, 'Switzerland; 2.2 Higher education funding (2023), [Link](#)

320. Asia Society, 'An Apprenticeship Model from Switzerland', [Link](#)

321. About Switzerland, 'Vocational education and training' (2025), [Link](#)

322. European Commission, 'Switzerland; Overview' (2024), [Link](#)

## United States

The United States' higher education system is highly decentralised, with the Department of Education overseeing federal funding (through initiatives such as Federal Student Aid) and state governments funding and governing public universities.<sup>323</sup> Historically, universities have possessed high levels of autonomy but since 2015, institutional autonomy is said to have fallen by 50%.<sup>324</sup>

The higher education sector offers a range of options for students including public universities, funded by state governments (with lower tuition fees generally applicable to in-state students), private universities, funded largely through tuition fees and donations, and community colleges. Private universities often charge higher tuition fees and offer smaller class sizes with elite research facilities, with the likes of Harvard, Stanford, MIT and Yale belonging to this category. Students in the United States face relatively high fees compared to other countries, with the average annual fee for a Bachelor's degree or equivalent priced at \$9,596 (USD, PPP).

Community colleges represent an affordable form of higher education and offer associate degrees which are equivalent to level 5 (ISCED). They are funded through a combination of local tax revenue, state funding and tuition fees, although these are significantly lower than university fees.<sup>325</sup>

Students are typically required to have a high school diploma or equivalent qualification and often submit their applications directly to universities. Selective universities consider these applications, which are made up of high school grades, standardised test scores, personal essays and letters of recommendation.<sup>326</sup> On the other hand, community colleges often implement open admission policies, lowering the barriers to entry.

Community colleges and their associated qualifications mean that the US has strong alternative, vocational pathways which often act as a key entry point for adult learners or low-income students. Associate degrees can improve employment prospects and allow many to gain entry to a 4-year university through a more cost-effective route. Many community colleges make agreements with university surrounding credit and degree transfers which lead many to choosing the "2+2 process" where two years of community college is followed up by two years of university study.<sup>327</sup>

323. Federal Student Aid, 'Manage and Repay Your Federal Student Loans', [Link](#)

324. Asaf, S., "Unusually steep' decline in US university autonomy, index shows' (2026), [Link](#)

325. Community College Research Center, 'Public Funding of Community Colleges' (2022), [Link](#)

326. Hunter, J. & McCabe, G., 'Everything you need to know about studying in the US' (2023), [Link](#)

327. United States Department of State, 'Step 1: Research Your Options: Community College', [Link](#)



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