

MINIMUM WAGE
Bain takes the
pay strain

20-21

HIGHER

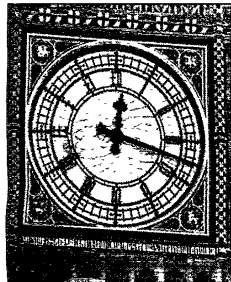
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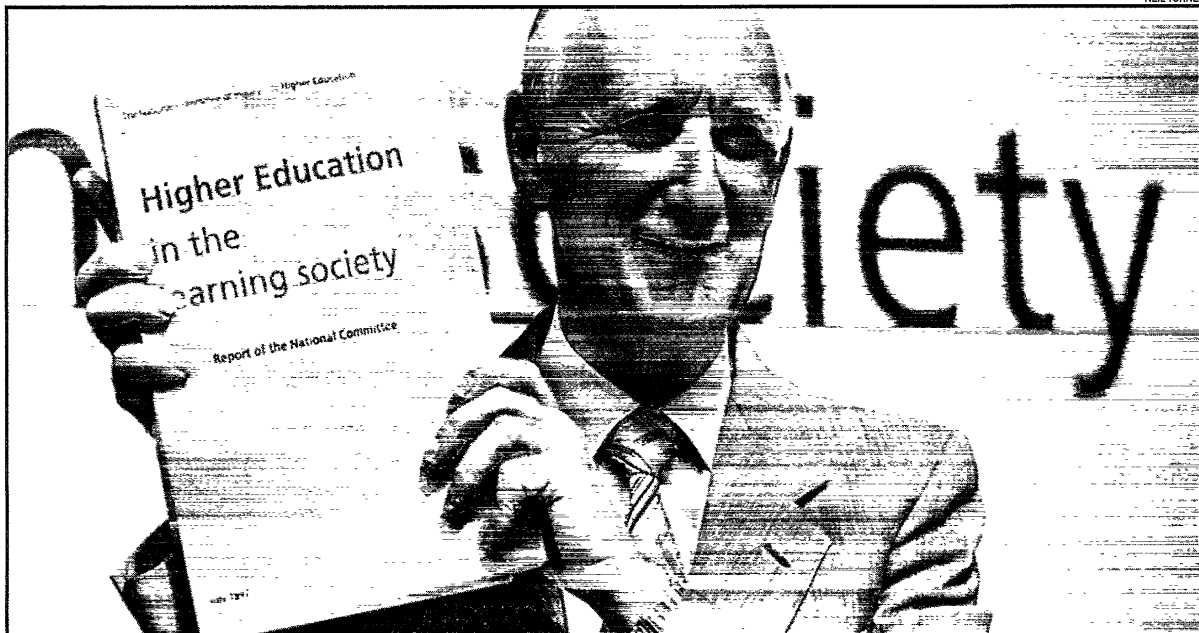
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Task over: Sir Ron Dearing and his long-awaited report into higher education stepped briefly into the limelight in London this week

Sinking the unthinkable: ministers confess NUS lobbying sidelined Dearing's plans

Students stitch up Ron

MINISTERS have admitted that they made a deal with the National Union of Students to soften key funding options put forward by Sir Ron Dearing's committee of inquiry, which published its report this week.

The Government has retreated from its earlier call for Sir Ron to "think the unthinkable" on raising more cash for higher education. It has rejected the report's recommendation that all full-time students should make a £1,000 a year contribution to tuition fees.

Instead, ministers have decided the amount of fee students have to pay will be means-tested, so that the poorest pay nothing while the wealthiest will have to find the full £1,000.

Well-off students will be entitled to extra loans equivalent to the fee they pay, so that their parents do not have to contribute more.

The Government also says it intends to axe maintenance grants, ignoring Dearing's proposals to keep them so that poorer students would not be deterred from entering higher education.

Students who would have been entitled to grants will instead gain access to a loan as big as the current grant plus a loan maintenance package.

Tessa Blackstone, the higher education minister, told *The THES* that the Government had been holding "up-front" discussions with the NUS over the Dearing proposals. She said: "They [the NUS] have publicly said in the last week or so that they are unhappy with Dearing's proposals to charge for tuition. We are trying to mitigate Dearing's

proposals by excluding low income students."

Talks on how to respond to the committee's proposals for fee-paying took place "well after we became aware that that was what they were going to propose," she said.

Douglas Trainer, NUS president, said the Government's decision to save poorer students from fee-paying was the result of "hard lobbying and securing concessions".

"We are very pleased about the decision on means-testing fees but we believe the principle of fees is wrong and we will campaign against this," he said.

Baroness Blackstone admitted that the Government's proposals would mean wealthy students "still paying less in terms of the loan repayments than a student from a low-income family who will have a somewhat higher loan".

Sir Ron was playing down the Government's rejection of his preferred funding options as he

TONY TYSOME

launched his report on Wednesday.

"We were very concerned to help the Government to come to a quick decision. We wanted them to move quickly because if it is going to take the committee's advice and introduce tuition fees then there needs to be legislation," he said.

But some members of his committee said they were furious over the way the Government had trumped its own proposals in the press even before the report's launch.

One said: "It is a matter of serious regret that the Government should come to a decision in private without first listening to the responses to the committee's recommendations."

Another added: "The problem is that what the Government has come up with is a half-way house, and, not surprisingly, it is a mess. For the Government not to allow time for a debate on our recommendations is deplorable."

David Blunkett, secretary of state for education and employment, responding in the House of Commons to the report, said: "Our proposals retain the principle that repayments should be made on the basis of future income, not present circumstances."

Although Dearing did not rule out institutions charging top-up fees, Mr Blunkett warned that "no university or college should proceed on the basis of introducing such additional fees". Government officials said they were still considering how to prevent top-up fees being charged.

Stephen Dorrell, shadow education secretary, said the Dearing committee's report had rejected funding options now being pursued by the Government "on exactly the same grounds of equity and access that David Blunkett emphasised strongly in his statement".

Vice chancellors said they were worried that the Government's proposals might not raise enough

money in the short term to address the immediate funding crisis, and that extra money raised might not go to higher education.

Diana Warwick, chief executive of the Committee of Vice Chancellors and Principals, said: "We have a big question whether today's proposals will meet the funding gap that the Government itself acknowledges."

Baroness Blackstone sought to reassure universities that extra money raised would go to higher education.

But officials from the CVC warned that the Government faced problems with accounting rules which keep the cost of loans on the public books. The Student Loans Bill, paving the way for the loan debt to be sold off to the private sector, represented a quick-fix, one-off solution which Dearing has warned may not prove good value for public money.

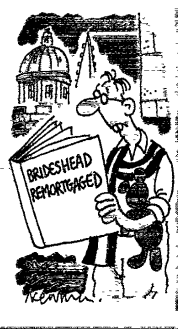
Despite the Government's attempt to soften the blow of tuition fees, its proposals still produced protests from its own and opposition benches. Labour former education secretary Lord Glenamara threatened to resign from the party because he was "ashamed of what the Government is proposing to do".

Brent East MP Ken Livingstone tabled an early day motion arguing that fees would "create a system within which ability to pay took precedence over academic ability".

Phil Willis, the Liberal Democrat higher education spokesman, said: "We feel neither Dearing nor the Government has made the case for tuition fees sufficiently to convince us."

Inside The THES Dearing special edition**Report details and responses, pages 2-7****What the key players think, Blunkett and Blackstone, page 3****Organisations pages 8 and 9****Leader, Sir Ron writes, page 15****Dearing Antithesis, at the Dearing launch, page 44****The committee's executive summary, pages i-xii**

The full Dearing report can be seen via Thesis, The THES Internet service, at <http://thesis.newsint.co.uk>



What Dearing says

NEIL TURNER

FUNDING

A NEW "compact" between the main stakeholders in higher education — the Government, students and their families, employers and institutions — is the guiding principle behind Sir Ron Dearing's funding proposals.

Together, they must meet what the report sees as "the unavoidable additional costs" of a higher education system capable of sustaining Britain's economic competitiveness as well as people's educational and career aspirations.

Funding requirement

These additional costs, as calculated by the committee, run into the billions — even after efficiency savings of £580 million a year and the expected gain of £200 million from the use of information technology in teaching. Without more money, "there is a real danger that the potential long-term contribution of higher education may be undermined by short-term decisions by institutions in the face of current funding pressures", the report says.

Funding cuts set by the last Government of 6.5 per cent over the next two years are not achievable without significant damage to the quality of the student experience and research, it adds. This immediate threat should therefore be cut back by limiting reductions in funding to 1 per cent per year for two years, at a total cost of £370 million.

The report calls for a new low-interest loan scheme for new buildings and equipment, to help compensate for an estimated £250 million a year shortfall in capital funding. These and other measures including resumed expansion would cost £350 million in 1998/99 and £565 million in 1999/00.

In the longer term, the report calls for a series of 20-year projects:

- better support for part-time and disabled students and doubling of Access funds, costing about £40 million a year after 20 years
- full-time student participation rates to be allowed to rise to 45 per cent, with a price tag of an extra £2.1 billion a year. The cost of this growth might be reduced by £520 million a year if half of the extra numbers are concentrated in one- and two-year courses
- an extra £110 million a year so that the research councils can increase their contributions to project overheads
- remission of fees for part-time students in receipt of a Job Seekers Allowance or on family benefits, an idea borrowed from further education in England, would cost £50 million a year
- £50 million a year to promote

industrial partnerships through the Industrial Partnership Development Fund

- plans for an Arts and Humanities Research Council would add £25 million a year
- a real pay rise in line with other parts of the community, costing £600 million a year after 20 years.

Who pays?

The report's overall conclusion is that students should contribute more to the cost of their higher education. Studies carried out for the committee showed a strong link between participation in higher education and higher subsequent earnings. A bigger contribution to the sector's overall costs from graduates in employment therefore seemed a reasonable approach to finding the extra money needed.



But the committee also notes "the Government's desire over the long term to increase the proportion of national wealth directed to education and training"; and so also recommends that public spending on higher education should increase with the growth in Gross Domestic Product (Rec 71). Employers, too, should have a role in meeting the bill through sponsorship, bigger contributions to research, and support for continuing education.

After examining a number of options, its preference on balance (Rec 79) is for a system of student payment under which all graduates make a flat-rate contribution of about 25 per cent of average tuition costs (a contribution likely to be about £1,000 a year), paid at the time of study or by repaying a loan on an income-contingent basis once in work. The proportion of tuition costs to be met by students should not be increased without an independent review and a resolution in both Houses of Parliament.

Support for living costs would stay in their current form, with half through loans (though on an income-contingent basis) and half means-tested grants.

The report turns down options to remove maintenance grants and transfer living costs to loans, with no contribution to tuition costs; to transfer all living costs to loans and introduce a means-tested contribution to fees, with no loans available for fees; or to revert to maintenance grants only, with a flat-rate contribution to fees.

The report suggests the Government should structure any new arrangements to cover contributions to tuition costs so as to maximise the proportion of students who pay in advance rather than taking out a loan. This could be achieved either by means testing access to the loan, or introducing a real rate of interest. The report says on balance it prefers not to means test loans, but adds: "We recognise that means testing would release substantial additional funds in both the short and the long term, and it is an option which the Government may have to consider if it cannot solve the short-term funding problems in any other way. The decision on its acceptability to society is essentially a political one."

If neither means testing access nor a real rate of interest are introduced, Dearing recommends offering discounts to the fee contribution to students who pay in advance, along the lines of the Australian model.

The report warns that simply increasing the size of the graduate contribution will not, if supported by an income-contingent loan, necessarily increase the flow of funds to the Treasury or to higher education. And it adds that any option that attempted to raise all the extra money needed "would produce either an unacceptable burden on graduates and on families of modest means, or would lead to a level of graduate commitment... such that demand for higher education and participation would be seriously affected."

For the long term, it says "it would be more equitable for taxpayers in general, rather than the parents of students, to meet some of the cost of an expansion of higher education."

Introducing a fee contribution for full-time students will go some way towards addressing the inequity of treatment between full-timers and part-timers, who already pay fees, the committee says. It would cost too much to extend loans to part-time students. So instead the report suggests waiving fees for part-timers in receipt of a Job Seekers Allowance or on family benefits (Rec 76). Part-

time students should also become eligible for access funds. A limited number of vouchers to help cover tuition fees should also be provided for dance, drama and stage management students. But no extra support should go to postgraduate students, other than loan repayment arrangements which take account of their circumstances.

The report says a severe problem with the Government providing loans to students is the way they are treated in the national accounts. The value of the loans is scored in the same way as grants, with repayments counted as negative public expenditure. This means any options changing grants to loans produce no short-term savings. The report therefore recommends the Government looks urgently at alternative approaches to accounting (Rec 80). It also suggests that Government plans to sell student loans to the private sector "may well represent poor value for money".

Fee paying arrangements

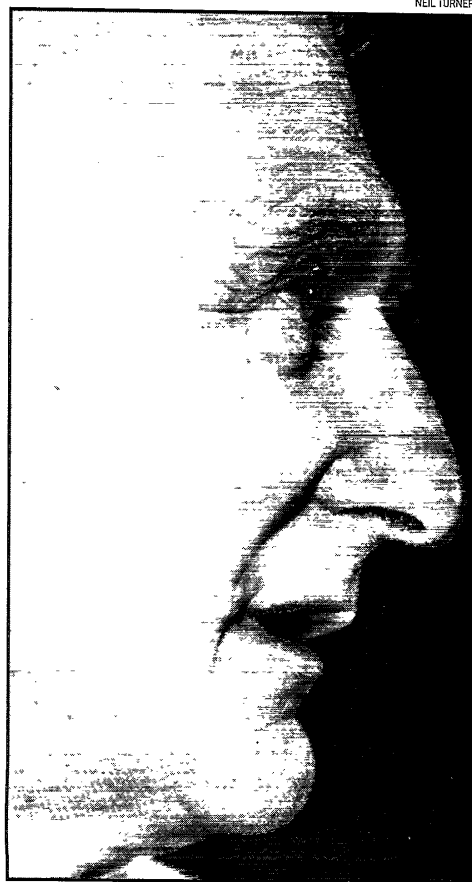
In the short term, Dearing suggests that the Student Loans Company, which should "form the nucleus of any future student support agency", could handle loans for maintenance and tuition. Mortgage-style deals to transfer fee contribution funds to institutions, requiring students to sign a contractual commitment, would ensure money advanced for maintenance and tuition was treated differently.

The report recommends that the Inland Revenue should be used as the principal route for collecting repayments on fee loans, rather than the national insurance system, which could prove excessively bureaucratic (Rec 82). The income threshold at which repayments are triggered should be lower than under the current loans system, but much higher than that for national insurance payments, it adds.

In the longer term, responsibility for maintenance grants, loans, other student support, means testing, and administering publicly-funded tuition fees, should pass to a new unified Student Support Agency (Rec 83). The committee suggests that in time, Individual Learning Accounts might be set up to help students save towards the cost of their higher education, and to attract contributions from employers. However, it concludes that "a good deal more work is required to define the exact nature and purposes of ILAs, and to sell the idea to individuals, employers and others."

Funding learning and teaching

The committee wants a system for funding teaching that combines the stability and control of the block



Dearing: wants everyone to pay tuition fees — later

grant with the market responsiveness of an approach where cash follows the student. It recommends a gradual shift from the former to the latter, with a target of distributing at least 60 per cent of public funding to institutions according to student choice by the year 2003 (Rec 72).

An important and potentially controversial step in this direction would involve any student contributions to tuition leading to a reduction in block grant.

A central proposal in the committee's funding plans is for the creation of a single Student Support Agency (Rec 83). The agency, built around the Student Loans Company, would be a national one-stop shop for handling student support covering living costs and tuition contributions; keeping track of how much financial aid students have "used up" as they progress through higher education and perhaps dip in and out of courses; and administering the student choice element of public funding of institutions. It

would take over the latter from local authorities in England and Wales, the student awards agency in Scotland, and the Education and Library Board in Northern Ireland.

Ideally, payments to institutions would be linked to a national credit framework, rather than on a yearly basis as now. This longer term change would follow the creation of a more flexible system, under which students could study full-time for periods of less than a year.

The report recommends variations in the level of public funding for teaching between institutions, allowing only modest variations in approved cases (Rec 74). Under this proposal, college fees at Oxford and Cambridge would be reviewed.

But the report does not rule out different levels of fee charging by institutions providing quality is safeguarded and tested, extra fees are not covered by public funding of students, bursaries are provided by institutions, and extra fee charging is not widespread.

New or strengthened bodies recommended by the Dearing committee

- Institute for Learning and Teaching
The institute will accredit training programmes for higher education teachers; commission research and development in learning and teaching practices, and stimulate innovation (Rec 14). In the medium term, all new full-time academics with teaching roles should achieve at least associate membership of the institute (Rec 48).
- Quality Assurance Agency
Its remit should be amended to include quality assurance and public information, standards verification, the maintenance of the qualification framework, and a requirement that the arrangements for these are encompassed in a code of practice which every institution must adopt, by 2001/02, as a condition of public funding (Rec 24).

- Arts and Humanities Research Council
To replace the Humanities Research Board. Covers research into, through and for the arts (Rec 29).
- Industrial partnership development fund (Rec 34)
- Loan scheme for research equipment to be run by Government, research councils, funding bodies, industry and charities (Rec 34).
- A high-level private body to advise the Government on the direction of national policies for the public funding of research (Rec 35).
- An independent review committee to report by April 1998 on the framework for determining pay and conditions of service. (Rec 50).
- Student Support Agency

To assess the eligibility of individuals for various kinds of public support; administer graduate contributions on an income-contingent basis; means test and pay grants for students' living costs and make per capita tuition payments to institutions according to the number of students they enrol (Rec 83). May eventually become learning bank with learning accounts.

● Lifelong careers guidance service
It will be based on a partnership between services inside and outside higher education and will need "proper resourcing".

● A UK-wide independent advisory committee should be set up in five years and then every ten

years to assess the state of higher education, advise government on its funding and on how it can respond to future need (Rec 88).

● In Northern Ireland a Higher Education Funding Council and a Further Education Funding Council with separate chairs under a single organisation and with a single chief executive and a Tertiary Education Forum (Rec 93).

● In Scotland two separate funding councils, one for further education and one for higher education, with separate chairs under a single organisation and with a single chief executive (Scot Rec 23).

● The Scottish Forum for Higher Education to advise the Secretary of State for Scotland on the strategic direction of higher education in Scotland (Scot Rec 27).

What Blunkett says...

NEIL TURNER

FUNDING

THE GOVERNMENT's alternative plans for funding, announced at almost the same time as the details of Dearing's report, would "build" on Dearing's preferred option, education secretary David Blunkett said in a six-page response.

The two funding visions differ significantly. While Dearing wants all graduates to pay a flat-rate annual fee towards tuition costs, the Government is to introduce a means-tested tuition fee where students from "lower income families" will be exempt.

And while Dearing wants to retain the present system for student maintenance, the Government is to abolish the student grant altogether, and all living costs will be met through means-tested loans.

Dearing leaves the door open for top-up fees. The Government said they "play no part" in its proposals.

"The Government agrees with the committee that the cost of higher education should be shared between those who benefit," said Mr Blunkett. Graduates earn more money than non-graduates, so it makes sense that they should contribute.

The present student support system "is not working well", said the Government. It has not encouraged students from lower socio-economic groups to participate, and has not given students the assurance they need that they will have access to funds to cover their living costs. It is out of line with the Government's commitment to lifelong learning.

The Government will introduce

an annual tuition fee of £1,000, which represents about a quarter of the average cost of a course. Labour has insisted that tuition remain free for those from lower socio-economic groups.

The size of a student's tuition fee bill will be dependent on parental income. Only students from fami-

lies with the highest incomes, thought to be those above a £35,000-a-year salary threshold, will pay the full £1,000. Fees will be paid up-front.

Maintenance grants will be scrapped. Currently, students meet their living costs through a combination of the means-tested student

grant, and a loan. Now all maintenance costs will be met through bigger loans, the size of which will be also be based on parental income.

Poorer parents will not be expected to contribute, and the overall cash contribution expected of parents who can afford it, Mr Blunkett insists, will be no bigger than at present.

Students will pay back their loans on an income-contingent basis when they find work. Dearing recommends that graduates should start paying back borrowed money when their income reaches £5,000. The Government rejects this as too low and has set a new repayment starting point of £10,000. The Government also rejects Dearing's proposed pay-back timetable, deciding that repayments should be paid over 20 years instead of ten — with consequently smaller contributions. More detail will come in the autumn.

The payback collection mechanisms have also yet to be established, although the Government has promised that it would "consider carefully" the Dearing recommendation that cash should be collected through the tax system.

It is expected that the measures will be in place for new entrants to university in October 1998, consultation will end in September 1997, before a full policy statement in the autumn.

"These proposals will mean more money for universities, and the Government will ensure that savings are used to improve quality, standards and opportunities for all in further and higher education," the Government said.



Phil Batty Blunkett: wants the poor let off tuition fees and the rich to pay

Silence and the ghosts of education past

PERHAPS it was the effect of taking higher education out of party politics for so long. Whatever the reason, David Blunkett's commons statement on the Dearing Report was a distinctly subdued affair — albeit one heavily populated by the ghosts of education past with ex-ministers John MacGregor, Tim Boswell, Robert Jackson and Eric Forth among the speakers.

Mr Blunkett assured the house on several occasions that he was "grasping the nettle" — an operation which always sounds better than it feels. He said: "Our preferred solution secures equity, access, quality and accountability. Our proposals retain the principle that repayments should be made on the basis of future income, not present circumstances."

The Labour benches received him in near silence, roused only to react by Tory spokesman Stephen Dorrell's attempt to inject heat into the occasion. Mr Dorrell spoke of "missed opportunities", alleged that Mr Blunkett had lost a battle with Chancellor Gordon Brown and accused him of offering "a

guaranteed loan to the young people from Islington and a kick in the teeth to young people in Sheffield".

Mr Dorrell's cause was hardly aided by his nominal allies. Robert Jackson said the Government had taken a "courageous decision which would be welcomed by everyone with the interests of universities at heart". Tim Boswell accused Mr Blunkett of subjecting students to a "deferred windfall tax", but was still broadly sympathetic.

But one reason why the parties chose to deep-freeze higher education is the divisions exposed by unfreezing. Labour's Dennis Canavan talked splenetically of "reactionary proposals" which should be "kicked into the bucket where they belong". John Cryer, milder and more reasoned, said he failed to understand how tuition fees could possibly aid access to higher education. Gerry Steinberg epitomised Labour feelings best, saying he endorsed the Government response, but was "still a little sad" at accepting tuition fees.

Huw Richards

...and Blackstone explains

IT WAS left to higher and further education minister Baroness Blackstone to fill in the details and justify the Government's controversial departure on funding from the Dearing report.

The baroness, who has firsthand experience of higher education as the former master of London University's Birkbeck College, explained the thinking behind the calculations which produced the £1.7 billion deal for higher education.

Baroness Blackstone repeatedly stressed that the new system would be fairer to students and their parents regardless of income. Fairness, she said, is "fundamental" to the scheme, both for the poor and the wealthy.

She said: "We are helping the student from the low-income family by giving them a larger



loan up front so they pay nothing up front. The principle is that they will only pay according to their income later.

"While we intend to introduce a tuition fee of £1,000 a year, full-time students will have access to extra loans for the maintenance equivalent to the additional cost of fees. In other words the parent who will have to pay a tuition fee will have to pay a reduced amount in maintenance."

There have been claims that the middle classes will benefit from this arrangement by effectively being able to spread the cost of the tuition fee over a long, low interest loan repayment period. Baroness Blackstone refutes this.

She said: "I do not think this will be perceived as a middle-class perk. I think it will be perceived as reasonable that middle-

class parents pay up front."

The baroness was equally anxious to play down claims that the Government scheme is at odds with Sir Ron's preferred funding option.

"Basically, what we are saying is very much in line with what Sir Ron is saying. We accept all the principles that lie behind his funding option and we build on those," she said.

"Sir Ron thinks the present loan system is unfair and he doesn't think it works very well. We share that view. He argues that loans should be paid back over a longer period of time to help poorer students. We agree with him. He argues that parents should not be asked for higher contributions than at present. We agree with him. He suggested that a £1,000 tuition fee should be added to the loan. We agree with him except that we do not think that it would be right that students from lower income homes should be charged a tuition fee paid up front.

"So what we are doing is accepting the broad principles set out by Dearing but we think that the right approach is not to ask low-income students to pay because we are worried about the potential deterrent effect of that.

"Our view is that the psychological impact on these students of

having to pay tuition costs will be more difficult to accept initially than simply extending a principle which has already been accepted, which is that you pay for your maintenance."

Baroness Blackstone, who

referred to the Government's scheme as a "modification" of Dearing, said that the paying of fees up front would bring money into the higher education sector far more quickly than putting it all through a loan to be repaid later.

BLUNKETT'S DEAL FOR STUDENTS

THE CURRENT SYSTEM*

London	Better off	Middle	Worse off
Maintenance grant	£ 0	£ 1,080	£ 2,160
Maintenance loan	£ 2,085	£ 2,085	£ 2,085
Parental contribution (maintenance)	£ 2,160	£ 1,080	£ 0
Total public support for maintenance	£ 2,085	£ 3,165	£ 4,245
Parental contribution to fees	£ 0	£ 0	£ 0

Elsewhere

Maintenance grant	£ 0	£ 877	£ 1,755
Maintenance loan	£ 1,685	£ 1,685	£ 1,685
Parental contribution (maintenance)	£ 1,755	£ 878	£ 0
Total public support for maintenance	£ 1,685	£ 2,562	£ 3,440
Parental contribution to fees	£ 0	£ 0	£ 0

THE NEW SYSTEM**

London	Better off	Middle	Worse off
Maintenance grant	£ 0	£ 0	£ 0
Maintenance loan	£ 3,085	£ 4,165	£ 4,245
Parental contribution (maintenance)	£ 1,160	£ 80	£ 0
Total public support for maintenance	£ 3,085	£ 4,165	£ 4,245
Parental contribution to fees	£ 1,000	£ 1,000	£ 0

Elsewhere

Maintenance grant	£ 0	£ 0	£ 0
Maintenance loan	£ 2,685	£ 3,440	£ 3,440
Parental contribution (maintenance)	£ 755	£ 0	£ 0
Total public support for maintenance	£ 2,685	£ 3,440	£ 3,440
Parental contribution to fees	£ 1,000	£ 878	£ 0

Source: DFEE. *Current system 1997/1998 **When fully implemented 1999/2000

'We are accepting the broad principles set out by Dearing but we think that the right approach is not to ask low-income students to pay because we are worried about the potential deterrent effect'

She was sensitive to criticisms that institutions which have more students from poorer families would potentially receive little from these up-front tuition fees.

"The funding council will have to compensate. You can't possibly leave those institutions that have a high proportion of low-income students without funding and those with rich students with more funding."

"If we accept the same schedule for repayments as Dearing, the Government modification of the Dearing proposal will, by the year 2015, bring in more money, around £1.7 billion. And between now and then it will bring in the same amount."

"Universities are going to benefit from these savings and it is very much a part of our policy commitment to provide for our policy aims which are to extend opportunities and improve quality and access. The money will be paid to the universities."

Baroness Blackstone said that the funding component would be enacted before the bulk of the Dearing recommendations were considered for legislation.

The Government is consulting with the stakeholders. The consultation deadline has been set for October 6.

Alan Thomson

Funding carrot to aid teaching



SOME departments and institutions are to be encouraged to opt out of the research assessment exercise in a bid to halt the "devaluation" of teaching in higher education.

The report says too many departments are being entered for the RAE when they have little prospect of receiving money from it. Those departments whose main strengths are in teaching could opt out and receive a "modest per capita allocation" of at least £500 for private research and scholarship to support teaching.

The cash for the new fund would come from money released by not supporting departments rated below 3a in the RAE, a total of £30 million in 1996. The report stresses that any department which enters and achieves a 1 or 2 rating should receive neither RAE funds nor the new per capita allowance.

A professional Institute for

TEACHING

Learning and Teaching in higher education (Rec 14) should be created. The institute would be more focused and cost less than current "complex" and "fragmented" attempts to improve university teaching, the report says. It should be immediately established by universities' representative bodies in consultation with funding bodies.

The institute's function would be to accredit programmes of training for lecturers and confer on them associate membership, membership and fellowship in recognition of high-quality teaching. All new academics will be expected to become associate members of the institute, providing the first coherent national teacher training scheme for academics. Existing lecturers can develop their skills throughout their careers. In addition, the institute would commission research and development in learning and teaching practices and stimulate innovation through the results of that research.

Innovative teaching methods need to become widespread and the report recommends that all institutions prioritise immediately developing and implementing learning and teaching strategies to promote student learning (Rec 8).

In a survey of more than 1,200 students in their second year and above that was commissioned from the Policy Studies Institute last year, the inquiry found less than half of those who responded were satisfied with the feedback they got from staff about their work. Despite changes in the learning environment, teaching methods did not appear to have changed considerably — lectures were still the norm.

The institute would also assist universities in making the best use of information technology. The report stresses that if the institute is to have credibility it must be adequately funded. Current funding council initiatives in teaching and learning total £40 million. The report says that this money would be better spent by the institute.

Alison Utley



Your cup of tea? Students attend a seminar at Manchester Metropolitan University. Dearing found that less than half of students were satisfied with the feedback they got from tutors

No PC, no degree?

IT

FIRST-YEAR students facing tuition bills may have to add £500 for a basic portable computer. Dearing expects that by 2005/6 all students will need their own portable computer (Rec 46).

Committee members who visited the United States in January noted the growing number of university courses operating "no PC, no degree" policies. They figured that United Kingdom students should be able to find £500 for one of the lower-cost notebook computers that have appeared this year. Typically these machines run Microsoft's Windows CE operating system and are adequate for word processing, email and basic Internet access.

The report envisages student spending on portable computers rising to £150 million by 2001/02. It suggests that during a transition period, National Lottery money could help students pay for PCs.

Institutions would eventually be able to cut spending on desktop computers and the costly real estate they occupy. But they will save little before 2002/03 if they pursue Dearing's recommendation to increase

the number of desktop computers from one for every 16 students to one for every five. Networked desktop machines costing £2,800 will be needed for the latest interactive multimedia learning materials, the report explains.

Information technology now consumes between £780 million and £1,080 million a year — about 10 per cent of the United Kingdom higher education sector's turnover.

Dearing wants all HE institutions in the UK to have "overarching communications and information strategies" in place by 1999/2000 (Rec 41). This could mean standardisation of hardware and software and postponing or cancelling of projects deemed to be low priority. Institutional management should take a firmer hand over IT, which the report considers "too fundamental to the operation of the institution as a whole to be decided at faculty level".

Tony Durham

See next week's *THE TIMES* for a Multimedia special on IT and Dearing. Proceedings of the fully-booked July 31 colloquium "IT and Dearing" will be published by CITSS, Oxford University. Email: citss@oucs.ox.ac.uk

Fury over computers

THE NATIONAL Union of Students welcomed the idea of a computer for every student, but said it was "exasperated and outraged" that students should have to pay for them.

"Every student should have access to a computer," a spokeswoman said.

"But to suggest students pay is like another top-up fee. We don't see it as the responsibility of students to provide all the books in the library, it is similarly not their responsibility to buy computers to complete their course."

Steve Molyneux, IBM professor of interactive communication technologies at Wolverhampton University, said he thought it realistic that by 2005 every student would have access to a computer.

"If we look at what has happened over the past 13 years, a machine costing £500 in 2005 will be perfectly capable of being used for educational value. This technology is the only way forward," he said.

A new binary divide?

RESPONSES to Dearing's recommendations on teaching focused on plans to move some institutions' missions from research. They were interpreted as the start of a new binary divide and the emergence of teaching-only universities.

There is widespread acceptance that university teaching must be pushed to the forefront of any reformed higher education system. But Dearing's proposal to encourage some departments to skip the next research assessment exercise altogether was described as a straightforward bribe by Gareth Williams, professor of educational administration at the Institute of Education. In return for opting out, departments would get a modest per capita sum for scholarship to underpin teaching. "Is this saying that those departments who don't get the per capita sum are too bright and don't need it," he said. "Or is it merely a sop, a way of bribing lots of institutions not to try for the RAE?"

Professor Williams said the proposal would bring back the binary divide. He estimated that as much as 80 per cent of the per capita funding would go

to the new universities, barring them from research. He supported the creation of an Institute for Learning and Teaching, but warned against imposing a single orthodoxy of good teaching practice.

Alan Smithers, head of Brunel University's centre for education and employment research, agreed that imposing uniformity and procedure on to university teaching may be counterproductive.

But the Open University's David Baume disagreed: "If we come up with a clear account of what it means to be a competent teacher, we can encompass a huge variety of teaching types — all we prevent is incompetence."

The Association of University Teachers' Paul Cottrell also strongly favoured the institute. "This is a really energetic response to university teaching," Patricia Partington, Universities and Colleges Staff Development Agency head, welcomed the emphasis on career-long development for academics.

Ron Barnett, professor of higher education and dean of professional development at the Institute of Education, supported the idea but said it should be accessible to academics in all disciplines, not simply another jargon-ridden bureaucracy.

Major role for Quality Assurance Agency

QUALITY

DEARING has stopped short of recommending a national curriculum for higher education programmes — but only just. A compulsory code of practice and "threshold" minimum standards for degree programmes should be linked directly to public funding, his committee says.

The new commitment to standards should be underpinned by a national framework of qualifications, overseen by the new Quality Assurance Agency. The QAA should have an impressive array of responsibilities and powers, including a brief allowing it to recommend withdrawal of funding if minimum standards are not met. But the QAA would have only three years to realise the vision before the "pressures for increased and direct intervention from outside the higher education system

intensify", the report warns.

It is not enough to rely on informal ranking of institutions. "We conclude that UK awards at all levels, and especially the first degree, must be nationally recognised and widely understood." Minimum standards must be developed "now", by academics in formal groupings, established by the QAA.

This information should be used by a pool of licensed external examiners, who will validate pro-

grammes under the QAA. A strengthened external examiner system, supported by a "lighter approach" to quality assessment, should replace the present teaching quality assessment system.

The Government "should endorse immediately" Dearing's national framework for higher education qualifications (Rec 22). The present structure and nomenclature of awards are at best unhelpful, at worst, misleading.

THE broad thrust of the "qualifications and standards" recommendations have been welcomed. Diana Warwick, chief executive of the Committee of Vice Chancellors and Principals, was relieved that Sir Ron had resisted some lobbyists' demands for a national curriculum for higher education. "That would have been very ill-informed," she said. "He recognises that standards are very much the prerogative of institutions." She said most recommendations were in line with CVCP ideas, but was unsure about

CVCP relief on standards

the prospect of funding-linked threshold standards. "We've been looking at thresholds, but they need a lot more work."

John Randall, chief executive of the new Quality Assurance Agency, was undaunted by the new responsibilities and tight three-year challenge presented to his agency. "This is the last chance for the sector to have any involvement in its own regulation. The alternative of more external regulation

would mean a very different approach to quality assurance," he said.

David Triesman, general secretary of the Association of University Teachers, welcomed "the fundamental importance" attributed to standards, and plans for the QAA to set tough criteria for franchising arrangements.

The Higher Education Funding Council for England defended its Teaching Quality Assessment against Dearing's criticisms, saying it was an expected part of the "evolution".

what was originally conceived, but it should embrace it "vigorously", the committee says. The QAA's remit (Rec 24) would include: controlling quality assurance and public information, verifying standards, and maintaining the qualifications framework.

The arrangements for all of these will be encompassed in the compulsory, formal code of practice, "which every institution should be required formally to adopt by 2001/02, as a condition of public funding", the report says. The QAA would also have a key role in allocating degree-awarding powers — and their removal — in a close partnership with HEFCE.

The QAA would play a key role in a clampdown on franchising activity (Rec 23), setting criteria for franchise arrangements that will be compulsory by 2001, and banning multiple franchise partnerships.

Phil Bate

Cash dose could aid lab health



THE CREATION of an arts and humanities research council, a £500-million loan scheme for buying laboratory equipment and an extra £10 million for research councils are among Dearing's recommendations for university research.

Dearing's report says the Arts and Humanities Research Council (Rec 29) should replace the British Council's humanities research board. To avoid bureaucracy, the new council should be attached to an existing council. Half the estimated £50 million a year funding for the AHRC can be met by existing allocations to the HRB, meaning that £25 million in additional funds will be required.

Improving the health of university laboratories is a key theme of the report. Estimates of the "funding gap" between research undertaken and the infrastructure needed to support it range from £137 million and £720 million.

Research councils could raise their funding of indirect project costs from 45 per cent to 60 per cent or higher if institutions can justify it (Rec 34). This will mean that the research councils have to find an extra £10 million. Ideally Dearing wants this sum to be met through extra Government cash.

Alternatives include reducing the volume of research funded but Dearing says this would not be in the country's long-term interest. Another solution is to transfer money from funding councils to research councils. But this has been rejected on the basis that the dual-support system gives flexibility in managing research.

Dearing is "convinced" that further support for laboratory infrastructure could be made available through the creation of a £500 mil-

RESEARCH

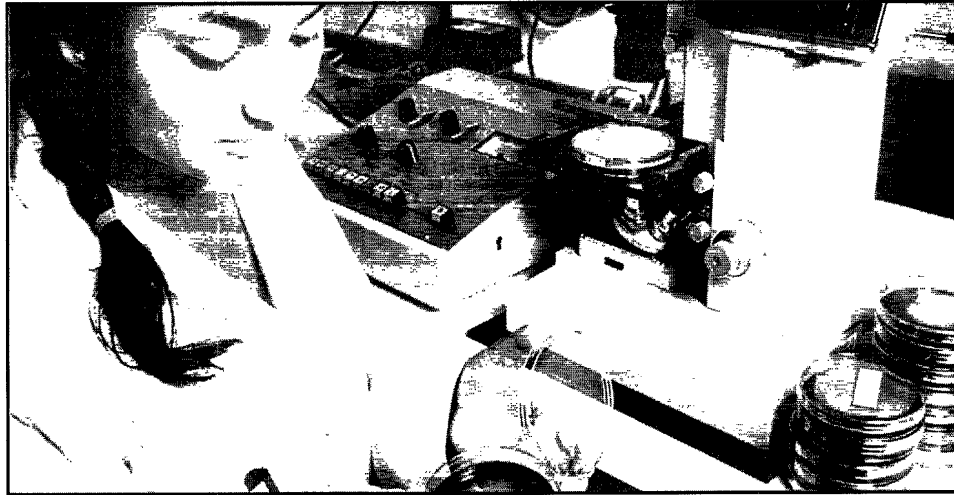
lion scheme providing loans for the purchase of equipment (Rec 34). The fund would be set up and managed jointly by Government, research councils, funding bodies, industry and charities and would support "departments and institutions with a track record of conducting top quality research".

Dearing also recommends taking research money from departments that got below a 3b in the research assessment exercise, to allow them to concentrate on teaching (see page 4).

To provide more focus for university-industry research, Dearing recommends (Rec 34) the creation of an umbrella scheme for all national initiatives designed to encourage applied research. The Industrial Partnership Development Fund would be run jointly by the Department of Trade and Industry, the Welsh Office and Scottish Office. It would operate on a matching funds basis, with the IPDF meeting universities' share of the cost. Some or all of the DTI's current spend of around £50 million on university-industry projects could be rolled into the IPDF as would the Teaching Company Schemes and Link. Dearing believes that over time the funds from IPDF could grow to about £100 million per annum.

A widespread view in evidence to Dearing was that the RAE's focus on subjects discouraged interdisciplinary research. The funding bodies and research councils should commission a study to evaluate interdisciplinary research funding, including incentives and disincentives (Rec 32). Dearing is also concerned that oversight of research policy and funding does not appear to lie clearly with any single body and says a new independent and private advisory body is needed to take on this task (Rec 35).

Kam Patel and Julia Hinde



Getting a result: Dearing says that the funding gap between research undertaken and the research infrastructure could be £720 million

INDUSTRY support for setting up a £500-million loan scheme for supporting top university laboratories is less than enthusiastic.

Paul Leonard of the Chemical Industries Association says its members are treating the initiative with "a healthy degree of scepticism". Responsibility for all support for pure research and teaching in universities lies with the Government, he says.

On the proposal to launch the Industrial Partnership Development Fund, Dr Leonard says: "Industry in general would welcome anything Dearing can do to lessen the confusion and bureaucracy surrounding university-industry schemes."

Dr Leonard welcomes Dearing's proposal to make it more attractive for departments to drop out of the research assessment exercise. "There is no future in research for departments rated one and two."

Fears of lost opportunities for emerging talent

Ken Pounds, chief executive of Particle Physics and Astronomy Research Council, said of the report: "There seems to be an acceptance that dual support should stay and I agree."

On the proposal to create an Arts and Humanities Research Council, Ron Amman, chief executive of the Economic and Social Research Council, said it would be a "his-

toric" opportunity. But he warned: "We need to look closely at the financial details. We would not want the AHRC to be funded at the expense of the social sciences or the science base as a whole."

John Mulvey of Save British Science said: "It is clearly welcome that Dearing insists research councils pay full indirect costs. It is essential that the £110 million is

new money." He fears that greater RAE selectivity may restrict opportunities. "By dropping those getting 3b and below, it will release 4 per cent of the total funding council budget for research. That will not make a difference when talking about an underfunding crisis. It means a narrowing of opportunities for talent to emerge. 3b departments are not totally duff—they are still achieving national excellence."

Shift in professional identity

DEARING says that staffing issues are central to higher education's success over the next 20 years.

"An effective, fairly remunerated, professional and well-motivated workforce lies at the heart of the high-quality system of higher education which this country will need," the report says.

The report is a progressive manifesto that addresses historic imbalances and paves the way for new working patterns. When it comes to pay, however, Dearing makes conciliatory noises before deftly ducking the issue.

The report says that collective bargaining may not be appropriate and calls for more flexibility. It pours cold water on the idea of an independent standing pay review body, instead recommending that employers appoint an independent review committee to report, by April next year, on the framework for determining pay and conditions of service (Rec 50).

Dearing refers to the Higher Education Role Analysis system proposed by the Universities Competencies Consortium. This has angered lecturing unions (see letters page) and Dearing stops short of specifically endorsing it. Instead the report recommends that all institutions review and update

STAFF

staff development policies over the next year to ensure they address changing staff roles (Rec 47).

Short-term contracts and casualisation, while introducing a helpful degree of flexibility, could harm education quality unless properly managed, the report says. Dearing hopes that the Concordat agreed by higher education stakeholders last year will alleviate some of the problems but he is insistent that this scheme is reviewed and, if necessary, altered.

The report says that women, ethnic minorities and the disabled are all under-represented among staff, except at junior levels. It recommends that institutions remove barriers and monitor and publish their progress to equal opportunities (Rec 49).

Dearing recommends the long-term harmonisation of pension arrangements for staff in old and new universities (Rec 51). He says that all entrants should be directed to the Universities' Superannuation Scheme. Staff in new universities are currently part of the Teachers' Superannuation Scheme.

Alan Thomson

AUT calls for pay national review body

THE ASSOCIATION of University Teachers is disappointed by Dearing's failure to recommend a pay review body, claiming it reveals a contradiction in his plans for academic and related staff.

AUT general secretary David Triesman said that the main thrust of Dearing's report on staff in higher education was to ensure professionalism through the creation of a national framework of teaching qualifications. Mr Triesman said this was a tremendous step forward. But he said: "It is very clear that Sir Ron wants a national system of teaching accreditation yet he does not seem to carry this through to the question of pay."

"If he is acknowledging national professionalism and moving towards a chartered body for professional higher education teachers then should there not be national pay review for the profession. Other professionals, such as doctors and teachers, receive standard rates of pay determined through a national review body."

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Three-year degree call



DEARING'S Scottish committee, chaired by industrialist Sir Ron Garrick, stresses the distinctiveness of Scottish higher education while firmly retaining it within the United Kingdom system.

It has produced its own framework for future higher education qualifications, using the well-established Scottish Credit Accumulation and Transfer Scheme as the template (Rec 1).

It urges institutions to create innovative three-year bachelor degrees, which it says should be much broader than many existing three-year ordinary degrees (Rec 2). The committee believes this would be more useful to many students and employers than the specialist four-year honours degrees taken by around 70 per cent of students.

The committee hopes for a wide variety of bachelor courses, straddling arts and science faculties, for example, or with a vocational slant, dovetailing with Higher National Certificate and Diploma

SCOTLAND

courses in further education. "We all appreciate we are going to be accused of doing this to make it cheaper," Garrick said. "But this was educationally driven and I was quite surprised by the committee's unanimity in favour of an academically rigorous bachelors degree."

The committee anticipates continuing strong demand for in-depth honours courses from a "significant proportion" of students. It warns that if graduates have to contribute towards their course, the cost of qualifications must be the same across the UK, and Scottish honours graduates must not be penalised for their extra year. The Dearing report makes it clear that they will not (Rec 81).

The Scottish qualifications framework also highlights the importance of sub-degree work in further education colleges. The 46 colleges, funded directly by the Scottish Office, provide more than a quarter of all Scottish higher education. The Garrick committee proposes setting up a further education funding council, linked to a higher education funding council



Sir Ron Garrick Industrialist

by a single administration and chief executive (Rec 23).

It vetoes a single tertiary council on the grounds that further education must meet local needs, while higher education has a more national and international outlook. The Scottish Higher Education Funding Council presently funds only higher education institutions, but Sir Ron Garrick recommends

that a higher-education funding council should be responsible for all degree work, including courses in further education colleges. A further education funding council should fund courses up to HND level (Rec 24).

This would affect the University of the Highlands and Islands project, which is being managed and funded in the further education sector. Garrick proposes that higher education should take responsibility for UHI's degree level courses, backed by the necessary funding (Rec 25).

Sir Ron Garrick has also intervened in the dispute over whether SHEFC should join the new Quality Assurance Agency, saying it should contract with the QAA "at an early date", so long as the agency is sensitive to the Scottish system, ideally through a Scottish branch (Rec 10).

The report praises growing industry links: urges Scottish companies to encourage senior staff to serve on institutions' governing bodies (Rec 19); and calls for an end to the student-elected rector chairing the court at Aberdeen, Edinburgh, Glasgow and St Andrews universities (Rec 20).

Olga Wojtas

Mixed reaction to Scottish recommendations

SCOTTISH education minister Brian Wilson has pledged careful consideration of how tuition fees will apply to the four-year Scottish honours degree, and said he strongly endorsed Sir Ron Garrick's recommendation of ensuring equitable treatment across the United Kingdom.

"I don't want to see the Scottish four-year degree being eroded by purely financial pressures," he said. "But the question has to be asked on educational rather than financial grounds if the preponderance of four-year degrees has in fact devalued the coinage."

The Committee of Scottish Higher Education Principals said it enthusiastically welcomed both Dearing and Garrick. Chris Maddox, Coshep's vice convener, said: "We see the recommendation of the general degree as fitting in with moves which many of us are beginning to make." But Professor Maddox said Coshep was unhappy that the proposed threshold for graduate repayments was too low. "We strongly advise Government to raise this."

Shamin Akhtar, president of the National Union of Students Scotland, said: "NUS Scotland recognises the shortfall in the funding, but maintains that charging tuition fees is not the

solution." But she welcomed financial help for part-time students, and the abolition of the cap on student numbers.

Peter Breeze, honorary secretary of the Association of University Teachers Scotland, said the union greatly regretted that a funding burden was being imposed on students. "Government needs to protect the four-year degree, which means fee waivers."

He warned that Government urgently needed to address the 6 per cent shortfall facing Scottish higher education next year.

Garrick has suggested there could ultimately be a merger between a further and higher education funding council. Mr Wilson said: "There is a distinctive role for both further and higher education, and it is more important to enhance the status of further education than to pretend that it's all part of the same thing."

Tom Kelly, chief officer of the Association of Scottish Colleges, said: "Our main concern is how a funding body operates. It should be transparent, with planning horizons of at least three years. The worry about a funding council with an organisational link to the Scottish Higher Education Funding Council is that further education would lose its identity."

Reform plan for province

NORTHERN Ireland's anomalous position within the United Kingdom of having only an advisory higher education body, and a dramatic undersupply of university places, has been boldly tackled by Dearing's report on the province.

It proposes creating both a higher education and further education funding council, under one chief executive who would also oversee a new planning body for both sectors (Rec 93).

The body should address the "vitally important issue" of expanding local provision, it says (Rec 90). Around 40 per cent of qualified young people go to study elsewhere in the UK. The report suggests lifting the Maximum Aggregate Stu-

NORTHERN IRELAND

dent Number cap, but also proposes a range of options that it says are not mutually exclusive. These include: a new campus, such as Ulster University's proposed "peaceline" campus in Belfast; redeveloping properties owned by Queen's University, Belfast; adopting a three-semester year; and expanding sub-degree work in further education colleges.

The report stresses the regional role of higher education, given the province's high unemployment rate (Rec 89), and calls for a reassessment of research funding.

Olga Wojtas

NI gives nod

HIGHER educationists in Northern Ireland have welcomed proposals for the province. Sir Trevor Smith, Ulster University vice chancellor, praised the recommendation to end the cap on student numbers. Bob Cornack, Queen's University Belfast pro vice chancellor, said: "We welcome the clear recognition of the quality of research in the province." Brian Everett, of the Association of University Teachers, supported the prospect of a higher education funding council. Tony Worthington, Northern Ireland education minister, will hold an autumn conference on the proposals for the province.

Praise for Welsh system

THE DISTINCTIVE pattern of relationships built between the further and higher education sectors in Wales has been strongly endorsed in a largely descriptive section of the Dearing report.

It firmly supports the system of two sectoral funding councils sharing a chief executive and staff and recommends that this be extended to Scotland and Northern Ireland.

The report warns that the recommendation to halt the growth of degree work in further education does not mean cutting the healthy franchised sector in Wales (Rec 67).

It says growth in part-time sub-degree vocational provision, with numbers nearly doubling in the

WALES

past four years, has "fostered fruitful relationships between higher education institutions and further education colleges, which form the basis for initiatives designed to increase access to higher education and bring it closer to the work place".

The report notes that the credit-based funding applied by both councils makes a single post-16 credit system a possibility, and that the provisions of the Welsh Language Act and the need for Welsh-medium provision have cost implications that must be funded.

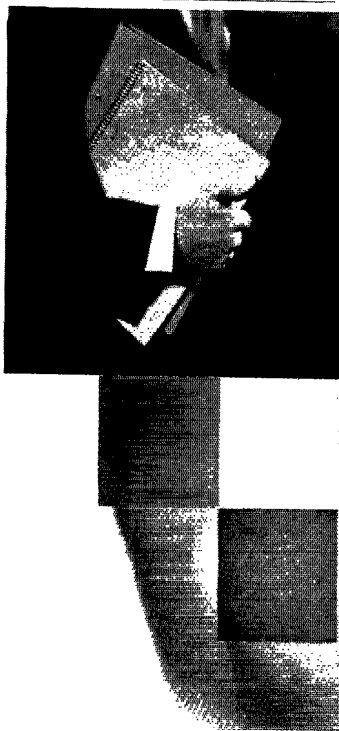
Huw Richards

Welcome for proposals

JOHN Andrews, chief executive of the Welsh Further and Higher Education Funding Councils, welcomed the endorsement of two sectoral funding councils sharing a chief executive and staff and Dearing's recommendation to extend the model to Scotland and Northern Ireland.

Keith Robbins, senior vice chancellor of the University of Wales, said the conclusions held little surprise and that there was no reason why the funding structure should not work equally well in Scotland and Northern Ireland.

He said the key question on collaborative work was how it would be funded.



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Regions activated

REGIONS

UNIVERSITIES have a pivotal role to play in local and regional economies as part of a proposed compact with society over the next two decades.

Dearing wants to make higher education more responsive to the requirements of employers and regional economies. Its recommendations are designed to tie in with Government proposals to create regional chambers and development agencies.

Dearing wants patchy regional involvement replaced with "active and systematic engagement".

Local employers have told the committee that they see their links with institutions becoming more focused and exclusive. The report links this with lifelong learning: "There will be an increasing opportunity and need for institutions to provide programmes that respond to specifically local social and economic needs for lifelong learning".

Dearing is particularly keen that

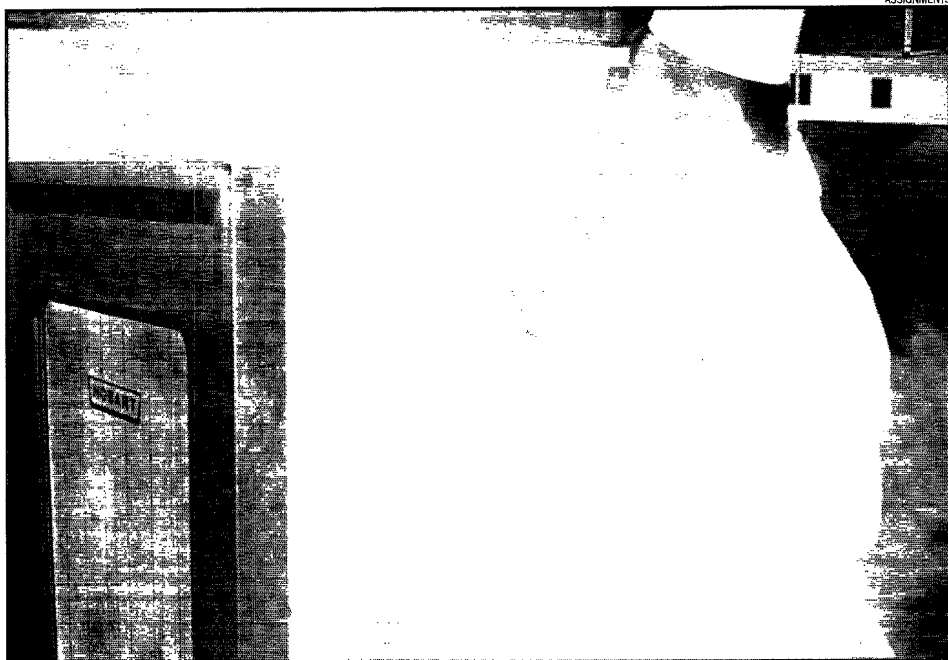
small and medium sized businesses tap into higher education and recommends that institutions examine ways of providing easy and coordinated access to information about local services (Rec 38).

Institutions must play a larger, more active role in regional and local administration. The report recommends that institutions should be represented on any regional Government bodies and the Further Education Funding Council's regional committees (Rec 36).

Funding ought to be directed towards supporting regional projects. Dearing recommends that funding should continue to be available after next April, when the Higher Education Regional Development Fund is due to end (Rec 37).

Dearing emphasises entrepreneurship and suggests that graduates and postgraduates be encouraged to start businesses. He recommends Government funding of institutions to promote students and staff business ideas (Rec 39).

Alan Thomson



Into the fire: an HND hotel catering student at Norwich City College. Dearing proposes the expansion of sub-degree work such as this

Regions keen on small firm sensitivity

Most regions met Dearing's proposals with enthusiasm. Chris Humphries, director of policy and strategy at the Training and Enterprise National Council, was keen that universities get in bed with local small and medium-sized enterprises. "Small firms are the new creators of graduate employment," he said.

The report was welcomed by The Committee of Vice Chancellors and Principals, particularly by new universities.

Michael Harrison, vice chancellor of Wolverhampton University, where most students come from the West Midlands, said that universities "must become more consumer-led and deliver the courses the community wants".

The Industrial Society did have one problem with the plans: "If there is a shift to students attending local universities would there be consistency of quality?" said Roger Opie, director of education.

Governors get code

GOVERNANCE

BETTER money management and a governors' code of practice will be needed to keep institutions running smoothly, says the report.

The committee recognises that higher education has been through a financially tough few years but says more savings will be needed. It wants institutions to consider ways of extending the academic year and introducing more flexible teaching patterns.

Under a new code of practice for governors, institutions should identify where ultimate authority for decision-making lies. Where there is a court and council, the council should be the ultimate decision-making body (Rec 54).

The code should also ensure governing bodies are balanced and appointed on merit by nominations committees. Governors should include a majority of lay members and representatives drawn from students and staff.

No governing body member should serve for more than two terms of between three and four years each unless they also hold

office. Nor should anyone chair a governing body for more than two terms (Rec 55). No governing body should exceed 25 members.

Every institution should be able to draw on information and advice from a non-decision-making body drawn from outside organisations which interact with the university.

To qualify for funding, institutions should introduce five-yearly management reviews assessing participation by under-represented groups, staff development, relations with external organisations, size and effectiveness of the governing body and arrangements for making academic awards in the institutions' name (Rec 57).

In the medium term, funding and representative bodies should develop common performance indicators for institutions with similar characteristics (Rec 58) and benchmarks to be used in these reviews, allowing comparisons between institutions with similar characteristics (rec. 58).

The committee supports Lord Nolan's views on student complaints and whistleblowing

Harriet Swain

Governance response: do not cut numbers

David Anderson-Evans, an adviser on management policy for the Committee of Vice Chancellors and Principals, welcomed compulsory staff and student involvement in governing bodies.

But he was more critical of limiting the number of governors and restricting the length of time they served. "There is no evidence that the much larger bodies in old universities have been hampered from making decisions because of their size," he said.

While he agreed there may be good reasons for bringing in new blood, it was always hard to find governors of the right calibre.

"There are sometimes people it would be a great sadness to lose."

FE's chance to expand



FURTHER education has been offered the chance to expand as Dearing recommends that higher education concentrate on funding sub-degree qualifications in colleges.

Dearing has recommended a potentially radical shift in funding towards further education colleges, which would provide sub-degree qualifications such as Higher National Diplomas and Higher National Certificates.

The report envisages that much of the future expansion of higher education will be at the sub-degree level, which should be developed as a "special mission" for colleges. It rules out more further education degree courses.

Dearing recommends that, in the medium term, further education colleges should get priority in sub-degree provision and that this should be funded directly by

FURTHER EDUCATION

higher education (Rec 67).

But it is commonly thought that few further education colleges would be in a position to offer HND, HNC and BTEC courses, which tend to require large workshop areas and expensive equipment. Colleges, forced by huge funding cuts to use space in the most economical way, have given over workshops suitable for HNDs to popular courses.

Dearing's solution is collaboration and franchising between higher and further education institutions.

Universities, many of which excelled as polytechnics in providing sub-degree qualifications, could franchise such provision to local colleges which would be able to use the university's facilities.

The report is careful, however, to spell out its concerns about franchising. Multiple franchising, where a college engages with more than one university, and serial franchising, where colleges then

franchise courses and funds to an external contractor, present potential quality assurance problems. Dearing favours limits on franchising within a framework to be established by the Quality Assurance Agency.

The funding bodies and research councils are called on to ensure that they do not discourage collaboration (Rec 68 and 69). Money should be set aside to support collaboration. The Quality Assurance Agency is urged not to discourage collaboration.

To preserve quality the report says that, in the medium term, the current criteria for university status should remain (Rec 63).

There should also be a period of relative stability in the numbers of universities.

The ivory towers are further protected by a call for an end to the confusion surrounding the use of the word "university" in institutional titles (Rec 62). Public funds could be withdrawn from those institutions calling themselves universities which have no legal entitlement to do so.

FE response: does not address the skills issue

COLLEGE principals say that Dearing has failed to stress the crucial importance of the further education sector in strengthening post-16 education and the national economy.

The Association of Colleges says that the report fails to put the debate about higher education into context. Specifically, Dearing fails to stress the fact that the problem in the economy stems from a lack of people with vocational qualifications.

Roger Ward, chief executive of the AoC, said: "Sir Ron has been generous to further education but he could have been more generous. We have more graduates in many cases than we know what to do with. The real problem concerns the numbers of people with level-three vocational qualifications." Mr Ward said that the report had perhaps addressed the wrong debate.

Buffer bodies to protect autonomy

FUNDING COUNCILS

BUFFER bodies separating the Government from higher education institutions in funding matters must be maintained for the sake of university autonomy, says the report.

The committee places so much importance on funding councils that it recommends introducing one for Northern Ireland, where the Government now allocates funding directly (Rec 84).

But it warns that the greater the scale of higher education and the more impact it has on the economy, the greater the temptation for the Government to interfere and threaten diversity.

The solution, it says, is a larger role for market forces.

This should come naturally from better-informed students, paying

some of the costs of their higher education and so forcing institutions to deliver the kind of course they want.

If the funding recommendations are adopted, more than half of the cost of a full-time undergraduate

programme will flow to institutions with the student. This includes the money from funding bodies allocated for student numbers; fees from local education authorities and the new 25 per cent student tuition contribution.

Funds-to-follow-students idea fraught but inevitable

EVELYN EBSWORTH, vice chancellor and warden of Durham University, said: "The idea of more funds following students is one that has been floated by the Committee of Vice Chancellors and Principals for a long time. If you are working with a credit-based system, it will become inevitable.

"It will make life a bit more fraught but I don't expect most students will shift around much for their first degrees. It's still up to universities to make sure they can attract and keep the best students, as now."

A spokesman for the Higher Education Funding Council for England said it was still too early to assess the likely impact on the funding councils but said that the council welcomed the report's recommendations for a new compact between different stakeholders in higher education.

But the councils will still have a vital role to play. Because of their size and market position, the committee believes they are the only bodies able to act as expert buyers of services, influencing quality, effectiveness and price.

They will also have to offer funding incentives to encourage students into disciplines which are expensive to provide or where the state is the major employer, such as teacher training.

Their importance in monitoring institutions' financial health could become even more important as institutions face greater pressure from market forces.

And they will need to support Government policies such as widening participation and strategic reviews of governing bodies.

They will also continue to fund research under dual support.

Harriet Swain