Five priorities for higher education

– a briefing note

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LONDON HIGHER

Introduction

The priorities outlined in the letter from Secretary of State for Education, Bridget Phillipson, to the higher education sector present both opportunities and challenges for London's universities. As a global hub for education, innovation, and inclusion, London's higher education (HE) institutions are uniquely positioned to drive forward these priorities while addressing the distinct needs of the city's diverse communities and economy. This briefing note explores how these priorities translate into actionable goals for London's universities, focusing on their implications for skills development, access, financial sustainability, and partnerships.

Our overarching point, that applies across all five priorities, is to better understand how progress across these areas will be baselined and measured, as well to understand whether or how this will impact funding for higher education.

Executive summary

In relation to each of the education secretary's five priorities for higher education, London Higher recommends the following:

Expanding access and improving outcomes for disadvantaged students

- Collaborate with the sector to address local participation gaps through granular data analysis and targeted interventions.
- Sustain funding for the Uni Connect programme to support collaborative outreach.
- Reintroduce maintenance grants and increasing maintenance allowances to address rising living costs and improve access.

Driving economic growth

- Restore Level 7 apprenticeship funding to address skill shortages in critical sectors such as digital and artificial intelligence (AI).
- Expand collaborative networks, such as the London Higher Enterprise Network, to enhance support for innovation and entrepreneurship.

Enhancing civic engagement

- Formally recognise universities' civic contributions in policy and funding frameworks.
- Provide clarity on metrics, while accounting for nuances of place and local contexts.

Improving teaching and learning

- Implement proportionate and risk-based regulation to support diversity across institutions.
- Align with European Standards and Guidelines to maintain global competitiveness.

Promoting financial sustainability and efficiency

- Establish a government-supported transition fund to enable efficiency reforms and strategic transformation.
- Assess the impact of course and institution closures on access and local economies.
- Improve targeted financial support for smaller and specialised institutions.

Play a stronger role in expanding access and improving outcomes for disadvantaged students

London is a city where the very rich and very poor live side by side, and every day, London's inequality gap is widening. Today, 27% of Londoners are living in poverty, with Black and Minority Ethnic Londoners far more likely to be disadvantaged. However, London is a leader in social mobility, with all 12 of the top 12 universities ranked for social mobility in London and over 50% of inner Londoners on free school meals going on to higher education, compared to an average of 29% nationally. To maintain and further develop this work, our ask of the Department for Education (DfE) here is threefold:

I. Work with us in the development of new approaches to identifying and addressing intra-regional inequalities in HE access and participation.

London as a region is characterised by high overall levels of higher education participation (64% for those aged 19 and under), but also high levels of inequality. The access gap between Free School Meals (FSM) eligible and non-FSM eligible pupils has been steadily increasing in recent years and, as of 2022/2023, stands at 15.5%.

The overall expansion of HE participation has also been geographically uneven, with a 25 percentage point difference between the areas of highest (Redbridge) and lowest (Havering) participation in the capital. Within boroughs too, attainment prospects differ starkly when comparing students from different backgrounds. This matters given that attainment is such a strong indicator of likely future progression to HE. Waltham Forest, for example, is a middle-ranked borough nationally for overall Attainment 8 scores – a measure of academic performance across eight GCSE subjects – yet the borough is in the bottom ten nationally for Black student Attainment 8 scores specifically.

There are other troubling participation gaps emerging in London that warrant further exploration. For instance, had the male HE participation rate kept pace with the female participation rate in the last ten years, 47,000 more male young Londoners would have entered HE during this period. This may be explained, in part, by the steady growth in HE participation amongst young women educated in London but could well link to factors that are dissuading young men in London from pursuing HE study. Indeed, the two lowest-attaining groups of Londoners at Key Stage 4 are young men from white, free school meals-eligible and Caribbean, free school meals-eligible backgrounds, suggesting male HE participation in London may link back to the intersectional relationship between sex, ethnicity and socio-economic status.

A policy focus on closing inter-regional attainment and HE access gaps, in which London is characterised as a success story, is therefore poorly suited to addressing inequalities within regions and their localised underlying causes. We ask the DfE to support London Higher's work to understand local access and participation gaps, for instance by making available more granular data as part of annual widening participation statistics releases.

IIa. Commit to sustainably funding a national collaborative outreach programme after the Uni Connect programme's funding comes to an end.

The most appropriate infrastructure for giving rise to research and interventions that address localised HE participation gaps is the Uni Connect programme. However, this programme currently faces a funding cliff=edge. It has, in recent years, been sustained through successive short-term funding settlements, with attendant impacts on the ability of Uni Connect partnerships to retain skilled staff and provide assurances to local partners. Government alone could break this damaging cycle of uncertainty and short-termism by agreeing a multi-year settlement with the Office for Students (OfS) - as the funder of the Uni Connect programme - for England-wide collaborative outreach, delivered through regional partnerships.

IIb. Conduct an impact analysis of the potential closure of courses/institutions in metropolitan areas to understand the impact this could have on widening participation in London.

This recommendation relates to HE cold spots and the impact they can have on rates of HE access. The OfS itself recognises 'limited choice of course type and delivery mode' as a risk to equality of opportunity in HE, however the prevailing assumption in government appears to be that this impact will only be felt in remote and coastal areas. Although course closures and the risk of institutional failure in London have been the subject of much press coverage – see for instance coverage of the financial health of Goldsmiths, University of London – there has been little serious analysis of the equality of opportunity risks that would follow from a London-based provider either closing or discontinuing specific programmes.

An obvious area of focus for this analysis would be the closure of creative HE courses and providers, given the Government's commitment to opening up access to the arts and music and the important role it sees the creative industries playing in economic growth.

III. Reintroduce maintenance grants for the poorest students and increase overall levels of maintenance allowance.

The need for reform here is made plainly clear by recent data suggesting that average student rents in London have overtaken the maximum maintenance loan threshold. London Higher's own research, conducted by our AccessHE division, has shown that cost concerns among prospective students are constraining HE decision-making and have become a risk to HE access rates.

We urge the DfE to adopt recommendations proposed by the Sutton Trust in their recent Reforming Student Maintenance briefing paper, as these are progressive in nature and cost-neutral to the Exchequer.

Make a stronger contribution to economic growth

London's universities and higher education institutions are powerhouses of research and innovation. London represents almost one-third (31%) of the UK's graduate entrepreneurial activity. It is the UK's most successful region for start-up activity overall and has the highest concentration of student start-ups, with 38% of student start-ups being founded at London universities. Three of the top 10 UK institutions for spin-outs since 2011 are in London and three out of the top 10 UK spin-outs by value are from London universities.

London Higher has established a new Enterprise Network, comprising enterprise leads from across London's diverse higher education sector. The group is jointly chaired by King's College London and the University of East London. It aims to share best practice and encourage collaboration to improve city-wide support for start-ups, spin-outs and tech adoption. London Higher and our members are developing a stronger relationship with the Greater London Authority (GLA) to support the London Growth Plan, and the Local Growth Plan for London as part of the forthcoming national Industrial Strategy, Invest 2035.

We are keen to support local skills needs by working with the GLA and through a strengthened and better-defined role for higher education within the London Local Skills Improvement Plan. On behalf of our members we are currently in discussion with the GLA on how London higher education institutions can respond to shortages in higher digital skills and fire engineering skills.

Our members have identified professional bodies as critical stakeholders in ensuring existing courses are meeting the needs of employers, and in the creation of new courses. Although professional bodies play an important role in maintaining high standards, they can also be resistant to change.

The removal of the Apprenticeship Levy funding for Level 7 apprenticeships is seen as a blow to the sector and is likely to lead to decreases in take-up which will include higher skills that are in high demand in critical sectors such as digital, AI and leadership & management. We urge the government to reconsider a blanket removal of funding.

It is important to understand that the impact and benefits of investment in London higher education do not stop at the boundaries of Greater London. With strong ties to industries, public services and local communities across the UK, London's universities are already making a positive difference to people and places in constituencies up and down the country, as shown by London Higher's interactive Capital Gains Map.

Play a greater civic role in their communities

Civic engagement is a core function of modern universities, contributing significantly to the sustained regeneration and success of their local communities. London's universities work extensively in partnership with local authorities, the NHS, businesses, charities and grassroots organisations across multiple sectors, contributing to their communities and the sustained regeneration and success of their localities. Civic (or place-based) engagement takes many forms – from formalised agreements with councils to pro-bono business and legal advice clinics, applied research centres, collaborative health research, community arts and cultural festivals, and more.

Much institutional civic work centres around local regeneration, prosperity, placemaking and improved outcomes for citizens, such as improved health outcomes; increased educational attainment; local economic development; enhanced community cohesion; and policy influence. Academics also undertake participatory research with and for their local communities, and students can engage in civic modules and service learning in community-based settings too. This not only benefits the wider community, but benefits universities themselves through enhanced reputation; improved student recruitment; more student placements; increased research funding opportunities; and stronger partnerships with local stakeholders.

To broaden understanding of different forms of civic engagement, London Higher has developed the Civic Map, a living repository hosting over 300 case studies across a core range of sectors and fields, including: NHS healthcare; education; sustainability; business and industry; and creative industries. The map seeks to reflect the depth and diversity of our members' place-based collaboration, capturing the varied projects and areas of focus from our members and articulating where (and with whom) these take place. It also conveys the impact of these projects, demonstrating how universities contribute to positive change in their localities. It has been cited by United Nations Educational, Scientific and Cultural Organisation (UNESCO) as an exemplar higher education initiative embracing cross-sector collaboration.

In addition, London Higher's Civic network convenes Local and Public Engagement Leads, plus Directors and Heads of Strategy to identify, coordinate and strategise on civic engagement across the London HE sector. The Greater London Authority (GLA) is a standing member of this network, with representatives from national bodies and government also regularly presenting and engaging. National fora such as the National Centre for the Coordination of Public Engagement (NCCPE) and Civic University Network also provide valuable space for universities to discuss models of practice, civic initiatives, and collaborating for impact.

Many London Higher member institutions have signed anchor institution agreements; civic university agreements; or memoranda of understanding with their local authorities, committing to sustained and formalised engagement measured against a series of priorities and metrics set out by local need. The formalised role of universities as anchor institutions is crucial. It recognises that universities are large-scale employers with significant estates footprints, considerable procurement power and extensive supply chains, and reflects their long-term commitment to their locality and their role as key economic, social, and cultural drivers. London Higher is also part of the London Anchor Institutions' Network (LAIN), a grouping of leading organisations across the public sector, business, trade unions and community groups spearheading the capital's post-pandemic recovery and promoting sustainable and inclusive growth. LAIN focuses on key issues facing the city such as procurement, hiring and skills, and net zero, providing universities a forum in which to directly influence citywide policy and practice.

Civic projects, especially those undertaken on a formalised basis with local authorities, for example, are subject to reporting requirements and measured against agreed-upon objectives appropriate for the locality and against funding body criteria. Attempts to codify 'good' civic engagement should account for nuances of place, local contexts, existing reporting requirements, and the recognition of intangible benefits to local areas and citizens.

As part of broader knowledge exchange, civic work is also monitored through the Knowledge Exchange Framework (KEF). KEF is largely drawn from data collected in the Higher Education Business and Community Interaction survey (HE-BCI), supplemented by institutional narrative statements for public and community engagement; and local growth and regeneration. Whilst KEF is a useful baseline for providing a visualisation of institutional knowledge exchange, illustrative examples and narratives (such as the Civic Map and its case studies) are essential in conveying a fuller picture of a university's civic footprint.

Raise the bar further on teaching

Our members recognise the importance of providing all students with high-quality education that leads to strong outcomes, supports social mobility, and drives innovation. London's universities are already engaged in continuous quality enhancement, with many working collaboratively with the Quality Assurance Agency (QAA) on initiatives that go beyond regulatory requirements. These efforts reflect a broader view of value for money—one that encompasses the public good and the societal benefits delivered by higher education.

The establishment of a provider panel to advise the OfS offers a valuable opportunity for institutions to share insights and shape an approach that is robust yet adaptable to the diversity of providers in London. We also acknowledge the importance of effective governance across the sector to support a culture of excellence and accountability. London Higher will work collaboratively with members and stakeholders to ensure governance structures are equipped to uphold high standards while fostering innovation and inclusivity.

We stress the need for clarity regarding the metrics and benchmarks used to assess standards as well as ensuring regulation is risk-based and proportionate. Finally, on this point, we also seek realignment with the European Standards and Guidelines to preserve the global competitiveness of UK higher education.

A sustained efficiency and reform programme

The high costs of operating in London, coupled with the financial challenges faced by students, underscore the need for strategic financial planning. Rising living costs risk affecting student access and retention, requiring universities to invest in targeted financial support, affordable accommodation solutions, and tailored services. Institutions must also explore ways to streamline operations while preserving high-quality education and student outcomes.

Achieving financial sustainability will depend on diversifying income streams. London's global appeal positions its universities to attract more international students, expand alumni giving, and develop commercial ventures. At the same time, leveraging partnerships with local authorities, businesses, and professional bodies is crucial. By aligning programmes with the needs of London's priority sectors, such as digital technologies, life sciences, and creative industries, universities can ensure that their offerings remain relevant and attract additional funding. Initiatives like the London Higher Enterprise Network, which fosters collaboration on start-ups and spin-outs, demonstrate how institutional strengths can be leveraged to improve financial resilience.

The assumption that university failure in London carries less of an impact than in other regions, owing to the proximity of other institutions, is misguided. London's universities serve a uniquely diverse population, including a significant proportion of international students. While this diversity enriches the educational experience, it also necessitates tailored higher education delivery models. Consequently, London has many diverse and smaller institutions, often world leading, which fulfil an important role but can face challenges due to one-size-fits-all regulation. These include the Institute of Cancer Research and the London School of Hygiene and Tropical Medicine, along with creative institutions like the Royal Academy of Dramatic Art and the Royal Central School of Speech and Drama.

World-leading specialist provider funding (WLSP) remains an important income stream for many of these institutions. We urge the DfE to ensure the scheme continues beyond the current funding allocation, that ends in 2026/27. We also ask that assurances remain in place, such as Funding for Performing Arts Specialists, for smaller institutions that did not meet the criteria for that WLSP funding, or that WLSP funding criteria is amended to better accommodate smaller specialist providers.

Each university serves distinct missions, such as widening participation or providing specialised education, which may not be easily replicated by others. Failure would disrupt local economies, as universities are major employers and drivers of investment, and force students to relocate or drop out if alternatives are unsuitable.

Furthermore, London's universities collectively uphold the city's reputation as a global education hub for the UK. Closure of an institution could strain remaining universities, harm London's international standing, and disrupt research and innovation efforts reliant on unique expertise. Thus, even in London, university failure would have significant and far-reaching effects.

Nevertheless, the concentration of institutions within a relatively small geographical area may offer further scope for efficiency saving through collaboration and shared services. Additionally, the federation model (for example, University of London) provides an existing organisational structure from which to build on.

When our members have previously discussed shared services within London, the barrier is always that these would require upfront investments, in systems, generally, to get a common platform, but also some double running. Without some upfront support, there isn't the business case to justify the change.

We would urge the government to consider implementing a transition fund model. The fund would support universities in implementing significant reforms that align with government priorities, such as enhancing economic growth, improving teaching standards and making efficiency reforms. In this model, a university develops a transformation plan, such as launching new programmes to meet regional skills needs, requiring specific funding. The government provides this funding as a loan, with portions converted into grants upon achieving agreed-upon targets. If targets are unmet, the university repays the corresponding loan portion. This approach encourages university-led, government-supported transformation, promoting efficiency and reform while respecting institutional autonomy.

Finally, we would encourage mapping the impact of course or institution closures on access to higher education in London, particularly in identifying potential cold spots that could affect underrepresented groups. We are also concerned that efficiency measures may disproportionately impact arts, humanities and social science subjects (or SHAPE subjects) in the capital, and would welcome an impact analysis to help the sector plan accordingly. This would ensure that decisions are made with a clear understanding of how they affect access, skills pipelines, and broader educational provision in London.

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