

Information Note
Higher Education Review 2002
University Grants Committee

Background

The UGC 2002 Higher Education Review report was commissioned by the Secretary of Education and Manpower in May 2001. It was written by Lord Sutherland, senior member of University Grants Committee (UGC), and Principal and Vice-Chancellor of the University of Edinburgh. In the preparation of the report, Lord Sutherland worked to a Steering Committee of the UGC comprising local UGC members and a management expert and conducted extensive consultations. An open forum was held on 23 October 2001.

Recommendations in the report have been endorsed by the full UGC. The report has been submitted to the Secretary for Education and Manpower and will be released to the public at 3:00pm 26 March 2002. The UGC will collate views in the months of April and May, before the recommendations are taken forward.

Major Recommendations in the Report

- A. A small number of institutions be strategically identified as the focus of public and private sector support to enhance their capability to compete at the highest international levels**
- ✓ Maximum impact for limited resources. Higher differential in the funding methodology to reward and identify top performers (Recommendation 1)
 - ✓ Differentiation by performance and own choice, which is not irreversible (para. 1.20)
 - ✓ Apart from performance, strong governance and management structures, as well as a more deregulated environment, are necessary for an institution to be so identified (para. 1.21 and 1.22)
 - ✓ More performance-related funding for teaching (para. 4.28)
 - ✓ Sharpened research assessment mechanism to reward performance at the high end (Recommendation 11 and para. 5.25)

B. Governance and management structures of institutions must be 'fit for purpose'

- ✓ Governing body of each institution to conduct own review having reference to the essential elements listed in the report and the international examples given (Recommendation 6, Chapter 3 and Appendix D)
- ✓ UGC to conduct comprehensive audits on institutions covering their governance, management, teaching and learning, research and service to the community (para. 3.40)
- ✓ Extending the remit of the Ombudsman to cover the UGC-sector (para. 3.27)
- ✓ Freedom and flexibility for institutions to determine the appropriate terms and conditions of service, so as to recruit and retain staff of the highest standing (para. 3.19)
- ✓ Institutions should establish audit committees of their own, directly responsible to the governing body (para. 3.41)

C. A Further Education Council be established to oversee provision of programmes at Associate Degree and comparable levels

- ✓ A new body to be created to look after work at the sub-degree level and the development of this emerging sector (Recommendation 3)
- ✓ While the intention of the Government is that Associate Degrees are to be predominantly self-financing, some Associate Degree programmes, such as those with high start up costs or those meeting specific manpower needs, should remain publicly funded (para. 2.19)
- ✓ Where Associate Degrees are publicly funded, clear lines of financial responsibility should be established (Recommendation 4)
- ✓ For community colleges associated with UGC-funded institutions, quality assurance could be achieved through franchising agreements (para. 2.23)
- ✓ An adequate quality assurance system should be established for Associate Degrees overall. One possibility would be for institutions to create a joint, self-financing body for the Associate Degree programmes offered by their franchisees and others, alongside the established role played by the Hong Kong Council for Academic Accreditation (Recommendation 5 and para. 2.23)

D. Creating extra capacity at senior years of universities for new entrants and to enhance student mobility

- ✓ Extra capacity in the second and succeeding years (para. 4.8)
- ✓ A Credit Accumulation and Transfer System (para. 4.9 and Appendix E)

E. That the UGC/Research Grants Council (RGC) dual funding system should be maintained but research funding from other sources should be at full cost (Recommendations 9 and 10)

(Explanatory Note –

*Dual funding - infrastructural and basic support through the UGC block grant
- competitive project funds through RGC)*

F. RGC should be ready to act as a vetting agent for other sources of research funding (para. 5.17)

(Explanatory Note –

Vetting agent – RGC to consider applications from academics outside UGC sector and offer funding advice to alternative funding sources (e.g. Open University staff now get research funds from the EMB, for projects vetted by the RGC using academic standards applicable to the UGC sector)

G. That the UGC will review its own operations and develop jointly with the institutions new skills, as informed by changes in demography, the economic case for investment in education and the technological revolution (Recommendations 2, 7, 8)

H. That the UGC should conduct another review in 5 years (Recommendation 12)

UGC Secretariat
March 2002