

# The end of the fortress university

<https://www.dur.ac.uk/castle.lectures/>

## Introduction

Thank you for the opportunity to speak tonight. The formal title for this lecture – **The role of distance learning and sector diversity** – is a critical one for the university as an institution and its future.

I have sub-titled my lecture somewhat ironically given this magnificent location in the hallowed portals of Durham Castle. It is a challenge or warning not aimed, I hasten to add, specifically at this university, and I hope I won't be struck down for contempt of any sort. My sub-title is, 'the end of the fortress university' and this evening I will explain and defend it.

It is obvious, at least to me, that the higher education sector needs to be transformed. Fees have risen, skills gaps in the workforce remain and more is being expected of the system from its many and varied stakeholders. These expectations are reasonable. It is reasonable for the public to see an efficient, responsive and employment-driven university sector across the UK.

We are a long way from achieving this. But I want to do more than just describe the issues. I want to offer some straightforward ways in which we might create the sort of higher education sector that would better serve students, employers and taxpayers.

This is about meeting the current needs of society, expanding what we mean by the term "student", challenging the over-competitive mind set in Higher Education by emphasising greater collaboration, and taking purposeful steps to link informal and formal learning to help build new methods towards achieving qualifications.

## The economic necessity of lifelong learning

In 1969 a new university was born. The purpose of this new university was to broaden access to the opportunities higher education provides. It would make use of technology to help drive equality of opportunity and social mobility. The university would be open to people, places, methods and ideas. The university I'm proud to lead. The Open University.

I believe the Open University remains one of the most important contributors to addressing the challenges facing our society and economy, and is well positioned to anticipate and demonstrate the best responses to challenges of the future.

I recently suggested that the Open University, known before its birth as the University of the Air, might become the University of the Cloud. This could be interpreted cynically to imply that the University is simply getting on to the online bandwagon but there is so much more to this than techno utopianism. Universities have a responsibility to ensure that we develop a thoughtful "digital citizenry". This is not just about protecting future job opportunities, but benefitting wider society through the way we educate and creating a more positive and less hostile digital culture.

The current generation of students will face the reality that lifelong and career learning will be an economic necessity. Rising automation and great strides in artificial intelligence will narrow destroy jobs and create new skilled roles that will require some form of formal higher qualification, but not necessarily full degrees.

A 2013 University of Oxford report<sup>1</sup> identified that about 47% of total employment across the US is at high risk from automation within the next fifteen to twenty years. The authors point out that technology is now much more astute at applying sensory skills and artificial intelligence than it was just a few years ago.

Most of the jobs now at stake are those requiring the application of identifiable rules, which computers are increasingly capable of automating. Service roles, sales roles and office support roles are particularly at risk, as are those associated with logistics.

What is fuelling this new wave of human replacement goes beyond artificial intelligence informed by big data. It is now machine learning, the ability for computers to learn for themselves, challenging the prospects of future workers.

The difference between artificial intelligence and machine learning can be illustrated by the development of Google's DeepMind subsidiary, based in London. DeepMind is designed to emulate our human short-term memory.

In 2015 a computer programme called AlphaGo, powered by DeepMind, beat Europe's leading player of the game Go!, five games to zero. AlphaGo analysed thousands of actual games in order to figure out how to play, and it is an excellent example of the power of artificial intelligence.

But earlier this year DeepMind announced it had gone a significant step further. AlphaGo Zero used machine learning to learn how to play *Go!* **by playing against itself**. Rather than analysing previous games through artificial intelligence, the approach used by AlphaGo Zero involved learning some basic rules and then machine learning.<sup>2</sup>

This important distinction between artificial intelligence and machine learning is the reason why so many rules-based jobs are now at risk of replacement. In the next two decades, only those roles requiring creative and social intelligence – which computers cannot readily emulate – are likely to provide employment opportunities.

In the future an undergraduate degree will continue to have value in the job marketplace. But job roles are already changing so quickly that top-up education opportunities will become the essential means for maintaining currency as the workplace continues to evolve.

New areas of expertise such as cyber security and data science require educational responses. Some of these areas can be addressed through short courses and professional development opportunities, but others will require extensive re-training for those already having a degree.

The job market is increasingly a global one. It concerns me that our policies and funding regimes in higher education have not yet responded to these challenges. Not only are more traditional roles at risk, so are the livelihoods of those whose first-degree choice now leaves them entirely vulnerable to automation.

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<sup>1</sup> Frey and Osborne, *The Future of Employment: How Susceptible are Jobs to Computerisation*, <https://www.oxfordmartin.ox.ac.uk/publications/view/1314>

<sup>2</sup> <https://deepmind.com/research/alphago/>

We know<sup>3</sup> that an alarming proportion of young people are either unemployed or economically inactive. A higher education sector geared for eighteen-year-old school leavers is not well positioned to cater for the needs of those young people not currently engaged in study or employment when, later in life, they see the opportunity they missed or realise that they now need knowledge and skills they once considered unnecessary.

The only way we are to meet this challenge is by ensuring that, for those who do study at HE level early in life, their initial education prepares them for a working life of adaptability and that they can take subsequent opportunities to learn new skills. And also to ensure that appropriate opportunities are available for the many people for whom a degree is an opportunity only sought later-in-life.

## Expanding what we mean by a student

The point that the system is not promoting lifelong learning is reflected clearly in what we assume about students. If you were to close your eyes and imagine what a student looked like, I'm certain your picture resembles a son, a daughter or friend in their late teens, who may recently have left home to continue their education alongside peers of their own age. Or you might imagine your own student days...

One of the main challenges faced by the UK HE sector is that it is largely designed around the needs of such full-time 18-year-old school leavers. I am a vocal opponent of this narrow-mindedness.

As the new Office for Students takes shape, and new metrics are introduced to ensure that universities better serve students, it is important that we understand the term 'student' in its broadest possible sense.

It is encouraging that the new Chairman of the OfS, Sir Michael Barber is a renowned advocate of the use of data in policy making. In his 2015 book *How to run a government so that citizens benefit and taxpayers don't go crazy*, Sir Michael presents one of his Rules "Big data and transparency are coming (prepare to make the most of them)." Big data is an incredible tool, and it is important that the data to be gathered by the OfS will be discerning enough to reflect the very different student types in society. Part-time and post-graduate students are especially at risk of being overshadowed. Making the most of data requires asking the right questions of it.

It is particularly striking, and may be surprising to many, that the vast majority of people in the UK considering, in the next five years, higher education - around eighty-seven per cent – are already working adults.<sup>5</sup> It is the gap between that high level of consideration and the lower opportunities and participation of such adults that is the problem.

HE policy in England has done much to alienate many part-time students. In 2008/09 the funding changes for so-called "equivalent level qualifications" made it difficult for those seeking to enter new industries via further study to do so if they already had a degree. Fee rises in 2012 had an even bigger impact on part-time student numbers.

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<sup>3</sup> OECD data shows the percentage of 15-19 year olds not in education, employment or training in the UK is above the OECD average, the highest in the G7 and on a par with Greece, Spain and Italy. <https://data.oecd.org/youthinac/youth-not-in-employment-education-or-training-neet.htm>. Note that this poor performance only stacks up for 15-19 year olds; the UK is below OECD average for NEETs 20-24.

Since 2008/09, entrants to part-time undergraduate courses in England are down 61%. This is equivalent to a cumulative reduction of a staggering 660,000 in the number of people entering part-time courses. That means that the proportion of part-time students in the system plummeted from 40% to 25% in just five years. **In an employment market where employers are concerned that there may not be enough highly-skilled people to fill future roles, these numbers matter.**<sup>8</sup>

Carolyn Fairbairn, Director-General of the Confederation of British Industry, has said that since starting in her role there is one message she has heard most often: Time and time again, across the country, the challenge nearly all firms talk about is the need to invest in skills to address current shortages and meet future needs.<sup>10</sup>

Even *before* factoring in any impact of Brexit or current skills shortages, the UK Commission for Employment and Skills projected that there would be employer demand for 7.7 million people to fill higher-skilled roles in managerial, professional or associate professional occupations over the next ten years.

Already our longer working lives make more demands on us to maintain currency of knowledge and understanding in new discipline areas. In their book *The 100 year life* Lynda Gratton and Andrew Scott<sup>11</sup> suggest that future generations may well be working into their 70s and 80s. **So, giving people the opportunities to retrain or upskill throughout their lives – not just at the start of their careers – is absolutely vital to our future economic success.**<sup>7</sup>

And the public cost of supporting upskilling through part-time study is affordable, more so than for full-time study:

- Part-time study is less costly than full-time. Some even suggest that financing part-time students actually makes the Exchequer better off overall.
- It costs the public purse about 25% less for every degree achieved by a part-time student than for a full-time student.<sup>12</sup>
- Early outcomes from part-time graduates are also better than those for full-time graduates in terms of earnings and occupation level.

The benefits from HE are felt right across society in terms of greater tax revenue, faster economic growth, an improved labour market, increased productivity, greater social mobility and cohesion, improved social interaction, and reduced strain on public services. It is ridiculous to assume that access to these benefits should be reduced for those seeking to study later in life, particularly for those learning while earning. Our system should incentivise these students, for whom attending a campus is simply not viable; whose motivations are self-improvement and career-enhancement; and who fully appreciate the connection between study effort and subsequent reward in careers.

That such students are now increasingly alienated from HE is proof that in England we have a broken system. Helpfully, government intervention ensures that the system is not as broken as it might be.

We have public subsidies that can be accessed by universities through clear criteria.

We lend students money to finance the upfront costs of study, and we make repayments based on income to insure them against the risk of low returns.

We have quality standards ensuring that no short cuts are taken in the accrediting and awarding of qualifications.

We have many safeguards in place to protect students, and incentives that assist with social mobility.

However, our system is also racked by problems.

For example, in designing interventions that treat full-time school leavers and part-time learning while earning students in the same way, we inadvertently benefit the former. The Browne Review in 2010 proposed far-reaching changes to fee policy and financial support, changing government funding provision. Higher fees payable by students would be met by changes to the loans system. Part-time students did not respond to the new student loan arrangements in the way foreseen by the Browne Review, mainly because part-time students are much more price-sensitive and debt-averse than are school leavers.

We need answers to how we can incentivise these valuable learners to participate in an education system that is alien to their needs and those of their employers.

It was noticeable recently that a group of large technology employers called for 1m more digitally skilled people in the workforce. One of the main ways they saw that being achieved was by a more flexible kind of higher level apprenticeship, or “modular apprenticeship”. Students in the workforce don’t necessarily want to take a full degree. And their employers don’t need them to have the time off work that might be required to achieve such a full qualification. The solution is simple – allow apprenticeship funding or loans to be available for short courses that will give employees and their employers the skills the economy so urgently needs.

For prospective students, greater flexibility in funding provision through policy changes would help people access the life-changing opportunities of a university education. We know from research by the IPPR that two-thirds of the future workforce of 2030 have already left full-time education,<sup>9</sup> and so allowing people additional routes to higher skills – such as through flexible ‘learn-whilst-you-earn’ higher education provision or apprenticeships – will be vital to allow people to upskill and retrain whilst in work.

## The fortress response

So far, I have addressed two of my five themes. I’ve talked of the economic necessity of lifelong learning, and our need to expand our definition of “student” so that we move beyond policies solely for eighteen-year-old, full-time students toward the broader requirements of adult, part-time learners.

Clearly there is imperative for change. That we are not responding effectively to the situation leads me to reflect on how the sector currently operates, in ways that remind me of the challenges faced by journalism in my time with the BBC.

In 2009 I spoke at Oxford University about the fortress mentality in journalism.<sup>4</sup> I spoke about journalists working within proud institutions with thick walls, who felt that they could weather the storms of change outside and bravely battle their competitors – namely, other news organisations.

I called this, fortress journalism – the tendency to hide behind institutional walls, believing that they will protect you from trouble. Of course the enemy was an entirely different and then unidentified one.

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<sup>4</sup> Peter Horrocks, *The End of Fortress Journalism* in BBC, *The Future of Journalism*, 2009, [http://www.bbc.co.uk/blogs/theeditors/future\\_of\\_journalism.pdf](http://www.bbc.co.uk/blogs/theeditors/future_of_journalism.pdf)

I argued fortress journalism was the very opposite to the sort of openness and collaboration required to better inform the public. I noted that consumers of news and current affairs could pick their sources without having to pay feudal allegiance. They might say:

“I like BBC for video news, the Telegraph or Daily Mail for sports results and the New York Times for international news.”

I wrote in 2009 that the best response to this new consumer behaviour would be one of openness and collaboration under the concept of “networked journalism”

The idea behind this new form of journalism was to take the audience as its starting point, rather than the producer perspective. It required journalists to collaborate with others and take an appreciative view of each others’ work. It meant recognising that your own individual journalistic contribution was just part of the audience’s own sense of the whole story. It meant making careful use of audience data analytics, yet still being driven by editorial values rather than cheap populism. Importantly, it also meant recognising the role that technology plays and reorganising the craft of journalism around its capabilities.

This approach required a different culture in news organisations. It especially required new things of those used to dwelling behind safe fortress walls. It meant being open to the work of others, even esteeming it above one’s own efforts, in order to better serve customers, be they students or an audience.

Almost ten years ago I saw a world in which news consumers would want to self-select their news from a variety of sources and that they could be helped in that by news organisations being ready to “link” – how outdated that word now seems – to other news sources. That could possibly have led to the creation of digital platforms, owned by news publishers, which hosted news content from multiple organisations, providing platforms which would engender both collaboration and competition.

What I did not predict was that the seamless aggregation of news sources would be provided by the then almost unknown technology platforms with no news pedigree, especially Facebook and to some extent Twitter, pulling together those sources and offering them to consumers who would need to make the minimum of selection. Now many people refer to “the news on Twitter”, or “what Facebook is telling me”, ignoring the underlying news sources that are provide the actual content.

What might the lesson of that convulsive impact of digital platforms and social media be for Higher Education? It is with some hesitancy that I seek to apply the same concepts to the HE sector. There are those who object to students being called consumers, so I’m certain that attempting any parallel with them as an audience will be a step too far.

But I believe the fortress mentality is as set in the HE sector as it was in journalism. And in some ways the metaphor is even more apt. The medieval academics built the walls of the fortress and organised life around themselves to perpetuate and replicate academic life. They have been prepared to adapt to survive, but have never needed to change the main pillars of the structure.

We have, for decades, been able to rule our corners of the country safe behind campus walls, confident that high barriers to entry will maintain our hegemony.

Those times are coming to an end. To some extent, the walls of our fortresses have already crumbled. Technology in particular, and the opening up of the market through the Higher Education and Research Act signalled the end to the traditional age of the university.

Technology fundamentally changes access to information and knowledge. In this room, this evening, most if not all of you have in your pocket the means for finding out almost anything. At the heart of the academic fortress was the library. The academic was the custodian of knowledge.

The doors of that library have now been smashed open. What is the business model for the custodians of the library now?

It was a common mistake early in the age of what was called e-learning to assume that HE was just about information and knowledge. Of course, HE is concerned with much more than this; education is about citizenship, well-rounded individuals, creativity, imagination, fair-mindedness, objectivity, clear use of language, and the development of new knowledge. Having access to the internet via a smartphone does not make you educated.

However, just as with journalism, it is a mistake to assume that in an information age, students will be confined to one university's presentation of knowledge. Our current system is one in which universities lay claim to, or even appear to own, individual students. Students are not free to transfer across universities in ways that might better suit their learning interests or emerging aspirations as they learn new things. Student success is defined as a success within a single institution. A genuine definition of student success should be the achieving of appropriate study goals across a potential variety of providers.

Why is it that a student beginning an apprenticeship degree with the Open University, discovering for the first time an ability and interest in academic understanding, cannot take their highly successful first year of study and transfer seamlessly into, say, a Durham second year? Or the student enrolled in a competing university's geography course, take all of her credits with her into a neighbouring university's more specialised earth science programme?

It should be perfectly possible for a successful first-year student at any university to transfer into any other one, as long as they have achieved the appropriate academic standard – even one they were not originally accepted into. Or, a student having completed the first two years of their degree ought to be able to transfer their final year into an apprenticeship programme.

That such shifts are not yet smoothly possible is evidence of fortress thinking, the assumption that the student belongs to each university rather than a student-centred network of education. Credit transfer in our sector is, to understate things, undeveloped. There are massive student benefits to us developing a credit transfer system that works.

I see no reason why universities should feel threatened by a transparent and open credit transfer system, any more than journalists should be threatened by the complementary work done by other journalists. Smooth credit transfer will encourage all universities to offer their best, and to provide more student options. Such credit transfer should err in the student's favour, *and* recognise the importance of maintaining the integrity of overall degree outcomes. Most UK degrees are fully modular, providing substantial scope for the mutual recognition of achievement. I think what stops us from developing such a system has little to do with possibility and more to do with our competitive, fortress mind sets.

There is a clear role here for the new Office for Students if they were to say to the sector, "make a solution for credit transfer that allows qualifications to be more interchangeable while maintaining their integrity, otherwise student loans will not be made available to you", I'm certain the sector would respond constructively and quickly. After all, we should be applying public money in the best public good.

At its simplest, such a system might require all universities to recognise the Higher National Certificate or Higher National Diploma as valid entry and exit pathways across all qualifications. This would form a common curriculum across HE. Universities may require the completion of some additional modules to help with bridging, but in the interests of a connected, complementary HE system working as an open community market, this strikes me as both achievable and highly desirable. It should also be designed to interface with international systems.

In an increasingly digital learning environment why would students not want to be able to take a module from, say, an Australian or Canadian university that has an acknowledged expertise in a given area? And such students should then have the credits that they gain readily recognised by their primary institution. FutureLearn, the open digital learning platform funded and created by the Open University, is in advanced discussions with its leading partners to offer such mutual credit recognition.

Universities that are not involving themselves in such experimentation, being prepared to collaborate and compete at the same time on a global digital platform, may find themselves overtaken by more fleet-footed competitors. In the world of journalism in the UK, there was never a concerted effort to create a shared platform for value and quality in news content, a platform that might have provided a bulwark against US platforms. The UK HE sector is fortunate that it does have such a “best of British universities” platform in FutureLearn, because of the foresight of the OU. It surprises me how few HE policy makers and universities really grasp the strategic importance of the UK having, under university control, a platform of such strength.

I believe the entire higher education sector should pick up on these ideas around the joint student mobility and digital platform-based collaboration, and take them still further. The new Office for Students has the opportunity to shape the sector such that credit transfer and micro-credentialing, which is the award of credit for small items of learning are taken seriously across all universities.

What we ought to pursue is one coherent and inter-transferable university digital *system*, even though there are multiple universities. And it should lead the way in creating the global regulatory systems that enable that to be done globally. The UK’s HE system is highly regarded across the world, and it can only benefit all the more if it leads the way. But if it doesn’t platforms and regulation from other jurisdictions will likely crowd out UK mechanisms as globally-minded students vote with their feet, or their clicks.

The threat if we don’t could be that an international platform provider with a particular capability signs up a number of universities to provide collaborative qualifications. It would probably be a US-based platform using the fluidity of the US credit points system. I can imagine LinkedIn, with its unparalleled data about the qualifications and employment records of graduate professionals, or Facebook, also with its vast data on education and employment, teaming up with innovative universities to offer global collaborative provision. The brands of any UK university would be puny in comparison.

What would happen if major multinational employers in the UK, perhaps the big four major consultancy firms, began to accept a “LinkedIn” degree provided by, say, US and Australian universities? LinkedIn would soon know how the successful candidates for roles in those firms might do in terms of promotion and even earnings. It might be that LinkedIn degrees would soon be preferred to Russell Group degrees, especially for roles in multinational companies. How soon would Russell Group universities be expected by students to provide qualifications that, at the least, could be converted to “LinkedIn degrees”? How soon might students at Durham demand that the best of the collaborative learning provided by LinkedIn should be an elective element in their Durham programme?

I can imagine many UK academics might scoff at such an idea. But I remember UK newsrooms scoffing at the idea that news consumption would move away from then dominant newspapers or broadcasts to digital aggregators. Who is scoffing now?

The speed of change in the news industry has been startling. A Pew Research Center report released earlier this month revealed that over a quarter of US adults, mainly younger, now source their news from multiple social media sites, almost double the proportion from four years ago.<sup>5</sup> Pew Research also report that, in the five years up to 2016, advertising by digital media increased thirtyfold for mobile, more than doubled for digital, and almost halved for newspapers.<sup>6</sup>

The fortress/competitive mind set amongst universities and the belief that UK HE can itself be a protected fortress within a purely UK jurisdiction prevents us thinking far enough ahead to take advantage of global competitive leadership.

To challenge fortress education, we must also be prepared to confront the reasons why universities have been so slow to adapt to the opportunities provided by learning technologies. The reasons for reluctance are well known.

In their 2010 book *Why does college cost so much*, Robert Archibald and David Feldman<sup>7</sup> suggest three main reasons why technology has not transformed the HE sector in ways it has others. One decade on, their reasons remain relevant.

Primarily, they point out, education functions as if it were a professional service limited to the productivity of a qualified specialist. The authors point out that the education industry follows similar cost dynamics as do physicians, dentists, and lawyers. The actual practice and efficiency of these specialists are not seriously influenced by the application of technology as they have been knowledge-based professions.

Second, there is no crisis in demand. Increases in technology have increased the demand for skilled labour, which in turn increases demand for higher education. There is no crisis of demand to spur efficiency.

Finally, as with the early forms of journalism I talked about earlier, technology is frequently added as an extra layer rather than providing a new foundation for a fresh structure. Technology is typically used in universities unimaginatively, in ways that complement rather than transform the existing offering. (And some OU practice has been guilty of this too) With few exceptions, this achieves little more than adding cost to an already expensive proposition. Too many universities in creating new courses for MOOCs (Multiple Open Online Courses) and digital platforms have done so as a separate operation, with extra costs, rather than considering how curriculum can be created for use across multiple distribution channels.

We have an HE system that reinforces fortress thinking. We need challenging policies that help the sector step through into a more open and connected system, one that places the student at the centre, with confidence. There is no greater barrier to progress than that which reinforces the status quo.

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<sup>5</sup> <http://www.pewresearch.org/fact-tank/2017/11/02/more-americans-are-turning-to-multiple-social-media-sites-for-news/>

<sup>6</sup> <http://www.journalism.org/media-indicators/digital-news-revenue-u-s-advertising-by-media/> and <http://assets.pewresearch.org/wp-content/uploads/sites/13/2016/06/30143308/state-of-the-news-media-report-2016-final.pdf>

<sup>7</sup> Archibald, R., & Feldman, D. (2010). *Why does college cost so much?* Oxford; New York: Oxford University Press.

## The innovation we need

This leads me into my fourth theme: the innovation we need across the sector.

The basis of our current funding system, based on credits and hours of learning, works against an emphasis on what is actually learned. I believe it is time to constructively explore means of funding based on verifiable higher learning, that is, funding based on *what is learned*, rather than funding based on the contact hours applied. Measuring contact hours limits innovation to tradition.

It is possible that a parallel, competency-based accreditation and awards system might assist with the recognition of prior learning and a focus on what is learned. Such a system would enable universities to both provide education, and recognise the educated with formal qualifications.

At the very least, universities should be encouraged to recognise previous experience and informal learning as providing a validated and verifiable head-start into formal study. This sort of thinking challenges all aspects of our traditional higher education practice, especially in the areas of new forms of assessment and validation of learning.

In short, I do not think there is enough potential in the current policy framework to reward disruptive innovation in the students' and economy's best interests. A partnership of universities with policy makers is required to help take innovations forward. There is much universities can do to test and demonstrate the innovations that policy makers can then encourage. Universities must also have the courage to "disrupt themselves" in anticipation of the type of sector that puts student interests first.

As Vice Chancellor of one of the UK's leading universities, I know that part of the responsibility for challenging unhelpful fortress mind sets lies with me and my peers.

Earlier this year the New Zealand Productivity Commission released their report<sup>8</sup> into new models of tertiary education. I want to read something from the foreword of that report, which describes what a good tertiary education system might resemble:

A good tertiary education system is one that can meet the needs of everyone who desires to participate, regardless of their background or life goals. This includes school leavers preparing for their adult lives and careers, young people needing a second chance after disengaging from education, older adults retraining to meet the needs of a changing labour market, and people of all ages who want to pursue learning. (2017, p.iii).

Two of the report's recommendations are that the New Zealand government should "extend funding eligibility to students who do not intend to pursue full qualifications; and remove specifications that limit the provision of short qualifications."

You can discern here some of the elements I've been arguing for: better recognition of adult, part-time students; and incentivising the recognition of smaller courses toward formal qualifications.

As I conclude my remarks, I want to speak about how the Open University is reaching toward the opportunities and requirements for the future I've described.

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<sup>8</sup> <https://www.productivity.govt.nz/inquiry-report/new-models-of-tertiary-education-final-report>

## How the Open University is responding

It is not enough for universities to rely on government agencies and policies to determine their future. Universities themselves have responsibility for reshaping the sector within their own spheres of control. At the Open University we are responding to the need for students to have more flexibility as to when, where and how they learn.

We are pursuing a strategy called Students First. It is more than a slogan. For us it means challenging all that we do and how we work with a determined focus on our students. For all universities a greater focus on the student means a rebalancing – universities were built around the needs and working practices of academics. In an age when the walls are crumbling the academic is no longer the focal point. The student must be.

Changes to policy that have disadvantaged part-time students have hit the Open University in England especially hard. After years of trimming our budgets as best we can in response, my leadership team and university governing Council have recognised that we need to challenge ourselves to reform our whole model and to re-imagine learning in the way our inspirational founders did.

We have no doubt that Harold Wilson would have approved, because the initial mission of a University open to people, places, methods and ideas remains central to our innovation.

In our Students First Transformation we are seeking to cut back on less popular parts of the curriculum, and develop new courses that respond better to what employers and students will need over the next 15-20 years. We are also pursuing a policy of “digital by design”, which challenges us to prepare our module materials and learning experiences in ways that promote digital engagement, while continuing to provide appropriate printed materials for current students who have an expectation of them.

The Open University has long been a leader in the field of learning design, in that the quality of our module materials are of generally well regarded, and often copied. We intend to build on our expertise and go further to provide innovative educational experiences that promote flexibility and understanding.

Illustrative of this approach is a module we are currently piloting that links informal learning through micro courses into formal credit. A softer currency that can be converted into a harder currency. What we are creating is a true education experience, not just knowledge transfer. It brings to life the changed world for universities when knowledge itself is not our USP or our *raison d'être*. It is an exhilarating as well as a scary idea.

"Making your learning count" is a multi-disciplinary module that invites students to experience 150 hours of free learning of their choice. We ask them to describe what they learned, reflect on how they learned, and make use of online media in their submissions.

This new module is designed to encourage students to become more effective *lifelong* learners as they learn from courses designed specifically for that context.

We offer this 30 credit module for £700, making it an accessible and appropriate means of helping learners engage with formal education. It is half the price of a typical OU module, and about a third of the price of most modules elsewhere. Attractively it also deliberately emphasises assessment appropriate for the sort of learning we seek to encourage. This isn't assessment of learning – a memory test of knowledge acquired. We are encouraging assessment *as* learning – the assessment itself will help you to learn.

This innovation excites me as it shows how a learning experience can be created between the students and through the students interacting with the tutor. But the learning has no reliance on proprietary knowledge in the control of the university. It is the library of the fortress broken open. The learning is happening whether the library is there or not. Our future business model will be based on proprietary learning not proprietary knowledge. And that is much less easy to copy or substitute. What feels scary now could lead to greater business certainty.

## Conclusion: an outcomes-driven HE system

Our sector system should promote the needs of all learners – everyone – in our changing world. This is the only way in which we will be able to ensure ongoing competitiveness and economic growth in our global society.

In a world where information and knowledge are freely available, our challenge to sustain the future of the university rests on our capability to emphasise citizenship, well-rounded individuals, creativity, imagination, fair-mindedness, objectivity, clear use of language, and the ability to development new knowledge. HE will be about learning how best to learn.

Second, sector policy and regulations must inspire innovation. I have tried to portray several directions of policy, including recognising outcome rather than pace or method as a means of funding. As our own “Making learning count” module suggests, part of the answer here lies in how we can validate prior learning by overlaying it with an educational experience.

Third, I have illustrated that the sector need not wait for policy to set the direction of change. It is obvious that to better serve our students we need to move from fortress thinking toward an open community digital marketplace of options, connected by mutual recognition and transferability of credit.

The world is changing. Its citizens require lifelong education. Our sector needs to respond. I am proud to say that the Open University, the largest university in the UK and the only four nations university, is recognising these challenges and is already modelling the solutions. I urge others to join us.

Thank you.