



## The debate continues: The latest release of UKeU documents

At the end of last week, the second round of internal documents from the UK eUniversities Worldwide (UKeU) project was made publicly available by the Higher Education Academy. Since UKeU, an ambitious online university with significant start-up funding from the government, was declared unviable by the Higher Education Funding Council for England (HEFCE) in April 2004 and consequently closed, efforts have been made to bring previously undisclosed UKeU material to light, not only to examine why the venture failed but also to wrest any remaining value from the £55 million project. Approximately a year after the first set of documents was released and seven months after the House of Commons Select Committee delivered its highly critical account of the UKeU operation, a further 750 pages have been made publicly available. Do these latest documents, selected for their apparent usefulness for current e-learning providers, shed any further light on the workings of UKeU and the reasons for its failure? With focus to date being on the negative aspects of the UKeU project, can any positive outcomes from the initiative be identified? Is this likely to be the last word on the adventure? Finally, what main conclusions were drawn by another key player in the UKeU project, HEFCE, in the Council's recently released report, "The e-University project: lessons learnt by HEFCE"?

UKeU was launched in 2000 at the height on the dotcom boom by then Secretary of State for Education, David Blunkett, and envisaged as a way for UK higher education institutions to capitalise on the possibilities of online delivery, penetrate overseas markets and offer more learning flexibility for domestic students. (Please refer to the Observatory's [31 October 2003](#) and [April 2004](#) articles for further discussions of the development of UKeU). The UK government initially committed £62 million (this figure was later adjusted to £55 million) to the project, with the expectation that investment from the private sector would also be elicited. The first online courses were launched in March 2003, and by November 900 students had been recruited. However, with predicted enrolment figures of one million students by UKeU's tenth year of operation, actual student take-up proved disappointing. In addition, private investment, seen as a key feature of UKeU's business model had not been secured. In April 2004, HEFCE labelled UKeU unviable and shut the venture down. The first compendium of e-University documents was published in November 2004, and featured over 1000 pages of the commissioned material that informed UKeU's development between 2000 (when the project was announced) and 2002. Further information on the project was made available when the House of Commons Select Committee on Education and Skills released its findings on UKeU in [6 March 2005](#) after six months of hearings. The documents released at the end of last week pick up where the UKeU compendium left off, featuring 11 reports written between 2002-2004 by UKeU staff or externally commissioned experts, as well as a recently completed overview of the organisation by the collection's editor.

With over 750 pages of material, the latest reports released from the UKeU archives offer glimpses into the organisation's inner workings. Market research reports make up the bulk of the newly released material:

- a review of trends in international student recruitment to the UK;
- competitor analysis of [Interactive University](#) (a Heriot-Watt University and Scottish Enterprise joint initiative which offers Scottish courses online), eCollege (a US based e-learning outsource provider), and University of Phoenix Online (the online operation of the major American for-profit institution University of Phoenix);
- a market study of Japan;
- a pricing survey of online degree and MBA courses; and
- case studies of three Chinese universities offering distance education.

These reports suggest that some of the accusations levelled at the project, in particular the allegation that limited market research was conducted, were unfounded (even though the quality of the research or to what extent it informed the organisation's development is unclear). Other materials released include legal documents relating to the establishment of UKeU, a discussion of agreements with higher education institutions, and material relating to the Committee for Academic Procedures, a quality assurance group for e-learning created to monitor UKeU's activities. While the text of the documents is unchanged, each report has been prefaced by an introduction by the editor, and footnotes have been inserted where major changes in context have occurred.

While the majority of documents were produced between 2002 and 2004, a 2005 overview of the UKeU project using internal documents has been included. This is worthy of further discussion and will be the main focus of this article. Written in July 2005 by project editor Paul Bacsich, who worked as an advisor to the initial e-University project and later as Director of Special Projects at UKeU, the overview is intended not only to contextualise the reports released but also to act as a "factual complement and background" to the UK Select Committee on Education and Skills final report on UKeU, released in March 2005. Some key aspects of UKeU's operations are not addressed by the author, including the relationship between HEFCE and Sun Microsystems (the platform developer and the University's only private shareholder) or events that took place after the University underwent restructuring in February 2004. The overview instead focuses on UKeU as it existed in early September 2003, a time when the slow student take up of programmes was prompting a re-examination of product offerings and delivery models.

Key themes addressed in the overview include UKeU's purely online delivery model, its use of internal and externally commissioned market research, and staff remuneration. The Select Committee's final report severely criticised UKeU's decision to opt for a purely online delivery model. The latest UKeU reports bring little clarity to the rationale behind this decision, as the overview notes that a purely online model was not recommended in original consultants' reports. In addition, market research conducted for the project also pointed to the preference for some face-to-face provision among students (see Report 2 – International Students in UK Higher Education). Documents prepared by UKeU's Sales and Marketing department in April 2003 hint at the difficulties this delivery approach posed to establishing UKeU's programmes abroad. The report notes, "[I]t is hard to escape the fact that the market-led solution involves some form of locally supported solution. Most UK universities, including [the Open University], recognise this and where they are delivering e-learning they follow a blended model." The internal report also states that "blended delivery is the way to get student acceptance and motivation."

Why then did UKeU choose wholly online delivery? The same Sales and Marketing document espouses considerable faith in UKeU's proprietary learning platform – "The big factor that none of these markets can appreciate is how our second-generation e-learning environment alters this picture... We intend winning students by demonstrating a new approach to e-learning, exhibiting world-class excellence in both product and service levels." Considering that the learning platform developed for UKeU by Sun Microsystems was still not fully operational in 2003 after more than £14.5 million (approximately US\$25.5 million) had been invested in the project, such assertions appear overly optimistic. The editor notes that discussions about buying a commercial virtual learning environment (WebCT and Blackboard were suggested as possible options) to run alongside UKeU's proprietary system were taking place at UKeU in the summer of 2003, and that pressure from the higher education institutions working in partnership with UKeU had also prompted a re-examination of the purely online model. The delay in the platform's development also impacted plans to generate revenue for UKeU by renting space on the system to other institutions (it is in this context that the report on US e-College as a potential competitor appears to fit in). As discussions between HEFCE and Sun Microsystems were still taking place in late 2004 when the current set of documents were being selected for release, no technical material relating to the platform has been published in this round. It is hoped, however, that future releases will include more detailed information on the platform, which absorbed such a significant part of the project's attention and funding.

The UKeU overview also addresses the Select Committee's allegations that UKeU failed to conduct market research. The editor notes that market research was undertaken internally by a number of departments as well as by external consultants. While it is acknowledged that this research should have been commissioned earlier, it is suggested that the delay was due to the lack of a dedicated sales and marketing team until May 2002, and that the University had access to useful research prior to that date through the HEFCE commissioned "Impact of the Internet Studies." The overview states, "[W]ith hindsight, one might say that there were obvious gaps in coverage in these reports," although the author refrains from actually listing what these gaps were. Still, there are indications in the overview that some of the research conducted by or for UKeU was substandard, particularly in regards to foreign markets - "it was normal in UKeU for visit reports to be upbeat when the visiting team returned to the UK. In the few situations where independent checks had been made (in particular Brazil), the situation in the visited country did not always seem to match up to the report." The report prepared for the eChina project, which involved the development of e-learning teacher training materials relating to English in secondary and tertiary institutions in China, is noted as an exception as it was "a quite realistic, some would say depressing, reading of various technical and political matters (unusual in an UKeU context)."

The UKeU overview also addresses the controversy surrounding UKeU staff remuneration, although the author's focus is on "ordinary" UKeU staff. The editor chose not to address the UKeU senior management performance bonuses that roused indignation during the Select Committee's investigation, stating that they had been sufficiently discussed in the Committee's final report. The overview states that the "terms and conditions were on a par with normal commercial practice in similar companies," and suggests UKeU was paying higher wages than other UK higher education institutions because of the organisation's London location, to lure talent to a risky start-up organisation, and because of the scarcity of individuals with e-learning experience at that time. The value of this particular discussion to the larger UKeU debate is unclear, as it is the salaries and bonuses for senior managers at UKeU that were controversial, not those at a more junior level.

Attempts are also made to evaluate the legacy of UKeU. The overview suggests that the "reputation of the UK for delivering e-learning (including blended learning) is damaged overseas, among opinion formers, and potential students." However, evidence indicates that UK institutions have successfully delivered online programming overseas before and after the UKeU project. The University of Liverpool's online MBA programme which has reportedly grown from an initial intake of 28 students in 2000 to almost 2,000 students from 86 countries is one example in 2003/4. Liverpool's partnership with private education provider Laureate Education to deliver its online courses is also of note, as UKeU struggled to attract private interest between 2000 and 2002 and later concluded it would not be possible to secure 50/50 public/private investment in the project. Heriot-Watt University has also emerged as a major UK provider of online distance learning, both under its own brand and through the Interactive University, the result of collaboration with Scottish Enterprise, the Scottish government's economic development agency. UKeU clearly viewed Interactive University, which offer blended learning delivery in partnership with local institutions, as a competitor (see Report 6 for the externally commissioned report on the organisation). As well as indicating the existence of a market for wholly online programmes, the continued take up of UK online programmes abroad suggests that any damage caused by the collapse of UKeU has not been beyond repair.

The focus in public discussions of UKeU has thus far centred largely on the negative effects of the project, but the author of the overview has attempted to redress this imbalance. "Verifiable successes" of UKeU that have been identified are the establishment of the eLearning Research Centre, the eChina project, and the Framework 6 TELCERT programme. The eLearning Research Centre, which aims at identifying and investigating research problems in e-learning, is now governed by the Higher Education Academy in partnership with the UK Universities of Southampton and Manchester. The eChina project, created to develop e-learning teacher training materials for English instructors in secondary and tertiary institutions in China, continues to receive funding from HEFCE, and is now managed by staff at the Universities of Cambridge and Nottingham. TELCERT, a project under the EU Framework 6

programme for investigating testing and conformance of eLearning technology, has been transferred to the Dutch Open University. Although projects such as the UKeU Compendium and this round of reports certainly represent attempts to glean as much value from the project's "accumulated know-how" for the higher education community, other successes listed in the overview (such as the staff associated with the project gaining experience in e-learning development) seem inconsequential given the size of the public investment in the project. It is also interesting to note that little mention is made of any positive technical or pedagogic outcomes of the project.

HEFCE published its own thoughts on the legacy of UKeU in July 2005. "The e-University project: lessons learnt by HEFCE" identified five lessons which have informed HEFCE's current e-learning strategy. Emphasis was placed on the need for more risk management, appropriate governance procedures for "commercial" ventures undertaken using public funds, and earlier, informal project checkpoints. HEFCE is also advocating a blended e-learning delivery model, noting that "the e-learning market has taken off in a different way than expected by us and most commentators in 2000." Finally, the report suggests that the failure of UKeU will not prevent HEFCE from entering into "high risk and innovative" ventures, although it remains to be seen if they will be able to marshal the necessary support for such projects after the economic and political fallout that accompanied UKeU's demise. The delay in releasing this UKeU material to the public and the cautious approach taken by the report's editor suggests that UKeU continues to be a sensitive issue for the parties involved.

The latest reports do not signal the end of the debate on the UKeU. The Higher Education Academy plans to publish further documentation, although the timeline for the next release or the potential content of future reports is unclear. While other highly touted online ventures initiated in the dotcom era have been closed (i.e. Scottish Knowledge, NYU Online and University of Columbia's Fathom project) or failed to live up to overly ambitious enrolment projections (e.g. U21 Global), UKeU arguably stands apart in its decision to develop a new and distinct learning platform and the huge investment of public funding lost upon its demise. While the debate on UKeU will likely continue in the years to come, e-learning development in the UK requires participants to take the lessons learned from the project forward. HEFCE's new e-learning strategy clearly reflects the discussions surrounding UKeU's failure, not only in its commitment to blended delivery in e-learning, but also in its emphasis on increasing access and opportunities for domestic students rather than on more commercially focused international undertakings. While this approach lacks the grand scale of the UKeU initiative, one perspective might be that it reflects a more sustainable and informed approach to the e-learning market.