



## **Unite Proposals to the Independent Review of Higher Education Funding and Student Finance. May 2010**

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**This paper is prepared by Unite the Union, the UK's largest trade union with members across the private and public sectors. The union's members work in a range of sectors including financial services, print, media, construction, local government, education, health, not for profit and manufacturing which make up a substantial component of our overall membership.**

**Unite is the main union representing Higher Education (HE) scientific technicians and academic related staff in the UK and Republic of Ireland. This makes it a major stakeholder in all decisions around Higher Education Funding and Student Finance.**

### **Introductory / Background Comments**

- 1.1 Unite welcomes the opportunity to provide input into this debate and to provide additional oral evidence if necessary.
- 1.2 The Unite Education sector has agreed a motion to the Unite Policy Conference in support of a policy for no further increase in student fees beyond the existing £3200 level.
- 1.3 The motion reads "This Policy Conference affirms its commitment that access to Education should be open to all. It notes that founder section conferences of the Union have also previously opposed the introduction and implementation of student top up fees as opposing the concept of free education for all. Conference calls upon the Executive to instigate a campaign against any increase in student fees. This Conference endorses the view that abolishing the student fee cap would ensure that the richest and most powerful institutions would charge the highest fees and benefit most by an unregulated market in education (a view supported by the National Union of Students). Low income families would inevitably struggle to send their children to these high charging institutions thereby reinforcing social inequality, lack of opportunity and outcome for the poorest families in the UK. This Conference calls on the Unite Executive to actively campaign to ensure all TUC affiliates and other interested groups work to

ensure that student tuition fees do not remain as the main source and income for UK Universities and Colleges"

- 1.4 Unite believes that the Browne Review should look at alternative methods of education funding which foster flexibility and diversity of HE provision. Methods where the true beneficiaries of the Graduate Market, with its more than 300,000 graduates per year, the employers, contribute fully, mirroring the good practices of progressive UK employers who currently pay to put their employees through university.

### **Proposals**

- 3.1 Unite recommends funding the UK higher education system via:
- a graduate tax or NI premium, payable by employers who take on graduates; or
  - a transfer of the outstanding student loan to employers but with a 25 year repayment period.
- 3.2 Unite argues that as employers are the main beneficiaries of increased skill levels, our proposals place the onus on those employers who use the most graduates.

### **Meeting Key Assessment Criteria / Questions**

- 2.1 In light of short term pressures and longer term trends, how do your proposals for reform ensure the **sustainability** of the higher education system as a whole?

Durable long term sustainability of the higher education system, through the student finance system, is much more likely via our proposals as employers will only pay for skills demanded by the market for graduates. Such a system will also ensure vital employer involvement in the process.

Administrative burdens, as exposed by recent problems with the student loans scheme, would be reduced as our graduate tax or transfer of the outstanding student loan to employers could be administered through existing HM Revenue & Customs structures, thus ensuring additional costs to the state are not incurred. Such a system would be both practical and affordable to implement, and with employer involvement, would enhance the UK's competitiveness in global HE markets.

Additionally, students will be free to commence their careers without the burden of substantial debt, enhancing their ability to focus on work at hand whilst underpinning their ability to maintain a work life balance, enhancing / stimulating creativity / innovation and productivity levels.

- 2.2 What type of mechanism should be used to drive up **quality, efficiency and innovation** in the UK HE system, and what metrics should be used to assess quality improvements?

The market for graduates, with employers having to pay the true cost for their skills, will help drive up these key KPI's, with improvements in quality being measured, not only by the simplistic measure of market uptake, but also by comparison with academic excellence from around the world.

- 2.3 What type/s of **participation** will be important to incentivise in future, and how should this be achieved without compromising quality and sustainability?

Our proposals will ensure enhanced participation from across the board as the removal of student tuition fees will see low income families able to send their children to university, thus ensuring social equality through enhanced opportunity for the poorest families in the UK.

- 2.4 How would **fair access** be promoted and enforced in the higher education system you propose?

Our proposals will ensure fair access, as university entrance would not be based on economic circumstance. Access could be further promoted through the provision of a living stipend to students from low income families, thus enabling students from these families to satisfy their desire for learning.

### **Conclusion / Recommendations**

- 3.1 Unite continues to work towards ensuring that student tuition fees do not remain as the main source of income for the UK higher education system and that education should be open to all.
- 3.2 Unite recommends the establishment of a co-ordinated, cross party review to further examine our proposals, which we see as meeting all the independent reviews evaluation criteria.
- 3.4 Finally, Unite recommends that the true beneficiaries of the Graduate Market, the employers, all contribute fully, so-as to mirror the practices of progressive UK employers who currently pay the real cost of their skills base by putting their employees through university.

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