

Unite submission to House of Commons Business, Innovation and Skills Select Committee Inquiry into the Future of Higher Education; Comments on ‘Higher Education – Students at the Heart of the System’

This response is submitted by Unite the Union. Unite is the UK’s largest trade union with 1.5 million members across the private and public sectors. The union’s members work in a range of industries including manufacturing, financial services, print, media, construction, not for profit sectors, local government, education, the NHS and other health services, prisons and Royal Mail.

Unite is the main trade union representing scientific technicians and many academic related staff in Higher Education in the UK and welcomes this opportunity to submit evidence to this inquiry.

Executive summary

- The Government’s proposals will introduce greater volatility and funding cuts to the higher education sector, and will cause long-term damage.
- The increase in student fees, and shift of the financial burden of education to the individual, ignores the wider societal and economic benefits of education and will detrimentally affect access to education.
- Unite wants to see a fairer, shared funding system between students, government and employers.
- Real terms cuts in resources for scientific research could damage the UK’s growth potential if they lead to less innovation and reduced investment in skills and training in the future.
- The stakes are high and the dangers and threats to higher education are very real. Unite believes such dramatic proposals on fees, funding, world class reputation and access to higher education have either not been thought through or have been considered but discarded because of ideological preferences.

University investment and funding model

1.1. Unite continue to believe that the changes to the funding model, and the effective cuts in the funding that Higher Education Institutions (HEIs) will receive over the coming years, will be extremely detrimental to the university sector in this country and the economy more widely.

1.2. The Government continues to maintain that its assault on Higher Education is because of the national deficit, and they have therefore been forced to place even more of the financial burden of attending higher education upon the individual student. This flows from a mindset that sees higher education as primarily having a financial benefit for the individual and does not see the wider economic benefits. High levels of participation in education is not only desirable, it is an economic necessity. Unite does not believe the White Paper rhetoric that the Government's plans will secure a long term place for the UK as the most productive of the G8.

1.3. In 2010 the level of annual spending on higher education in Britain was approximately £23 billion each year. Economic modelling by the previous Government show that this produces a return of £60 billion for the economy. In other words for every £1 invested in higher education, the economy expands by £2.60¹. Investment in our education system should increase; to savagely cut it is economic folly.

1.4. Additionally, the essentially competitive business funding model that the Government wants to implement will create volatility in the funding of institutions and undermine the country's higher education sector. Unite are deeply concerned that disaster waits around the corner for the sector, the Government has no Plan B to support the sector when their policies create chaos and the victims will be our members and a generation of people who miss out on the opportunities that higher education brings.

Student debt and access to university

2.1. Unite does not support the Government's drive to load increasing amounts of debt onto students. Unite does not believe that it is a coincidence that since the fees for higher education were first introduced, as the Government notes, "*since 1998 the UK participation rate for higher education has slipped from 7th in the OECD to 15th*". Currently students are graduating with record levels of debt, which now average over £23,000. This is set to rocket further as universities raise their fees. The long standing and modest target of 50% participation in tertiary education has been dropped. Unite believe that the increase in student debt driven through by this Government will build an even taller barrier to higher education than currently exists. We should be trying to increase access and participation, not make it harder. Unite believe that under Government

¹ Lord Mandelson's speech, February 2010: www.bis.gov.uk/News/Speeches/mandelson-dearing-lecture

proposals only the wealthy will be able to afford to continue to study; many young people from households of low to middle range incomes will be cut off from higher education.

2.2. It is hard not to believe that the Government's support for 'Fair Access' is tokenistic – the Office for Fair Access currently has a staff of seven. It does not have sufficient resources or powers to fulfil the role Government states it should perform.

2.3. As previously stated in the written submission to the Business, Innovation and Skills Select Committee Inquiry, Unite wants to see a funding system that better recognises the fact that employers benefit from higher education and the provision of graduates into the labour market. Employers more generally need to contribute to the funding of higher education. At present the best employers provide undergraduate support whilst the worst do little or nothing. A shared input from employers would spread the contribution and acknowledge the benefits that employers more generally receive from a better educated workforce and population.

2.4. Unite's submission to Browne recommended a couple of options for employer funding, namely:

- A graduate tax or NI premium payable by employers who take on graduates; or
- A transfer of the outstanding student loan to employers with a 25 year repayment period.

2.5. Securing a structured contribution from business is also supported by the National Union of Students who have described Browne's view that if there is to be an enhanced contribution by business it would be through 'the higher salaries paid to graduates' as complacent and unfair².

2.6. Unite believes that the 'Browne Review' and the Government's proposals represent 'a lost opportunity' to properly fund higher education by striking a different funding balance between students, government and employers³.

'Diversity of Providers' and regulation

3.1. Unite does not support the Government plans to encourage a 'diversity of providers – code for a privatisation of our higher education sector. This will worsen, not improve, barriers to study. Unite also believes that an unchecked proliferation of university providers may also threaten and cheapen the label of 'university' in this country and internationally.

² *Initial Response to the Report of the Independent Review of Higher Education Funding and Student Finance (the Browne Review)*, NUS (2010) - http://www.nusconnect.org.uk/asset/news/6001/Browne_Response_FINALFFF.pdf

³ http://www.unitetheunion.org/news_events/latest_news/student_market_rate_interest.aspx

3.2. As well as fundamentally disagreeing with the principle of the Government's plans in this area Unite believe that the Government plans are made even worse by their seemingly 'light touch' approach to regulation of HEIs and the funding regime. Unite believe that at the very least there must be Parliamentary scrutiny of HEFCE to question the regulator over its role and actions and that it is delivering for students and the country as a whole.

3.3. Unite have long campaigned for greater investment in research and science areas that can benefit the British manufacturing sector, as part of developing a more balanced economy. As Unite previously noted, although it might be argued that the science budget in Business, Innovation and Skills (BIS) fared relatively well compared to higher and further education in respect of the Government's budget cuts, real terms cuts in the resources for scientific research could damage the UK's medium term growth potential if they lead to less innovation and reduced overall investment in skills and training in the future⁴.

3.4. Unite, as mentioned in the oral evidence presented to the Business, Innovation and Skills Committee, believe there should be a balance struck in the sector between courses that are shaped by employers and business and courses that may be considered 'purely academic'. As stated at the oral evidence, Unite do not support a situation where people from low incomes are simply funneled into more vocational education as they need to rely on sponsorship to get through higher education, with wealthier individuals being able to pick the course they have a passion for. For example, the Government White Paper states that there will be 65,000 places to be competed for by students achieving AAB grades; but this cuts off many university places from students who are streamed into BTEC qualifications.

Conclusion

4.1. Within the White Paper there is no wider debate on the future of Higher Education and the benefits it brings. Instead, as Professor Wellings of Lancaster University has stated, "The thing I'm most concerned about is how we've moved from a White Paper on higher education to a White Paper on student numbers control for English undergraduates"⁵. Lord Dearing said in 1997 that "We express here our concern that the long term well being of HE should not be damaged by the needs of the short term"⁶. It is Unite's view that the Government is damaging the long term future of Higher Education for short term political ideology.

⁴ <http://www.ippr.org.uk/articles/?id=4264>

⁵ Times Higher Education, 30th June 2011

⁶ Times Higher Education, Leader, 30th June 2011

Submitted on behalf of Unite the Union, 7th July 2011

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