

Thank you for the invitation to respond to the call for information on the Welsh Government draft budget proposals for 2015-16.

Please find attached copy of UCU's policy on the funding of further and higher education, which I hope will help to inform the Finance Committees scrutiny, from the perspective of the University and College Union.

I would like to draw attention to the 'six tests' on page six of the document. The union has devised the questions to act as a basic test for new policy or funding initiatives. The questions look at whether proposals are fair for all students, will be able to attract and retain staff, improve research facilities and offer the broadest possible choice of courses.

The six tests to be applied by UCU to any policy or funding initiatives are:

1. Will the proposal make it easier for people to reach their full potential?
2. Will the proposal increase our academic capacity and research base?
3. Will the proposal make the UK a more attractive place for academic staff to work?
4. Will the proposal make it less costly for individuals to study, whether young or old?
5. Will the proposal broaden the range of subjects available for study?
6. Will the proposal lead to higher quality and reduced fragmentation in the sector?

Kind regards

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The funding of further and higher education

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This paper looks at UCU's policy on funding and gives an overview of the overall picture of funding for further and higher education within each of the four nations.

BACKGROUND

The way in which further and higher education is funded varies widely across the UK, as do the social and political contexts within which decisions are made. As a union active in each of the devolved nations, it is important that members of the University and College Union (UCU) are equipped to deal with different political environments and policy announcements from devolved administrations, while also maintaining a consistency of message across the union.

UCU was therefore tasked by its members in late 2013 to examine some of the key differences in the funding environments and propose a means by which new policy announcements might be judged. This paper looks at UCU's policy on funding and gives an overview of the overall picture of funding for further and higher education within each of the four nations. It goes on to set out some of the main areas for political debate, and finishes by proposing a set of 'six tests' by which different initiatives and funding policies can be judged.

UCU'S POLICY ON FUNDING FOR POST-COMPULSORY EDUCATION

A number of motions have led to the union adopting a general policy on funding for education, centring on the following key principles:

- support for increased public investment in education, in particular to address the OECD funding gap (estimated at £4.9 billion in 2008)
- opposition to fees and other private contributions towards tuition costs
- support for targeted interventions to encourage access and participation, such as the Education Maintenance Allowance (EMA)
- support for reform of the current mechanism for funding research, and
- support for a broad curriculum.

THE CURRENT FUNDING PICTURE

UCU asked HM Treasury to undertake some analysis of relative levels of public spending in each of the four nations. *Table 1* sets out the figures spent by each administration on higher education (HE) and further education (FE), as well as examining the spending ratio between FE and HE in each part of the UK.

Table 1

Public spending on post-16 education 2012/13				
	Higher Education (£m)	Further Education (£m)	All (£m)	HE/FE spending ratio
England	10,967	8,745	19,712	1.25:1
Northern Ireland	597	173	770	3.45:1
Scotland	1,597	550	2,147	2.90:1
Wales	398	579	977	0.69:1
All UK	13,559	10,047	23,606	1.35:1

Source: HM Treasury analysis of PESA data (COFOG 9.2 and 9.4) by nation

The figures show that in England, for every £1 of public spending on further education (FE), there is £1.25 spent on higher education (HE). In Scotland and Northern Ireland, the figures are significantly higher at £3.45 and £2.90 respectively, indicating that HE is more heavily prioritised than FE in those nations. In Wales, by contrast, spending on FE is some 30% higher than on HE.

Table 2 looks at the outcomes of investment in education in each country using the range of qualifications held across the working population as a base measure.

Table 2

Range of qualifications held, aged 16-64, population aged 16-64, year to December 2012 (%)					
	No qualifications	GCSE A-C or equivalent	GCE A Level or equivalent	HE qualification below degree	First degree or above
England	9.5%	22.8%	23.1%	8.4%	26.1%
Northern Ireland	18.4%	22.3%	23.9%	8%	19.8%
Scotland	10.7%	17.9%	24.9%	14.4%	24.4%
Wales	11.4%	24.7%	23.8%	9.3%	21.5%
All UK	9.9%	22.5%	23.3%	8.9%	25.6%

Source: NOMIS Annual population survey (excluding 'other qualifications')

Table 2 shows some interesting contrasts, some of which clearly relate to differing socio-economic conditions. Northern Ireland has by far the largest proportion of people with no qualifications and the lowest proportion with a first degree or higher. While England and Scotland lead on the latter measure, Scotland also has a significant proportion of people with an HE qualification below degree level. Wales, which has the heaviest comparative investment in further education, has the highest combined proportion of people with GCSE A-C and GCE A-Level or equivalent.

Table 3 looks at the same measures for the youngest cohort of the working age population beyond normal university leaving age. Using Level 3 and above as a proxy for an educated workforce, Scotland leads the way with 71.3% of 25-29 year olds holding at least this level of qualification. England (65.6%) is close behind but Northern Ireland (61.8%) and Wales (60.8%) lag behind.

Table 3

Range of qualifications held, population aged 25-29, year to December 2012 (%)					
	No qualifications	GCSE A-C or equivalent	GCE A Level or equivalent	HE qualification below degree	First degree or above
England	6.6%	19.1%	22.1%	6.1%	36.7%
Northern Ireland	10.6%	20.1%	25.3%	6.8%	29.7%
Scotland	5.9%	15.9%	20.6%	14.6%	36.1%
Wales	8.4%	22.8%	23.3%	6.3%	31.2%
All UK	6.8%	19%	22.1%	6.8%	36.2%

Source: NOMIS Annual population survey (excluding 'other qualifications')

Table 4 looks at the ratios between figures for the 25-29 age group and overall working age population in each of the nations, thus giving an indication of the impact which policies might have had on qualification level over time.

Table 4

Range of qualifications held, ratio 25-29:16-64, year to December 2012					
	No qualifications	GCSE A-C or equivalent	GCE A Level or equivalent	HE qualification below degree	First degree or above
England	0.69:1	0.83:1	0.96:1	0.81:1	1.41:1
Northern Ireland	0.57:1	0.91:1	1.05:1	0.85:1	1.5:1
Scotland	0.55:1	0.89:1	0.83:1	1.01:1	1.48:1
Wales	0.74:1	0.92:1	0.98:1	0.68:1	1.45:1
All UK	0.69:1	0.84:1	0.95:1	0.76:1	1.42:1

Source: NOMIS APS figures listed in tables 2 and 3 of this paper

The figures in *Table 4* show that progress in reducing the number of people with no qualifications has been good in all nations, but best in Scotland and Northern Ireland where 25-29 year olds are now over 40% less likely to have no qualifications than the working-age population as a whole.

Elsewhere, the different spending priorities adopted by some of the nations have been reflected in the figures. While every nation has made broadly uniform progress with regard to attainment of a first degree or above (the younger cohort are around 40% more likely to hold a degree than the working-age population as a whole), there is a significant difference at sub-degree level between Scotland and others. Younger Scots remain as likely to hold a sub-degree level qualification as the whole population, while the numbers for the younger cohorts in other nations have fallen substantially.

Table 5 looks at the 2011/12 undergraduate intake in all four nations to see if there are significant differences in participation by class or school background:

Table 5

Widening participation 2011/12 undergraduate intake		
	% from SC 4,5,6,7	% from state schools
England	32.8	89
Northern Ireland	38	99.1
Scotland	26.2	86.9
Wales	31.2	92.5
United Kingdom	32.3	89.3

Source: HESA, UKPIs: widening participation of under-represented groups 2012/13

As can be seen, despite having the worst record with regard to those with no qualifications, Northern Ireland does best with nearly 40% of undergraduate entries made up of those from the lowest class backgrounds. This compares favourably to all the other nations with Scotland surprisingly the worst performing. The same pattern is shown for state schools too with Northern Ireland by far the best and Scotland again narrowly the worst performing.

There is of course a significant divergence of policy between the nations with regard to student contribution and support. In FE, for example Scotland, Northern Ireland and Wales all provide an Education Maintenance Allowance (EMA) for 16-18 year old college attendees while this allowance has been abolished in England. Similarly, England is thus far the only nation to have introduced further education loans, initially for those aged 24 and up.

In higher education, the picture is increasingly complex with distinct systems in place in each nation as *Table 6* shows:

Table 6

HE tuition fees by home and nation studied				
Home region	Location of university or college			
	England	Scotland	Wales	NI
England	Up to £9,000	Up to £9,000	Up to £9,000	Up to £9,000
Scotland	Up to £9,000	No fee	Up to £9,000	Up to £9,000
Wales*	Up to £3,575	Up to £3,575	Up to £3,575	Up to £3,575
NI	Up to £9,000	Up to £9,000	Up to £9,000	Up to £3,575

Note: *Net effect shown after taking account of grant. WA policy for 2013/14 is that no Welsh student shall pay more than £3,575.

There are also significant differences in available support for HE students as shown in *Table 7*.

Table 7

Summary of available support				
	Maintenance Loan	Maintenance Grant	Bursary	Other
England	Max £5,500 (£7,675 London)	Max £3,354 (family income below £42,611)	Institution level	National Scholarship Programme (ending in 2015)
Northern Ireland	Max £4,840	Max £3,475 (family income below £41,065)	Institution level	–
Scotland	Max £5,500	–	Max £1,750	Supplementary grants to lone parents, those with dependents etc
Wales	Max £5,150	Max £5,161 (Assembly Learning Grant)	–	Supplementary grants to lone parents, those with dependents etc

CURRENT POLICY DEVELOPMENTS

It is fair to say that the funding of FHE in all home nations is a subject for continuing political debate. *Table 9* seeks to summarise the current position in each nation:

Table 9

Current policy debates	
England	<ul style="list-style-type: none"> • Some vice-chancellors are arguing for higher fees (eg Oxford) • The student number cap has been lifted, with a likely increase of 30,000 student places in England in 2014-15 and more in future years • Labour is looking again at the HE graduate tax, possible two year degrees and employer contributions • The coalition is committed to further expansion of apprenticeships and traineeships • All Parties increasingly focused on direct help for young unemployed • Qualification reform continues apace
Northern Ireland	<ul style="list-style-type: none"> • Department for Employment and Learning (DEL) is launching an expanded apprenticeship programme • The wage gap between NI and the rest of the UK is a subject for debate • A 10% budget squeeze is likely between now and 2018
Scotland	<ul style="list-style-type: none"> • HE is playing a major role in the independence debate, especially around fees and research funding • College funding has been cut significantly in recent years, although they have a key role in the provision of sub-degree HE courses • There is an increasingly public debate about Scotland's comparatively poor record on widening participation
Wales	<ul style="list-style-type: none"> • Wales has the lowest PISA ratings of all the home nations • The Welsh Government has stated that breaking the link between poverty and attainment is a priority • Universities have expressed concern about losing students to England following the lifting of the student number cap

RESPONDING TO CHANGING POLICY: THE 'SIX TESTS'

In order to enable its members to respond to new proposals or political debates more consistently and effectively in each of the home nations, UCU has compiled a series of 'six tests' against which new and existing initiatives can be judged. These are:

For example:

- Will the proposal make it easier for people to reach their full potential?
- Will the proposal increase our academic capacity and research base?
- Will the proposal make the UK a more attractive place for academic staff to work?
- Will the proposal make it less costly for individuals to study, whether young or old?
- Will the proposal broaden the range of subjects available for study?
- Will the proposal lead to higher quality and reduced fragmentation in the sector?

UCU believes that these tests provide a sensible framework for assessing whether policies are of benefit to students and educators in the post-compulsory education system.

APPENDIX 1 – UCU POLICY ON THE FUNDING OF FURTHER AND HIGHER EDUCATION

Policy Area	Agreed policy	Source
UK funding gap	Congress therefore calls on all like-minded organisations to join the union's funding campaign and to endorse as a minimum target an increase in UK funding to the average OECD level (the closure of a current funding gap of £5 billion).	Motion 1 2013 UCU Congress
Importance of public funding	Congress welcomes the union's campaign for public investment in tertiary education. It believes that the future welfare of the country depends on the reversal of the catastrophic cuts in education funding imposed by this government and the investment of additional funding in our educational infrastructure.	Motion 1 2013 UCU Congress
Benefits of F/HE	As well as its intrinsic benefits to individuals, public investment in tertiary education is immediately beneficial economically and socially as well as being an essential precondition for the creation of a socially just, equal and inclusive society.	Motion 1 2013 UCU Congress
Impact of cuts	Congress notes the government cuts to benefits, EMA, FE funding, the increase in HE tuition fees, and the introduction of FE loans are an attack on the poorest and most vulnerable members of society. Such cuts not only impact on incomes and living standards, but help to stymie educational aspiration within all our communities, particularly in the poorest ones.	Motion 4 2013 UCU Congress
Research funding	HE27 (2010) instructed HEC 'to build a campaign against the REF's terms of operation, and its implementation in its current form', and 'campaign for a boycott of the REF in its current form'. Conference reaffirms those commitments to an alternative funding regime and to academic freedom; our profession's definition of research as the scholarly use of resources allowing and encouraging intellectual endeavour to push back the boundaries of knowledge.	Motion 12 2013, HESC
FE funding	Conference continues to support UCU's campaigns to increase FE funding and opposition to FE loans so that every young person or adult studying is able to access comprehensive high quality learning programmes.	Motion 15 2013 FESC; Motion 17 2013 FESC

FE funding	<p>Conference continues to support UCU's campaigns to increase FE funding and opposition to FE loans so that every young person or adult studying is able to access comprehensive high quality learning programmes.</p> <p>Conference: vows to campaign vigorously against funding cuts and calls on the government to invest in post-compulsory education; reasserts its vehement opposition to student tuition fees and demands their withdrawal; demands that the government reverse their policy to introduce loans in FE; demands that the government reintroduces the Educational Maintenance Allowance.</p>	<p>Motion 15 2013 FESC Motion 17 2013 FESC</p>
Student contribution	<p>Congress calls on UCU to work with other trade unions, students' organisations and appropriate campaign groups to defend and restore public education, including a broad campaigning strategy behind a manifesto in defence of education as a universal public good, free at the point of delivery at all levels, where the benefits of the relationship between education and society in terms of the economy, critical citizenship, democracy and social wellbeing are clearly named.</p>	<p>Motion 2 2012 UCU Congress</p>
F/HE curriculum	<p>Congress reaffirms UCU's commitment to defend access for all to a broad curriculum reflecting the wider role of post-16 education to promote community cohesion as well as to prepare people for work.</p> <p>Congress re-affirms its opposition to tuition fees generally in both FE and HE, believing that education should be a right not a privilege.</p>	<p>Motion 4 2012 UCU Congress Motion 5 2012 UCU Congress</p>