

# The All-Party Parliamentary **University Group**

17 March 2021

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**This briefing document has been produced by Universities UK which provides the secretariat for the University APPG.**

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## **Agenda**

**This meeting of the All-Party Parliamentary University Group is being held to discuss universities' role in economic recovery**

**5:00pm Daniel Zeichner MP, Chair, All-Party Parliamentary University Group**

**c5:05pm Sir Bob Kerslake, Chair of the Civic University Commission**

**c5:10pm Professor Chris Day, Vice-Chancellor and President, Newcastle University**

**c5:15pm Chris Murray, Director, Core Cities**

**c5:20pm Richard Brabner, Director, UPP Foundation**

**c5:25pm Questions, comments, and discussion with university leaders, MPs and peers**

**6:30pm Meeting concludes**

## Speaker Biographies

### **Sir Bob Kerslake, Chair of the Civic University Commission**



Lord Kerslake is the Chair of Sheffield Hallam University, Chair of Peabody, Chair of the Centre for Public Scrutiny (CfPS), Chair of London Collective Investment Vehicle, and is President of the Local Government Association.

A former Head of the Civil Service, Bob led the Department for Communities and Local Government (DCLG) from November 2010, stepping down in February 2015. Prior to his DCLG role, he was the first Chief Executive of the Homes and Communities Agency.

Before joining the Civil Service, Bob received a knighthood for his services to local government, spending eight years serving the London Borough of Hounslow and then a further 11 years leading Sheffield Council. In early 2015, he was made a life peer, taking the title Baron Kerslake of Endcliffe in the City of Sheffield.

### **Professor Chris Day, Vice-Chancellor and President, Newcastle University**

Professor Chris Day took up the role of Vice-Chancellor and President at Newcastle University with effect from 1 January 2017. Previously a Consultant Hepatologist with an international reputation in medical research, he is a Fellow and former Clinical Vice-President of the Academy of Medical Sciences. He has served on the Council of the Medical Research Council and the Executive of the Medical Schools Council. Professor Day was Chair of the Clinical Medicine Sub-Panel for the 2014 Research Excellence Framework (REF) Exercise.



Professor Day is currently a member of the Universities UK Board, Chair of the Office for Strategic Co-ordination of Health Research (OSCHR), and, for REF 2021, is Chair of the Institutional Environment Pilot Panel, for the assessment of the research environment at institution level. He is Chair of the N8 Group of Research Universities and Deputy Lieutenant of Tyne and Wear.

### **Chris Murray, Director, Core Cities**

Chris is Director of Core Cities UK, and has worked previously in a number of cities in the UK and abroad on a wide range of urban issues. He is a visiting Professor of Practice at Newcastle University, an Honorary Fellow of the Heseltine Institute at Liverpool University, and sits on the Advisory Board of the Prime Ministers' Regeneration Investment Organisation.

Earlier in his career Chris also worked in education, community work and as a psychiatric social worker. Chris holds qualifications in art and design, teaching, business and marketing and European cultural planning. He has published and contributed to a number of books about cities.



### **Richard Brabner, Director, UPP Foundation**



Richard Brabner was appointed Head of UPP Foundation in July 2016 and was promoted to Director in 2018. Working with the trustees, he sets its strategy and leads on all aspects of the UPP Foundation's activities. Richard joined UPP in 2015 as Business Development Manager and his responsibilities included setting up the UPP Foundation.

Prior to joining UPP, he was Head of Policy at the University of Hertfordshire, advising the Vice-Chancellor and senior management team and leading the University's public affairs function. Before this, he worked as a researcher for two MPs in Parliament. He graduated from the University of Essex in 2007 and holds an MRes in Public Policy and Management from Birkbeck, University of London.

## **Universities' role in economic and social recovery**

Across all four nations universities play an important role in their local area by sharing research, partnerships, and national and international links, providing graduate and postgraduate skills, business support and Continuing Professional Development, coordinating economic and social activity, supplying evidence and analysis for strategic planning and investing in places and people.

Universities across the UK have contributed to the national effort against Covid-19 by providing lab space, highly skilled staff, testing equipment, personal protective equipment (PPE), accommodation for healthcare workers and supporting graduates and other volunteers to join frontline healthcare services. Universities have applied their world-leading research expertise to develop vaccines and new treatments, utilising the strong links and partnerships with the health service and business.

Whilst significant challenges remain, attention is turning towards both the potential economic recovery and opportunities arising from Brexit. Universities have demonstrated their value and importance and this, suitably recognised and supported, will underpin future economic and social success. Universities will be at the heart of not just a recovery, but new ways to invest in our people and local communities, our world-leading research and creating a more equal, healthier, and sustainable future for the next generation.

## **Upskilling and reskilling**

Many of the UK's fastest growing industries are reliant on highly skilled graduates, from artificial intelligence to green technology, from robotics to creative industries, with demand for graduate skills growing in many sectors of the economy. A 2019 CBI employer survey showed that graduate openings have continued to grow with nearly nine in 10 businesses either maintaining or increasing their graduate recruitment (CBI, 2019).

Universities are well placed to play a central role in delivering the skills needs of the labour market post- Covid-19, with maximum impact coming from strengthening existing and building new partnerships with employers, colleges, local businesses and the public sector.

Every year universities teach over 2 million students and provide around 800,000 highly qualified and skilled graduates that go on to work across all sectors of the economy or to pursue further study and research. Almost half (42%) of this provision is vocational and technical, directly informed by employer need.

Universities are engaged in a wide range of regional collaborations with further education, including Institutes of Technology (IoTs) and targeted provision to upskill and re-skill workforces in sectors such as automotive engineering, construction and high-value manufacturing (UUK, 2018). The growth of degree apprenticeships is strengthening links between employers and higher education to meet skills needs in key sectors such as digital, healthcare and the police (UUK, 2019). Many universities are ready to scale up alternatives to the traditional three-year degree, and give more people chances to study elements of a course in a 'bitesize' learning model supported by flexible credit accumulation; a model supported by recent government announcements on the Lifelong Loan Entitlement.

## **Knowledge exchange**

Knowledge exchange refers to any action through which knowledge and research is shared between universities and partner organisations and turned into impact in society and the economy. The breadth of ways in which this is achieved has been well demonstrated by the response to the current Covid-19 crisis. The many contributions by universities, highlighted in the [#WeAreTogether campaign](#), led by Universities UK, includes vital research into tests and vaccines, protective equipment has been developed and shared, healthcare students have graduated early and enrolled in the NHS and university staff have used their knowledge and skills in different ways to support the fightback and their students.

UK universities received £4.9 billion from knowledge exchange activities in [2018-19](#), helping fund activities to boost scientific, technological, medical and cultural breakthroughs.

More effective knowledge sharing between universities and businesses will also demonstrate to UK government that the sector is playing an active role in helping reach the target spend of 2.4% of GDP on research and development by 2027.

## **Research**

The UK's university-based research is world leading, with a healthy and diverse ecosystem of blue skies discovery and applied research. Universities support interdisciplinary diversity that enables responsiveness and underpins our ability to address some of the biggest challenges we face. Universities' research acts as a beacon for investment and drives innovation. For example, university-owned spin-outs generated £1.4 billion across the UK in 2018/19. Significant work is underway to ensure knowledge in our universities can be translated into benefits for society and the economy. Alongside the government's Knowledge Exchange Framework, the Knowledge Exchange Concordat is encouraging institutions to redouble efforts to deliver real-world impacts (UUK, 2020b).

Alongside research, universities drive entrepreneurship and innovation in many different ways. Recent work for the Industrial Strategy Council shows the scale of universities' role across the regions of the country, from research impact and knowledge-exchange to the importance of entrepreneurial students and graduate start-ups (UUK, 2020a). Graduate start-ups across the UK turned over more than £1bn in 2018/19.

## **Local impact**

Universities support their local communities in all sorts of ways. They provide high-quality sports and arts facilities (often to a professional standard), shape local policy and strategy, provide civic leadership and act as vocal, high-profile advocates for their town, city or region across the globe. Universities are major employers, with 439,955 staff across the UK. They also generate jobs indirectly through their spending on local goods and services: for every 100 jobs at a university, another 117 are created in the wider economy.

Each year, more than 725,000 students volunteer while at university, providing vital support to local communities, charities and local services. Sixty six universities comprising the Civic University Network have developed a civic university agreement in partnership with local government and other major institutions in their area, with the aim of enhancing the impact universities have in their region and localities.

## **Political context**

### **‘FE White Paper’ - Skills for Jobs: Lifelong Learning for Opportunity and Growth**

The ‘FE White Paper’ entitled Skills for Jobs: Lifelong Learning for Opportunity and Growth echoes the rhetoric we have already seen during the Prime Minister’s skills speech in September and the subsequent one-year spending review that reform is needed to boost the number of individuals with the technical skills employers need to drive growth. Putting employers at the heart of the skills system by establishing more formal links between colleges and businesses is a key theme of the paper alongside investing in high quality technical routes as an alternative to university degrees.

The paper confirms that the loan entitlement to the equivalent of four years’ worth of post-18 education will be usable for modules at higher technical and degree level (levels 4 to 6) at both colleges and universities, as well as for full years of study. Increased flexibility will also be built into the system to allow individuals to study individual modules of eligible courses and transfer credits between institutions; this proposal is in line with Universities UK’s previous recommendation to government on introducing student finance that enables more flexible learning. The paper acknowledges these reforms will require major changes to the Student Loans Company, and new legislation.

The Department for Education will consult on the Lifelong Loan Entitlement in 2021, including the scope and objectives, effective credit transfer and whether equivalent and lower qualification (ELQ) restrictions should be reviewed. It will be fully rolled out in 2025, but will pilots for modular provision established in advance including funding to stimulate take up of high quality higher technical provision (level 4 and 5) at colleges, universities and independent training providers, and upgrading Student Loans Company systems. Universities UK urged the government to explore such pilots in February 2020 in a letter to the Education Secretary.

The White Paper’s focus on local collaboration between post-16 skills providers and businesses presents opportunities for universities to promote and expand their collaborative working with colleges and employers including through involvement in the eight new Wave 2 Institutes of Technology (IoTs), the competition for which will close in summer 2021. The paper also announces the establishment of new Local Skills Improvement Plans which will bring together employers, colleges, other providers and stakeholders to set out the key changes needed to make technical skills training more responsive to employers’ skills needs. These will be led by accredited Chambers of Commerce, and UUK will explore how universities can get involved with Local Skills Improvement Plans as they are established.

### **Industrial Strategy and Build Back Better Plan for Growth**

The 2017 Industrial Strategy White Paper highlighted that the contributions of further and higher education to the UK’s prosperity are generally believed to include:

- turning ideas into products and services on which the industries of the future will be built;
- providing people with higher level skills that are needed by employers according to national and local needs;
- investing in the excellence and impact of research to ensure the sustainability of research infrastructure;

- creating and helping businesses to support the business environment;
- being the centre around which places and local economies build rich innovation ecosystems.

In January 2021, the Prime Minister chaired the first meeting of the 'Build Back Better' business council. The council was formed to support the UK by working in partnership with the Government to '*unlock investment, boost job creation, promote global Britain and level up and unite the whole of the UK*'.

Alongside the budget, the Treasury published 'Build Back Better: our plan for growth'. The purpose of the publication is to set out the government's plan to support economic growth through investment in infrastructure, skills and innovation. The government has announced that it will publish a number of strategies over the course of the year which will inform its approach to Research and Innovation. These include an Innovation Strategy to be published in Summer 2021, a Research & Development Places Strategy and Research & Development People & Culture Strategy.

In March 2021, Business Education and Industrial Strategy Secretary of State Kwasi Kwarteng MP confirmed that industrial strategy will be "morphing and changing" into the Build Back Better Plan for Growth. It was reported that the government would no longer be going ahead with the industrial strategy white paper and the Industrial Strategy Council would be disbanded. The Industrial Strategy page on the gov.uk website has been archived.

## **UK Community Renewal Fund**

The government has published details of the UK Community Renewal Fund including a call for lead authorities to submit bids to government for funding for projects from applicants including universities by 18 June 2021. The £220 million fund for 2021-22, aims to support local areas across the UK prepare for the launch of the UK Shared Prosperity Fund in 2022, including piloting of imaginative new approaches and programmes to tackle local challenges – through building skills, supporting local businesses, supporting communities and places, or providing employment support.

## **Sector networks and publications**

### **Civic University Commission**

The Civic University Network builds on the 2018 UPP Foundation Civic University Commission which challenged universities to re-shape their role and responsibility to their communities to realise their potential as drivers of a new civic agenda. The vision for the Civic University Network is that universities develop and embed civic aspirations at an institutional level, as well as work with government and strategic partners to ensure that a university's geographic role and responsibility is used more effectively as an agent to drive positive societal change.

The Network works to support the Civic University movement by sharing best practice between participating universities, support those HEIs who are developing Civic University Agreements (a key recommendation of the UPP Commission), develop a peer review scheme so that universities increase their civic impact, and connect universities with other sectors which are prioritising issues around 'place' to level up the economy and society.

## **Core Cities Network**

Core Cities UK are a voice for 11 cities across the UK. The cities represented by Core Cities UK contribute more than a quarter of the UK economy and, with more freedoms and flexibilities, believe they are best placed to improve the UK's economic fortunes.

The Cities include Belfast, Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield.

The UK Core Cities city regions are home to 20 million people. Their diverse populations have grown steadily since 2006 and are set to rise by almost 3 million by 2036 when the Core Cities will account for 23% of the UK's population growth. Core Cities city regions deliver a total 26% of UK economic output, over 20% of exports, are home to almost 40% of university students and are drivers of their wider regional economies.

In March 2020, Core Cities published 'Enhancing Productivity in UK Core Cities: Connecting Local and Regional Growth' which called for policy measures that boost productivity in both towns and cities, linking their economies to create business, jobs and wage growth. It also makes clear that towns and cities are mutually reliant, not economic islands, and that strengthening the links between them will further boost growth, particularly across city regions.

In April 2020, Core Cities published 'Strengthening the Core' that set out how government can work in partnership with Core Cities to support local businesses, secure jobs and prepare for an economic recovery.

In November 2020, the UK's 11 Core Cities and 24 of their universities set out a vision to work together to help the UK prosper post-Covid. In the joint declaration, cities and universities set out how they can boost and broaden research and development spend, create high skilled jobs and help to level up the UK's nations and regions. The declaration called on government ministers to establish new City Innovation Partnerships (CIPs) and says local leaders need greater local flexibility in the delivery of skills, employment and job creation programmes.

## **Local Enterprise Partnership networks**

Local Enterprise Partnerships (LEP) are business-led partnerships between local authorities and local private sector businesses. There are 38 LEPs across England that play a central role in determining local economic priorities and undertaking activities to drive economic growth and job creation, improve infrastructure and raise workforce skills within the local area. LEP boards are led by a business Chair and board members are local leaders of industry (including SMEs), educational institutions and the public sector. Most LEPs have higher education representation on their boards.

## **UPP Foundation**

The UPP Foundation offers support to the UK higher education sector through grants to universities, charities and the wider higher education sector and through public policy platform to share best practice, as well as discuss new research, ideas and policy to advance the understanding and knowledge of the key issues within higher education.

This falls into four themes:

- Access and retention

- The Civic University
- Employability
- Global citizens

The UPP foundation worked with Public First on two reports that examine the role of universities in the levelling up agenda.

The report concludes there are 5 areas universities should focus on to contribute to the levelling up agenda:

- 1) Town centre regeneration
- 2) Jobs and economic localism (this recommendation has a separate [report](#))
- 3) Boosting educational attainment and widen participation
- 4) Research and development in the local area
- 5) Supporting the NHS

As part of this research, the UPP Foundation created a [map](#) that shows the proximity of universities to 'shut down towns', a 'left behind towns' and 'core cities':

- Left-behind towns – the 50 towns categorised as 'medium town' or bigger with the 50 highest deprivation index scores, from the CfT dataset
- Shut down towns – the 50 towns categorised as 'medium town' or bigger with the highest estimates of the labour market employed in shutdown sectors, from the CfT dataset
- Core cities – the 62 cities in the CfC dataset with the highest estimated percentage of jobs classified as 'vulnerable' and 'very vulnerable'.