



The All-Party Parliamentary
University Group

9 May 2018

Agenda

The subject of the meeting of the All-Party Parliamentary University Group is Higher Education in the Devolved Nations

- 8.30am** **Lord Norton of Louth**, Co-Chair of the All-Party Parliamentary University Group, welcome and introductions
- c8.35am** **Professor Elizabeth Treasure**, Vice-Chancellor, Aberystwyth University
- c8.45am** **Professor Gerry McCormac**, Vice-Chancellor and Principal, University of Stirling
- c8.55am** **Professor Paddy Nixon**, Vice-Chancellor, Ulster University
- c9.05am** Questions, comments, and discussion with university leaders, MPs and Peers.
- 10.00am** Speaker meeting concludes.

Speaker biographies

Professor Elizabeth Treasure



Professor Elizabeth Treasure was appointed Vice-Chancellor of Aberystwyth University in December 2016 and took up the role in April 2017.

She was previously Deputy Vice-Chancellor at Cardiff University where she had responsibility for key areas including projects in strategic planning, resources and sustainable development as well as staffing and estates. She was the first woman to be appointed as a Deputy-Vice Chancellor at the university.

Professor Treasure holds a BDS in Dental Surgery and a PhD from the University of Birmingham.

Following a range of clinical roles in the National Health Service between 1980 and 1990, Professor Treasure moved to New Zealand where she concurrently held the roles of Public Health Dentist and Lecturer, then Senior Lecturer, at the University of Otago.

She was awarded the British Dental Association's John Tomes Medal for scientific eminence and outstanding service to the profession in 2006 and a FDSRCPS (special) in 2011. She is also a current member of the Finance Committee of UCAS.

Professor Gerry McCormac



Professor McCormac became Principal and Vice-Chancellor of the University of Stirling in May 2010. He is a scientist with research interests in both space physics and carbon dating. His early career was spent at the University of Michigan, where he worked on the NASA Dynamics Explorer satellite program. He subsequently headed up the high-precision carbon dating facility at Queen's University Belfast. He became Pro-Vice Chancellor at Queen's in 2001.

In 2011, he chaired a review of teacher employment in Scotland. He is a fellow of the Royal Society of Edinburgh (RSE). Previous board memberships include; vice-chairman of Invest Northern Ireland, NI Committee of the Institute of Directors, NI Science Park and Business in the Community. He is currently the vice-convenor of Universities Scotland, a board member of UCEA and chairs the UCEA Scottish Committee.

Professor Paddy Nixon



Professor Paddy Nixon joined Ulster University as Vice Chancellor and President in July 2015.

He leads the overall strategic vision, direction and growth of the University, across core academic delivery and the professional services that enable academic excellence and innovation to flourish. A computer scientist by discipline, he retains a keen interest in his subject, supervising two Phd students in their early research careers.

Professor Nixon's commitment to civic engagement, responsibility and leadership defines a vision for Ulster University that is grounded within its community, with academic excellence at its heart, transforming academic theory and expertise into meaningful social, cultural and economic impact, as Northern Ireland's civic university.

Professor Nixon joined Ulster University from the University of Tasmania where he was Deputy Vice-Chancellor (Research). He has extensive industry and commercial experience, particularly in collaborations with global high tech firms including INTEL, HP and IBM.

Briefing: Higher Education in the Devolved Nations

Prepared for members of the All-Party Parliamentary University Group

This is not an official publication of the House of Commons or the House of Lords. It has not been approved by either House or its committees. All-Party Groups are informal groups of Members of both Houses with a common interest in particular issues.

This briefing document has been produced by Universities UK, which provides the Secretariat for the University APPG, and taken from the Social Mobility Advisory Group's report.

Introduction

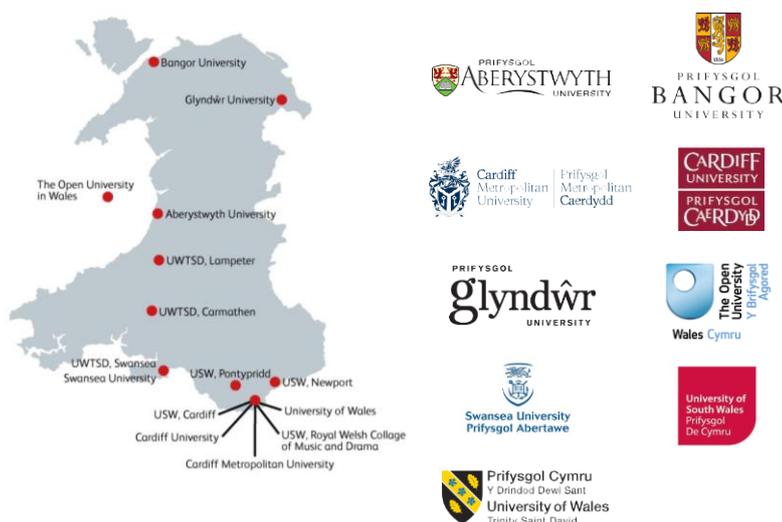
This meeting will explore the higher education systems in the Wales, Scotland and Northern Ireland, particularly focusing on the policy and political challenges facing each of the three devolved nations. With the government's review of post-18 education underway, it is a good time remind members of the interconnectedness of the country's higher education systems, despite this being a devolved policy area.

Discussion will cover the priorities and regulatory systems that are unique to each nation, and those that are shared across the UK higher education system as a whole. Lessons can be learnt from other nations, especially in terms of conveying messages to policy-makers, and therefore this session will open up conversation about how to further enhance the successful higher education systems in Wales, Scotland, Northern Ireland and England through spreading best practice and learning from national equivalents and peers.

This delegate guide will give an overview of the higher education systems in Wales, Scotland and Northern Ireland, giving attendees key information about the systems in each of the three countries. Each section will cover the institutions which make up the higher education landscape, the policy context/background and the main priorities that these universities will be focused on in the coming months.

Higher Education in Wales

Background



Universities in Wales are national assets that bring widespread benefits to individuals, communities, the nation and government in Wales.

Welsh universities and their students and visitors generated a significant output of over £5 billion in 2015/16. The total combined impact of £2.67 billion GVA was equivalent to 4.8% of all 2015 Wales GVA. Universities also generated almost 50,000 jobs in Wales; the equivalent to 3.5% of all Welsh employment in 2015.

Universities in Wales continue to have higher proportions of students from the most under-represented groups compared to the UK as a whole. In the 2014 Research Excellence Framework (REF) Welsh universities had the highest percentage of 'world leading' research in terms of its impact of any part of the UK, with almost half of it considered to be having a transformational effect on society and the economy.

In 2016-17, there were over 21,000 international students in Wales making up 16% of the student population.

Policy context

The devolved settlement: Higher education is a devolved matter in the UK, with direct governance of the sector under the National Assembly for Wales.

Wales' proximity to England, shared aspects of UK higher education and the, until recently, largely shared legislative underpinning for higher education means that higher education in England and Wales is closely connected, and decisions made in England will often impact Wales. A substantial proportion of students accepted to Welsh universities are England domiciled. In 2017, 47% of acceptances in Wales were from applicants domiciled in Wales and 40% were from England. On a fundamental level, spending decisions made by the UK Government have consequences for the Welsh Government's budget but beyond that structural and legislative decisions made by the UK Government also impact Wales.

The Higher Education (Wales) Act 2015: This legislation received Royal Assent on 12 March 2015. It established a new regulatory system for higher education institutions and other providers of higher education in Wales with a fee and access plan approved by the Higher Education Funding Council for Wales (HEFCW). The Act gives HEFCW new regulatory powers for fee limits, quality of education and financial management.

The Diamond Review: The 'Independent review of higher education funding and student finance arrangements' led by Sir Ian Diamond was published on 27 September 2016. Recommendations included-

- Tuition fee grants being replaced by a student loan, up to a maximum fee level of £9,000.
- £1,000 annual non-means-tested Maintenance Grant for all students.
- Income-related Maintenance Grant to cover full living costs of students from the lowest income households.
- The top rate of Maintenance Grant support, for a student living away from home outside London, should be equivalent to the National Living Wage, i.e. £8,100.
- Loans to the level of the maximum grant for those not eligible for the maximum grant.
- Welsh universities to receive sufficient income from HEFCW to support the cost of delivering subjects whose cost is greater than £9,000.

- Fee loans should remain available to those studying part-time.
- Postgraduate taught Masters students to receive the same level of maintenance and tuition fee support as undergraduate students.
- QR funding to be maintained at least at the current level of £71m per annum in real terms over the next five years.

Whilst arrangements are being made to start implementation from 2018/19, it will be several years before the Diamond recommendations will be implemented in full as student support and funding arrangements are phased in. Universities Wales are working with the Welsh Government on implementation.

Review of post-compulsory education and training in Wales: The review of the Regulation and Oversight of Post-Compulsory Education and Training in Wales, led by Professor Ellen Hazelkorn reported in March 2016. The Welsh Government accepted the recommendations in a statement in Plenary in January 2017.

The main proposal includes the establishment of a single, strategic authority, responsible for overseeing all aspects of post-compulsory education and training, the Tertiary Education and Research Commission which will replace the Higher Education Funding Council for Wales (HEFCW).

The proposals are that a new body would be given responsibility for planning, funding, contracting, ensuring quality, financial monitoring, audit and performance, and be the lead funder of research. The current functions of the Higher Education Funding Council for Wales would be transferred to the new authority, which would operate at arm's length from the Welsh Government. A technical consultation was launched two weeks ago, with legislation to follow.

Upcoming issues for Welsh universities at a UK level

Structural Funding: Universities in Wales receive a significant amount of funding from European Structural Funds; around £240 million to date has been awarded to Welsh universities for the period 2014-2010. This continues to provide vital investment and funding for projects and infrastructure that contribute towards economic and social growth in Wales.

European Structural Funds have also played an important role in innovation funding in Wales, particularly given there is no equivalent to the Higher Education Innovation Fund and University Innovation Fund in England and Scotland respectively. High quality research and innovation are the bedrocks of a growth economy, and have knock-on benefits for all communities across Wales. In 2015 alone, almost £25 million of European Regional Development Fund (ERDF) funding was approved for proposals led by universities in Wales to enhance research and innovation infrastructure and build capacity, namely through the Aberystwyth Innovation and Enterprise Campus and Cardiff University's Brain Research and Imaging Centre.

Universities in Wales support the Welsh Government in the view that it is crucial for Wales that European Structural Funds are sustained or replaced at a devolved level following the UK's withdrawal from the EU, and allocated on a need and place basis so that Welsh universities can continue to deliver the maximum economic and social impact in communities across Wales. Universities Wales believes the UK Government policy to drive growth across the UK's regions and

nations post-Brexit should, as structural funds do, focus on the poorest parts of the UK, which includes Wales.

UK Research and Innovation (UKRI) governance and Welsh representation: One of the key issues for Wales is the question of appropriate representation in the new UKRI structures. During the passage of the Higher Education Research Bill (HERB), the UK Government gave a number of very important assurances to Parliament in the context of underlying concerns around representation from those working in the devolved nations. The development of a Memorandum of Understanding with the devolved administrations was proposed, with clear narrative that collaborative working would be essential to secure the UK's global reputation for excellence in research and innovation in the long term. Lord Prior, who was parliamentary under-secretary of state at the Department for Business, Energy and Industrial Strategy (BEIS) at the time, also committed that the devolved administrations would be consulted about UKRI's strategy, and that regular consultation with the devolved administrations would be required in guidance from BEIS to UKRI.

Although there is no further opportunity to further amend this Act, and UKRI lies beyond the legislative competence of the National Assembly for Wales, these remain very important issues to address. A Memorandum of Understanding between the devolved and UK governments and between the relevant funding bodies would provide the necessary formal procedures and protocols for ensuring that issues do not arise in practice.

The English review of post-18 education and funding: Due to interconnectedness of the Welsh and English higher education systems, any policy or funding changes in England will have both indirect and direct consequences for policy in Wales; UK government spending decisions also have consequences for the Welsh Government's budget. Delivering a package of student support in Wales is often linked to what support is available in England. This may be as a result of how much the UK government spends on provision in England, or how much funding is made available through student loans.

Whilst arrangements are being made to start implementation from 2018/19, it will be several years before the Diamond review recommendations will be implemented in full as student support and funding arrangements are phased in. As such, significant changes to tuition fees or student support and funding in England as a result of the post-18 review could potentially make it difficult for the Welsh Government to continue to deliver the recommendations of the Diamond Review. Therefore, it will be important for the review to consider the implications of any recommendations on the devolved administrations, and to work in tandem with equivalent education systems in Scotland, Wales and Northern Ireland.

Higher Education in Scotland

Institutions



Policy and background

With higher education devolved to Scotland there are a great many funding and policy issues that diverge considerably from the rest of the UK. There are, however, many challenges which are shared by the higher education sector across all four nations, for example supporting students with their mental health, working to prevent gender based violence within staff and student communities and achieving gender equality. Given current constitutional arrangements, it can be seen that Scottish universities operate within a Scottish, UK, European and international context.

Higher education in Scotland is part of a UK ecosystem for higher education in regard to UKRI, the Industrial Strategy and some aspects of innovation funding. Immigration policy is another reserved area that has a considerable bearing on the sector in Scotland. Policy and funding changes to higher education in one part of the UK have both direct and indirect consequences for the rest of the UK because of the scale of interconnectedness. This is particularly the case for change driven by the UK Government on behalf of higher education in England given its large scale, relative to its neighbours. The UK Government's Review of Post-18 Education is of significant interest to Universities Scotland and its members despite not directly affecting the primary means of funding teaching in Scottish higher education.

The Scottish context for higher education

Important factors to take into consideration when examining higher education policy in Scotland-

First Minister Nicola Sturgeon: The First Minister's emphasis on widening access to higher education with the goal that by 2030, 20 per cent of Scottish-domiciled entrants should be from the poorest 20 per cent of neighbourhoods. Institutions in Scotland, through their representative body,

Universities Scotland, have responded to that challenge by working collaboratively across the sector to produce a set of 15 actions in the publication 'Working to Widen Access' that focus on admissions, articulation from college with advanced entry into university and bridging programmes with schools. including greater use of contextualised admissions and minimum entry requirements.

The Skills and Enterprise Board: This was created in 2017 to sit above the Scottish Funding Council and other skills and enterprise agencies and present Scotland with the opportunity of a more joined up approach to the shared challenges of economic growth and improved productivity. The board also presents higher education with the opportunity to be a very central part of the solutions.

Sustainable funding in higher education: The Scottish Government's budget for 2018/19 was generally welcomed by the Scottish higher education sector as it marked a 1.1% increase compared to the previous year. Universities Scotland reported that its top priority from the budget was the real terms protection of the Teaching Grant. The revenue settlement was, however, still less than inflation and marked a continuous decline in higher education funding in real terms. Audit Scotland's 2016 analysis of HE funding warned of 'underlying risks' to Scotland's university sector as a result of mounting funding pressures. It called on the Scottish Government to ensure '*its approach to funding higher education is sustainable in the longer term if it is to deliver its policy ambitions*'.

Scotland's universities face the additional challenge that additional investment in research and knowledge exchange in universities in England is not transferring into increased budgets for Scottish institutions, via consequential funding. This has the potential to erode its competitive edge. England's Higher Education Innovation Fund will increase from £150 to £250 million between 2015/16 to 2020/21. By comparison, Scotland's equivalent University Innovation Fund is down 22% over the four year period from 2015/16 to 2018/19. Funding for research and knowledge exchange in English universities, via Research England will increase by 20 per cent in real terms to 2020/21. Scottish universities have received no commitment that the consequentials of this funding will be passed onto research in Scottish higher education.

Issues at a UK level

The Review of Post-18 Education: The Review relates to higher education and technical education in England but any decisions taken as a result of its recommendations, will have implications for higher education providers in the devolved nations. This is not acknowledged or clarified in the Review's Terms of Reference. Universities Scotland has written jointly with the representative bodies in Wales and the two universities in Northern Ireland to request that the Review gives full consideration to higher education in the devolved nations. Just under 50,000 students from England choose to study their undergraduate higher education in universities in Wales, Scotland and Northern Ireland every year. The current English tuition fee and funding model moves with them and has become a significant part of the funding mix of the institutions in which they study. Over 38,000 students domiciled in the devolved nations decide to study in institutions in England. This mobility offers great benefits to students and institutions, therefore it is desirable that this should continue with any reforms that are implemented.

Teaching Excellence Framework – subject level TEF: Five of Scotland's universities decided to take part in the TEF; three received gold and two received silver medals. Even with this participation, it is important to note that every Scottish higher education institution remains committed to the

existing system for teaching quality, the Quality Enhancement Framework, which pre-dates the TEF and has the full support of staff and students. Scottish institutions are engaged with TEF as it continues to develop for future years, but have a number of concerns about its development into subject-level assessment. These concerns centre around the credibility of the assessment process, the likely burden on institutions of both the subject-level TEF models being piloted.

Universities Scotland have express concerns that it is unclear as to how subject-level TEF could adequately take account of the multi-disciplinary nature of four-year Scottish degrees (the various pathways and flexibilities available to learners) and worried about the possible use of metrics for teaching intensity and grade inflation. The Department for Education's technical consultation on subject-level TEF closes on Monday 21 May.

UK Research and Innovation: The Scottish higher education sector has concerns about the institutional structure of UKRI, which brings Research England into the UK-wide organisation. In launching the UKRI infrastructure roadmap, the Minister talked of "better alignment" of the Research Councils with Research England's quality-related funding. That kind of purposeful alignment, whilst logical for institutions in England, could pose challenges for institutions in the devolved nations. Without robust processes institutions in devolved nations will not benefit from synergies created by this coming together of people and funding. Currently, Scotland wins 14.7% of total UK Research Council project funds due to research excellence across its institutions. Concerns have therefore been expressed that Scottish institutions' competitive edge will slip away as a result of structural change rather than research performance.

During the passage of the Higher Education and Research Bill, which created UKRI, former parliamentary under-secretary of state at the Department for Business, Energy and Industrial Strategy (BEIS), Lord Prior committed to the possibility of developing memoranda of understanding (MoUs) and an intention to include the need to 'regularly consult on strategy with devolved administration colleagues' in UKRI's guidance.

Industrial strategy: The Industrial Strategy presents exciting opportunities for Scotland. As sector deals are developed, they need to be genuinely UK-wide. As further waves of the Industrial Strategy Challenge Fund are developed, they need to reflect the industrial strengths across the whole of the UK.

Higher Education in Northern Ireland

Introduction

Higher Education in Northern Ireland is primarily delivered through three universities and two university colleges:

- Ulster University (four campuses across NI: Belfast, Coleraine, Derry~Londonderry and Jordanstown)
- Queen's University, Belfast
- The Open University
- St. Mary's University College, Belfast
- Stranmillis University College, Belfast



Background

Funding model: Funding for higher education is fundamentally different in Northern Ireland than in other parts of the UK.

In 2011, the Northern Ireland Executive confirmed their intention to operate a mixed model of funding for higher education, where tuition fees would be maintained at a low level and the difference would be made up by the Executive.

This remains the position and the cap on maximum student numbers, for Northern Ireland domiciled students, is also still in place.

In 2011, there was parity in funding between England, Scotland and Northern Ireland; with the NI Executive operating this mixed model of funding.

Since 2011, however, the student contribution has been held constant in real terms and roughly in line with inflation. For academic year 2018/19, fees are £4,160 per year for full-time students from Northern Ireland, Republic of Ireland and EU countries (excluding England, Scotland and Wales) for undergraduate degrees.

For students from England, Scotland and Wales, Northern Irish universities are able to charge the maximum fee of £9,250 per year for full-time undergraduate degree students.

Whilst the student contribution has remained constant, there has been ongoing, systemic erosion of the level of funding provided by the Northern Ireland Executive.

Ulster University, for example, has experienced a cumulative cash cut of £71million between 2011 and 2017, with annual core funding from the NI Executive falling from £89.7 million in 2010/11 to £70.8 million in 2016/17.

Key challenges

Sustainable funding

- Systemic underfunding and the unsustainable funding model are challenging the delivery of higher education in Northern Ireland.
- The differential in funding between higher education in Northern Ireland compared to England and Scotland is significant. Investment in Northern Ireland is in the region of £1,700 per student less than in the rest of the UK.
- Unless this gap closes, it will be increasingly difficult to maintain the outstanding teaching and research provision that is currently being delivered by NI higher education institutions. This in turn risks undermining the reputation of UK higher education on the global stage.

Brexit

- Northern Ireland has an amplified sensitivity to Brexit for a number of geographical and political reasons. Higher education in Northern Ireland faces a distinct and increased impact in a number of areas.
- Ulster University is in the unique position of having the most westerly university campus in the UK. The University's Magee campus in Derry~Londonderry is less than 10 miles from the border with the Republic of Ireland, meaning mobility is a vital day-to-day issue.
- Almost 20% of staff based at the Magee campus have addresses in the Republic of Ireland – which will remain part of the EU. EU nationals (excluding UK nationals) make up 24% of the combined staff and 33% of the academic staff of Ulster University and Queen's University, Belfast.
- There are many opportunities for cross border working with universities in the Republic of Ireland, but significant policy differences currently place Northern Irish universities at a distinct competitive disadvantage. For example, the Republic of Ireland operates a Third Level Graduate Scheme which allows international students in Ireland to work on completion of their studies. For undergraduate students, this period is 6 months, 12 months for honours undergraduates and 24 months for students who have completed a masters or PhD programme.

Lack of Northern Ireland Executive

- Challenges in relation to sustainable funding and Brexit are exacerbated by the lack of a Northern Ireland Executive.
- Higher Education is a devolved matter; however Northern Ireland has not had a functioning Executive since January 2017. In the absence of devolved government, the Northern Ireland Secretary of State has set the budget for Northern Ireland but Direct Rule has not been implemented.
- The lack of a devolved administration causes decision making difficulties, particularly for significant issues where Ministerial approval is required.
- As a result, key decisions such as addressing the sustainable funding challenge and approving new projects, have been significantly delayed or put off indefinitely due to the uncertainty caused by the current political situation.



The All-Party Parliamentary **University Group**

Future meetings

Tuesday 26 June 2018

Post-18 Education and Funding Review

18:00 – 19:30

Speakers TBC

For more information about the group please email appug@universitiesuk.ac.uk or visit www.universityappg.co.uk.