



The All-Party Parliamentary University Group

University APPG meeting- The Post-18 Education and Funding Review

18:00 – 19:30, Tuesday 25 June, Committee Room 4, House of Lords

Chair:

Dr Roberta Blackman-Woods MP, Chair of the APPUG

Speakers:

Dr Philip Augar, Chair, Post-18 Education and Review Panel

Chris Skidmore MP, Minister for Universities, Science, Research and Innovation

Alistair Jarvis, Chief Executive, Universities UK

Nick Hillman, Director, HEPI

Philip Augar used his address to the group to explain how the panel was set up in February 2018 and how they were determined not to waste the first opportunity since the Robbins Report in 1963 to look at all parts of the post-18 education system. One of the panel's key objectives was to explore why there were few people undertaking higher technical education; the 'missing middle'.

The panel started by asking themselves what the economic and social requirements would be for a tertiary education system. Much of the panel's work was around the economic aspect of the system, given it was a key question in the Terms of Reference, but the wider, social and cultural value of tertiary education, including the concept of learning for learning's sake, was also taken into account.

The simultaneous growth in the number of students entering higher education and decline in the number of people doing Level 4 and 5 qualifications was of interest to the panel he said, as was the need to invest more in level 2 and 3 education for adults. Further education had been neglected by the media and often politicians, he added.

Philip thought one of the most important recommendations was for adults to be entitled to a lifelong learning loan allowance they could draw from at levels 4, 5 and 6 and then added this would also provide universities with opportunities to enter what was a traditionally further education space with a complementary offer.

Moving onto higher education specifically, he praised the remarkable achievements of the higher education sector in terms of its ability to absorb growth and increase intake of disadvantaged pupils. UK universities held very high positions in global league tables including for research.

Despite this he said the panel had found issues of low quality and value for money and worried that the taxpayer subsidy to higher education was not closely aligned enough with industrial strategy priorities. They had found some students were paying more than the cost of delivering their course and therefore looked at a) the reasonable cost of provision b) the economic value and c) social value of different subjects.

He ended his presentation by outlining the panel's recommendations on freezing the unit of resource for three years and reintroducing maintenance grants.

Chris Skidmore opened his remarks by praising the quality of the data in the report and stressing that it was an interim report that was also accompanied by a KPMG report on the cost of a degree and a government review of levels 4 and 5 education. It was for the next prime minister to decide how to take the reports forward he said.

Like Philip Augar, he stressed that it was the first report of its kind since the 1963 Robbins Review and therefore it was important that a consultative approach was adopted so it was not seen as the government forcing widespread changes on the sector. Several concerns had been raised by the sector and therefore he wanted to reassure the sector that his aim was to co-create policies that would lead to a sustainable future for higher education.

Referring to Philip's earlier comments about the report being taken as a coherent whole, he thought there would be some policymakers that would find certain measures attractive but not all; the whole picture must be looked at including further education.

He spoke about his desire to increase course flexibility, give students the best choice and continue the positive work that had been seen on access and participation. Turning to the student experience specifically, the minister stressed the need for the right metrics to be used to avoid, for example, universities all chasing students in the POLAR 4 category rather than collaborating on genuinely improving access. Getting students to complete their course was equally important, and therefore it was crucial that mental health was carefully looked at as well as a continuation of the positive work that could be seen supporting young carers and disabled students.

Speaking about research, the minister stressed that the country still needed more students undertaking degrees, and especially more Masters and PhD students if the target of spending 2.4% of GDP on research and development by 2027 was to be met. It was imperative the outcome of the review did not negative impact the country's research capabilities, especially given the uncertainty around EU research funding which he stressed should be protected.

He concluded by saying that the sector did indeed need protecting, including the level of research funding.

Alistair Jarvis told attendees that he had placed the panel's recommendations into three categories a) positive b) those that risked negative outcomes and c) fair challenges to the sector.

Starting with the positive recommendations he welcomed proposals to encourage more people to undertake post-18 qualifications, better support for those studying at levels 2,3,4, and 5 and more focus on getting people into part-time and flexible learning. Within these recommendations, he welcomed the proposed introduction of a lifelong learning system and modular learning.

Alistair strongly welcomed the recommendation to reintroduced maintenance grants, which Universities UK had been campaigning for, given that students regularly reported concerns about the cost of living. He thought it was particularly difficult for disadvantaged students that often had to work long hours to subsidise their loans as this could affect attainment.

The question of who should qualify for any new grant and how much it should be still remained.

Turning to the negative parts of the report, he said the panel likely had good intentions, but several recommendations could be risky for both the skills pipelines and social mobility. Universities UK analysis estimated that if the money lost by a fee cut to £7,500 was not replaced by additional teaching grant universities would lose £1.8 billion in funding per year. Getting replacement funding was a big fiscal ask and therefore the recommendation posed a significant risk he thought given the negative impact this loss would have on students, institutions, the economy and communities. It was the sector's collective job to ensure that the unit of resource was protected, he added.

The current system was not perfect in terms of promoting social mobility, but it was to be commended that students from disadvantaged backgrounds were now 82% more likely to enter higher education than in 2006 he said. Changing loan repayment terms could be fiscally attractive, but which students would end up paying more had to be carefully looked at.

Alistair then commended foundation years for giving students extra support in a university setting, and degree apprenticeships for those looking to up- and re-skill. He also reminded attendees that the implications of the report for Scotland, Wales and Northern Ireland needed fuller consideration.

In terms of the challenges he spoke about the opportunities for universities to do more in the levels 4 and 5 space, the need to develop a more nuanced definition of value to address concerns and work to build greater understanding of universities' costs and efficiencies. He ended his presentation by suggesting three 'tests' that parliamentarians should consider:

- Will the policy have a positive impact on access to higher education?
- Will the policy improve the quality of higher-level education?
- Will the policy increase the positive impact of universities and colleges locally, nationally and globally? Including plugging skills gaps.

Nick Hillman started by describing the report as cogently argued and coherent. He was disappointed various commentators and politicians had dismissed it before it had been fully absorbed. He admitted the report did have flaws, namely around rejecting foundation years.

He argued there are moral reasons for having maintenance grants, for it is wrong that the poorest students have the biggest debts. He urged the government to tell parents what the real expectations on them are in terms of supporting living expenses.

Nick thought Philip Augar's request that policy makers could not pick and mix the parts of the report they wanted to implement was optimistic based on past examples. The risk was that policymakers would only adopt the recommendations that saved money. He then questioned the recommendation to continue to use RPI over CPI as a measure of inflation.

Beyond the Augar report he said he was positive about the conditions for the sector given that demographics were starting to work in universities' favour and the global demand for higher education was growing. Despite this, the sector had had 10 years of adverse policies towards international students which did not support promoting diversity on campus. The hope was that Home Secretary Sajid Javid's desire to change post-study work rules would come to fruition.

Looking at a graph which showed the highest qualifications of the UK population, he thought the report could be read as promoting the concept of fewer people having degree-level higher education to make up the missing middle. The data on graduates' outcomes was very strong so he disagreed with this aspect of the report, and instead thought those curtailing their education at level 3 should be pushed up to levels 4 and 5.