

PARLIAMENTARY BRIEFING

Opposition Day Debate: The Higher Education (England) Regulations 2016 (S.I., 2016 No. 1205 and S.I., 2016, No. 1206)

Adam Haxell, Senior Parliamentary Officer

12th September 2017

OPPOSITION DAY DEBATE – WEDNESDAY 13TH SEPTEMBER 2017

Prior to the June 2017 General Election MillionPlus published a [Manifesto](#) outlining key priorities for the higher education sector in the years ahead. These included a review of the current funding system for higher education in England.

There is a growing concern that, as fees rise and student loans increase in England, the higher education funding system is becoming less sustainable and is seen as less affordable for both full-time students and those who want to study part-time or return to education when they are older.

Students undoubtedly benefit directly from their university experience and qualifications. However, there is a case that the wider benefits to the economy and to society of higher education should be better reflected in a more balanced approach.

Modern universities, in particular, have a fantastic track record of improving outcomes for people of all backgrounds and ages and should be supported in unlocking the potential and talent of future generations of students. There is therefore a strong case to:

- review the sustainability of the current funding model for students and universities in England to make it both fairer and economically robust in the long run
- restore student maintenance grants to ensure that those from the low-income households are not put off studying for a degree
- commit to do much more to support people who want to study part-time or return to study later in life

In the meantime, it is vital that our universities are properly funded. As a result of the changes to the funding system in 2012, there has been no direct grant available for university courses in the arts, humanities, social sciences, computer science, design, architecture and economics – to name just a few of the subjects affected – since 2014-15. This has meant that universities are now required to fund programmes previously supported by government, and there has also been a decline in capital investment and an 80% cut in the teaching grant.

This inflationary uplift (the first since 2012) will help to ensure that real terms funding going into higher education institutions does not further decrease in value as a result of rising costs in provision. We believe this would be better sourced from direct investment in universities' teaching grant by the government, and not by adding to student fees but there is no doubt that it remains necessary.

Fees and the Teaching Excellence Framework

This inflationary uplift of £250 has been linked to the government's new Teaching Excellence Framework (TEF). This framework was introduced through the Higher Education and Research Act 2017, with the purpose of rewarding universities for teaching excellence through classifications of Gold, Silver and Bronze awards (descriptors which research reveals are poorly understood by students, including those from overseas who are considering the UK as a destination of study). In fact, a bronze award means that a university has 'teaching, learning and outcomes for its students that meet rigorous national quality requirements for UK higher education'.¹

The £250 uplift applies to any provider with successful quality review, and so all universities were eligible to raise fees by this amount in 2017/18. However, in future years, the Government has indicated that it would like to introduce a variable fee uplift based on TEF ratings and the application of further metrics, which in our view, are unrelated to teaching quality or excellence.

MillionPlus strongly supports universities being properly funded but has opposed any link or reward between TEF ratings and raising fees. All UK higher education is quality assured (and deemed to be excellent), and the TEF seeks to use a blunt instrument to differentiate fees and ultimately the unit of student resource.

Other Key Issues

Alongside fees, there remain significant issues within the current system that could be amended to help students.

Since 2010/11 part-time participation has fallen by 61% while the number of mature students in England has declined by 39%, with the most significant decreases occurring after 2012. The dramatic fall in part-time and mature study requires urgent attention and remedy by government, and too often policies are created that do not take these students into account. Making part-time and mature study more accessible and affordable could radically boost social mobility and transform lives, and should be a priority of government.

Universities in England have also sought to advise and support the entry into higher education of students who, since 2016/17, have had their maintenance grants replaced by maintenance loans. These grants were described in 2015 as 'unaffordable' by the then Chancellor of the Exchequer, George Osborne. However, support with living costs is a major determinant of participation in higher education but also of the extent to which students work while they are studying for a degree. In turn, working while studying is linked with degree attainment.

The abolition of maintenance grants has affected nearly half the new undergraduate student population in England with those from the most disadvantaged backgrounds coming off worse. As a minimum, debt on graduation from a three-year course will increase by an extra £13,500 (before interest) if full entitlement to maintenance loans is taken up. The switch from maintenance grants to loans will mean that students from the poorest 30% of households will repay an average of around £3,000 more overall (at 2016 prices).

MillionPlus believes that maintenance grants should be reintroduced and not just for the very poorest households but on a graduated system linked with household income. However, the additional funding required should be made available by the Treasury and not taken from the residual funding streams which the government provides to universities for some courses and activities or from research and innovation funding.

The UK's higher education sector is a world leader and its strength is in its diversity. It is important that it is properly funded and that the costs of higher education are shared fairly and proportionately. The government should review the funding and student support system to ensure that it is sustainable, accessible to students of all ages however they choose to study (full or part-time) and is fit for purpose in the long-term.

For more information please contact Adam Haxell, Senior Parliamentary Officer, at adamhaxell@millionplus.ac.uk or call 02077171687

¹ <http://www.hefce.ac.uk/lt/tef/whatistef/teffaq/>