

SUBMISSION

Review of post-18 education and funding: call for evidence

MillionPlus is the Association for Modern Universities in the UK and the voice of 21st century higher education. We champion, promote and raise awareness of the essential role played by modern universities in a world-leading university system. Modern universities educate 52% of all UK undergraduates, and 37% of all postgraduates, with over one million students studying at modern institutions across the UK.

THIS REVIEW WILL LOOK AT HOW GOVERNMENT CAN ENSURE THAT THE POST-18 EDUCATION SYSTEM IS JOINED UP AND SUPPORTED BY A FUNDING SYSTEM THAT WORKS FOR STUDENTS AND TAXPAYERS. THE PANEL WOULD LIKE TO UNDERSTAND YOUR PRIORITIES. WHAT, IF ANY, ARE YOUR PRINCIPAL CONCERNS WITH THE CURRENT POST-18 EDUCATION AND FUNDING SYSTEM?

The funding system for English higher education should meet five key tests.

SUSTAINABILITY

The success of the UK's higher education sector has been achieved because of long-term, sustainable investment. It is crucial to maintain this approach so that institutions can plan and invest in students and facilities. Reductions in funding, increased volatility, or the removal of funding streams without replacement pose significant risks that could impact on course viability, investment in student services, and the reputation of the sector, both at home and around the world. Any new funding proposal must be guaranteed based on a five-year funding compact, equivalent to the length of full Parliament. Any reductions in fee income need to be mitigated by direct grant from government to ensure that investment in the student experience can be maintained.

FAIRNESS

Everyone benefits from higher education; individuals, businesses, public services, and society. A highly educated, highly skilled workforce in every sector of the economy is vital in ensuring economic growth and prosperity. Individual graduates also benefit, with enhanced career prospects and higher-level skills. Funding for higher education must take this important balance, and the principle of fairness, into consideration when looking at funding. All of those who benefit have reason to contribute to the success of the system – including both individuals and state – be that through a fees and loans system based on a strongly progressive repayment model, or a progressive system of general taxation. Restoration of maintenance grants for living costs would guarantee fairness, ensuring that those students from the lowest income brackets are not the ones taking on the most 'debt' as in the current system.

FLEXIBILITY

University is not just for school leavers, so funding must be flexible enough to enable part-time and mature study as a realistic option for everybody. In 2016/17, mature students made up 46% of undergraduate students in UK higher education institutions (HEIs). However, since 2009/10 there has been a 50% drop in part-time numbers and a 24% drop in mature student numbers. With a workforce that will require even greater re-skilling and up-skilling, through technological changes and longer working lives, securing an

appropriate level of support for part-time provision is vital for the UK's economic future. According to the most recent census data, around 20 million of the UK's working population did not have level 4 qualifications or above. That compares to just over three quarters of a million 18-year olds at the last count. Mature learners represent a huge pool of untapped potential across the UK.

ACCESSIBILITY

The growth and success of modern universities has gone hand-in-hand with the broadening of access to higher education for a wider, more diverse range of students. More people are studying at university than ever before, creating a highly skilled population and enabling significant social mobility. At modern universities 69% of all students are from the areas of the UK with the lowest participation rates in higher education, and 54% of all BME students study at modern institutions. Funding must enable students from all backgrounds to access a university experience that is right for them and allow universities to invest properly in those students. Regional economies benefit from both a highly skilled workforce and significant research expertise that contributes to local business growth and public-sector excellence.

AUTONOMY

A major tenet of the governance and funding of UK higher education is that universities are autonomous institutions, free to make their own decisions in the best interests of their students and the needs of their local communities. While there must be oversight of the sector, particularly where public money is being invested, it is crucial that accountability mechanisms do not become excessive. A system that erodes the independence and decision-making abilities of universities or dictates to them which courses they could or could not teach would undermine the sector and damage UK higher education's reputation.

HOW DO PEOPLE MAKE CHOICES ABOUT WHAT TO STUDY AFTER 18? WHAT INFORMATION DO THEY USE AND HOW DO THEY CHOOSE ONE ROUTE OVER ANOTHER: FOR INSTANCE, BETWEEN ACADEMIC, TECHNICAL AND VOCATIONAL ROUTES?

MillionPlus would strongly caution against the idea that students are necessarily making a choice "... between academic, technical and vocational routes" as these are not hard-and-fast alternative approaches in many modern university degree programmes. The flexibility and diversity of university education offers students the opportunity to explore different learning environments where appropriate. Modern universities provide a holistic learning environment that encompasses academic, technical and vocational methods of teaching and learning. They are also the vanguard of those HE providers that offer the most extensive portfolio of work-relevant and professionally accredited courses.

Many of the fastest-growing disciplines in higher education (and by extension many of the fastest-growing sectors of the economy) require a blend of educational experiences to prepare students with the relevant skills and knowledge for a 21st century jobs market. Digital skills, for example, will see senior teams in companies working in this area include graduates from a wide range of disciplines from mathematics, to software engineering, to the creative arts.

Creating a system in which students feel forced to choose "one route over another" at a young age, with the unintended consequence of funnelling students into different routes early in their educational development, would damage individual life chances and economic growth.

HOW DO PEOPLE MAKE CHOICES LATER IN LIFE ABOUT WHAT FURTHER STUDY TO UNDERTAKE?

Since 2011/12, there has been a 42% drop in the number of undergraduate mature students in England.

Modern universities have led the way in providing higher education for mature learners, developing innovative and creative initiatives to recruit and support mature students. The recent MillionPlus report, *Forgotten Learners: building a system that works for mature students*, provides a valuable insight into mature student experience in the UK as well as developing an in-depth analysis of the recent decline in mature learners.¹ Mature students share common characteristics: caring responsibilities; existing professional commitments; living situation/residence. Many of them are, for instance commuter students.

Mature students tend to be more anchored in their local community or region than the average 18-year-old; 45% of students surveyed said they chose their university or college based on its location (i.e. proximity to home).

Around one-third of mature students selected their course due to the availability of flexible study options, which enable mature learners to participate in higher education while maintaining other existing commitments and studying at pace or intensity that is appropriate for them.

The wider societal benefits of higher education are limited when participation is monopolised by a single generation. Significant advances have been made over the past couple of decades in increasing participation of young learners in higher education in England. However, the narrative on widening participation and social mobility has arguably focused too exclusively on 18-21year olds in recent years.

If higher education in England is to increase its capacity to act as an engine of social mobility it must be able to offer a "second chance" to those who are looking to transform their lives.

To address this, government should:

- Improve the financial support available for mature students so that those who are most disadvantaged are not having to rely on the high levels of paid employment to maintain themselves financially, thereby damaging their ability to progress at university
- Further relax the equivalent and lower qualifications (ELQ) restrictions in eligibility for loans for some "second-chance" learners.
- Move to a more flexible system that allows students to tailor their study to the pace of their life and makes university education feasible for those with existing commitments. This must be replicated on the level of funding, to create a system in which mature students do not have to commit to a full year's worth of financial and personal commitment.

IN RECENT YEARS WE HAVE SEEN CONTINUED GROWTH IN THREE-YEAR DEGREES FOR 18-YEAR OLDS. DOES THE SYSTEM OFFER A COMPREHENSIVE RANGE OF HIGH QUALITY ALTERNATIVE ROUTES FOR YOUNG PEOPLE WHO WISH TO PURSUE A DIFFERENT PATH AT THIS AGE? HOW CAN GOVERNMENT ENCOURAGE PROVISION ACROSS A WIDER RANGE OF HIGH QUALITY PATHWAYS TO ADVANCED ACADEMIC, TECHNICAL AND VOCATIONAL QUALIFICATIONS?

Flexible provision has been a feature of higher education for many years – modern universities are among those that lead the way in offering choice to potential students. We should not ignore the fact that the growth in three-year degrees has been driven by demand from students. Student loans are available on

¹ <http://www.millionplus.ac.uk/policy/reports/forgotten-learners-building-a-system-that-works-for-mature-students>

equitable terms for study in FE at level 3 and HE or FE for level 4 and 5 standalone sub-degree qualifications. Student choice for higher level skills and the enriched experience of Bachelors level study has driven the growth in this provision compared to sub-degree provision. Higher and Degree Apprenticeships are an important new pathway in this respect, with modern universities leading their adoption. However, the narrowness of the current apprenticeship policy and the standards-based system is not encouraging the widespread take up of this pathway. MillionPlus calls for funds from the levy to be more broadly used to support work-related and employer-sponsored programmes, flexing the currently overly-restrictive rules. The government's ambitions for the policy will not be met unless this change is made.

Accelerated degrees have been promoted as an alternative. Though an important pathway to high level skills, the demand for accelerated degrees is likely to be limited for the foreseeable future. Intensive study limits opportunities for independent learning and reduces the time available for people to work to support themselves through study. Academic staff have other commitments to the university (knowledge exchange, scholarship, research) that mean they are not available for teaching 12 months of the year, and facilities such as labs and libraries incur high costs during periods of lower demand.

Rather than focusing mainly on 2-year degrees, the review should consider ways to make the whole system more flexible to enable students to choose the study mode that is right for them. It is also vital that students can pause and re-start study without penalty. For this to be effective, however, the funding system itself would need to also be flexible for both students and providers, and the indicators of success for institutions must be able to cope with this complexity.

THE MAJORITY OF UNIVERSITIES CHARGE THE MAXIMUM POSSIBLE FEES FOR MOST OF THEIR COURSES AND THREE-YEAR COURSES REMAIN THE NORM. HOW CAN GOVERNMENT CREATE A MORE DYNAMIC MARKET IN PRICE AND PROVISION BETWEEN UNIVERSITIES AND ACROSS THE POST-18 EDUCATION LANDSCAPE?

Since the reforms of 2012, the amount universities receive from the government in the form of the Teaching Grant has fallen from £3.6bn in 2011/12 to £652m in 2017/18. This substantial reduction in government funding means that, to invest in students and maintain and improve the quality of education and student services in HE, fee income has had to replace that investment. This does not represent a significant increase in the overall funding of higher education, but reflects holding investment roughly at the same levels as 2012. In fact, when inflation is taken into account, investment has not kept pace as fees were frozen for five years between 2012 and 2017 and will be frozen again in 2018/19. The government has introduced a market-based approach. The university environment means that fees of £9,000 plus are required. Alternative providers with different and lower cost environments e.g. where less infrastructure and support are needed provide differentiation in course offerings. This type of market-based system to enable different offers and providers is the way to approach further differentiation, rather than one based on imposed differential fees.

Contrary to media reports and popular opinion, the fee is not directly tied to an individual course of study. As such it may better be described as a 'university fee'.

Fee income is used to fund and support a wide-range of university functions and activities. These include access agreements (a statutory requirement for all universities charging fees in excess of the lower fee cap); academic, professional, technical and support staff costs directly associated with teaching activity; wider costs of administrative and corporate functions; recruitment and admissions activities; quality assurance; compliance with regulatory and data regimes required by professional and higher education sector bodies; course development and validation; student welfare such as mental health services; and support services including hardship funds and partnership work with employers, schools, colleges and other stakeholders.

When the 2012 system was introduced, some institutions did voluntarily charge lower fees. However, this devalued provision in the eyes of potential students. While it may be desirable to create a “more dynamic” market in price and provision at universities, there are limitations on this due to the complex network of public and private actors involved. It is not possible to create a market with a variable price signal when repayments for loans are income contingent.

It would be equally misguided to try and create a supposedly more dynamic market through the imposition of differential fees based on graduate earnings. The Institute of Fiscal Studies² finds that family background remains the major determinant of higher graduate earnings and career prospects even ten years after graduation. Such a policy would therefore run directly counter to the investment made in the pupil premium in schools and seriously harm the government’s ambitions to promote social mobility. Differential fees would reduce the unit of resource in universities, damaging the ability of future generations to study within higher education.

Any moves to impose differential fees based on course or subject of study (defined by graduate salaries or otherwise) could undermine key sectors of the economy by creating disincentives for more “expensive courses”. This could adversely affect any attempts to address the productivity and skills challenges facing the country harm the creation of a robust industrial strategy. Moreover, students from more disadvantaged backgrounds, who are shown to be more debt-averse than their more affluent peers, could be incentivised to study certain subjects over others, which would also impact negatively on social mobility.

A move to differential fees between providers or linking fees to graduate earnings would simply transfer resources to students from better-off backgrounds and to universities who happen to be based in wealthier regions of England. This has been described by a former universities minister as a ‘reverse’ pupil premium.³

The imposition of differential fees would take no account of the fact that earnings are lower in some sectors of the economy and that patterns of graduate employment differ. For example, graduates engaged in the UK’s world-leading creative industries often start by developing portfolio careers and / or engaging with micro or small businesses where earnings are initially lower. Earnings of graduates working in the not-for-profit and in public services are unlikely to match those that can be gained in other sectors, while earnings associated with courses attracting a majority of female students may be lower because of the gender pay gap. Differential fees would constitute an intervention in the market for which there is no evidence base.

WHAT BARRIERS DO CURRENT AND NEW EDUCATION AND TRAINING PROVIDERS FACE IN DEVELOPING INNOVATIVE OR DIVERSIFIED PROVISION?

Universities are looking at group structures to provide delivery through subsidiaries. These subsidiaries provide different environments and offers at different costs. One barrier is the complexity of the FE/HE interface and the level of administration often required in some areas of further education (include government oversight). A more positive approach to new structures is required to ensure that innovative, diverse provision that recognises provider specialisms, creates opportunities and enables progression for students.

²<https://www.ifs.org.uk/uploads/publications/wps/wp201606.pdf>

³ [A University Education, David Willetts, OUP, 2017](#)

HOW CAN GOVERNMENT FURTHER ENCOURAGE HIGH-QUALITY FURTHER EDUCATION AND HIGHER EDUCATION PROVISION THAT IS MORE FLEXIBLE: FOR EXAMPLE, PART-TIME, DISTANCE LEARNING AND COMMUTER STUDY OPTIONS?

A high fee regime for part-time students - without any moderation through some part-time teaching grant as exists in Wales – has potentially deterred tens of thousands of prospective students from studying, as this is often the only mode of study possible for those in work or with caring responsibilities.

To enable more flexible provision, the funding system must be more flexible. Maintenance grants should be introduced, and it should be possible for students to access tuition fee loans in a more flexible manner, rather than only by year of study. For example, a more modular approach (at a high enough credit load and intensity to encourage retention) could meet the needs of students who wish to study a traditional 3-year degree, those who wish to study part-time, and those who wish to study at a more accelerated pace.

TO WHAT EXTENT DO FUNDING ARRANGEMENTS FOR HIGHER EDUCATION AND FURTHER EDUCATION AND OTHER POST-18 EDUCATION AND TRAINING ACT AS INCENTIVES OR BARRIERS TO CHOICE OR PROVISION: BOTH AT THE INDIVIDUAL AND PROVIDER LEVEL? HOW DOES THIS IMPACT ON THE CHOICES MADE BY PROSPECTIVE STUDENTS AND LEARNERS? WHAT CAN GOVERNMENT DO TO IMPROVE INCENTIVES AND REDUCE BARRIERS?

There is choice of provision across further and higher education – modern universities in particular have long track records of offering diverse courses, developed in partnership with employers, available to be studied flexibly.

However, barriers are created by the funding arrangements, especially regarding support for living costs and other maintenance funding. The loan system makes it difficult for students to alter the pace of their study (e.g. switch from full-time to part-time) or withdraw for a period of time before returning to their course. Nursing applications have been significantly affected by the removal of bursaries to support students – who tend to be older learners, and from disadvantaged backgrounds. Application data for 2017 and 2018 show 10% declines in both years compared to previous years (2016 and 2017 respectively)

A more generous grants system to support maintenance, as well as greater flexibility in both funding and credit accumulation and transfer would reduce barriers for students, and as such increase incentives to take-up and continue study options.

WHAT PARTICULAR BARRIERS (INCLUDING FINANCIAL BARRIERS) DO PEOPLE FROM DISADVANTAGED BACKGROUNDS FACE IN PROGRESSING TO AND SUCCEEDING IN POST-18 EDUCATION AND TRAINING?

The review should consider not only the level of financial support that is available, but also the manner in which it is offered to students (loan/grant). The review should also explore the possibilities of a more nuanced approach to the calculation of maintenance loans/grants e.g. based not only on household income but also considering existing financial commitments and caring responsibilities.

The increase in participation amongst 18-year olds from disadvantaged backgrounds over recent years suggests that the raising of tuition fees to £9,000 has not acted as a barrier for young learners.

Widening access and increasing participation from disadvantaged communities has been an explicit part of the new system. In 2015/16, universities and colleges spent £725.2m on access measures under their access agreements. It is a fairly accurate approximation to suggest that around £1,000 from every tuition fee that a

student 'pays' goes towards widening access funds at the university. The lack of a student number cap has, in that regard, has a positive benefit on the numbers able to attend.

However, analysis of the socioeconomic background or ethnicity of students at university suggest there are still barriers to people from more disadvantaged backgrounds succeeding once they are at university. The attainment gap for BME students and weaker rates of retention of students from low participation backgrounds are just two indicators of how disadvantage continues on campus.

Many students who are the first in their family to go to university and those from underrepresented groups are unlikely to have the extensive support networks that their more advantaged peers can fall back on in times of need. There may also be a lack of awareness or understanding amongst students from disadvantaged backgrounds on how to access and utilise support frameworks at university.

Maintenance costs also act as more of a barrier for young students from disadvantaged backgrounds who cannot rely on help from friends or relatives when under financial pressure, which in turn may affect their ability to succeed. There is a negative correlation between working over 17 hours (professional paid work) and attainment at university.⁴

Mature students are more debt-averse than their younger counterparts. Policy in England has arguably underestimated this debt-aversion in recent years, and it is likely that the "ticket price" of £9,250 has influenced decisions made by mature learners in England to a much greater extent than younger learners. 60% of mature students identified finance or funding as a significant barrier to mature students entering higher education, and 49% said they had considered leaving university because of financial difficulties.⁵

HOW SHOULD STUDENTS AND LEARNERS FROM DISADVANTAGED BACKGROUNDS BEST RECEIVE MAINTENANCE SUPPORT, BOTH FROM GOVERNMENT AND FROM UNIVERSITIES AND COLLEGES?

The current government in Wales, in taking forward the Diamond Review, addressed this issue by implementing a policy combining university fees with much more generous support for student living costs and for mature students (than in England), with endorsement across the political spectrum and from the National Union of Students. The government should follow this approach by:

- restoring income-contingent maintenance grants for full-time students
- introducing income-contingent maintenance grants for part-time students when they become eligible for maintenance loans in 2018-19

The replacement of grants by loans has added to the debts of students from the poorest households. All fee and maintenance loans taken out by students since 2012 increase by RPI plus 3% while students are studying. As a result, these students enter the workforce with higher debts, pay more in interest and are less likely to pay-off their student loans in full, increasing the write-off by taxpayers.

The cost of reintroducing income-contingent maintenance grants on the same basis as those available up to 2015 has been estimated by London Economics to be £350m per cohort.⁶ Restoring income-contingent maintenance grants for full-time students and offering maintenance grants to part-time students on the same basis would support the government's ambitions to promote social mobility and equality. It would

⁴ <http://www.hepi.ac.uk/2018/01/08/5266/>

⁵ *Forgotten Learners: building a system that works for mature students*, MillionPlus, 2018

⁶ <https://londoneconomics.co.uk/blog/publication/costs-amending-student-support-arrangements-february-2018/>

reduce borrowing for maintenance loans, reduce student debt and would be a worthwhile, progressive and cost-effective investment for the Treasury and taxpayers.

WHAT CHALLENGES DO POST-18 EDUCATION AND TRAINING PROVIDERS FACE IN UNDERSTANDING AND RESPONDING TO THE SKILLS NEEDS OF THE ECONOMY: AT NATIONAL, REGIONAL AND LOCAL LEVELS? WHICH SKILLS, IN YOUR VIEW, ARE IN SHORTEST SUPPLY ACROSS THE ECONOMY? AND WHICH, IF ANY, ARE IN OVERSUPPLY?

The Local Government Association estimated that by 2024 the UK could lose £90 billion of economic output as a result of skills shortages.⁷ Certain areas of the economy have been identified facing particular shortage, namely the construction industry, engineering and digital skills.

Employers tend to highlight a serious shortage in specific skills from level 4 and above. But it is important to note that when this topic is investigated in some depth, it is often revealed that the real stark shortage from the employer's perspective is those people who have the relevant combination or blend of skills e.g. engineering AND communication skills or digital skills or data analytics in a given field. As the development of technology continues to rapidly transform society and the workplace, the skills required by different sectors of the economy will change. It is vital therefore, that citizens can re-skill or up-skill in a society that is subject to a rapidly changing jobs market.

There will of course be significant regional variations in skills shortages around the UK. Modern universities are institutions that are heavily embedded within regional networks and closely tied to the local economies that surround them. Many MillionPlus institutions were established as a response to local need first and foremost and modern universities provide a local offer to citizens who would not otherwise engage in higher education. The knowledge and expertise of modern universities in working with local SMEs and developing networks that are anchored in their local area should not be ignored. Modern universities must be a central part of any move to tackle regional skills shortages.

Regional differences with regards to skills needs also raises another serious risk in imposing differential fee caps. A recent IFS study acknowledged the impact of context and geography on graduate salaries and concluded that 'Given regional differences in average wages, some very locally focused institutions may struggle to produce graduates whose wages outpace English-wide earnings, which includes those living in London where full time earnings for males are around 50% higher than in some other regions, such as Northern Ireland'.⁸ Differential fees linked with graduate salaries would not only be unfair but would also remove investment from many universities in regions where economic growth has been lower than that in London and the South-East.

One particular policy worthy of consideration is to establish a system of tuition fee loan write-off for nursing and midwifery students in England (post-2016) after a minimum period of public service e.g. 5 years. This will help combat problems with both recruitment and retention in these professions.

HOW FAR DOES THE POST-18 EDUCATION SYSTEM DELIVER THE ADVANCED TECHNICAL SKILLS THE ECONOMY NEEDS? HOW CAN GOVERNMENT ENSURE THERE IS WORLD-CLASS PROVISION OF TECHNICAL EDUCATION ACROSS THE COUNTRY?

University courses, whether academic, vocational, technical or professional, prepare students for life beyond university by making them develop a set of transferable skills that can be applied to a wide range of different

⁷ https://www.local.gov.uk/sites/default/files/documents/5%2015%20Work%20Local_v05_web.pdf

⁸ <https://www.ifs.org.uk/uploads/publications/wps/wp201606.pdf>

professional environments (critical thinking, problem-solving, organisation of workload, quantitative and qualitative analysis, presentation skills etc.). It would be wrong to suggest that we now have too many people with such skills, and that the country or the economy is at a disadvantage because of this – quite the opposite. Having more graduates equipped with a robust set of skills will only strengthen the ability of the workforce to adapt to the needs of the 21st century jobs market.

HOW SHOULD STUDENTS AND GRADUATES CONTRIBUTE TO THE COST OF THEIR STUDIES, WHILE MAINTAINING THE LINK THAT THOSE WHO BENEFIT FROM POST-18 EDUCATION CONTRIBUTE TO ITS COSTS? WHAT REPRESENTS THE RIGHT BALANCE BETWEEN STUDENTS, GRADUATES, EMPLOYERS AND THE TAXPAYER?

A narrow definition of who benefits from higher education has become very prominent in recent debates on university education. Studies show that the whole of society stands to benefit from people going to university in a multitude of ways. Universities train thousands of future public servants with the skills they need to enter the workforce and help support the services that all society relies upon. Modern universities alone train 72% of nursing, 68% of social work and 74% of teaching undergraduate students in the UK.

Graduates earn more on average throughout their lifetime than non-graduates. Female graduates are estimated to earn around £250,000 more throughout the course of their careers, where as men stand to gain £170,000 more on average after going to university. This means that these higher earners are subject to much greater tax receipts and contribute effectively to public spending. Therefore, all citizens stand to gain indirectly from the increased earnings of graduates through an inflated public purse.

Society is enriched by having more people who have had the chance to develop themselves both personally and academically at university. Enabling people with the opportunity to broaden their horizons, network in new circles and challenge themselves creates not only more learned but also more engaged citizens. For example, studies have shown that people are more likely to enter into some form of civic engagement after having been to university.⁹

The right balance of contributions between students, graduates and the taxpayer is not best served by charging interest on student loans during a degree, or on charging interest rates above the government's own cost of borrowing. These practices only serve to undermine confidence in the system as it stands and should be altered.

WHAT ARE THE MOST EFFECTIVE WAYS FOR THE GOVERNMENT AND INSTITUTIONS TO COMMUNICATE WITH STUDENTS AND GRADUATES ON THE NATURE AND TERMS OF STUDENT SUPPORT?

The student loan system should be relaunched explicitly as a Graduate Contribution system in 2019. This brand should be used on all relevant websites in all online and paper communications with prospective students, students and graduates. All references to loans in this system should be described as 'university fees' rather than fees for 'tuition'.

WHAT ARE THE WAYS THAT GOVERNMENT CAN INCREASE THE VALUE FOR MONEY OF POST-18 EDUCATION?

⁹ [New Economics Foundation \(2011\) Degrees of value: how universities benefit society NEF, UUK & University Partnerships Programme, London](#)

A comparatively narrow 'value for money' debate focused on the direct cost of tuition for particular programmes and the fees charged is of limited use. This ignores the wider value to society and the economy of investing in higher education, which has been documented by the OECD and by a range of academic research. This includes the greater economic resilience of graduates in changing labour markets, the added value and contribution of graduates to employers and local communities and the fact that graduates themselves contribute to intergenerational aspirations and outcomes.

Any value for money assessment of higher education must take into account the social return on investment. Graduates who are likely to enter the public services are a key part of this, but we need to go further to prevent higher education being viewed as a commodity that is seen in purely transactional terms.

For more information on this, please contact Alan Palmer, Head of Policy and Research, on alanpalmer@millionplus.ac.uk

DRAFT