

ATL Response to The Future of Higher education Review

The Association of Teachers and Lecturers (ATL) - 'the education union' has 160,000 members across England, Northern Ireland, Scotland and Wales, including teachers, supply teachers, heads, lecturers, managers and support staff in maintained and independent sector schools, colleges and universities. ATL uses the experiences of their members to influence education policy, in all sectors, throughout the UK.

Response to Browne Report

1. Participation

Recommend a 10% Increase in the Number of Places

While ATL welcomes the recommendation for a 10% increase in the number of student places in higher education, it is not more than was planned for by previous government. Therefore we would argue for a greater increase if the government is to meet its aspirations to widen participation. Higher education has a vital role to play in addressing the UK's skills shortage, the very high unemployment rates currently experienced by the country's young people, and to aid the UK in its economic recovery from the financial crisis.

New Support for the Costs of Learning for Part Time Students

The proposal to provide new support for the costs of living for part time students by eliminating upfront costs is progressive. It will impact on a large proportion of students, as 40% of those studying at higher education institutions in England are enrolled on part time courses. We agree with the points put forward in the Browne Report 'that students may choose full time study even though part time study may better suit their circumstances'; and that 'the lack of support for part time study makes it much more difficult for this country to catch up with other countries on the skill levels of the existing workforce'. 'As economic growth relies more on people with high level skills, it is likely to be through part time rather than full time study that people already in the workforce will be able to retrain and prepare themselves for work in new industries'.

Proposed increase in the Support for Living Costs for Students from Low Income Backgrounds

ATL agrees that the current system of student support for living costs needs improving. As the Browne Report states: 'we have received evidence that the level of support for students from low income households in particular is insufficient and that students need to rely on part time work or family contributions to make ends meet'. Whilst we welcome the increase in the maximum grant available to £3,250, up from £2,906 for students who have a household income of £25,000, and a partial loan for those whose household income is £60,000 or less, we do not believe this is enough given the substantial increase in the cost of living since the economic downturn. Although this increase is above the rate of inflation, the cost of living, including food, basic materials and housing, have risen at a substantially higher rate. We do not, therefore, believe that these proposals will realise the Browne Report's aspiration that no person should be discouraged from 'studying in higher education because they cannot afford the costs of living while they are learning'.

The Browne Report states: 'Institutions will of course be free to offer financial aid on top of the support provided by Government. They may choose to do so in order to support

their ambitions for attracting students from a wide range of backgrounds; and ensuring that they stay on in study until they complete their degrees. On the basis of the evidence we have received, we would expect the most selective institutions in particular to offer generous bursaries to students from low income households'. We strongly believe that this crucial assistance provided to students from low income backgrounds by institutions in the form of bursaries should not be optional but compulsory.

We are concerned that the cost of living support will 'not be available to part time students'. The Brown Report argues that 'these students are able to combine study with work; and they have access to other Government benefits in a way that full time students do not'. As 40% of students in English HEIs study part time a very large proportion will be excluded from receiving cost of living support. In terms of students being able to support themselves through work, some employers have had to reduce the working hours for their employees due to the recession, have had to freeze or reduce wages, and the cost of living is increasing due to rising inflation. Welfare benefits are also being reduced or cut and in particular housing benefit, which will have a detrimental impact on part time student claimants.

We believe this combination of no support for living costs and benefit cuts for part time students will be a significant disincentive to students from lower socio-economic backgrounds and / or those who are studying to take the lower paid graduate jobs, such as teaching and nursing. For example, data from The Sutton Trust's *'Increasing University Income from Home and Overseas students: what Impact for Social Mobility?'* report shows that students from lower socio-economic groups more likely to apply / enrol for an education degree course than those from higher socio-economic groups: 26.7% of students from lower socio-economic groups compared to 17.4% from higher socio-economic groups. Only Computer Science attracts a higher proportion of students from lower socio-economic groups, at 27.6%. Education attracts the lowest proportion of students from the higher socio-economic groups.

Any disincentive could prove to be very detrimental and damaging to schools as they would find it increasingly difficult to recruit Newly Qualified Teachers (NQTs), especially for shortage subjects such as science and maths. Earlier this year the government announced that it would axe bursaries and golden hellos for trainee teachers in some subjects (including religious studies, music, PE, art, business studies, citizenship, history, dance and drama) worth £4,000-£6,000; universities reacted by saying they were 'very worried'. Between 2006 and 2009, the number of teacher trainees decreased by almost 9,000, after the government decided to close the scheme to pay off NQT's student loans to all new applicants in 2005, introduce top up fees in 2006 and reduce cash sums paid as 'golden hello' to NQTs teaching shortage subjects.

Another big drop off is now expected. For example, the government is not meeting its target to double the number of graduates training to be physics teachers (increased from 518 to 925). There are shortages of chemistry teacher trainees: the target 1,070 with 877 trainees in this academic year. In addition, research has shown that debt level for NQTs has been increasing. It was £4,800 in 2001, rising to £8,000 in 2005, and to £10,500 in 2007.

The decision to use increased fees to replace funds government has cut from the university teaching budget will create a much more direct link between the number of students choosing a course and how much money the university has to run it. We

believe this will severely reduce funding for teaching in some institutions; and if there are cuts to teacher training budgets, we would and anticipate a reduction in the number of places on these courses.

ATL is also concerned that with the policy direction of the government's proposals for the future of teacher training and the subsequent implications for teacher professionalism. We believe that the proposed weakening of the role of HEIs in initial teacher education in terms of an over-heavy emphasis on on-the-job craft-like training will de-professionalise teachers and stifle reflection and innovation in the profession. Trainee teachers are being asked to pay more to study for a career which is in effect being devalued.

2. Quality

Create genuine competition for students between institutions

ATL is extremely concerned about the proposal to create genuine competition for students between institutions, as we believe this will widen the gap between successful and less successful universities. We believe it is highly probable that only a handful of universities will be winners while the rest experience far more difficulties in recruiting students.

In March 2011, the NAO reported that ‘the number of universities at risk of going bust is likely to rise over the next few years’. It claims that currently 5% of ‘institutions are considered to be at a higher financial risk’ and a further ‘9% had run a deficit for at least three years’; and the rise in tuition fees, ‘cuts to higher education and an influx of companies providing degree courses would raise the risk of universities going bankrupt’. Consequently, students studying at failing / at risk universities would be in a very difficult position, as they would have to find an alternative institution while studying for their degree. The very likely outcome of this policy is a lessening of choice for students as the number of HEIs would be substantially reduced.

Given the current economic circumstances, combined with increase in tuition fees, students are much more likely to choose courses that would maximise their opportunities of gaining higher paid and secure graduate employment in order to pay off their debt, rather than courses that they have an interest / passion in pursuing. Consequently some degree courses, or those which have had their teaching budget completely arts, humanities and social sciences), may not survive; conversely universities may be under-prepared to cope with significantly increased demand for some degree courses. We believe the decision to allocate public resources to ‘priority’ STEM (science, technology, engineering and maths) subjects has not been properly assessed: research undertaken by Paul Whiteley, professor of politics at the University of Essex, concludes, that in general, there is no link between a successful economy and subjects studied at higher education level.

Therefore, ATL strongly believes competition for students between institutions is a very risky and irresponsible experiment, as ultimately it weakens stability and security for students, staff, HEIs and the British economy.

3. Sustainability

Seeking higher contributions from those that can afford to make them

ATL believes it is wrong to seek higher contributions from graduates earning higher wages, as it means that some graduates would have to pay more for their degrees than others; wide discrepancies in remuneration should be addressed through the fiscal system. The Browne Report states: 'students with higher earnings after graduation will pay a real interest rate on the outstanding balance for the costs of learning and living. The interest for graduates earning below the repayment threshold will pay no real interest rate; their loan balance will increase only in line with inflation. For those earning 'between £21,000 and £41,000 will be applied between RPI and RPI and 3% on a gradual scale depending on income; and for those earning above £41,000, interest will be applied at RPI + 3%. We believe this is unfair as higher earning graduates are being penalised twice.

We have serious questions about linking the interest rate to RPI: why is it linked to RPI when teachers' pensions and welfare benefits are linked to CPI? Student loan cost has fluctuated substantially over the past five years: it was at its highest rate in 2008/09 at 4.8%; and at its lowest in February 2009 at 1.5%. In addition, inflation has risen sharply since September 2009, and it is possible that it could rise further. Rising inflation would disproportionately affect those graduates earning lower or average wages in comparison to those on higher wages, as the latter group would be far more likely to have a higher disposable income with which they could absorb the increased cost.

Removing the blanket subsidy for all courses – without losing vital public investment in priority courses.

We believe this is a highly regressive move. While we accept that there are certain subjects that are important to the UK economy which need to attract increased participation, such as sciences, technology and "strategically important" languages, this should not be at the expense of subsidies for arts, humanities and social science subjects. Without funding it is highly likely that the quality of these courses will be severely diminished; consequently students may be discouraged from choosing them and universities may be reluctant to run them. We are extremely concerned at the future prospects for and survival of these courses within higher education: the ability to recruit teachers with these subjects as specialisms to meet future demand could be drastically reduced as a result.

Role and future of state funding in higher education

ATL is very supportive of the role that the state plays in both higher education and higher education funding. We have a keen interest in the future of higher education, funding and student finance, as we are concerned about how the proposed changes outlined in the Browne Report would impact upon the number of trainee teachers in the future. We believe that as higher education is an inherently public good, the public should remain heavily involved in its funding and governance. Prior to the Browne Report, our members strongly supported ATL's view that students in higher education should not have to make any further financial contributions to their degree courses; this remains their view. Therefore, we strongly disagree with the decision to increase tuition fees from students to make up for the severely reduced funding for the teaching from government.

We believe our argument to maintain a strong state role within higher education funding has been strengthened by some universities (including Cambridge, Oxford, Exeter and Imperial College London) to charge the full tuition fee of £9,000 per year. Charging the full tuition fee was only supposed to happen in 'exceptional circumstances' but current trends suggest this could be the norm. While it is encouraging that the government has recently announced that 'England's most prestigious universities will have to double the amount they spend on widening access to poorer students if they charge the maximum tuition fees, we are concerned that non-prestigious universities will not have to. Also of concern is the government's statement that 'universities will be free to choose how best to increase diversity, but they will be encouraged to pour money into outreach work in schools and colleges, rather than into bursaries and scholarships', but the Office for Fair Access claims 'these incentives have been found to have little effect'.

ATL also fears that the increase in tuition fees would reverse recent progress in widening participation, thereby further decreasing social mobility and increasing already high levels of socio-economic inequality. The *Trends in Young Participation in Higher education: Core Results for England* Report, published by the HEFCE in January 2010, shows that teenagers from poorest homes in England 50% are now more likely to go to university than 15 years ago (mid 1990's = 12.7%; 2010 = 19.2%). It claims this rise is due to the previous government both increasing funding for schools and widening access to degree courses. Even if proportion of these of students remains relatively high after them tuition fee increase, we anticipate that the quality of student's' work will be affected, as they are more likely to increase the amount of paid work undertaken to avoid increasing accumulation of debt.

The current situation in the UK labour market is a vital consideration in the context of higher fees when potential students are considering undertaking higher education study. As a result of the economic crisis, there has been an increase in unemployment and a decrease in the number of full-time employment vacancies; analysts remain unsure of whether or not the UK will recover and to what extent. The cost of living has risen steeply: VAT increased to 20% in January 2011 and inflation has risen sharply since September 2009; in addition, the trend of wage flexibility has been downwards.

Young people already face significant financial pressures as they currently suffer from disproportionately high levels of unemployment, a situation that has worsened during the economic downturn. The recession has substantially increased competition within the labour market which has resulted in graduates taking lower skilled, lower paid jobs. Given this context, ATL is very concerned that the increase in fees will discourage

potential students from entering higher education; and that younger graduates in particular will find it increasingly difficult to secure employment.

England's universities will be even more reliant on overseas students for funding as they pay higher fees; this contributed to a record drop in the number of British students accepted onto courses in 2010. In 2008-09, UK universities received a total of £2.2 billion from non-EEA students, a figure that makes up 8.7% of the sector's income. This source of funding is under threat however, as the government intends to reduce net immigration to fewer than 100,000 per year by the end of this parliament. University leaders have stated their objection to efforts to cut foreign student numbers. The chief executive of Universities UK, Nicola Dandridge, has called the proposals damaging and dangerous. Universities are also worried about the abolition of a post-study work visa scheme, which allows recent graduates to remain in the UK to work. A survey of London School of Economics students found that the post-study work scheme was a strong factor in encouraging international students to come to the UK rather than the US or Australia.

We are extremely concerned that a decreasing role for the state in higher education and its funding will mean that HEIs will be forced to look to alternative sources of income, such as businesses and foreign governments whose regulations and / or human rights considerations are considerably weaker than those in the UK. The recent case of the London School of Economics having close links to the Libyan regime and having accepted a £1.5 million donation from Libya will have significantly damaged the reputation of this prestigious institution, as well as the reputation of English higher education in general.