



Further higher better

**Submission to the government's
second Comprehensive Spending Review**

Summary document

July 2006

Foreword

Further and higher education have a vital role to play in the economy and society of the United Kingdom. The two sectors - and the growing links between them - along with adult and offender education have a central place in providing the skills required in the modern global economy, in creating new knowledge, in giving more people from all sections of society equality of opportunity to participate in education and improve their lives, and in enhancing social justice, inclusiveness and the values of civil society. Not least, further and higher education are vital in their own right as ways for people to understand the world they live in, and to explore new fields of knowledge for personal growth and development.

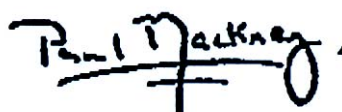
For these reasons, we believe passionately in the development of further and higher education and in expanding people's opportunity to participate in them. But this development and expansion needs to be adequately resourced if the UK is:

- to be able to support and care for the baby boomer generation
- to hold our own in world markets, as developing countries raise their game
- not just to keep pace with technological development and diffusion, but to lead in innovation
- to cope with the threats, dangers and uncertainties of international terrorism and global conflict
- to play its part in finding a solution to climate change and developing a sustainable way of life.

This report sets out the priorities the University and College Union has for further, higher, adult and offender education, and the policies we consider are essential for their development. We look forward to working with fellow stakeholders in the education community to making that community more successful, effective and inclusive.



Sally Hunt
Joint General Secretary



Paul Mackney
Joint General Secretary

University and College Union

About the University and College Union

UCU, the University and College Union, is the main trade union in the UK representing teaching staff in further education and academic and academic-related staff in higher education. UCU was established on 1 June 2006 following the merger of the Association of University Teachers and NATFHE. UCU represents further and higher education lecturers, managers, researchers and many academic-related staff such as librarians, administrators and computing professionals across the UK.

UCU is the world's largest union for post-school academic and academic-related staff, with 120,000 members.

This submission by UCU reviews public expenditure on further and higher education in the UK since 1997-8, and highlights areas where investment is needed in the sectors over the next decade.

Education

Gordon Brown, Chancellor of the Exchequer, 2006 Budget speech:

'... investing in education comes first.'

'... to meet and master the global challenge, the most important investment in our economy and in our future and the most pivotal and important reforms we can make will be in the education of our children and young people.'

Further education

Significance of FE

Alan Johnson, Secretary of State for Education and Skills, speech to QIA conference in Birmingham on 7 June 2006:

'I am passionate in my belief that FE should stand at the pinnacle of our education system: matching shifting economic challenges with reducing social inequalities; identifying, fulfilling, and then exceeding our aspirations; helping all of us to progress from what we are perceived to be, to what we want to be...The truth is that 600,000 FE teachers and trainers carry out invaluable work, putting 6 million people through 10 million courses every year. This work is broad in scope, diverse in style and deep in impact - as well as very personal for these students, who look to FE to complete, and in some cases provide, their education...This is fundamentally uplifting - giving individuals fresh chances, society greater knowledge, our economy increased capacity. And it's of huge importance to our country, as we encounter profound social, economic and technological change.'

Purpose of FE colleges

Sir Andrew Foster, in *Realising the Potential*:

*'To achieve the positive vision set out in this report, the FE college of the future must be absolutely clear about its primary purpose: to improve employability and skills in its local area contributing to economic growth and social inclusion.'*¹

Next step for FE

Tony Blair, Prime Minister:

*'... in education the really big issue for the future will be about, not just about how you improve education at school but how you improve adult skills, further education, where I think there are real issues to do with reform and change'*²

Gordon Brown, Chancellor of the Exchequer:

*'Education should no longer be from five to 16 but on offer from three to 18, every teenager should have the right to further education, and every adult the guarantee of training in basic skills.'*³

Higher education

Significance of HE

Tony Blair:

*Higher education is 'an increasingly important driver of prosperity for individuals and the country at large.'*⁴

The future of higher education white paper, 2003:

*'The skills, creativity, and research developed through higher education are a major factor in our success in creating jobs and in our prosperity. Universities and colleges play a vital role in expanding opportunity and promoting social justice. The benefits of higher education for individuals are far-reaching.'*⁵

Challenges for HE

Gordon Brown:

*'With China and India turning out not just 4 million graduates a year to Britain's 400,000, but also more computer scientists, more engineers, and more technicians, we can no longer afford to write off the talent or waste the potential of any young person.'*⁶

On global economic change and competition: *'Nothing in the next years is more important than preparing and equipping our nation for meeting and mastering these global challenges ahead.'*⁷

CSR themes

The aim of the government's second Comprehensive Spending Review, which will report in 2007, is to review public spending in the past decade, and help inform spending priorities for the next decade.

The second CSR will be looking at five themes:

1. a rapid increase in the old age dependency ratio as the 'baby boom' generation reaches retirement age

UCU comment Further education particularly has a key role to play in maintaining and enhancing the well-being of this generation as it reaches retirement age. Participation in education brings enrichment, promotes health and provides an important source of social contact. It is vital that adult education is adequately resourced and enhanced over the next decade.

Higher education has a significant contribution to make in terms of research and education relating to the health and needs of an ageing population.

A high proportion of teaching and related staff in further and higher education are part of the baby boom generation. As they approach retirement over the next decade, new staff need to be attracted into careers in both sectors. Pay and conditions need to be sufficient to recruit and retain staff. But there are recruitment and retention difficulties in a variety of subjects and skills areas. Action needs to be taken to ensure healthy regeneration of staffing over the next decade.

2. the intensification of cross-border economic competition as the balance of international economic activity shifts toward rapidly growing emerging markets such as China and India

UCU comment Further and higher education have a key role to play in developing the skills and knowledge needed in the UK to meet the challenge of intensified global economic competition. To aid this, learner and student numbers need to be maintained and increased over the next decade. We emphasise that the international contribution of education should be seen in wider terms of stimulating international co-operation and development, and the importance of education in promoting the values of civil society.

3. an acceleration in the pace of innovation and technological diffusion and a continued increase in the knowledge-intensity of goods and services

UCU comment It is vital that teaching infrastructure in further and higher education receives adequate investment. FE colleges and HE institutions must have access to up-to-date equipment and ICT to give learners and students the confidence they need when entering the labour market and when in need of new skills during their working lives. A key element in the UK being able to innovate and keep up with technological change is the production of new knowledge in higher education institutions. But the continued concentration of research funding will undermine this. The opportunity to carry out research needs to be available in institutions without a long research tradition, as well as the small number of HE institutions that currently attract the lion's share of recurrent funding for research.

4. continued global uncertainty with ongoing threats of international terrorism and global conflict

UCU comment The past twelve months have seen an increase in threats and acts of terrorism, and in global conflict. This has highlighted the significance of the roles that further and higher education play in this uncertain and insecure situation, through providing education that encourages tolerance and democratic engagement rather than violence as a way of resolving political differences. At the heart of this lies respect for academic freedom. Further and higher education have much to contribute in rebuilding societies torn apart by conflict, and we urge the government to consider how greater use can be made of our sectors to this end, both within the UK and internationally.

5. increasing pressures on our natural resources and global climate from rapid economic and population growth in the developing world and sustained demand for fossil fuels in advanced economies.

UCU comment Climate change is here, and is probably already having grave consequences for our planet. Research carried out in higher education in the UK has played a significant role in analysing global climate change and in alerting our government and the public in general to the dangers of pollution and unsustainable development. Research funding allocations need to be sufficient and as widespread as possible to encourage the study of climate change and ways of tackling this problem.

As major consumers of energy and raw materials, further and higher education institutions in the UK and their staff have a responsibility to adopt policies and practices that are environmentally sustainable. While some progress has been made in this area, a lot more could be done in terms of gathering information on and adopting best practice. In addition, further and higher education institutions are well-placed to encourage the millions of learners and students in both sectors to adopt environmentally-friendly lifestyles. We **recommend** the use of public funding to support initiatives designed to promote good environmental practice in further and higher education.

Summary and recommendations

1 Introduction

Facts *There are more than 1m full-time and more than 3.5m part-time learners in further education in the UK. There are more than 2m full-time and part-time students in UK higher education.*

Further, adult and offender education make a significant and growing contribution to the economy through skills education, providing a second chance at education, and promoting social inclusion.

Further education has a key role to play in social justice and inclusion, giving disadvantaged people another opportunity for education. As the Chancellor, Gordon Brown, said in his 2006 Budget speech, the sector provides, for those who have missed out on their first chance in education, 'a second chance to make the best of themselves'.

The quality of provision and research by higher education institutions in the UK is well documented. The new knowledge generated over the past century and more in UK universities has literally changed the world we live in. The contribution of universities to the economy of the UK is also well-documented. And universities are playing an increasing role in providing equality of opportunity for people from all parts of society to develop their knowledge and skills.

We **recommend** significant investment to provide the resources for likely expansion and specialisation by colleges, for adequate up-to-date learning facilities and infrastructure in further and higher education, for the enhancement of quality and for adequate continuing professional development for the staff who will be providing further and higher education.

Issues *There are significant challenges facing both sectors. Skills levels remain low in a number of areas, and do not compare well with international competitors. Access to further and higher education needs to be increased, and there needs to be wider participation by learners and students from disadvantaged backgrounds. Quality needs to be maintained and enhanced. Infrastructure for learning, teaching and research needs to be continually updated. Staff need adequate levels of pay, and adequate provision for continued professional development.*

2 Public spending on further education

Facts *For the period from 2004-5 to 2007-8, there is a strong contrast between further education funding in England and in Scotland. Funding for the LSC (excluding Sixth Form Funding) will rise during that period by only 9.5%, while funding in Scotland is set to grow by 30.6%.*

The pattern of funding for further education in England since 1997 has been one of real terms increases in some years coupled with very little growth at all in others. We **recommend** that the government works towards a steadier model of funding for the sector.

We welcome the increase in public spending on FE as a proportion of GDP. But we **recommend** that the level of central government expenditure on FE rises towards 1% of GDP over the coming decade if the sector is to deliver the skills programme the UK needs.

We welcome the Secretary of State's intention to reduce the schools-FE funding gap in England. But we **recommend** that the goal should be to get rid of the schools-FE funding gap in England, rather than just reduce it.

We welcome the announcement in the 2006 Budget of the resources to make further education free for a first level 3 qualification to the age of 25, along with adult learning grants to help with costs of living. These decisions are vital steps towards developing the skills of young people and improving the inclusiveness of the education system.

If education and training for young people and adults is, as many claim, the key to economic regeneration in a globalised economy, public expenditure on education and training must be seen as a necessary investment.

We **recommend** that an investigation takes place into the resource and capital needs of further education in the UK over the next 10 years to determine the level at which expenditure will need to rise. The investigation should provide funding models that reflect current levels of provision, the level of provision implicit in current government targets, and the more ambitious targets which are likely to emerge from the review of future skills needs by Lord Leitch.

Issues *We are concerned that targeting young learners may mean excluding other categories of learner. We recommend that new funding arrangements following the 2006 White Paper in England are carefully monitored, so that disadvantaged adult learners are not penalised.*

3 Public spending on higher education in England

***Facts** Excluding fee payments by students, public spending (recurrent & capital grant and public fee contributions) on higher education in England has remained steady as a proportion of GDP over the period from 1997-8 to 2007-8.*

Since 1997-8, the level of recurrent public spending on higher education grant and fees in England has risen little above inflation, and remained fairly constant as a proportion of GDP. In terms of recurrent public spending on teaching per student (excluding student contributions to tuition fees), the unit of teaching resource has remained steady in real terms since 1997-8.

Only the introduction in 1998 of flat rate fees payable by undergraduates, and then variable top-up fees in 2006, has enabled expenditure on higher education to grow significantly, and the unit of resource to rise in real terms. Our policy has consistently been that undergraduates should not have to pay for higher education.

If UK public expenditure on higher education as a proportion of GDP increased to the OECD country mean, at 1.1% of GDP, it is unlikely that undergraduate fee contributions would be necessary. We **recommend** that the government takes steps to increase UK public spending on higher education to the level of the OECD country mean.

***Issues** Over the next decade, it is of paramount importance that government contributions to tuition fees are increased in real terms, and not cut in proportion to income from variable top-up fees. The unit of teaching resource per student must be increased in real terms if quality of educational experience is to be enhanced.*

4 Public spending on higher education in Wales

***Facts** Despite the additional income from student fee contributions, the unit of resource per student in Wales fell in real terms in the period 1997-8 to 2004-5.*

We welcome the increases in recurrent grants for teaching and research, and capital items, in higher education in Wales over the period 1997-8 to 2007-8.

However, over the period to 2004-5, total fee payments in Wales reduced from £65m a year to £63m in cash terms, despite the introduction in 1998-9 of private fee contributions by full-time undergraduates. And if private fee contributions are taken out of the equation, then recurrent government funding from grant and fees for higher education in Wales in 1997-8 to 2004-5 increased by only 3% above inflation.

Issues We hope that the extra recurrent funding announced to 2007-8, and the introduction of variable top-up fees in 2007-8, will see real terms rises in the unit of resource per student in Wales in the decade from 2008.

5 Public spending on higher education in Scotland

Facts Higher education recurrent and capital grants, and public tuition funding, have risen in Scotland between 1997-8 and 2007-8 as a proportion of UK GDP, from 0.08% to 0.09%.

The real terms increases in public spending on higher education in Scotland over the past decade have been impressive. This has been achieved without students having to pay tuition fees - apart from the single graduate contribution, and the two years for which Scottish undergraduates paid upfront tuition fees.

Issues We strongly urge other countries in the UK to look to the distinctive approach to higher education in Scotland, particularly Scottish funding priorities, and enabling students from all backgrounds to study without the top-up fee-related levels of debt elsewhere in the UK.

6 Public spending on higher education in Northern Ireland

Facts Between 2005-6 and 2008-9, total grant and fees - including top-up fees - are estimated to rise by 27%.

In Northern Ireland, total grant and fees - including top-up fees from 2006 - are estimated to increase by 9.6% in 2006-7, by 9.0% in 2007-8 and by 8.3% in 2008-9.

Issues The lack of publicly available data on spending plans for higher education in Northern Ireland make it difficult to comment on this area.

7 Public spending on higher education in the UK

Facts Between 1997-8 and 2007-8 public expenditure - recurrent and capital - on higher education in the UK grew from £4,737m to £9,550m, a cash increase of 102% and a real terms increase of 59%.

We welcome the sustained increases in public spending on higher education in the UK above the rate of inflation since 1999. We welcome the reinstatement of maintenance

awards for students. To offset the growing debt burden faced by students since the introduction of upfront and variable tuition fees for full-time undergraduates, we **recommend** higher levels of support for undergraduate students.

We are concerned that spending on higher education and student support as a proportion of UK GDP has still not returned to its 1997-8 level. We **recommend** that the government over the next decade increases public spending on higher education to the level of the average in OECD countries.

We **recommend** that the governments of the UK consider greater support for part-time students in higher education. While some part-time students are funded by their employers, significant numbers are not. A failure to increase the funding available for part-time students will lead to a differential and inequitable impact on different parts of the sector.

***Issues** Although spending on higher education and student support in the UK has risen in real terms from 2004-5, this spending is still below the proportion of GDP spent on higher education and student support in 1997-8.*

8 International comparison of higher education spending as % of GDP

***Facts** In 2002, public spending on higher education in the UK was 0.8% of GDP, compared with the OECD country mean of 1.1%.*

In 2006 the Chancellor said: 'What is clear to me is that spending in the order of 1.1 per cent [of GDP] on higher education, given the significance that we attach to universities and university research for the future of our economy as a whole, is not a figure that can stay at that level.'⁸

We **recommend** that the government monitors international comparators with a view to increasing public spending on institutions to the level of the OECD country mean.

***Issues** We are concerned that UK public expenditure on higher education institutions as a proportion of GDP is consistently below key competitor nations and the OECD average.*

9 Research and development

***Facts** The most dramatic increase in public spending relating, in part at least, to higher education, has been in the government's science budget, which has risen from £1.3 billion to £3.5 billion since 1997, an increase of 159% in cash terms.*

We welcome the increased level of spending in the science budget, and the government's strategy for science set out in Science and innovation investment framework 2004-14, particularly increasing the level of investment in research and development from around 1.9% of GDP in total to 2.5%.

But we cannot afford to stand still. It is clear from the data in this section that a major weakness in UK expenditure on research and development relates to the relatively small proportion of R&D spending by industry. More will need to be done to stimulate business R&D, to promote knowledge transfer and to ensure an adequate supply of trained school, college and university leavers to ensure economic survival and success. We **recommend** an investigation to determine the impact on the UK economy of the current high levels of R&D spending coming from abroad, and the low levels of business R&D spending.

We welcome the government's commitment to supporting the stipend of PhD students in science, but **recommend** that the government considers increasing the stipend at above the rate of inflation if more home domiciled PhD students in veterinary science, chemistry, physics and mathematics, in particular, are to be attracted into the academic profession.

***Issues** A major weakness in UK expenditure on research and development relates to the relatively small proportion of R&D spending by industry.*

10 Recurrent funding for teaching in higher education

***Facts** Widening participation cost institutions an additional 31% of the base price per student, as opposed to the funding allocation of 18%.*

There is a consensus that teaching in higher education is currently under-funded. We **recommend** that:

- income generated by student contribution is additional and is not used to replace public funds
- the costs of offering financial support to poorer students are shared by the sector as a whole, via the introduction of a national bursary system
- funding is made available to safeguard and enhance teaching capacity and quality on an equitable basis at institutions across the sector
- the additional costs of widening participation in relation to student retention and student success are met through additional funding
- additional funding must be directed towards improving the student experience, and supporting staff.

Issues *The mechanism for improving the funding of teaching in higher education (with the exception of Scotland) is to be additional variable fee income, from 2006. Not only does this raise acute concerns about whether public funding will be reduced once variable fee income is on-stream, it also raises the issue of inequity of funding for teaching when the true range of net income to institutions is known.*

11 Recurrent funding for research in higher education

Facts *Between 1997-8 and 2006-7, there was an increase of 91% in recurrent research funding for higher education institutions in England, 57% in Wales and 115% in Scotland.*

There have been striking increases in public spending on recurrent funding for research (see above). The great majority of recurrent funding for research in UK higher education is allocated on the basis of departments' results in the Research Assessment Exercise (RAE).

We welcome the introduction of funding streams additional to quality-related funding which are intended to stimulate research potential, but we believe that research funding is already too concentrated and any additional selectivity risks undermining the intellectual culture across the national university system as research becomes unduly concentrated in very few institutions.

Research concentration will fail to sustain world-class research because it risks killing off the sources of academic creativity in departments rated 4 and below in the Research Assessment Exercise. This situation is putting much valuable research at risk, and undermining the government's policies of enhancing regional research collaboration between universities, and of developing links between universities and the businesses in their regions.

We **recommend** the restoration of real terms funding increases to 4-rated departments in England - particularly to maintain regional research capacity - and for increased support for research funding in Northern Ireland.

We welcome the government's drive towards full economic costing of research carried out in UK higher education.

We note the proposals in the 2006 Budget for a mainly metrics-based system for assessing research quality to replace the RAE either before or after 2008. At the time of writing the timing of this proposal had been changed to after 2008. We will be commenting on this proposal following consultation with members of UCU.

***Issues** Between 1997-8 and 2005-6 the allocation of recurrent funding for research became more concentrated in the hands of a small number of universities.*

12 Teaching infrastructure

***Facts** In the 2006 Budget, the Chancellor pledged £500m of capital investment in further education by 2008. Between 2002-3 and 2007-8 approximately £1.5bn will have been spent on higher education teaching infrastructure in Britain.*

We **recommend** that the government and the relevant funding bodies undertake research in further education, along the lines recently carried out in the higher education sector, into the current state of teaching infrastructure, and the expenditure needed to upgrade facilities. We welcome the additional funding recently announced for England, but strongly suspect that it will not be nearly sufficient to equip FE colleges to do their work successfully over the next decade.

We are concerned at the shortfall in spending on teaching infrastructure in higher education. We **recommend** that the government works with the higher education sector to address the problem of teaching infrastructure underspending with additional expenditure over the decade from 2008. If additional funding is not made available, then the sector will be hampered by poor quality buildings, inadequate IT resources and the inability to equip students with the key skills they need because of outdated equipment.

***Issues** There is an estimated shortfall of approximately £3.5 billion in funding needed for teaching infrastructure investment in UK higher education since 2002.*

13 Research infrastructure

***Facts** Analysis of expenditure on science research infrastructure expenditure since 2002 by the Office of Science and Technology (now the Office of Science and Innovation) and the higher education funding bodies shows around £2.8bn in public spending on this area.*

We welcome the major steps which have been taken over the past decade to invest in research infrastructure in UK higher education. We **recommend** that the government works with the sector to meet the outstanding needs for investment in research infrastructure.

Without this additional expenditure, UK higher education institutions will be trying to maintain a world-class research base with buildings which are unfit for purpose, with

growing health and safety risks due to ageing structures and equipment, and with poor facilities which will not attract the top researchers the sector badly needs.

***Issues** There is an approximate shortfall of £1.1bn on the amount of research infrastructure investment needed.*

14 Business and community outreach and knowledge exchange

***Facts** University income from consultancy in 2002-3 was up by 38% from 2001-2. The number of higher education staff reported whose main role is working with business and the wider community in 2002-3 was 4,134 full-time equivalents - a 125% increase on 2001-2.*

In further education, there has been an increasing focus on colleges' engagement with employers. Given that a high percentage of employers using colleges are satisfied with what colleges are providing, there are even higher percentages of employers not using colleges nor knowing very much about them.

In the past 15 years there has been a marked increase in the level and scope of interaction between higher education and business in the UK. These activities have come to be seen as a third strand in the missions of higher education institutions, in addition to teaching and research, and have become a significant element in the activities of universities and their staff.

We consider it is of great importance that higher education institutions are allowed flexibility and autonomy in how they interact with business and the community; that social engagement is considered as valid as economic engagement; and that institutions guard against commercialisation of knowledge restricting academic freedom. We welcome the opportunity for increasing numbers of UK academic staff to develop entrepreneurial skills and commercialise the research and scholarship they are engaged in. But universities need to pay closer attention to the ethical dimension of commercial funding.

We welcome the contribution of sectoral guidance, 'Ethics matters: managing ethical issues in higher education', published in 2005, to this and other issues. We **recommend** that higher education institutions use the 'Ethics matters' guidance in developing their own comprehensive policies.

Provided additional funding for third stream activities is 'new' money, and not top-sliced from recurrent funding for teaching and research, we welcome the government's response to the Lambert Review, and look to the government to meet the Lambert recommendation

during the period of the 2007 Spending Review. We also welcome providing the majority of third stream funding on a formula basis.

***Issues** Institutions need to guard against commercialisation of knowledge restricting academic freedom, and to pay closer attention to the ethical dimension of commercial funding.*

15 The further and higher education interface

***Facts** In 2004-5 in the UK there were more than 130,000 students at further education level who were studying in a higher education institution. In England alone, in 2003-4, there were more than 60,000 students at a higher education level who were studying in a further education college.*

There are some significant areas of overlap between further and higher education (see above). We consider that higher education, of an appropriate level, adequately resourced and rigorously evaluated, should be recognised as part of the work of further education colleges. In particular, we recognise the crucial role further education colleges have in widening participation in higher education.

We **recommend** that government departments, funding bodies and other relevant organisations to work together so that policies for funding and quality assurance enable further and higher education institutions to collaborate effectively and efficiently.

We note the recent merger of further and higher education funding bodies in Scotland. We **recommend** that the impact of the merger is evaluated after the first 12 months of operation of the Scottish Funding Council.

We support the recommendation in the Foster Review that FE colleges, working collaboratively with higher education institutions, should improve learner pathways to higher education to facilitate progression.

Our aspiration for further and higher education, and the growing links between the two sectors, is that every effort should be made to facilitate the progress of students through the education system.

***Issues** It is imperative that the provision of higher education in a further education setting is adequately resourced and rigorously evaluated.*

16 Adult and community learning

Facts *While the total number of students aged 16-18 in full-time equivalents (FTE) in England is forecast to rise by 9.2% between 2004-5 and 2007-8, the total FTE for adults is forecast to fall by 4.8% over the same period.*

One of the key themes of the government's 2007 Comprehensive Spending Review is the increase in the population reaching retirement age: adult education has a key role to play in contributing to the well-being of the 'baby boom' generation.

We support the recommendation of the Foster Review for a single document that brings together a learning model spanning schools, FE and HE, setting out what the public purse will support in full, what the public purse will subsidise and what the Government considers individuals and employers might pay for in full.

We **recommend** a commitment by the government to a national entitlement to adult learning in every community, including courses for those with poor basic skills.

We **recommend** an investigation into adult learning and its relationship to skills generation, and meeting the government's goals. There might also be a fruitful investigation of whether the limits of voluntarism, or even post-voluntarism, in skills generation have been reached.

Issues *We are concerned at the planned reduction in funded places on courses that do not lead to national qualifications, and the reduction in funding for FE for people aged over 19. We consider that these are retrograde steps.*

17 Skills

Facts *In 2020 at least 4 million adults will still not have literacy skills expected of an 11 year old, and at least 12 million will be without numeracy skills at this level.*

There is a long tail of skills underachievement in the UK. Despite the recent efforts to reduce the number of adults without basic skills in literacy and numeracy, there is still a huge shortfall in the level of skills needed in the population (see above), according to the Leitch Review of skills. We believe that if education and training continue on their current course, the UK's future requirement of skills will not be met.

Positive attitudes towards training could be encouraged and facilitated by government taking a more interventionist role in relation to stimulating demand for training. We **recommend** moving from the voluntarist approach to skills training and introducing some

underpinning legislation, and introducing further incentives such as fiscal measures to reward and encourage to employers who do invest in training.

It is necessary and possible to stimulate demand from employers for skills improvements for their own workforce, and also for others not directly employed by them, to improve productivity and the chance of economic survival and prosperity.

***Issues** We believe that the major skill deficiencies of this country to be and will remain largely at level 3.*

18 Prison/offender education

***Facts** From August 2006 the Learning and Skills Council will assume responsibility for the funding in England of offender education in and out of prisons.*

Learning for offenders both in custody and outside prisons has gained recognition and been developed in major ways since 1997. There has been a great increase recently in the number of learning programmes directed at offenders in the community and ex-offenders seeking to continue their participation in learning on release from prison.

UCU fully supports the policies set out in the 2005 Green Paper, Reducing Re-Offending through Skills and Employment. However for them to be realised there will need to be a considerable expansion in the resources for prison/offender education.

Because part-time lecturers are usually only paid for their teaching time, they often have to spend a good deal of their own time passing through the necessary security checks, which can take up to two hours.

The recent policy of contracting education leads to fragmentation of service and increased bureaucracy, all of which diverts resources from actual teaching and learning.

We **recommend** that the equipment in prison education facilities and training workshops is modern and to industry standards. We **recommend** that if the Offenders' Learning Campus is going to be made a reality over the next ten years, then plant and equipment must be of the highest possible standard.

It is essential that a wide and varied curriculum is on offer to offenders. It is especially important to get information, advice and guidance for prisoners correct just before they are released from custody, so there is as little a break as possible in learning in and out of prison.

Continuing professional development for those working in offender education must be funded properly with sufficient paid time off to study.

Issues *Prison education staff face a retirement time bomb over the next decade. It will be very difficult to recruit new prison education staff on the current low salaries. There will need to be a long-term strategy around prison education reward systems.*

19 Demographics

Facts *The number of people aged 15-29 in the UK in the period 2004-8 will continue rising, and then fall by about 2% in the decade following 2008, with much sharper falls at the younger end of the spectrum.*

The number of young people in the UK is set to fall in the decade following 2008 (see above). Given the importance of further and higher education to the development of the skills and knowledge needed by young people, we **recommend** that the government maintains the numbers of students in both sectors in the decade from 2008.

We consider it would be a mistake simply to maintain the percentage of young people in further and higher education. Maintaining the proportion of those participating in further and higher education would imply a cut in the numbers of learners and students. This would be a retrograde step at a time when the sort of skills and knowledge being learned in further and higher education will be more - not less - important to the economy and society.

As the government's 2005 14-19 Education and Skills white paper said: 'Numbers staying on post-16 have improved but are still too low far down the international league table.' Following on from this came the target of increasing participation at age 17 from 75% to 90% over the next 10 years, and the Chancellor's goal of extending universal education and training to the age of 18.

Issues *To achieve the government's post-16 participation targets will require significant additional investment over the next decade.*

20 Learners and students

Facts *In England, full-time learner numbers in further education have dipped since 1998-9, but have grown elsewhere in the UK. Total UK student numbers in higher education between 1997-98 and 2004-5 rose by 27%.*

It is a matter of concern that full-time equivalent further education learner numbers in England have fallen consistently since 1998-9. We **recommend** that the government maintains and increases levels of participation in further education. This will be necessary given the Chancellor's goal of providing universal education or training for young people to the age of 18.

In higher education, the government initially set a target that 50% of people aged 18-30 should participate by 2010. That target has now been changed to 'working towards' 50% participation.

***Issues** We support the continued expansion of UK higher education, but we are concerned that expansion should be adequately resourced.*

21 Widening participation

***Facts** Since 1997, public spending in England on supporting widening participation in higher education has grown from £22 million to £410 million in 2006-7 - a total spend of more than £2bn over the decade.*

FE colleges attract a higher proportion of disadvantaged learners than the local population average. It is crucial that FECs are adequately resourced to undertake this mission, one which will continue and grow, given the likely demand for education and skills over the next decade. Staffing levels need to reflect the extra demands which involvement in widening participation bring with them. It is essential that higher education be of good quality and similarly resourced wherever it is delivered.

We strongly support the government's policy of widening participation in higher education. But despite prioritising this in recent years, there has been little impact on admissions to higher education. There is a gulf in class participation in higher education between those from the higher and lower social classes. We are aware that widening participation closely depends for success on long-term improvement in pupil achievement in schools and further education. We **recommend** that the government over the next decade effects a deep-rooted improvement in educational attainment, to enable higher education institutions become places which more closely reflect the make-up of the UK population.

***Issues** Despite a rapid increase in spending on widening participation over the past decade, there is little to show for it in UK higher education in terms of changes in participation rates.*

22 Tuition fees

Facts Higher education students (outside Scotland) are predicted to have debts of around £15,000 when they graduate.

Our policy is that fees for learning programmes in further and adult education should be set at such a level as to not act as a barrier to participation to any learner. We believe that employers should pay more for training in further and adult education. We are particularly worried about issues around equality. Some groups of adults who are seeking qualifications to overcome disadvantage in the labour market will fall outside the priority groups, and so have to pay the increased fees. Similarly there are members of black and minority ethnic communities facing discrimination in the labour market who require higher qualifications to find any kind of employment.

The announcement in the 2006 Budget that tuition in further education will be free of charge for 19-25 year-olds for a first full level 3 qualification marks a major step towards improving the skills of young people and making our education system more inclusive.

In higher education, our policy has consistently been to oppose tuition fees for full-time undergraduates, and to argue the case for sufficient funding to be made available from general taxation, and contributions by employers. Although means-tested measures to financially support students are being put in place, we are concerned that the levels of debt students are predicted to have when they graduate, of around £15,000, will be a serious disincentive to participation in higher education, particularly for those students from disadvantaged socio-economic groups. We urge the government to consider additional financial support for undergraduates.

Although variable top-up fees are now being introduced in England, Wales and Northern Ireland, we are committed to campaigning alongside the National Union of Students against any increase in top-up fees beyond the current £3,000 cap.

Issues In higher education we are concerned that the levels of debt students are predicted to have when they graduate, of around £15,000, will be a serious disincentive to participation. We are also concerned that variable fees may increase beyond the current £3,000 cap from 2010.

23 Learner and student support

Facts In further education, free training for young people is being extended to a first level 3 qualification up to the age of 25. In higher education, maximum financial support for part-time students in England, studying at 50% intensity of a full-time course, will rise

from £590 to £750 a year, and maximum support for students studying at 75% intensity will rise from £885 to £1,125 year.

We welcome the announcement in the 2006 Budget of the right to free learning to the age of 25 and to a first full level 3 qualification, backed by adult learning grants to help with costs of living.

There are two main ways that resources could be extended for adults in further education:

- extending the entitlement to learning programmes, by extending the age for any level 3 entitlement from 25 to 30, and/or by extending the entitlement where there are regional/sectoral skills gaps at level 3 and above
- introduction of income-related loans to cover fees, as in higher education.

The change in FE fees for adults, especially for higher level courses, means there will need to be close links to fees reform and forms of learner support. They have to be mutually reinforcing, so learner support is effective and targeted to help facilitate access to those most in need.

Over the medium term, learner support will need to be better focused on discretionary funding, especially that supporting Skills Strategy priorities. It will need to be geared to increasing numbers completing and succeeding.

There will remain individuals who need assistance to pursue their choices in learning - one way may be to support those already qualified learners through loans.

In higher education, highly variable levels of bursary and scholarship support will impact both on students and institutions. Support arrangements must also encompass part-time students on an equitable basis - particularly if the government's 50% participation target is to be achieved. Part-time students currently get less support on a pro-rata basis, and none at all if they study for less than 50% of a full-time course. Combined with the fact their fees are payable upfront, there is a significant bias in favour of full-time study.

Issues *In further education, the extension of free training to young people to level 3 up to the age of 25 still leaves large numbers of adults with level 3 qualifications and above - or their employers - increasingly expected to make a larger contribution to any learning. In higher education in England and Northern Ireland, highly variable levels of bursary and scholarship support will impact both on students and institutions.*

24 Staffing

Facts *There were 233,343 staff employed in further education in England in 2003-4. Of these, 54.1%, or 126,245, were teaching staff, of whom 58.8% were women. 40% of UK higher education's 150,000 academics in 2003-4 were women, more than a quarter of whom worked part-time, compared with 16% of men.*

We are concerned at the impending retirement of many thousands of teaching staff in FE and HE, and urge government and employers to set in process a high-profile recruitment campaign to address this situation. The areas of recruitment and retention difficulty in higher education are a matter of concern.

We are also concerned that women, disabled and BME staff are under-represented in the FE and HE workforce at more senior levels, and **recommend** that the government and employers take further steps to address this. In pre-1992 universities in 2003-4, nearly half of staff on the most junior lecturer grade were women, but only 14% of professors were women. Female academics were more likely than males to be on a fixed-term contract.

Issues *Women, disabled and BME staff are generally under-represented in the FE and HE workforce at more senior levels.*

25 Learner:teacher ratio

Facts *The learner:teacher ratio in further education colleges in England fell from 16:1 in 1996-7 to 13:1 in 2002-3.*

Issues *We urge that the further education learner:teacher ratio is maintained at the 2002-3 level, and not increased.*

26 Student:staff ratio

Facts *Over the past three decades, the student:staff ratio in UK higher education has increased from 9 students to 1 teacher, to 19 students to 1 teacher. This is a rise of more than 100%. Over the same period, the pupil:teacher ratio across all UK schools has fallen from 19 pupils to 1 teacher, to 18 pupils to 1 teacher.*

Since 2000-01 the higher education SSR has been higher than the schools PTR. Over a five-year period to 2003, OECD data show the student:teaching staff ratio in UK higher education fluctuating at around 18:1. This was consistently higher than the mean ratio for

OECD countries, of 15:1, and was also considerably higher over that period than for the USA, Germany and Japan.

We are extremely concerned about the growth of the student:staff ratio. The rising age level of academic staff means that a growing number of staff will be retiring over the next 10 years. More staff will be needed to meet the government's aim of 50% of young people participating in higher education by 2010, at a time when the young adult age cohort in the population is increasing.

We **recommend** that the government provides funding for the employment of additional staff to bring about reduction of the SSR in the UK to the level of the OECD country mean over the coming decade.

***Issues** The student:teaching staff ratio in UK higher education is consistently higher than the mean ratio for OECD countries.*

27 Initial training and continuing professional development

***Facts** 70% of full-time FE teaching staff and 47% of part-timers are already fully qualified. Over 90% of UK HE institutions currently have at least one accredited programme for staff new to supporting student learning.*

We consider that additional funding needs to be made available over the period of the second Comprehensive Spending Review to ensure adequate continuing professional development for all lecturing staff in further education. We **recommend** that a hypothecated funding stream for CPD should be established for the FE sector. We have strongly supported the DfES proposals around initial teacher training and continuous professional development in further education, and support the newly established Lifelong Learning Sector Skills Council.

We **recommend** that additional funding is made available over the CSR2 period to ensure adequate continuing professional development for all higher education staff. In particular, more resources are needed to guarantee that casual and hourly-paid staff are able to access institutional training and development opportunities.⁹ It is critical that such funding is explicitly earmarked for practitioners' professional development, as experience shows that when funding pressures are acute, budgets for CPD are not safeguarded at the faculty/departmental level, where they are most needed and can most effectively be deployed.

***Issues** The amount spent by FE colleges on staff development, although around 4% of the budget, was much lower than the equivalent expenditure in the NHS. The HE sector has*

very little to show for the £880m of public money spent on England's Rewarding and Developing Staff initiative since 2001.

28 Pay

Facts *The widening gap between salary levels in schools and FE colleges now stands at around 10%. In 1998-2001, pay rises for higher education teaching professionals, were below the rate of inflation.*

If the modernising pay strategy in further education is to succeed, it is imperative that sufficient funds are provided to allow colleges to fully consolidate the new pay arrangements. The consequence of the pay gap between schools and FE is that colleges are losing staff to schools. The persisting low FE salaries mean that it is becoming increasingly difficult for colleges to recruit, especially in shortage subjects.

Average pay for teaching professionals in further and higher education since 1998 has fallen far behind the level of increases in the public sector as a whole; indeed, for higher education staff in 1998-2001, and further education staff in 2002-5, average pay has not even kept up with all items RPI inflation.

At a time when public sector average pay has been increasing well above the rate of inflation, very little if any of this benefit has been seen by teaching professionals in further and higher education. A great deal of pay catch-up needs to take place for FE teachers and their colleagues in higher education. Over the decade from 2008, we **recommend** that the government provides public sector funding increases sufficient to tackle the problem of past underfunding of pay in further education. We **recommend** that employers in higher education pass on the benefits of increased grant and fee income to their employees.

Issues *In 2002 to 2005, public sector average pay increased by 5.8% above inflation. But for higher education teaching professionals, average pay only rose by 2.7% above inflation, and for further education teaching professionals, pay actually fell by 1.0% below the rate of inflation.*

29 Pay gaps

Facts *In 2005, for higher education teaching professionals, for every £1 earned by a male, their female colleagues earned 83 pence. For further education teaching professionals, for every £1 earned by a male, their female colleagues earned 87 pence. In higher education in 2003-4, among academics of UK nationality, for every £1 earned by white academics,*

their black and minority ethnic colleagues earned 94 pence. For academics of all nationalities, for every £1 earned by a white academic, their BME colleagues earned 88 pence.

It is a matter of concern that the gender pay gap for teaching professionals in further and higher education in favour of men is so wide. In higher education, the gap is nearly as wide as for all public sector employees; the gap has not narrowed despite the allocation of £880 million of public funding under the Rewarding and Developing Staff initiative to higher education institutions in England between 2001 and 2006, to address pay modernisation, including equal pay. In higher education, the ethnicity pay gap in favour of white academics is also a matter of concern. We hope that the implementation of the Framework Agreement, using job evaluation and role analysis to ensure equal pay for work of equal value, and the regular use of equal pay audits, and action based on them, will tackle these pay gaps. We **recommend** that urgent action is taken over the decade from 2008 to bring average pay for women much closer to average pay for men, and to tackle ethnicity pay gaps.

Issues *It is a matter of concern that, when surveyed in 2005, few higher education institutions had undertaken equal pay audits, together with trade unions, involving analysis, diagnosis and action.*

30 Casualisation

Facts *Around one-third of further education staff in 2003-4 were employed on a casual basis, with at least 50% of part-time lecturers employed on hourly-paid temporary contracts. In higher education 45% of all academics in 2003-4 were employed on a fixed-term contract - including 91% of researchers. Female academics were more likely than males to be on a fixed-term contract. Overall, white academics were more likely than their black and minority ethnic colleagues to be employed on a permanent contract. Slightly more than two-thirds of non-academic professional staff were employed on permanent contracts.*

The crucial issue in further education is the negative consequences for employees and the quality of service provided by colleges if the use of part-time hourly-paid teaching staff continues.

In higher education, fixed-term contracts:

- leave many staff feeling very exposed and undervalued
- lead to staff having difficulty getting loans, mortgages and other financial benefits
- lead to significant recruitment and retention problems in the sector

- are discriminatory, as their use disproportionately affects women, black and other minority groups of workers
- are a significant drain on an institution's resources.

Our aim is to achieve rewarding career paths for all staff currently on fixed-term contracts, by delivering job security. We were influential in the creation of the Fixed Term Employees (Prevention of Less Favorable Treatment) Regulations that were introduced in 2002 and came into force in 2006. We **recommend** that the government encourages best practice in the sector in the transfer of staff from fixed-term to permanent contracts.

***Issues** If used properly, the regulations - and associated JNCHES and UCEA guidance in higher education - should bring about a genuine decline in the use of fixed-term contracts.*

31 Equal opportunities

***Facts** The 2006 FE White Paper said: 'Sir Andrew Foster rightly identified that there is more to be done to address the current lack of diversity within the workforce. Too many minority groups continue to be under-represented, especially at senior levels, and face barriers to progression in the sector.'¹⁰*

Black and minority ethnic academics in higher education are under-represented on senior academic grades compared with the proportion of BME academic staff overall.

To promote equality of opportunity in further and higher education, we **recommend**:

- a commission in higher education to consider the position of BME staff in the sector
- a similar body in further education to higher education's Equality Challenge Unit
- mandatory pay reviews to implement equality legislation and guidance in further and higher education sector
- a substantial improvement in the monitoring data provided by the Learning and Skills Council to meet the requirements of the positive duty legislation in respect of race, disability and gender
- improvements by the Higher Education Statistics Agency in the quality of its data coverage
- an urgent and critical assessment of institutional practice in relation to impact assessments under the Race Relations (Amendment) Act 2000, to ensure lessons are learned when implementing the Disability Equality Duty from December 2006, and the Gender Equality Duty from April 2007.

***Issues** Further and higher education institutions have been very slow to respond to the new duties to promote equality introduced in the Race Relations (Amendment) Act 2000.*

32 Information, advice and guidance (IAG) for learners and students

Facts *Since 1997 there has been a remarkable development of IAG in the workplace being supplied by union learning representatives. The Dearing Report noted that good careers advice was essential to higher education students, and saw a two-fold role for careers services: providing advice to students, and contributing to the development of academic programmes.*

We particularly welcome the development since 1997 of IAG in the workplace being supplied by union learning representatives. We **recommend** a single IAG service covering both young people and adults. This would mean there would be one service and one location in any area where those wanting to embark on learning journeys could receive all the information, advice and guidance they required at various points in their lives.

In higher education, we support integrating careers services more fully integrated into academic programmes. We also think that integrating careers guidance at a higher education level with guidance in further education would be valuable, particularly where the two sectors meet.

Issues *The jungle of qualifications and routes to qualifications that confront young people and adults makes on-going information, advice and guidance to continuing participation in education and training vital. Integrating careers guidance at a higher education level with guidance in further education would be valuable, particularly where the two sectors meet.*

33 Information

Facts *The recent expansion of the staff record in higher education has brought with it considerable improvements in the depth and scope of information available.*

There is a need to ensure that comprehensive data on learners, staff and finance in further education is collected and published, particularly relating to gender and ethnicity. This is a matter of serious concern, and we **recommend** that it is tackled urgently. We support the recommendation in the Foster Review for 'urgent rationalisation and simplification of the data collected as a priority', with a more efficient system delivered by the end of 2007. We **recommend** that the sector works with the Higher Education Statistics Agency to learn from HESA's experience and to develop good practice.

In higher education, we welcome the recent improvements to the scope of data gathering and provision by HESA. But there are weaknesses in data gathering at the institutional level, and gaps in HESA data on the ethnicity and disability of staff. We call on institutions

and HESA to work closely to plug gaps in data collection and improve the reliability of data for the sector.

Issues *In further education, no adequate monitoring information is published relating to gender and ethnicity pay gaps. In higher education, the ethnicity of large numbers of staff remains unknown.*

References

- 1 Report of the Foster Review, November 2005, p. 10.
- 2 "BBC Sunday AM" TV interview with Andrew Marr 8 January 2006
- 3 Speech to TUC 13 September 2005
- 4 Speech, 13 January 2005 (www.bbc.co.uk)
- 5 DfES, p. 4.
- 6 Budget speech, March 2006
- 7 Speech to TUC 13 September 2005
- 8 Toby Helm (2006), University fees likely to rise, says Brown, *Daily Telegraph* 6 June 2006 (www.telegraph.co.uk/news/main.jhtml?xml=/news/2006/06/06/nuni06.xml&sSheet=/news/2006/06/06/ixuknews.html)
- 9 NATFHE (2001) *In From the Cold? Part-time teaching, professional development and the ILT*, A Union Learning Fund Project led by NATFHE.
- 10 DfES (2006), *Raising skills, improving life chances*, p. 54.