



94 Malone Road
Belfast BT9 5HP

Telephone 02890 665501
Fax 02890 669225
Email belfast@ucu.org.uk

Draft Budget - Department of Employment and Learning

13.11

Comment by the University and College Union.

1. PWC has described the Northern Ireland Executive's Draft Budget for the next 4 years as a "patch and mend" approach. That is not an apt description for the draft budget presented by the Department of Employment and Learning. There is nothing in that statement which can be viewed as measures to repair or maintain the range of public services currently falling within the Department's remit.

2. From the outset the draft budget the allocation of resources will result in the Department being in deficit for at least the first two years of the programme. Whether budgeting on such a basis will meet approval from the Northern Ireland Executive and Assembly remains to be seen. If such is not approved then this entire exercise will be repeated with a much bleaker outlook for expenditure programmes. The cuts envisaged in this Draft will be magnified and even more damaging to our social fabric.

3. UCU recognises the pressures being exerted upon the Department with rising unemployment. We believe that the Northern Ireland Executive's policies of slavishly following the austerity policies of the Westminster government and its restrictions in public expenditure, contributes to that pressure. We believe that the way out of this recession is for government to initiate a wide-ranging programme of public expenditure across the economy to stimulate development as the US government has done. DEL's own proposals will result in significant job losses across the department and its client organisations. The slashing of education and training opportunities is short-sighted and damaging at a time when the development of skills is needed more than ever to attract inward investment and to assist the private sector to grow.

4. UCU represents teaching, research and academic-related staff in post school education. The proposals set out in the draft budget will impact severely the institutions and organisations where our members work and upon the students and trainees our members seek to develop. The proposals will also set back collaborative cross-border research and development projects and the international profile of Northern Ireland as a leading provider of world class further and higher education and research. These proposals are bad for our citizens and the development of our economy.

5. The draft budget takes no account of inflation. Thus the cuts proposed significantly underestimate the true extent of the funding shortfall to be available to colleges,

universities and training organisations. Added to this the proposed pay restraint to be imposed upon some and expected from others, will reduce spending in the economy and work against whatever measures are there to promote growth. The proposed pay restraint will significantly reduce living standards for the majority of our people. Added to that the inevitable increases in the costs of services such as those provided by our post school institutions will lead to less participation by many and deepen the downward spiral of diminishing income to those institutions. Further contraction will lead to further cuts in jobs and services. The outlook is indeed bleak.

6. UCU would be critical of the manner in which the Draft Budget is presented. It is not easy to read and it is bereft of information to assist comparison with past allocations. This lack of detail does not assist those preparing a response.

7. The document states "maintaining capacity in the FE sector will be critical" – we agree, however the proposals for cuts to the overall budget of £4m year on year for the next 4 years will not maintain capacity. When inflation is taken into account the proposals amount to significant cuts in the FE budget. Colleges will respond by cutting courses, increasing class sizes, reducing teaching time to students and dismissing staff. That is the path they always choose. The Department refers to this as a "modest reduction" and expects this to be achieved by efficiencies. UCU would argue that the cuts in courses to students and the reductions in teaching time heaped upon the sector by a decade of incorporation have already damaged the learning opportunities available to students. Cuts in courses and teaching jobs are short-sighted and damaging to our economy. If DEL is serious about addressing efficiencies we believe the only scope left for such gains lies in the dismantling of the system of incorporation and the centralisation of support services.

8. Funding for higher education is a devolved matter. It is disappointing that the Northern Ireland Executive has endorsed the Westminster view as to the future funding of the sector. We see that as an act of political dishonesty given that the DUP, SDLP and Alliance parties all opposed this policy in Westminster. The proposals in the draft budget will shift the burden of funding teaching in higher education from the state to the private citizen. This policy constitutes the biggest act of privatisation ever witnessed in these islands. We do not agree with this policy. Society as a whole benefits from higher education. Having professionals in every economic and social sphere, educated and trained to degree level and beyond benefits us all. Higher Education, and access to it, should be a civic right, provided by the state to any of our citizens who wish to avail of it.

9. Leaving aside our philosophical opposition to these proposals, at a practical level they will damage our higher education institutions, put in reverse the widening participation agenda and put future generations of students and their families in significant debt. Currently teaching in our higher education institutions is funded to a level of just over £200million each year. The cuts to be made to that budget – leaving aside the matter of inflation – are such that the same level of services cannot be

maintained. The expectation that our HE institutions can bring about an efficiency gain of 22% over the period is not based upon any analysis as to where such savings could be gained by providers. Furthermore the net shortfall in funding is expected to be met by increased tuition fees from students.

10. The Department concludes "final decisions on these matters have yet to be taken". In that context it is impossible to predict how our HE institutions are to be funded in the medium term. UCU believes that the budget statement will force institutions to concentrate at this point solely upon the so called "operational efficiency" comment and that the most likely immediate response will be for HE institutions to cut jobs and services and attack the terms and conditions of employees. Those pressures will damage what have been hitherto stable industrial relations environment. In the longer run the increased tuition fees will have major ramifications for the flows of students within Northern Ireland and beyond, and the nature and range of courses available to them. UCU will comment further on the issue of increased tuition fees in our response to that consultation exercise.

11. The Draft statement makes the point that "if the funding gap identified remains unresolved" there will be further consequences for a range of programmes. We believe that is inevitable unless there is a radical change in the Executive's overall spending priorities. The loss of post graduate places and the withdrawal of funding for projects involving knowledge transfer and innovation will send a signal abroad that Northern Ireland PLC is prepared to settle for second best and we will fall further behind our international comparators.

12. When UCU met the Minister on 17th Jan.2011 and stated our opposition to increasing tuition fees, he challenged us to come up with an alternative approach. Within his Executive another department has come up with a different approach and has determined not to increase fees for students undertaking higher education agriculture and land based subjects. Perhaps his department can draw upon lessons from that source. It is also the case that devolved regimes in Scotland and Wales have committed themselves to maintaining access to higher education for the citizens of those jurisdictions. Lessons may be drawn from those sources. The Republic of Ireland with a financial deficit much greater than that applying to the United Kingdom can still permit access to higher education for its young people without introducing measures as are envisaged for Northern Ireland. Perhaps there are models from Europe or further afield which can assist. There is no indication within DEL to explore other options.

13. UCU believes that the decision to take the route of increased tuition fees is a political decision consistent with the political identification of one party only in the Northern Ireland. Other parties have disagreed with that perspective. UCU will continue to lobby those parties to oppose this approach on the grounds that these proposals are not only bad for our citizens but they will damage our opportunities for economic growth and our international reputation.

