



**WALES
CYMRU**

RESPONSE TO:

**The Independent Review of Higher
Education Funding and Student
Finance Arrangements in Wales**

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1. The University and College Union (UCU Wales) represents more than 7,000 academics, lecturers, trainers, instructors, researchers, managers, administrators, computer staff, librarians, and postgraduates in universities, colleges, adult education and training organisations across Wales.
2. UCU Wales is a politically autonomous but integral part of UCU, the largest post-school union in the world: a force for educators and education that employers and government cannot ignore.
3. UCU was formed on the 1st June 2006 by the amalgamation of two strong partners – the Association of University Teachers (AUT) and the National Association of Teachers in Further and Higher Education (NATFHE) – who shared a long history of defending and advancing educators’ employment and professional interests.
4. We welcome the opportunity to submit evidence to the Independent review of Higher Education and Student Finance Arrangements in Wales.
5. UCU Wales wholeheartedly support the view that Higher Education is a force for good, which must be invested in, in order to provide benefit not just for the economy of a nation, but also for the well-being and personal development of individuals. Despite the current financial difficulties that are faced, we must not lose sight of this.
6. There is little doubt that there is shared agreement on the need to promote widening access and social mobility and to develop a culture of learning that supports the long term financial and skills needs of Wales. In terms of producing a policy which moves towards supporting this, UCU Wales would like to offer the following.

Q1. To what extent do current student finance/support arrangements (student grants and loans) meet the needs of HE students, support the delivery of high-quality HE provision and provide value for money?

The Review Panel is interested in hearing about the strengths and benefits of current arrangements as well as any weaknesses or issues.

Very well [] Well [] Not very well [] Don't know []

Please provide a reason(s) for your answer and where available, supporting evidence.

UCU policy is to oppose all fees for tuition.
It is difficult to see how the accumulation of substantial debt, much of which is forecast to remain unpaid, can help to meet the needs of

students or represent value for money for the government or for wider society. UCU also have concerns over the consumerist approach that is developing in HE. The current system encourages the commodification and marketisation of education, which may not always produce results that improve the quality of education that can be delivered. Capital expenditure may improve facilities, but this in turn may result in less spending on the teaching staff, that is, those who will have a direct impact on the level and quality of education provided.

We would like to see a policy of student engagement, based on students as partners in their education as opposed to the client/contractor model that has emerged as a result of the introduction of high student fees.

Q2. Do you think that the Welsh Government policy of supporting Welsh domiciled students to study elsewhere in the UK is sustainable and/or desirable in the long term?

Sustainable: Yes [] No [x] Desirable: Yes [x]
No []

There has been a lot of debate in the run-up to the Review about cross-border flows of HE students in and out of Wales and about the sustainability of the Welsh Government's decision to provide financial assistance (in the form of a fee grant) to Welsh-domiciled students that study at universities elsewhere in the UK. The Review Panel is keen to hear stakeholder views regarding this particular policy position.

Please provide a reason(s) for your answer and where available, any supporting evidence.

UCU's response to the question of sustainability is a qualified 'no' for the following reasons. UCU considers that sustainability can only be maintained in the short term. In the long term, even if Wales remains a net importer of students, increasing pressure will be felt as fees inevitably increase over time, thus meaning that the Welsh Government has to make a higher contribution per student, wherever they study.

In terms of desirability it is hard to argue against supporting the aspirations of Welsh students to study wherever they choose. However UCU suggests such a policy does not contribute to the wider policy objective of building a strong Welsh HE sector. Accordingly UCU believes that the Welsh Government should consider the 'Scottish'

model as an alternative with the intention of fostering a unique Welsh HE system and identity. It would be important to maintain a bursary or scholarship fund for those Welsh students who do gain entry to the acknowledged elite UK institutions e.g. Oxbridge, Imperial, and elite international institutions e.g. Harvard.

Q3. To what extent does the current HE sector funding system support high-quality provision and deliver value for money?

The Review Panel is interested in hearing about the strengths and benefits of current arrangements as well as any weaknesses or issues.

Very well [] Well [] Not very well [x] Don't know []

Please provide a reason(s) for your answer and where available, supporting evidence.

UCU does not believe that the current mass market system of HE provision in the UK, including Wales can provide high quality provision. Such a system inevitably results in a diminution of quality resulting from the competitive nature of the market system, leading to a narrowing of programme curriculum. For example, institutions have come under increasing pressure to 'award more good degrees' as this 'improves' league table standings and it is increasingly difficult for institutions to contemplate failing or referring students due to the financial implications for:

(a) the student either having to fund an extra year of study or leave HE without a qualification but with a debt and

(b) the institution of losing an important 'income stream.'

Thus, UCU contends standards will inevitably drop.

Further, the current system discriminates against non-standard students as it assumes homogeneity where in fact heterogeneity exists and is desirable. Support for non-standard students does of course cost more in both time and resources, which is why it is not prioritised by institutions.

UCU strongly believes that HE is a public good and thus not suitable for commodification, marketisation or indeed privatisation. Accordingly, UCU believes that the Welsh Government should move away from the mass market system that currently exists and use this review as an opportunity to develop an entirely new model of HE delivery based on the values of academic excellence and collegiality rather than competition and managerialism.

The Welsh Government has asked the Review Panel, in particular, to consider funding mechanisms that impact positively on:

- widening access – ensuring that any future system has widening access as its core objective, is progressive and equitable
- supporting the skill needs of Wales
- strengthening part-time and postgraduate provision in Wales
- long-term financial sustainability.

The following questions consider these components.

Q4. To what extent do current HE sector funding and student finance arrangements support measures to widen access and improve participation in HE? Are there any alternative arrangements that you would like to see?

Very well [] Well [] Not very well [x] Don't know []

Please provide a reason(s) for your answer, and where available, supporting evidence. If the response is 'Not very well', please provide details of any alternative arrangements that you would like to see.

Once again UCU believes that it is simply not feasible to effectively develop measures to support widening access in the current competitive, market led environment. In the last 20 years institutions have been encouraged by successive governments to become more business-like in their operations and as a consequence they have focused on the more profitable elements of the 'education market.'

UCU strongly believes there is an alternative to such a situation that would genuinely support the widening access agenda. There should be a fully funded system of support for HE that includes means testing, cost of living grants and a premium to those institutions that attract and recruit non-standard students. Such a system would of course require tracked funding to ensure that institutions genuinely target under-represented groups. If the Welsh Government is serious in its wish to deliver the widening access agenda then it has to be prepared to take a more interventionist approach and to discourage institutions from going even further along the road to marketisation.

Q5. To what extent do current HE sector funding and student finance arrangements support measures to widen access to HE provision through the medium of Welsh? Are there any alternative arrangements that you would like to see?

Very well [] Well [] Not very well [] Don't know []

Please provide a reason(s) for your answer, and where available, supporting evidence. If the response is 'Not very well', please provide details of any alternative arrangements that you would like to see.

In UCU's opinion the current provision appears to be rather piecemeal and lacks sufficient funding for it to be genuinely effective. Anecdotal evidence suggests that targets to recruit are difficult to achieve, as incentives for students to stay in Wales to study through the medium of Welsh are lacking.

Q6. To what extent do current HE sector funding and student finance arrangements support measures that respond to the skills needs of Wales? Are there any alternative measures that you would like to see?

Very well [] Well [] Not very well [] Don't know []

Please provide a reason(s) for your answer, and where available, supporting evidence. If the response is 'Not very well', please provide details of any alternative measures that you would like to see.

UCU believes the current perception of the 'skills needs of Wales' is actually based on a misconception of the role of higher education. Whilst it is important to consider the future employability prospects of Welsh students it is equally important to recognise that higher education is not just about preparing students for the workplace. Such a utilitarian stance ignores the wider social, cultural and civic benefits of HE and it could be argued that development of the individual and the pursuit of knowledge for its own sake have largely been ignored in the current era. UCU would like to see the Welsh Government through this review lead a reappraisal of the role of HE in a modern society in its attempt to develop a genuinely unique, high quality Welsh HE system.

Q7. Does the current system of HE sector funding and student finance arrangements provide an appropriate balance of funding to support full-time undergraduate, part-time undergraduate and post-graduate study? If you think it does not, how might you change this balance?

Yes [] No [] Don't know []

Please provide a reason(s) for your answer, and where available, supporting evidence. If the response is 'No', the Review Panel would be interested to hear your views on what would be an appropriate and sustainable balance.

In terms of widening access and increasing the skills and knowledge of the people of Wales, UCU Wales are keen for there to be investment in both part time HE and postgraduate education. Whilst UCU policy is to oppose all tuition fees, we recognise that alternative thinking may prevail. However, whatever regime may be in place, part-time and postgraduate students should not find themselves disadvantaged. Support that is available to undergraduates should also be available to part time and postgraduate students.

Q8. What does a top-class HE system look like and what would be the implications of not having a top-class HE system in Wales?

This is deliberately broad. Your response will inform the Review Panel's thinking about the type of HE system that the final recommendations are designed to support. The question may be considered from an economic development, innovation and research, community, social, cultural, quality, structural, financial, student, employer or any other perspective you think appropriate. In forming your response, examples of good practice that you wish to draw to the Review Panel's attention would be welcome.

UCU believes that a top-class system is one that is not only underpinned by a set of values emphasising the value of education and the importance of developing the individual, leading to wider social, cultural and civic benefits, but also one that embraces and enacts such values. That is clearly not the case in the current market led environment where individual HEIs have become increasingly commercialised and opportunistic in their approaches.

UCU would like to see the emergence of a greater awareness of Wales as a separate nation in Europe and seek to distinguish itself from England as a provider of high quality education that is available to all, regardless of the ability to pay. By focusing on those groups that have been abandoned by the market led system, Wales can prosper.

UCU suggests that models of good practice such as those adopted in Denmark, Germany, the Netherlands and, closer to home Scotland should be considered.

Q9. What does a top-class HE sector funding system look like?

(It would be helpful if when forming your response consideration could be given to any related aspects identified within the terms of reference.)

In summary UCU believes a top-class HE system is one that prioritises academic excellence and rigour over narrow conceptions of employability, that recognises the importance of collegiate values over managerialism and that is funded out of general taxation enabling the restoration of student grants with targeted funding for non-standard students.

Q10. What would you see as the components of a top-class HE student finance/support system? (It would be helpful if when forming your response consideration could be given to any related aspects identified within the terms of reference.)

In addition to the above comments UCU advocates a return to a system of block grants funded out of general taxation.

Q11. Do you think that current HE sector funding and student finance arrangements in Wales are sustainable? If you do not think so what are the components of the current scheme that you would omit or change?

Yes []

No []

Don't know []

Please provide a reason(s) for your answer and where available, supporting evidence.

Please see responses to questions 2 and 10

Q12. Does the current system of funding HE provide for an appropriate mix of funding allocations to the HE sector (e.g. via HEFCW or Welsh Government funding allocations to higher education institutions (HEIs)) and subsidised loans and grants to students to ensure long-term sustainability? If you do not think the current system does this what would be the implications of maintaining the status quo? And are there any changes you would like to see?

Yes []

No []

Don't know []

Please provide a reason(s) for your answer, and where available, supporting evidence. If the response is 'No', the review panel would be interested to hear your views on what alternative arrangements are required to deliver an appropriate and sustainable mix.

As stated in several responses above UCU is concerned that continuation of the status quo will inevitably lead to further commodification, marketisation, managerialisation and ongoing reduction in standards.

Q13. What challenges are institutions in Wales facing or likely to face that might affect their long-term sustainability or future direction and what measure can be taken by a) the HE sector itself; and b) the Welsh Government to address this?

Please provide supporting evidence, where available.

UCU believes the main challenges that are likely to affect long term sustainability, will arise if no attempt is made to reform the current system of funding and delivery. If HEIs are allowed to continue operating in what is a very lightly regulated system then they will continue to act in an opportunistic fashion and make decisions overly informed by business rather than academic needs.

One example of this is in the rapidly expanding market for overseas students. UCU is concerned that there is a potential for reputational risk along the lines of the recent University of Wales episode and believes the Welsh Government needs to make a much more robust approach to monitoring standards and processes Welsh HEIs. As long as those responsible for recruiting such students are rewarded on a 'performance by results' basis then there remains the potential for abuse. UCU is aware that there are real pressures on many academics in HEIs in Wales as a consequence of a huge increase in the numbers of overseas students who are not adequately prepared for HE study through the medium of English.

Accordingly UCU would like to see Welsh Government review the system of recruiting overseas students and to establish more rigour in assessing minimum entry criteria for students, with regard possessing adequate levels of competence in the use of the language used to deliver the course and to undertake regular inspection of HEIs.

Q14. A decade of financial austerity has been forecast with regard to public sector funding in Wales. A finite budget will be available to the Welsh Government and the Department for Education and Skills. The

Review Panel will need to take this into account when making its final recommendations if they are to be deliverable, affordable and sustainable. The Review Panel will need to ensure that its recommendations for HE funding are set within the wider education context, and it will need to provide a very strong evidence base to support any recommendation that is likely to result in a redirection or increase of funding to HE. Given this position, and considering the education system as a whole:

Where should the highest priority be for any future redirection or investment of additional education sector funding?

Schools Further education Higher education

Other Please specify:.....

Please provide a reason(s) for your answer, and where available, supporting evidence.

UCU is reluctant to choose one above the others as each merits investment and Welsh Government support. Clearly as an Education Trade Union we would like to see increased investment in the sector

Q15. What changes could be made to existing HE arrangements (financial, structural or otherwise) that would enable a more efficient and effective targeting of HE funding to where it is most needed and would have the greatest impact?

Please provide a reason(s) for your answer, and where available, supporting evidence.

UCU believes that the current system of funding is insufficiently directed and therefore almost impossible to audit. Accordingly it is suggested that any changes need to incorporate a far higher degree of Welsh Government involvement in terms of directed funding and requirements on HEIs for greater levels of accountability. Welsh Government/HEFCW should have greater powers to audit HE funding and to ensure that it goes to priority areas such as Widening Access and Participation.

Q16. It is estimated that the RAB charge for new students in 2014/15 is 34.6 per cent. Do you think this is appropriate?

(The resource accounting and budgeting (RAB) charge comprises the interest rate subsidy and the cost of loans to students that are not recovered.)

Yes

No

Don't know

Please provide a reason(s) for your answer, and where available, supporting evidence. If the response is 'No', the review panel would be interested to hear your views on what is appropriate and what actions are necessary.

Please refer to Q15.

As estimates of the RAB continue to rise it seems likely that the system will end up costing tax payers more. The latest estimate announced by David Willetts last March of around 45% is rapidly approaching the 48.6% mark; the threshold at which experts from London Economics calculate that the government will lose more money than it would have saved. Whilst this issue is not unique to Wales, it is one that indicates that the current system of student loans, which clearly affects students and HEI's in Wales, is unsustainable, economically unviable and urgently needs to be reviewed.

UCU considers such a level to be unsustainable and serves to reinforce the argument for reform and greater powers of scrutiny for the Welsh Government/HEFCW.

Proposals for reform and alternative higher education sector and student finance funding models

Professor Diamond and the Review Panel will identify and evaluate potential funding options after all evidence-gathering and stakeholder-engagement stages of the review process have been concluded. In the meantime, unless already specified, if you have any other proposals that you wish to share with the Review Panel at this time please provide details below.

Proposals for the reform of current HE sector funding arrangements or for the introduction of alternative funding models.

UCU calls for the restoration of a publicly funded system of HE in Wales including student grants, means tested bursaries and scholarships and targeted and auditable funding to stimulate the widening access agenda.

It further proposes the implementation of a graduate tax system as a far more equitable means of supporting HE than the current system of student loans.

Please provide details of the objectives and outcomes that your proposals are seeking to achieve.	
Development of a distinctive Welsh HE system based on the values of education and attainment rather than the current instrumental, customer focus.	
Do you envisage that your proposals will:	
i) deliver cost savings	<input type="checkbox"/>
ii) be cost neutral	<input type="checkbox"/>
iii) require additional financial investment	<input checked="" type="checkbox"/>

Additional information

Please use the space below to record any other views or comments you would like to make in relation to the review.
<p>The role of Further Education Institutions in the delivery of higher level qualifications. Improving access to HE. Part time provision particularly for mature students unable to access traditional full time residential type HE. FE can also provide a Colleges are also well placed to provide higher level vocational courses in terms of the industrial expertise that many of their staff possess.</p> <p>Use of HND/HNC programmes and Access Courses delivered by FEI's can provide a valuable pathway to HE.</p> <p>Vocational HE delivered through the FE sector can offer many advantages to adults wishing to improve their skills and qualifications, but who are unable to do so via traditional routes.</p> <p>Helping to break down barriers between vocational and academic qualifications.</p> <p>Whilst we support the delivery of HE in FE and the valuable contribution that it provides to both the individuals and the communities of Wales, as well as to the Welsh economy, we would ask that consideration be made to the time and effort required by FE staff to provide an acceptable quality of student experience. This is particularly important in promoting parity between vocational and academic pathways and qualifications.</p>

In response to changing educational policy, UCU proposes 6 key questions against which we should measure any new funding proposals.

1. Will the proposal make it easier for people to reach their full potential?
2. Will the proposal increase our academic capacity and research base?
3. Will the proposal make Wales a more attractive place for academic staff to work?
4. Will the proposals make it less costly for individuals to study, regardless of their age?
5. Will the proposals broaden the range of subjects available to study?
6. Will the proposals lead to higher quality and reduce fragmentation in the sector?

In addition, we should also ask if any new proposals would make Wales a more attractive place for students to study.

UCU believes that these provide a sensible framework for assessing whether policies are of benefit to students and educators, which from our point of view, are the key to promoting a successful model for the future of education in Wales.