



# The All-Party Parliamentary **University Group**

**25 June 2019**



## **Agenda**

**The subject of the meeting of the All-Party Parliamentary University Group is the Post-18 Education and Funding review**

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| <b>6:00pm</b>  | <b>Dr Roberta Blackman-Woods MP</b> , Chair, All-Party Parliamentary University Group                            |
| <b>c6:05pm</b> | <b>Dr Philip Augar</b> , Chair, Post-18 Education and Funding Review Panel                                       |
| <b>c6:15pm</b> | <b>Chris Skidmore MP</b> , Minister for Universities, Science, Research and Innovation, Department for Education |
| <b>c6:25pm</b> | <b>Alistair Jarvis</b> , Chief Executive, Universities UK  |
| <b>c6:35pm</b> | <b>Nick Hillman</b> , Director, Higher Education Policy Institute  |
| <b>c6:45pm</b> | Questions, comments, and discussion with university leaders, MPs and peers                                       |
| <b>7:30pm</b>  | Speaker meeting concludes.   |

## Speaker Biographies

### Dr Philip Augar



Philip Augar was appointed as the chair of the government's post-18 Education and Funding Review panel, when the review was launched in February 2018.

Dr Augar is a banking expert and author. Since leaving Schrodgers, where he was Group Managing Director with responsibility for the global securities business, he has written seven books, including a book on Barclays entitled, *The Bank That Lived a Little*.

He was a non-executive board member at the Department for Education from 2004-2010 and at the Home Office from 2010-2014, where he was also Chairman of UK Border Agency in 2013. He was a member of the cross-party Future of Banking Commission chaired by David Davis MP in 2010 and the same year advised the Scottish Parliament's inquiry into the banking crisis.

He was an independent non-executive at KPMG and was a board member of the retail bank TSB plc. He holds a doctorate in History and was a Visiting Fellow at Cranfield School of Management.

## **Chris Skidmore MP**

Chris Skidmore was appointed as the Minister of State for Universities, Science, Research and Innovation in December 2018.

Before becoming MP for Kingswood in 2010, he studied history at the University of Oxford publishing several history books and has lectured part-time at the University of Bristol. Given his background, Chris has been a strong advocate of the value of teaching history.



Chris worked as Conservative Party Education Adviser to David Willetts and Michael Gove between 2005 and 2010. His other notable roles have been as Parliamentary Private Secretary to George Osborne as Chancellor between 2015 and 2016 and, most recently, Conservative Party Vice-Chair with responsibility for policy. From 2016 to 2018, Skidmore was Parliamentary Under-Secretary of State at the Cabinet Office, where he served as Minister for the Constitution. He has also previously been a member of both the education and health select committees.

## Alistair Jarvis



Alistair Jarvis was appointed Chief Executive of Universities UK in summer 2017.

Before taking up his current role, he was Deputy Chief Executive, and prior to that Director of External Relations at Universities UK. Before joining UUK in 2013 he was a Director at the University of Birmingham and has previously held communications, campaigning and political relations roles for

national organisations in both the public and private sectors.

Alistair is currently a member of the Government's high-level stakeholder working group on EU Exit, Universities and Research; a member of the Financial Services Skills Taskforce and sits on the steering group of the Industrial Strategy Council prosperity mapping project. He has previously held voluntary roles as Deputy Chair of the board of Wonkhe, a higher education policy media company; as a Commissioner of the UPP Civic Universities Commission; and as a member of the judging panel for both the Times Higher and Guardian University Awards.

He was educated at the Universities of Kent, Leicester and the Institute of Education, University of London. Alistair is a fellow of the RSA.

## **Nick Hillman**

Nick Hillman has been the Director of HEPI since 2014.

He worked for the Rt Hon David Willetts MP (now Lord Willetts), the Minister for Universities and Science, from 2007 until the end of 2013, as Chief of Staff and then Special Adviser in the Department for Business, Innovation and Skills.

Previously, he was a History teacher and worked at the Association of British Insurers. At the 2010 general election, he was the runner-up in Cambridge.



He has written for a range of think tanks and journals. His recent writings include articles on the Coalition's higher education reforms for the Oxford Review of Education (2016), on access to schools and selective universities for Higher Education Review (2014) and on the fifty-year history of student loans for Contemporary British History (2013). He also wrote the authoritative account of being a special adviser for the Institute of Government (2014).





# **Briefing: Post-18 Education and Funding review**

**Prepared for members of the All-Party Parliamentary University Group**

This is not an official publication of the House of Commons or the House of Lords. It has not been approved by either house or its committees. All-Party Parliamentary Groups are informal groups of members of both houses with a common interest in particular issues.

This briefing document has been produced by Universities UK which provides the secretariat for the University APPG.

## **Introduction**

In February 2018, the prime minister launched the government's review of post-18 education and funding in England. It was widely reported that this was in response to the increased numbers of students that had voted for the Labour party in the previous year's election.

The review aimed to 'ensure that the education system for those aged 18 years and over is accessible to all, is supported by a funding system that provides value for money and works for students and taxpayers, incentivises choice and competition across the sector, and encourages the development of the skills that we need as a country.' The review consisted of an independent panel chaired by Philip Augar and five other experts from post-18 education and business sectors.

The independent panel report was published on 30 May 2019 and set out 53 recommendations for the government to reform post-18 education.

## **Key recommendations**

The review recommends that the cap on the fee chargeable to higher education students at levels 4-6 be reduced to £7,500, but the per-student resource should be frozen with the government replacing the lost fee income in full by increasing the teaching grant.

The panel also called for a single lifelong learning loan allowance of £30,000 to be made available to all adults aged 18, allowing them to pay for courses at Levels 4, 5 and 6, over the course of their working lives.

To further support lifelong learning the panel recommends that students should be able to move into and out of study using loans to pay for credits, building up to full qualifications over time if they wish.

It proposes changes to the repayment terms of student loans, including an extension to the repayment period from 30 to 40 years, the removal of real in-study interest, lowering of the repayment threshold to the level of median non-graduate earnings (currently around £23,000) and a cap on lifetime repayments at 1.2 times the amount borrowed.

It also recommends the reintroduction of maintenance grants for disadvantaged students to at least £3,000 a year.

The report calls for an increase in the amount of teaching grant funding that follows disadvantaged students and a greater focus on individual level measures of disadvantage (e.g. Free school meals, household income) in allocation of funding through the student premium.

The panel recommend that institutions should award at least one interim qualification to all students who are following a Level 6 course successfully, and funding for Level 6 and above apprenticeships should normally be available only for apprentices who have not previously undertaken a publicly-supported degree.

### **Sector response**

Responses to the panel's recommendations from organisations across the higher education and further education sectors were very mixed. While some proposals, such as the reintroduction of maintenance grants and greater provisions for flexible learning, were broadly praised others were much more controversial, including the recommended reduction to the tuition fee cap.

By far the biggest concern for universities was to ensure that the proposals did not lead to funding being directed away from higher education, with many organisations and institutions calling for the government to commit to replacing any lost income from a reduction in tuition fees. **Alistair Jarvis, Chief Executive of Universities UK**, claimed the fee-level recommendations "could prove to be a wolf in sheep's clothing" unless the government guaranteed full replacement funding.

"The Augar Report should be judged by its impact on students and on the educational experience they will receive if it is implemented." **Professor Dave Phoenix, Chair of MillionPlus and Vice-Chancellor of London South Bank University**, said. "Universities and their students need long-term, sustainable funding at least at their current levels and failure to deliver this would be detrimental to student experience and opportunity."

**Josh Hardie, CBI Deputy Director-General**, insisted "any change to tuition fees and the funding universities receive must not lead to a cut in higher education funding", highlighting the vital contribution universities make to skills, innovation and research.

"The fact is the funding gap will not be closed by tinkering with graduate repayment rates, cutting hundreds of millions from our budgets or hitting smaller, skills-focused universities hardest." Commented **Professor John Latham, Chair of University Alliance and Vice-Chancellor of Coventry University**.

**Sir Peter Lampl, founder and Chairman of the Sutton Trust** said: “While it is good that the Augar Review recommends reinstating maintenance grants, its proposal to reduce tuition fees from £9,250 to £7,500 just tinkers around the edges of a grossly unfair system. If we are serious about creating an equitable student finance system, fees should be means-tested so that those from low income families incur the lowest debts.”

Recommendations to encourage more flexible learning were praised, with **Professor Dame Janet Beer, President of Universities UK and Vice-Chancellor of the University of Liverpool** claiming “these recommendations open up new avenues for more flexible study and lifelong learning, which employers and our economy need.” CBI praised the recommendation for a single lifelong learner allowance, which **Josh Hardie** said “could help encourage more people to step back into education at a time, pace, and location of their choice.” The emphasis placed by the Augar panel on boosting lifelong learning was also welcomed by **GuildHE**.

**Universities UK** expressed concerns about reforms to graduate repayments, including extending the repayment period from 30 to 40 years and lowering the repayment threshold to £23,000, would make the system more regressive. These changes would result in middle earners paying back £11,823 more over their lifetime, while higher earners would have to pay back less, saving almost £19,000 in repayments. **GuildHE** called the recommendation to extend the repayment period a “regressive and unwelcome recommendation.”

The removal of loan funding for students on foundation years sparked criticism from some. **Dr Greg Walker, Chief Executive of MillionPlus**, recommended the government should not take up this proposal as “this pathway has helped thousands of people progress to higher education and study for a degree who might not otherwise have moved up and on. This route will not be easily replaced by other provision – all this would do is hit opportunities for social mobility for those with aspiration.”

**NUS** praised the report for recognising the hardships and difficulties the current funding system places on today’s students, and the barriers it puts in front of prospective students, especially those from low-income and disadvantaged backgrounds.

Other recommendations and issues which concern universities that were identified by **Universities UK** include:

- the knock-on impact of changes for universities in Scotland, Wales and Northern Ireland
- the inevitable confusion these proposals will cause for students, their families, schools and the higher education sector about what happens next and when
- potential restrictions on access, choice and funding for courses based on narrow conceptions of value and whether the required replacement funding will be allocated in a way that allows universities to continue offering diversity and choice, or comes with strings attached
- the likelihood of greater centralisation and government directed conditions for accessing funds for widening access and participation activities, which would undermine the sector's responsiveness to emerging challenges for disadvantaged students and impact social mobility.

## Media response

On the day that the panel's report was released, the media focused on the headline tuition fee reduction and changes to the repayment terms. The **Daily Mail** carried the headline "Students could be saddled with debt into their SIXTIES", emphasising that although tuition fees were to be cut, graduates would be expected to pay until they retire. "Graduates will pay back loans into their sixties", was the headline for **the Times'** main article on the review. **The i newspaper** published an article emphasising that "Theresa May backs lower tuition fees after proposal made to cut them to £7,500". Jo Johnson was featured in **the Daily Telegraph**, declaring "Theresa May's tuition fees review will help higher earners most".

### Graduates will pay back loans into their sixties

University funding report calls for cut in fees



Students could be repaying loans for 40 years under proposals to reduce debts and protect taxpayers  
GUY RIFFAULT/AGF

Rosemary Bennett, The Times, 30/05/19

The other key recommendation that drew a lot of attention was the call for reintroduction of maintenance grants, which Theresa May emphasised when introducing the report during a speech at the Policy Exchange. **The Guardian** highlighted how this was reversal of David Cameron's policy to scrap them, going with the headline:

"Give worse-off students £3,000 to stay in education, says report". There was

also a piece in **the Times** entitled "Bring back student grants, urges Theresa May". **The Independent** underlined the uncertain political situation that encountered the release of the review in their headline "Theresa May tells next PM to bring back grants for poorer students and slash fees to £7,500", showing although the report

was launched by Theresa May, she will not be the one to implement its recommendations.

**Martin Lewis, Founder of Moneysavingexpert.com**, featured heavily in the coverage of the report, with an article in **the Daily Mirror** explaining what the changes would mean for students, and appearances on many news programmes giving his views on the recommendations. He claimed that the tuition fee cut and reintroduction of grants actually made the system more regressive, as both measures would benefit higher earners who are the only ones who pay back their loans in full. Combined with the lower threshold for repayments and extension to the repayment period Mr Lewis explained that this will mean “many graduates will repay more, for far longer, substantially increasing the total cost.”

**The Guardian** and **the Financial Times** gave greater focus to the changes recommended for the further education sector, with a Guardian editorial declaring that the review was “taking further education seriously”.



Editorial Board, The Financial Times, 30/05/19

## Next steps

The government will issue a response to the panel's report in due course outlining those proposals that they wish to carry forward, this will likely be linked to the spending review later in 2019 where their final approach shall be announced.

With the Conservative Party currently undergoing elections for a new leader, who will also become the new Prime Minister, it will be down to whoever wins to formulate government policy in regards to the review's recommendations.





# The All-Party Parliamentary **University Group**

## **Future meetings**

### **Monday 8 July 2019**

Annual General Meeting

16:00-17:30, Room T, Portcullis House

### **Wednesday 23 October 2019**

TBC

18:00-19:30, TBC

### **Wednesday 6 November 2019**

Universities: saving lives and supporting the next generation

10:00-14:00, Attlee Suite

### **Wednesday 4 November 2019**

TBC

8:30-10:00, Terrace Dining Room B

For more information about the group please email [appug@universitiesuk.ac.uk](mailto:appug@universitiesuk.ac.uk) or visit [www.universityappg.co.uk](http://www.universityappg.co.uk)