Levels of Government Funding

1. UCL welcomes the Government’s recognition that Higher Education (HE) has suffered from decades of under-investment.

2. UCL particularly welcomes the statement that the Government will continue to “stand by” Universities in future spending review settlements and that it sees additional tuition fee income and endowment incomes as new, and therefore additional, funding streams for the Universities. In this connection we noted the statement from the Minister to the UUK that the Government did not see these funds as substitution for the current levels of funding from the Government to the Higher Education Funding Council (HEFCE).

3. On the capital side we are grateful to the Government for the funding provided for the improvement of research infrastructure.

4. UCL is however seriously concerned at the inadequacy of the funding for improving the teaching and learning infrastructure, particularly when students from 2006 will be asked to pay a higher contribution to their education.

5. On the recurrent side, we are concerned that a seemingly generous financial settlement for the Universities for the period 2003-04 to 2005-06 masks two significant issues:

   (i) The settlement contains a significant number of earmarked allocations. Excluding this funding for special initiatives, the overall increase per student in this period is less than the Government’s GDP inflator.

   (ii) A significant number of Universities have suffered a reduction in their HEFCE Teaching Resource in 2003-04 – £1 million in UCL’s case – as a result of HEFCE’s emphasis on supporting those institutions who currently are having difficulty in retaining students.
The emphasis by Government and the HEFCE on the overall level of the financial settlement is not helpful to University management when faced with Union and staff requests for across-the board salary increases – a point referred to further in para 30 below.

**Funding from Students**

6. UCL welcomes the re-introduction from 2004 of a new grant of up to £1,000 a year for students from lower-income families.

7. In noting the proposed introduction in 2006 of a new Graduate Contribution Scheme, UCL welcomes the continuation of the payment by the Government of up to the first £1,100 of fees from lower income families and the abolition of the up-front payment of tuition fees in favour a system which will allow payments to be made after graduation through the tax system and linked to the ability to pay.

8. The Government has a unique opportunity to produce a scheme which works, not only in the short term but in the longer term and which provides more money for the Universities but which does not discourage students from going into HE. This is not however something which can wait until 2006 to see if the additional income starts to materialise. UCL urges that action needs to be taken now along the following lines:

   (i) A promotion campaign by the Government and HE to encourage entry into HE.
   (ii) Government assistance to the Universities with funding for bursaries and scholarships in 2006 which can be phased out as University income starts to increase from additional tuition fees. A steady state situation should have been reached by the end of the decade.
   (iii) Government assistance to the Universities to improve teaching and learning infrastructure pre-2006 and in the early post-2006 period, before University income starts to increase from additional tuition fees.

9. UCL has some concerns about the level of student debts which we will be incurred by students on some courses e.g. medical courses, and we urge that the Government looks seriously at special support mechanisms for such students (as currently exist for clinical students).

10. There is also considerable concern that the increased cost of undergraduate education will have a deleterious effect on the future numbers of students opting to undertake graduate studies, particularly at the postgraduate research level. As in 8(ii), UCL urges assistance from the Government for funding for additional bursaries and studentships before the Universities have available additional income themselves which could be used for this purpose, whether from tuition fees or from endowments.

**Degree Standards: External Examiners**

11. UCL recognises the need for External Examiners to receive appropriate briefing and training. However, we would have serious concerns about any ‘national development programme’ leading to both increased bureaucracy and central control of External Examiners. We would be opposed to the creation (as has been suggested in the past) of a national College of External Examiners.

**Research and Teaching**

12. While welcoming the increase in research funding, we would question the separation of research and teaching that is implicit in the White Paper. In a research-led university such as UCL, there is a close and extremely productive relationship between research and teaching. It would be potentially very damaging to the UK’s reputation world wide if research and teaching within our top universities were seen – and seen to be funded – as wholly separate activities.

**Expanding Higher Education**

13. UCL recognises the creative potential of a ‘ladder of progression’ from FE to HE. We already have a pioneering Partnership for Excellence with City and Islington College and are currently in discussions with two local post-1992 universities. However, the difficulties of establishing truly workable pathways should not be under-estimated. Furthermore, such ‘ladders of progression’ will require extra resources, notably in the area of student support.
14. UK HE is already engaging with the Bologna process and should undertake this engagement even more vigorously. It is therefore particularly disappointing that the White Paper does not include any engagement with post-Bologna thinking, since the UK’s involvement in a Europe-wide HE strategy has implications both for funding and for student mobility and transfers.

15. Through the work of our Widening Participation Unit, UCL continues to build upon our strong successful tradition of schools liaison. We are sensitive to the particular learning needs of students from backgrounds traditionally under-represented in HE.

16. All of our initiatives involve partnerships of one form or another, either with other universities (both ‘traditional’ and post-1992), with schools (both primary and secondary) and colleges, or with black and minority ethnic groups, voluntary organisations, subject associations, special interest groups, etc.

17. It is therefore regrettable that funding for many of these activities is now to be channelled through the regionally based Partnerships for Progression system, which is perhaps not the most appropriate model for London – and where significant funding decisions seem recently to have been made on the basis of political expediency rather than on past record.

18. With a very low drop-out-rate, UCL naturally has serious concerns about the adoption of a funding algorithm for recruitment and retention which ‘penalises’ universities which have an excellent record in retention.

The Access Regulator/Office for Fair Access (OFFA)

19. UCL is pleased that the Government has recognised in the proposals for an Office for Fair Access that admissions policies are a matter for individual universities (thus maintaining the position set out in the 1992 Education Act). We would hope that OFFA will indeed be located within HEFCE, rather than operating as a separate body and thereby generating yet further bureaucracy.

20. We would envisage OFFA as having an important role in monitoring admissions processes and disseminating good practice – and in monitoring process on a national scale. However, OFFA should neither set targets nor influence decisions on student admissions; neither of these activities would be appropriate ways of achieving fair access or of widening participation.

21. Considerable work needs to be done with groups which are currently under-represented in HE (the lower socio-economic groups and certain ethnic and faith groups) regarding the question of ‘deb t aversion’. The financial arguments about the value of a university education need to be made more strongly, but there is also a need to change the attitudes and the vocabulary of young people and their families and teachers. UCL is already doing work in this area, and is now working in partnership with a new charity, UNIAID, which specialises in this area. More support from Government for these initiatives would be helpful.

Student Feedback

22. UCL is wholly committed to principles of transparency and accountability. For many years now, we have been committed to the active involvement of students at all levels of governance and academic development and we have a well-developed system of student feedback on courses.

23. We recognise the importance of putting student feedback in the public domain. However, as is evident from the Australian model on which the proposed UK model is to be based, it is difficult to achieve statistically significant student feedback on a sustained basis. UCL has been working with the University of Sydney on developing an institutional student feedback questionnaire and is now discussing with the HEFCE the possibility of being a pilot for the model commissioned by the Funding Council. However, more work needs yet to be done on what the key stake-holders actually want to know.

Endowments

24. UCL agrees that there is a need to create significant endowment funds for the Universities. UCL would welcome being involved in the proposed task force to promote corporate as well as individual giving and we welcome the intention to seek resources to create a time-limited matched endowment fund.
Research Funding: Interactions with Business

25. Overall UCL welcomes the White Paper’s general thrust on research funding. It will however be a fine balancing act to encourage and support research of the highest quality which is recognised internationally as such without an over-concentration of research resulting in a diminishing of UK HEI research in the eyes of the world outside the UK.

26. As a research-intensive University, UCL has noted that the Government is committed to encouraging and rewarding research in “larger units”, including through collaboration, and we would welcome clarification as soon as possible of the meaning of research in “larger units”.

27. On the business side, we do not believe that Knowledge Transfer Exchanges should be the province of a restricted number of Universities, as currently proposed in the White Paper.

28. We note, and we think that it should be recognised, that the London Development Agency will have a particularly difficult and challenging task, given the numbers of HE institutions in London compared with other Regional Development Agencies.

Staff Pay

29. Whilst UCL is already experienced in the application of differentiated pay – in terms of staff recruitment and retention and in terms of excellence in teaching and/or research, UCL does wish to emphasise its view that the efforts of University staff – across the board – are not currently adequately remunerated.

30. It is possible that, by the end of the decade when the full effects of increased tuition fees will be felt, the Universities will be in a better position to address the issue of the salary levels of all of their staff. But further delay in addressing this issue would be a very high risk strategy, and UCL feels strongly that the continued poor salary levels of academic and support staff needs to be addressed now by the Government before the matter turns into a crisis for the University sector.

31. Government initiatives, such as the proposed increase in the average Research Council postdoctoral salary by £4,000 by 2005-06, are of course very much welcomed but they will exacerbate the pressures on the Universities highlighted above.

University Management

32. UCL is very concerned at, and would firmly reject, the implication in the White Paper that Universities are unable to plan and manage their activities without undue direction from Government.

33. We are particularly concerned about the continual and indeed added regulatory burden on Universities which is not taking into account the Better Regulation Task Force Higher Education Report 2002 that HE is a low risk sector which already suffers from excessive external and internal regulation.

34. In noting the proposals for the Leadership Foundation and the Teaching Quality Academy, we would also urge that the current discussions on the rationalisation of the training agencies bear in mind that some of these are supporting the training needs of non-academic support staff.

Sir Derek Roberts
Provost and President
15 April 2003