

Moves that can restore standing of universities

Charlie Jeffery

IN recent days we have seen several key announcements from the Government affecting universities. There was the first Labour Budget in 14 years and its commitment to protecting the science budget that funds university research – recognising that innovation from the cutting edge research we do at universities such as York is a key driver of economic growth, the central mission of the Labour Government.

Then we heard Bridget Phillipson, Secretary of State for Education, announce that the Government is introducing a one-off uplift in tuition fees and maintenance loans for home students in line with inflation, acknowledging the acute financial pressure that both universities and students have been experiencing.

No student wants to see their fees increasing, so it's vital to note that the change will not see students paying more to study up-front; likewise repayments will still not need to be paid until graduate earnings are above a £25,000 threshold.

And we have to note too that student maintenance loans in England are currently at their lowest level for nine years. Students have been largely ignored by government measures on the cost of living over the last few years. So the increase announced by the Government is both welcome and timely. It will allow students to access additional financial support urgently required while studying – though I would like to have seen further support for students from more disadvantaged backgrounds.

These announcements on research and students are eye-catching and welcome announcements, made in a challenging economic environment, and reflect the much

more positive way this Government has talked about universities. This gives us an opportunity to reframe collaboration between universities and government.

That's all the more the case because the Secretary of State positioned these measures as a first step, with further action on higher education reform set to emerge next year following consultation with the sector.

These next steps will be vital. The measures announced do not resolve the wider, and complex financial pressures faced by universities (which the Budget actually added to as the increased cost of employer National Insurance contributions announced in the Budget will more than cancel out the increased funding from tuition fees).

Universities have been working hard to deal with the financial pressures caused by higher inflation since the Liz Truss interlude in 2022. Neither undergraduate teaching nor publicly funded research now cover their costs. And the previous government's various measures on student visas have impacted hard on international student recruitment across the sector.

So it is very heartening that the importance of universities as 'engines of growth' was recognised very clearly in the Budget statement by the Chancellor, the recently launched Green Paper on a UK Industrial Strategy, and again by the Secretary of State for Education last week.

In particular, I noted Bridget Phillipson's remarks on the need for universities to do more to drive the growth the country needs, how important universities are for local economies, and how they need to embed themselves in local communities.

I also note her clear intention to work with the sector to devise an enduring fund-



ing solution for UK higher education, as the Government moves into planning for a three-year Comprehensive Spending Review in spring 2025.

I couldn't agree more with this approach; and that is exactly what we are doing here at York. Our teaching delivers graduate skills into the economy, our research underpins innovation, productivity and entrepreneurship, as well as acting as a magnet for investment and growth in critical sectors.

For example, our work in the bioeconomy, digital and creative technologies, the safety of robotics and autonomous systems safety, and secure quantum communications are at the heart of the emerging growth plan being drawn up by the new Mayor of York and North Yorkshire, David Skaith.

In responding to the Secretary of State's invitation, we will be engaging proactively and creatively with the Government. Our aim will be to make progress on a sustainable funding system for UK higher education that recognises the span and value of what we do across teaching, research, civic engagement and economic development, that supports collaboration with further education colleges in meeting skills needs, and that ensures we have the capacity to work with local authorities, mayors, national government and private sector investors.

I am committed to York playing its part in ensuring that UK universities are once again respected as a major asset for the UK, and that we move out of a repeated pattern of short-term, inadequate funding measures that has led to the current difficulties the sector faces.

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