

Budget 2014

Implications for UCU members

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The further education and skills sector has learnt that in addition to longstanding cuts it will suffer funding cuts capped at 2% for 16-18 year olds in education and training.

On 19 March 2014, Chancellor of the Exchequer, George Osborne, made his 2014 Budget Statement to Parliament, in which he outlined the state of the economy and set out the government's latest financial plan of action, pledging a budget for 'makers, doers and the savers.'

There was no mention of colleges in the budget. In recent weeks the further education and skills sector has learnt that in addition to longstanding cuts it will suffer funding cuts capped at 2% for 16-18 year olds in education and training, and an average 15% reduction in funding for adult skills (excluding adult apprenticeships).

Key announcements in relation to education include:

The government will provide £20 million over 2 years to support apprenticeships up to postgraduate level

Assert policy set out in *The Future of Vocational Education*

- requires an overhaul of careers information, advice and guidance
- education must be at the heart of these with mandatory off-site learning provision
- close the gap between the national minimum wage and apprenticeship minimum wage
- financial support will be necessary to support small and medium sized enterprises benefit from these developments
- employers must be required to contribute through training levies.
- need for a bespoke apprenticeship for over 25s that also has pathways up to postgraduate level.

The government will provide funding of £85 million in both 2014-15 and 2015-16 to extend the Extension of Apprenticeship Grant for Employers (AGE) scheme. This will provide over 100,000 grants to employers. The government will ensure that grants are targeted where they are most effective

- The original programme did not meet its target so there are still real problems with employer participation.
- Culture change in attitudes toward education and training can only be achieved through strong social partnerships including employers, learners, trade unions, and professional bodies.

There has been a reduction in spending on research and development of £568m in real terms over the last two years. The government must commit to a long term increase in investment in UK science.

The government will investigate options to support increasing postgraduate participation to ensure that the UK can meet the demand for higher skills in the economy

- No funding is attached to this.
- Much of the focus is likely to be on taught masters qualifications and so there is an opportunity here for us to focus on research degrees and access to the profession.
- Ensure that there are enough UK domiciled PhD students and highlight the dangers of overreliance on overseas nationals given the problematic visa policy.
- HEC850 sets out where we were on this a year ago. HEC440 could be updated and issued as UCU policy
- What does widening participation look like at postgraduate level? No fixed consensus. Very difficult to disaggregate the data at this level.
- There is strong Oxbridge over-representation and almost an absence of professors with a degree from a former polytechnic university. Similarly, the growth in BTEC uptake is also not translating into postgraduate continuation

Actions

- Update UCU policy on postgraduate participation
- Investigate earnings/career destinations for PhD students

£106 million will be provided over 5 years to fund around 20 additional centres for doctoral training

- Welcome this additional funding, but the funding should be flexible enough to ensure that the widest possible range of institutions and students are able to benefit from new opportunities to undertake postgraduate doctoral training.
- Note HE24(2012) that noted the potential for post graduate education, including post graduate vocationally orientated education, to become confined to elite institutions and available only for comparatively rich graduates.

Provide £42 million over five years for the Alan Turing Institute

- Welcome the investment and note the significant long-term growth potential from investment in science
- There has been a reduction in spending on research and development of £568m in real terms over the last two years. The government must commit to a long term increase in investment in UK science.

Introduce new employer contribution rates for the Principal Civil Service Pension Scheme, the NHS Pension Scheme (E&W), the Police Pension Scheme (E&W) applying from 1 April 2015 and for the Teachers Pension Scheme (E&W) applying from 1 September 2015.

- Martin Doel, chief executive of the Association of Colleges said *‘the decision to increase employer contributions to the Teachers Pension Scheme (TPS) from 14.1% to 16.4% in September 2015 will cost the average further education (FE) college £250,000 a year and the average sixth form college £100,000. Added to the increase in employers national insurance in April 2016, the on-costs for colleges of employing*

£50 million is pledged for an early years pupil premium, to help improve outcomes for the most disadvantaged three and four year-olds in government-funded early education.

teachers and lecturers will rise by 5% over the next two years at a time when public spending will fall. It is right for the government to produce a better valuation of public service pensions but it is wrong to make decisions on employer contributions before the valuation is published and without consultation on other options'.

Funding for 'Education is GREAT' will be increased to £3 million in 2014-15 to attract more international students to the UK and triple the number of Chevening Scholarships from 2015-16

- Welcome, but note the contradictory rhetoric that is being sent out by the Home Office.

Early Years

Confirmation that the Tax-Free Childcare costs cap, against which parents can claim 20% support, will be increased to £10,000 per year for each child. Tax-free childcare will be rolled out to all eligible families with children under 12 within the first year of the scheme's operation.

£50 million for an early years pupil premium, to help improve outcomes for the most disadvantaged three and four year-olds in government-funded early education.

£350 million to increase the per-pupil school budgets of the least fairly funded local areas in 2015-16 (not new)

- Broadly welcome additional funding.
- Collaborate with early years organisations to articulate where the funding should go and link to the training and support of early years workers.