

Delivering the high-level skills the country needs

The UK's higher education sector has an international reputation for quality. Russell Group universities offer excellent teaching, delivering technical as well as academic education to address national priorities and local skills needs – ensuring all our graduates and postgraduates are well-equipped to contribute to the future economy and society. This is borne out by high student completion rates and high employment in graduate and postgraduate jobs.

We look forward to working with the Government to build on the strength of this asset for the UK, by improving access to high-value degrees and maintaining their quality. Action is needed to ensure long-term financial resilience in the sector, including a new funding package for 2024/25 and beyond that is fair to students, supports universities to deliver on Government ambitions and protects the UK's hard-won international competitiveness.

The value of a Russell Group education to the UK's economy and society

Russell Group universities offer a combination of teaching and research excellence which creates the ideal learning environment for students, helping them to develop crucial skills which make them more employable. A highly skilled workforce drives economic growth and is needed to help secure the future of our public services:

- More than 700,000 students are studying at our universities, which teach 4 out of 5 doctors and dentists, a third of all engineers, as well as 15,000 nurses and over 5,500 teachers.
- Our universities excel in the social sciences, humanities and creative disciplines, producing the skilled innovators that drive our growing service sectors and creative economy.
- In 2019/20, 82% of Russell Group graduates in work were in highly-skilled employment after 15 months of completing their studies, and the majority of our students (over 50%) remain local to their university after graduation.
- Our universities provide a range of academic, technical and professional degrees: 14 deliver higher and degree apprenticeships and five are involved with the creation of the UK's Institutes of Technology to meet the skills needs of local businesses.
- New businesses linked to our universities created 33,000 jobs and brought in £4.9bn of investment to towns and cities across the country in 2020/21.

We want to build on the strength of this asset for the UK, by improving access to high-value degrees and maintaining their quality. Russell Group universities work closely with schools and colleges to help drive up attainment and create more pathways to high-quality higher education. These initiatives are helping to close the gap in progression between students from the least and most under-represented areas of the UK and we are determined to ensure this trend continues. As a part of this, we want to build on the flexible learning opportunities our universities already provide and work with the Government on its vision for lifelong learning.

Ensuring financial resilience for the Higher Education sector

We have welcomed investment into the sector this year, including £350m of additional Strategic Priorities Grant, £450m to maintain the capital budget and additional spending on student wellbeing. However, the decision to continue freezing tuition fees up to 2024/25, combined with increasing teaching costs and rising student demand means the average loss of £1,750 universities already make in teaching UK undergraduate students will rise sharply. We estimate that without further intervention this will increase to approximately £4,000 per student in 2024/25.

Whilst universities will continue to address deficits by working even more efficiently, and drawing on other sources of funding like international student fees - a continued decline in per student funding risks impacting the quality of teaching and the student experience. Universities may be forced to increase class sizes affecting staff:student ratios, and reduce investment in practical teaching, infrastructure, and support services. Without action, there is also a risk of fewer courses in the subjects with the largest deficits, often STEM subjects.

The Government faces difficult trade-offs on public spending but action is needed to ensure long-term resilience in higher education and protect the quality of education and research so we can deliver on Government ambitions. We want to work with Government to help design a new funding package for 2024/25 and beyond that is fair to students and the taxpayer, and protects the UK's hard-won international competitiveness.

Freedom of speech

Free speech and academic freedom are fundamental to the public purpose of academic institutions in the UK and underpin advances in research and education. Our universities take their responsibilities in this area very seriously.

We have worked with officials in DfE throughout the legislative process for the Higher Education (Freedom of Speech) Bill and will continue to do so. We welcome changes that Government has brought forward following engagement with the sector, such as risk-based exemptions around the reporting of overseas income. However, in a number of areas we still have significant practical and legal concerns over the impact the Bill could have if implemented in its current form.

The Bill could be strengthened through amendments consistent with the intent of the legislation to help avoid unintended consequences, ensure new regulations and legal actions are proportionate, and that they do not lead to increases in red tape without meaningful improvements. For example, we believe there are already sufficient protections in law for those who feel their freedom of expression has been undermined. An additional tort would only increase the risk of vexatious and expensive complaints being made against universities.

Proportionate and risk-based regulation

We would welcome the opportunity to work closely with Government to reduce bureaucracy and burden on low-risk, high-quality providers. Regulation is vital to ensuring that universities are delivering for students and using taxpayers' money efficiently. However, to ensure resources are not diverted away from teaching and research to fulfil unnecessary regulatory requirements, a proportionate approach is needed. Instead, low-risk providers are facing increasing regulatory burden from the Office for Students with more granular monitoring of quality indicators, increasing *ad hoc* data requests and requirements to submit variations to access and participation plans.

To protect public confidence in higher education, the Designated Quality Body (DQB) must be truly independent from the Office for Students and the Government should consider keeping the Quality Assurance Agency as the DQB or working closely with the sector on the transition to a new DQB.