



# The Save British Science Society

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## World-class investment in Scottish universities

SBS response to the Enterprise Committee's inquiry into the impact of England's university fees structure on Scottish Higher Education

1. Save British Science is pleased to submit this response to the inquiry into the likely impact of changes in England's university financing on Higher Education in Scotland. SBS is a voluntary organisation campaigning for the health of science and technology throughout UK society, and is supported by 1,500 individual members, and some 70 institutional members, including universities, learned societies, venture capitalists, financiers, industrial companies and publishers.

2. SBS has campaigned for science in Scotland since devolution, and in advance of the elections to the Scottish Parliament in 2003 produced an agenda of science policies for the next four years<sup>1</sup>, in which we identified differences between the new English structure and the existing Scottish system as a source of future problems.

### ***The problem***

3. It is no secret that universities are underfunded for the jobs they are now expected to do. For example, the transparency review identified a shortfall of over £1 billion a year in publicly-funded research in UK universities,<sup>2</sup> while the real cost of teaching undergraduates has been estimated by one Vice-Chancellor to be three times the money available.<sup>3</sup>

4. It is also true that in the UK, both the individual student and the taxpayer current enjoy higher returns on their investment in higher education than their counterparts in other countries.<sup>4</sup>

5. The Government in England has announced that it intends to go some way towards closing the funding gap by charging top-up fees, but has decided to adopt one aspect the model currently in existence in Scotland, in which fees are not paid until after graduation. As the

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current consultation makes clear, Scotland's politicians are united in ruling out any such changes north of the border.

### ***Competitive disadvantage***

6. If the English system is brought in, in the form proposed by the Government, it will unquestionably generate more money for English universities. In the future, English universities will have more money per student than Scottish universities.

7. This means that Scottish universities will certainly be at a disadvantage in terms of their staff-student ratios, their equipment and facilities, and the overall educational experience they will be able to provide.

8. The degree of disadvantage depends on many imponderables. For example, Scottish universities may receive increased applications, with 'refugees' from England choosing to study in Scotland.<sup>5</sup> Both the numbers and the quality of such potential refugees are impossible to predict, as are the precise amount of new money that will be generated in England, the cost-effectiveness of the collection system, and the effects on students' decisions. Without such knowledge, it is in effect not possible to offer a serious forecast of the precise effects on Scotland.

### ***Potential solutions***

9. The options open to Scotland are broadly sixfold, namely

- (A) to follow suit and charge higher fees
- (B) to end up with lower standards than England
- (C) to find extra money somewhere else
- (D) to find ways of providing as good an education as England for less money
- (E) to reduce the volume of Higher Education or to change its nature, to match the available money, or
- (F) to employ some combination of options A-F

10. Option A has been ruled out for the time being by all of Scotland's political parties.

11. Option B is totally unacceptable. There is no place in the modern world for the second best, and Scotland has quite rightly decided that success lies in being smart, not lagging behind the knowledge economies of other countries.<sup>6</sup>

12. Option C is a political decision, but a tough one in the context of many competing priorities for public funds. Scottish universities currently receive around 4% more public money per student than those in England<sup>7</sup>, demonstrating that Scotland is prepared to give higher education a greater priority. But it is difficult to imagine that the Parliament and Executive will be in a position to make the

investment necessary to close the funding gap. It may be possible to generate some money from other sources (such as private investment by companies) but again, this is not going to plug the gap, particularly given that the economy is less buoyant than it was a few years ago.

13. Option D is probably possible, but only at the margins. Years of underfunding have made university staff incredibly resourceful, both in England and in Scotland. They already squeeze excellent value out of the investment they receive.

14. Option E is certainly possible, but is again a political decision. Within the context of a strategy for a smart, successful Scotland, the concept of reducing the volume of higher education is unpalatable, but refocusing some parts of it onto improved vocational training in shortage areas may be an option, so long as the core of academic endeavour is not undermined.

15. Clearly, option F - some combination of the other options - is the only one that can come close to solving the problem, with the proviso that option A has been ruled out and option B would be a disaster. But the degree to which each of the other elements (option C-E) can be part of the package depends, as we have stressed, partly on the political will of the Scottish Parliament, Executive and people to invest more money, or to accept a smaller, better-funded system and partly on the as-yet unknown magnitude of the impact that English top-up fees will have.

### ***The real world***

16. As a basic principle, Scotland has to decide how much higher education it wants, and how much it is prepared to pay for. There are no simple solutions, and no magic tricks. World-class universities need, and deserve, world-class investment.

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#### Notes and references

<sup>1</sup> *Science Policies for the Next Scottish Parliament: Agenda for the Next Four Years*, SBS 2003 [SBS 03/04]

<sup>2</sup> *Cross Cutting Review of Science & Research: Final Report*, HM Treasury, DfES, DTI and OST, 2002.

<sup>3</sup> Quoted in *The Independent*, 18 October 2002.

<sup>4</sup> *Education at a Glance: OECD Indicators 2002*, Tables A13.1 and A13.3, OECD, 2002.

<sup>5</sup> *The Herald*, 18 January 2003.

<sup>6</sup> *A Science Strategy for Scotland*, Scottish Executive, 2001.

<sup>7</sup> Reported in the *Times Higher Education Supplement*, 24 January 2003.