

7th May 2015 and beyond...

Five themes for HE in this parliament

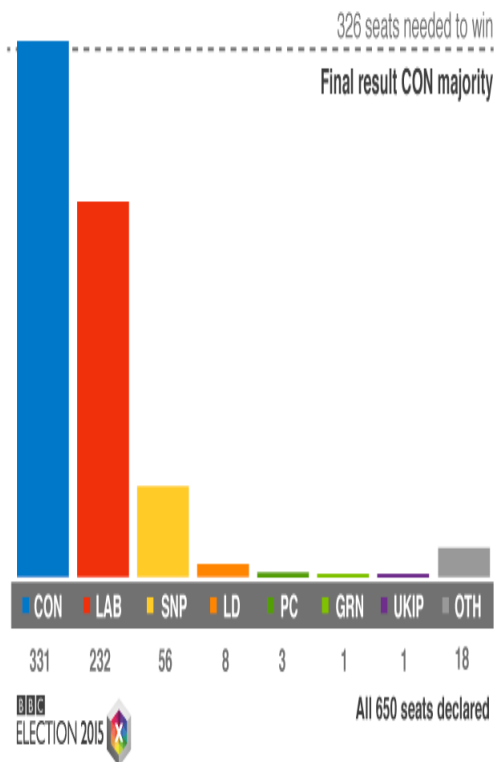
Andy Westwood
May 2015



... the story of GE2015 (the polls, exit poll & the result)

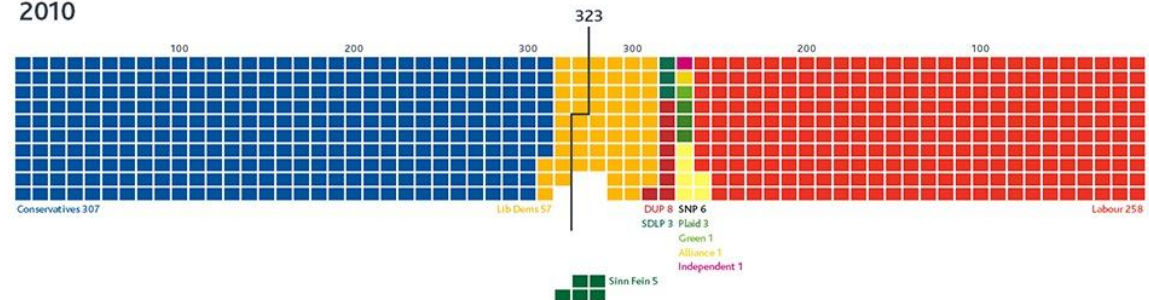


1) Regulatory uncertainty (and legislative difficulty...)

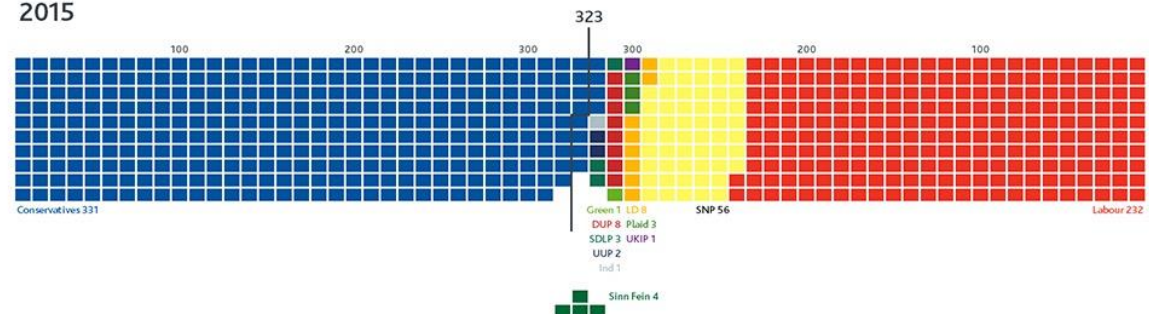


Composition of the House of Commons following 2010 and 2015 General Elections

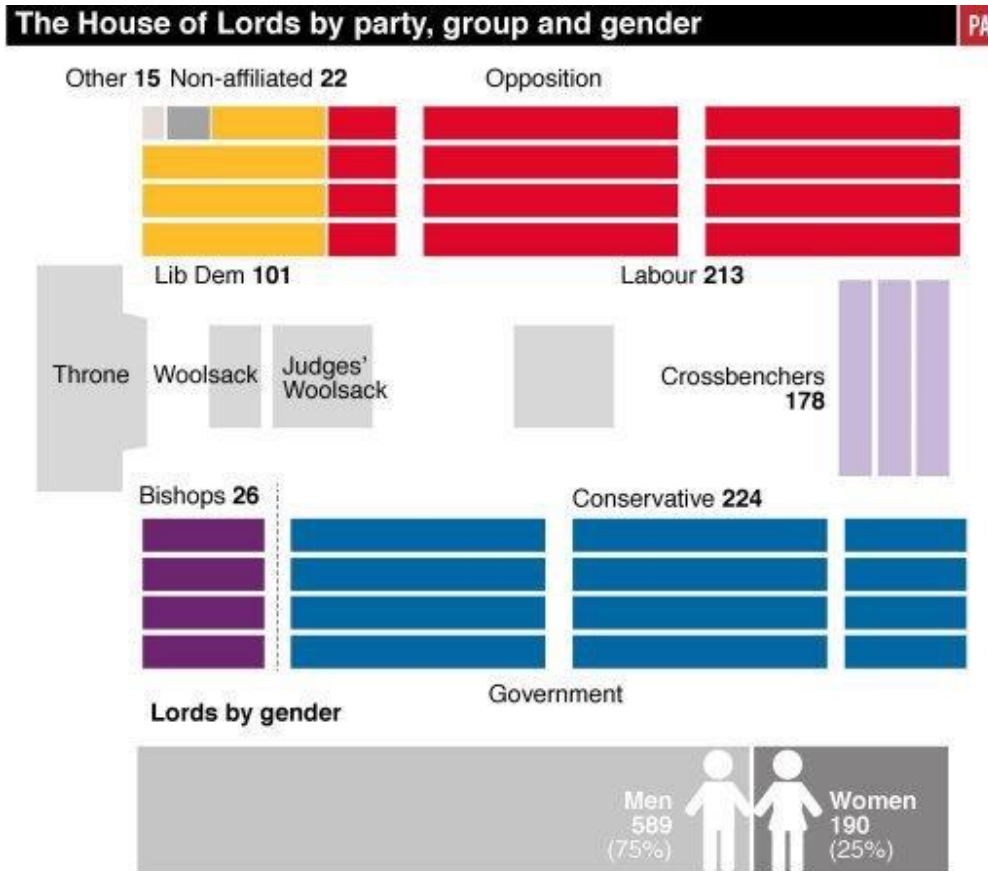
2010



2015



House of Commons vs House of Lords...



What kind of Parliament?

- Still a weak government (majority of 5 - 12)
- Messy, hand to mouth...
- Problems with House of Lords (no Conservative majority makes legislation problematic)
- Difficult backbenches especially over EU and 'English' issues
- Favours rebels, 'pork barrel' politics, deals
- Not good setting for decision making, legislation

Back to 2003/4



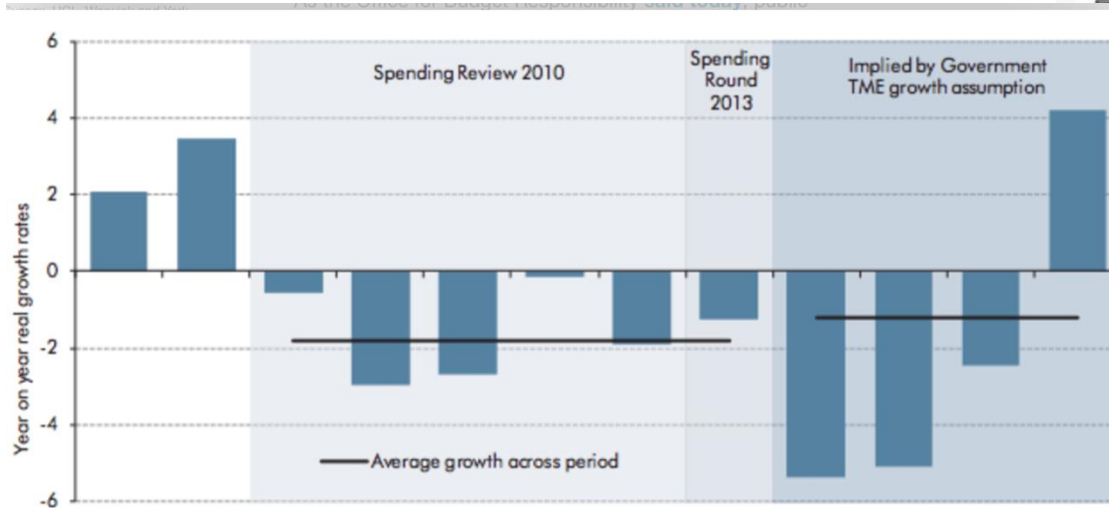
- Labour majority under Blair of 100+ seats and much less pressure on public finances
- HE legislation for top up fees finished (after compromises with Labour left) with OFFA and a review of the impact of fees (which became Browne...)
- Most difficult moment for Blair? *"nearest I came to losing my job as PM was not over policies of war and peace, but over education reforms."*

2) Financial uncertainty (or worse, certainty?)

‘There is no money...’



‘Here comes the sun’*
(Or at least that's what he wants you to think)



2008-09 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19 2019-20
Note: RDEL series excludes major historical switches with AME as well as switches with AME in forecast years. Details are available in the supplementary fiscal tables on our website.
Source: OBR



an follows a similar theme, using the headline: "Here comes the sun." However, it shows its adding the caveat: "At least that's what he wants you to think." Jonathan Freedman's front-page jues: "He will convince many, but beneath Osborne's performance was a party on the defensive."

First 1-2 years?

- Early Budget?
- Spending Review (autumn?)
- Postgraduate loans scheme
- Nurse Review outcome

Impact of Autumn statement 2014 on departmental budgets

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Assuming current protections on
the NHS, DfID and schools

In the next
Parliament

Departmental spending** cuts after inflation	2019/20 compared to 2015/16
Total*	–£54.1bn
NHS	£0.0bn
Schools	£0.0bn
International Development	£0.8bn
Transport	–£0.8bn
Work and Pensions	–£2.2bn
Justice	–£2.2bn
Home Office	–£3.7bn
CLG Local Government	–£4.1bn
Education excl schools	–£4.2bn
Business, Innovation & Skills	–£4.8bn
Defence	–£9.3bn

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* Total includes Scotland, Wales, N. Ireland & smaller departments, not shown above

** Resource spending, excludes capital

3) Productivity and Growth (and role of HE and science)



'We will devolve far-reaching powers over economic development, transport and social care to large cities with elected mayors. We will legislate to deliver historic deal for Greater Manchester.'

Rebalancing economy, focus on **place**, **devolution**, **public sector reform**

Rebalancing **HE & skills** provision - increased interest in HVE (National Colleges, Degree Apprenticeships etc)

Science: applied research, innovation, place, research partnership...

4) Micro versus Macro (economic evidence)?

- Push for **micro - not macro** - economic evidence eg focus on teaching, learning gain, institutional and course RAB charges, micro level science/research impact
- Universities and Science as key drivers of economic growth – jobs, earnings, innovation and productivity.
- Has helped HE through last five years – science protected, higher fees, student numbers uncapped...

The less good news is that more measures, more data, more strings, more levers will be needed to prove it and to actually make it happen.

Conservative Manifesto

- *Continue to invest in science, back our industrial strategies and make Britain the technology centre of Europe*
- Nurse Review of research councils, to ensure UK continues to support world-leading science
- Create new institutions such as Health North; Royce Institute for Advanced Materials in Manchester, Leeds, Liverpool and Sheffield;
- Invest new capital: £6.9 billion to 2021: inc £2.9 billion 'Grand Challenges Fund'
- Support modern industrial strategies eg Life Sciences, Automotive Council & 'Eight Great Technologies' inc robotics & nanotechnology
- Expand catapult centres – R&D hubs in technologies of future
- Grow University Enterprise Zones, universities to make money from technology they develop.

5) The ‘Global Race’ or ‘Little Britain’?

- Renewed immigration targets
- EU ‘Brexit’...?
- Or the UK winning (or at least doing better in the ‘Global Race’, investing in science, technology, world leading research, sectors and businesses?
- Or politics vs economics? (In 2020 - possibly even Theresa May vs George Osborne?

Osborne (and the economy) wins...?

