



University
Alliance

Let's Get Technical

How to harness the power of professional and technical universities to deliver for the UK





Who are University Alliance

and what is a professional and
technical university?

University Alliance (UA) represents leading professional and technical universities across the UK.

Our members specialise in working with industry and employers. Their teaching is hands-on and designed to prepare students for their careers. Their knowledge and research drive industry and the public services to innovate, thrive and meet challenges.

Alliance universities are leading the way in innovation and business support in the green, tech, and healthcare industries. They are major educators in healthcare, engineering, the creative arts, social sciences, degree apprenticeships and more.



Industry: Alliance universities are expert at working with employers to empower students with career-ready skills, and to generate knowledge for the future.



Innovation: Alliance universities have an ethos of continuous innovation. They find new ways of delivering quality, hands-on teaching and applied research, advancing the industries they work with.



Community: Alliance universities create dynamic, supportive communities, and that is reflected in the way we work together as an alliance.

Foreword

Professor Jane Harrington

“The next government will face countless challenges: revitalising growth, addressing skills shortages and low productivity and ensuring public services are fit for the future, to name just a few. Yet there is plenty of cause for hope. Across the UK, there are people, institutions and communities with the ingenuity, skills, and ambition to find solutions to our most pressing local and global problems. We know that professional and technical universities have an important role to play.

That’s why we are proposing five goals for the next UK government, each with a set of specific actions to help deliver them. With the right policies and practices in place, professional and technical universities can go further in supporting economic growth and delivering a better future for the UK.



1 Develop a long-term post-18 education and skills strategy



2 Support innovative regions and SMEs across the UK



3 Embed universities in NHS and social care workforce planning



4 Reform the funding and regulation of degree apprenticeships



5 Address financial shortfalls for students and universities

The UK is a knowledge economy; we are the second largest exporter of services in the world and our economic growth is fuelled largely by human capital. Our education system therefore needs to be coherent and effective to support future growth and skills needs. Universities deliver for the country on multiple fronts, but the policy landscape is disjointed.

Our first goal challenges the next government to develop a long-term strategy for post-18 education and skills which clearly sets out the role it wants universities and other education providers to play in delivering growth and prosperity. This could form the basis of a new social contract between universities and society.

The next three goals focus on how the next government can enable Alliance universities to double-down on our key strengths: advancing businesses and communities through research and innovation, training our NHS workforce, and providing the high-level skills that individuals and employers need to navigate an uncertain future.

Our fifth goal focuses on putting university and student finances on a stable footing. Without this, none of our other goals will be achievable in the long term. These are difficult times, and achieving these goals will not be easy. Each of our goals has a series of enabling actions, some of which can be tackled immediately, whereas others will require government and the sector to collectively confront very hard decisions. We look forward to the challenge.”



Professor Jane Harrington
*Chair of University Alliance,
Vice-Chancellor and CEO of the
University of Greenwich*

1

Develop a long-term post-18 education and skills strategy

Universities are [economic anchors](#) for their communities, supporting businesses to grow and industries to flourish. Government has yet to make the most of universities' multi-faceted roles. To grow the economy and enable future generations to succeed, the next government must set out a clear articulation of what it believes post-18 education and training is for, and how higher education can support its full policy programme.

Why:

- **The UK's greatest resource is our knowledge and ideas.** Human capital has been the biggest driver of economic growth in the UK over the past 20 years, and this has been propelled largely by [higher education](#).
- **We must plan for a future economy that looks very different to today. There is already a skills shortage in the UK.** With the rise of AI, there will be a 10% net increase in the number of jobs that [require a degree](#) over the next 20 years and 11 million [additional graduates](#) needed by 2035. We need a clear strategy for meeting future skills needs.
- **The UK is at risk of falling behind our global competitors.** Countries such as Germany, Canada and South Korea are already taking a strategic approach to tertiary education, with [concerted efforts](#) to grow the number of people with higher-level qualifications.
- **There is a lack of strategic direction for higher education and government policy is disjointed.** A lack of clear, consistent policy objectives for higher education and a sustainable long-term funding settlement is inhibiting investment and planning.
- **Disproportionate and burdensome regulation is making universities more risk averse and hampering innovation.** The [well-documented](#) issues with the Office for Students are just one area where a largely compliant and high-performing sector is being held back.



How:

1. Create a long-term cross-government vision and strategy for post-18 education in England.

The strategy needs clear aspirations and targets that are not solely the responsibility of one department. The [International Education Strategy](#) provides a useful model. It should be developed in consultation with a wide group of education and training stakeholders and include the role of research and innovation.

2. Place responsibility for higher education teaching and research in England with a single government minister.

This will help ensure that government can take a holistic view of education, research and innovation. Ideally, the minister would sit within the Department for Science, Innovation and Technology (DSIT) to emphasise the broad remit of higher education.

3. Establish an independent expert panel to help develop, implement, and champion the strategy.

Higher education policy is complex, and many aspects are highly contested. The strategy is more likely to be successful if it has buy-in from key stakeholders, and if the assumptions underpinning it are subject to independent expertise, rigorous debate and scrutiny.

4. Seek alignment with the Devolved Nations.

As education is devolved, the post-18 strategy will, by necessity, be for England. However, where possible, there should be alignment with the Devolved Nations to protect the integrity of the UK higher education brand overseas. The increasing [divergence](#) across the UK on quality assessment and standards should be addressed as a priority.

5. Conduct a review of all regulation that affects the post-18 sector.

Universities are rightfully subject to robust regulation, but the current regulatory regime is [costly and disproportionate](#), encompassing the Office for Students (OfS), Ofsted, and multiple Professional, Statutory and Regulatory Bodies (PSRBs). A full review is needed to rationalise and streamline requirements where possible.

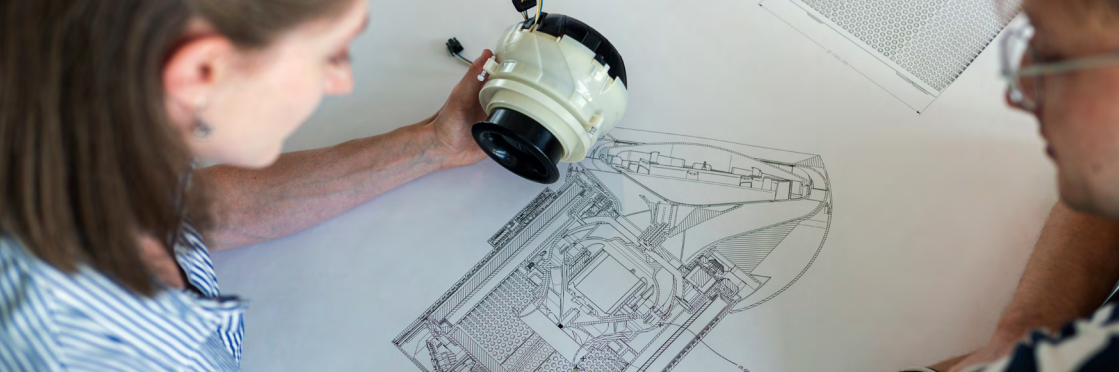
2

Support innovative regions and SMEs across the UK

The next government can drive economic growth, productivity, and societal benefit through long-term and stable investment in Research and Development (R&D), a laser focus on innovation, and support for university-business partnerships.

Why:

- **There has been underinvestment in UK R&D by successive governments.** Total UK [investment](#) in R&D is thought to be around the 2019 OECD average of 2.5%, but lags behind commercially successful research-intensive nations such as South Korea, the US and Germany.
- **The UK's geographical imbalances in economic performance are exacerbated by imbalances in R&D spending.** Total [R&D expenditure](#) is largest in absolute terms in the Southeast, the East of England, and London.
- **Public funding for R&D delivers value for money.** £1 of public R&D eventually [stimulates](#) between £1.96 and £2.34 of private R&D.
- **Cutting-edge research and innovation are essential to the understanding and tackling the challenges we face in achieving net zero.** Alliance universities are [supporting](#) climate action in a range of sectors, including construction, energy, transport and agriculture.
- **SMEs account for 99.9% of the business population but less than half are innovation active.** [Innovative businesses](#) have higher growth, higher productivity, and export more. Alliance universities bring academic and industry expertise and infrastructure together to [help](#) SMEs boost their capabilities.
- **World-leading research and impact is being generated in every type of university and every UK nation and English region.** Alliance universities specialise in applied research: finding new knowledge to solve specific problems. New and [diverse](#) talent is vital to futureproofing the UK R&D system, but there is an [over-concentration](#) of postgraduate research funding in a certain type of university. UA has responded by establishing our own structured PhD training programme. The UA [Doctoral Training Alliance](#) embeds industry-focused skills within its training.



How:

1. Update the R&D target to 3.5% of GDP by 2035, putting us [in line](#) with our international competitors.

This must be accompanied by an increase in domestic public investment outside the Greater Southeast, as well as a focus on how R&D can support [inclusive economic growth](#) within every region. Long-term spending commitments and a stable policy context are vital for building private sector investor confidence.

2. Ring-fence university-business innovation and support within the next iteration of the UK Shared Prosperity Fund (UKSPF).

The next government should rectify the missed opportunity to adequately embed research, innovation, and support for SMEs in the UKSPF, which created a damaging cliff-edge for the funding of many university-business collaborations when the European Regional Development Fund (ERDF) ended.

3. Scale-up the Higher Education Innovation Fund (HEIF).

HEIF [generates](#) £8.30 for every £1 of funding and is a [tried and tested](#) way of increasing economic and societal benefits from the work of universities. The Higher Education-

Business Community Interactions Survey (HE-BCI), which informs allocations of knowledge exchange funding in England, Wales and Scotland, should be updated to capture better data on how universities upskill and develop workforces, such as including higher and degree apprenticeship provision.

4. Invest in new models of Technology Transfer Offices (TTOs).

There is untapped capacity across the UK to grow the commercialisation of research. The next government should support the development of new infrastructures that enable universities of all sizes to join forces and make it easier for investors to engage with research that has commercial potential. Other models for improving interactions between academia and industry must be further developed and supported, including Knowledge Transfer Partnerships and Professional Doctorates.

5. Reverse cuts to R&D tax relief support for SMEs. We support [the call](#) from the Federation for Small Businesses to reevaluate proposed changes to how SMEs receive tax relief for investing in R&D.

3

Embed universities in NHS and social care workforce planning

Alliance universities educate around 30% of all nursing students in England and a considerable proportion of allied health professionals and healthcare degree apprentices. We support the [NHS Long Term Workforce Plan](#) and its objective to achieve the biggest workforce expansion in NHS history. To deliver on its promise, workforce planning at national, regional, and local levels must involve universities and colleges much more actively.

Why:

- **Our NHS is facing a workforce crisis, with over 112,000 vacancies in England.** The social care workforce has [even more](#) vacant posts (165,000). Demand for healthcare professionals is increasing more quickly than supply, intensifying the challenge of training and upskilling more people without compromising on quality or standards. The renewed emphasis on prevention will also require new healthcare and non-healthcare roles.
- **Satisfaction with the NHS has fallen to its lowest ever levels.** Performance has [declined since 2010](#), with contributing factors including lower funding increases, limited funds for capital investment, and a lack of workforce planning.
- **Significantly increasing the number of healthcare professionals trained in the UK will require a unified effort from universities and the NHS.** Universities will need to work in partnership with government and the health and social care sectors to increase the availability, quality and distribution of clinical placements, shore up the academic workforce and make nursing in particular a more attractive profession. To realise the [Long Term Plan's](#) ambitious targets for healthcare degree apprenticeships, the low funding and high regulatory burden attached to these must be urgently addressed.



How:

- 1. Convene a cross-government health education task force to coordinate delivery of the NHS Long Term Workforce Plan.** Membership should include representatives from local and central government (including the Department for Education and the Department for Health and Social Care), NHS England, health regulators, professional bodies and higher education providers.
- 2. Ensure Alliance universities play a key role in Integrated Care Systems (ICSs) and Integrated Care Boards (ICBs).** We are calling for more strategic involvement, especially in relation to the development of new roles, including non-healthcare roles, to deliver the healthcare workforce for the future and transform the NHS and social care
- 3. Provide access to additional capital funding for universities to invest in scaling up their simulated education and training provision.** Recent reforms by the Nursing and Midwifery Council (NMC), which permit up to 600 hours of clinical placement to take place in a simulated setting, have enabled students to practice rare or risky procedures, as well as everyday

skills, in safe but highly realistic environments, before using them on real patients. Continued support is needed to grow [simulated provision](#) – taking further pressure off clinical placement providers.

- 4. Progress reforms to nursing and midwifery education outlined in the Long-Term Plan.** Alliance universities could educate significantly more healthcare professionals if our regulatory framework was based on outcomes and competency rather than time served. Reducing overly prescriptive practice hour requirements will free up much-needed placement capacity. We look forward to working with health regulators and the NHS to ensure that education and training requirements are fit for the future.

4

Reform the funding and regulation of degree apprenticeships.

Through expanding higher and degree apprenticeships and ensuring a joined-up skills system, the next government can widen access to professional jobs and provide the public sector and businesses with the high-level skills needed to make them more productive.

Why:

- **Skills and human capital are a crucial driver of productivity over the long term.** Yet there has been an overall year-on-year [decline](#) in the amount of training done by workers since 2001. The Apprenticeship Levy was introduced, in part, to address this market failure whilst keeping employers in the driving seat.
- **Higher and degree apprenticeships are a national success story.** Between 2016/17- 2021/22, higher level apprenticeship starts increased by 190%. Whilst other apprenticeship [starts](#) fell during the pandemic, higher level apprenticeship starts [increased](#).
- **There are not enough apprenticeships to meet soaring demand.** 40% of all [UCAS](#) undergraduate applicants are now interested in an apprenticeship, but three in five former applicants could not find one in their preferred location, and for one in three there were a lack of roles in their desired career.
- **Higher and degree apprenticeships can help [widen access](#) to professional jobs for those with social and economic disadvantage.** [Research](#) by Middlesex University found there are significant limitations to using proxy data for measuring social mobility and the gathering and reporting of individualised socio-economic measures is needed to better assess the social mobility impact of higher and degree apprenticeships.
- **They are central to training and upskilling the public sector workforce.** The [NHS](#) will provide 22% of all training for clinical staff through apprenticeship routes by 2031/32. In addition to nursing and allied health workers, Alliance universities train police constables, social workers, and teachers through apprenticeships.



How:

- 1. Reduce the regulatory burden of delivering higher and degree apprenticeships.** It is [widely recognised](#) that apprenticeships are caught up in a tangle of regulation and unnecessary bureaucracy, which is hampering growth and innovation. The next government must re-double efforts to work with universities and employers to find and implement solutions.
- 2. Establish an equitable and simplified approach to funding.** Degree apprenticeships are costly to deliver, in part due to several funding bands being set too low. The next government should explore using the credit value established through the preliminary work on the Lifelong Loan Entitlement to introduce a common approach to funding higher education provision, including degree apprenticeships.
- 3. Consult widely on any flexibilities to the Apprenticeship Levy.** The next government must continue to contribute 95% of the training costs for small businesses. Any flexibilities to the Apprenticeship Levy should be introduced gradually to avoid the [risk](#) of diluting progress and the demand for funding exceeding what is raised from the levy. We support [the call](#) for the next government to consult on widening the levy at a lower rate for more employers.
- 4. Remove the 25% cap on Apprenticeship Levy transfers.** We support [the call](#) for levy payers to be able to transfer as much as they like to small businesses, allowing them to support apprenticeship starts in their supply chains or help address local skills gaps.
- 5. Lead a joined-up skills system.** Apprenticeships for all ages and all levels is one part of a [wider skills system](#) that must facilitate lifelong learning to become the [new norm](#). Apprenticeship funding and delivery should not be viewed in isolation – the whole system needs greater investment, [flexibility](#), and coherence.

5

Address financial shortfalls for higher education students and providers

Maintenance support for students and the higher education unit of resource have both been eroded over many years to unsustainable levels. Through effective policies and top-up funding, the next government can alleviate some of the burdens on students and universities in the short-term. In the longer term, we need a sustainable funding settlement.

Why:

- **The cost-of-living crisis is impacting students.** Half of students have financial difficulties, 76% of students [feel](#) that the cost-of-living crisis has affected their studies, and a [record number](#) are in paid employment (55%). There is rising concern that many will drop out, and prospective students [may decide against going](#) to university in the first place due to their financial circumstances.
- **Maintenance loans are too low.** The real value of maintenance loans is at the [lowest level in seven years](#) and is set to fall further next year. A student could earn nearly £1,200 more on the minimum wage than they would receive in maintenance support. The replacement of grants with loans means the poorest students incur the highest debt.
- **There has been a decline in mature and part-time students.** Between 2008/9 and 2020/21 the total number of part-time entrants [fell by 43%](#). This year has witnessed [record low applications from mature students](#). A fair funding and maintenance system is essential to enable more people to upskill and reskill.
- **Universities now make a loss on every home undergraduate.** Undergraduate tuition fees – the primary source of revenue for universities – have hovered around £9,000 since 2012 and are now only worth £6,000 in real terms. If they had risen in line with consumer prices, they would be [over £12,000](#). This will ultimately result in a lower quality of provision.
- **The UK invests less in higher education than our counterparts.** Currently the UK spends less on [post-18 education](#) than many of its G7 counterparts, devoting less than half as much per university student than Germany.



How:

- 1. Increase student maintenance support.** It is vital that student maintenance entitlements are updated to keep up with the increased [cost of living](#). They should be linked to the minimum wage, as proposed by the [Augar Review](#). In the longer term, we recommend the reinstatement of means-tested maintenance grants so that the poorest students do not graduate with the most debt.
- 2. Ensure the UK can continue to compete as a top destination for international talent.** Effective immigration policy that clearly signposts the UK as a welcoming environment for international students is not only essential to the health of the higher education sector, but also helps to forge [global partnerships](#) and [boost the economy](#). The [UK public](#) are not in favour of cutting international student numbers. They should be taken out of net migration targets, and the Office for National Statistics (ONS) should separate out temporary from permanent migrants.
- 3. Amend the Further and Higher Education Act 1992 to give universities greater flexibility to set their pension arrangements.** The employer contribution rate for the Teachers' Pensions Scheme (TPS), the second most common HE pensions scheme, is set to rise between five and ten per cent from April 2024. TPS employer contributions are already very high at 23.7%, and a 5% increase would cost universities [£125 million](#) per year.
- 4. Provide top-up funding, particularly for high-cost subjects.** Some of the shortfall in the unit of resource could be made up through top-up funding from government or employers, particularly for high-cost subjects such as healthcare and engineering.
- 5. Restore the unit of resource to the equivalent of 2015/16 levels as soon as practically possible.** Without further investment, the sector is facing managed decline at best and countless missed opportunities to power an economic recovery. We need a sustainable funding settlement for higher education that sets out how investment is fairly split between the individual, the taxpayer, and employers in the long-term.

We want to hear from you

Thank you for taking the time to read *Let's get technical*. These goals and actions will benefit from further debate, research, and collaboration with a range of stakeholders, and we look forward to engaging with you as we continue this work.

Please share your thoughts and let us know how we can work with you to advance these ideas. Contact press@unialliance.ac.uk

