

**Response from NUS-USI to
consultation on draft Department
for Employment and Learning
Budget 2015-16**

(National Union of Students - Union of
Students in Ireland)

Comments on the draft budget

NUS-USI welcomes the opportunity to respond to the consultation on the draft DEL budget and spending plan for 2015-16. We understand that this is a very challenging time for public finances however government must deliver the highest standard of public services, meet the needs of students and our education system, and invest in our future to help deliver the skills needed to create new jobs here.

NUS-USI would call upon DEL to commit to keeping tuition fees at their current level, as there must be no increase in fees. We also strongly oppose DEL's proposed cuts to funding for institutions as this could have a devastating impact on students' wellbeing and education, the number of student places, staffing and students' unions and student services. We would also call upon the Executive to rethink its budget to ensure that the Department for Employment and Learning does not have to face the cut that is currently proposed.

NUS-USI strongly believes in education as a public good and we believe education has a massive role in creating a better future.

Opposition to any cut for Department for Employment and Learning

When one examines the draft budget it is very hard to see how such a significant cut in the Department for Employment and Learning budget could be justified.

NUS-USI strongly opposes and has very significant concerns about the cut that has been proposed for DEL.

We believe that this level of cut could have an extremely detrimental impact upon students and further and higher education institutions.

The Department for Employment and Learning has a central role to play in growing Northern Ireland's economy along with the Department of Enterprise, Trade and Investment. When one considers that a 5.3% increase in funding has been proposed for DETI, it is staggering that DEL is facing a 10.8% cut.

The cut that is proposed for DEL could make it extremely difficult to deliver a robust and effective strategy to upskill students to deliver the best possible outcomes for students and the economy.

It is absolutely essential that government retains its commitment on the tuition fees freeze. There must be no increase in tuition fees. Government must also ensure

that student support is retained at its current levels, and we want to see student support increase in line with inflation because the cost of living has increased in recent years. There must also be no cut in bursaries, support and hardship funds provided for students by the universities and colleges themselves, as NUS-USI would be worried that cuts for institutions could have an impact on these funds.

Here are some of the key findings from NUS-USI's recent Pound in Your Pocket student finance survey conducted amongst FE and HE students. The findings highlight the extremely difficult time students currently face making ends meet, and this further shows how important it is that students are not burdened with any of government's financial problems.

- Overall, 58 per cent per cent of respondents across the sample agreed or strongly agreed that 'I regularly worry about not having enough money to meet my basic living expenses, such as rent and utility bills'.
- 69% of respondents were concerned about future levels of debt.
- Overall, 45 per cent of all respondents disagreed or strongly disagreed with this statement: 'I feel able to concentrate on my

studies without worrying about finances.'

- Course related costs are prevalent, expensive, and often concealed; there is a clear association between high course costs and low wellbeing, as with high levels of accommodation and transport costs.
- Older students, student parents, disabled students, students from interface areas and students from low-participation areas are amongst the worst off in both financial wellbeing and in their finances overall.
- Almost half of all students surveyed work during term time, and a third of these are working over 17 hours per week alongside their course. For those working in part-time employment, working longer hours is associated with poorer wellbeing.

Students and young people are the future of our society. It is vital that government invests in students and young people and invests in all aspects of education, which includes further and higher education. The potential cut to DEL's funding could deal a very severe blow to the ability of the department to make this vitally important investment.

What sort of message would making such a massive cut to a department which is key to students and young people's qualifications, skills and careers send out to the public?

Without strong investment in skills and qualifications, it will be extremely difficult to deliver new jobs and investment for Northern Ireland.

Government and Department must rethink draft budget

NUS-USI would call upon government to rethink the budget to ensure that the Department for Employment and Learning does not have to face the cut that is proposed within the draft budget. The cut that DEL is facing could have a catastrophic impact upon students and upon skills and upon job creation.

The Department for Employment and Learning must champion the cause of students and further and higher education. DEL must make strong representations to the Executive and Finance Minister to ask for additional funding to stop the proposed cuts to DEL and the department must emphasise the potential impact on students, FE and HE institutions of the proposed cuts to DEL funding.

We believe that the government should prioritise investment in skills, qualifications

and training to put students, future generations and our economy in the best possible position as regards attracting jobs.

We believe that government can, by addressing unresolved issues around a shared future, delivering partnership approaches and addressing the cost of division in society, free up significant resources. These resources could then be re-invested in frontline services, in students and in further and higher education.

It is crucial that government employs a long-term view when examining budget allocations because a failure to invest more resources in skills and qualifications, institutions and students could hinder both societal and economic progress in the future. The potential loss of around 18,000 student places in total across FE and HE is short-sighted and could create a crisis for a generation of people who will not be in education, employment or training.

Having a cut to the DEL budget could actually render the proposed increase in the DETI budget almost pointless. If people with the skills and qualifications that employers need to create new jobs are not available, due to potentially less student places, because of the proposed cut to DEL funding, then this extra investment might deliver very little or no return. A decrease in student places could also decrease the tax revenue for Northern

Ireland in future as this could mean that less people can reach their potential, and this could lead to less invest and job opportunities being created in Northern Ireland. NUS-USI is extremely concerned that there could be a brain drain, with students from Northern Ireland leaving to potentially never come back.

If an increase in funding is proposed for DETI, then how can DEL be facing a proposed cut to its budget? Growing our economy will be extremely difficult, if not impossible to achieve if these proposed cut to the DEL budget happens.

Investing in students and Further Education

Students and young people are our future leaders and are key progress in Northern Ireland in the future. Students must be provided with hope to demonstrate that they can build a bright future here in Northern Ireland. Without strong resourcing for skills, qualifications, students, colleges and universities, this hope may be absent.

A very significant and ambitious new apprenticeship strategy has been created by DEL and it would be extremely disappointing if work around this were curtailed due to the proposed cut that DEL currently faces. There must be investment in apprentices, training and FE colleges

and these proposed cuts to DEL are extremely worrying.

Skills is a vitally important area for economic growth and our workforce must meet the skill needs of employers to deliver new and investment here. Continued investment in FE colleges is crucial to help Northern Ireland meet skills needs for employers and this draft budget could have a significant negative impact upon FE colleges.

If the number of student places were cut in FE, this could have a very damaging impact upon opportunities for people to reach their education and training potential, and this could have an extremely detrimental impact upon our economy. The DEL draft plans discuss potentially well in excess of 16,000 places being lost in FE for 16-19 year olds and a reduction of 500 staff there, and this could have a devastating impact upon students and staff. NUS-USI strongly opposes these proposals and we believe they might run against any key aims that the government may have around the economy and employment. It appears that people within this age group who are studying at schools and are thus within the Department of Education remit may receive more investment and this would be grossly unfair. All students and young people should be invested in to help them reach their potential.

It appears that a new strategy that could boost FE may be delivered by DEL in the near future, and it is extremely important that these proposed cuts for DEL are overturned to ensure that any FE strategy can be progressed and implemented for the benefit of students and FE institutions here.

It is absolutely vital that FE awards, the FE student hardship fund and Education Maintenance Allowance are maintained in full and promoted effectively. Higher education within further education is also extremely important for students and for the economy, and there must also be no increase in tuition fees for higher education courses being delivered at FE colleges. It is also crucial that there are no increases in the cost of any other courses at FE institutions.

People should be supported to upskill or change their field of study within FE, and should not be penalised financially as regards having to pay for course costs, if they wish to change their area of study.

In both FE and HE it is absolutely vital that the number of student places, range and number of courses, and staffing are maintained at the current level.

It is also extremely important that in both FE and HE all arts courses are able to be maintained within any future budget for DEL.

All subjects are valuable, and one is not more valuable than any other. If there is investment in STEM, this must not be to the detriment of other subjects. There can be no reduction in the range of courses offered in FE and HE, as this could have a very detrimental impact upon our economy. It is essential that the decision to propose cuts to DEL is reversed because it's vital that all students are able to reach their potential and this may not be possible if cuts are imposed.

Investing in students and higher education

Higher education plays such an important role in our society and these proposed cuts could have an appalling impact on this sector, its students and future students.

DEL has very ambitious plans for positive change in universities set out through the HE strategy and its outworkings. It would be devastating if the resources were not available to DEL to be able to see this work through.

Another key reason why there must be a rethink as regards the proposed cut for DEL is that research is central to society and is also central to economic development for any region.

Our universities are crucial to delivering research projects that can be very

lucrative for our economy. If our universities lose very significant funding due to the proposed cut within DEL then this could cause many problems in relation to sustaining the level of research that they currently deliver.

There could be very significant reductions in the number of student places at universities here, due to the proposed cut to DEL. DEL's draft plans discuss a potential cut of 1,000 student places and 650 staff in total at Queen's University and Ulster University. This could have disastrous ramifications for Northern Ireland, and people's education options could be very severely limited if the number of places is cut. Also Northern Ireland's ability to build for the future and grow economically could be severely damaged. If reductions to student places happen, many people might not have the option of staying in Northern Ireland if they want to go to university. This could lead to a loss of many people who could have played a key in Northern Ireland's future. There must be no brain drain in Northern Ireland.

If the number of student places decrease then it may be an extremely difficult and long process to turn the situation around in the future, if more student places are required to meet skills need amongst employers.

The impact of the proposed cut to DEL and any cut in the number of student places

here could lead to long term problems in that if funding to universities is cut it could take a long time to recover from the infrastructural damage that any cut could have on universities. If staffing is reduced, this could have a catastrophic long-term impact on institutions. Any potential cut to their funding could have a very troubling impact on teaching and education quality for students.

If any proposed cut to the DEL budget is delivered it could impact upon the range of courses provided at universities here. This could lead to a focus on delivering STEM and business-related subjects which could lead to a potential decrease in the number of arts or creative courses on offer at universities. This could have a significant negative impact upon our economy as Northern Ireland, arts, creative and film industry is doing extremely well and any reduction in skills and qualifications output in this area could damage economic potential in these sectors.

It is extremely important that there is a wide range of choice of courses so that Northern Ireland can reach our potential across all skill sectors and so that our economy can be as diverse as possible.

NUS-USI is also opposed to the proposed removal of the specialist and small institution premia for teacher training colleges as this could have a very detrimental impact upon students, students' services and the institutions. We

would be extremely worried that this proposed move could see number of teacher education student places decrease as that would be devastating for students and the institutions.

Students must not be burdened with any of government's financial problems

It would be totally unacceptable and grossly unfair if students were burdened with any of the financial problems facing the Executive. This is what could happen if DEL funding is cut as proposed in the draft budget.

The proposed cut to the DEL budget must be reversed because there must be no increase in student tuition fees. Students must not be targeted within the budget.

It would be despicable if government were to burden future students with any of the government's current financial problems. As well as being catastrophic for students, an increase in tuition fees simply must not happen because it could also severely damage the economy because many people may not then go to university because of the level of debt that they could be left with. Any rise in fees could also severely damage work to widen participation because people from lower income backgrounds could see the increase as a barrier to university.

Increasing tuition fees would not guarantee that any economic pressures will be alleviated for government and might potentially add further burden upon government, because many loans being provided to cover the extra cost of increased fees might not ever be paid back, due to many former students potentially not earning enough to go over the earnings threshold for repayment.

Increasing tuition fees does not make good economic sense because it could see government essentially mortgaging out debt to students who may not meet the income threshold to pay the loans back. Burdening future generations with significant debt due to any increase in tuition fees is very highly unlikely to alleviate the government's economic problems, but it most certainly could cause problems for students affected, and could have a significant negative impact on the economy if many new graduates have less disposable income for a long period of time. Also the RAB charge could significantly increase if tuition fees were increased and this could potentially see an increased fees regime costing government more than the current fee level does. This could happen because a higher loan debt may be accrued and less students may end up paying off loan debt due to possible increased income thresholds for repayment.

Also, in relation to the proposed cut in DEL funding it is vital that it is overturned, because it could lead to a reduction in student places or could lead to cuts to students' unions or student services at universities and colleges. It is essential that services to assist students like financial and careers guidance and wellbeing and mental health services across all further and higher education institutions are maintained.

Any of these outcomes could have a catastrophic impact upon students and must not happen.

Alternatives to plans in draft budget

The Executive needs to demonstrate vision and examine ways of resourcing or freeing up the money needed to ensure that the proposed cut that DEL faces does not go ahead.

The Executive must address the cost of societal division, deliver partnership and deliver sustainable solutions on the unresolved matters relating to a shared future, so that money spent on maintaining division can be freed up and re-invested. It is absolutely essential that the Executive sees integrated schooling as the way forward to ensure that young

people are educated together and to help address the cost of division.

The Executive must also examine revenue raising mechanisms to help deliver more money and prevent cuts. A key way of doing this could be to increase the regional rate in a fair manner, with any potential increase being delivered based upon people's ability to pay.

There are significant proposed budget allocations outlined within the draft budget which should be re-examined and potentially reallocated to DEL. For example, the money proposed for the social investment fund could be reallocated to DEL. The work that DEL does around widening access, widening participation, training and skills in higher education is extremely significant and this could replace elements of work that the social investment fund aims to address around skills.

The £30m allocated proposed the Change Fund could be reallocated to DEL. NUS-USI believes that it could be significantly more beneficial to spend vital resources on upskilling our future workforce through apprenticeships and further and higher education qualifications. There could potential be significantly higher priority issues than a change fund at this financially difficult time, and DEL should be receiving this money.

The Executive could consider allocating money from other departments to ensure DEL does not have to take the cut that has been proposed, particularly given that DETI has been proposed an increase in funding.

For example, cuts of 0.6%, 4% and 4.9% are proposed for the OFMDFM, Regional Development and Education Departments. Why is DEL facing one of the largest percentage cuts out of the government departments, given the significance of the work it does for skills, the economy and for future generations?

The other key point that must be made in relation to the draft budget is that Northern Ireland should not be facing such drastic cuts, because government could try to secure a significant peace dividend from Westminster that Northern Ireland needs and deserves to help it transform after decades of conflict and societal division. Northern Ireland deserves a significant peace dividend and we would like to see the Executive make representations to the Westminster government to deliver the funding needed to help transform society by addressing division and building a shared future.

It is also essential that the Executive does not even countenance trying to take on corporation tax varying powers, because it could have a devastating impact upon public finances due to the potential cost to the block grant of decreasing corporation

tax. Any decrease in corporation tax is highly unlikely to deliver new jobs and investment, as any cut to DEL funding could significantly decrease our skill base. Decreasing corporation tax can only work if there is a high skill economy, and delivering a high skill economy is dependent on DEL.

Key conclusions

- The Executive must overturn the proposed cut for DEL as it is crucial that government invests in the future and in skills and education.
- The Department must make strong representations to the Executive to try and secure the funding needed to prevent these proposed cuts.
- There must be no increase in student tuition fees. An increased fees regime could see the RAB charge significantly increase. Therefore, any increase in fees could cost the government more than the current system does, and such a change may not actually make financial sense.
- The proposed reduction in the number of FE and HE places could have an extremely damaging impact on students and also the

economy. There must be no reduction in the number of student places in FE and HE, and there must be no reduction in education quality and no cuts to student services or students' unions in FE and HE. Maintaining current investment is essential to help enable people to reach their potential and to grow our economy.

- We are extremely concerned about the potential removal of the premia payment for St Mary's and Stranmillis and the impact on student places and the students' union there.
- Students are society's future and should be invested in. The burden of any financial problems facing government must not be loaded onto students as this would be grossly unfair.
- If the Executive is prioritising economic growth how can any cut be proposed for DEL, as it plays a central role in skills and employment work?
- A cut should not be proposed for DEL as a significant increase is proposed for DETI, and both are central to economic development.
- Government should address the cost of division to deliver extra resources for re-investment.
- Money proposed for the social investment fund and the change fund should be re-allocated to DEL.
- Extra revenue could be raised through increasing the regional rate in a fair way which could be based upon ability to pay and this could be re-invested. Progressive taxation could be a fair option to raise revenue.
- The Executive should be seeking peace dividend investment from Westminster to prevent cuts, deliver a shared future invest in our future and ensure that our economy can grow.

