



Subject:	Motion: Proposed Cuts in Higher Education – Responses from Ministers
Date:	20th May, 2022
Reporting Officer:	John Walsh, Chief Executive
Contact Officer:	Jim Hanna, Senior Democratic Services Officer

Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Sometime in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report/Summary of Main Issues
1.1	To consider a response to a motion on Proposed Cuts in Higher Education which was passed by the Council at its meeting on 1st February.
2.0	Recommendation
2.1	The Committee is asked to note the responses and take such action thereon as may be determined.
3.0	Main Report
	<u>Key Issues</u>
3.1	The Council, at its meeting on 1st February, passed the following motion, which had been proposed by Councillor Ferguson and seconded by Councillor Matt Collins:

“This Council notes with alarm the budget cut proposals put forward by the Department for the Economy to reduce university places, massively increase tuition fees, slash student financial support, cut the number of apprentices, and reduce or end the Educational Maintenance Allowance.

The Council supports an end to tuition fees and an increase in the Educational Maintenance Allowance and student financial support. The Council agrees that these proposed actions and cuts are completely unacceptable, especially at a time when students across the city are already struggling to make ends meet. As noted by the NUS-USI, these cuts ‘have the potential to decimate the hopes and opportunities of an entire generation’ and could take away ‘their ability to survive day to day, and many will simply drop out of education’.

Therefore, the Council considers the proposals to constitute an unacceptable attack on students, young people, their futures and our education provision; and stands in solidarity with demands from the NUS-USI to oppose these cuts.

The Council will write to the Economy Minister to express its anger and opposition to these proposals and to encourage the Minister to abandon them. In that letter, the Council will invite the Minister to a meeting with Councillors and representatives of the student population, in order to fully understand and appreciate the breadth of our concerns and the danger his proposals present.

The Council calls on the wider Stormont Executive to refuse to give consent to these proposals and cuts and to take all necessary action to defend student places, student financial assistance, apprenticeships, the Educational Maintenance Allowance and to oppose any increase in the cost of student tuition. Accordingly, the Council will write to each Executive Minister to this effect.

The Council also calls on the Finance Minister to work with the Minister for the Economy to find a sustainable solution to funding issues within the higher and further education sectors. The Council considers it utterly unacceptable that young people in our city should be made to pay the price for budgetary pressures and include in our letter to the Minister for Finance a demand that funding is found to secure the future for young people.

This Council recognises that many of these proposed budget cuts are as a result of the loss of EU funds due to Brexit.

Finally, the Council recognises the role of Westminster budgets in creating difficulties for public spending locally and agrees to write to the treasury on behalf of local students to demand increased budgetary funding to stave off these proposals.”

3.2 Responses to the motion are attached and are summarised as follows:

- The Rt. Hon Michelle Donelan MP, Minister of State for Higher and Further Education, stresses that Higher Education funding is a devolved matter and is not, therefore, an issue upon which she can comment (Appendix 1);
- The Private Secretary to the former Minister of Agriculture, Environment and Rural Affairs acknowledges the receipt of the Council’s letter and confirms that it is being dealt with by the Minister for the Economy (Appendix 2);

- The Private Secretary to the former Minister for Infrastructure states that, whilst that Department has no direct responsibility in this area, the Minister is very supportive of Education, including Higher Education, and recognises the benefits which this has for society here (Appendix 3);
- The former Minister of Health points out that a stable, sustainable higher education sector is important to the Department of Health in securing the supply of high-quality local students into a wide range of healthcare professions and that it will engage closely with the Department for Economy as proposals are developed (Appendix 4);
- The former Minister for Education highlights the significant financial pressures being faced currently by all Departments and the difficult decisions to be taken around budgets. Given the absence of an Executive to agree a budget and the decision of the former Minister of Finance to pause the public consultation on the draft budget for 2022-25, she does not consider it appropriate to comment further at this time (Appendix 5).
- The former Minister of Finance, in Appendix 5, highlights the fact that the Draft Budget for 2022-25 would have seen the Department for the Economy's allocation increase from its baseline figure of £817.8 million to £832.1 million in 2022-23, £842.1 million in 2023-24 and £841.3 million in 2024-25. He points out that expenditure is at the discretion of the Minister for the Economy, based on their priorities, including Higher Education. However, there is pressure on the Department for Economy's budget due to the loss of EU funding streams which it has previously relied on.

He goes on to state that the Government's Spending Review did not provide sufficient resources to fund every pressure across all Departments, but the Draft Budget 2022-25 honoured the Executive's commitment to prioritise health and would also have ensured that all Departments would see their budgets increase.

Finally, he points out that the resignation of the First Minister and the absence of an Executive has meant that it is not now possible to agree a Budget and the consultation on the Draft Budget has been paused. As a result, the allocations for the Department for the Economy set out in the Draft Budget were not available from 1st April 2022.

- The former Minister for the Economy, in Appendix 7, confirms that his Department submitted a package of bids, as part of Budget 2022-25, focused firstly on meeting inescapable pressures to allow the Department to just stand still, then on measures to support economic recovery, investment in skills, all age apprenticeships, innovation, tourism and green growth – all to support the delivery of 10x, the strategic vision for the Northern Ireland economy.

He goes on to state that the Minister of Finance's Draft Budget for 2022-25 does not propose to meet these bids or prioritise the economy. The Draft Budget would result in a cut in real terms to the Department for the Economy of 8% in Year 1, rising to 13% in Year 3, and totalling £259 million across the three years. This does not allow his Department to stand still, let alone improve the performance of Northern Ireland in key skills and innovation indicators.

He points out that, with inescapable departmental expenditure limit pressures in excess of £300 million over the three-year period, the Draft Budget means that the Department for Economy needs to find solutions to fund these. In a budget where three quarters is

spent on education and skills, there are no easy options that will not be a setback for the economy and the lives of the people of Northern Ireland.

Whilst one third of the Department for Economy's pressures relate to key DfE services previously funded from the UK Government's contribution to Europe, this funding has not gone. The UK Government has made a commitment to replace, at a minimum, the level of EU funding that flowed into Northern Ireland. However, negotiations led by the Minister of Finance and his Department have, to date, resulted in additional funding for Northern Ireland being managed by Westminster, with no alignment to the Executive's priorities. He adds that, unless the Minister of Finance ensures that funding into Northern Ireland from the UK Government meets the Executive's priorities, some core DfE services, such as apprenticeships and grants for innovation, remain unfunded. The only remaining option for the delivery of these key services is an increased prioritisation in future budget allocations.

The former Minister goes on to state that, as part of the Draft Budget process, Department for Economy officials have been modelling potential options to allow the Department to live within the Minister of Finance's Draft Budget. No decisions have yet been made around this.

He then emphasises the need for Northern Ireland to invest in skills, education and innovation programmes as competitor countries are not standing still. It will be a matter for the Executive as a whole to agree Departmental budget allocations and he has been clear from the outset that he is not supportive of the Minister of Finance's Draft Budget.

The former Minister concludes by recognising the concerns of the Council and student representatives in relation to the constraints on future skills investment arising from the proposed Draft Budget. He stresses the need for continued engagement and would welcome the Council's support in making a case for any future budget for Northern Ireland to provide greater priority for our economy, including investment in Skills and Education.

Financial and Resource Implications

None associated with this report.

Equality or Good Relations Implications

None associated with this report.

4.0	Documents Attached
	Responses from Ministers