

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT  
GENERAL COMMITTEES

Public Bill Committee

## HIGHER EDUCATION AND RESEARCH BILL

*Seventh Sitting*

*Thursday 15 September 2016*

*(Morning)*

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CLAUSE 10 agreed to, with amendments.

SCHEDULE 2 agreed to.

CLAUSES 11 and 12 agreed to.

CLAUSE 13 under consideration when the Committee adjourned till this day at Two o'clock.

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**Monday 19 September 2016**

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**The Committee consisted of the following Members:**

*Chairs:* SIR EDWARD LEIGH, † MR DAVID HANSON

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|--|--|
| † Argar, Edward ( <i>Charnwood</i> ) (Con)   | † Milling, Amanda ( <i>Cannock Chase</i> ) (Con)         |
| † Blackman-Woods, Dr Roberta ( <i>City of Durham</i> ) (Lab)                             | † Monaghan, Carol ( <i>Glasgow North West</i> ) (SNP)    |
| † Blomfield, Paul ( <i>Sheffield Central</i> ) (Lab)                                     | † Morton, Wendy ( <i>Aldridge-Brownhills</i> ) (Con)     |
| † Chalk, Alex ( <i>Cheltenham</i> ) (Con)  | Mullin, Roger ( <i>Kirkcaldy and Cowdenbeath</i> ) (SNP) |
| † Churchill, Jo ( <i>Bury St Edmunds</i> ) (Con)   | † Pawsey, Mark ( <i>Rugby</i> ) (Con)                    |
| † Evennett, David ( <i>Lord Commissioner of Her Majesty's Treasury</i> )                 | † Rayner, Angela ( <i>Ashton-under-Lyne</i> ) (Lab)      |
| † Howlett, Ben ( <i>Bath</i> ) (Con)   | † Smith, Jeff ( <i>Manchester, Withington</i> ) (Lab)    |
| † Johnson, Joseph ( <i>Minister for Universities, Science, Research and Innovation</i> ) | † Streeting, Wes ( <i>Ilford North</i> ) (Lab)           |
| † Kennedy, Seema ( <i>South Ribble</i> ) (Con)   | † Vaz, Valerie ( <i>Walsall South</i> ) (Lab)            |
| † Marsden, Gordon ( <i>Blackpool South</i> ) (Lab)                                       | † Warman, Matt ( <i>Boston and Skegness</i> ) (Con)      |
|  | Katy Stout, Glenn McKee, <i>Committee Clerks</i>         |
|  | † <b>attended the Committee</b>                          |

## Public Bill Committee

Thursday 15 September 2016

(Morning)

[MR DAVID HANSON *in the Chair*]

### Higher Education and Research Bill

11.30 am

**The Chair:** Before we commence proceedings this morning, let me say that I am aware that this room varies between warm and very warm. We are trying our best to find the most accommodating solution to make it cool and reasonable for all of us, but we may not succeed. In the meantime, please be aware that I am having discussions about how we can resolve that.

**Gordon Marsden** (Blackpool South) (Lab): On a point of order, Mr Hanson. In previous sittings the Minister made reference to a document that he thought members of the Committee were aware of. In fact, the colleague in question was not aware of it and nor were most of the rest of us, because the document was not placed in evidence before the Committee. It is a convention—perhaps you will guide me on this—that when Public Bill Committees are sitting, any documents, new statements or important letters that the Minister or his officials may put out in matters to do with the Bill are made available to the members of the Committee as soon as they are ready. They should also be made available at the table for the relevant Committee sittings. I know the Minister is a naturally courteous man, so I am sure this is an oversight, but could this be made clear for future reference?

**The Chair:** I thank the hon. Gentleman for his point of order. It is normal practice for Ministers to table documents in advance of their being spoken to in Committee. In normal circumstances, I would expect all documents to be circulated to Members prior to the sittings in which they may be referred to. I am not aware from memory whether the document that Mr Marsden refers to has been tabled. Perhaps the Minister will respond to that point.

**The Minister for Universities, Science, Research and Innovation** (Joseph Johnson): I am happy to do so, Mr Hanson. I appreciate there is a lot of material that Committee members have been sent in preparation, so I understand why the document might have slipped the hon. Gentleman's attention.

**Gordon Marsden** *rose*—

**The Chair:** Order. Please allow the Minister to complete his comments.

**Joseph Johnson:** We did send the technical note to which I referred: "A technical note on market and quality assurance". It was sent to the Committee on

5 September, along with my welcome letter. I recirculated it yesterday, along with a new information note that we are publishing to assist the Committee on a topic that we will be discussing shortly in relation to student protection plans. Both notes are available on the table in the corner of the room; they are also in the Library and online. As a matter of courtesy, should we publish further information notes in future, we will follow exactly the same practice and ensure the Committee has them in advance of debating them.

**The Chair:** I am grateful to the Minister for his explanation. It appears that in this case, among the myriad information sent, this document was sent.

**Dr Roberta Blackman-Woods** (City of Durham) (Lab): Further to that point of order, Mr Hanson. I found the document on the Department for Education's website, but it was quite difficult to locate. I checked and rechecked and I certainly did not receive it via email. However, the clarification this morning has been incredibly helpful and I am sure we will be able to access documents more readily in future.

**The Chair:** I am grateful to the hon. Lady. Whether Members received the document or not, the Minister's intention was to send it. As explained, the normal practice is to give advance notice of any documents that are referred to in Committee. We can leave it at that if Members are content.

#### Clause 10

##### MANDATORY FEE LIMIT CONDITION FOR CERTAIN PROVIDERS

**Dr Blackman-Woods:** I beg to move amendment 177, in clause 10, page 6, line 28, at end insert—

"(c) in respect of condensed courses or innovative methods of delivery, where the number of applicable years of a course is reduced from normal three year period."

*This amendment would allow fees for a 3 year degree to be charged over 2 years to allow for greater funding flexibility.*

It is a pleasure to serve under your chairmanship again, Mr Hanson. We might be in for another hot day in more ways than one. I stress at the outset that this is very much a probing amendment. The Minister will be aware that we received some evidence, particularly from private providers but also from others, that universities have not been as innovative as they could be, particularly with regard to course structures and methods of delivery. One of the reasons MillionPlus and the University Alliance gave for the lack of innovation was that the fees and loans structure is too rigid and does not allow universities the flexibility they need to be able to offer, for example, a three-year course over two years. Does the Minister think that is an accurate assessment of the current fees and loans regime? If it is, what does he think can be done to make the regime much more flexible, to enable universities who want to encourage more part-time and mature students with different modes of delivery to provide that?

**Joseph Johnson:** I thank the hon. Lady for tabling the amendment, because it gives me a chance to express our support for her underlying intention to encourage more innovation and a wider variety of provision in the sector. As I have indicated, the Government are wholly in agreement on the need for that and we are actively encouraging it in all our reforms of the higher education system. We do want to encourage more accelerated and flexible provision—in fact, that was a specific manifesto commitment at the 2015 election.

The Bill, as we have discussed before, will help us towards our goals by levelling the playing field for high-quality new entrants, making it easier for new specialist and innovative providers to enter the sector. Accelerated degrees are a particular strength of new and alternative providers, and they will help us to ensure that students can access learning in the form that suits them. I can give a few examples: Buckingham, BPP, Condé Nast College of Fashion & Design—it gave evidence before us—and Greenwich School of Management are all the kinds of newer institutions that offer students the opportunity to complete an honours degree over two years, meaning that the student incurs less debt and can enter the workforce more speedily having completed the same amount of study.

We are determined to do more to support flexible provision and that is exactly why we issued a call for evidence earlier in the summer, seeking views from providers, students and others. That resulted in more than 4,000 responses, the vast majority of which, as the hon. Lady may expect, came from individual students. We were delighted to see that level of engagement. Many of the students expressed an interest in exploring the idea of pursuing an accelerated degree, so, as she identified, this is clearly an important issue.

We certainly sympathise with the underlying intention of the amendment. We believe the Bill will help ensure more students are able to choose to apply for accelerated courses. We are currently analysing the full range of the many responses we received to our call for evidence. I assure the hon. Lady that we expect to come forward with further proposals to incentivise the take-up of accelerated provision by the end of the year. On that basis, I ask her to consider withdrawing her amendment.

**Dr Blackman-Woods:** That was a very positive response from the Minister, although he did not clarify whether we might get something at later stages of the Bill or whether it will come after the Bill has completed its passage through Parliament. I am reassured that the Government are looking to see what they can do to help not just new entrants, but all universities to deliver their courses more flexibly. On that basis, I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

**Joseph Johnson:** I beg to move amendment 29, in clause 10, page 6, line 36, after “means a” insert “higher education”.

*This amendment and amendments 30 and 31 ensure that the courses which can be subject to the fee limit registration condition in clause 10 are confined to higher education courses - but excluding postgraduate courses which are not courses of initial teacher training. “Higher education course” is defined in clause 75(1) as a course of any description mentioned in Schedule 6 to the Education Reform Act 1988.*

**The Chair:** With this it will be convenient to discuss Government amendments 30 and 31.

**Joseph Johnson:** These three small amendments clarify that only higher education courses can be subject to a fee limit registration condition under clause 10. The definition of a higher education course is in clause 75(1), which sets out various definitions for the purposes of part 1 of the Bill. Clause 10 already provides that, for the purposes of fee limits, a “course” and, as a result of these amendments, a “higher education course”, does not include any postgraduate course other than one of initial teacher training. The changes simply clarify that the scope of the clause is confined to higher education courses.

*Amendment 29 agreed to.*

*Amendments made:* 30, in clause 10, page 6, line 37, after “of” insert “higher education”.

*See the explanatory statement for amendment 29.*

Amendment 31, in clause 10, page 7, line 2, leave out “course” and insert “higher education course”.—(*Joseph Johnson.*)

*See the explanatory statement for amendment 29.*

*Clause 10, as amended, ordered to stand part of the Bill.*

## Schedule 2

### THE FEE LIMIT

*Question proposed,* That the schedule be the Second schedule to the Bill.

**Gordon Marsden:** I used the phrase “Hamlet without the prince” in an earlier session. I find it quite astonishing that the Minister is either so supremely confident in the clarity of schedule 2, or so contemptuous of the need for it to be debated, that he did not speak to it. This may not be Hamlet without the prince, but there is an issue that dare not speak its name, certainly in the context of the Bill: the relationship of fees to quality. It is not exactly the issue that dare not speak its name, because although clause 25, which we will debate later, does not in any shape or form contain the dread phrase “teaching excellence framework,” it contains a form of words that might, if one were lucky, lead one to the conclusion that it has some connection with that, in the same way as it might have enabled my hon. Friend the Member for City of Durham to find the thing that she was trying to find on the Department for Education website.

11.45 am

Unfortunately, the Minister and the Department have form here. The devil is always in the detail, but the devil is also always in procedure. By not putting the teaching excellence framework in the Bill in any shape or form other than the rather oblique way it is dealt with in clause 25, they have done their best to truncate any broad discussion of its merits or demerits or any attempt to address any of the significant concerns that have already been expressed.

It is all very well for the Minister to shake his head, but he had the opportunity to stand up and make some form of statement on schedule 2 and he did not. If he wishes to intervene and tell me why the schedule does

not refer in any shape or form to the teaching excellence framework despite talking about high quality ratings, which is one of the elements of the teaching excellence framework and was one of the bases for putting that forward so strongly in the White Paper, I am more than happy to give way.

**Joseph Johnson:** The hon. Gentleman is kind to invite an intervention. We are extremely committed to the teaching excellence framework, which was a manifesto commitment and the centrepiece of our Green Paper and White Paper, and which we discussed extensively in the evidence sessions. The framework is described clearly in clause 25 as a system for providing ratings to English higher education providers. I am looking forward to discussing it extensively whenever he wishes.

**Gordon Marsden:** Well, I hope that the Minister might wish to discuss the framework in terms of schedule 2, because that certainly has implications for it. Schedule 2 introduces the whole area of the fee limit and fee regime and deals with high level quality ratings and circumstances in which the provider has no access and participation plan. There is a mass of stuff that we could talk about.

Tucked away right at the end of this rather dry schedule is a section on procedure, which of course deals with the procedures for increasing tuition fees. If hon. Members wish to turn their attention to the dry page in question, it is page 70, line 30 onwards. The schedule deals there with fee increases and the basis on which those will take place in relation to paragraph 2, which deals with ways in which fee limits can be set and all the rest of it. That is all the detail of the thing.

It is curious that the schedule goes into all that detail, because the Minister announced major increases in tuition fees for 2017-18 in a written statement that was published on the last day before the summer recess along with 29 other written statements, which in the view of the press—these are not my words—were “smuggled out”. That was a matter of some debate on the last day of term, and suggests that he is very tentative about discussing this issue.

**Joseph Johnson:** I want to pick up on the hon. Gentleman’s use of the term “major increases”. Does he acknowledge that we are in fact simply allowing the real-terms value to be maintained? There is no real-terms increase. Does he understand that?

**Gordon Marsden:** When I referred to a major increase, I was not commenting on the specifics of the percentage; I was talking about the fact that it will affect all students. Neither the Minister nor, as far as I am aware, anyone from his Department has seen fit to comment on the issue, but over the summer a number of universities have taken the confirmation in the written statement as a green light to put up fees not simply for those who enrol in 2017-18, but for those who already have a loan. There was some discussion in the media—again, I do not think the Minister took part in it—about whether, for example, a reference to the potential for fees to go up on the University of Exeter’s website constituted a good enough broadcasting of the issue. This will have a retrospective impact on students at a number of universities, and it has come about on the back of the way in which the Minister chose to announce the process.

If I remember correctly, when the Minister and his colleagues were pressed on the process, they said that they were doing it in accordance with the requirements of previous legislation. It is curious—I put it no more strongly than that—that when it suits him to smuggle a measure out in a statement on the last day of term, he prays in aid legislation that is more than a decade old, but when it comes to this thing, it is referenced in the context of the main Bill but without our being told anything more about the teaching excellence framework that will enable fees to go up.

**Dr Blackman-Woods:** My hon. Friend is making a very important and powerful point. Does he agree that the situation is becoming even more complicated because now, we understand, there will be a link between fee increases and the TEF results, but the Government are not being clear about what the uplift in fees can cover? One would assume, as there is a link between the TEF and the fee level, that it would be to support the quality of provision within institutions, but we understand that that uplift in fees might be used to fund secondary school education, requiring students to fund not only their own education but that of secondary school students.

**Gordon Marsden:** My hon. Friend, indefatigable as ever, makes an excellent point. I will not dwell on the issue to which she refers. It was part of the substance of the Prime Minister’s speech, and a lot of it was in the statement made by the Secretary of State for Education the other day, so I will not go into any detail on it other than to observe that my hon. Friend is absolutely right: if universities are to take on a significant, major role—there can be lots of discussions about how that is done, the value of it and all the rest—inevitably that is another element that will call upon their resources.

**Jo Churchill (Bury St Edmunds) (Con):** I would like to try to understand where the Labour party is on this matter. If we are not allowed to build in for inflation, what do we do? For example, I believe fees have now dropped back to £8,500 in real terms. We are merely building in inflation proofing, so that universities can think about how they invest in relation to the teaching excellence framework and invest for students by delivering courses of quality. What do we hear from the Opposition? At the general election, the then Leader of the Opposition was talking about taking fees down to £6,000, and I think that the latest policy is for university education to be free. We have to pay for excellence and quality.

**Gordon Marsden:** I thank the hon. Lady for her extremely eloquent intervention. Perhaps it will set a trend for Government Members to speak on some of these very important clauses. I am sure that their constituents would like to know that the hours that they spend in the Committee Room, which inevitably are taken from other things, are rewarded by their saying something about the Bill. So far, we have not heard much from them.

The hon. Lady’s intervention enables me to make two points. First, I remind her gently that she is a Member of the Government party, and it is the Government who are advancing these proposals. It is not a question of what the Labour party may or may not have promised.

**The Lord Commissioner of Her Majesty's Treasury (David Evennett):** That's a bit feeble.

**Gordon Marsden:** I remind the Whip that, constitutionally, the point of an Opposition is to hold the Government to account for their legislation, not simply to engage in a running commentary. Government Members have been pricked by our pointing out that the Minister is trying to introduce these measures without proper discussion.

**Alex Chalk (Cheltenham) (Con):** Of course it is the Opposition's job to oppose, but the public want to know whether they are being hypocritical while they do it. The fact is that it was Labour that enshrined the power to uprate tuition fees. This measure is about ensuring that students get value for money.

**The Chair:** Order. Before we continue, I remind colleagues, first, that Members are not hypocritical in any way, shape or form, and secondly that we are debating schedule 2. Within schedule 2, there are references to clause 25, but we will get to clause 25 in due course, so we should restrain our comments to the mechanisms in schedule 2. That is a gentle reminder to colleagues.

**Gordon Marsden:** I am grateful to you, Mr Hanson. Although schedule 2 and clause 25 are closely enmeshed, I will do my best to observe your strictures.

Both the Conservative Members who intervened—maybe we can get everybody up before the end of the sitting—are missing the point. I am talking about the procedure—about the dichotomy between the procedure that the Minister is proposing today, but that he has not wanted to talk about, and the procedure that he and his colleagues employed before the summer recess to get the inflation-based element through.

Without straying into clause 25, I remind the Minister and his colleagues of what they said in the past and the basis on which the TEF was presented to this House. I am not saying the Minister did not have lots of discussions. He listened to the university sector, which was absolutely manic about the idea that it would have to produce lots of stuff for the first year of the TEF's operation, and he said, "We'll do it on the basis that you—the universities and higher education institutions—are essentially given a clean bill of health, which will enable you to implement an inflation-rated scheme". That is what we are talking about: the dichotomy between those two things.

**Joseph Johnson:** The hon. Gentleman seems a bit baffled by procedure. I remind him that we are using the same provision that the Labour Government introduced in 2004 so that universities do not suffer an annual erosion in real terms of their income.

**Gordon Marsden:** The Minister is desperately trying to set up a whole series of straw people in order to get away from the essential elements of the arguments in the case. He is praying in aid what was set in legislation in 2004, when tuition fees were not £12,000; they are now set to increase from £9,000 to £12,000, possibly by the end of this Parliament. I am merely drawing attention to the dichotomy, which the Minister is clearly uncomfortable with, between the careful way in which he now wishes to place this proposal into legislation and the fact that he has had to rely on that mechanism.

My other point—I do not want to stray outside the schedule, but it is relevant—is that only two days before that statement, we had the Second Reading debate on the Bill. Even the most pedantic and pernickety of Ministers might have thought it was useful, in the context of the Bill, to talk about the teaching excellence framework, the impact it would have on fees and, in that process, to say, "Of course, I refer the House to the increase that I suggested might happen," but at which point he had not moved.

12 noon

**Joseph Johnson:** I remind the hon. Gentleman, as the contents of the White Paper seem to have eluded him on other occasions, in particular in respect to the widening participation statement we discussed on Tuesday, that the White Paper clearly set out that our policy for maintaining fees would be that they could increase with inflation. This was not a secret. We had announced it prominently in our White Paper.

**Gordon Marsden:** The question of what is or is not a secret is a matter for a lot of discussion, no doubt. What is not a matter for discussion is the fact the Government did not put the mechanism for this increase in the Bill until the last day before the summer recess started. In my view, they did that quite deliberately in the hope it would be smothered in public interest by the other 28 statements that went round. It is a common practice of Governments to do that, but it is reprehensible. It is particularly reprehensible when we now know that the consequences of it are that a number of universities have implemented it for existing students, and not simply for students enrolling from 2017-18.

As this subject is clearly irritating and frustrating the Minister quite a lot, I will move on to talk about the issues that affect the relationship between teaching quality and fees. We are going to talk about the detail of the TEF in regards to clause 25, so again I will comment in more general terms. The National Union of Students has made it clear that it firmly opposes statutory links between teaching quality and the level of fees being charged for that teaching. My hon. Friends and I made that clear on Second Reading. I remind colleagues of what I said in the summer Adjournment debate, when I came to inform the House that this had been done in what I regarded as an irregular manner. I said:

"I think that the way the Government have dealt with this matter is thoroughly reprehensible...We engaged in a vigorous discussion"

on the Bill, as to

"whether it was right to link fees to the Teaching Excellence Framework, but at no time during that process did Ministers take the opportunity to say anything about the issue."—[*Official Report*, 21 July 2016; Vol. 613, c. 1056.]

I am saying that today because I want it to be put on record that we are talking about the discrepancy in procedures.

It is a question not just of increasing the fees, but of increasing the loans by 2.8% to match that increase in fees. That will have all the knock-on effects on students from disadvantaged backgrounds. Apart from the principled point that the NUS is making, as the Minister knows there is at least a degree of scepticism about the outcome for universities of linking the TEF with tuition fees, and

[Gordon Marsden]

scepticism on the part of one or two or them about linking it. Inevitably, however, students are on the hard end of this and they want to know what the evidence is for the measure.

The NUS rightly says:

“Since tuition fees were trebled in 2012, there is no evidence” as a direct result of that process “to suggest that there was a consequential improvement in teaching quality.”

It goes on to say that, broadly,

“There has been no change in student satisfaction with the teaching on their course, while institutions have instead been shown to spend”

in many cases

“additional income from the fees rise on increased marketing materials rather than on efforts to improve course quality.”

We will want to return the question of what this money will be used for when we talk about the obligations laid on new providers. Of course, if they sign up for the full-fat version of the fees, they will have to abide by the teaching excellence framework as well.

**Mark Pawsey (Rugby) (Con):** Does the hon. Gentleman accept that the ability to increase fees based on improving excellence is a massive incentive for institutions to do exactly that, by putting on better courses?

**Gordon Marsden:** There we have it—the consumer-obsessed view of Government Members. That is not to say the consumer element is not an important part of the Bill—it is—but they are obsessed with the idea that consumerism and competition are the be-all and end-all of the way in which these fees will be raised and judged by university students. Actually, there is a very strong case for saying—a number of universities have already said it in their evidence—that linking the TEF with fee increases is pernicious because there is no evidence base that it will improve quality and because of its controversial nature. Certainly this year the Government have allowed an inflation-rated increase of 2.8% that is not linked in any meaningful form—this is no criticism of higher education institutions—with any major evidence of teaching quality improvement.

I think back to the general election of 1918, when Lloyd George famously issued a coupon to candidates to say that they were bona fide and to be voted for. The way in which the Government have tried to take this forward reminds me of that.

**The Chair:** Order. May I remind the Committee gently that we are debating schedule 2? While a range of issues are linked to it, we are debating the words on pages 68, 69 and 70 of the Bill. I would be grateful if Members could focus on schedule 2, because other issues will arise in the course of the debate on later clauses.

**Gordon Marsden:** Thank you, Mr Hanson. I merely remark that there are a whole range of other issues around what the teaching excellence framework needs to do for students and institutions, and no doubt we will have the ability to discuss those further when the Minister speaks eloquently on clause 25.

**Joseph Johnson:** The hon. Gentleman seems to have forgotten that he was once fully committed to the principle of funding on the basis of quality. May I remind him of what he said in 2001, when he was younger and wiser?

**David Evennett:** Not as long ago as 1918!

**Joseph Johnson:** The hon. Gentleman said very clearly:

“We must reassess the balance between teaching and research... The HEFC should seriously consider incorporating a teaching quality assessment exercise in the RAE”.—[*Official Report*, 8 November 2001; Vol. 374, c. 170WH.]

That implies we fund teaching on the basis of quality just as we fund research on the basis of quality, which is precisely what we are doing.

**Gordon Marsden:** That is clutching at straws, but I stand by what I said in 2001. If the Minister will permit a mild compliment, I compliment the Government on grasping the nettle of increasing the way in which teaching, as a principle, is judged in relation to research. Many Labour Members have been banging on about that for years.

The Minister wants to go into history. When I was on the Education Committee in the 2000s, we questioned the then Labour Government vigorously about the research assessment exercise changes, and many of us on that Committee made the point that teaching excellence needs to be recognised and funded. There is no argument about us being in support of placing greater emphasis on teaching excellence. The argument is about whether we can save the Government from the consequences of their own folly. If the Government are not careful, they will taint the whole exercise through the cynical way in which they are using this simply as a coupon—I repeat the reference. That is precisely why a number of higher education institutions, including the University of Cambridge, have said that, and it is precisely why a number of Russell Group vice-chancellors—we will come on to this in clause 25—have shown themselves very lukewarm and sceptical about signing up to the TEF in the first place.

**Ben Howlett (Bath) (Con):** It sounds as though the hon. Gentleman is listening to other evidence than what we heard. He talks about evidence from the vice-chancellors, so let me quote one of the vice-chancellors who has given evidence. Ed Peck of Nottingham Trent University says:

“Linking increases in student fees to performance under the TEF is a further safeguard for students, one that has now been largely accepted by the sector.”

Is the hon. Gentleman calling the vice-chancellor of Nottingham Trent University cynical?

**Gordon Marsden:** No, I am not calling any of the vice-chancellors cynical. Obviously they will welcome any mechanism that will bring forth additional fee funding. The people I am calling cynical—is cynical an appropriate parliamentary expression, Mr Hanson? I mean no disrespect.

**The Chair:** I think it can be for today. [Laughter.]

**Gordon Marsden:** The people I am calling misguided certainly, and possibly cynical, are the Minister and his—[*Interruption.*]

**Joseph Johnson:** I am extremely concerned that the vice-chancellor of Cambridge has been misrepresented in the hon. Gentleman's comments. We heard in the evidence session, and he said very clearly in his evidence, that the way the Government was recognising teaching through the TEF was, in his words, "really good".

**Gordon Marsden:** The Minister is being very selective, of course. It depends on how we interpret the phrase, "the way". All I can tell the Minister—I will sift through the mountain of papers here—is that we have ample evidence in the written material given to the Committee and submitted before Second Reading from the University of Cambridge on that matter. [*Interruption.*] I will give way in a moment, but if I may just quote from what I said in the Second Reading debate, to refresh the Minister's memory:

"Long-established institutions such as Cambridge University have said quite straightforwardly that they do not support the link between the TEF and fees. Cambridge University states: 'it is bound to affect'"—[*Official Report*, 19 July 2016; Vol. 613, c. 718.] [*Interruption.*] I am sorry the Minister does not like it. It was the university's written evidence that was given to us all when we debated the Bill on 19 July—[*Interruption.*]

**The Chair:** Order. I know these issues do raise strong passions, but we have to have a debate where only one person speaks at once and that goes for heckling on both sides. If anybody is going to heckle, it is me. In the meantime, I call the hon. Member for Blackpool South.

**Gordon Marsden:** Right. I will continue. So that the Minister is in no doubt, Cambridge University stated in its written evidence to the Committee, in specific response to questioning on the link between the TEF and fees, that

"it is bound to affect student decision-making adversely, and in particular it may deter students from low income families from applying to the best universities".

All the passion and enthusiasm that the Minister quite rightly generates for improving access for students from low-income families is in danger of being torpedoed, according to the vice-chancellor of the University of Cambridge, because of the pernicious link that the Government have chosen to introduce between the TEF and the fee increase. If there is an argument for fee increases, let that argument be made separately.

**Joseph Johnson:** Will the hon. Gentleman give way?

**Gordon Marsden:** I will give way in a moment. Do not try and justify fee increases by referring to and using the teaching excellence framework in a way that, if we are not careful, will taint the whole process thereafter.

**Joseph Johnson:** I rise to bring to the hon. Gentleman's attention that there are many in the sector who can see that this will do exactly what he wants: it will enable universities to reinvest in teaching methods. I want to

draw to his attention the words of Professor Steve Smith, the highly respected vice-chancellor of Exeter University, who said:

"At a time when our institutions face significant cost pressures the TEF presents us with an opportunity to invest in our students' futures and the long-term economic success of our country, and to be recognised for outstanding teaching at the same time."

12.15 pm

**Gordon Marsden:** Absolutely. Who is going to argue with that? No one is arguing against that. With all due respect to the Minister, I have known Steve Smith a great deal longer than he has. I have known Steve Smith for about 15 years and he has always been a doughty defender of all of these aspects. Yet again, the quote the Minister gives is simply about the principle of the teaching excellence framework. That I think is the point my hon. Friend wishes to intervene on.

**Paul Blomfield** (Sheffield Central) (Lab): I thank my hon. Friend for giving me the opportunity to intervene. My intervention is sharpened by the Minister's comments. Does my hon. Friend recognise that Professor Smith was actually saying that this gives us an opportunity to draw additional income to invest in teaching, in effect because it is the only show in town? Does he also recognise that when the Select Committee on Business, Innovation and Skills took evidence from the university sector on the point of the TEF and the link, there was uniform opposition to the link at that stage?

**Gordon Marsden:** My hon. Friend is absolutely right. I pay tribute to the work of the Select Committee in that respect. Of course university vice-chancellors are pragmatic people; they have to be. It is rather like when the late lamented Chancellor of the Exchequer said there could be any form of new structure for combined authorities as long as there were mayors.

**Joseph Johnson:** I am extremely concerned at the misrepresentation. These examples I am giving of individual vice-chancellors supporting the TEF and the fee link are not unrepresentative of the sector. That is why I am going to read to the hon. Gentleman the submission from Universities UK.

**The Chair:** Order. With respect, the Minister will have opportunities to make those points when he responds to the debate. Reading them into the record now would be quite a long intervention. I appreciate his points. If Gordon Marsden wishes to let the Minister intervene again, he can do so.

**Gordon Marsden:** I am more than happy to let the Minister intervene again when he gets his quotes right.

**Amanda Milling** (Cannock Chase) (Con): With reference to the Select Committee, I want to pick up one point from its conclusions. The Select Committee said:

"We agree with the Government that no university should be allowed to increase its tuition fees without being able to demonstrate that the quality of its teaching meets minimum standards."

**Gordon Marsden:** That is a perfectly reasonable and sagacious thing for the Select Committee to say, and it is to be expected. The Select Committee did not endorse this specific mechanism introduced in this specific way. [*Interruption.*] I am sorry, but we are going to have to

[Gordon Marsden]

disagree, though I am fairly sure that the record will bear me out on that. If the Minister wishes to demonstrate otherwise, he is able to do so.

I will move on as I am conscious of time, and we need to get some movement. I will talk about one or two other areas related to the linkage between TEF and fees. We will reserve the concerns of Cambridge and other universities about TEF for a later stage. We should also consider where this proposal will take a university's position with regard to the students it wants to attract.

I want to quote Professor David Phoenix, chair of MillionPlus and the vice-chancellor—since we are quoting vice-chancellors this morning—of London South Bank University. When the Government's Green Paper was produced, he rightly said:

“A focus on quality, continuous improvement and the incentivisation of excellent teaching is at the centre of every university's ambitions for its students.”

He welcomed the Green Paper and, for the avoidance of doubt, the opportunity to highlight the many strengths and benefits of UK universities and their teaching, but he said this:

“Linking fee increases with a Teaching Excellence Framework...based on metrics that are proxies for teaching quality”—that is the hub of the discussion, debate and aeration on the Minister's part this morning: the automatic assumption that teaching quality equals his TEF—

“is unlikely to provide students or employers with an accurate picture of the rich and varied teaching and learning environments that universities provide. This risks damaging the reputation of the higher education sector in the UK and is why we recommend that the government defer the introduction of a multi-level TEF in 2018 until further work has been completed to determine the best way to promote teaching excellence.”

Since that Green Paper was published, there has been a lot of iteration and discussion, and I return to what I said at the beginning: I understand why the Minister has listened to the sector and not introduced the TEF in all its glory—if that is what it is to be—with the implications he wants for fees. Fees could go down, although I think it is unlikely. They are far more likely to go up, but that does not cancel out the points we have made all along.

We are not the only ones with concerns on these issues. We will talk about the cost of the teaching framework at another time, but the University and College Union, Unison and a range of other organisations oppose the Government's plans to raise tuition fees and link variable rises to a rating system. That is precisely because they are concerned that those plans will further alienate young people, particularly those from disadvantaged backgrounds, and put them off going to those universities. In the process, that will affect those groups' members. It will affect their members' ability to have jobs, whether those are teaching jobs or all the other jobs done by the people needed to make universities work.

One of the things that depresses me most about the Government's approach to the Bill thus far, certainly in Committee, is that they seem to have a blind spot about anything other than the mechanics of producing the legislation to do these things. Every time we table an amendment that would include students and members of the workforce, they fight shy of putting it in the Bill. I will leave that point there.

I need to touch what the situation will be if leading universities opt out of the TEF, which was the subject of an article in *Times Higher Education* at the beginning of September. Reference was made to various issues, including Russell Group universities perhaps not wanting to take part because:

“They fear that taking part in the TEF will become such an administratively burdensome activity that the cost of participation will become so expensive that it will outweigh the value of an inflationary increase in tuition fees.”

We should be concerned about that not only because it is causing Russell Group vice-chancellors to agonise but because it threatens both the future of the TEF—I repeat, we want to see a proper TEF succeed—and future access for the sorts of students whom every member of the Committee, no matter whether they are Government or Opposition, wants to see at university. We all want to improve access to participation.

It is extremely important that the process in this matter is not a repetition of the precedent from before the summer recess. The issues are extremely important. People are so frustrated about the teaching excellence framework not being debated on the Floor of the House and in the context of the Bill, because that will enable the Government to evade detailed scrutiny of all the issues and of that process subsequently.

We have already seen how the Government did not choose to address the 2.8% increase in fees on Second Reading. We seek an assurance that if there are any major issues related to the TEF, including what the Government wish to do or not to do on fees, it will not simply be left to ministerial guidance or, with all due respect, shuffled down to a Delegated Legislation Committee, which will not allow all Members of this House to engage with the important and potentially very beneficial development of properly recognising teaching in our universities and higher education institutions.

**Paul Blomfield:** As ever, it is a pleasure to serve under your chairmanship, Mr Hanson. I rise to make some relatively brief remarks on the principle of the fees link. The Minister is understandably but deliberately confusing the issues of teaching excellence and fee increases. The inquiry by the Select Committee on Business, Innovation and Skills received a considerable amount of evidence on this issue. When the Government were still thinking about the issue, the overwhelming bulk of evidence from universities was that, while they celebrated the Government's intention to put teaching quality at the heart of the agenda—the Minister has quoted the evidence that they did so—and welcomed the opportunity provided by a teaching excellence framework, the measure would be wrong, could have perverse outcomes and certainly would not assist the Government's objective of linking the teaching excellence framework to fee increases.

Many Opposition Members disagree with the current funding regime in our universities and want to see different approaches that adequately fund our universities so they can continue to be among the best in the world without some of the other consequences of the current regime.

**Amanda Milling:** As a fellow Select Committee member, the hon. Gentleman will recall that at the time there was a lot of discussion about the TEF and the metrics. A lot of progress has been made. The discussion about the

metrics and the link with fees created some of that debate. Does he agree that the Government and the Minister have been listening and that a lot of progress has been made on developing the TEF and the metrics, both qualitative and quantitative, that will be included?

**Paul Blomfield:** The hon. Lady and I have spent many happy hours debating these issues in the Select Committee. I agree that the Government have been listening on the metrics, and we will have an opportunity to debate those metrics more fully at a later stage. My point is simply that, even once the Government have got it right, and they are not quite there yet—we will debate that later—linking the measurement of teaching quality with fees is fundamentally wrong. That was the overwhelming evidence that our inquiry received from across the sector.

**Wes Streeting** (Ilford North) (Lab): Why does my hon. Friend think the Government have chosen to serve provider interests through this mechanism, by allowing institutions to increase fees as part of quality enhancement, rather than serving the students' interests? At every stage in Committee they have resisted any measure to improve student representation, the student voice and the consumer, user and student demand side of quality enhancement.

**Paul Blomfield:** My hon. Friend highlights an interesting contradiction. The hon. Member for Cannock Chase has pointed out that the Government are in listening mode, and I had hoped that we might have some more positive statements during our proceedings on student representation—if not accepting the amendment, at least giving greater clarity on the role that the student voice will have in the system.

We are asked in schedule 2 to endorse the principle of linking fees to a quality system, which we have not yet debated. There are still major reservations about it, and there is scant information about it in the Bill. The Select Committee agreed that the Government's proposed metrics are flawed. I appreciate that we are coming to that debate, but it is worth highlighting those concerns briefly.

12.30 pm

**Amanda Milling:** I am not sure I entirely agree that we said the metrics were flawed. I recall that we could see a role for them and for other metrics, too. We said that there was a need to develop the metrics over time. The Government—again, in listening mode—talked about the phasing in of the TEF in recognition of that.

**Paul Blomfield:** I thank the hon. Lady for her intervention, which helps us clarify what the Select Committee agreed. The report goes through the metrics, expressing reservations about employment. It is concerned that a narrow focus on employment will not demonstrate teaching quality. The truth is that if someone goes to the right public school and Oxbridge, however good the teaching quality at Oxbridge, they will get a good job because they know the right people and have got the right contacts. In itself, employment is no measure of teaching quality, and nor is retention.

I appreciate the Government's initiative to improve retention as part of the widening participation agenda. It is positive, but the retention metric is open to university

gaming: the best way of getting a good retention metric is by not taking students who are likely to struggle in university. It runs counter to the Government's objectives, and there are similar concerns about the crudeness of the national student survey as a metric in itself.

The hon. Lady is right. We expressed those reservations and recognised that the Government were listening and were trying to move on them, but the Select Committee said very clearly that we wanted metrics with a proven link to teaching quality. The Government have not got those metrics yet. We will have that debate later.

The second point of concern in relation to the fees link is that the Government are rightly moving in the further stages of the TEF to subject-based assessment. Now, subject-based assessment is a good step because universities are large institutions within which there is a huge range of subjects and a great diversity of teaching quality, but to link a fee with an institutional assessment masks that range of teaching quality. People studying in a department where the teaching quality is not as good as in others will be paying higher fees. This flawed proposal does not enhance the Government's objective and should be rejected.

**Joseph Johnson:** This has been a more heated debate than those that preceded it. I anticipated that it would be, and I hope we can move on to more consensual areas of the Bill shortly so that we can recover our composure. I am glad we are having this crucial debate, because this issue is clearly of huge concern to many Members. It highlights the big differences between what the Government are trying to achieve and what the Opposition would have us do.

Schedule 2 is crucial, in that it provides the mechanism for the setting of fee caps, which are central to fair and sustainable higher education funding. It replicates the provisions put in place by the Labour Government more than a decade ago with one difference, which I will come to later. First, I want to set out why the current funding system not only works for the sector but is crucial to its continued competitiveness.

The system we have established and are updating through the Bill, building on the measures put in place by the previous Labour Government, will ensure the sustainability of the HE sector and drive up the value to students by linking quality with fees. Our approach has been recognised by the OECD, which praised England as one of the few countries to have figured out a sustainable approach to higher education finance.

**Paul Blomfield:** The Minister will acknowledge that the quotes that he is giving—he may have reservations about them—are in relation to the fee system. The OECD has made no comment on the fees link.

**Joseph Johnson:** The OECD has made its comments and it is of the view that we have the most sustainable funding system of any country in the world. We are developing it further with our teaching excellence framework.

Despite what the Labour party said at the time, students have not been deterred from going into higher education and young people from disadvantaged backgrounds have not been put off from going to university. We now have entry rates, as I have said, at

[Joseph Johnson]

record levels of 18.5% in 2015, up from 13.6% in 2009-10. In fact, individuals from disadvantaged backgrounds are now 36% more likely to go to university than they were when the Conservatives came into office in 2010. Our student funding system is fair and sustainable. It removes financial barriers to anyone hoping to study, and is backed by the taxpayer, with outstanding debt written off after 30 years. That is a deliberate, conscious decision by Government to invest in the skills base of the country.

**Gordon Marsden:** The Minister repeats his and his colleagues' familiar statement about fee movement and extra participation, and all the rest of it; but I will also repeat what I have said: there comes a sticking point, and just because some of the more pessimistic assumptions about fee rises that were made in the late 2000s have not come to pass, that does not mean to say that there have not been casualties along the way.

**Joseph Johnson:** Our funding model, which we are continuing to develop and make more contingent on the delivery of quality, is a great strength of our system, and it is acknowledged as such by education experts such as the OECD. As a result of it, we have been able to lift the cap on student numbers. Labour was never able to do that with its model of funding. As a result, we have lifted the cap on aspiration and today we are enabling more people than ever before to benefit from higher education.

I do not believe that Labour's proposals for funding higher education are remotely realistic, even if they were intelligible, and I am not the only person to think that. The hon. Member for Blackpool South mentioned *Times Higher Education* in his remarks. He might have read, in this week's edition, an interesting interview with Lord Mandelson, former Secretary of State for Business, Enterprise and Regulatory Reform. On the question of how Labour will fund the removal of tuition fees he said:

"By spending less on health or housing? Or by raising general taxation, the burden of which would inevitably fall on middle-income families?"

He said that Labour was not being honest about its promises on tuition fees. Pledging to remove them was not

"an honest promise to make".

Does the hon. Gentleman agree with Lord Mandelson?

**Gordon Marsden:** At the risk of sounding like Old Father Time, I will say that I have known Peter Mandelson far longer than the Minister, and I know one of his traits over the years has been to challenge and prick, and all the rest. What the Minister has said is not good enough. We are here to examine the Government's record with students. The truth is that, since fees trebled, the figures for part-time students have gone down. There is no guarantee that the figures for other students will not go down as well.

**The Chair:** Order. On all those issues, it is helpful for the Chair if Members occasionally say the words "schedule 2". If the Minister could focus our attention back on to the schedule that would be helpful.

**Joseph Johnson:** Thank you, Mr Hanson. I shall come directly to schedule 2. I could have invoked a large number of other senior Labour party figures who agree with Lord Mandelson, such as Ed Balls, who said exactly the same thing. The hon. Gentleman may not agree with one wing of the Labour party; but he does not agree with the other, either.

**Wes Streeting:** Will the Minister give way?

**Joseph Johnson:** I have been invited to carry on and speak about schedule 2, so I will press on for a minute. I will give way once I have made a bit more progress, if I can.

Tuition fees have been frozen since 2012 at £9,000 a year. That means that the fees have already fallen in real terms to £8,500 as things stand today. If we leave them unchanged they will be worth £8,000 in those terms by the end of the Parliament. It is not right or realistic to expect providers to continue to deliver high-quality teaching year in, year out with continually decreasing resources. The Committee heard that point made clearly by Chris Husbands, vice-chancellor of Sheffield Hallam University, which is close to the constituency of the hon. Member for Sheffield Central, when he gave evidence. He said clearly that it would be completely inappropriate for the university sector still to be stuck on £9,000 in 20 or 30 years' time because no Government had the guts to allow fees to rise with inflation. That is precisely what we are doing.

**Paul Blomfield:** I welcome the Minister's coming to the core issue of schedule 2, but his quote from the vice-chancellor of Sheffield Hallam University referred to the case for a fees increase. Schedule 2 is about linking it to the teaching excellence framework. The Minister has yet to make the case, or even mention that link. Will he do so now?

**Joseph Johnson:** Happily. The hon. Gentleman is deluding himself if he thinks that the chair of the teaching excellent framework does not understand the fee link that he himself is implementing. He does his fellow Sheffielder something of a disservice in casting that sort of aspersion on him.

What we are doing in schedule 2 for the first time is ensuring that only those providers who can demonstrate high-quality provision can maintain their fees in line with inflation. The ability to raise fees with inflation was provided for by the last Labour Government in 2004, but without any reference at all to quality or the student experience. Through schedule 2, we are doing better than that. The TEF fee link, in particular, as Government Members have already noted, was endorsed earlier this year by the Select Committee on Business, Innovation and Skills, which said that

"we support the principle of a more sophisticated link...between teaching quality and fee level".

**Gordon Marsden:** I do not want this to turn into an argument about semantics, but the reality is, as was mentioned earlier, in this schedule, we are being asked to buy a pig in a poke. We do not know what the shape of it is. When the Select Committee said that, it was

about the principle and the concept, not about the detail, which the Minister is either not in a position or not willing to tell us about.

**Joseph Johnson:** We can discuss the TEF in much greater detail at a later stage—I am looking forward to it—but we have consulted on it on several occasions now. The TEF is in shape. It is up and running, and it could not remotely be described in the way that the hon. Gentleman did.

**Wes Streeting:** Will the Minister give way?

**Joseph Johnson:** No, I want to make progress. The sector is familiar with the principle of linking funding to quality, which was introduced by the Conservative Government in the 1980s, when they introduced the research assessment exercise. Over successive iterations, the research excellence framework has undoubtedly driven up the quality of our research endeavour as a country, keeping us at the forefront of global science.

**Gordon Marsden:** On that point, will the Minister give way?

**Joseph Johnson:** No, I am going to make some progress. We are now extending this principle to teaching quality. Schedule 2 provides the mechanism for the setting of fee limits, allowing providers to charge fees up to an inflation-linked cap according to ratings of teaching quality established through the teaching excellence framework, which is mentioned under clause 25, as the hon. Gentleman said earlier.

**Gordon Marsden:** I am grateful to the Minister for giving way, as I appreciate that he must get through his points. I will be brief. The teaching excellence framework, notwithstanding the fact that it is a one-size-fits-all judgment for the first year, is at the moment scheduled to come to fruition over only three or four years. The Minister knows very well that the conversion of the research assessment exercise into the research excellence framework took six years. Why, therefore, is he so confident that the Government will get it right in a short period of time?

**Joseph Johnson:** The hon. Gentleman cannot have it both ways. He cannot criticise us for taking time to get it right and then wish it were in place sooner. We are developing the TEF in a phased, careful way. We are listening to the sector. That is why it is being piloted and trialled in its first two years.

**Wes Streeting:** Will the Minister give way?

**Joseph Johnson:** No—well, okay. The hon. Gentleman has been asking persistently.

**Wes Streeting:** The Government have a laudable target to double the percentage of students from low-participation areas by 2020. Can the Minister explain how linking the TEF to tuition fee rises will enable students from the most under-represented backgrounds to access the courses with the best quality teaching?

**Joseph Johnson:** In order to participate in the TEF, all institutions will need to have an access and participation plan, and those access and participation plans and widening participation statements will be demanding. We have given strong guidance to Les Ebdon and, as the hon. Gentleman said, we have set the sector a demanding overall goal of doubling participation by 2020 of people from disadvantaged backgrounds from the levels we inherited back in 2009.

We are now extending the principle that we introduced for the funding of research to how we fund teaching, which is something the hon. Member for Blackpool South was himself suggesting that the Government should do back in 2002. Schedule 2 provides the mechanism for the setting of fee limits and allows providers to charge fees up to an inflation-linked fee cap according to its rating for teaching quality, which we will make possible through the TEF. The TEF, which was a manifesto commitment, will enable the impartial assessment of different aspects of teaching, including student experience and the job prospects of graduates. It will put teaching on a par with our country's world-leading research so that we not only get more students into higher education, but ensure it is worthwhile when they get there.

Increasing fee limits in line with inflation is nothing new. It has been made possible since the Higher Education Act 2004 put in place by Labour, and it was routinely applied between 2007—by the last Labour Government—and 2012. Linking fee limits to teaching performance is new. It recognises and rewards excellence and will drive up quality in the system.

12.45 pm

**Dr Blackman-Woods:** There is nothing in schedule 2 to suggest that as there is now a link between teaching quality and fees the additional fee income will be used to further enhance teaching quality. Will the Minister deal with that point?

**Joseph Johnson:** Such incentives will play a powerful role in rebalancing universities so that they focus more on teaching than ever before. We do not have marginal funding allocated towards teaching in our funding system for universities at the moment and this will be a powerful driver of change in that respect.

It is right that only providers that demonstrate high-quality teaching will be able to access tuition fees up to an inflation-linked maximum fee cap. We expect the TEF to deliver additional income for the sector of £16 billion by 2025 and it will also allow providers to reinvest in teaching methods that work. As the Sutton Trust said,

“we need to shake the university sector out of its complacency and open it up to a transparency that has been alien to them for far too long. It is good that they are judged on impact in the research excellence framework, and that the teaching excellence framework will force them to think more about how they impart knowledge to those paying them £9000 a year in fees.”

The fee link has been welcomed not just by individual vice-chancellors but by the sector. The hon. Member for Sheffield Central challenged me to reference a body representative of the sector and I am very happy to do so. Universities UK said:

[Joseph Johnson]

“Allowing universities to increase fees in line with inflation, on the condition of being able to demonstrate high-quality teaching through an effective TEF, is a balanced and sustainable response to these two objectives.”

Let me reassure the Committee that, as I set out in the White Paper, our proposed changes to the fee limits accessible to those participating in the TEF will at most be in line with inflation—fee caps will be kept flat in real terms. Let me also reassure the Committee that, should the upper or lower limits be increased by more than inflation, which is certainly not our intention, it will require regulations subject to the affirmative procedure, which require the approval of Parliament. That is in line with the current legislative approach to raising fee caps and we have no desire to depart from those important safeguards, so Parliament will therefore continue to retain strong controls over fees.

**Gordon Marsden:** Will the hon. Gentleman give way?

**Joseph Johnson:** No, I will not.

**Gordon Marsden:** On that very specific point—

**The Chair:** Order. It is for the Minister to determine whether he wishes to give way or not.

**Joseph Johnson:** To summarise, the Government are committed to a progressive approach to higher education funding and to ensuring the financial sustainability of the sector. Schedule 2 establishes a direct link between fees and the quality of teaching—a principle supported by the Select Committee on Business, Innovation and Skills and the wider sector—along with a clear framework of control for Parliament. The provisions ensure that we can meet our manifesto commitment to deliver TEF under the Bill by ensuring that well-performing providers are rewarded so that they can continue to invest in excellent teaching.

**Gordon Marsden:** I would like to speak briefly to propose that we vote on stand part. I am disappointed with the Minister’s response. He has on a number of occasions evaded our direct questions about the link between TEF and the fees. He has tried to subsume it into a broader argument about TEF. I repeat, so that no one is in any doubt, we support anything that will improve teaching quality and incentivise it. To be asked to buy a pig in a poke, which is how I have already described the measure, and for the Minister then to tell us that any further iterations would simply go down the corridor—that is precisely what happened with the grants and maintenance loans, and we had to drag the Government to the Floor of the House to have a debate—is indicative of how defensive the Government feel about the arguments. That is why we wish to vote against the schedule.

*Question put,* That the schedule be the Second schedule to the Bill.

*The Committee divided:* Ayes 11, Noes 7.

#### Division No. 6]

#### AYES

Argar, Edward	Evennett, rh David
Chalk, Alex	Howlett, Ben
Churchill, Jo	Johnson, Joseph

Kennedy, Seema  
Milling, Amanda  
Morton, Wendy

Pawsey, Mark  
Warman, Matt

#### NOES

Blackman-Woods, Dr Roberta	Smith, Jeff
Blomfield, Paul	Streeting, Wes
Marsden, Gordon	Vaz, Valerie
Rayner, Angela	

*Question accordingly agreed to.*

*Schedule 2 agreed to.*

*Clauses 11 and 12 ordered to stand part of the Bill.*

#### Clause 13

##### OTHER INITIAL AND ONGOING REGISTRATION CONDITIONS

**Gordon Marsden:** I beg to move amendment 168, in clause 13, page 8, line 12, at end insert

“and which must include information about how students will be protected from any reasonable financial loss if an event specified by the OfS were to occur, in particular the closure of a course or a higher education provider.”

*This amendment would ensure that students are protected from reasonable financial loss if their provider or course closes.*

In the interests of allowing a little light as opposed to heat into the proceedings, and given the nature of the hour, I do not intend to speak at great length to the amendment, although I will raise some broader issues when we debate a subsequent one. Again, I draw on what my hon. Friend the Member for Ilford North said in the previous debate about the challenge to the Government to recognise the interests and concerns of students, which is what the amendment is designed to do. So that Members are in no doubt, clause 13 relates to initial and ongoing registration conditions, and the amendment would insert a very important additional condition.

We have heard a lot about transparency in the Bill, and about how things can be put forward and on the record, and early in Committee we had some debate about the nature of documents and all the rest of it. However, that does not relate to one of the most crucial things that students will want to know, in particular those who are attending new providers—a subject for further debate. There is nothing wrong with being new, and on Second Reading the Minister scratched very hard for precedents going back to the 1820s and 1830s and talked about cockney universities that are now world-beaters, such as University College London and King’s College London. He was right and, as an historian, I praise him for referring to historical precedent. Sometimes, however, it can be stretched a little too far, and on that occasion I think either he or his team did so.

Nevertheless, new providers have to show their bona fides and students must have confidence in them. My amendment is designed to make it easier for them to have that confidence. Student representatives are extremely concerned about the lack of detail of what would happen if things went wrong—and in life things do go wrong. Things might not go wrong in the Conservative manifesto, but they go wrong in life, and then have to be addressed. In this modest amendment, I am suggesting

that the clause should include some information about how students will be protected from any reasonable loss if an event specified by the OFS were to occur, in particular the closure of a course or a higher education provider. That is the more difficult and detailed stuff, not the principle or the fine-sounding words that can roll off the Minister's tongue.

This is a probing amendment and I am not asking for it to be included in the Bill, but we want to hear a lot more detail from the Minister throughout our deliberations if we are to be convinced that his safeguards for students are adequate.

**Dr Blackman-Woods:** I merely want to emphasise to the Minister the extent of NUS concern about this issue. I met NUS representatives recently, and they understood that the Bill allows for new entrants into the sector and creates a registration system, which means that in future some institutions might fall foul of that system. The NUS does not have an issue with that, but with what protection there would be for students if a course closes or if the institution itself closes.

As my hon. Friend the Member for Blackpool South said, this is a modest amendment, but it seeks to put something on the face of the Bill to include information about how students will be recompensed if their course or institution closes. Furthermore, NUS anxiety is based on experience of course closures, in which it has taken a long time for students to get their particular issues sorted out, such as transfer to another institution or on to another course. What reassurances can the Minister give to students who are really worried about that matter?

**Joseph Johnson:** I am happy that we are back on more consensual aspects of the Bill, and we share all the hon. Members' interests and concerns in that respect. I am extremely keen to use this opportunity to set out our intentions for student protection plans. I hope that the Committee members found it helpful to read the explanatory note that we put out yesterday, although I appreciate that they will not have had much time to look at it. It is, however, available for their further perusal.

Student protection plans are not a new concept, and some providers already have them. The current approach across the HE system, however, is entirely voluntary, and coverage is far from consistent across the sector. What the Bill does, importantly, is give the office for students the power to require registered providers to

put student protection plans in place. All approved providers and approved fee cap providers in receipt of public funds will be expected, regardless of size, to have a student protection plan approved by the OFS. That is new, and the measure has been welcomed by the NUS in its written evidence to the Committee. I have met the NUS on a number of occasions. If it has continuing concerns, following our publication of this preliminary clarifying material, I would be happy to meet again to discuss how we can go further, if necessary.

The plans as we have set them out will ensure that students know from the outset what kind of support would be offered to them if a course, campus or institution was at risk of closure, or if some other material change at their provider left them unable to continue their studies. Providers will be expected to make contingency plans to guard against the risk that courses cannot be delivered to students as agreed. Those plans will be proportionate and in line with the risk profile of the provider. We expect the OFS to require student protection plans to be implemented before a provider's financial position becomes unsustainable. They will be triggered by material changes, to be specified by the OFS in guidance. The guidance will also provide further details on what the OFS expects to be covered in a plan and we expect that that will be subject to full consultation by the OFS. As a result, the Bill rightly does not prescribe the type of events or mitigations that should be included.

I can reassure Members that we fully intend for student protection plans to set out information, options and any remedial actions students can expect in any event where a material change occurs that could affect their continued participation in study. That is an important step forwards in the protection of the student interest in higher education. I therefore respectfully ask the hon. Gentleman to consider withdrawing his amendment.

**Gordon Marsden:** I listened very carefully to what the Minister said. He laid out principles, and I am sure that all members of the Committee will want to study the document in some detail. We will no doubt have another opportunity to discuss it during our consideration of the Bill. On the basis of the progress in principle, I beg to ask leave to withdraw the amendment.

*Amendment, by leave, withdrawn.*

*Ordered,* That further consideration be now adjourned.  
—(*David Evennett.*)

1.2 pm

*Adjourned till this day at Two o'clock.*

