



Towards a Sustainable Scottish Solution for the Future of Higher Education

The UNISON Scotland Submission on *Towards a Sustainable Solution for the Future of Higher Education*

February 2011

Introduction

UNISON is Scotland's largest public sector trade union representing over 165,000 members delivering services across Scotland. UNISON members deliver a wide range of services in the public, community and private sector. In education UNISON members deliver essential services including cleaning, advice, administration, libraries, technical and research support, IT, finance, learning and student support services, security, porter services and management. These employees are often the face of higher education in Scotland and contribute a great deal on the overall student experience, providing the foundations for high quality learning for all. It is essential that the voices of all those involved in education contribute to the debate on its future. UNISON Scotland is able to collate and analyse members' experience to provide evidence to inform the policy process. We therefore welcome the opportunity to submit evidence on the future of higher education.

Response

High quality public services are central to Scotland's economy and the quality of life for its citizens. Education is an essential part of public service provision. Scotland has developed its own model of delivery over a considerable period of time and should continue to do so. UNISON Scotland is committed to the modern comprehensive principle rooted in our belief in a decent society. Every child should have a genuinely equal chance of the best education in their local school and every individual who can benefit from Further and Higher Education (HE and FE) should have the opportunity to do so. We support the view expressed in the consultation that moving away from public funding discriminates against the poorest, puts barriers in the way of learning and would over time massively diminish the potential of Scottish society. UNISON is also convinced that the people of Scotland do not support moves, like those in England, to move the cost of higher education away from the public purse to individuals.

The 1997 report of the National Committee of Inquiry into Higher Education, chaired by Lord Dearing, recognised HE as central to creating a society in the UK committed to learning throughout life. The report saw HE activity as both life enriching – desirable in its own right for individuals – and as fundamental to achieving improved quality of life within society more generally. The report argued higher education should sustain a learning society with four main purposes:

- to inspire and enable individuals to develop their capabilities to the highest potential levels throughout life, so that they grow intellectually, are well equipped for work, can contribute effectively to society and achieve personal fulfilment
- to increase knowledge and understanding for their own sake and to foster their application to the benefit of the economy and society
- to serve the needs of an adaptable, sustainable, knowledge-based economy at local, regional and national levels
- to play a major role in shaping a democratic, civilised, inclusive society.

UNISON believes that this continues to form a basis for Higher Education. All too often the focus of the education debate is on students' finances and UNISON therefore welcomes the consultation on the sector as a whole. Even when the debate widens, politicians and the media focus on professional staff, like teachers and lecturers, and forget about the rest of the team members. The quality of

education provision will be boosted by involving all staff in the process of change.

UNISON will focus its submission on the four key areas which impact on members most:

- Funding
- Access
- University Governance
- Improvement

Funding

The previous increase in public sector funding had only begun to tackle the problems caused by years of underinvestment. Secure long-term funding is crucial if higher education institutions are to plan for the future. The proposed cuts in public spending are the products of ideology not economics. The same is true of the drive for increased fees and a greater student contribution to HE and FE funding. Modernising colleges and universities effectively is not a one-off task but an ongoing process. Now FE colleges are facing cuts of 10.7% in funding and most colleges are seeking voluntary severance from staff and looking to merge to making savings. There is a similar picture in HE with a funding cut of 8.1% and voluntary severance offers and pressure to cut back on pension rights. There is though a commitment to maintain student numbers on this lower funding. It will be increasingly difficult to meet the challenges facing the sector. Adequate funding encourages staff to develop innovative solutions to service delivery. We can through a fairer tax system and clamping down on tax avoidance raise enough money for the services we need. A fair system also means that those who gain higher earnings through their qualifications will pay more tax to pay towards all public services.

Without adequate funding our institutions will not be able to attract and keep the best staff, deliver the best teaching or undertake the best research. This will lead to a loss of funding from other sources, including foreign students, further undermining the service. Cuts of the current level will lead to Scottish students moving away to study, again draining money away from Scottish institutions and further harming our economic and social capital.

Scottish education institutions are critical to the success of the Scottish economy through providing key human and technological resources for business. The government could also investigate how large companies in Scotland could contribute more towards the cost of higher education as they are one of the principal beneficiaries. This could be through specific levies in Scotland or through cooperation with the UK government focusing on the Corporation Tax or Employers' National Insurance system.

The EU has a substantial research budget and the forthcoming 8th EU framework presents an enormous opportunity for HE in Scotland. However, there have been problems with funding bureaucracy and in particular, there has not been sufficient funding set aside for administrative and support work or for support staff training. This means that researchers are often having to do this work wasting their time and resources. The Scottish government should join us in asking for more targeted funding for support staff within research grants.

Access

Free education, alongside other public services, forms the foundation of a fair society. UNISON believes that anyone who has the ability to continue with education should have the opportunity to do so. Debt and fear of debt are real barriers to many people, particularly from disadvantaged backgrounds, participating in higher and further education. We opposed the introduction of tuition fees and continue to oppose them. UNISON believes that the barriers to equality identified in the Hills report on life cycles of inequality and the Milburn report on the exclusivity of the professions in 2009 are only going to be broken down by offering free education to those who stand to benefit from it most.

Barriers to access further and higher education go beyond a simple fees/grants debate. UNISON's experience of supporting learning for members, both through specific training for reps and through the Trade Union Learning Fund programmes, indicates that much more needs to be done to create a culture of lifelong learning in Scotland.

The workers we meet when promoting and organising learning are primarily employed in lower grade, lower paid jobs. Their learning experience ended with leaving school and was often not enjoyable. This has the effect of damaging self confidence and is often accompanied by low self esteem- characteristics which can be exacerbated in the workplace.

Workers are often engaged in shift work. This makes regular attendance at a class difficult. Organising courses which incorporate alternate classes to accommodate shift patterns and caring responsibilities would support wider access to learning. The provision of courses financed through the Scottish Union Learning Fund and the European Social Fund Highlands and Islands Learning Fund enables us to promote learning which is free to the learner. This is crucial. Money is a major factor for UNISON members in pursuing learning. ILA Scotland has been crucial to encouraging further learning amongst our members.

UNISON would be opposed to any moves to create private universities or to change the current funding process to one where money follows students. The transfer of public money to profit making institutions merely makes fewer resources available to remaining public bodies. Institutions need secure long term funding if they are to plan for the future and students led funding would make this very difficult. The creation of private places alongside publically funded places reduces the resources available for ordinary students. Students should obtain university places on merit and the funding should go along with that. If Scotland aspires to be a nation built on social justice then access to education cannot be based on your (or your parent's) wealth.

Governance

Universities rightfully value their independence. This academic freedom does not exempt them from the needs to be governed properly and to be accountable to the communities whom they serve. There must be oversight of how institutions are governed. There may be scope for a wider role for the Scottish Funding Council in overseeing the governance and equalities issue around universities. As things stand the Minister claims that oversight lies with the Scottish Funding Council while the funding council maintains a narrow view of its role. The current difficulties at Aberdeen University highlight how important clear lines of governance are.

University and college boards need to be made up from a wide range of people to reflect the communities which they serve. There also needs to be a wide range of skills to ensure that the governance bodies are able to hold staff reporting to the boards to account. It is our experience that HR expertise is often lacking. There should be representatives of both academic and non-academic staff on boards. These members need to have equal status with other members and have appropriate time off to attend both meetings and for the workload involved. It is essential that there are appropriate Staff Governance Standards in place. UNISON believes that the voluntary staff governance standard agreed between Scotland's Colleges and the STUC provides a basis on which governance could be improved.

This is a strategic framework of minimum standards, continuous improvement and ongoing consultation and negotiation between boards, management, staff and recognised trade unions. Education institutions should have a broad range of up-to-date staffing policies. These should be negotiated with all recognised trade unions within the institution and should reflect current good practice. The governance standard should entitle staff to be:

- Well informed
- Appropriately trained
- Involved in decisions which affect them
- Treated fairly and consistently
- Provided with a safe working environment

Well informed

Staff need regular information about their workplace and need the opportunity to contribute ideas. Their recognised trade unions should be part of meaningful consultation and negotiation system at all appropriate levels. ORC International has also found that there is a clear link between employee engagement and customer satisfaction in local government. The report: *Linking Employee and Customer data- a new way forward for local government?* found that there are clear links particularly when employees feel they are:

- Treated with fairness
- Aware of organisations' long term goals
- Proud to be working for the organisation
- Clear about what's expected of them in their job
- Clear that the organisation is committed to customer care

Improved engagement for all staff would drive improvement in the education sector.

Appropriately trained

It needs to be recognised that education is delivered by a wide range of staff, not just lecturers, and if education is to meet the current challenges then all staff need to be trained and developed. There needs to be widespread promotion of training and development activities and meaningful and appropriate encouragement. Opportunity and support for staff to use their skills effectively is essential. Union representatives in all their roles need to be given reasonable time off to complete their duties.

Involved in decision making which affects them

This can be achieved through involving all staff through their recognised trade unions.

Treated fairly and consistently

The implementation of up-to-date staffing policies following consultation with trade unions which promote good practice must be communicated to all staff. Policies should include appropriate arrangement to ensure dignity at work, eliminate discrimination and positively promote equality.

Safe working environment

Effective Health and Safety management arrangements must be in place. These must promote best practice and fully involved recognised union Health and Safety representatives.

Improvement

There appears to be a widespread belief that mergers, shared services and increased outsourcing will save money and improve efficiency in the education sector. Any savings that do emerge though tend to come from job cuts or reducing terms and conditions of staff. Mergers bring their own problems and disruption. They focus the organisation on internal issues rather than delivering a service. Many of the staff involved in the creation of the new City of Glasgow College had already been through a merger. It took two years of negotiations for a set of terms and conditions to be agreed for the new college only for another merger to start, meaning all that work has to be done again.

Good governance standards do not just improve the working lives of staff. They improve the efficiency and effectiveness of organisations. There is a range of evidence to show that involving staff in the design of services will make real and lasting savings and improvements rather than top down initiative or the use of consultants. Robert Gordon University was looking to privatise its IT service on the advice of consultant but the in-house team did its own report and the university is taking focusing on an in-house solution. There are many examples of how listening to services users and staff leads to improved services and costs savings:

Delivering public services that work: Systems Thinking in the public sector volume 1: Ed Peter Middleton and *Systems Thinking in the Public Sector* by John Sneddon give a range of examples.

Glasgow Housing Association is a good Scottish case study. The key issues at GHA were; rent arrears of £10.1m, re-let times for empty properties averaged 56 days, only letting 49% of houses within 4 weeks: a substantial loss of income. Analysis indicated 89% failure demand from customers.

By looking differently at the system and listening to those staff that actually do the

work the system has been redesigned. Rent arrears have been reduced to £7.99m; end to end re-let time has been reduced by 13 days.

Systems Thinking gives examples of how the top down approach has failed in housing benefits, trading standards, police and elsewhere. Public service factories, like shared services, simply generate what they call failure demand rather than value demand. In other words, we pay for transactions that deal with the failure of the system to deal with the service users' problem first time. Scotland needs a new public service model where staff locally are able to map the essential processes that resolve service users' demands and devise appropriate delivery models. Best practice can be shared, but not imposed using targets. If we designed away failure demand and removed the targets culture the cost savings could be significant. Scottish education institutions could make substantial improvement and savings through listening to all staff involved in the so-called backroom functions.

IT redesign in Newcastle

When Newcastle Council wanted to outsource its back office IT services the UNISON branch was fully involved in the process. They wanted to improve services and make savings. The council has improved delivery and made savings through new technology. The strategy is based on a public benefit model rather than private profit. If the IT services had been privatised money would have been lost as profit to businesses instead all savings were re-allocated to social care services. Changing the way people work is challenging. The collaborative democratic approach meant staff being given the power to look at how work was done and to design new approaches across departments. There was a commitment to avoid compulsory redundancies meaning staff felt confident participating in the process. Newcastle achieved savings of £28m million. (See <http://clients.squareeye.com/uploads/compass/documents/PublicServiceReformWainwright.pdf>)

UNISON believes that improved cooperation between public service is essential, but this does not require setting up vast public service factories or bringing in the private sector. Sadly, shared services are frequently pushed by private consultants as a way to improve services and save money. They are in fact extremely costly and have high upfront costs. The previous Scottish Executive's original report into shared services showed an investment ratio of 2:1 — an initial investment of £60m is needed to save £30m. The UK National Audit Office report indicates that so far projects have taken five years to break even. A recent report by the Auditor General for Western Australia found that their shared services project is still not finished seven years from its start. The original cost projection was A\$69million; so far it has cost A\$180million. The promised savings of A\$55million a year now look "unlikely". We should indeed learn from this project: shared services are not providing the answer to modernising public services. Even on the rare occasions where they have been successful the time scale required to rake back the up-front costs mean they could provide no quick fix to the current crisis.

Shared services usually seek to separate and deride the role of so-called back office functions. Many claimed savings from back office reductions simply displace costs onto front line services. These leave front line staff to perform administrative tasks that they are not well equipped to do and distract them from their main roles. A recent example of this has been police staffs being made redundant, and more expensive and unqualified police officers being backfilled

into their posts.

The use of private sector consultants is the real waste of tax-payers' money. City of Edinburgh council alone has spent £6.4million. Edinburgh is now looking at a number of initiatives to outsource a range of public services based on misleading information on privatisation initiatives elsewhere in the UK. The money would have been better spent on delivery. As stated earlier, Robert Gordon University recently explored the privatisation of its IT services. Again consultants whose only expertise is in selling expensive systems recommended privatisation. The staff involved wrote a critique of the consultant's report showing its serious failings. This drew into question any business decision taken on the basis of that report. The staff demanded that a proper in-house solution be considered. The privatisation plan has now been shelved

Outsourcing

Privatisation has already led to millions of pounds of waste. A current example of this in England is the case of Liverpool Direct, a flagship joint venture with BT. A recent audit report of this flagship programme reported that the council could save £23m a year by taking the work back in-house. LDL was set up by Liverpool City Council and BT to deliver a range of services but a leaked report found that the council has been overcharged by at least £19million. The investigation found that the cost of the contract could be cut by £10million.

LDL claimed to have invested £51.9million in its business but they could only identify £27.2million when asked. Overcharging included: not paying the council when using council facilities for non-council business, charging the council for training which was included in the contract and so already paid for, excessive mark up on IT equipment and charging for project support and IT support for items not on the asset register. There was no accurate asset register so there were unnecessary purchases which then increased the support charges. The mark-up on laptops and PCs was between 93% and 149% on catalogue prices.

Secure Healthcare, a not-for-profit group set up to provide healthcare for prisoners, went bust in 2009 leaving the NHS to fill the gap. The group was awarded a £5million contract by Wandsworth Prison but ended up with debts of £1million despite having a £500,000 grant from the Department of Health to help with start-up costs. The Wandsworth Primary Care Trust has now had to step in and provide that service. The public have to pay again for private sector failure.

The company set up to deliver IT support to the police, Somerset County Council and Taunton Dean Council has been so problematic that even the Tory MP is campaigning against it. Following a pre-tax loss of £2.5million and early retirement for the Chief Executive, an independent reviewer had to be appointed. The projects' backers claimed it would save £200million. Despite the losses they continue to claim that the savings will come and are looking for other partners to use their services.

Outsourcing in the Health Service: Driven by Dogma a UNISON commissioned report by think tank OPM has found that the drive to increase outsourcing in the Health Service is driven by political will, rather than evidence that it will improve the service. The report combined an overview of recent research into outsourcing and a large number of interviews and focus groups with a cross section of health professionals from board members to cleaning staff. The key findings of the report are:

- Those responsible for implementing outsourcing policy see it as being driven by political will rather than evidence based practice. Outsourcing has often been the only change option available to those looking to make service improvements.
 - While there is hard evidence of where outsourcing has had a negative impact there is little available of where it has had a positive impact on value for money or quality of care
 - Where improvements were identified through outsourcing, it was often felt that these could have been delivered through investment in public provision.
 - Outsourcing is often seen by staff to be the cause of downward pressure on their terms and conditions and having a negative impact on the public service ethos
 - Scrutineers such as patients' groups and scrutiny committee members see outsourcing as a challenge to lines of accountability.
- The full report is available here <http://www.unison.org.uk/acrobat/B4360.pdf>

Private consultancy costs

Audit Scotland published a report into the use of consultants saying that the government wastes millions of pounds every year. The Auditor General, Robert Black, said there was no clear strategy and better management of consultants would save money. UNISON Scotland has been concerned about the use of private consultants in the public sector for some time. In particular, information on what they do and what they cost is very hard to find.

Conclusion

UNISON Scotland welcomes the opportunity to submit evidence on the future of higher education. UNISON represents a range of education staff and we have used their experience to inform this submission. The sector is facing enormous challenges and the best route forward is to fully involve both users and staff in designing future development. We therefore welcome the opportunity to participate in this consultation and look forward to further participation in the development of a sustainable solution for the future of higher education.

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