

**ACADEMY OF SOCIAL SCIENCES SUBMISSION
EDUCATION COMMITTEE INQUIRY ON HIGHER EDUCATION AND FUNDING**

Helen Hayes MP
Chair, Education Select Committee
House of Commons
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Dear Ms Hayes,

Higher Education & Funding: threat of insolvency and international students

On behalf of the Academy of Social Sciences, I write to respond to your committee's [current consultation](#) on the topic of HE and funding.

By way of background, the Academy of Social Sciences exists to promote social sciences in the UK for public benefit. We are a national academy and the UK professional body for academics, practitioners and learned societies in the social sciences. Our work is informed and supported by 1,600 leading social scientist Fellows together with 48 member Learned Societies that cover the main disciplines and sub-disciplines in the social science sector¹. This gives us a reach of some 90,000 social scientists in the UK.

From the Committee's [call for evidence](#), we have focussed our remarks primarily on two areas: the impact of the UK Government policy on international students, and on the ramifications of institutional insolvency – specifically in terms of universities' regional impact. We have also set out, by way of helpful background, the relevance of the social sciences to the Committee's priorities

1. Impact of UK Government policy on international students

The UK's universities are globally recognised not just because of the students they attract from around the world and the lasting 'soft power' links that these forge for the UK, but because of the contribution they make towards economic growth and prosperity, underpinning innovation, supporting wider training and skills agendas and in contributing expertise and skills to the public and third sectors. They are also one of the UK's few world class sectors.

Yet despite this, the current financial challenges facing UK universities represent an existential threat to the sector's future. This was highlighted recently by Sir Philip Augar in his comments to the Education Select Committee¹ in which he stated: "*We are now eating into muscle and something substantial needs to happen pretty soon or we will be facing the question of what to do with a failed university*". Elsewhere, a recent House of Commons Library briefing note² stated:

"The financial sustainability of the higher education sector has come under increasing strain following reductions to government grants and tuition fee caps not keeping pace with inflation over the last decade. Recent inflationary and cost of living pressures have also placed demands on universities in relation to pay settlements, energy costs,

¹ The social science disciplines include: anthropology, architecture & planning, business & management, criminology, development studies, economics, education, human geography & environmental studies, law, politics & international studies, psychology & behavioural sciences, regional studies, sociology, social work and social policy.

and building projects. In November 2024, England's higher education regulator, the Office for Students (OfS), said nearly three quarters (72%) of higher education providers could be in deficit by 2025-26."

To that analysis can be added significant drops in international student numbers, resulting largely from the former government's visa changes and unsupportive rhetoric, and before that, Brexit. The rapid decline in international students over the past 18 months has revealed the degree to which overseas student fees shored up the domestic shortfalls in university finances and bridged the gap in research funding in many institutions, including Russell Group institutions. We understand from the executive leaders of social science in UK universities that business and management taught Masters programmes bore the brunt of the overseas demand. Furthermore, recent policy changes have contributed to a 13% decrease in sponsored study visa applications by January 2025 compared to the previous year³.

The new UK Government's long-heralded white paper on immigration⁴ noted that international students generate an estimated £20.65bn in exports and have a "*significant positive impact to the UK economy*". Yet it also argued that more needed to be done to "*raise standards and compliance to prevent visa misuse and strengthen the requirements to work and contribute for those graduates who stay on after their courses have been completed*". Specifically, it is proposed that universities should be charged a 6% on the income they raise from overseas students' fees. Whilst this could raise over £620m which would be reinvested into the higher education and skills system, the Home Office's own analysis also acknowledged that "*student visa demand could fall by up to 7,000 main applicants per year...with a 6% levy*"⁵. The white paper also included proposals to reduce graduate visas to just 18 months, further reducing the attractiveness of the UK as a destination for study. And we must now add to this the potential impact on applications as news of significant cutbacks, course closures and staff losses becomes more widely known.

Thus, in summary, in response to your inquiry questions:

- Current UK Government policies and the mooted levy will further undermine the financial stability of very many universities at a time when they are in the midst of adjusting to the – equally negative - impacts of former government policy. It will also undermine the confidence of potential overseas applicants.
- The implications on future tuition fee increases and the financial position of the sector will depend on whether the UK Government tries seriously to work with the HE sector to agree a new model of funding for universities that will provide them with medium term sustainability and to retain a world leading status for UK higher education. The current model does not provide that, open as it is to the vagaries of a complex, rapidly evolving, and highly politicised overseas market, whilst being highly controlled by government in terms of income from home tuition fees.
- The Academy of Social Sciences believes strongly that not only should the proposed international fee levy be reconsidered, but the UK Government should disaggregate party political issues of international migration from the business of university education. It should remove international students from its migration figures. Such steps would help to depoliticise the issue of international students, and allow universities to operate in a way which fulfils their desire (and that of the UK Government) to increase the UK's education exports and soft power.

2. Ramifications of institutional insolvency in terms of universities' regional impact

Our universities play a vital role in the UK's nations and regions, over and above their well-known national and international contributions to education and skills, and to research and innovation. They have long been anchor institutions in regional contexts, supporting social mobility, driving economic growth, and encouraging the unique culture of their local communities. They serve the many students, from all backgrounds, who wish to study locally and live at home; they are typically among the largest employers in any region, drawing on a wide range of skills to service their activities and facilities; and they substantially contribute to informing local public policy relating to society, economy, places, communities, family, education, health and welfare.

Recognition of universities' regional civic mission role has been boosted by the work of the [Civic Universities Network](#) and movement, which led to the development of civic agreements which

strengthened relationships between universities, government and industries. Now, the importance of universities as key drivers of regional economic growth and innovation sits at the heart of the current UK Government's research and development and industrial strategy agendas and is widely recognised by the governments of the devolved nations and by the growing number of regional combined authorities and mayoralities across England.

In recognition of this, over the coming months we will be launching the first in a series of reports showcasing the importance of universities as powerhouses of ideas, research and innovation which seek to inform, identify and help to address some of the most pressing challenges locally – bringing their knowledge and insight to bear in their region, for their region. The case studies we present will show how social science research can further enable understanding of our contemporary human world through the regional collaborative efforts between academics, practitioners, local businesses, policymakers and communities.

These are exactly the sorts of vital regional links and impacts which would be imperilled by any incidences of university insolvency across the UK. These deleterious impacts on communities and on society's ability to tackle regional challenges would cast an even longer shadow than any short-term impacts on students and on jobs. If we want our universities to continue their vital role as anchor institutions which can engage and build bridges across different sectors and disciplines in local and regional communities, including with local government, the UK Government needs to work with the sector to revisit the existing funding model.

In summary, in response to the enquiry questions:

- The consequence of an HE provider becoming insolvent would vary with the type of provider and, to some degree, their location. In most instances, it would be felt most immediately in the loss of provision of courses and access to education and skills training in a regional context. It would have the greatest effect potentially on the many students from lower socio-economic backgrounds who now choose to study locally given financial constraints; thereby reducing opportunities for social mobility through higher education. There would also be a major impact on commissioned and ongoing research programmes.
- HE institutions contribute to their locality in profound ways: in providing vital contextual information about change in the region; as drivers of economic growth through their locally-focused R&D and in partnership working with local decision-makers, businesses and civic institutions; in providing data and other skills and knowledge often in short supply in local government; in supporting community engagement and quality of life through community use of HE facilities, such as sports and arts facilities; and as major employers in the region. Those with a medical school attached also work hand in hand with the regional NHS in the training of staff.
- Strategies to prevent insolvency and ensure sustainable provision of courses could usefully include all three of the following:
 - The willingness of government to work with the sector to define a new funding model, as set out above.
 - The development of mechanisms and attitudes that shift HE mindsets from years of competition in a quasi 'market economy' to greater regional collaboration. Some of that is now starting to happen but there is a long way to go. For example, the Academy will soon publish a report which is a collaborative effort between the social science executive leaders in the Midlands universities, playing to collective strengths. The recent UKRI research funding announced to support regional initiatives has a requirement for institutional collaboration.
 - Good knowledge of what is happening on the ground to inform local adjustments: the collection of up-to-date data across all regions and nations in the UK on department closures, areas of staffing reductions and course changes.

3. The social sciences' relevance to the Committee's priorities

As the Committee seeks to grapple not just with its current inquiry but with the related impacts of universities' financial travails on the wider education and research ecosystems, it would be remiss for the Academy to not highlight the relevance of social science insights in providing informed, evidence-based insights on such matters. The UK's world-leading social science base –

economists, lawyers, business and finance managers, social psychologists, political scientists, geographers, sociologists to name but a few – are playing a vital role in helping to deliver the UK Government’s five priorities for the HE sector – as the case studies below help to illustrate:

- **Widening access:** The work of Prof. Lee Elliot Major FAcSS, for example, on [education as a driver of social mobility](#) has been influential in exposing how middle-class privilege is increasingly ingrained by our education system. His work is dedicated to improving the lives of children and young people from under-resourced or poorer backgrounds, [arguing](#) that radical reforms are needed to tackle a massive waste of talent.
- **Boosting economic impact:** Social science is making a difference to the economic resilience of the UK’s constituent nations and regions. [Research by City-REDI at the University of Birmingham](#), for example, has produced accurate projections of the effects of Brexit and COVID-19 on the UK economy. This directly informed the West Midlands region’s socio-economic policy and led to the region receiving £1.5bn to accelerate planned infrastructure projects to inject extra money into the economy and create new jobs.
- **Enhancing civic roles:** Our recent report with the British Academy on [The SHAPE of Research Impact](#) highlighted the tangible impact of the UK’s SHAPE (Social Sciences, Humanities and the Arts for People and the Economy) research. This included [emphasising the important civic role of the UK’s social science](#). Examples included [research](#) which informed education reforms in Northern Ireland, [research](#) outlining the prevalence, impact and prevention of hate crime (which formed the primary source of information for the Welsh Government’s 2014 Framework for Action on Tackling Hate Crime), and [research](#) on social prescribing which has helped to reduce the cost burden of long-term health conditions on NHS England.
- **Raising teaching standards:** Research undertaken at the University of Oxford has been used to [reshape the way in which teachers’ professional learning in Wales has been conceptualised](#), emphasising the importance of research and of partnered working between schools and universities. Reforms undertaken as a result of the research include: a new accreditation procedure, a revised inspection framework, and extensive investment in the development of education research capacity. These fundamental changes have had a major impact on hundreds of participating schools and their partner universities.
- **Driving efficiency:** Recent work by Prof. Kaska Porayska-Pomsta FAcSS, for example, has delivered [a manifesto for a pro-actively responsible AI in education](#), to serve as a guide for effective and ethical adoption of AI and other technologies within educational settings. This is part of a much broader field of social science expertise around the development and adoption of successful educational technologies to promote better learner outcomes and a more efficient learning environment.

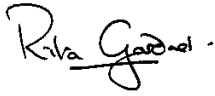
Above all, good social science research lies at the heart of good public policy. Social science research can contextualise, define and diagnose the major challenges facing society, identify the policy levers to address them, and help inform interventions to implement change⁶. This in no small way accounts for why over 80% of the UK Government’s stated Areas of Research Interest (ARIs) relate either wholly or significantly to the social sciences⁷. Furthermore, social scientists are adept at working across disciplinary boundaries to tackle inter-connected societal problems⁸ – an inherent requirement of the new UK Government’s ‘mission-led’ approach to policymaking.

Whilst the risk to research activities is a general one, research in the social sciences is particularly under threat. Our own recent report⁹ set out that the UK is a world leader in social science research. This is shown by the social sciences’ research impact as evidenced in the 2021 Research Excellence exercise: 80% of social science research was world leading (37%) or internationally excellent (43%). Yet despite this, the funding differential in real terms between social science research and both medical and biological sciences (M&B) and physical sciences, technology, engineering and maths (STEM) research, has grown ever wider. At the same time as social science research and impact has performed better than ever and the need for it is greater than ever. This is a supply constraint not a demand constraint.

The Academy argues that the UK Government needs to consider whether it is getting as much benefit as it might out of our world-leading social science research base.

I hope that these points will be given consideration by your committee, and I am more than happy to expand on any of them if you or your colleagues would like further detail.

Yours sincerely,



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¹ Education Select Committee (2025) [8 April 2025 - Higher Education and Funding - oral evidence](#), UK Parliament website.

² Bolton, P. & Lewis, J. (2024) [Higher education finances and funding in England](#) London: House of Commons Library research briefing, 3 December 2024.

³ Home Office (2025) [Official Statistics: monthly monitoring of entry clearance visa applications, January 2025](#), UK Government website.

⁴ UK Government (2025) [Restoring control over the immigration system](#), London: UK Government.

⁵ UK Government (2025) [Restoring control over the immigration system: technical annex](#), London: UK Government.

⁶ Our own recent report, [Beyond The Ballot: social science insights on eight key policy challenges](#), emphasises this by summarising contributions from over 100 leading social scientists on contemporary policy issues.

⁷ Academy of Social Sciences (2023) "[New government database encourages researchers to inform policy](#)", Academy of Social Sciences website.

⁸ Wilsdon, J., Weber-Boer, K., Wastl, J. & Bridges, E. (2023) [Reimagining the Recipe for Research & Innovation: the secret sauce of social science](#), London: Sage / Academy of Social Sciences.

⁹ Academy of Social Sciences (2024) [Research Funding in the UK Social Sciences: summary data report for 2013/14 to 2021/22](#), London: Academy of Social Sciences.