

## Universities UK briefing for Higher Education debate 7 March

*[Lord Blunkett to move that this House takes note of the contribution of higher education to national growth, productivity and levelling-up.](#)*

### **Background:**

The UK's universities are a success story and one of the country's greatest assets. Universities are crucial to sparking growth and opportunity, by bringing together student populations, research partners, local businesses, and employers to deliver national growth, productivity, and level-up all corners of the UK.

### **National growth:**

Universities support national growth in their role as major employers and by generating human capital.

A [report by London Economics](#) revealed that higher education makes a £116 billion annual contribution to the UK economy across all regions. As economic hubs in their own right, universities support and create 768,000 jobs across multiple sectors, meaning people up and down the UK benefit financially, whether or not they have a degree. Nearly half of these jobs are indirect, ranging from hospitality to retail and transport.

Our ['Jobs of the Future' report](#) found that more than 11 million extra graduates would be needed to fill jobs in the UK by 2035 in industries such as computing and engineering, teaching and education, and health. The latest developments in technologies such as Artificial Intelligence means there will be a 10% net increase in jobs that require a degree over the next 20 years. Universities' themselves are evolving to meet the skills need via new routes such as degree apprenticeships; this role is becoming increasingly vital for the UK economy.

Graduates recognise the role of universities in equipping them with in-demand skills. In a [recent UUK survey](#), 73% of UK graduates credited university with enabling them to find the job they wanted. According to [data from HESA](#), 82% of respondents were in employment or unpaid work approximately 15 months after the completion of their course.

### **Productivity:**

Universities support existing businesses and kickstart new ones, providing the basis for future gains in the UK's productivity.



They educate and develop the UK's entrepreneurs with [nine out of 10 universities embedding entrepreneurship within degree programmes](#), and the vast majority (98%) provide extra-curricular support for enterprise and entrepreneurship. This supports businesses with the skills and expertise they need to flourish.

[Evidence from the Department for Education](#) found that skills and labour, 'driven by large and positive contributions from postgraduate and first degree qualifications', was the only factor making a consistent contribution to productivity growth.

As part of universities' many knowledge exchange activities, they have had [nearly 600,000 interactions with businesses and non-commercial partners](#) over the last five years through contract research and consultancy. Research shows that collaborating with universities leads to faster sales and job growth and has a positive effect on business survival. For example, Oxford Brookes University has provided [expert advice to SMEs in Oxfordshire](#) on how to reduce their carbon footprint and reach net zero at six engaging network events.

Research that is happening in every part of the UK is among the best in the world – over 80% was classified as 'world leading' or 'internationally excellent' in the [latest national assessment](#).

Universities commercialise research into new businesses. In 2020–21 there were [more than 21,000 active spin-outs, start-ups and social enterprises](#) that emerged from UK universities. Universities UK welcomed the [independent review of university spin-outs](#) and the ambitions for universities, investors, and government to come together to maximise opportunities for spin-outs.

#### **Levelling-up:**

Universities are the beating heart of local communities.

Universities promote local growth and skills through University Enterprise Zones (UEZs). The Zones are specific geographical sites where universities and businesses work together to increase local growth and innovation. [In addition to the initial funding pot of £20 million, UEZs set up in 2019 were able to raise an additional £77.3 million](#). This amounts to an additional £4.50 for every £1 of initial project funding. UUK is calling for UEZs to be given sufficient revenue funding in addition to capital funding to ensure they are a success.

Universities also build pride in place and local communities. In 2021-22, universities hosted thousands of events and exhibitions which attracted millions of visitors through university doors. For example, researchers at Teesside University informed

the [‘Steel Stories’ exhibition](#) which attracted over 30,000 visitors with 86% of visitors reporting feeling pride in Teesside’s heritage after viewing the exhibition.

Universities are committed to widening participation and supporting underrepresented groups to not only participate in higher education, but to thrive during their studies and go on to achieve their potential. In 2021/22 the [progression rate into higher education for those eligible for free school meals was 29.2%](#), the highest recorded level. There is still more to do, but universities will continue to work with local schools and colleges to drive progress.

Satellite campuses have been established in historic higher education cold-spots to support levelling-up ambitions. For example, the new Peterborough campus of Anglia Ruskin University was awarded [University of the Year in the 2023 Social Mobility Awards](#).

#### **Universities UK is calling for:**

To continue and strengthen the sector’s contribution to national growth, productivity, and levelling-up, universities need strategic funding and support from government.

UUK has [launched a manifesto](#) for an incoming government which are aimed at increasing the contribution that universities make to individual and national opportunities and growth. These include:

- Putting universities at the heart of growth:
  - **Setting a target for GDP invested in R&D** by 2030 which matches the most innovative and competitive economies around the world.
  - **Treating R&D as long-term capital investment through 10-year funding cycles** to maximise the ability to secure private investment.
  - **Supporting stable and managed growth in international students.**
  
- Supporting opportunity, place, and social mobility:
  - **Incentivising stronger place-based networks** that promote access to tertiary education.
  - **Increasing support for universities to work with businesses** through place-based innovation funding and supporting start-ups and spinouts that create local opportunities and growth.

Regional briefings spotlighting the impact of universities in England’s nine regions, were published alongside the manifesto. You can [read the regional briefings](#) here.

**About Universities UK:**

Universities UK (UUK) is the collective voice of 142 universities in England, Scotland, Wales, and Northern Ireland. Its mission is to create conditions for UK universities to be the best in the world, maximising their positive impact locally, nationally and globally. Universities UK acts on behalf of universities, represented by their heads of institution.

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