



University and College Union

‘Further, higher, better’

**Submission to the government’s
second Comprehensive Spending
Review**

Section 22

22 Tuition fees

Further education

We strongly welcome the announcement in the 2006 Budget that tuition in further education will be free of charge for 19-25 year-olds from 2007-8 for a first full level 3 qualification. This marks a major step towards improving the skills of young people and making our education system more inclusive.

However, the government is raising adult education tuition fees, with the goal of moving to a fee assumption of 37.5% by 2007-08 and up to 50% in the longer term. The Secretary of State for Education and Skills has said: 'Public funds alone cannot afford to pay for the scale of training required to meet our economic goals. Nor should they. Adult learners and their employers benefit substantially from many qualifications.'¹²¹ And: '...it is right to ask for an individual contribution and the employer contribution where appropriate to post level two training.'¹²²

Comment

Our policy is that fees for learning programmes should be set at such a level as to not act as a barrier to participation to any learner. We believe that this should be the underpinning principle behind any changes to both the imposition of income generation targets on providers and on the proposals to raise fees on level 3 programmes and above.

We completely support the contention that employers should pay more for training. However, the history of vocational training in this country demonstrates their reluctance to do so. We are not convinced that without statutory backing, employers and especially small and medium employers will be prepared to pay more for training. We would argue that there is also scope for fiscal measures to encourage employers to engage in training. Although employers spend a significant amount on training, much of this is on in-house company-specific training and uncertified short courses, and on employees with existing high-level qualifications (e.g. degree-qualified managers). Colleges may be able to increase their share of employer fee income but this will depend on changes in employer behaviour

We would also argue that the relatively low contribution made by fee income towards college budgets is, at least in part, because of colleges responding to the priority given by government over the last decade, to addressing the skills needs of disadvantaged learners, most of whom pay no fees for tuition. If the amount of income to be raised by colleges is to increase significantly, this may mean a change in the social composition of college learners. Currently 29% of college students comes from the 15% most disadvantaged wards.

The proposals to raise fees for learning programmes at and above level 3 is not based on any known evidence as to the impact of this on demand for learning programmes by individuals and employers. If demand drops as a

result of the cost of programmes increasing, this may endanger the supply of level 3 programmes. This may mean in the near future there may be a lack of provision at this level that those working towards level 2 qualifications could progress to.

We are also concerned about the differential impact of the proposals on part-time and full-time adult learners. An increase in fees might be bearable for a programme of 20 or even 60 hours, but would it be for a full-time programme of 450-plus hours? The introduction of a credit framework for adult learning to assist learners taking smaller 'bites' of learning could also impact negatively on the costs of courses, as the level 2 entitlement is limited to full-time programmes. Thus those taking the small steps may end paying more.

We are particularly worried about issues around equality. Some groups of adults who are seeking qualifications to overcome disadvantage in the labour market - such as women returning to work who may have level 2 qualifications which are now out of date - will fall outside the priority groups, and so have to pay the increased fees. Similarly there are members of black and minority ethnic communities facing discrimination in the labour market who require higher qualifications to find any kind of employment.

Higher Education

In 2006-7, full-time undergraduates in England and Northern Ireland will become eligible to pay variable top-up tuition fees to £3,000 after graduation. Top-up fees to £3,000 are being introduced in Wales in 2007-8, although Welsh-domiciled HE students studying in Wales will receive a grant to offset the fees. Top-up fees are not being introduced in Scotland, although tuition fees for non-Scottish domiciled students are being increased from 2006-7 to enable Scottish HEIs to keep pace financially with the rest of the UK.

Comment

Our policy has consistently been to oppose tuition fees for full-time undergraduates, and to argue the case for sufficient funding to be made available from general taxation, and contributions by employers.

We are very concerned about the impact of variable fees on full-time students, particularly those from a disadvantaged background. Research commissioned for Universities UK and the Higher Education Funding Council for England, and carried out in 2002 across the UK, found that while the majority of students surveyed took a 'pragmatic view of debt', the groups most tolerant of debt were younger students, white students and those from the highest social class. Conversely 'the groups more likely to be worried about debts building up, and thinking that financial difficulties had negatively affected how well they did at university were: older students; single parent students; those from lower social classes; and those who worked during term-time'.¹²³

Although means-tested measures to support students financially are being put in place, we are concerned that the levels of debt students are predicted to

have when they graduate, of around £15,000,¹²⁴ will be a serious disincentive to participation in higher education, particularly for those students from the socio-economic groups for which the government would like to widen participation. We note too that other research has found that students in Scotland – which has opted for a single graduate endowment payment, rather than up-front or variable tuition fees payable by graduates – were likely to graduate in 2004-5 with £2,740 less debt than their English or Welsh counterparts in 2002-3.¹²⁵

We urge the government to consider additional financial support for undergraduates.

Although variable top-up fees are now being introduced in England, Wales and Northern Ireland, we are committed to campaigning alongside the National Union of Students against any increase in top-up fees beyond the current £3,000 cap in 2010.

The announcements in autumn 2005 of some additional funding for part-time student support, and for funding for part-time provision in institutions, was a welcome recognition that this group of students was forgotten in the 2004-5 legislation on fees and student support. However it did not go far enough. Part-time students will have to pay their fees up-front, rather than defer them, regardless of how high fees rise, and they still get less pro rata support than full-time students. At the same time, institutional funding is still based on a model of full-time progression through a three-year degree.

Part-time students are the fastest growing undergraduate group within English HE, and form a steadily increasing proportion of the student population. Their numbers will continue to grow – and must grow if the country's education and skill needs are to be met. According to 'The Missing Generation' – a report published by City and Guilds in 2005 – young people's presence in the workforce will shrink from 16% to 11% by 2020. There is an urgent need to address the education and training needs of adults already in the workforce, and this is most likely to be achieved through affordable and accessible part-time higher education.

Part-time students are more likely to be both mature and female – and this is true in relation to foundation degrees, where full-time students tend to be young males, and part-time mature females, as well as in relation to degree students. At the same time, part-time students are a good economic investment. HESA figures published in July 2005 show that only 3% of part-time students were unemployed in the year following graduation, compared to 7% of full-time students.

Whilst some part-time students are funded by their employers, significant numbers are not. Institutions will not be able to raise fees for part-time students in line with those for full-time students, given the less generous arrangements for fee and maintenance support.

Whilst much has been made of the apparent success of a variable fees market elsewhere – for instance in the USA - recent studies show that rising fees and levels of student debt are having an adverse impact on retention and rates of completion, with the gap between high and low income students widening sharply over the last 25 years in relation to time taken to graduate.¹²⁶

Long-term research conducted at state level in the US has also shown disturbing correlations between the deterrent effects of debt on higher education study and family income, and the impact on other areas such as the housing market, as student debt shifts into the private sector.

In both the US and Australia, there is also mounting evidence that even where rising fees and debt do not deter low-income students from entering HE per se, they impact on choice of institution and course of study, giving poorer students far narrower access to HE-level study.