

UNIVERSITY OF ABERDEEN RESPONSE TO SCOTTISH EXECUTIVE CONSULTATION PAPER ON CROSS BORDER STUDENT FLOWS: HIGHER EDUCATION TUITION FEE LEVELS

General tuition fees

Question - do you agree with the principles on which the general fee level should be based?

We agree with the second and fourth principles on which the general fee level should be based, namely that “there is no desire to make four-year courses in Scotland more expensive in terms of overall peak costs than three-year courses in England” and “the market place for HE in the UK in 2006 is likely to be a volatile one. The Executive therefore intends to avoid a rise which is so high that it risks any significant reduction in students coming to Scotland and the rest of the UK”.]

We would also wish to make the following comments:

1. The introduction of variable fees and bursaries in England will mean that the cost of tuition fees to the individual will vary from student to student. We currently have 354 English students who have their tuition fees paid wholly by the Student Loan Company (on the basis of assessment by the student's LEA). These students would *prima facie* be likely to be eligible in England for scholarship assistance reducing their fee below £3000 to at least £2700 and probably lower. At a flat-rate fee in Scotland of £1,800, students who because of means have to contribute more than £2,400 towards fees in England and Northern Ireland would be financially better off coming to Scotland: those required to contribute less would be better off not doing so. This potentially impacts on the demographic mix within Scottish institutions – and introduces an unfortunate element of means-testing into students' choice of institution.
2. There is a potential impact on recruitment: if fees are set too high English students might not apply to Scotland; if they are set too low there may be an influx, not only of English-domiciled applicants but also of applicants from the rest of the EU (the latter is likely to occur even if the fee is set at the upper level proposed by the Executive). Such an influx would lead to an increase in the ratio of applications to places. This would lead to greater competition in applications to Scottish universities with the potential to improve retention rates and a possibility that more English-domiciled and non-UK EU students remained in Scotland after graduation. The paper is only concerned with tuition fees, however. There is, and will remain, the disincentive for English students wishing to study in Scotland, and to obtain a Degree with Honours, of funding the additional year's maintenance.
3. The Executive needs to clarify the position of final-year students from England, Wales and Northern Ireland, as they currently pay the cost of these tuition fees (after means-testing by the student's LEA). It is assumed that this policy is to be abolished, but that current students entering HE for the first time up to 2005/06 will be protected.
4. The "formula" for the Scottish standard fee seems to be based on 75% of an English fee after deduction of estimated average bursary/scholarship assistance - which will of course vary from student to student [and institution to institution]. Further it is based on the assumption of a 4:3 ratio, though for some programmes (particularly in the languages and Undergraduate Master's degrees) the ratio is 5:4.
5. Conversely, our non-Honours degrees - or those which involve a full year abroad under SOCRATES-ERASMUS - "cost" only three years' fees to the student: so will still remain cheaper. These effects are likely to be marginal, however.
6. While the basic mechanism suggested - increasing the Scottish Standard Fee, coupled with a Fee Anomaly Grant to cover Continuing, Self-Funded and Part-time Students, with a corresponding reduction in the SHEFC Main Teaching Grant - is financially neutral for fully-funded places, it adds to the SAAS's bill for fees-only students. The potential clawback for over-recruitment would be greater. And a switch from Teaching Grant to Fee Income has potential implications for Cash Flow - though this would probably be addressed by adjusting the payment profile for the former.
7. Whether a fee at the level suggested will have the dampening effect on recruitment from outside Scotland which is implied cannot be predicted with any certainty in advance.

In practice the "winners and losers" will vary from student to student, depending on their individual circumstances, and the institution to which they might otherwise have gone. It will therefore be important that the new policy is maintained under continuing review. Given the volatility of the situation, we suggest that SHEFC be asked to consider a temporary relaxation on the "breach of consolidation" rules, i.e. similar to that when the units of resource and funded numbers were re-balanced some years ago.

Question - if you do not agree, please suggest alternatives.

N/A

Question - at what level should general tuition fees be set for 2006-07?

If the decision to increase the fee is made then we believe that it should be between £1700-£1900 (presumably with standard inflationary rises thereafter). We would urge, therefore, that this should however, be subject to regular review.

Self-funded Scottish-domiciled students

Question - should any self-funded Scottish or non-UK/EU domiciled students be protected from the increased level of tuition fee?

Yes.

Question - if you agree, which categories of Scottish and non-UK/EU domiciled students should be protected from the increased level of tuition fee?

It is assumed that this is with reference to new full-time self-paying students. We consider that the following categories should be protected:

- **students with a HND who enter university in first year and are therefore liable to pay tuition fees for one year (approx 300-400 in the Sector)**
- **students who repeat one or more year (approx 4,000 in the Sector)**
- **"false start" students**
- **graduate entrants to medicine (see below)**

If the Executive does not protect the above groups there is a potential negative effect on population, and hence indirectly on funding, if HEIs were to fall into "clawback".

We feel, however, that students who are studying for a second undergraduate degree at the same level (other than medicine) should not necessarily be protected.

HEIs will also need to know in more detail how continuing self-funded students will be dealt with. The implication is that this group will continue to pay fees at the existing rate inflated (£1200 in 2006/7), with the balance reclaimed through Fee Anomaly Grant. This position should be clarified.

Medical tuition fees

Question - do you agree with the principle of using tuition fee levels to protect the interests of Scottish domiciled students by setting fee levels for medicine that are broadly comparable with those being set elsewhere in the UK?

Again, we understand that a decision has already been taken to increase the fee, to approximately £3000 per annum.

It would be a concern for the recruitment of Scottish domiciled students if tuition fees for medical degrees in Scotland were to be several thousand pounds cheaper than in England. However, an increased fee for medicine sits uncomfortably with our efforts to widen participation. Graduate entrants, of whom the University of Aberdeen has a significant intake, should be protected, as indicated above. The position concerning NHS bursaries for final year students (in regard to fees and means-tested maintenance grants) also needs to be clarified and taken into consideration.

Question - if you agree, at what level should tuition fees for medical courses be set?

A minimum of £2400 (subject to the caveat below)

As mentioned above it is anticipated that on average students in England will receive a bursary of £600 p.a. with the result that their tuition fees would be £2400 p.a. x 5 years, equating to £12000. As medical degrees in both countries are the same duration, the fee in Scotland, if set at the above rate, would also equate to £12000 (although this would depend on whether or not English-domiciled medical students continued to receive NHS bursary support).

Question - if you do not agree, what alternative measures could be taken to protect the interests of Scottish domiciled students?

N/A

Comments are welcome on the statement from NUS Scotland, Universities Scotland and BMA Scotland.

The University supports the NUS, Universities UK and the BMA in their belief that incentives for doctors to practise medicine in Scotland would encourage more English-domiciled students to remain in Scotland after graduation. However, this is speculative and, as far as we are aware, none are proposed at present. In any interim period there would be a significant risk of loss of medical manpower.

Implications for FE

Question - do you agree that the Executive should retain current tuition fee levels for HNs?

Yes

The University concurs with the Executive's initial view that there is no need to alter the current level of tuition fees for HNC/ HNDs in Scotland, but that this should be kept under review.

Question - if you do not agree, please suggest an alternative.

N/A

Transitional arrangements

Question - do you agree that gap year students should be treated as having entered HE in 2005-06, i.e. prior to the planned changes taking effect.

Yes

The University concurs with the Executive's initial view that gap year students should be treated as though they entered HE in 2005/06.

Question - if you do not agree, please suggest an alternative.

N/A