

University of Edinburgh response to the Scottish Executive Consultation on Cross Border Student Flows: Higher Education Tuition Fee Levels

1. Introduction

The University of Edinburgh welcomes the opportunity to contribute to this consultation and agrees with the Scottish Executive's belief that changes to the tuition fee regime elsewhere in the UK pose a complex series of challenges to Scottish institutions, including the risk of reducing opportunities for Scottish students. The remainder of the document addresses the University's key concerns, offers answers to the specific questions posed in the consultation and raises a series of financial issues and longer-term considerations in relation to the fee regime currently proposed.

2. Key concerns

2.1 Uncertainty and the timing of the proposed changes

With the caveat that the issues outlined in 2.2 are adequately addressed, the University agrees with the general approach advocated by the Scottish Executive in attempting to address the specific issue of ensuring that there are sufficient opportunities for Scottish domiciled students to study at Scottish universities and welcomes Ministers' decision not to apply quotas. It is now vital that the revised fee regime be resolved as soon as possible in order that students can make informed decisions based on the known costs of studying at Scottish universities. Failure to reach an early resolution may impact negatively on Scottish universities ability to recruit students from the rest of the UK.

2.2 Bursaries, upfront fees, widening participation and high-priority subject areas

We believe the bursaries English universities will make available to the poorest UK students will be disproportionately applied to subject areas central to the development of Scotland's knowledge economy, in particular mathematics, engineering and some areas of science. These are areas in which Scottish institutions (and ultimately the Scottish economy) currently benefits from entrants domiciled elsewhere in the UK and it is vital that Scottish institutions remain attractive to these students as well as students living in low participation neighbourhoods in Scotland. As such, it is essential that a substantial proportion of the funding released by fee increases is used to enable Scottish institutions to offer bursaries to offset the fees which would otherwise be charged to students from low participation neighbourhoods in the rest of the UK and to attract students from such areas of Scotland who may otherwise choose to study in England.

Without such provision, the alignment of bursaries with such subjects has the potential to create a considerable imbalance between the opportunities Scottish universities are able to offer students from low participation backgrounds and the opportunities open to such students at English universities. If, as anticipated, a number of leading institutions in England choose to provide bursaries which meet (or exceed) the full cost of tuition fees for significant numbers of students from low participation backgrounds, the market offering of a Scottish institution will appear considerably less attractive to both Scottish and English students.

For example, the fee regime currently proposed would mean that a student domiciled in

Scotland and attending an English university may be in receipt of a bursary of £9,000 (or more – for example Imperial College London is currently offering some bursaries of £4,000 pa) over three years and, as such, incurring the cost of the graduate endowment in Scotland will not be an attractive option. Similarly, an English domiciled student could opt to receive the same £9,000 (or more) bursary from an English institution, resulting in a nil total tuition cost in England over three years. In comparison, the same student would face a charge of £6,800 to £7,600 at a Scottish institution (based on the figures outlined in paragraph 30 of the consultation) and even more should they choose to study medicine.

Students attending English universities will be able to defer fee payments. In contrast, it appears likely that UK students domiciled outwith Scotland and attending Scottish Universities will be required to pay upfront fees. This will act as a significant deterrent to study in Scotland, particularly to those from lower and middle-income groups.

In order to continue to make progress in meeting widening participation objectives, the University believes it is imperative that the fee regime address the issues of bursaries and upfront fees. Similarly, the Executive must act to protect the current fee position for part-time students. Failure to do so would also impact negatively on the widening access agenda and it is therefore essential that the proposals for part-time fee levels reflect this, that the proposals are cost neutral on HEIs and that the SHEFC funding model is appropriately modified to take account of this.

3. Responses to specific questions posed in the consultation.

3.1 General tuition fees

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

Yes, provided the issues outlined in 2.2 are addressed.

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

As outlined above, it is imperative that, whatever the final fee regime introduced, it is vital that clarity be achieved at the earliest opportunity. Continued uncertainty will only be to the detriment of recruitment activity in Scottish Universities and it is important to minimise such negative impacts.

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

At a level which enables the Executive to provide appropriate support for Scottish domiciled students wishing to study in England *and* bursaries for students from widening participation neighbourhoods across Scotland and the UK. This is essential to ensure that the overall financial burden of studying in Scotland is not unfavourable and therefore detrimental of a range of wider policy objectives. For the same reasons, the Executive should give serious consideration to enabling UK fee-paying students to defer fee payments as they will be able to do in England.

3.2 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?

All Scottish and non-UK EU domiciled full-time first degree and Higher National students should be protected from the increased tuition fee.

3.3 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?

Yes.

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

It should be set at a level such that the total fee cost over the full duration of the course for an English student studying Medicine in Scotland is comparable to those costs the same student would incur study had they chosen to study Medicine in England.

At present, paragraph 40 of the consultation document fails to consider the application of bursaries against tuition fees (this is done for general fees). As a consequence, the document overestimates the total cost to medical students in comparison to the estimate made for general fees. In ensuring that the cost of studying medicine in Scotland does not exceed the cost of studying the same subject in England, bursaries should be made available to UK domiciled students from low participation backgrounds who want to study Medicine in Scotland. These should be of equivalent value to those which would be available to the same students were they to choose to study in England.

In relation to the findings of the Calman report it is suggested the Executive consider using some of the funding made available through this additional income to expand the number of places available at Scotland's medical schools.

Comments are welcome on the statement from NUS Scotland.

We are sympathetic to the NUS Scotland position, however, to ensure that the introduction of fees in England does not lead to a consequent reduction in the opportunities for Scottish-domiciled students to be admitted to Scottish medical schools, we support the broad model proposed by the Executive.

Comments are welcome on the statement from Universities Scotland.

We endorse the Universities Scotland statement, with particular reference to the comments on retaining doctors in Scotland following their graduation and ensuring that individual UK students domiciled outwith Scotland receive the same level of support to study in Scotland as would be the case were they to study in England.

Comments are welcome on the statement from BMA Scotland.

We endorse the comments relating to the development of attractive postgraduate career structures and widening participation considerations. However, the reference to the "artificial barriers" relating to Highers requirements in the BMA statement is inaccurate. All Scottish Medical Schools require minimum academic qualifications of 5 Highers in S5 in specified subjects achieving AAAAB (Edinburgh, Glasgow and Aberdeen) or AAABB

(Dundee and St Andrews). However, Edinburgh Medical School has a long-standing willingness to consider applications from Scots domiciled applicants based on 4 Highers in S5 provide the sitting of 5 Highers was precluded by curricular constraints. Only 2 schools in Scotland have been identified as having such curricular constraints. Furthermore, since 1998 Edinburgh Medical School has considered and made offers to applicants with 4 Highers in S5 with grades AAAB under the Pathways to the Professions programme.

3.4 Implications for FE

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

No.

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

We suggest that the same cautious approach to general fee increases advocated above should also be applied to HN programmes. However, should fee increases be applied, the implications of fee changes in England are the same for HN programmes as for degrees, and any changes in fee arrangements in Scotland should therefore apply to both. Scottish-domiciled students, will not be disadvantaged if protection against the fee increase is applied in the case of those currently responsible for paying their own fees.

3.5 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, but this must be done in a fair and objective way, for example by applying only to students who apply for entry in September 2005 and subsequently apply for deferment prior to an agreed date.

4. Financial issues & longer-term considerations

4.1 Financial issues

The University advocates that the Executive undertake careful planning in order to ensure that the proposed rebalancing of institutional income from fees and from the SHEFC teaching grant does not make the assumption institutions all share the same proportion of fees-only students. On the assumption that SHEFC reduces the UTR by a standard percentage in each funding subject group, institutions with a greater than average percentage of fees-only students will have slight net benefit whereas those with a lower than average percentage would lose out. However, we do not want SHEFC to introduce complex mechanisms which vary the level of the UTRs between institutions in order to achieve financial neutrality.

It should further be noted that raising fees as proposed will lead to institutions in Scotland collecting an increased amount of funding directly from students domiciled in the rest of the UK (and related sources). In collecting this larger amount of money, institutions will be exposed to a larger debt liability than at present and this should be taken into account in rebalancing the amount of funding an institution derives from SHEFC and from the SAAS/the student/other funding provider.

An additional consideration in rebalancing the income institutions receive from SHEFC and from fees is that the annual increase in SHEFC's average gross unit of teaching resource is

generally higher than the increase in the fee element. This larger increase in the SHEFC allocation is understood to contribute to the shortfall to which institutions would otherwise be exposed to due to the smaller rise in fees. However, fee levels in England are not anticipated to exceed £3,000 for several years and, should fees in Scotland also remain static, the overall SHEFC budget may be exposed to an annually increasing demand in relation to this area. Such a situation could work to the detriment of the whole range of SHEFC-funded activities in institutions and this issue should therefore be carefully considered in further developing the proposed fees model.

Should the Executive choose to protect specific categories of student from fee increases, this must not be implemented by requiring institutions to identify them and charge them a lower fee. Such a regime would significantly increase institutional administrative costs, and should therefore be administered instead by the Executive providing direct support to the student, probably through the SAAS.

In addition, it should be noted that in the rest of the UK tuition fees will make a direct and significant contribution to the funds available for institutions to invest in improving the facilities and services available to students. Whilst the University recognises Ministers' strong support for the sector in the 2004 comprehensive spending review, the relative overall financial position of institutions in Scotland vis-à-vis the rest of the UK and the related policy context must continue to be monitored.

In light of the unpredictable and volatile nature of the market during the initial year in which fee increases are introduced, it is suggested that these be accompanied by a relaxation of SHEFC penalties applied to over/under recruitment against targets in that year.

4.2 Longer-term considerations

In light of the longer-term potential for further deregulation of the fees market in the rest of the UK and the potential for fees in the rest of the UK to increase beyond £3,000pa, it is suggested that the Executive consider using some of the funds freed up by the proposed new regime to increase the SHEFC teaching grant to ensure the Scottish sector maintains parity with investment in teaching infrastructure in the rest of the UK.

In addition to increasing the potential for financial disparities for Scottish students and institutions, there is the possibility that fee differentiation in an unregulated market may come to be perceived as a short-hand for quality (i.e. one perceived measure of course quality may be relative expense).

In a potential future UK environment where more expensive courses are perceived to be of higher quality, the retention of a flat fee model for the Scottish sector may be problematic in two ways. Firstly if the fee regime in Scotland meant leading institutions were charging significantly less than comparable/competitor institutions south of the border, potential students (including crucial potential overseas students) may perceive that the quality of provision is not comparable at these institutions. Similarly, other institutions may find that they are required to charge more than competitors/comparable institutions south of the border and may lose market share as a result.

RESPONDENT INFORMATION FORM: CROSS BORDER STUDENT FLOWS: HIGHER EDUCATION TUITION FEE LEVELS

Please complete the details below and return it with your response. This will help ensure we handle your response appropriately. Thank you for your help.

Name: *Simon Jennings, Principal's Policy & Executive Officer*

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1. Are you responding: (please tick one box)

(a) as an individual go to Q2a/b and then Q4

(b) **on behalf of** a group/organisation go to Q3 and then Q4

INDIVIDUALS

2a. Do you agree to your response being made available to the public (in Scottish Executive library and/or on the Scottish Executive website)?

Yes (go to 2b below)

No, not at all

We will treat your response as confidential

2b. **Where confidentiality is not requested**, we will make your response available to the public on the following basis (**please tick one** of the following boxes)

Yes, make my response, name and address all available

Yes, make my response available, but not my name or address

Yes, make my response and name available, but not my address

ON BEHALF OF GROUPS OR ORGANISATIONS:

3 The name and address of your organisation **will be** made available to the public (in the Scottish Executive library and/or on the Scottish Executive website). Are you also content for your **response** to be made available?

Yes

No

We will treat your response as confidential

SHARING RESPONSES/FUTURE ENGAGEMENT

4 We will share your response internally with other Scottish Executive policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for the Scottish Executive to contact you again in the future in relation to this consultation response?

Yes

No