

## HERIOT-WATT UNIVERSITY

### Consultation on Cross-Border Student Flows: Higher Education Tuition Fee Levels

I write on behalf of Heriot-Watt University in response to the Scottish Executive Consultation on Cross-border Student Flows: Higher Education Tuition Fee levels.

Heriot-Watt University welcomes the opportunity to input to this important consultation exercise, bearing in mind that decisions on fees will have significant impact on the higher education sector in Scotland and its ability to compete with higher education provision in the rest of the UK and globally.

#### General Comment

Our perspective is that of a relatively small university in terms of the scale of our undergraduate provision, but one that is principally focused in engineering, management, science and mathematics subjects that are of acknowledged economic importance. These are typically subjects that may be regarded as “difficult” from the viewpoint of student recruitment, and hence we feel some vulnerability to perturbations in established patterns of student recruitment. Our population of ~5,000 Home and EU undergraduate students “eligible for funding” and affected by the current fees issue comprises 70% of students from Scotland, 20% from Rest of UK, and 10% from Rest of EU. The RUK component comprises almost equal numbers from England and from N Ireland, and concerning the latter we have found little trace in the relevant discussion papers of reference to the significant inflow to Scotland of well-qualified students from N Ireland, which is proportionately much larger albeit numerically smaller than from England. We believe there is value to all students, to institutions, and to Scotland, in such a population mix, naturally reflecting a strong Scottish base, a significant presence of UK home nations, and wider representation from across Europe (and in the case of Heriot-Watt a further 500 Overseas fee-level students from around the world). Changes in student recruitment patterns affecting this mix could affect the general experience of education in the University, erode standards and affect financial stability.

Turning specifically to financial issues, whilst we accept the principles on which the general level of tuition fees should be set and the principle that Scottish Universities should not gain differential financial advantage by preferential recruitment of students from elsewhere in the UK over Scottish students, we are seriously concerned about the imbalance that would develop through different funding levels, and in the absence of any countermeasures, between Scottish and English universities with regard to the resources which would be available to devote to the education of their students. In the absence of any additional funding, Scottish Universities will become a much less attractive environment in which to study.

Putting aside the various part-time and widening access incentives (which both the Scottish Higher Education Funding Council (SHEFC) and Higher Education Funding Council for England (HEFCE) operate), the funding per student currently provided by the two Funding Councils is similar. However, under the new fee regime from 2006/07 onwards, the English institutions will benefit, after the cost of bursary schemes has been deducted, by at least an average of £1,000 per student. Thus a university with 10,000 Home/EU undergraduates will be gaining £10m per year. This is a major step change in income and will go a long way towards addressing the funding deficit recognised to exist across the whole UK HE sector.

Whilst the current consultation is not directed at this particular issue, two points need to be made:

- (i) It is difficult to respond to the various questions on cross-border flows, without clarification of the future overall funding regime for learning and teaching in Scottish Universities. **The correct market rate for English students will depend on the product we are able to offer in Scottish HEIs.**
- (ii) On the basis that non-Scottish UK students will be charged the higher fee, any additional funds that this may bring in to the Scottish Executive should be used to provide, admittedly a modest, contribution to the uplift required for the support of teaching in the Scottish Universities.

## Response to Specific Questions

In response to the specific questions raised in the document, we have the following comments:

### General Tuition Fees

- 1. Do you agree with the principles on which the general fee level should be based? If you do not agree, please suggest alternatives.**

Yes. Heriot-Watt University accepts the general principles. The liberalisation of fees in England will potentially create a funding and competitive gap between English and Scottish higher education institutions. Scotland cannot afford a higher education system where core undergraduate teaching is less well funded than its main competitors in England. The general fee level should be based on maintaining a broad alignment between the cost of studying in Scotland and the rest of the UK

- 2. At what level should general tuition fees be set for 2006/7?**

The effect of introducing higher fees for other UK students is not without risk. If this can be engineered in such a way as to maintain parity between the cost of studying in Scotland and the rest of the UK, our recruitment team consider that applications to Scotland might be expected to stay at around the same level in proportion to the rest of the UK. The fees set per year must take account of the extra year spent in obtaining a degree in Scotland and the consequent living expenses and loss of income which will inevitably be a consideration for some potential applicants from the rest of the UK. It is important that the level set does not discourage students from the rest of the UK from coming to Scotland. There is an important balance to strike in ensuring that the Fees are not set too high which could deter good non-Scottish UK students and are low enough to be attractive bearing in mind the extra year.

We would re-iterate the position of Universities Scotland that the proposed fee level of £1,700-£1,900 seems to be at the high end of the range and that the cautious approach that is commended would also involve deferring introduction of an increased fee level to 2007/8.

### Self-Funded Scottish Domiciled Students

- 3. Should any self-funded Scottish or non-UK EU domiciled students be protected from the increased level of tuition fee? If you agree, which categories of Scottish and non-UK EU domiciled students should be protected from the increased level of tuition fees?**

Yes, we do agree that self-funded Scottish and non-UK EU domiciled students should be protected from the increased level of tuition fee. It will be important to ensure that good students from lower income families in the rest of the UK receive support through Scholarships and Bursaries which will allow Scotland to compete with those being offered in England. Any scheme introduced must be as straightforward as possible to reduce the complexities faced by students in making choices (there are already indications of confusion in England concerning the complexities of the different Bursaries on offer). Scholarships and Bursaries should provide some form of discounting for those who excel in their pre-entry qualifications and for those from disadvantaged backgrounds. A system which had buy-in from all Scottish Universities would provide maximum transparency for prospective students.

There are certain categories of students that may require protection from the higher rate of tuition fees. For example, we have concerns about the additional burden that would be placed on HNC/D students who progress to a degree, but without being able to access advanced entry levels. FE/HE progression is being heavily promoted as an alternative way of accessing universities. Whilst some students with an HNC/D may be able to move to direct entry at Year 2 or Year 3 of a degree course, there are situations where this is not possible. Such students – many of whom already fall into the 'wider access' type of disadvantaged categories – would be further penalised by higher tuition fees and discouraged from progressing further. Such students should be considered for special protection measures.

Scottish and other-non-UK EU students who are not eligible for SAAS support should be protected from the increased fees.

### Medical Tuition Fees

- 4. This section is not applicable to Heriot-Watt University which does not offer Medical courses.**

### Implications for FE

5. This section is not applicable to Heriot-Watt University.

### **Transitional Arrangements**

**6. Do you agree that gap year students should be treated as having entered HE in 2005/6 ie prior to the planned changes taking effect? If you do not agree, please suggest an alternative.**

We agree with the UUK/Universities Scotland view that gap year students should be treated as having entered HE in 2005/6. This is however likely to complicate the system for payment of fees in 2006/7 where those who have taken a gap year will need to be processed differently.

### **Part-time Students**

7. Although we are not asked to comment on the arrangements for part-time students, we are pleased to note that part-time students will not be affected by the planned changes to full-time fees. We do, however, continue to be concerned that part-time students are not eligible for fee assistance from the Students Award Agency for Scotland (SAAS) unless they are on a low income. This does not seem appropriate in the current climate of widening participation.

Please do not hesitate to contact me if I can be of any further assistance or you require clarification on any of the issues raised in this letter. We look forward to receiving a summary of the responses and a decision on the outcome of the Consultation exercise.

Yours sincerely

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