

PARLIAMENTARY BRIEFING

Emergency Debate: Planned Tuition Fee Rises

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Emergency Debate – 19th July 2017

Prior to the General Election MillionPlus published a [Manifesto](#) outlining key priorities for the higher education sector in the years ahead. A key priority within the manifesto is for the government to review the current funding system for higher education in England, amid growing concerns that the system is becoming less affordable and less sustainable for students.

It is vital that our world-leading higher education sector is properly funded, however we believe the government needs to address the increasing financial burden being placed on students, so that we can have a funding system fit for the 21st century.

PLANNED INCREASES

Tuition fees are set to rise to £9250 for students starting university in the academic year 2017/18. This is an inflationary uplift to make sure that real terms funding going into higher education institutions does not decrease as a result of rising costs in provision. As stated above, it is important that our universities are properly funded, however we believe that both the mechanism for enabling this uplift, and the further balancing of the funding for higher education being placed on individual students, needs reviewing and addressing.

The inflationary uplift of £250 is linked to the Teaching Excellence Framework (TEF). This framework was introduced through the Higher Education and Research Act 2017, with the purpose of eventually rewarding universities for teaching excellence through classifications of Gold, Silver and Bronze awards. This £250 uplift applies to any provider with successful quality review, and so all universities were eligible to raise fees by this amount. However, in future years, the Government has indicated that it would like to introduce a variable fee uplift based on TEF ratings (which will be introduced no earlier than 2020/21).

MillionPlus strongly opposes such hierarchical differentiation within the sector, as well as any link or reward between TEF ratings and raising fees. All UK higher education is quality assured and deemed to be excellent, and this mechanism seeks to use a blunt instrument to differentiate a highly complex sector. We also believe that the metrics used in the TEF are not in themselves direct measures of teaching excellence, another reason why it should have no link with fees.

Whilst our higher education sector does require an increase in funding to keep pace with inflation, we are concerned that doing it this way will have damaging effects on the reputation of the sector as a whole, and some universities in particular. We are also concerned that, by simply adding this uplift onto fees and not addressing wider questions about higher education funding, the burden being placed on individuals is rising to levels that will put some students off of applying to study.

THE FUTURE OF HIGHER EDUCATION FUNDING – KEY POINTS

Alongside the inflationary rise, we believe that there are a number of key points within the current funding system that need to be addressed by the government to ensure that we have a fair, accessible and sustainable system.

Tuition Fees

- MillionPlus has advocated a review of the funding system, to ensure that it remains affordable, sustainable and fair. A university education is an individual benefit, and that should not be forgotten, but it is also a public good, and adds to the economic potential of the UK, and its skills base – as well as boosting innovation, research and the UK's global links and reputation. University funding should therefore be a balance between the individual and the state. As fees continue to rise, however, this balance between state and individual will further skew in one direction, and there is a question as to how long this can continue to happen before the system becomes unsustainable. We have therefore called on the government to review the current system, so that our universities can continue to be domestically and globally successful, and that funding can be fair, cost-effective and enabling.

Maintenance Grants and Bursaries

- Much of the focus over the election was on tuition fees, however a huge factor in determining whether or not to go to university is a student's living costs. The replacement of maintenance grants with loans in 2016/17 increased the amount available to students, however it also added substantially to the debt a student will accrue when they have finished their studies. Owing to the nature of maintenance loans, it also meant that those from poorer families, who may have to borrow more than those who are wealthier, will end up having higher debts. Whilst it is right that a debate is had on tuition fees themselves, we believe that the reintroduction of maintenance grants would stop those from lower income families being put off from university. When tuition fees were raised in 2004 maintenance grants were a key part of the system, and we believe they should be again. The shift from bursaries is similarly troubling, and we have seen a 19% decline in applications for nursing since the introduction of a fee system last year (rising to a 28% decline for mature applicants).¹ The proposals on maintenance in the [Diamond Review of HE funding and student finance](#) are therefore worthy of examination, and we believe the government needs to act on this area to maintain effective equality of access.

Part-Time and Mature Study

- It is undeniable that the increase in tuition fees since 2012 has had a dramatic impact on the levels of part-time and mature students across the country. Since 2010/11 we have seen a decline in overall part-time study of 61%.² Within this, the number of 'mature' entrants has fallen by 39% over the same time period.³ With Brexit on the horizon, and already low productivity levels, reskilling and upskilling the UK's workforce has never been more important. Such a decline therefore continues to be extremely worrying and the government must act to arrest the slide and give more people effective routes back into study. The current fee regime is a key area of concern in this area, and the government needs to commit to reviewing part-time and mature study, and make the changes necessary.

Loan Repayment

- From September tuition fee loan repayments are set to see interest rates hit 6.1%, due to a rise in inflation (to which they are pegged at 3% + RPI). This will amount to a rise of roughly a third, and will increase the burden felt by students. Once again, for graduates who do not go on to be top earners, and who can therefore pay their loans back more quickly, this will increase the burden of debt and the length and amount of their repayments, and may serve to put more students off of applying for university as a consequence. We believe the government needs to look into the level of interest on loan repayments, to ensure it is fair and equitable.

For more information please contact:

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¹ <https://www.ucas.com/corporate/data-and-analysis/ucas-undergraduate-releases/2017-cycle-applicant-figures-june-deadline-0>

² <http://www.hefce.ac.uk/analysis/HEinEngland/undergraduate/parttime/>

³ <http://blog.hefce.ac.uk/2017/03/03/what-does-the-decline-in-part-time-degrees-mean-for-lifelong-learning/>