**The debate of university tuition fees - Rachel Hewitt, HEPI, Director of Policy and Advocacy**

Who are HEPI?

* The Uk's only specialist higher education think-tank.
* Their purpose is to provide an evidence basis to discussions and work in the middle between government and universities to help better understand key messaging and policies around higher education.
* HEPI have recently published a few different reports looking at different approaches to tuition fees from across the world, in particular around targeted tuition fees (e.g. means tested)
* It's very important to understand the tuition fee debate in the broader context of all the policy changes that have either happened or will be happening in the near future. Hugely fast-moving situation.
* Hugely important to consider the tuition fee system across the whole of the UK and not just focus on England given the divergence in approaches currently utilised
* Phillip Augar review, launched in February 2018, focus on 4 different areas; choice (academic, technical, vocational, flexibility); value for money (ToR focus on potential changes between payments of graduates and taxpayers); access (equal opportunity and maintenance support); skills (linked heavily to the industrial strategy
* Augar review asked for consultation. HEPI provided 10 key points for consideration
	+ 1st area; Part time learners
		- Slight increase in PT study in 2018 - mainly down to apprenticeships
		- A model focusing on increased borrowing is unlikely to impact because they're usually more debt-averse
		- Important for politicians to think about the wider sector when considering policy changes
	+ 2nd point: Differential Fees
		- Not much in the way of support from students or universities apart from maybe in courses that cost more to run
		- This model has been trialled in Australia focusing on getting people into key areas that the country needs
	+ 3rd point: Maintenance Grants
		- HEPI believes this is a regressive part of the system
		- Too much of an expectation on parents to fill funding gap without parents really understanding this in advance of entry to HE
	+ 4th point: Mixed funding model
		- HEPI's focus was ensuring people's understanding of the model was increased particularly aspects such as the interest rate
		- Any lowering of the interest rate would only really benefit students that go on to earn high salaries
	+ 5th point; Use of tuition fees
		- There currently isn't enough information provided by universities on how tuition fees are spent.
		- Example of the lack of understanding was the strikes last year when students were calculating VfM based purely on contact time forgetting things like buildings, support, mental health support etc
		- Conclusion of the report focused on the sector taking this up themselves rather than relying on the government to explain
	+ 6th point: Misunderstanding of applicants
		- Students are very over-surveyed but applicants don't have too many to find out what they actually think
		- Rent point critical when considering maintenance support provided
		- Misconception around independent study and how much is required (see contact time statistic)
		- Misconception around contacting family re mental health vs consent provided by students
	+ 7th point; Outreach versus spending on bursaries
		- Students more likely to choose their firm choice pre-bursary than because of a bursary
	+ 8th point; Accounting treatment of student loans
		- This was done before the December ONS announcement (what was this?)
		- Could be unintended consequences - e.g. cost of uni vs spending on NHS
		- This should be an accountant decision not a politician decision
	+ 9th point; Level 4 and 5 qualifications
		- We shouldn't really be talking about drop in university entry but actually number of Level 2 and 3 students not progressing to 4 and 5
	+ 10th point: Student number controls
		- HEPI argument; removal of student number controls is the best way to ensure u/r groups have opportunity to get into HE
* Continual increase in HE participation (bar rise and dip around £9k introduction) since 2006
* HEPI estimates:
	+ 23% increase by 2030 in 18 year olds
	+ 300k more places required (if rise continues in participation)
		- Even with Brexit impact
	+ Number controls implemented now would harm this
	+ If males participation rises to female levels - 500k extra places needed
* Augar rumours:
	+ Late February/early March - outcomes expected
	+ £6.5k fee but higher for STEM
		- Likelihood that poorer students would be swayed off areas such as Medicine and swayed towards cheaper courses
		- Poorer quality of education - e.g. fewer lecturers
		- Universities reducing offering of courses
		- Money from research that previously covered financial gaps would diminish
		- At government discretion on research gap top-up really not sustainable
	+ Student loans for FE Colleges
		- This could be a good thing for FE colleges with increased cash-flow in currently struggling financial system
		- Would the government financially cover a FE and HE system concurrently?
		- Government say they'd like technical and vocational routes to be seen in same light as academic routes but rumours say the opposite and perhaps Level 4 and 5 courses would be prohibited for HEI's to teach to push people down the FE route
	+ Less than 3 D's at A Level = no student loan
		- Hugely significant area for access
		- 6% of HE entry would currently fit this - 15% of lower participation backgrounds
		- This doesn’t really address what universities would do with students from other countries or with other qualifications. Implementation would be hugely complicated
* Wider factors
	+ Potential impact on Wales
		- Knock on effect if English fees are reduced making Wales become most expensive in the UK
		- Lots of knock-on impacts
	+ ONS accounting decisions
		- LEO salary data may help estimate what proportion of student loans will eventually be paid back
		- Why wasn't this spending previously accounted for?
		- Given now HE is fighting for resources with NHS/schools etc - what priority will the government give HE? Currently very unclear
	+ Spending review
		- Really important to remember that people within the HE sector can influence the DfE to focus on HE spending being very important given that other departments (e.g. health) will be doing the same
		- Comes at the same time as rumours that some universities are struggling financially
		- Would changes proposed by Augar really get proposed at the moment? DUP wouldn't support, Labour wouldn't support (given proposal to scrap), Brexit focus in the government currently
		- Because of Brexit turbulence - general election fairly likely so government manifesto to jump on the Augar review for key points to win votes
		- What comes out of the Augar review isn't necessarily what we're going to get as a sector
	+ What do students think?
		- Important not to lose sight of this
		- VfM perceptions - currently very low but students may not necessarily understand what VfM actually entails in terms of their HE experience
		- VfM levels actually increasing from 2007

Questions

* Has there been any work done on a potential graduate tax and what levels this would entail in terms of a tax template?
	+ This could lead to a change in perception - better understanding for students
	+ There potentially has been some government work on this
	+ Haven't seen much more modelling than system outlined today (look at what this is!)

* Students with 3D's - would a system currently run with a pre-qualification application system have an impact here? i.e. predicted grades of 3D's - would a student still apply/be made an offer?
	+ Fundamental changes required to implement this (e.g. later start date)
	+ There'd need to be level of confident that the benefits outweigh the challenges to implement

* Since student number controls have been removed have students opinions on VfM within HE decreased? Will an increase in HE participation also have an impact here
	+ Important to consider removal of cap came at the same time as increased fees so impact may be swayed
	+ Always important to remember the diversity of the HE system so students
	+ Overall, probably not.