

Senate

**Subject:** Undergraduate Tuition Fees and Access Agreement

**Origin:** Academic Registrar

 Director of Student Recruitment and Admissions

**Executive Summary:**

This report summarises key information and progress towards the setting of tuition fees under the new funding regime and the submission of the University’s Access Agreement for 2012/13 to enable the University to charge annual tuition fees above £6,000 for UK/EU students taking full-time undergraduate programmes.

**Senate Action Required:**

Senate is asked to note and comment.

**1. Background**

The University submitted its first Access Agreement to OFFA in December 2004 to enable it to charge tuition fees of £3,000 from the 2006 intake. The original Access Agreement has undergone some minor changes since that time, but the basic structure remains as follows:

* Statement of fees and bursary scheme – aimed at ensuring that the increased cost does not deter applicants from less well off backgrounds
* Outline of current and future plans for widening participation, including a commitment to additional expenditure on outreach work from the additional tuition fee income
* Statement of priority areas for outreach and specific milestones to be achieved

In 2009, HEFCE required institutions to provide Widening Participation Strategic Assessments. This sets out the institution’s strategy for widening participation with some critical evaluation of the challenges faced and intentions for evaluation of the effectiveness of activities. It also includes an outline of expenditure on widening participation activities (including those aimed at retention of disadvantaged students) which are not covered by the Access Agreement.

If the University wishes to charge tuition fees of £6,000 per annum or higher, it will have to submit an Access Agreement for 2012-13 to OFFA by mid April 2011. Details of the format and requirements of the new Access Agreement will be available from OFFA in early March (guidance letter from BIS to OFFA can be found at <http://www.bis.gov.uk/assets/biscore/higher-education/docs/g/11-728-guidance-to-director-fair-access>).

**2. Planning Structure**

A core group of relevant staff, chaired by Professor Morag Bell, PVC(T), has been established to work on the details of our Access Agreement proposals alongside preparation of financial forecasts for the University’s budget as a whole being undertaken by the Finance Office. This group comprises:

 PVC (T) Morag Bell

Academic Registrar Jennifer Nutkins

Director of Recruitment and Admissions Rachel Atkin

Director of Planning Fidelma Hannah

Deputy Director of Finance Paula Powditch

Director of Student Services Nigel Thomas

 A wider consultative group has also been established which includes the individuals above together with:

Deans of School Rob Parking and Angus Laing

Director of Marketing and Communications Ian Cairns

LSU Executive Lucy Hopkins and Alice Swinscoe

The core group is reporting regularly to the Vice-Chancellor, Provost and Provost Elect, Director of Finance and Chief Operating Officer. A timetable of key dates is given at the end of this paper.

**3. What fees do we charge?**

Suggested fees for the following groups of students:

**Full-time undergraduate** – recommendations to be made following analysis of break‑even fee and bearing in mind wider context. Detailed modelling of scenarios being undertaken by Finance Office.

**Placement** – the majority of 1994 group institutions currently charge either half of the ‘old’ or ‘new’ system fee (£660 OR £1,645). Transparency is needed as to what is included in the fee and work is in progress to prepare a statement for students.

**PGCE** – uncertain at present

 **Part-time undergraduate** – pro rata of the full-time fee depending on number of credits studied

**Science and Engineering Foundation Studies** – as for full-time undergraduates but could offer an enhanced support package for certain groups of students eg widening participation, mature

 **Loughborough College validated programmes** – current fee is £3,290. Not unreasonable to expect that we could have an input in to the level of fees for these courses

 **Channel Island fees –** agreement with Government to be re-negotiated in 2012 – fee is likely to be as for UK/EU full-time degree students

**3. Bursary Package**

 **3.1 Current Bursary Scheme**

Our current bursary scheme provides annual means-tested bursaries of around £1,400 for students with the lowest residual family incomes and a sliding scale of smaller bursaries for students with residual incomes up to around £36,000. Students over the age of 21 on entry receive double value bursaries. Total bursary expenditure was £3,273,654 or 18.3% of our additional fee income in 2009/10. We also offer additional bursaries to care leavers.

**3.2 National Scholarship Programme**

The University will be expected to match fund the amount provided by Government (likely to be between £200,000 and £400,000) and give benefits of at least £3,000 (including no more than £1,000 in cash) to students from disadvantaged backgrounds for the first year of their studies. The format (which is restricted to fee waivers, accommodation discount and/or bursary) and the criteria for the award are to be set by individual institutions (but awards cannot be given to those earning over the level for full state support, currently £25,000).

It is hoped that further details regarding the sum of money to be allocated to each institution will be available in early March at which point the details of the scheme can be discussed further. The current thinking is to provide targeted support under the National Scholarship Programme to the most disadvantaged students including a £1,000 bursary and a £2,000 accommodation discount (which could be switched to a fee waiver where University accommodation was not required) but this will need to be reviewed once the guidance is received.

**3.3 Other future support packages**

The University may wish to consider continuing the support provided under the National Scholarship Programme to subsequent years of study for those from disadvantaged backgrounds or offering specific support packages for other categories of students, eg mature, looked after children etc. In principle, it is thought that the University should seek to maintain its current level of bursary support for the most financially disadvantaged students. Logically there should be a link between our Fair Access targets (see below) and our financial support for students but we also need to be mindful of the desirability of simplicity both for communication purposes and administrative efficiency.

**4. Outreach and Fair Access**

Outreach – work with schools and colleges to raise the aspirations of young people (can be in collaboration with other Institutions)

 Fair Access – work to ensure that bright students are not deterred from applying to selective Institutions (in competition with other Institutions)

 Under our current Access Agreement we are committed to spending £284,000 per annum on outreach initiatives and the BIS guidance to OFFA indicates that government would like to see these activities expand significantly. Collaboration with other HEIs and filling the gap left by the ending of the HEFCE funded AimHigher programme from July 2011 are also encouraged.

 **4.1 Progress against current milestones**

Progress against milestones in the current Access Agreement has to date been patchy:

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| --- | --- | --- | --- |
| **Milestone Type** | **Milestone** | **Achievement** | **Location-adjusted Benchmark** |
| % of young full-time degree entrants from socio-economic groups 4-7 | 2008 milestone – 25% | 2008 actual – 22.7% | 2008 benchmark – 28.8% |
| % of young full-time degree entrants from low participation neighbourhoods | 2008 milestone – 6% | 2008 actual – 5.2% | 2008 benchmark – 8.2% |
| Mature students as a % of intake (on a rolling average of three years) | 2008 milestone – 5.7% | 2008 actual – 3.7% | N/A |
| % of mature full-time first degree entrants with no previous HE and from low participation neighbourhoods (on a rolling average of three years) | 2008 milestone – 10.5% | 2008 actual – 10.8% | 2008 benchmark – 16.7% (15.8% using a rolling average of three years) |
| Ethnic minority applications as a % of total | 2007 milestone – 13% | 2009 actual – 16% | N/A |
| Ethnic minority students accepted as a % of those who received offers | 2007 milestone – 20% | 2009 actual – 18% | N/A |

The quality of the data underpinning the first HESA PI above (socio-economic group) is being questioned nationally and we may opt to drop this milestone and focus on the second one.

**4.2 Potential Required 2012-13 spend on outreach and bursaries**

In its guidance letter to OFFA, BIS stated that the expenditure on outreach and bursaries should be the current amount (20% of additional fee income under the old scheme) and a proportion (likely to be at least 20%) of the additional fee income from increased fees (any amount above the Government’s break-even fee of £7,000/£7,500). To charge fees at the higher end of the range may require a greater proportion of spend on outreach and support for students. Further clarification may be available in the guidance from OFFA due out at the beginning of March.

**4.3 Administering financial support to students**

The current bursary scheme is relatively straightforward to administer through HEBSS software (student finance system provided by the SLC for which a modest subscription is payable). Total additional administration costs are in the region of £100k which is very low considering over £3million is disbursed. It should be noted that it seems inevitable that with the National Scholarship Programme, the new arrangements will cost significantly more to administer and the more complex the scheme, the more the cost of administration. There are also issues in relation to the HEBS system (student finance system) which means that data on residual household income (on which bursary levels are based) is often not available until a few weeks/months after the student has started and therefore confirmation of entitlement to support cannot be used easily as a marketing/conversion tool.

**5. Retention and Access to the Professions**

The wording of the BIS advice to OFFA gives us some scope to set new spending on retention and employability initiatives against our spending commitment in the Access Agreement, particularly if we can show that these will benefit students from less advantaged backgrounds to access professional careers. Student Services are beginning to develop proposals in the following areas:
- Literacy support – known demand from departments and students

- Buddying and mentoring – building on previous and existing initiatives

- Central support for placements/work experience, possible bursaries for those taking low paid placements

We will also be looking at mathematics support for students via the Maths Education Centre.

**6. Timetable and key decision making points**

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| 28 February  | Core group and additional members | Review of progress and issues |
| Early March | OFFA guidance expected |  |
| 7 March | ELT | Major discussion of key issues  |
| 8 March | Finance Committee | Approval of principles of financial aspects of Access Agreement |
| 9 March | Senate | Update on progress |
| 14 March | ALT | Update on progress |
| 15 March |  | Grant letter for 2011/12 received – embargoed until 17 March |
| 15 March | Core Group | Further work on details post key meetings in w/c 7 March – initial drafting of Access Agreement |
| 21 March | ELTOperations CommitteeChairman’s Advisory Group (CAG) | Discussion of any outstanding issues of principle?Agreement of final key issues/principles and draft of Access agreement consideredUpdate on progress |
| 25 March | Core Group | Refinement of details and wording |
| 31 March | CAG | Further opportunity for discussion |
| 1 April | Council | Final sign off of key financial and strategic principles |
| TBC in April | Core Group | Final sign off of the draft Access Agreement |
| 11 April? |  | Submission to OFFA |