Response to Scottish Government proposals for RUK Fees

On 29th June 2011, Michael Russell, Scottish Cabinet Secretary for Education and Lifelong Learning, made an announcement (link to: http://www.bbc.co.uk/news/uk-scotland-13951685) in Parliament on the future of Higher Education in Scotland. Following that announcement, a consultation document (link to: http://www.scotland.gov.uk/Publications/2011/06/27091056/0) was issued containing more detailed information, and asking for responses until the 2nd September. Anyone can submit a response to this consultation, so feel free to print one off and send it in. The proposal at the moment is to raise the cap on fees for students from the Rest of UK (RUK) so that universities can set their own fees, up to a limit of £9,000 per year.

Russell begins his statement by claiming that Scotland will not follow England by putting an unmanageable debt burden on its graduates, and yet, for around 15% of its graduates, under these plans Scotland will become by far the most expensive place in Europe to study for a degree. He says, and I agree, that “the Scottish election established a clear consensus that tuition fees – upfront or back door – are not the right solution”. It was widely suspected during the NUS Reclaim Your Voice campaign that the Scottish Government, whoever won the election, would have to raise fees for English students, but noone was speaking about £9,000 fees. The figures that both Scottish Labour and the SNP were talking about were around £6,500, and I accepted that, albeit uncomfortably. Whilst higher education should be free and funded through a more progressive system of raised income tax, without tax-raising powers the Scottish Government would have to take money from other public services in order to fund university places that should rightly be funded by Westminster.

In both his statement to Parliament, and the consultation document, Mr Russell claims that the main purpose of this proposal is to maintain the current levels of cross-border flow of students, thereby protecting university places for Scottish domiciled students. That is clearly not the case. If Russell’s main objective were to keep that flow at the same level, then he would have looked at the situation from the students’ perspective, and realised that with a typical 4-year Scottish degree, these proposals will make it much more expensive to come to a Scottish university than to study in England. Even before taking into account an extra year of maintenance loans, a degree in Scotland will cost £36,000, as opposed to £27,000 in England. That contrasts with the action taken in 2006, which kept RUK fees in Scotland lower than fees in England, even taking the 4-year degree into account. Far from merely protecting places for Scottish students, these proposals will reduce the number of RUK students coming to Scotland through aversion to debt, and I don’t think that’s what was established as the consensus of the election. Clearly Mr Russell’s work behind the scenes with Universities Scotland has given him an institutional view which doesn’t reflect the reality of decisions that students make when applying to university.
Perhaps most worrying about this statement and accompanying document is Mr Russell’s feigned naivety about the level of fees that Scottish universities will charge RUK students. He hopes that the average fee in Scotland would be lower than in England, around £6375 per year. This number is based on pure speculation, and we’ve seen the effects of such wishful thinking south of the border, where students were told that £9,000 fees would be the exception rather than the rule. That was false in England and it’ll turn out to be false here too. The universities where the majority of RUK students go (Edinburgh, Glasgow, St Andrews, etc) see themselves as world class institutions, and so will charge world-class fees if they’re given the opportunity. If Mr Russell is happy with the £62m that a £6375 average fee will raise, then why not set the fee level there rather than allowing Scottish universities to take more money from students’ pockets?

Another worrying aspect of these plans is that allowing variable fees will create a market in education and introduce free market forces to the Scottish higher education sector. This is an undesirable aspect of the change south of the border which the Scottish Government should reject on principle, given that it will force some students to choose their university based not on their own ability, nor on the suitability of the course, but on the amount of debt that they will be forced to accrue over the course of their studies. Mr Russell appears to have been turning a blind eye to the fee level announcements at English universities, and assumes that increased competition will drive fee levels down, when in fact as we’ve seen it has only driven them up.

Interestingly these announcements are characterised as much by what is not present as by what is. There is no mention whatsoever of the effect the new undergraduate fee levels are likely to have on postgraduate fees and international fees. These are unregulated markets, and it seems unlikely that universities will continue to charge £5,000 per year for a postgraduate taught programme whilst undergraduates pay £9,000. Postgraduate fees are already on the rise (link to: http://www.timeshighereducation.co.uk/story?sectioncode=26&storycode=416869&c=1), and these proposals will only quicken that. That will yet further restrict access to postgraduate education to those who can afford to pay large amounts of money up front.

There is also no acknowledgement of the fact that it appears Scottish students travelling to England to study will be charged up to the full £9,000 per year maximum, forcing students to choose between what may be the most suitable course for them and a large amount of debt. These plans not only fail a significant proportion of graduates in Scotland, but they will also fail those Scottish students who choose to travel to England.

Perhaps the only silver lining to this announcement is the fact that extra revenue from the increased fees will be divided across the whole sector rather than going straight to the universities who take more RUK students, and I welcome the fact that NUS Scotland will have input into those decisions. Whilst this may be less beneficial for institutions such as the University of Edinburgh, it also means that
there is much less incentive for an institution to take an RUK student in place of a Scottish student, and it will prevent the gap widening between the ‘usual suspects’ and other higher education institutions. There are, however, implications for the assumption that universities will charge only £6375. If the increase in fees will replace the current teaching grant, then that fee level will only cover £4,555 of a gap left by a grant ranging from £6,000 to £15,000, depending on subject area. The rest, presumably, will come out of the centralised funds from the current teaching grants, but given the uncertainty around how much each institution will receive from that central pot, institutions will be unwilling to risk receiving less funding for those places than before, and so they’ll charge the maximum amount they can.

In summary, the proposed changes will create a precedent for a system whereby the Scottish higher education sector will be funded based on free market forces rather than on need. The Parliamentary statement is in my opinion either deliberately misleading in claiming that the fees will maintain the current level of cross-border study, or deliberately naïve in claiming that universities will charge only £6375, and I think Mr Russell should be ashamed of it. A much better policy would be to put fees at a set level around the £6375 mark, make up the rest of the current teaching grant from central funding, and then divide any leftover funds across the whole sector, using some of it to support Scottish students who travel to England to study. That would prevent Scotland from becoming the most expensive country in Europe to get a degree for a large number of its students, it would help to prevent free market forces coming into the Scottish sector, it would maintain current levels of cross-border study, and by Mr Russell’s own arithmetic it will raise an extra £62m for the sector. Whilst it will mean that in Mr Russell’s terms the policy is not ‘future proof’, in any case the cap in England has been set at £9,000, so it should never be necessary to raise fees above £6,750 in order to save Scottish places. Regardless, I hardly think that administrative ease should be the basis of a policy which costs students so much.

Mike Williamson
Vice President Academic Affairs
EUSA