

# RESEARCH

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Assessing the Impact of the New  
Student Support Arrangements  
(NSSA) on Higher Education  
Institutions

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# Executive Summary

The research explores the impact on the policies, planning and behaviours of universities nearly four years after the introduction of new arrangements for student support in higher education (known as NSSA). It is set within the context of continued policy focus on increasing and widening participation, rising importance of university performance indicators in student choices, and a challenging economic climate. The research uses qualitative evidence collected from over 120 staff in 15 case studies across England, and finds:

- Higher education institutions have shown little willingness to reduce fees, in part due to a potential loss of income, but also because there is a fear that lower fees signal lower quality. All HE institutions now set the vast majority of their full-time undergraduate fees at the maximum. There is some limited reduction for placement years, introductory courses and Foundation Degrees, but even here institutions are moving to raising fees to the maximum.
- Bursaries, which were initially very complex, have tended to become simplified over time in an attempt to make them easier to administer and to understand (and so make them easier to communicate and improve take-up). There remains a wide range of bursary packages across the sector that do not appear to influence student choice/recruitment as they are still poorly understood by potential students. Bursaries may instead have a greater influence on retention.
- Little evidence to suggest that NSSA has had any impact on the demand for HE in general; the demand between universities (university choice); or the demand across levels, modes and subjects of study.
- Multiple factors affect recruitment success, including the increased expectations among young people to enter HE and a lack of perceived viable employment alternatives due to the recession. There was no evidence to suggest that the arrangements had led to any competition between universities for students as fees were uniform and bursaries too complicated.
- Institutions report that demand of students from different backgrounds, including those from targeted widening participation and under-represented groups, remains steady; and the profile of their student body has not changed significantly as a result of the introduction of the arrangements. However there are concerns that any potentially negative impact on the propensity to enter HE among those from lower socio-economic backgrounds may have been masked by wider contextual factors, particularly the counter pressures arising from the recession.
- Demand for full-time three year courses remains strong as these are the courses most associated with the university experience. Subject choices may vary, but this often reflects year-to-year changes in fashion. Fears about falling STEM demand under the new arrangements were not realised. Despite an increasing focus on employability in curriculum design and in student expectations, there is no real evidence of switching to vocational courses or falling demand for more 'academic' subjects.

- A common theme of rising student and parental demands/expectations. This reflects wider cultural changes but has been accelerated and magnified by the new arrangements. Institutions acknowledge the need to deliver a high quality service and place increasing focus on improving and promoting the student experience but feel the customer metaphor was not suited to HE.
- There is a lack of financial awareness among potential students, their families and advisors (in school), existing students and HE staff regarding study costs and support arrangements. Universities have therefore invested in improving financial awareness through outreach work to explain the general arrangements and so improve informed choice; and through increasingly sophisticated marketing to promote the benefits of university, including their specific bursary package, set against the costs of study.
- The additional fee income was welcomed, particularly by newer teaching-led institutions. It was viewed as critical, contributing to overall income, enabling financial stability and ensuring confidence to continue with investment plans. Across the sector, the income allowed institutions to continue with their existing plans, achieve better opportunities for financing, meet rising staff costs, to support, refocus and extend existing widening participation and outreach activity, and place greater focus on the student experience. However institutions noted the additional fee income had reached a plateau.
- The arrangements have increased the workload of staff in support functions in part due to administering fees and bursaries (which continue to evolve) but also as the demand for information and advice from students has increased in number and complexity, as has the need to provide information to potential students, and the requirement to collect and monitor data on students. This is increasing the central bureaucracy of institutions but is also creating a core of student finance experts who can advise students and support outreach work.

Although the research suggests there has been little impact and that HE has proved price insensitive at current fee rates, concerns of some institutions suggest that the effects of any further changes particularly raising or abolishing the cap on tuition fees may be less benign. It may create a market across the sector and possibly within institutions, requiring a completely new approach that some institutions feel ill-equipped to deal with. Institutions will have to estimate their market value – the fees their market would accept, that would offer a sufficient level of income and provide the right market signal. In addition it may create price sensitivities which could deter or at the very least restrict the choices of those very groups the government is keen to encourage to participate in HE.



# 1 Introduction

This report sets out findings from qualitative research with a range of higher education institutions in England to explore the impact of the new student support arrangements on the policies, planning and behaviour of universities and higher education colleges. It brings together findings from an initial investigation, prior to the introduction of the arrangements, with experiences now that they have been in place for just over three years. This study forms part of the previous government's commitment to review the working and impact of these arrangements; and the new coalition government's aim to review the long-term direction of the sector.

## Background

There has been a trend in student funding policy since the early 1990s to shift the balance towards individuals making a greater contribution to the costs of their own study. This move has been driven in order to build on the principle of equity, that those who benefit from HE should contribute towards its costs, and to increase the resources available for HE. In England, this has included the introduction in 1998 of up-front tuition fees, and a situation where most students are required to contribute to the cost of their education by paying towards their tuition fees and/or their living costs.

## New student support arrangements

The Higher Education Act 2004 led to several key changes in the financial arrangements for full-time undergraduate higher education students in England. From September 2006, institutions in England have been able to charge variable tuition fees of up to £3,000 per year (rising with inflation to £3,225 in 2009/10, and £3,290 for 2010/11) to new students. Instead of paying fees upfront, students have been able to access a subsidised loan for tuition fees (Student Loan for Fees) with an income-contingent repayment scheme whereby graduates pay a percentage of any income received above a certain threshold (currently at nine per cent of income above £15,000 per year). At the same time, the means-tested Maintenance Grant and the Special Support Grant were introduced to support students from lower incomes, and institutions were required to provide additional financial support to certain students in the form of bursaries (initially set at a minimum of £305 for those charging full fees, rising to £319 in 2009/10). Students have continued to have access to subsidised loans to cover their living costs (Student loans for Maintenance), with the amount available dependent upon students' living arrangements and household income, and with repayment conditions matching those of loans for tuition fees.

The arrangements for full-time students have changed significantly, but somewhat unevenly across the constituent countries of the UK (as the Higher Education Act devolved responsibility to Wales and Scotland for funding their own students), effectively introducing a fee differential. Scottish students staying in Scotland to study are not required to pay tuition fees, but the

situation differs for Scottish students studying in other parts of the UK. In Wales, variable tuition fees were introduced one year later than in England (in 2007) but Welsh students staying in Wales to study receive a tuition fee grant which in effect reduces the fee levels to pre-variable fees levels.

Arrangements also continue to evolve. Recently, all forms of support were brought together into a one-stop-shop: 'Student Finance England'. This provides a central point to apply for support (simplifying and speeding up the process), and information about what financial help is available to individuals based on their personal circumstances through an online calculator. By contrast, arrangements for part-time students have changed very little with the introduction of a fee grant and a course grant which are means tested, and institutions still able to set their own fees, although many do so in relation to the full-time equivalent.

The impact of these new student support arrangements (referred to throughout as NSSA) has been the focus of much research attention and also unfounded speculation, particularly in the run up to the Independent Review of Higher Education Funding and Student Finance. This was launched on the 9 November 2009 and will review lifting the cap on variable fees and make recommendations about financial support for full and part-time undergraduate and postgraduate students. Much of this attention has centred on students and potential students but universities and colleges have also been affected by the changes.

## **1.1 Baseline study**

In 2005 the Department for Education and Skills (DfES) commissioned a research team from the Institute of Education (IoE), University of London, led by Professor Michael Shattock, to study perceptions about NSSA and the policies and processes being developed in response to these arrangements including Access Agreements which are a statutory requirement of institutions charging above the standard level for tuition fees. The team collected data from a sample of English universities and colleges on these matters through case study visits and an examination of the first Access Agreements submitted to the Office for Fair Access (OFFA) prior to the actual introduction of the new arrangements. This research was designed to be the first part of a longer study, with the Department always intending to commission follow-up research to re-visit each of the sampled institutions, once the new student support arrangements had bedded-in.

The team at IoE selected 15 institutions using a set of statistical indicators to reflect the diversity of English higher education institutions (HEIs). This took into account institutional profiles (aspects such as size, subject mix, teaching and research mix, funding sources and student profile) as well as geographical location, and was found to cover a range of types of Access Agreements.

The baseline study therefore provided a snapshot of the situation in mid-2005. In terms of the impact on institutions, the findings suggested:

- no real changes in strategic direction for institutions, instead they were moving forwards with existing policies
- a sensitivity from institutions about their position in the HE market place and this influenced fee setting, so that (almost) all would set fees at the maximum to maintain their market position and to ensure financial viability
- an expectation for a market in bursaries not fees, and the potential to use bursaries as a recruitment tool (for target courses and student groups) and/or as a retention device
- a need for organisational change/increased resourcing in student support services to quickly assess and advise students about the support available, to remove mistaken understandings of the new arrangements, and deal with the increased complexity
- and expectations that the additional fee income would be devoted to corporate priorities, with little available for use at academic department level.
- In terms of the impact on students, the findings suggested:
- institutions were uncertain about the impact on undergraduate recruitment, however the limited research they had undertaken indicated that despite being confused, potential students did not appear to be deterred by the debt burden, as the benefits of HE remained positive
- concerns that fees will be raising expectations of students, but that the additional fee could provide resources to focus on the student experience
- concerns that less popular subjects (eg STEM) and/or longer courses could be negatively affected, along with worries that the part-time and foundation degree markets could be destabilised
- and concerns that for some institutions, particularly post-1992 institutions, regional competition would increase, the geographic area they recruit from could narrow, and collaboration between universities could decrease.

The full results of the baseline study are available from the Department: [www.dcsf.gov.uk/research/data/uploadfiles/RW55.pdf](http://www.dcsf.gov.uk/research/data/uploadfiles/RW55.pdf)

## 1.2 Aims and objectives

This research is the second stage of a two part qualitative case study research project. The key purpose of this study is to update the evidence of, and institutional perspectives on, the impact on HEIs of the new student support arrangements four years after their introduction (in 2006/07). This builds on the work of the baseline study and will add to the evidence base for the Independent Review on charging policies, fee variation, use of additional income, provision of bursaries, changes in provision and the financial implications for individual institutions.

The study gathers personal feedback from key individuals at different levels and functions within HEIs, with some additional documentary evidence, to explore the impact on institution's policies, planning and behaviour. It then compares the current position (in 2009/10) against that

captured in the baseline survey (carried out prior to the changes), to find out whether institutions' expectations for the reforms on students, course provision and finances have been met; and how and in what ways institutions have changed and continue to change as a result of the new regime.

More specifically the research aims to explore impact in three key areas:

1. Finances:

- charging policies (including fee variation)
- provision of bursaries and other support
- additional income raised and the way it is used.

2. Provision (supply):

- range of qualifications offered (including longer and shorter courses)
- range of subjects offered
- other services offered (student support).

3. Demand (from students):

- general recruitment
- take up of provision
- institutional reach/geographical catchment
- characteristics of the student body.

In addition to exploring these areas, the study takes account of the wider changes or contextual factors in the HE landscape that have had an impact on HEIs and have been driving change in the sector, and explores the relative impact of NSSA against these wider factors.

## 1.3 Methodology

The approach followed the methodology established in the baseline study by the Institute of Education – undertaking case study visits with 15 English universities and colleges and interviewing senior management, operational staff and academic staff, and collecting policy documents and Access Agreements.

The same sample of 15 institutions was approached and 13 of the original universities and colleges participated in the follow up study, along with two additional institutions. These two new institutions maintained the integrity of the sampling approach, having similar characteristics to the institutions who dropped out of the research. We are very grateful to all 15 institutions for their time and their support for the study.

At the outset of the study in October 2009, the Director of Financial Support for Learners at the Department for Business, Innovation and Skills, Mike Hipkins, sent letters to the Vice Chancellors of the selected institutions to invite them to participate in the research (see

Appendices 1 and 2). IES researchers then liaised with a nominated contact person in each institution to arrange interviews and focus groups with a range of staff including:

- members of the senior management team such as pro-vice-chancellor, deans (or equivalent), and senior administrators responsible for students, marketing and finance
- operational staff responsible for academic administration, marketing, student recruitment, widening participation, and student welfare
- and academic staff with management responsibilities at faculty or departmental level.

Wherever possible these were the same individuals who were interviewed in the baseline study or individuals in a similar role. A discussion guide was used in the interviews which was based on the interview schedule developed for the baseline study in order to replicate the necessary topics and ensure that questions were targeted towards the most appropriate categories of staff. The discussion guide was piloted in two institutions, discussed with the steering group and amended for the remaining case studies (see Appendices 3 and 4). In most cases, the interviews were conducted during a two day visit by two members of the research team in order to minimise the burden on the host institution. Some additional telephone interviews were also undertaken to ensure that a full range of staff were consulted. These visits and telephone interviews took place between October 2009 and January 2010.

In total 126 individuals were consulted (an average of eight individuals per case study), of which 55 were consulted during the baseline study. This total also includes a small number of senior officers in Scottish universities who were consulted to explore the impact of NSSA on their institutions and on Scottish higher education more widely.

## Analysis

Notes and recordings of the second stage interviews along with findings from the baseline study and a series of key indicators were written up into case studies. The research team then came together to establish the key themes emerging from the research and to develop a framework for analysis. Content analysis was then used to overlay the case study findings onto this framework in order to flesh out the themes and to explore any differences in the experiences of institutions. In general the case studies fell into two key groups, and these were where the differences were most noticeable:

- Institutions which have a teaching focus and a strong widening participation agenda. These tend to be newer universities (gaining university status in 1992 or more recently), have a more regional catchment and could be regarded as recruiting rather than selecting institutions. Many of these universities belong to the University Alliance and Million+ mission groups.
- Institutions with a traditionally strong research focus. These tend to be older more established universities (pre-1992) with a national and international reach, and could be regarded as selecting universities. These universities belonged to the Russell Group or the 94 group.

## 1.4 Structure of the report

The remainder of this report is structured as follows:

- Chapter 2 outlines the research context describing the environment that institutions operate within and assessing the extent to which these internal and external factors have influenced institutional behaviour.
- Chapter 3 explores institutional strategies and the degree to which these have been influenced by NSSA, the approach universities and colleges took in setting fee levels and developing bursary packages and how these have changed over time, and the impact of administering NSSA on resourcing and organisational structures. In particular, this chapter covers charging policies (including fee variation) and provision of bursaries and other support.
- Chapter 4 focuses on the additional income achieved from the higher fee levels, how this has been incorporated into institutions' financial systems, how it has been used and the impact it has had on institutions' plans, actions and on their financial health.
- Chapter 5 examines perspectives on the market for fees and bursaries and the impact this had on student choices about higher education – whether to go, where to go and what to study – and the effect this has had on the student profile and the development of courses and the delivery of teaching and learning.
- Chapter 6 looks at changing student needs, expectations and experiences under the new arrangements. In particular this chapter explores understanding of the arrangements and how institutions have worked to communicate finance messages.
- Chapter 7 presents a summary of the findings and also conclusions that can be drawn in terms of the overall impact on institutions and the sector as a whole.

In addition, the appendices contain the materials used in the research.

## 2 The Wider Context

Universities and colleges in the HE sector are operating in a constantly changing and increasingly competitive environment and so are constantly adapting to fit – working on their profile and market position, reputation and course provision. A number of factors have driven and continue to drive change in the sector and have influenced individual institutional behaviour. This chapter outlines the environment that HEIs operated within (at the time of the research) and assesses the extent to which these internal and external factors have influenced institutional behaviour. It is important to consider these contextualising factors as potentially they could either mask or exacerbate any specific influence arising from the student support reforms and the variable fees.

### 2.1 Government policy

This report has been completed at the end of the Labour administration and at the start of a new coalition government between Conservatives and the Liberal Democrats. The consultation with universities, both the baseline study and the follow-up research was undertaken in 2009 and it is important to recognise the political influence on the research context.

In the last decade or so, HE student numbers in the UK have increased considerably from 1.72 million in 1995/96 to 2.4 million in 2008/09. Increasing participation has been one of the government's key policy initiatives and forms part of the ambition for the UK to become one of the world's leading countries for high-level education and skills. Securing higher levels of educational attainment and skill acquisition is believed not only to improve productivity and contribute to economic growth, but also to contribute towards two other broader policy goals: facilitating social mobility and minimising social exclusion. To this end, the previous Labour government set targets set for England: to work towards 50 per cent participation in HE by 18 to 30 year olds; and for more than 40 per cent of adults to be qualified to at least level 4. Policies to support these targets included encouraging and strengthening employer involvement in higher level learning, improving post-16 retention rates in education by raising the participation age, increasing the range and value of vocational pathways to HE, and widening participation to focus funding and activity on attracting learners from groups under-represented in HE and/or from non-traditional student backgrounds.

#### The HE framework

The previous government's higher education framework document 'Higher Ambitions – The future of universities in a knowledge economy', published in November 2009, continued to focus on participation, with a recommitment to the 50 per cent participation target, and had a strong emphasis on fair access. This indicated their desire to continue to drive up demand for higher education.

The framework proposed that participation would be widened through expansion of the number of adults in HE and promoting a broader range of course models, including more part-time, vocational and work-based learning, and more study while living at home. There was an underlying assumption that these broader models would encourage the participation of those currently not participating in HE. There is certainly evidence that the more diverse opportunities that are offered, the wider and more diverse the student body. However, there is little evidence that potential students coming straight from school are considering part-time study as a serious option.

The framework also emphasised the need for improved advice and encouragement for younger individuals earlier in their education, focused on raising aspirations and setting their sights on university. Universities continue to emphasise widening participation in their policies, and institutions in the research indicated strong links to potential feeder schools, primarily through Aimhigher funding/initiatives, however the emphasis here is on schools to ensure that students aspire to HE.

The framework also recognised that further action would be required to widen access to selective universities to those from underprivileged backgrounds and to ensure that measures for wider access continue to be effectively prioritised even in the current climate of 'fiscal constraints'. An issue that was specifically addressed in the review by Sir Martin Harris<sup>1</sup> This may be challenging as universities (primarily pre-1992 universities) may not see the advantage of such a priority, given the additional cost associated with recruiting and retaining Widening Participation (WP) students and the focus on other external measures or indicators (such as research excellence, see below).

## **ELQ policy**

The previous government introduced a policy to cease funding for adults who wish to study for equivalent or lower level qualifications (ELQs)<sup>2</sup>, other than those on Foundation degree programmes and a small number of vocational programmes. This was felt to be at odds with their ambitions to increase in the number of adult students, and is thought to have reduced demand for HE amongst mature students, and the number of adults studying in HE has fallen. Many universities have lost specialist Lifelong Learning/Continuing Education departments, and they are reducing the number of part-time programs available to those who wish to study in this mode.

Several of the case study universities (both new post-1992, and older pre-1992 institutions) felt that they had been affected by the ELQ policy, reporting an increasing administrative burden, a decreasing demand from mature applicants, and a decreasing demand for some courses which

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<sup>1</sup> Harris M (2010) What more can be done to widen access to highly selective universities? OFFA. <http://www.offa.org.uk/wp-content/uploads/2010/05/Sir-Martin-Harris-Fair-Access-report-web-version.pdf>

<sup>2</sup> For further information about this policy see [www.hefce.ac.uk/Learning/Funding/elq/](http://www.hefce.ac.uk/Learning/Funding/elq/)



tended to be taken as second degrees (e.g. Pharmacology) (*‘it has been a disaster for some courses’* Post-1992 University). One institution noted how a two-tier fee structure had been created which they found challenging to communicate. Where institutions appeared to be unaffected this was either because they had not changed their fees for students covered by the policy, and/or because they had few programmes with ELQ students.

## New routes into HE

The previous government encouraged the development of new, more vocational routes into HE, and strategic alliances with further education (FE) colleges. These are both factors impacting on the recruitment of students from non-traditional backgrounds. The new Access to HE Diplomas and particularly the 14 -19 Diplomas are yet to have any significant impact at this very early stage of their delivery, and universities with strong recruitment through traditional A-level routes may feel under less pressure to accept diploma entrants.

In the HE framework universities were encouraged to use a wider range of information in their admissions procedures, to look beyond traditional examination grades and to assess the aptitude and potential to succeed of potential students, particularly those from under-represented groups. However there is little if any evidence from the case studies to show that universities are adopting such approaches. Several universities (both older pre-1992 and new post-1992) reported raising their entry tariff over recent years in a bid to increase their reputation (*‘institutional reputation is based on tariff points’* (Post-1992 University)), influence choices (*‘we don’t want to be the insurance choice’* (Post-1992 University)) and to position themselves in the market-place – re-affirming the focus on standard ‘A’ level entry requirements.

## Changing nature of provision

There is a growing recognition that the nature of HE provision needs to change to meet the demands of both potential students and also employers of graduate labour. Following on from the Leitch Review recommendations, the previous government made a commitment to strengthen employer engagement in higher level learning by incentivising and funding provision which is partly or wholly designed, funded or provided by employers; and set out ambitions for additional HE places that would be demand-led and employer co-funded. This move was expected to lead to changes in the provision towards more part-time and short-cycle courses and also to greater prominence of credits (and credit accumulation systems) in higher education, two-year Fast Track honours degrees, a more responsive curriculum, a more diverse range of providers (including FE and private providers in delivering HE) to create and expand local provision, and further growth of Foundation degrees.

The grant letter sent to HEFCE in December 2009 which covered the funding period 2010-2011, re-iterated the then government’s commitment to diversity of provision:

*‘We want to see more programmes that are taken flexibly and part-time and that a learner can access with ease alongside their other commitments. We also wish to see more*

*programmes, such as foundation and fast-track degrees, that can be completed full-time in two years. The underlying theme is providing for diversity. Over the next spending review period, we will want some shift away from full-time three year places and towards a wider variety of provision.'*

Universities see employer engagement as a key factor in developing new programmes of study, as this is currently the only area of growth for funded student numbers. However, there is growing evidence that employers are reluctant to invest significantly in programme development, a trend that has been exacerbated with the onset of the recession. There is potential, where successful, to set variable, market-driven fees in this area of work. However, there is increasing competition from educational providers to meet the needs of employers and employees, and universities are in many cases coming late to this particular arena. There is an understandable reluctance to invest the significant resources needed to build specific programmes for individual employers unless these are very large employers, many universities are therefore working to build programmes that, whilst cost-effective, can also be offered across employment sectors more generally.

Enrolments on Foundation degrees have been increasing in popularity and growing year on year. However they are more strongly established within the new university sector and there is mixed opinion on the extent to which they have been (successfully) used as a tool for widening participation or more generally to increase the engagement with employers/employment sectors.

## **2.2 Rising importance of external indicators**

Not only is government (new and old) continuing to scrutinize the higher education sector in relation to value for money, provision and student demographics; there is an increasing scrutiny from prospective students and their families, and existing students, as they make their choices about HE.

As fee levels have risen so too have student expectations; if fees rise again, student expectations are also likely to increase further. There is good evidence to suggest that students are at least in part choosing universities on the basis of what is on offer – resources, accommodation, support – acting more as customers than in the past. Significantly, parents are also taking a more active role in making these decisions: they want value for money as in many cases they are also shouldering the debt burden of school leavers. There is also more scrutiny of a key output – employment at the end of a degree course, though there is currently little evidence that this is impacting on popular, non-vocational areas of study.

These moves towards a greater scrutiny of the university 'product' from potential students and their parents is increasing the emphasis on external indicators which enable benchmarking of university performance.

## National Student Survey

Key external indicators such as the National Student Survey (NSS)<sup>3</sup> are strategically of high importance to all universities, but particularly those who need to ensure a strong recruitment base with high calibre students, and who also wish to attract overseas students (and income). The need to ensure that the experience of all students is of a high standard is therefore paramount, and thus policies and practice to improve the overall student experience are key to all university development plans.

The grant letter sent to HEFCE in December 2009 emphasised the importance of delivering a high quality student experience, and their HE framework called for all universities over the next few years to work towards publishing a standard set of information setting out how and what students can expect to learn from their programme, what facilities they can access and what the programme will qualify them to do, but also setting out their own study responsibilities.

Many case study institutions reported paying greater attention to league tables, the National Student Survey in particular, but in some cases the International Student Barometer (ISB)<sup>4</sup>. Institutions are working hard to achieve good ratings. However at present few are formalising the contract between the institution and the student.

*'Love it or loathe it the Student Satisfaction Survey has been the single most important factor in driving up the student experience as it offers some form of calibration across the sector and it allows students to give some form of feedback to institutions. In some institutions it has been used as a threat or leverage when they have tried to bring in an unpopular change.'*

(Pre-1992 University)

*'The NSS is great as it evaluates the customer experience .... We wouldn't have NSS if we didn't have fees. If we create a market then we need better information for that market to function, not necessarily more information.'*

(Pre-1992 University)

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<sup>3</sup> The NSS is a census of students in the final year of an undergraduate course across the UK. The feedback is used to compile year on year comparative data that is published on **Unistats.com** to help prospective students and their advisors make informed choices of where and what to study. It also aims to provide feedback to institutions to identify best practice in enhancing the student learning experience. For further information about the survey itself see: [www.thestudentsurvey.com](http://www.thestudentsurvey.com)

<sup>4</sup> The ISB tracks the decision making, perceptions, expectations and experiences of students studying outside their home country. It provides a comparative measure tracking how these change against national and global benchmarks.

## RAE

The Research Assessment Exercise (RAE<sup>5</sup>), (the Research Excellence Framework or REF in future years) is a particularly important external indicator for those universities which either have a strong, international research profile or who aspire to research excellence, given this ensures a large part of these universities' income and status. For these universities their research rating forms a key part of their image or brand and they place a high priority on this in their strategy and plans.

Pre-1992 universities (including those established in the 1950s and '60s) are more likely to fall into this category than those institutions that became universities more recently. However a couple of post-1992 institutions in the case studies reported an increasing (and successful) focus on research in order to secure additional income

## Destinations data

Universities are increasingly concerned with the destination of their graduates. UK graduates are surveyed six months after graduation and the Higher Education Statistics Agency (HESA) publishes this data on graduate employment outcomes annually<sup>6</sup>, which provides another performance benchmark. More recently the destinations survey has been extended to explore activities up to three and a half years after graduation.

Most universities are developing ways of enhancing students' employability, through embedding enterprise and employability within courses, or through additional activities that recognise and record students' engagement with the community, or skills developed outside of their particular programmes. In an increasingly competitive jobs market, universities are competing to demonstrate the value-added of studying at HE level. One interviewee remarked:

*'Some changes [to courses] have corresponded to changes in employer needs – increasingly, academics are having to take an interest in what students do next. This is more than just curricula content but also skills...these have to be embedded in the university's teaching strategy ... in the League Table graduate employment is still an issue ... years ago people got jobs that related to their degree but that's not the case now so you need to give them more than just the academic knowledge ... they need to have employability skills.'*

(Pre-1992 University)

<sup>5</sup> The RAE is an explicit and formalised assessment process of the quality of research. It produces quality profiles for each submission of research activity made by institutions, and is used to determine funding for research activity. The last RAE was undertaken in 2008 and will be replaced by the Research Excellence Framework that will place a greater emphasis on the wider social and economic impacts of research. For further information see [www.rae.ac.uk](http://www.rae.ac.uk) or [hefce.ac.uk/research/ref/](http://hefce.ac.uk/research/ref/)

<sup>6</sup> The Destinations of Leavers from Higher Education (DLHE survey), and the Destinations of Leavers from Higher Education Longitudinal Survey (L DLHE). For further information see [www.hesa.ac.uk/index.php?option=com\\_content&task=view&id=1445&Itemid=141](http://www.hesa.ac.uk/index.php?option=com_content&task=view&id=1445&Itemid=141)

## 2.3 Challenging economic climate

This report has been completed at a time of accelerated change in higher education. The pressures on the economy are in turn putting pressure on public spending and on individuals' educational and employment choices.

The recession has provided the backdrop to an increasing demand for HE places. As competition for jobs grows during a recession, so the need for higher level skills and the ability to differentiate oneself from other applicants for jobs increases. Degree qualifications, and increasingly post-graduate qualifications, are perceived as a prerequisite for a job, and potential students still seem to think the benefits of HE remain positive. Indeed, figures reported by UCAS show that the numbers of full-time accepted applicants to HE for 2009/10 were at record levels at over 480,000 and applications were processed from almost 640,000 individuals<sup>7</sup>. The previous government was concerned about over recruitment to the sector and placed a cap on students effectively limiting the number of places available to new students. Cuts in public spending are predicted to impact particularly strongly in HE. The sector is already witnessing some universities making significant cuts in both academic and support staffing levels. Variable tuition fees will offer some HEIs an additional source of income and were in general welcomed, however universities and colleges are becoming increasingly anxious about the resources that will be available to them in the future. There is a feeling that real cuts in HEFCE funding will make it increasingly difficult to deliver on 'customer-led' demands whilst meeting increased salary and infra-structure costs. Inevitably, cuts are likely to fall in 'non-essential' areas of service, which may diminish the opportunities for institutions to provide the access and support they would like to be able to give to those who are less familiar with the culture of HE, and those with less social capital.

*'The economic situation is extremely challenging, and across the public sector we are all facing difficult choices. ... in the period ahead, greater efficiency, improved collaboration and bearing down on costs will need to be combined with a commitment to protect quality and access.'*

(Government grant letter to HEFCE December 2009)

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<sup>7</sup> See UCAS press release 21 Jan 2010 'Decade ends with record student numbers' [www.ucas.ac.uk/about\\_us/media\\_enquiries/media\\_releases/2010/210110](http://www.ucas.ac.uk/about_us/media_enquiries/media_releases/2010/210110)

## 3 Planning, Implementing and Administering NSSA

This chapter explores institutional strategies and the degree to which these have been influenced by NSSA, the approach universities and colleges took in setting fee levels and developing bursary packages and how these have changed over time, and the impact of administering NSSA on resourcing and organisational structures. In particular this chapter covers charging policies (including fee variation), and provision of bursaries and other support.

### 3.1 Influence on strategy

#### Little impact on strategy

NSSA appeared to have had little impact on the strategy and strategic direction of institutions. Instead they appear to be 'fitted in' to the general plans of the institution. For many their strategies were focused on raising the quality of entrants (through an increase in tariff points) and the quality of the student experience in order to improve their position in the national and international marketplace. Strategies also tended to concentrate on alternative funding streams with traditional (pre-1992) universities continuing to focus heavily on their research reputation, and some post-1992 universities reporting great successes in improving their research rating and research income, and both older and newer universities working to broaden their reach into international markets. All institutions stressed their commitment to widening participation, the post-1992 universities particularly so, and felt that this had not changed with the new arrangements. However several institutions noted how NSSA and the requirement to produce and update Access Agreements had enabled greater/sharpened focus and an increased emphasis on widening participation – effectively moving it up the agenda.

*'Widening participation was always part of the university culture but we had to make widening participation activities more explicit in the Access Agreement and in the corporate strategy as much of our activity is embedded.'*

(Post-1992 University)

A couple of institutions also mentioned the new widening participation strategic assessment<sup>8</sup>, feeling that this would be more useful and 'have more bite' to help with university thinking around widening participation

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<sup>8</sup> Universities submitted their first WPSAs in 2009. These bring together institutions widening participation and fair access policies (embodied in their Access Agreements) in one place and are a requirement from HEFCE for those in receipt of the HEFCE widening participation allocation. The WPSA sets out the institution's aims and objectives, the full range of their WP activity; details milestones and targets and also the level of resource committed including additional fee income.

*'Sector-wide the AAs did not have much bite ... the new WP strategic agenda has much more. We can be held to account to this. The AA makes the university transparent – what they are doing with the fee income.'*

(Post-1992 University)

However, all institutions had one eye to the future and were beginning to think about how to position themselves ready for any further changes to fees.

### 3.2 Setting fee levels

As noted in the baseline study, the Senior Management Team and governing bodies of institutions were involved in the planning of NSSA including setting fee levels and developing bursaries, and in post-1992 universities tended to remain involved in the implementation of the arrangements. In a couple of institutions senior members of the institution were the central driving force behind the approach taken.

Many universities reported undertaking market research before setting the fee level. This included surveys of existing students, applicants, those declining offers and potential students; analyses of their student profile and modelling possible outcomes; and looking at the experiences of countries with higher fees. This helped institutions to understand their market position, and indeed it was perceived market position that heavily influenced the setting of fee levels. Pre-1992, more research-focused, universities felt there was almost no doubt about setting their fees to the maximum level. They were confident in their position, their reputation and their demand. They felt strongly that price was a measure of quality and charging any less than £3,000 would undermine this.

*'Setting the fees at maximum was a "no brainer". For any institution that has any kind of reputation wanting to keep standards high and invest in the student experience it is important to go for the maximum.'*

(Pre-1992 institution)

Institutions also looked to the plans of other universities:

*'Setting the fee at £3,000 was easy, there was no other decision to make, there was no good rationale for going less than that, it would have been an undervaluing of what the university offers ... also all HEIs were setting fees at the maximum.'*

(Post-1992 university)

And one institution, with strong links to other universities in the region, noted how their fees were set at maximum so they were not competing against these partner institutions on price.

## **Movement towards maximum fees.**

Some post-1992 universities appeared to be less confident about the strength of their market position and had concerns about the potentially negative impact of fees on recruitment, especially on those from poorer families or from areas with traditionally low participation in HE, and on their reputation as fair and accessible institutions which was particularly important to them. These institutions tended to recruit locally and had a relatively larger proportion of students from lower income backgrounds. This led a few of institutions, all of them post-1992 universities, to set their fees below the maximum.

*'We wanted it to be fair and it was generally felt that setting the fee too high might put off some prospective students and affect WP groups particularly ... we thought that there was going to be a market for fees with different institutions charging different amounts. It was done with the students' interests at heart as £3,000 was felt to be too much for them to afford.'*

(Post-1992 University)

Over time, all case study institutions setting their fees below the maximum – either out of concern for their traditional pool of recruits or out of a desire to be distinctive in the market place – have moved to towards setting maximum fees. This movement has been driven by a need to recover their market position which they feel may have been damaged by charging lower fees and to increase their income to a par with the rest of the sector (reducing any financial disadvantage). In addition, these institutions reported no recruitment benefit from having lower fees.

*'We have now moved to charging the maximum because everyone else was just going for the maximum. We were also concerned about the message it sends out to potential students that our degrees are of a lower standard than others...also there is a financial implication for the university in terms of income. We looked into putting the tuition fee up ... we held focus groups etc. and the research showed that if the fee is lower than £3,000 without showing any other benefit then it looks like the university can't make its mind up, or is offering a poorer student experience.'*

(Post-1992 University)

## **Generally one fee level for all undergraduate courses**

Largely institutions operated one fee level for all full-time undergraduate programmes. However there was some evidence of differential fee setting for different levels of study (regardless of location/delivery agent). Several post-1992 universities reported charging less for a foundation year of a course (often termed Year O) and for Foundation Degree courses that were delivered at the university or at their franchised partner colleges, although the top up year (to a first degree) tended to be charged at the full fee:



*'Reduced fees are charged for students on year 0 and foundation degrees (based on the £1,150 fee). This is because these people tend to be local and on a low income so it wouldn't be appropriate to charge them the higher fee. However, from next year all students will pay the same fees. This is due to financial considerations for the university, but also because it is difficult to argue for having some students that are essentially on a route to getting a UG degree but that pay less for it.'*

(Post-1992 University)

This was not universal across the case studies. One post-1992 university reported charging Foundation Degrees at the same rate as their other undergraduate programmes (i.e. the maximum fee) and this rate applied to courses offered by their franchised partner colleges.

Often foundation years, particularly in sciences, Foundation Degrees and HNDs were seen as a key way to widen participation rather than lower fees or targeted bursaries (see Chapter 5), as these courses were felt to attract a different type of student and provide a more accessible route to a degree (in terms of lower entry requirements, provision through partner FE colleges, and sometimes lower price). Institutions reported increasing popularity of Foundation Degrees and several post-1992 universities reported increased provision in this area. However, as shown above, there were indications that those charging lower fees for Foundation Degrees may raise these in the near future to the maximum.

The placement or 'sandwich' year within four year courses generally appeared to attract a lower fee to reflect the lower HE input. These were reported to be falling in popularity despite a perception that students were placing greater emphasis on employability in their HE choices. However, the year abroad within four year courses appeared to be charged at the full fee level although could attract greater financial support.

Case study institutions did not report discounting of fees during clearing but several noted that they have had to rely considerably less on clearing or indeed not go into clearing at all in recent years.

### **Confusion around charging for additional study costs**

Institutions expressed concern and confusion around charging for additional course costs such as bench fees, costs of materials, studio costs, and costs of field trips with the move to charging maximum tuition fees. There was a feeling that it would be unfair to charge students any extra, particularly where there was no option involved for the student:

*'We charged additional costs for things like arts materials when we didn't charge the maximum fee but when we raised the fees we thought it would be unfair to charge students extra so the additional costs were borne at faculty level.'*

(Post-1992 University)

Institutions appeared to develop their approach over time and in one case after seeking legal advice. There were examples of institutions removing additional costs, providing additional financial support for these costs, and lending equipment to students for the duration of their courses. However for optional extras such as field trips some additional costs do appear to be charged.

### 3.3 Development of bursary packages

As outlined on the OFFA website ([www.offa.org.uk](http://www.offa.org.uk)) all institutions who charge higher fees must give a minimum bursary to students entitled to the full level of government support (from the maintenance grant or special support grant). This minimum was £319 in 2009/10, and essentially makes up the difference between the maximum state grant and the tuition fee charged. In all but one case study, institutions offered more than the minimum set out for those charging full fees but the bursary packages offered varied widely. Bursaries ranged from as little as £25 for those with families with higher incomes to as much as £2,775 for those in families with the lowest incomes. Across the case studies, the average minimum bursary was just under £500 and the maximum was just over £1,000, and most institutions felt their bursaries were generous.

#### Movement towards simplification of bursaries

*'We wanted to make sure that if a person applied to [the University] and if they were accepted they would make the decision to come without financial considerations coming into it, so we set the bursaries in such a way that they would feel they could come.'*

(Pre-1992 University)

In developing the bursaries institutions wanted to be fair and in some cases innovative. A couple of institutions increase the level of bursary for individuals across their study period (year on year) in recognition of greater need as students progress further into courses and as an aid to retention (see Chapter 5). One research-focused university introduced a bursary given as credits for university accommodation to enable local students to live in the halls of residence and benefit from the whole university experience. Another also explored alternatives to cash bursaries:

*'In our first OFFA agreement we tried to look at innovative support. We looked at giving people the option of money or some other support such as bus passes or a laptop ... but we couldn't find a way of delivering this and we realised that students just wanted cash.'*

(Pre-1992 University)

However, all wanted a package that was easy to understand and simple to administer.

*'We wanted a simple clear offer that was available in advance so students would know exactly what they would get.'*

(Post-1992 University)

Over time there appears to have been constant tinkering with the bursary packages that institutions offer but instead of developing a standardised approach to bursaries (as with fees) there remains wide variation. There does however seem to be a trend towards a simplification of bursary packages – fewer bands and fewer types of bursaries – to improve understanding of what is on offer amongst potential students and those advising them, to increase take-up (after some initial underspend), to make it easier to predict demand, and for ease of administration. However, as one institution acknowledged, these changes could cause further confusion and additional admin work for HE staff.

*‘Originally the bursary was based on four residual income bands which were informed by things like eligibility for EMA etc. It was meant to encourage widening participation but the bands also went up quite high, around £50,000 because we wanted to attract as many people as possible without tailoring it too much and so we could control any over-spend. It was a case of just trying something out to see how it worked and then deciding how it could be improved – “suck it and see”. We felt it could be simplified and so went for a two band option.’*

(Pre-1992 University)

Some types of bursaries, often those attempting to be innovative and those focused on supporting local students, were dropped (or will be dropped) by institutions as they were found to have no impact on demand and were difficult to administer (see Chapter 5). Others were changed as they did not meet OFFA criteria. Indeed one institution described how they had offered the minimum bursary with a range of additional bursaries and scholarships targeted at different groups in line with their widening participation strategy but had to drop these as they didn’t meet the OFFA criteria of being directly linked to income.

In several institutions across the sector, the bursary package has become more generous over time with an increased level of bursary particularly for students from families with lower incomes. Most institutions also reported raising the eligibility threshold of family income in line with changes to the maintenance grant and increasing the numbers of students supported. However, in several other institutions the package has been reduced, particularly when it was realised that it had only limited power as a recruitment device (see Chapter 5).

### **Take-up lower than expected**

Most institutions reported an initial underspend on bursaries as take up had been lower than expected, which they attributed to the complexity of the arrangements, a lack of awareness amongst students, difficulties gaining permission to assess income, and, in one case, the name of the award (which was felt to be confusing and sending out the wrong message).

*‘It got to the point where we were asking students “Do you want money?”. It almost got to the stage where we were going to ask the head of Student Welfare to wander around with a sandwich board handing out cash.’*

(Post-1992 University)

The situation has improved with increased take up rates and penetration, and several institutions described how they work hard to raise awareness and ensure that all those eligible take up their entitlement.

*'Take up of bursaries was lower than expected initially but the team has got slicker at administering the bursaries, we work hard to make sure that everyone is paid.'*

(Pre-1992 University)

### **3.4 Administering NSSA**

The arrangements appear to have generally settled and bedded down over time with little need for continued senior level involvement, indicated in some case by a change in responsibility for their oversight from central strategic departments to more operational departments often in line with wider university restructuring (eg from Strategic Planning to Registry).

*'We have just got on and done the job, very much embedded into our day to day work now.'*

(Pre-1992 University)

In some cases, institutions have increased their involvement with the Student Loans Company (SLC) – moving from administering their own bursary schemes at first to using the SLC to do so. Some still use the SLC for family income information only in order to assess eligibility for bursaries, and a few reported having limited confidence in the SLC which has been exacerbated by the recent problems with assessments and payments. One institution noted how administering their bursaries in-house gave them greater control of when and how bursaries were paid.

#### **Increased workload for staff**

Many institutions reported that the arrangements have led to more work and increased demand on resources (staff and IT systems), and that this has only tended to increase over time as different cohorts of students within the system are covered by a variety of different fee and bursary arrangements introduced at different times. Existing staff have been given additional duties and in many cases institutions have recruited extra staff (though many argue not enough) to cope with administering the arrangements, and also to cope with the increased demands for information, advice and guidance about financial issues from prospective students and their parents and from existing students (see Chapter 6).

*'In 2004/5 our student financial support unit dealt with 3,486 complex queries related to student finances, in 05/06 there were 2,793 queries, in 06/07 it jumped to 5,075 queries, in 07/08 there were 6,421 queries, in 08/09 there were 10,419 queries and in 09/10 to date [December 2009] there have been 4,362 queries. These queries also relate to student loans but give an indication of the increased demands on the unit.'*

(Pre-1992 University)

Many institutions mentioned that with the phasing out of LEA administration of student finance, people are confused about where they can get information and advice, prompting prospective students and in particular their parents to contact universities directly.

*'There is a public perception that universities are responsible for finance, for the student finance package. Previously students had a relationship with their LEA and not the university but now with the SLC students are not able to communicate with SLC so universities are drawn in, we become the contact point.'*

(Post-1992 University)

*'Under the previous system we could wander over the road to the LEA building with the student and start helping them sort out their problems much quicker.'*

(Post-1992 University)

Several mentioned that this increased demand is part of a more general trend for students (or potential students) wanting more support, many argued that this is associated with the wider intake to universities, rising expectations and changes in lifestyle (see Chapter 6). Institutions also noted that not only has the demand for guidance increased, the complexity involved has meant that more time is needed with each student (often dealing with issues face-to-face).

*'Students need more support now, help in relation to loans, bursaries etc., but also wider support e.g. with mental health issues. They are generally more needy which is part of raised expectations. So we have increased the number of staff in student services to meet this increased demand from students and the increasing complexity of their concerns.'*

(Post-1992 University)

*'We have seen a 30 per cent increase in students using counselling services due to lifestyle changes not NSSA. They do more part-time work and so have financial and academic pressures. Their problems now are more complex and in-depth, requiring more time. NSSA does however require students to be more financially literate, they have to know how to budget etc.'*

(Pre-1992 University)

There have also been increased demands for information within universities, in order to monitor performance against targets outlined in Access Agreements, and to liaise with other agencies such as the SLC (to exchange data to in order to make assessments about fees and bursaries) – which was also not without criticism.

More recent influences on workload described by institutions include an increased demand on their services to reassess eligibility for support during the year as students' family situations change in the recession, and to help students deal with financial difficulties caused by late loan payments from the SLC.

## Re-organisation of student services to provide central experts

Several case studies reported centralising their student support services into a 'one-stop-shop' which appears to be a general trend not necessarily driven by NSSA but rather related to efforts to improve the student experience (improving overall advice and support) and reduce overheads. The staff responsible for giving financial advice to students and for providing information to potential students have often migrated to these central departments, creating a core of experts, with up to date knowledge of the complex and changing arrangements. However one financial advisor in a post-1992 university felt that even as experts they needed additional support, 'a second tier of expertise/guidance on the legislation' which she felt was not being provided by the SLC/Student Finance England.

In many cases it was no longer considered appropriate for wider HE staff, particularly tutors, to provide advice and guidance on finances. It was felt that tutors could not keep abreast of the changes, they may provide wrong information and students could get conflicting guidance from different members of staff across the university. Instead students are referred to the central experts in student services.

*'In the main tutors gave up trying to keep abreast of changes to student finance a long time ago. The Student Finance team try to make tutors aware of when to refer students on to them ... it is not a good idea for them [tutors] to give advice if they don't know as bad advice is worse than no advice.'*

(Post-1992 University)

*'We avoid talking about finances because it is too dangerous, it is too complicated and we can't keep up to date.'*

(Department head, Post-1992 University)

These central experts are often involved in outreach work, providing information about the general arrangements rather than the specific package that the university offers, and are becoming increasingly involved in work with school pupils to improve financial literacy (see Chapter 6).

*'We have a team who go out and help students with their budgets, help students maximise what they can do with their money.'*

(Post-1992 University)

## Some monitoring but still difficult to isolate impact of NSSA

OFFA requires that the HEIs offering bursaries monitor the costs of these to the institution and their take up. Institutions also appeared to be closely monitoring demand, student profile and the student experience. This is undertaken centrally and in many cases at department level, and makes use of benchmarks and statistics. This monitoring activity was not considered to be linked to the introduction of NSSA.

*'The monitoring is not new but it has become more important and it is done much more regularly and thoroughly.'*

(Post-1992 University)

In addition, some institutions conduct regular surveys to examine issues relating to NSSA: one post-1992 university undertakes an annual survey of student finance (looking at finances, expenses and attitudes to debt), and a couple of other universities (pre- and post-1992) undertake an annual survey of bursary recipients. This general and more specific monitoring activity helps institutions to make judgements about the impact of the arrangements. However even in these institutions, it is very difficult to disentangle the impact of NSSA from other factors, particularly the impact of the recession, and of institutional policies such as raising entry requirements. These wider factors were felt to mask the true impact of NSSA. There was a recognition that more monitoring was needed, especially if the fee cap is to be removed, to inform university strategies. There was also a concern expressed by several institutions that the impact of NSSA (particularly in terms of demand for HE) on hard to reach groups such as those in low participation areas and on the lowest incomes was very difficult to assess, as research with these groups is almost impossible.

### 3.5 Summary

- The introduction of NSSA appears to have had little impact on institutions' strategy or direction.
- Almost all HE institutions set their fee levels at the maximum to secure their market position, and those initially setting lower fees have now moved to the maximum as lower fees appear to signal lower quality.
- Generally undergraduate courses are charged at the same (maximum) fee, with some reduction for placement years, introductory (year 0) courses and Foundation Degrees. However, there is very little differentiation in fees and this differentiation is disappearing over time.
- Institutions appear confused about whether they can or should charge for additional course costs.
- Over time institutions have attempted to simplify their bursary offers to make them easier to understand but there remains a wide variety in bursary packages across the sector.
- Arrangements have settled and bedded down over time and there appears to be less involvement of senior management.
- Institutions report differing levels of engagement with the SLC in the operation of their bursary systems. Some have moved to using SLC to administer their bursaries but others lack confidence in this organisation.
- NSSA appears to have increased the workload of staff in support functions as the demand for support from students has increased (in number and complexity), as has the need to provide information to potential students, and the requirement to collect and monitor data on students (internal statistics).

- Institutions are developing a core of experts on NSSA who can advise students and support outreach work. Tutors are encouraged to refer students to these internal experts to reduce the danger of giving inconsistent or out of date information and advice.
- Institutions undertake regular monitoring but this tends not to be specifically related to NSSA.
- There are concerns that the true impact of NSSA on demand may be masked by the impact of other contextual changes.



## 4 Income and Financial Health

This chapter focuses on the additional income achieved from the higher fee levels, how this has been incorporated into institutions' financial systems, how it has been used and the impact it has had on institutions' plans, actions and on their financial health.

### 4.1 Impact on the Financial Health of Institutions

#### Additional income welcomed but now levelling off

Institutions reported seeing an increase in income which was welcomed as a stable predictable source of income. Interviewees in post-1992 teaching-led universities, talked of the critical nature of this additional income that they would struggle without and how it has made a significant contribution to their overall income, enabling financial stability and continued investment.

*'Without the additional fee income our finances would be in a pretty poor state...without it we would have had to have done things differently. It has been a saving grace and has been beneficial over the last few years.'*

(Post-1992 University)

*'NSSA is critical, it enables financial stability which is paramount. If you took away student fees tomorrow it would be disastrous for the university...how could the university have gone on without the additional funding? It is hard to say what in particular the funding has enabled, but it has just enabled the university to keep going.'*

(Post-1992 University)

Those initially charging lower fees felt financially disadvantaged and less able to compete in the sector. Indeed an interviewee in one case study noted how they had underestimated what other universities would be able to deliver with the higher fees they were charging.

Many case studies raised concerns about the cuts in funding announced during 2009 (see Chapter 2), feeling that the additional fee income (now at a plateau) was even more important as institutions looked towards a period of 'belt-tightening' and falling cash reserves:

*'With the prospect of falling income from the government it is just a necessary means to plug the gap in the institution's finances.'*

(Post-1992 University)

*'We have had what has felt like extra money for the first few years but we know that cuts in funding are coming and there will be less money again.'*

(Post-1992 University)

The additional fee income, although welcomed, appeared to have had less of an impact on the financial health or expenditure plans of pre-1992, research-focused institutions. However it may have reduced their reliance on other sources of funding – income from international students and postgraduate study.

*'We need to spend £50 million a year on capital, £8 million of this has come from the additional fee income, £20 million comes from CIF and the rest we generate ourselves. If we didn't have the additional fee income we would still have spent the money, but we would have just had to find it from elsewhere. The additional fee income has meant we haven't had to make cuts elsewhere .... Changes to the QA system, the growth of training, HEFCE one-off funding have all had an impact but they are all short-termish. With fees we are able to plan more effectively for the future.'*

(Pre-1992 University)

*'There is additional income from fees, it just becomes part of the pot. And because we are not a profit making organisation to a certain extent we cut our cloth to the resources we have got. It becomes the norm and incorporated into the normal way of dealing with finances and although it has enabled the institution to do things we might not have been able to do it is hard to say to what extent. But certainly this institution is in a very strong financial position, and part of this is related to fees.'*

(Pre-1992 University)

However one pre-1992 institution felt that the additional fee income had been particularly important helping them to avoid financial crisis (along with research funding, an increase in international students and a cost saving exercise) and giving them 'breathing space' for restructuring and recruitment.

*'We have had a lot of increased costs to deal with. A lot of money was spent on pay increases and we've been generous about promotions. I would say that the main message is that variable fees allowed us to deal with pressure.'*

(Pre-1992 University)

### **Enabling additional leverage/funding sources**

An additional benefit of the guaranteed income stream through variable fees was seen as the ability to leverage additional financing or loans with more advantageous terms. This additional financing has tended to be spent on large scale building projects. This benefit was mentioned by a few case studies, pre- and post-1992 universities. However one institution recognised that their change in status from a University College to a University had had a greater impact on their access to financing than the stream of additional fee income.

*'As a predictable steady stream of income it does mean that the university can secure a greater amount of investment from creditors ... it has enabled us to restructure our existing*

*loan finance and get additional loan finance, therefore it has helped to underpin the institution's financial situation.'*

(Pre-1992 University)

Interestingly it was suggested in one case study that NSSA may have helped to improve alumni donations, as donors perceive there to be a greater need for support and help since their introduction.

## **4.2 Use of the additional fee income**

### **Supporting business as usual**

For many institutions the additional fee income was seen as a way for them to continue with the plans and activities they had already embarked upon, and to support their existing priorities. This corresponds with the finding reported earlier, that NSSA has had very little (if any) influence on institutions' strategies or their strategic direction. However there is a recognition that for several this has enabled them to do more.

*'The additional fee income has generally just been used to support the increasing costs in the University generally and support investment where required, we haven't gone "well we've got an extra £X so we'll build a library".'*

(Post-1992 University)

*'Although in theory there has been a significant increase in income it has not made a noticeable difference in practice, in terms of the day to day running of the university ... it has probably enhanced what we do, there has been no explicit link between the additional fee income and any particular thing or improvement.'*

(Post-1992 University)

*'The availability of fees has allowed breathing space for strategic initiatives to be realised.'*

(Pre-1992 University)

### **Paying for increasing staff (unit) costs**

There was consistent reporting across the case studies of increases in staff pay and pensions resulting from national pay negotiations, and many described using much of their additional fee income (from one-third to a half) to meet these increased costs. Few case study institutions reported increasing academic staff numbers or reducing staff/student ratios. Indeed one mentioned reducing staff numbers (but this was prior to the introduction of NSSA). However as noted earlier in Chapter 3 there were small increases in support staff numbers to administer the arrangements (particularly bursaries) and to deal with the increased demand for information, advice and guidance amongst existing and potential students and their families. There was some feeling that this additional spending on pay had helped to attract and retain good teaching staff, which would improve the student experience and benefit students.

*'The majority of additional fee income is swallowed up in pay settlements.'*

(Post-1992 University)

*'It is disappointing how much went on pay awards, students wouldn't be happy if they knew this ... but the spending on staffing has enabled us to attract better staff – which ultimately helps students.'*

(Post-1992 University)

However, a couple of institutions (pre- and post-1992 universities) were concerned about sustainability if staff costs were to increase much further.

*'People assumed that fees were going to be the answer to sustainability in the sector, but the problem is that pay keeps rising by 8 per cent. But the fees only rise by inflation so expenditure will overtake income. The increase in fees has just put off the inevitability of the sector not being sustainable.'*

(Pre-1992 University)

### **Attracting staff**

There were concerns raised in the baseline study that the investments arising from the additional fee income would allow English universities to attract researchers from Scotland, and that the competitive position of Scottish research-intensive universities could be weakened. Increase in Scottish university funding from the Scottish government has allowed Scottish universities to compete with English universities but some were worried about their future position:

*'The Scottish Funding Council attempted to leave us in a relatively competitive position but that is not going to be sustainable. So if fees continue to be charged in England, and this flushes through fully – and remember it takes three to four years to achieve that – then I think we will see movement ... especially if we cannot maintain our facilities and our research revenue streams.'*

### **Supporting widening participation**

All institutions described their bursary packages and how these had developed over time, and reported spending between one fifth and one third of their additional fee income on these bursaries and their widening participation, community engagement and outreach activities. Income for these purposes appeared to be taken out before any further distribution/allocation of the money, and was ring-fenced and administered centrally (after some attempts to encourage use at department/faculty level).

*'Initially £100,000 of additional fee income was set aside for WP activity. This was made available to departments and faculties specifically to use for outreach and WP activities. But it was not fully utilised and there was a certain amount of underspend so we decided*

*to allocate the money more centrally to use in WP projects .... Additional fee income made it easy and quicker to implement existing plans/activities.'*

(Post-1992 University)

Generally institutions used the money to support and refocus their existing activities (which are largely funded via other means) – allowing them to do more, target different or additional groups, extend their reach, and in one case set more demanding targets. Activities mentioned included work with potential HE students: establishing outreach centres in local neighbourhoods, working with FE colleges, student ambassadors/ mentors, compacts, summer and residential schools, access schemes, open days, university visits and taster days, attendance at HE fairs; and also work with existing students to support the transition to HE for vulnerable young people, mentoring and learner support. Two institutions mentioned that they had invested in new campuses that act as a focus for widening participation, encouraging non traditional entrants to higher education but these were established prior to NSSA. Many institutions (both teaching-led and research focused universities) reported working closely with local Aimhigher partnerships to reach school age pupils to raise awareness of study opportunities. A couple felt the additional money had enabled them to do more outreach work without the help of Aimhigher, which could be somewhat restrictive (in terms of the groups that universities could target/work with).

*'The additional fee income has enabled us to do more, do the things we have always wanted to do – additional compact activity, a new WP staff member, expansion of the undergraduate shadowing scheme, extend our reach into primary schools and more rural areas, and target specific groups .... we can do what we were doing but on a larger scale.'*

(Post-1992 University)

A few institutions had used the additional fee income to set up new initiatives and to recruit additional new staff in central functions (rather than academic departments) to support widening participation and outreach activity.

*'The fees also helped beef up student services, it allowed us to be more proactive rather than a sticking plaster, we can work now with departments in course development to ensure that student welfare is considered eg timing of deadlines. The income has enabled blue-sky thinking to become a reality.'*

(Post-1992 University)

However there were notes of caution raised about the ability of institutions to continue with their work in these areas with likely budget cuts affecting student services (see Chapter 2).

## Improving the student experience

Many institutions used the additional fee income to improve the student experience in some way and described a wide range of spending – linked to existing plans or in an effort to meet students' increasing expectations:

*'We tried to examine what students value the most.'*  
(Post-1992 University)

Some (generally pre-1992 universities) were using the income to support existing plans to invest in facilities such as improving university campuses and their buildings (e.g. refurbishing the library, refurbishing the student union), purchasing more equipment, and upgrading the IT infrastructure.

*'It is important to spend on infrastructure. The quality of the campus and IT infrastructure has a bearing on the attractiveness of the university in recruiting students .... the minimum students expect has risen, they expect en-suite accommodation and broadband. We have also been spending on infrastructure to help improve the quality of teaching.'*  
(Pre-1992 University)

Some described investing in additional support staff (as noted earlier in areas providing advice and guidance to those with financial difficulties but also careers advice staff), recruiting additional academic staff (and staffing new programmes earlier than anticipated), working to improve teaching more generally, and initiatives to provide support to existing students. One institution described a programme to help students with their numeracy, and in another, a Head of School described using additional fee income to provide more tutorials. Generally, where additional support was provided this was done across the board due to difficulties in, and unwillingness to, identify and target groups felt to be in particular need. Other uses were to improve marketing and to make some courses more attractive for example by adding overseas elements (supported through international travel bursaries).

Generally the work that institutions were doing to improve the student experience was heavily promoted to potential students and their parents as a benefit (to offset the costs message), and was felt to act as a recruitment device (see Chapter 6). The work was also promoted to existing/current students to show how their fees were being used to benefit them, and to show that the university listens to their concerns (expressed through the National Student Survey, NSS). Most institutions recognised the importance of the NSS which can be used by students as a source of power/leverage over universities (see Chapter 2).

### 4.3 Allocating the additional income

The additional income appears to be added to other income streams and then allocated using the existing model – no case studies reported changing their resource allocation model with the introduction of NSSA. Where any changes had been made over time this had been driven by

other factors such as internal restructuring. In most cases, institutions described taking out the money required to support their bursary programme before adding the additional fee income to the 'pot'. No institutions reported having any difficulties estimating their gross additional fee income (which tended to be accurate) although they did have some difficulties at first estimating bursary expenditure (and so their net additional fee income). This was due to difficulties in getting the information to estimate the proportion of their intake eligible for a bursary and due to lower take up than expected (see Chapter 3). These issues have largely been resolved and institutions now feel confident in their projections. As bursary money is taken out, it is effectively ring-fenced, and where there was any underspend institutions reported carrying it over to the following year for bursary payments or using it to support widening participation or outreach. There was no evidence of any further ring-fencing of additional fee income, and it appeared impossible to track once it was absorbed into the allocation model.

*'All income goes to the school or department that earns it – additional fee income, fee back from HEFCE, or research income – except for £450 per fee paying student which goes into a bursary pot. Then schools are charged a 'professional services' charge based on staff and student numbers. They are also charged for the space that they occupy and they make a contribution to the Strategic Development Fund.'*

(Pre-1992 University)

In the models described, income (including additional fee income) goes to the area that generated it, and so follows the student. It was, therefore, thought that faculties, schools and departments would see an increase in their budgets, but there appeared to be no steer or guidance about how they could or should use the extra money.

*'They are free to spend more or less as they wish as part of their overall budgets. There are no requirements placed on them as to how they spend their money, although they do have to make sure that they are delivering in relation to certain targets.'*

(Pre-1992 University)

In several case studies, interviewees at faculty, school or academic department level tended not to report any increase in income since the introduction of variable fees. They felt this was to do with the degree of 'top slicing', or 'claw-back' to pay for central or professional services including student support and promotional activities (which have increased since the introduction of NSSA). Some interviewees felt strongly that whilst they saw no additional money to spend on their students, central departments to administer and monitor the new arrangements were growing.

*'Not a penny has gone to schools, they have just created new departments to create new policies.'*

(Post-1992 University)

However additional fee income may not be noticed as this element is not made explicit in

departmental budgets. There was no evidence of ring-fencing of additional fee income at school/faculty level, and as one interviewee noted

*'It [additional fee income] is not broken down because it is not expected that they will spend it differently.'*

(Post-1992 University)

#### 4.4 Summary

- The additional fee income was regarded by post-1992, teaching-led institutions as critical, contributing significantly to their income, enabling financial stability and giving them the confidence to continue with investment plans. It was also welcomed by pre-1992, research-led institutions but appeared to have less of an impact.
- The additional fee income allowed institutions to continue with their existing plans, and support their spending priorities. An additional benefit of the income was the ability to leverage additional financing or to negotiate better finance terms.
- A key use of the additional fee income was to meet rising staff unit costs (pay and pensions) but this was seen to indirectly benefit students as it enables institutions to recruit and retain the best teaching staff. Concerns were raised about sustainability if staff costs were to rise much further.
- Institutions reported spending between one-fifth and one-third of their additional fee income on bursaries and on supporting their widening participation and outreach work. This money was taken out, ring-fenced, before any further allocation of the fee income was undertaken.
- The additional fee income was used to support a wide range of existing widening participation and outreach activities but enabled institutions to do more, to re-focus their activities sometimes targeting different groups and to extend their reach (often working alongside Aimhigher). Concerns were raised about the ability to continue work in these areas with likely budget cuts.
- Institutions reported an increasing focus on the student experience which is in part due to NSSA but linked more strongly to the National Student Survey (NSS). Part of the additional fee income was used to support work to improve the student experience – investment in facilities and infrastructure, in teaching and in welfare/pastoral support.
- Improvements in the student experience are marketed to potential students to counteract the negative message about costs of HE study, and are marketed to existing students to show where their fee money is being spent.
- Most of the additional fee income (after the proportion required for bursaries and widening participation has been removed) goes into a central pot for allocation and this makes it almost impossible to track.
- There is some strong feeling that faculties, academic departments and schools of study are not seeing the benefit of the additional fee income due to increased central bureaucracy and charges of central services.



## 5 Student Choices and Demand

This chapter examines perspectives on the market for fees and bursaries and the impact this had on student choices about higher education – whether to go, where to go and what to study – and the corresponding effect this has had on the student profile and the development of courses and the delivery of teaching and learning.

### 5.1 Variable fees have had little impact on overall HE demand

The case studies provided little evidence that fees have had an adverse impact on demand for HE study in general, demand across courses or demand between different HEIs.

#### Demand for HE has remained strong

In terms of demand to participate in HE in general, it was felt that there had been a general (albeit grudging) acceptance of variable fees by students for undergraduate study. In terms of the numbers going into HE, some case study institutions reported a slight decrease in admissions in the first year that variable fees were introduced (reflecting a lower level of deferment in the previous year). Since the first year, they reported a year-on-year rise in student numbers.

At the time of the introduction of variable fees in England some Scottish HEIs were concerned that this could lead to a large-scale migration of English domicile students to Scottish universities. Although this does not appear to have been the case, Scottish universities have experienced some increases in English applications. Applications also continue to rise in Scotland, from both Scottish domiciled students (who don't pay fees) and also English domiciled students, with senior officers in Scottish universities noting:

*'This year we've had a five percent increase in applicants from Scotland but a 14 percent increase in the number of applicants from England ... so we've been better at raising applicants from England but we've been working hard at it.'*

(Senior Officer, Scottish University)

*'I can tell you that the number of English domiciled applications for this institution has risen year on year since I can remember.'*

(Senior Officer, Scottish University)

The acceptance of variable fees reflects three factors: a general lack of interest and financial awareness among potential students of the costs of going to HE, which may be perceived as too complex for consideration in HE decision making (see Chapter 6); a recognition that university choice is about more than fees (or bursaries), it is about the whole university experience; and a view, which was thought to be held mainly among those from middle-class backgrounds, that

going into HE was a 'rights of passage' that would be undertaken irrespective of variable fees.

*'We worried that fees would reduce demand, especially locally but this has not happened as numbers have increased ... fees have not put them off despite the negative media. I think it's because students are not that interested in finance ... there aren't many queries about finance at open days ... choices are more about the campus and university rankings.'*  
(Post-1992 University)

*'Price is one of the 7 Ps of the marketing mix but in our experience it has had a weak impact. We don't know whether this is because price is unimportant – there could be an element of this – or whether it is because price is too complex – and students are just saying that they can't get their heads around it.'*  
(Pre-1992 University)

*'Finance is way down the list of things that 17 year olds are considering when looking at university. Seems to be an attitude of "other people go to university and cope so I am sure that I will" ... prospective students now seem more interested in contact hours and employability.'*  
(Pre-1992 University)

### **Wider factors explain recruitment success**

It was suggested that the continued strength in demand for HE needs to be understood within the wider context of a series of internal and external influences (see Chapter 2). In terms of internal influences, several universities had changed their status since the introduction of the arrangements and suggested that this was a significant contributor to their success in student recruitment.

*'Student numbers have increased as fees have increased, the university is now the biggest it has ever been ... I feel this may be due to change to university status and accompanying work to increase our profile through raising awareness and advertising.'*  
(Post-1992 University)

Among a couple of universities that have been established for longer, a strong reputation and good performance in the league tables and National Student Survey were factors that they attributed to their continued recruitment success.

The primary external factor that was attributed to the maintenance of high student participation and retention, despite current fee levels, was the recession.

*'... the increase [in fees] has not affected demand at all. Instead recruitment and demand is strong and increasing, when we used to have difficulties in recruitment ... but I expect this could be due to change in status, increase in tariff points, and the recession rather*

*than NSSA. Retention levels have improved ... this may be due to increased personal investment, making better choices about HE, and limited alternatives due to recession.'*  
(Post-1992 University)

However, the recession has had varying effects across the different student cohorts. Although all institutions believed that the recession has increased overall student demand for HE, there was some indication that institutions were experiencing a fall in numbers among groups such as mature students on part-time vocational courses sponsored by their employers.

### **No clear changes in student profile**

There was a general perception that the student profile had not changed with or since the introduction of the new arrangements. Applications and student numbers had generally increased for all institutions, which may in part reflect the recession and government policy to promote HE (see Chapter 2). Many institutions were therefore concerned that the impact of NSSA might not be clearly apparent as economic factors have hidden the effects of fees on demand.

Also the proportion of students drawn from widening participation groups appeared to have remained stable – neither increasing nor decreasing since the introduction of NSSA. A few universities cited factors that they felt could adversely affect their future student profiles, such as increases in the grade criteria or greater levels of national recruitment, but there was little to suggest that NSSA had had any adverse effects.

*'There are occasional fluctuations with WP groups but generally it is an upward trajectory .... We're making slow progress recruiting non traditional students, but no massive shift either way.'*  
(Pre-1992 University)

*'We've seen no change in the profile ... our intake of students from lower socio-economic backgrounds remains steady .... Quality may have improved though with moves to raise entry requirements ... this has had more of an impact [than NSSA] on student profile.'*  
(Pre-1992 University)

However, a few institutions noted a decline in mature student numbers which they felt could be influenced by the recession and the ELQ policy which effectively raised fees even further for this group.

*'Up to the recession we saw fewer mature students ... except those studying – vocational courses ... fees killed off the "Educating Ritas" of this world, those doing arts ... support for mature students is difficult ... usually they have more complex issues.'*  
(Pre-1992 University)

*'There is no real change in student profile but the number of mature students may have fallen ... which could be due to ELQ ... its effects could be hidden by increases in mature students taking up health subjects [where there is NHS funding], and in those doing CPD modules.'*

(Post-1992 University)

### **Some concerns over the future of postgraduate study**

Although the fee regime has not produced the anticipated affects on undergraduate demand, a couple of institutions stressed a concern for future engagement in postgraduate study. It was suggested that the participation of English domiciled students on Masters programmes is likely to be maintained in the short-term due to recessionary pressures and the lack of labour market alternatives. However, in the longer term, fears were raised regarding the extent to which students with higher debt levels would be prepared to participate in further study.

### **No evidence of market differentiation**

Theoretically, the variable fee regime could have affected student demand between institutions through two mechanisms: a market of differentiated fees could have allowed HEIs to compete on price, and higher fees could encourage students to live closer to home.

### **HE has proved price insensitive at current fee rates**

On the first point, there was almost no variation in fee setting among HE institutions<sup>9</sup> and, consequently, no market was ever formed based on differentiated pricing. In consequence, potential students need to focus on signals other than fee levels to assess quality.

*'There is no market for fees because there is no variation .... Students may therefore assume same fees equal same package. Applicants look at entry requirements to gauge quality.'*

(Post-1992 University)

Although many institutions suggested that prior to NSSA, they had engaged in considerable discussion about their optimal fee setting strategy (indeed several institutions had also conducted primary research to facilitate this), when the final fee setting decision had to be made, most case study institutions decided to set these fees at the maximum rate (see Chapter 3). One of the key concerns raised by institutions reflects the 'negative' branding or quality perceptions that setting a lower than 'market rate' fee would project upon their potential markets.

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<sup>9</sup> Information extracted by the Association of Colleges (AoC) from OFFA Access Agreements in June 2009 shows that only 16 per cent of FE colleges charged the maximum fee (see College Higher Education Finance, Funding and Fees – Work in Progress, AoC Report, June 2009).

Even among institutions that had a strong widening participation mission, there was a feeling that lower fees would be associated with a poorer quality institution or degree. These fears may not have been without foundation. Among those who had offered reduced fees at the outset, some of the concerns surrounding market signal still prevailed.

There were a few doubts raised about the extent of price sensitivity, or 'elasticity of demand', for HE within the current fee range. One interviewee noted that the range across which institutions could set their fees might not have been sufficiently broad to encourage competition, and that in de-regulated HE markets (in international and postgraduate study) there is a greater sense of fee clustering.

*'... there may be elasticities at various price points but the current range (ie between £2,000 and £3,000) isn't enough. A lot of fees are de-regulated ... for example, foreign students ... in which we find there are elasticities but they are in blocks. You get clustering of international fees but it is much more differentiated ... there's a range between £6,000 and £13,000, while MBAs can market at between £4,000 and £25,000.'*

(Pre-1992 University)

Although no market in England was formed, senior officers in Scottish universities noted that the difference in fee policy between England and Scotland (see Chapter 1) could deter Scottish domiciled students from crossing the border to study in England

*'It is quite an expensive option for a Scottish student to go to England as Scottish domiciled students are charged fees for attending an English university.'*

(senior officer, Scottish University)

### **Mixed views on changes in local recruitment**

On the second point, the evidence that increasing fee levels have encouraged students to study closer to home has proved mixed. This is largely due to the fact that a range of factors affect the geographic catchment area of a HEI and these factors were often cited as more significant than variable fees.

Indeed, in a few cases, institutions reported that they were recruiting more students from outside their region but this was attributed to improved reputation or quality of accommodation provisions rather than the influences of NSSA. More commonly, post-1992 universities suggested that they were always local recruiters, but that there might have been more localised recruitment or a higher proportion of students living at home, and that NSSA might be a factor.

Few respondents had any statistical evidence and so the range of opinions varied between institutions as well as within them. For example, in one post-1992 University, it was suggested that fees may be encouraging students to study more locally and that the university had become more regionally focused in their marketing (although they did not believe that this focus on regional marketing was a consequence of NSSA). In another post-1992 university, an

interviewee suggested that there had been a move towards more local study, with students living at home, but that this was driven by NSSA. They did not believe, however, that there had been a change in their student profile, as they have always been a local recruiter. Within the same university other respondents felt that the percentage of local students had increased and that this increase had been hastened by NSSA.

The pre-1992 universities were more likely to stress the national profile of their student body. Some pre-1992 universities suggested that the proportion of regional over national students had remained static, and that, overall, students still wish to have the ‘whole university experience, which includes living independently’.

### **Little evidence of fee impact on competition between HEIs**

Overall, most case study institutions believed that there had not been any significant change in competition that could be ascribed to the new arrangements, and to fees in particular. Some institutions were now competing in new markets, e.g. seeking students with higher A-level points or recruiting a higher proportion of national rather than local students, but these activities were part of a wider strategic repositioning, and sometimes a response to anticipated future changes in the fee regime, rather than a consequence of the current fee policies (see Chapter 3).

One post-1992 university, however, did suggest that the pressure placed on the traditional university sector to engage more students from widening participation backgrounds meant that there was increased competition for what was traditionally seen as their area of recruitment. Another post-1992 university also noted that there was increased competition through newly established universities in the region, but this also had not been attributed to the change in fee arrangements.

## **5.2 Little impact of bursaries on HE choice**

In contrast to the fee arrangements, different institutions had set different bursary policies (see Chapter 3). This did not, however, mean that there was an effective market for bursaries. Overall, there was very little evidence that bursaries made very much of a difference to efforts to widen participation, or to student choices concerning whether to go into HE and their selection of institution. Indeed, the market for bursaries to attract/recruit students appeared non-existent. Instead bursaries were being refocused on retention (welfare).

### **Little evidence of bursaries as a marketing tool**

Institutions felt that the complexities of the arrangements, the lack of awareness and limited knowledge or understanding of bursaries among students and potential students might explain the general failure of bursaries to serve as recruitment tools (see Chapter 6).

*‘There is a variation in the bursary and scholarship offer between institutions but it is so complex that it is likely to be disregarded by students.’*

(Pre-1992 University)

*'There is possibly no market amongst students as they find it difficult to compare bursaries across institutions because it's too complex.'*

(Post-1992 University)

There were at least three ways in which the case study institutions had attempted to use bursaries to widen their appeal, these were to: offer bursaries that were above the market rate; to offer scholarships based on A-level performance or programme participation; and to offer bursaries based on some qualifying criteria such as region of domicile. There was little evidence however that any of these approaches have had notable marketing success.

On the subject of higher bursaries, one university commented:

*'The university set a very generous bursary offer .... but we found it was not valued as expected ... Students were not aware of what's on offer, they don't research it ... the market is price and support insensitive. We're now reducing the bursary year-on-year and this is not adversely affecting demand ... we found other universities were less generous and not affected.'*

(Post-1992 University)

In terms of the policy of offering scholarships for specific programmes or grades, one institution noted that:

*'Overall, we can't detect patterns of enrolment by programmes ... even though some of the scholarships are linked to programmes ....'*

(Post-1992 University)

The unintended effects of offering regional specific bursaries was summarised as follows:

*'We'd introduced a local bursary scheme as we thought that the fees would encourage students to look to save money by staying at home to study ... this turned out to be a negative marketing tool, as those just outside the catchment were put off.'*

(Post-1992 University)

The 'failure' of bursaries to influence success was accepted and welcomed by several interviewees, who generally believed that university and subject choice should be driven by interest, student needs and whether the university or subject was 'right' for the student rather than by short-term financial incentives.

### **Potential benefits of bursaries in supporting retention**

A few institutions had cited how they saw bursaries as one of the levers that they could apply to support and encourage student retention, or at least reduce student need to engage in paid

employment (see Chapter 6). The role of bursaries in supporting retention was seen as far greater than its role in supporting recruitment.

*'Originally we saw it as a marketing tool to attract WP groups but it was found to have no effect on choices .... We did research with bursary recipients and we found they would have come anyway ... it had no impact on their decision ... they often got the full grant ... so the bursary was just an additional bonus, not really a necessity. ... it helps them get by ... to stay on course. It works better as a retention device.'*

(Pre-1992 University)

The case studies indicated there are three mechanisms by which this strategy could be enacted.

- The first is that universities could regulate student financial flows by making payments later in the academic year, at a time student loans are more likely to be depleted.
- The second approach, which may be supplementary to the first, is for universities to offer bursaries at higher rates during the later years (staged across the study period) hence offering the greatest reduction in the need for students to undertake paid employment during their final year.
- The third mechanism is monitoring. Universities could make bursary payments conditional on lecture/ tutorial attendance or the completion of assignments.

### **Calls for a national bursary system**

A point that had been made in a few of the case study institutions was that the current bursary arrangements might lack equity. This is because HEIs that have a lower proportion of people from low income households could offer a higher proportion of their bursary funds to that cohort. HEIs that have a higher proportion of students from widening participation backgrounds may have to spread their bursary funds more thinly. A couple of institutions therefore suggested that a more equitable and simplified method of financing would be to have a national bursary fund.

## **5.3 No effects on level, mode and subject of study**

### **Little change in demand for part-time study**

As noted in the baseline study, it may be hypothesised that NSSA would lead to an increased demand for part-time study. Part-time study might be encouraged as it tends to be cheaper than full-time study (based on pro-rata costs) and enables the flexibility for students to undertake paid work and maintain an income whilst studying. However, an alternative view is that as part-time students are not eligible for bursaries this would discourage this mode of study.

Lower costs and the potential for students to raise additional income, would seem to provide a route to widening participation for institutions without damaging their brand or reputation. The route does not, however, appear to have been taken up. There was no evidence from the institutions that demand for part-time degrees had increased. This may be influenced by



reticence on the part of institutions to promote part-time study, due to the overheads involved, the ELQ policy affecting the traditional part-time student market, or the mind-set of traditional full-time students who do not see part-time study as a real alternative (see Chapter 2).

*'Part-time study is charged pro-rata, so linked to full-time fees, but is not eligible for bursary support. It is debated frequently as it is a cheap option for students to 'get a degree for around a third of the price' but there is no evidence that students either know this or are choosing this alternative.'*

(Post-1992 University)

In cases where there was growth in part-time courses this related to masters degrees and professional courses rather than undergraduate degrees, although a few institutions suggested that the market for professional courses had contracted due to the recession and a reluctance of employers to fund professional development.

### **No identifiable effects on course choice**

The case studies did not identify any concrete evidence that NSSA had led students to switch to vocational courses or to shorter courses. A few interviewees felt that the popularity of vocational courses, such as those allied to medicine, of vocational qualifications, such as Foundation Degrees, or of vocational elements/modules within courses had increased but there appeared to be a lack of any hard evidence.

Other respondents pointed to the continued strength of non-vocational Bachelor degree courses.

*'We thought there'd be a higher demand for Foundation Degrees – and in our planning we thought what might be more useful, a two year course? No that doesn't seem to have panned out – there is still a demand for three years honours degrees. It's as if that is the only one that people think is proper.'*

(Post-1992 University)

In very broad terms, some of the post-1992 universities indicated that there might have been a shift in interest towards vocational courses, particularly among young people, but caveated this by also stressing how they were vocationally focused institutions anyway. Pre-1992 universities often stressed how there was little sign of any shifts. This is not, however, to suggest that employability is not an issue for students or for HEIs.

Indeed, there was a general movement reported across institutions, and an attitudinal shift in students, to focus on graduate employability. The increased focus on graduate employability may reflect the needs of new graduates resulting from the rapid expansion of HE and changes in the needs of employers, rather than anything that was driven by NSSA.

*'We thought we might see an increase in the popularity of vocational courses but this has not materialised ... but may still happen, perhaps it's too early to tell ... students think*

*more, though, about what their degree will do for them ... there's been an attitude shift towards studying for better employment prospects, not academic curiosity, and there's also greater willingness to engage in extra curricular activities to bolster CVs.'*

(Pre-1992 University)

*'Courses are deliberately more vocational now... more links to professional bodies, aligned to professions, and links to Sector Skills Councils to try to address employability .... There's been a general move across the university to be more vocationally focused .... Since this [NSSA] has come in we have been given a licence to be more vocational, people in the university have become more open to it ... this could be down to the fees but also the government emphasis on employability. Employment has had more focus since top-up fees came in.'*

(Post-1992 University)

There was little evidence to suggest that fees had affected the demand for four year courses. While some institutions could cite a drop in demand for some four year provisions, they did not suggest that this was a consequence of NSSA; they were unable to attribute the decline to any particular cause. Others suggested that there had been no change.

*'We were concerned about 4 year degrees with a year abroad as there is no reduced fee for year abroad. We have the option for students to do a three year option if that's too costly but there's no evidence of switching.'*

(Pre-1992 University)

In fact, one institution reported that they had piloted a two year degree programme but it had a low take up rate due to their term system (rather than a semester system) which created a barrier to switching from the three year to the two year programme. The university also piloted a four year programme, which was much more successful and will continue.

### **Changes in provision driven by wider factors**

Institutions reported constant changes to provision in terms of development of new courses (diversification), dropping some (few) courses, allowing for more joint/combined courses (modular learning) and changes to timetabling and delivery. None of these changes were attributed to NSSA. Three notable changes were cited by respondents.

- First, there was an increased focus on Foundation Degrees. This was more likely to be mentioned by post-1992 universities, and was seen as a method of widening participation (see Chapter 3).

*'We're delivering more Foundation Degrees and foundation year programmes .... It's driven partly by Leitch and employer engagement agendas, not fees ... and by changes in popularity.'*

(Post-1992 University)

*Foundation Degrees in Health ... it's a good route to a degree for non-traditional students ... there's more focus on e-learning and work-based learning (due to student demand and focus on employability, and changes in technology) .... There's also been a change to the course content in English to respond to student demand.'*

(Post-1992 University)

- Second, respondents suggested that there was a greater use of technology to allow e-learning and virtual support, and greater emphasis on work-based learning and employability. This was cited by universities across the board and reflected several drivers, including: a policy push from government, the greater focus on league tables as a measure of quality, a desire to attract non-traditional students to HE, and a reflection of changes in student needs.
- Thirdly, there have been ongoing changes (updating) to course provision in line with changes in student demand which reflected changes in popular tastes and to a lesser extent funding availability (e.g. changes in funding for health courses) rather than the effects of NSSA.

*'There have been changes in demand for different courses but is that just an issue of fashion? For example our peak demand at the moment is for psychology and criminology; we're fighting them off with a stick on that one. We're still finding that areas such as early years are popular and business management is getting more popular. I think that none of this has anything to do with fees – the recession may have focused interest in business management.'*

(Post-1992 University)

The baseline study noted that there were some concerns that STEM subjects which were struggling to recruit, would have greater difficulty under NSSA. Although this research study only focused on a selection of courses within each case study institution, there was little overall evidence to suggest that this had happened. This is reflected in a selection of the quotes below.

*'There are changes in provision all the time ... in terms of creating new programmes there are approximately 12 per year, and we keep an eye on programmes that don't recruit well. There were some concerns that fees would have adverse effect, particularly on less popular courses like Chemistry but this has not happened ... applications are up here.'*

(Pre-1992 University)

*'... saw a drop in demand for STEM courses at first (after NSSA) but we've worked hard, and invested in this area, and applications are now back up.'*

(Post-1992 University)

*'We've seen a pick up of demand for science subjects – maths, chemistry and physics ... it's to do with where the jobs are.'*

(Pre-1992 University)

## 5.4 Summary

- There was no evidence to suggest that NSSA has had any impact on the overall demand for HE. Wider factors explain recruitment success, including the impact of the recession. The impact of NSSA was considered minimal.
- HE has proved price insensitive at current fee rates but there was an anticipation of greater price differentiation within a de-regulated market.
- Some institutions raised concerns over the future of postgraduate study, given the level of debt that current graduates now face.
- There was no evidence that variable fees have affected competition between institutions, as all HE institutions charge the same rate.
- There was little evidence to suggest that NSSA had led to a localisation of recruitment. The few instances in which it was felt that NSSA had led to greater localisation concerned post-1992 universities.
- There was no evidence to suggest that bursaries affected student choice. This was largely because bursaries were complex and poorly understood by potential students.
- Bursaries were seen by some respondents to support improvements in retention and they reduced the need for students to undertake too much paid work.
- Few institutions were able to cite any direct effects of NSSA on course provision. There was no evidence to suggest that demand for part-time study had changed, or that there were changes in the demands for longer or shorter courses that could be attributed to NSSA.
- Changes to subject choices reflect a wide range of factors and it is unclear whether NSSA has made any substantial contribution. There is a greater emphasis on employability, which may reflect a change in the student body (fewer students going into employment directly related to their degree) and changes in the labour market, e.g. the recession.

## 6 Student Needs and Expectations

This chapter looks at changing student needs, expectations and experiences under the new arrangements. In particular this chapter explores understanding of the arrangements and how institutions have worked to communicate finance messages.

### 6.1 Students as consumers/customers

#### Rising expectations and value for money

A common theme across the case studies related to the changes in student expectations. There was a strong belief that student and/or parental demands were increasing. Although some saw these developments as partly reflecting wider cultural changes, the new tuition fee arrangements were usually seen as a contributory factor. In some cases it was felt that if fees were not the cause of a wider consumerist culture then they certainly accelerated and magnified the trend. Interviewees cited how students would now equate aspects of the university service (e.g. lectures) with the fees they were paying. For example, one respondent noted that if a lecture was cancelled it would not be uncommon for students to articulate their dissatisfaction at the loss in monetary terms.

#### Rejection of the customer metaphor

The growing tendency to view students as consumers has produced a mixed response within HE. In most institutions the need to offer a service that was of high quality and catered to student needs was acknowledged, and there had been considerable effort to improve the student experience and to show the improvements made (see Chapter 4). However, the customer metaphor was not particularly favoured within the sector. A common view was that the 'students as consumers' approach was not congruent with idea of students being responsible for their own learning, and therefore the wrong philosophy for HE. Paying tuition fees was likened to paying for gym membership: 'you only get out of university what you put into it'. In some cases it was felt that there was an increasing focus on value for money, which was not necessarily seen in terms of contact hours but in getting good marks. In some institutions the increased consumerism within HE was coupled with students becoming more 'passive', 'less-engaged' and more demanding of 'spoon-feeding'.

*'Students are becoming more demanding of university, they expect something for their money ... want to see what they are paying for– expectation of more contact, quicker marking and access to academic staff .... they're more likely to complain ... they act like clients, but they are not clients, they have to participate .... They have unrealistic expectations.'*

(Post-1992 University)

## Role of external indicators in increasing the customer focus

Other factors felt to contribute to the increased consumer focus were the National Student Survey and International Student Barometer, and NSSA has to be seen within the context of these changes (see Chapter 2).

*'The culture of expectation has been exacerbated by the National Student Survey. ... the university now focuses on the student experience, we monitor teaching and improve resources –we have refurbished the library, we have new teaching buildings and improved our teaching provision .... There are now clearer expectations around what institutions are supposed to deliver and this is measured via NSS and the International Student Barometer. Students also appear to have greater awareness of their rights. Higher fees have clearly shifted focus towards the student experience. Students raised expectations include demand for more teaching hours.'*

(Pre-1992 University)

The increased consumer focus among students had encouraged some universities to respond by clarifying the 'contract' between students and institutions, either in their marketing or through course agreements.

*'We've had to firm up the 'brand promise' – what it is that the university stands for, what it is about and what makes us distinct. The messages are that we are: 'elite but not elitist' and 'populated by staff and students who care about research and teaching' – this is partly to counter the view of 'students as consumers' .There's a lot more focus on the student experience – profiles etc. – in 2004/5 the rhetoric was about high quality but it didn't go on to describe the student experience.'*

(Pre-1992 University)

Another institution cited how they had developed agreements between lecturers and students that specified the obligations on staff to mark coursework within a specific period of time and for students to submit coursework on time. This approach was not favoured by all institutions and interviewees and some questioned the effectiveness of such 'contracts'. Other approaches used by institutions that were not bilateral included being more specific to students about what services they would receive, for example, the number of contact hours they could expect.

## 6.2 Parents show a greater interest in HE choices

Parents appear to have a greater interest in finance and the financial aspects of studying at HE than students do, with increasing attendance of parents at open days, and enquiries from parents about fees and bursaries. Some felt this reflected the fact that parents were making larger financial contributions towards the costs of HE (although this is not supported by the

evidence from the Student Income and Expenditure Survey<sup>10</sup>) and the parental desire to ensure that the student receives value for money.

*'We are seeing increases in enquiries from parents, and parents attending open days. But students are less concerned about debt.'*

(Post-1992 University)

*'More parents are asking questions, especially about quality.'*

(Post-1992 University)

The increased parental interest has encouraged a number of universities to market financial information or other material directly at parents, e.g. during open days.

*'There's greater involvement in parents at open days ... we now run programmes for parents at open days and specifically market towards parents.'*

(Pre-1992 University)

### **6.3 Confusion about the new arrangements**

Despite increasing expectations and a focus on value for money, there is widespread confusion about the costs of HE (study and living costs) and the support that is available from government or from individual institutions.

#### **Lack of financial awareness**

There was a lack of financial awareness among potential students, parents, HE students and HE staff, regarding university costs and support arrangements. This may have contributed to the reasons why bursaries and (lower) fees had not created a strong market (see Chapter 5). It was suggested that potential students did not generally see the connection between variable fees and bursary support, had inaccurate views of fees and bursaries, and did not look for the information they might need in order to improve their financial knowledge. There were some concerns that those who most needed financial support were the least likely to have the relevant financial information.

*'Prospective students are misinformed about fee levels and costs, don't understand about repayment .... This is due to media coverage .... Lots of information available but prospective students don't look for it or use it. We've found people are often confused about bursaries because they're too complicated .... Prospective students are not*

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<sup>10</sup> This shows that income from family (and particularly from parents) for full-time students has fallen over the last three years. Contributions from parents declined in real terms by one fifth and the proportion of students receiving financial support from their parents fell from 76 to 68 per cent. Students affected by the new arrangements appeared to rely less heavily on their family as a source of income than those studying under the old system of funding. (Johnson et al., DIUS, 2009).

*concerned about fees or borrowing but have no idea about finances ... those most in need of bursaries are least likely to know about them.'*

(Post-1992 University)

The lack of financial awareness also created some problems for existing students, particularly those who did not realise that they had to apply for fee loans.

*'A worry is that there is a lack of understanding that students do not pay up front but have to apply for a loan ... students don't understand and so don't apply for a loan and then get invoiced for their fee, it's a recurring problem.'*

(Post-1992 University)

Problems with financial awareness were also cited as issues affecting professionals who are meant to be advising potential students, such as teachers and those working in school careers services.

*'There is a huge diversity of packages on offer and this causes confusion – particularly amongst those in schools advising students ... like teachers and careers advisors ... some are completely oblivious to existing arrangements for fees, grant support, bursaries generally, so they had no sense of the differences between what was done previously and the changes that were brought in 2006.'*

(Post-1992 University)

### **Increasing focus on communicating the financial message**

To address some of these informational deficits, institutions focused their attention on improving financial awareness among existing students, with the aim of ensuring that those who were entitled to support received such support. There was a perception that potential students and existing students did not always receive the right information on time and so they were frequently confused.

A key difficulty experienced by institutions in communicating messages related to student finance was that despite lack of awareness among prospective students, and the activities institutions undertake to remedy this, interest in these topics could often occur very late in the choice/application process.

*'They [prospective students] think it will cost £10,000 a year ... this is not helped by changing arrangements which can be difficult to explain. The university gives prospective students a talk about finance issues and about the institutions support arrangements at open days, and signpost places for further information, such as the student finance calculator ... and we talk about likely outlay and budgeting. But it's only at enrolment ... once they're at university, that they want information about support and finance.'*

(Pre-1992 University)



*'... thought students would investigate what support was on offer to them before finalising their choices but this is not the case. Students seek financial information after enrolling.'*  
(Pre-1992 University)

The issues of timing reflected the need to engage with potential students when making their university choices. Often the task of communicating the bursary message bridged two, semi-related, activities. Promoting general awareness of student financing was viewed as a responsibility that fell within the domain of outreach and widening participation, while the process of promoting knowledge of specific university support often required engagement with marketing. As an outreach activity the bursary message had to be communicated with a wider balance of the general costs and benefits of going into HE overall, and could involve tools and activities to promote financial literacy.

*'For outreach work we use standard information from Student Finance England and UniAid ... as at this stage it is about providing information about university generally – not about marketing (our university) specifically ... it should be neutral – give information about what finance is available, work to explain arrangements ... we also do budgeting exercises .... We now try to give more advice about finance in outreach work but we also have to balance this with a focus on employability and researching degree choices.'*  
(Post-1992 University)

This was a straightforward process, although the lack of financial awareness among new university students suggested it was not always a successful one. The process of conveying specific information through the university marketing efforts also had its own challenges. Communicating the right information was often complicated by frequent changes to the bursary arrangements, and this meant that different students/potential students were subject to different financial regimes. Indeed, the process of advising students on bursaries or other financial matters was viewed as being so complex that their other academic staff appeared to be actively discouraged from offering support because of the potential risks of getting this advice wrong (see Chapter 3).

Institutions used a range of methods to promote financial information related to their bursaries. Universities cited how financial information was incorporated in prospectuses and particularly into their websites which could be updated quickly to provide the most accurate information. Websites often offered broader information about the university's fees and bursary scheme, how they operated and provided worked examples of costs of living. Other methods of communicating involved developing student finance and support booklets or DVDs (which could be sent to schools and colleges to market across local regions or to target specific groups), and developing more sophisticated and tailored products. One institution was using social networking sites and peer-to-peer marketing in recognition of the changing methods students use to find information.

*'Marketing has now got a lot more sophisticated ... it focuses on benefits rather than the costs. The information a student needs depends on where in the decision making*

*process they are ... we've seen a rise in importance of the website and move to tailoring information ... prospectuses are outmoded.'*

(Post 1992-University)

There were some suggestions that the increase in communication needs brought about by NSSA had been absorbed by institutions and were becoming more manageable over time.

*'We work hard to provide information about fees and bursaries to prospective students ... also did sessions for school teachers ... when students are sent an offer they are given information about finance. It was very resource intensive at first but now much easier as we just refresh the information.'*

(Pre-1992 University)

In terms of face-to-face activities, several institutions reported how they had placed a greater emphasis on financial information promotion in their open days, and had increased the financial coaching activities targeted at careers advisors in the outreach work in schools. In some institutions, bursary officers also talked to targeted groups of students, such as mature students.

### **Improved openness and transparency**

There was some indication of a move towards greater openness and transparency in the delivery of finance messages to prospective and existing students. Several institutions indicated that they felt a responsibility to raise general awareness of the HE finance system, whatever university the prospective student chose. These views were compatible with the belief that bursaries should not be used as a marketing tool, and the role of universities was to support students in making informed choices.

*' ... students should not make decisions based on fee or bursary but on what is right for them .... [Fees and bursaries] should not be a marketing tool but information about them should be clear ... we are very open to applicants about likely debt and how they can manage this.'*

(Post-1992 University)

The 'neutrality' of the bursary message may, however, partly reflect the insignificance of bursaries in decision making over university choice.

*'It's about providing clear information but we find prospective students are not interested... Bursaries are not used as a marketing ploy ...but only because students are not interested when making choices, and there is no market.'*

(Pre-1992 University)

## 6.4 Student finances

### Concerns about continued hardship among students

Institutions also considered whether, since the introduction of NSSA, there had been any changes to student financial needs. Several suggested that bursaries and grants have not been enough to reduce hardship, and that other support mechanisms such as the Hardship/Access to Learning Funds had been reduced over this period. Indeed, the reduction in the Access to Learning Fund was a common theme:

*'ALF has reduced but is still needed especially with the recent difficulties with SLC administration .... There are increasing demands on a shrinking fund which is problematic.'*  
(Post-1992 University)

*'Demand for hardship funds is higher than we expected but the ALF budget has been cut.'*  
(Post-1992 University)

The problems were exacerbated by difficulties with late payments from the Student Loan Company, and a failure to ensure complete take up of bursaries during the early years of NSSA. Some respondents also felt that students falling outside the eligibility criteria for financial support were also facing difficulties if their families were unwilling to support them.

### Increasing pressures to undertake paid work

In response to the changes in financial needs, there was a perception that more students were now working whilst studying, or that this work was now more visible, as students were working longer hours. This was seen to have an adverse effect on student performance and on the student experience leading some institutions to pay careful attention to the timetabling of lectures and tutorials. One institution had developed a more innovative solution, a work-based module to recognise this work and make it part of the learning process.

*'Nearly all students take part time jobs to reduce the debt burden, which means they have less time for academic work .... They focus on assessments and just undertake the minimum reading to get by.'*  
(Pre-1992 University)

The need to take up paid work was perceived to be the result of students falling outside the support arrangements offered by bursaries, or students not taking up the full student loan.

*'Some students are not taking out full loan due to a fear of debt and so are having to take on more paid work to keep them going and their education can suffer.'*  
(Post-1992 University)

*'Those not supported, in the middle income bracket, are having to take on more part-time work... this is affecting willingness to take on voluntary work, and programmes that rely on this, like the student ambassadors.'*

(Pre-1992 University)

These findings should be reviewed in the context of the latest Student Income and Expenditure Survey conducted in 2008 (Johnson et al., DIUS, 2009), which shows that income from paid work is important to full-time students and just over half (53 per cent) did some form of paid work during term time. For many (approximately one-third) this affected their study experience – allowing them less time for study/reading, increasing their workload and causing them to feel stressed. Working whilst studying was most common amongst non-traditional students – those students living at home, those with no family history of HE – and also more common for those in their intermediate years of study. However students affected by the new arrangements were no more likely to be working, instead there are indications that fewer students (at the start of their studies) were undertaking paid work than found three years previously.

## 6.5 Summary

- Student and/or parental demands are increasing; reflecting wider cultural changes but are accelerated and magnified by the new fee arrangements.
- Most institutions acknowledge the need to deliver a high quality service but felt the customer metaphor was not suited to HE.
- Increased consumer focus among students has encouraged some institutions to respond by clarifying the 'contract' between students and universities.
- There is a lack of financial awareness among potential students, parents, students and HE staff, regarding university costs and support arrangements, and some concerns that those in most need of this information might be least likely to have it.
- Institutions have invested in improving financial awareness among parents, advisors, potential and existing students – through outreach work explaining the general arrangements and work to improve informed choice and financial literacy, and through increasingly sophisticated marketing to promote the benefits of the university (including the bursary support package set against the costs).
- Student hardship was viewed as a problem associated with reluctance to get into debt, falling outside the scope of bursary support, the decline in the Access to Learning Fund and the recent failures of the Student Loan Company.
- There was a strong belief that financial hardship was encouraging more students to work part-time and to work longer hours. This was seen to affect the time students had for studying and course timetabling but not to increase demand for part-time study.

# 7 Summary and Conclusions

In this final chapter, a summary of the findings are presented alongside the conclusions that can be drawn in terms of the overall impact on students, institutions and the sector as a whole.

This report explores the impact of the new student support arrangements on the policies, planning and behaviours of universities and colleges. It makes use of qualitative feedback and some documentary evidence from more than one hundred management, support and academic staff in 15 higher education institutions across England. Nearly four years after the introduction of variable fees, Student Loans for Tuition Fees, maintenance grants, institutional bursaries and Access Agreements, this study builds upon and updates the perspectives gathered in a baseline study (conducted prior to the introduction of these new arrangements). It adds to the evidence base on charging policies, fee variation, provision of bursaries, use of additional income and the financial implications for individual institutions. In particular, it indicates the impact on institutional resources, the impact on the financial health of universities and colleges, the impact on the HE marketplace, and the impact on student demand, on student expectations and on students' financial situation.

## 7.1 Impact on institution administration

There is little evidence to suggest that NSSA has had any effect on institutions' strategy or direction. Nearly all HE institutions had set their fee levels at the maximum to secure their market position, and those initially setting lower fees have now moved to the maximum as lower fees appear to signal lower quality. The bursaries, which were initially very complex, have been simplified over time in an attempt to make them easier to understand, but there remains a wide variety of bursary packages across the sector and the scope for potential students to make informed choices across bursary packages was viewed as both difficult and potentially undesirable.

NSSA has increased the workload of staff in support functions as the demand for support from students has increased (in number and complexity), as has the need to provide information to potential students, and the requirement to collect and monitor data on students (internal statistics), and this has led to increased central bureaucracy. In terms of bursary management, institutions report differing levels of engagement with the SLC in the operation of their bursary systems. While some have moved to using SLC to administer their bursaries, others lack confidence in this organisation.

The complexities of the new financial support systems have encouraged institutions to develop financial support teams that can advise students and support outreach work. Tutors are encouraged to refer students to these internal experts to reduce the danger of giving inconsistent or out of date information and advice.

## 7.2 Impact on the financial health of institutions

The additional fee income was regarded by post-1992, teaching-led institutions as critical, contributing significantly to their income, enabling financial stability and giving them the confidence to continue with investment plans. It was also welcomed by pre-1992, research-led institutions but appeared to have less of a significant impact for the majority of them. The income allowed institutions to continue with their existing plans, and support their spending priorities, generally at the centre rather than at faculty or department level (who were often less able to identify change to their budgets). Among some institutions, an additional benefit of the income was the ability to leverage additional financing or to negotiate better finance terms. Other uses of the additional fee income were to meet rising staff costs (potentially indirectly benefiting students through improved teaching from better and more satisfied staff); to support, refocus and extend the reach of existing widening participation and outreach work (with or without Aimhigher); and place greater focus on the student experience and in so doing improve NSS ratings.

There were concerns however that the additional fee income had reached a plateau and any further increases in staff costs could cast doubt over the sustainability of some institutions, particularly for institutions with little or no cash reserves.

## 7.3 Impact on the HE market

Institutions have shown little willingness to reduce fees, in part due to a potential loss of income but also because there is a fear that lower fees represent a poor market signal. In consequence, all HE institutions are now charging or planning to charge the maximum fee. It remains to be seen, however, whether this would be the case if the cap on fees is raised or abolished. Evidence from the markets that are deregulated (postgraduate and international study) suggests that a substantially higher cap is likely to lead to greater differentiation between institutions. In such an environment several HEIs (particularly post-1992 universities) suggested that they would not be able to raise their fees to the maximum level, and therefore expressed concerns over the process of market adjustment that they might have to go through before accurately estimating their market value. The fees that the market would accept, that would offer a sufficient level of income for universities, and that would offer the 'right' market signal may take some time for universities to calculate, but getting it wrong could be damaging.

## 7.4 Influence on student demand

The study found little evidence to suggest that NSSA has had any impact on: the demand for HE in general; the demand between universities; or the demand across levels, modes and subjects of study. Multiple factors affect recruitment success, including the increased expectations among young people to enter HE and a lack of viable employment alternatives due to the recession.

Institutions report that demand for HE among students from different backgrounds, including those from targeted widening participation and under-represented groups remains steady. Institutions continue to perform well against their widening participation benchmarks, and the

profile of their student body has not changed significantly as a result of the introduction of the arrangements. However there are concerns that any potentially negative impact on the propensity to enter HE amongst those from lower socio-economic backgrounds may have been masked by the counter pressures arising from the recession. The static nature of the profile also suggests that increased and targeted support (through grants and bursaries) have not encouraged greater participation among widening participation groups.

Demand for full-time three year courses remains strong as these are the courses that are most associated with the university experience. Subject choices may vary, but this often reflects year-to-year changes in fashion rather than anything that could be attributed to NSSA, and fears about falling demand for STEM subjects were not realised (there were many institutions in which STEM subjects had been performing particularly well). There was some indication of employability skills becoming important, seeing increases in demand from students and in supply through changes in provision. This reflects the fact that fewer students go into employment directly related to their degree, increases in competition in the labour market due to the increased supply of graduates and fewer jobs, and government policy (and HE funding) emphasising skills. There was no evidence to suggest that NSSA had led to any competition between universities for students as fees were relatively uniform and bursaries were too complicated.

Looking to the future, there were some concerns over what impact a new class of highly indebted students would have on demand for postgraduate study, and the impact on demand of alternative programmes including Foundation Degrees if these were no longer offered at a reduced rate.

## **7.5 Impact on student expectations**

A common theme throughout the case studies related to the increased demands and consumerist perspectives among students. Although reflecting a wider historical and cultural change in attitudes, rather than being caused by NSSA, NSSA was seen nonetheless as exacerbating and accelerating this trend. It was also universally reported that parents were now more likely to take an interest in the choices of their children. This was reflected in an increased level of attendance by parents at open days. While universities recognised the need for a high quality service delivery, the customer metaphor was not seen suited to HE as gaining a degree requires a commitment from the student. Some institutions have, therefore, attempted to make these bilateral relationships and responsibilities clearer. An increased focus on the student experience was widespread and this was marketed to potential students to offset messages about the costs of HE, and marketed to existing students to show that institutions were responding to student concerns and using fee income to benefit students.

## 7.6 Impact on financial needs and awareness

Respondents believed that there is a lack of financial awareness among potential students, parents, students and HE staff, regarding university costs and support arrangements, and some concerns that those in most need of this information might be least likely to have it. In consequence, universities have invested in improving financial awareness among these various groups (parents, advisors, potential and existing students), to assist individuals to make informed choices about HE. They are working to improve financial literacy and understanding of the general arrangements (often with Aimhigher) but also to improve understanding of the specific package the university can offer through increasingly sophisticated and tailored marketing.

Student hardship was also viewed as problematic. It was seen as a particular problem among those who are debt adverse (and resistant to the idea of Student Loans), or fall outside the scope of grant or bursary support. The reductions to the Access to Learning Fund budget, and the failures of the Student Loan Company were seen as making the problem worse. There was a strong belief that financial hardship was encouraging more students to work part-time and to work longer hours. This was seen to affect the time students had for studying and course timetabling.

## 7.7 Conclusion

Overall the study suggests that the impact of the new arrangements have been less extreme than initially thought. Concerns raised in the baseline study were largely not realised. The arrangements have settled and bedded down over time, and the additional income has been absorbed into institutional budgets (with a need for a small increase in administrative and welfare support) helping them to continue with existing plans and activities. However, there is limited specific evaluative research and therefore little hard evidence of impact, and concerns that potentially negative impacts on demand may have been masked by wider contextual factors, particularly the recession.

Although this study suggests that there has been little impact, institutions' concerns suggest that the effects of any further changes particularly the raising or abolishing of the cap on tuition fees could be less benign: creating a market across the sector and possibly within institutions requiring a completely new approach that some institutions feel ill-equipped to deal with; and creating price sensitivities which could deter or at the very least restrict the real choices of, those very groups that the government is keen to encourage to participate in HE.



# Appendix 1: Invitation to Participate

Dear

## **New student support arrangements: institutional case studies – follow-up**

You may remember that in 2005 your institution took part in the first stage of a two-stage research programme examining the 2006 funding reforms, carried out for the Department for Education and Skills. The research is studying the impact of the new fee and student support arrangements on higher education institutions and further education colleges and should provide a valuable contribution to the independent review of variable tuition fees, due to be launched this autumn. I am very grateful for your involvement to date and am writing to ask whether your institution would still be willing to participate in the crucial second stage of the research.

This second stage is critical in understanding what the true impact over time has been on universities and colleges now that the arrangements have been in place since 2006. It will allow effects on finances, on provision and on student demand to be assessed. By revisiting the same 15 case study institutions it will be possible to build on the baseline data that was established in the first stage of the research (prior to the introduction of the new arrangements) to explore the ways in which institutions have evolved. For this reason we are particularly keen to ensure the same institutions take part.

We have commissioned the Institute for Employment Studies (IES) to undertake the second stage and a senior member of the research team (NAME) will contact you in the next few days to discuss the project and what participation in the second stage will entail. This will involve interviewers visiting your institution for no more than two days during October and November. Attached is short note providing further information about the research. If you would like to contact the project team directly, please do call NAME at the Institute on TEL NO and EMAIL or Emma Pollard at the Institute on 01273 763446 ([emma.pollard@ies.ac.uk](mailto:emma.pollard@ies.ac.uk)) who will be managing the study. Alternatively you may wish to contact Deborah Beck, the Project Manager at BIS, on 0114 259 1284 ([Deborah.BECK@bis.gsi.gov.uk](mailto:Deborah.BECK@bis.gsi.gov.uk)).

I appreciate that this is a very busy time for universities and colleges however I do hope that you will be able to support this research.

Yours sincerely

Mike Hipkins, Director, Financial Support for Learners

# Appendix 2: Research Briefing

## New student support arrangements: institutional case studies – follow-up

### Background

The Higher Education Act 2004 led to several key and significant changes in the financial arrangements for full-time undergraduate higher education students – changes to charges or fees and to financial support arrangements – and these continue to evolve. HEIs and FECs too have been affected by the changes. By contrast, arrangements for part-time students have changed very little.

The new student support arrangements (NSSA) were introduced in 2004/05 and since then the arrangements have been the focus of much research attention and media speculation. This has intensified during the run-up to the independent review of variable tuition fees (to be launched this autumn). This research aims to capture evidence of, and institutional perspectives on, the impact on HEIs and FECs of the new student support arrangements on institutions.

### The research

Case study research conducted in 2005 by the Institute of Education (IOE) provided a baseline of evidence of the extent and nature of HEIs'/FECs' preparations in the run up to the introduction of variable fees and student bursaries in 2006. This encompassed expectations of changes resulting from the new student finance arrangements and details of the policies and processes that were being developed by institutions in response. Findings from this first stage can be found at the following:

[www.dcsf.gov.uk/research/data/uploadfiles/RW55.pdf](http://www.dcsf.gov.uk/research/data/uploadfiles/RW55.pdf)

Now, some three to four years after the introduction of the NSSAs, the Department for Business, Innovation and Skills (DBIS) has commissioned the Institute for Employment Studies (IES) to undertake a follow-up study that will explore the real impact on institutional behaviour, policies and planning to compare against the benchmark data provided by the initial research.

### Research methodology and timetable

To undertake the study, the IES research team will be visiting a range of HEIs/FECs to gather information. As it is intended as a follow-up study, it is essential that the research repeats the case study methodology originally used by IOE, and, where possible, re-visits the same institutions that were consulted in the first phase. It is also important that visits take place as soon as possible to ensure that key findings are available in December to provide evidence for the independent review, of the real impact of the new arrangements on HEIs/FECs.

The IES research will draw on documentary evidence and also seek the views of key individuals at different levels and functions within institutions. The researchers will discuss with the institutional representatives the impact on their policies, planning and behaviour and analyses of data will explore the current position against that captured in the earlier, baseline, survey to find out how and in what ways institutions have responded and evolved, and continue to evolve, as a result of the new regime.

### **Case study involvement**

We are therefore contacting the same 15 HEIs/FECs to invite them to take part in the research. These institutions were chosen in 2005 because they were considered to be representative of the sector in terms of fee and bursary levels, student profile, subject spread, research intensity and region. Importantly, as one of the original 15 institutions, you have already provided essential evidence of the expected impact of the arrangements. For this reason, your institution is being asked to participate in this follow-up study. We very much hope you will agree to take part.

### **What will participation involve?**

The intention is for two members of the IES research team to visit each participating institution and conduct interviews with a selection of staff. Participation in the research would involve:

- nominating a member of the senior management team to act as a top-level contact, along with a member of the administrative staff (e.g. in the planning section) for liaison and facilitating the arrangement of interviews
- providing copies of key internal documents setting out how your institution has responded and are continuing to respond to the new funding arrangements, and any evidence of the impact of the changes in arrangements
- identifying appropriate staff to participate in face-to-face interviews and allowing researchers from the Institute for Employment Studies to conduct interviews with these individuals in October and November.

The central element of the research is the interviews. We would wish to talk to people managing the implementation of the new arrangements (including one or two in selected subject fields). You will be asked to nominate the staff it would be most appropriate for us to interview, but they are likely to include a pro-vice-chancellor, the director of finance, staff responsible for admissions, marketing and outreach, and deans or heads of departments in the selected subject fields. In many cases they will be the same individuals who were interviewed in the earlier research. We can supply a list of the individuals consulted in the baseline study.

We hope to talk to around 10 to 15 people face-to-face, either individually or in small groups, during these visits, but we appreciate that sometimes people cannot be available within the research timetable, and where this is the case we will follow-up by telephone. We also hope that

the face-to-face interviewing can be done within two consecutive days by two interviewers working together or separately.

We will designate a lead interviewer who will liaise with the contacts you identify. All the lead interviewers are experienced social researchers with a track record in research in HE and a thorough understanding of student finance policy.

### **Confidentiality**

To reduce the burden on institutions we will make use of the information collected in the baseline study. Any further information accessed (via documents or interviews with staff) during this study will be treated confidentially by the research team. These will not be passed to the Department. An overall research report covering main findings across case study institutions will be produced for the Department and will be published. No individual institutions nor indeed any individual staff members will be identified in that report. All participating institutions will be provided with a copy of the final published report.

### **Key contacts**

Emma Pollard, Project Manager, Institute for Employment Studies

Gill Brown, Project Administrator, Institute for Employment Studies

Deborah Beck, Project Manager, Department of Business, Innovation and Skills

# Appendix 3: Topic Guide

## Topic areas and key questions

### Policies and strategies:

- thinking behind the access agreements and WP strategy, changes to these since new student support arrangements ( NSSA ) were introduced
- impact of WP policy/strategy/access agreements on portfolio of provision, student numbers and profile (full-time undergraduates and beyond)
- reactions to policy/strategy from stakeholders (e.g. potential students, students, parents, staff, support groups)
- impact of NSSA on university mission and strategy
- impact of NSSA on any franchising arrangements
- other changes in HE environment and impact (relative to NSSA impact)

### Finances:

- whether additional income projections were realised (degree of reliance on this stream)
- how resource allocation system assimilated the NSSA
- how additional income from NSSA was/is allocated (any changes over time)

### Marketing/recruitment/admissions:

- thinking behind marketing strategy/approach and changes in recent years (due to NSSA and/or other factors) including target groups and outreach activities
- reactions to marketing approach from stakeholders (eg potential students, students, parents, staff, support groups)
- views on key market and competitor institutions (and whether and how this has changed with NSSA), and relative success in this market
- impact of NSSA on recruitment operations/activities (any other influences)
- impact of NSSA on admissions processes (any other influences)
- views on whether NSSA has led to regionalisation of demand/narrowing of catchment
- views on the potential market for fees/for bursaries that may have developed
- views on changes to student expectations

### Outreach activities:

- influence of NSSA on setting WP targets (any other influences on these targets) and progress towards these
- views on whether NSSA has raised importance of Aimhigher activities and other outreach activities

### **Student services:**

- changes to processes for providing financial advice and allocating financial assistance and the relative influence of NSSA on these (any other influences)
- views on changing needs of students for advice/assistance (any such demands from other stakeholders)
- views on the potential complexity of the package/degree of tailoring of the package to students
- any changes in the range/form or administration of services to students and the influence of NSSA on these (any other influences)

### **Subject focus:**

- use of WP statistics/benchmarks in department/faculty planning
- changes in the profile of applicants and accepted students following introduction of the NSSA, and how did this compare to expectations
- any changes to the range undergraduate provision (new courses, combinations, mode of delivery, etc) and influence of NSSA on these (any other influences)
- any changes to teaching/learning strategies and influence of NSSA on these (any other influences)
- any changes to support provided to 'non-traditional' students and influence of NSSA on these (any other influences)
- was subject area/discipline distinctively affected by the NSSA (compared with other subject areas in university/ compared with the same subject elsewhere)
- priorities for spending the net additional fee income (whether this worked/arrangements been satisfactory?)

### **Overall:**

- mechanisms to evaluate impact of NSSA, and what has evaluation shown
- extent to which plans/expectations for NSSA prior to their introduction were realised (reasons for any differences)
- differences over the three years since NSSA introduced (eg initial turbulence before bedding down)

# Appendix 4: Full Discussion Guide

## Institutional Impact of the New Student Support Arrangements

### Participant introduction

Could you begin by briefly describing your roles within this university and how the NSSA might touch upon that role - both directly and indirectly?

### Policies and strategies

#### INTERVIEWS WITH: SMG (Senior Management Group), Planning, Finance

1. Could you describe the thinking behind the approach the university took to setting the fee level and to bursaries, and towards the access agreement? Have the arrangements/aspects of the access agreement changed since they were introduced (if so, why)? [A1/A2]

Probe: do you have different fee levels for different qualifications (e.g. foundation degrees)? What are your fee levels for part-time courses (are they set in relation to full-time fees)? What fee levels do your franchised institutions charge? Have/had you considered discounting courses during clearing?

2. Who (which departments/people) has the responsibility for planning and for delivering the access agreement/NSSA (has responsibility changed in the years since the arrangements were introduced, if so why?)

Probe: who was involved in developing the original strategy?

3. What has been the reaction to the arrangements from stakeholders (potential students, students, parents, staff)? How (and by whom) is this information collected?

4. Over the last four years (really since the new arrangements were introduced), could you describe to me the broad changes (if any) that have been experienced by your university in terms of:

- Changes to student numbers and the characteristics of these students - (age, home location, etc.); [A3] *Probe on mature students, and those from lower socio-economic groups/low participation neighbourhoods.*
- Changes to the portfolio of provision – (level, mode, subject, partnerships and franchising arrangements, etc.); [A3/A10] *Probe on sandwich courses/other 4 year courses, part-time provision – have these been encouraged/discouraged?*
- Changes to the university mission or university strategy (including franchising arrangements); [A4]
- Changes to staffing levels (student/staff ratios) [new]

5. What factors would you say acted as drivers for these changes? What changes, if any, can be ascribed to the NSSA (and associated access agreement/WP policy)

6. What other changes in the HE environment have been/are significant for you? And how do they rank in importance relative to NSSA? [A5]

Probe: Equivalent or lower qualifications ELQ policy, National Student Satisfaction Survey NSS, recession etc.

## Finances

7. How does your Resource Allocation Model work? (eg what is kept central and what is allocated to departments). How has your Resource Allocation Model evolved and how has NSSA been assimilated into it? Has this changed over time? (if so, why?)

Probe: To what extent is there ring fencing (and specifically ring-fencing of NSSA additional fee income)? To what extent is the additional fee income tracked or is it just put into a central pot of income? [A7]

8. How realistic have the GROSS additional fee income estimates, as set out in the Access Agreement, proved to be? Were adjustments necessary? (if so, why) Any difficulties/challenges here? [A6]

9. How realistic have the NET additional fee income estimates (net of bursary and outreach activity), as set out in the Access Agreement, proved to be? Were adjustments necessary? (if so, why) [A6]

Probe: how easy/difficult has it been to predict demand for bursaries? What data do you use?

10. How have you allocated the net additional income (to what ends)? Has this changed over time? [A8]

Probe: Is it possible to have a rough idea of how this breaks down into different categories. What is the balance between that held centrally and that allocated to departments/faculties etc.?

Probe about staffing costs: Is it possible to have a rough estimate of your total budget (any sources) that is spent on staffing costs, has this changed over the last few years, have staff numbers risen (or just per head cost)?

11. What mechanisms are in place to evaluate the impact of the arrangements? (who has responsibility for these, where do these get reported, how effective have they been?) [A10]



## Marketing, recruitment and admissions

*Looking at issues related to marketing, recruitment and admissions...*

12. Did you undertake any research to inform your original access agreement/ widening participation policy and/or your marketing strategy? [B1]

13. Have you revised these policies? If so, did you undertake any further research ahead of making the changes to your Access Policy and Agreement? [B1]

- If yes, what was that? What did it tell you?
- If no, how did you make the decision to change the policy/agreement?

14. Has there been any change in marketing in the last few years? What information do potential students seek when making decisions (e.g. are they requiring more information now)? To what extent has this been as a result of the NSSA?

15. How do you present the arrangements (fees/bursaries/outreach activities) to stakeholders? [B2]

Probe: What do you do to communicate the message/understanding of NSSA to potential students? (how is this done, who has responsibility for this?)

16. Have there been any changes to the groups you try to reach and to attract as applicants? [B3]

17. Have there been any changes to who you see as your competitor / benchmark institutions? Do you see your arrangements and access agreement as different from theirs? (in what way?) [B4]

- If yes, has NSSA contributed to these changes
- How do you view your relative success

18. Has NSSA had any impact on your recruitment operations (pre and post admission)? (eg pre-entry information and advice) [D1]

19. Has it had any impact on your admissions process? [D2]

20. Has it had any impact on the geography of recruitment/ catchment area?

21. Has it had an impact in terms of developing a market for fees / bursaries / and or student expectation?

## Outreach activities and student services

*Looking at activities relating to widening participation, outreach and student services...*

22. What is the institutions approach to/strategy on widening participation? How much influence has NSSA had on this?

Probe: What influence, if any, as NSSA had on WP target setting (any other influences on these targets) and progress towards these? [C3/C4] What other factors have had an impact?

23. What Aimhigher activities have your institution been engaged in? Are any of these activities supported by funding from the additional fee income?

Probe: Has NSSA influenced Aimhigher activities and other outreach activities? (eg raised their importance)

24. Specifically what other initiatives/activities has NSSA enabled? (eg either through raising profile of WP or through providing additional funds)

25. Has NSSA (fees, grants and bursaries etc.) led to any changes in your processes for providing financial advice to students and allocating financial assistance? [E1]

Probe: when and how is this information/assistance provided (e.g. before entry)? Who provides this information? (which departments/people)

26. Have the needs of students for financial advice/assistance changed over the past four years? (has it led to any new / different demands on your services?) [E2] What about the needs of parents?

27. Has it led to any other changes in the range or form of student support services? [E2]

Probe: What about staffing – organisation and workload etc

## Subject focus

28. Do you use widening-participation statistics and benchmarks in your [department's] planning? If yes, how? [F1] *[not sure if relevant]*

29. What, if any, changes have you seen in the numbers and profile of applicants and admitted students over the last four years? To what extent has this been influenced by NSSA/other factors? [F2]

30. What, if any, changes have you made to the range of your undergraduate provision (new courses, combinations, mode of delivery, etc) over the last four years? To what extent has this been influenced by NSSA/other factors? [F3]

Probe: what about foundation degree courses, sandwich courses and other four year courses?  
What about part-time provision

31. Have you made any changes to your teaching and learning strategies over the last four years? What are these and to what extent have they been influenced by NSSA/other factors? [F4]

32. Have you made any changes to the way in which 'non-traditional' students are supported over the last four years? What are these and to what extent have they been influenced by NSSA/other factors? [F5]

33. Do/did any of your courses have additional costs/charges to students (e.g. bench fees/field trip etc.)? How were these dealt with, with the introduction of NSSA? [new]

34. Do you feel that your subject area has been distinctively affected by the NSSA, by comparison with other subject areas in the university/college, or by comparison with the same subject elsewhere? [are there other factors having an impact on your subject area – what are they and in what ways are they having an impact?] [F6]

35. What were the priorities for spending the net additional fee income? How has this worked? Have the arrangements been satisfactory? [F7]

## Overall

36. To what extent to have your plans/expectations for NSSA prior to their introduction been realised (reasons for any differences)?

37. How have your experiences changed over the four years since NSSA have been introduced (e.g. initial turbulence before bedding down)?

38. What are your overall perceptions of the impact and influences of NSSA on

- Institutional finances
- Provision – *any particular subject losers or winners?*
- Student demand

39. Anything else you would like to add?

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