7-4 Tuition Fees: "I think everyone is quite nervous"

"As universities and colleges are forced to operate in commercial terrain, it is basic business imperatives that come to the fore. Our habits of thought about higher education are no longer appropriate for this terrain."
(McGettigan, 2013, p. ix)

Introduction

The fieldwork for this study took place between November 2011 and November 2013. This section considers the participant responses over this period in relation to the public discourses around student finance. At the start of the interviewing period, higher education institutions were coming towards the conclusion of the main application period for entry to courses commencing in September 2012, the first year of the new fees regime. At that time the impact on student recruitment of the Coalition government's reforms of higher education funding, and their representation in the public sphere, was unclear and the participants (nine included in this section) could only make speculative predictions concerning the implications for media studies and, in the case of higher education staff participants, their own professional practice. By the end of the interviewing period in November 2013, the first intake of students under the new arrangements had completed their first year and the second cohort had been recruited. These differing circumstances need to be considered when analysing the responses of the participants. The timing of participant interviews was driven by the research questions and constrained by participant availability and so the interviews were not uniformly distributed across the sample period. This means the responses cannot be considered as a rigorous longitudinal record of evolving participant perceptions but it does mean that the responses have to be considered in the light of the corresponding interview date as the situation was evolving quite rapidly as the study progressed.

Public Sphere Discourse: The Coalition Higher Education Reforms

This two-year interviewing period followed significant changes to the funding mechanism for Home/EU students in English higher education initiated by the Coalition government's Comprehensive Spending Review (CSR) of October 2010 (HM Treasury, 2010). Through the CSR, the government announced a reduction in the HE block grant from £5 billion to £2 billion by 2014-15 with a House of Commons vote in December 2010 to permit a rise in the maximum annual fee for full-time Home/EU undergraduate students from £3,375 to £9,000 from 2012-13. Higher education institutions were permitted to set their own fee level on a course-by-course basis, up to the maximum set by parliament, subject to the conditions of their Access Agreement with the *Office for Fair Access* (OFFA). The rise was not applied retrospectively so students starting their course in 2011-12 would continue at the lower fee level for the duration of their course. This resulted in a significant headline step-change in tuition fees for entry in 2012-13 if higher education institutions chose to raise fees to the maximum permitted, which a significant majority did. Quoting figures released by the OFFA, *The Guardian* reported in July 2012 that the average Home/EU fee for a full-time degree at English institutions would be £8,500 per year with seventy-seven per cent of institutions charging £9,000 for at least one course (The Guardian, 26 July 2012).

Whilst these changes to the tuition fees dominated newspaper headlines, other changes to student financing arrangements resulted in multifaceted consequences for public finances, students and HE institutions. The rise in tuition fees was accompanied by changes to the student loan system with the earnings threshold rising from £15,000 in 2011-12 to £21,000 in 2016. Once their salary rises above this amount they will repay their student loan at nine per cent of their salary above this threshold. (Student Loans Company, 2014) These changes to the repayment terms and the absence of any requirement to pay any tuition fees 'up-front', whilst not as heavily featured in the media headlines of the time, do mitigate the short-term impact of the rising fees on prospective students as they apply and when they graduate. However, the public sphere discourse at the time was dominated by the portrayal of the changes as a sudden and substantial rise in tuition fees with an immediate impact. In the year following the 2010 election this discourse of '*fees hike'* masked a more fundamental shift in the principles of higher education funding which have been characterised by opponents as '*ideologically-driven changes'*. The reforms shifted English higher education funding away from a shared responsibility of the state, through general taxation, and the student, through tuition fees that were significantly lower than the cost of providing the student place. This was presented within the public sphere as part of a much larger '*deficit reduction*' discourse that dominated the early years of the coalition government following the 2008 crisis in the financial industries and the consequent impact on the public finances[1]. This allowed the presentation of the

[1] Precipitated by a world-wide economic downturn, the 2008 UK financial crisis resulted in a significant rise in UK government debt to 70% of GDP and a drop in confidence in UK financial markets. With the UK entering a period of recession in Q2-2008, the government took steps to

rise in tuition fees to be superficially presented as contributing to the over-arching aim of reducing public spending as a means of re-balancing the public finances through deficit reduction and a consequent reduction in public borrowing. For example, a 2013 *New Statesman* article reviewing the impact of the changes to student finance equates the fee increase with deficit reduction:

"In the last Spending Review, universities were spared significant reductions because their burden of deficit reduction was met by much higher tuition fees for future graduates." (Muir, 2013)

and David Willets, MP, Minister for Universities and Science speaking about the student loan system in the House of Commons in November 2012 said:

"The new system helps reduce the deficit and is affordable and sustainable for the Government… …Let us be absolutely clear about what our reforms will do. They will save money for the Exchequer, but at the same time they will ensure that universities have, if anything, an increase in the cash they receive for teaching, and graduates will repay only when they are earning more than £21,000 a year. That is a fair deal for all the partners in the higher education system." (Hansard, 8 November 2012, Column 989)

Collini sees representations of this type as disingenuous:

"The coalition is at the moment using the whipped-up frenzy about the deficit in the public finances as a cover for a recognizably ideological assault on all forms of public provision." (Collini, 2012, p.188)

Evidence for this is suggested by McGettigan (2013) from his analysis of the macroeconomics of the 'income-dependent repayment' (IDR) loans that form the basis of the student finance system. The public discourse is characterised by the conventional terms of personal finance such as '*borrowing*', '*loan*', '*debt*', '*repayments*'; '*paying back what you owe*'. This is at odds with the operation of IDR loans that have a number of features that are fundamentally different to

rebalance the public finances through both increased taxation and reduced public-spending (BBC News, 2014).

conventional personal loans; the repayment of IDR loans is contingent on graduates' income, not the amount borrowed and the lifetime of the loan is limited to thirty years with any outstanding amount written-off after that. McGettigan argues (ibid.) that this results in a system that is closer to a graduate tax than a student loan system.

Analysis

It is against this background that the participants in this study contributed their thoughts on the changes to student finance and their predictions for their impact on media studies. In this analysis, the responses are presented in chronological order with the interview date.

> I know for instance, my niece has decided because of the costs that she won't, she won't be going to university so yes, I think in general as a whole, [...] it will affect the whole university [...] world. (Participant 03, 15 November 2011)

Participant 03, a media studies graduate, immediately draws on personal experience to illustrate his perception that the changes to fees will lead to a significant reduction in the number of students applying for entry. Speaking early in the interviewing period this view reflects the initial concerns that prospective students would consider the headline tuition fees without looking at the overall funding package that does not require any 'up-front' payment. The perceptions at this point were that student numbers might decline significantly. This prediction was given added credibility by an increase in application numbers in 2011-12 as students rushed to enter university in the last year of the previous fee arrangements, for example, by entering higher education directly after school or college rather than taking a 'gap year'.

> I think one of the problems with the funding is that parents are going to take a bigger role than they have so whereas parents have said, "Oh, so and so has gone off to university and they've gone, you know, now parents are going to be following student's progress far more closely, [...] or grandparents, or whoever it is who is assisting. Because I think the students are going to need, will be looking for assistance on the fees. (Participant 02, 21 November 2011)

Similarly, Participant 02 predicts an increasing and on-going role for students' family in monitoring their progress but the rationale he gives is based on the assumption that family members will be making a financial contribution towards the tuition fees. Although it is not explicit in the participant response, this implies a view that the payment of tuition fees is a significant 'up-front' cost, it does not really suggest a view that family members are anticipating making a contribution to the student's IDR loan repayments once they are triggered by the income threshold, reflecting the concerns of the time.

> It logically will make people scan courses and ask themselves this question, 'Am I going to get a job?' (…) And what, my line when I talk to applicants or to parents about this is that the media is a very fast changing world and by and large, it's a growing world and more and more aspects of social life require some degree of media skills and as I said before, there is no evidence at all that process is going to slow down or change. (Participant 04, 8 December 2011)

Participant 04, also speaking during the recruitment of the first post-fee increase cohort, relates the changes directly to media studies with a prediction that both prospective students and their families will pay more attention to the likely employment outcomes following graduation from particular courses when considering an application. On the basis of his perception of global trends, he is confident that employment in the media will continue strongly and so he does not see a differential negative impact on media studies over other subjects, in contrast to some of the concerns regarding humanities-based subjects that were expressed at the time (see Chapter Five, Section 5-6). However, this view still seems to be based around an acceptance of the idea of tuition fees as personal debt that must be repaid and therefore secure and well-paid employment is a requirement on graduation. It does not recognise the 'fail-safe' aspects of IDR loans.

Participants 02 and 04 are higher education professionals with, as a result of their age when studying, no direct personal experience of tuition fees and student loans although they may have experience of previous fee/loan structures as parents or other family/personal connections. In contrast, Participant 05 studied and graduated under the first 'top-up' fees regime, introduced by New Labour government 2004 and so has personal experience of tuition fees and student loans, albeit at a significantly lower level than the current regime. His approach to student debt is more relaxed:

> Obviously it's not nice being in that much debt, but I do think that, I still do think student debt is the easiest debt you'll ever have, because you don't have to pay it back until you're earning a certain amount, even then when you're earning a certain amount, it's such a minimal thing, and it's a miss-able amount, essentially. (Participant 05, 16 May 2012)

Working relatively securely in the television industry as a researcher, this participant sees the repayment threshold and the deduction at source as significantly mitigating the impact of tuition fees. The 2012 changes appear to be less significant to this graduate from the 'top-up' scheme than they do to older graduates with a perception of a '*golden age*' of free tuition that they may recall with some guilt.

> The impact of the fees, I think is that there is a reactiveness within the admissions process in terms of widening out the brief of applicants. So I think it has, has a, might have an impact on the selection process. This year I think everyone is quite (…) nervous. Err, whether the figures will convert. (Participant 06, 25 May 2012)

The response from Participant 06 shows the concern about recruitment of the 2012-13 cohort. Speaking in May 2012, this participant would have been aware of the number of applications received for her course, the recruitment target (which will have informed budget setting), the number of conditional and unconditional offers made together with the number of acceptances by students.

The achievement of recruitment targets is a significant performance metric at all levels within an institution (*Supporting Professionalism in Admissions*, 2012) and particularly so over the fieldwork period as institutions were subject to Student Number Controls (SNC) that penalised institutions that significantly over or under recruited numbers of students. This was further complicated for 2012-13 recruitment by the removal of SNC measures for students achieving the equivalent of AAB or better at A2-Level. This cap applied only at the institutional level but most managed this process by setting targets at the various organisational levels within the institution; faculty, department, course etc. that, when aggregated, delivered the required institutional outcome (Supporting Professionalism in Admissions, 2013). This allowed institutions to manage under and over recruitment in particular areas by moving SNC allocations from course to course. This mechanism allowed overall management of recruitment but could lead to the anxiety shown by Participant 06 as both people and physical resources are much more difficult to redeploy.

Admissions departments use historical trends as a guide to the number of offers they need to make to produce the required number of new students, recognising that students can apply to up to five different institutions/courses before then narrowing that to a first and second choice. The model will also account for the number of students with conditional offers who fail to meet the conditions and the number of second choice offer students that meet the conditions of their first choice. If this model predicts a short-fall in student numbers then the institution will probably plan to bridge this gap through recruitment during the Clearing period in August. With these factors in mind, Participant 06 indicates the level of concern with the institution in May 2012 when the applications have been received and offers have been made but results are awaited. The first part of the participant's response indicates that, for this course, the university has received fewer applicants than it expected and so has made offers to a greater proportion of applicants than would have been the case in previous years. However, broadening the profile of students to which offers are made means the predictions made on the basis of historical data may no longer be valid. This is the concern raised by the participant ("*This year I think everyone is, is quite [...] nervous. Err, whether the figures will convert.")*. The predicted rate of conversion from offers to registered students may not be accurate as a result of changing student behaviour caused by the changes in fees and reflects the uncertainty of the times.

Participant 07 is a colleague of Participant 06 and is part of the same course team but does not have any course leadership responsibilities. His response, speaking on the same day, was noticeably less detailed when asked what he thought about the changes in tuition fees:

> No, don't know. Don't know, who knows?... …Well no, yeah so I think that will become apparent in two or three years time. (Participant 07, 25 May 2012)

This response highlights the pressures on his colleague, the course leader, who is much more concerned about the short-term effect of the fee changes. Participant 07 recognised the uncertainties of the position at that time and acknowledged that clarity will only emerge once the evidence from a number of recruitment cycles is available.

Also recorded during May 2012, the response from Participant 08 is significant as it appears to be based on an assumption that once students are paying higher tuition fees they will expect a higher level of '*service*', an approach that is consistent with a '*student as customer*' discourse.

> We've got quite an active Head of Student Services and she's talked to everybody about student complaints because her perception, based on some evidence, early evidence, is that student complaints are going to rise significantly. (Participant 08, 30 May 2012)

Within this discourse, a transfer, at least in headline terms, of the burden of funding from the state to the individual leads to the student perceiving themselves as the consumer of a specific service at a particular price rather than as a member of a learning community with reciprocal rights and responsibilities. If students are perceived as consuming a service then if that service falls below the contracted level then, within this model, that should be resolved through a complaints process.

Whilst this is a second-hand account of the views of a Head of Student Services, it does provide some insight into the ways external change can sometimes be used to facilitate internal change, particularly if the institutional power is perceived as exercised through the discourse of '*new managerialism'* (see Chapter Six, Section 6-3). The initial clue in this is in the description of the Head of Student Services as "*quite an active*…". In this context this can be read as probably an under-statement and so mentioning it at all suggests that the participant sees this person as very active. This is reinforced by the comment that "*she's talked to everybody*". Whilst probably not literally true, it does convey the image of a person who is dynamically and enthusiastically approaching the role. The participant then goes on to report that the Head of Student Services has formed the view that "*student complaints are going to rise significantly*" but with the caveat that this is somewhat speculative as it is "*based on some evidence, early evidence*" which indicates that the participant does not regard the assertion that numbers of complaints will rise as strongly evidenced.

Within the context of this response it is reasonable to assume that the Head of Student Services is responsible for the management of student complaints and therefore has a rationale for her post within the organisation and the allocation of associated resources that is partially based on the existence and handling of any complaints. If there were never any student complaints then fewer resources would be required and the need to manage the process would be removed. So there is little incentive for a Head of Student Services with a responsibility for student complaints to minimise the impact of increased fees on student complaints and it may be the case that this person is using the public discourse of '*fee hike*' and '*students as customers*' (Bates and Kaye, 2014) as a vehicle for promoting and enhancing the service that her team offer the institution. This exemplifies the complex nature of interactions between public discourse and professional practice within this context; an institution may be publically countering the discourse of 'fee *hike'* by promoting '*no up-front fees*' and '*income-dependent safety-net*' to prospective students to aid recruitment but is simultaneously appropriating the '*fee hike'* discourse to facilitate change internally.

Participant 09 is the course leader for a foundation degree in media within an FE/HE college. His perspective on the impact of the fee changes is distinctive as he has experience of leading and managing a higher education course and also working on BTEC National Diplomas that students use as entry qualifications for degree-level courses at either the same institution or elsewhere. Speaking in June 2012, he had supported FHEQ Level Three students as they applied for higher education courses as the first cohort under the new regime and he also anticipated the completion of the recruitment cycle for the foundation degree course that he led. This dual-role provided useful insights into the perceptions of fees at that time:

> The one thing we've noticed, biggest impact this year, was the number of students who are looking at apprenticeships rather than university. The number of students going to university has definitely dropped. (Participant 09, 1 June 2012)

This initial response identifies a trend, at least within his Level Three towards students applying for apprenticeships following the completion of Level Three studies rather than applying for a degree course. The resurgence of apprenticeships can be considered in the light of a public discourse that laments, particularly in the aftermath of the 2008 financial crisis, the passing of skilled craftsmanship and substantive manufacturing industries from the UK economy over the latter half of the twentieth century (see for example, Newton, 2009; Basketter, 2009) and interlocks with the '*real world*' discourse discussed in Chapter 6, Section 6-6. The *Skills Funding Agency* description of apprenticeships begins with:

"Apprenticeships give you the opportunity to work for a **real** employer, earn a **real** salary and gain a **real** qualification whilst gaining valuable workplace skills and experience." (Skills Funding Agency, 2014 (researcher's emphasis))

The Telegraph newspaper summarises the case for apprenticeships as an alternative to a university course as a direct route to employment that also avoids student debt:

"Too often thought of as a poor alternative to university, apprenticeships are becoming the route of choice for many young people who don't wish to accumulate thousands of pounds worth of debt and who wish to get straight into a working environment." (Gurney-Read, 28 January 2014)

The article promotes apprenticeships on the basis of a comparison between the salaries paid to apprentices and graduate salaries. Whilst acknowledging that "*average pay for graduates was actually higher than those in apprenticeships*" the case is made by referring to data that show that more than twenty-five per cent of graduates earn less than the average apprenticeship salary whilst still incurring student loan debt. However, the quoted average salary for apprentices is £11.10 per hour which is equivalent to an annual salary of £20,200. This is below the £21,000 threshold that triggers the repayment of students' loans and will not be a significant factor for those lower paid graduates. *The Telegraph's* analysis makes no reference to the longer-term salary prospects of apprentices and graduates but focuses on short-term outcomes. It may be that significant earnings differences emerge over time. The article contains a number of case studies telling the stories of a number of successful apprentices, one of which notes that:

"These schemes also supply the economy with skilled workers which is what we need for our economy to keep growing." (ibid.)

This ties the rationale for apprenticeships to the discourse of economic growth and skilled workers in an instrumental way that is distinctive from the discourse of media studies graduates as active within the creative industries as an aspect of '*critical citizenship'* (Johnson and Morris, 2010).

Participant 09 goes on to reflect on the attitudes of prospective students towards large sums of money and refers to the measures that institutions take to explain the operation of student finance and the arrangements for paying back loans:

> You know debt is one of the things, I mean the college has sort of said to them about how much you'll be paying back, they've had all the talks from student finance and everything (…) but I think – this is just my opinion – I think if you say to an eighteen year old that you're paying £9,000 a year plus you've got your living costs and everything on top but it doesn't matter 'cause when you, you leave you'll only be paying about twenty quid a month or whatever, they see that kind of £27,000 tuition fees plus maybe another £20,000 or whatever; they're looking about £50,000. You know, kind of bank loans and student fees and all sorts of different … and they just, they just can't calculate. They don't deal with that kind of money. (Participant 09, 1 June 2012)

Speaking at a similar point in the recruitment cycle, the response of Participant 10 contrasts with the view of Participant 09. She does predict a very direct impact on media studies courses with a response that is consistent with a '*value* *for money*' discourse ("*vocational*", "*employer-based skills*", "*not be able to be as critically thinking*", "*a good job at the end of it*"):

> Yeah. Clearly it's going to have a massive impact and yes there will be a massive drive to much more courses that are much more vocational and have much more employer based skills, and I think, you know, media courses will, will not be able to be as critically thinking as perhaps they used to be, because there will be an absolute drive to -, well it's not just media degrees is it? For, for many, many of the degrees that people will go to, they want an outcome and the outcome if they've put, you know, £9,000 a year is, is a good job at the end of it. (Participant 10, 27 June 2012)

Summary and Conclusions

The rise in undergraduate tuition fees for students starting media studies courses in 2012-13 understandably dominated the public discourses around higher education over the time period covered by the participant interviews and that is reflected in the responses here. Most of the higher education professionals interviewed are focussed on the issue and can only see it negatively. The media graduate participant was rather more sanguine but can perhaps afford to take this position as he is now removed from the consequences and regards his £3000 fees as quite reasonable.

It is still too early to assess the full impact that the changes will have on either the statistics of higher education participation or the nature of media studies higher education. Early indications are, following an increase in recruitment in 2011-12 attributed to a desire to enter higher education before the fee increase and a dip in recruitment in the first year of the new regime (2012-13), that recruitment is starting to recover to 2010-11 levels (White, 2012). Definitive data from the Higher Education Statistics Agency has not yet been published for the 2013-14 academic year but UCAS have published their data for the acceptance of places (which is not same as the active registrations measured by HESA but is clearly related). This shows that there were 445,820 UK/EU domiciled acceptances four weeks after the A2-level results publication for entry in 2013-14. This figure is nine per cent higher than 2012-13 (the first year of the current fee/loan arrangements), four per cent lower than the peak, pre-fee increase year of 2011-12 and one per cent higher than 2010-11 (UCAS, 2014). However these overall figures mask shifts within the sector as, for example, student numbers increased at some Russell Group universities and decreased at some Post-92 institutions as a result of the relaxation of the SNC for students with AAB and ABB grades (or equivalent) (White, 2012). At the time of writing, a subject breakdown of the data is not yet available for 2013-14 but the HESA data for 2011-12 and 2012-13 shows a drop in fulltime first year undergraduate students studying Mass Communications and Documentation fell from 15,145 (2011-12) to 12,635 (2012-13), a drop of 16.6 per cent. This is significantly greater than the 8.6 per cent drop experienced by the sector as a whole over the same period and so does suggest that the initial impact of the fee changes has had more impact on media studies than on other subject areas.

The apocalyptic visions of some commentators (Whelan *et al*., 2013; Collini, 2012) have not yet been fully realised although the strengthening of the link between individual financial contributions and individual institutions has promoted the discourse of '*student as customer*' amongst the participants.

The most recent media coverage of the issue appears to be trailing further reforms to the tuition fee system as McGettigan's (2013) financial analysis of the loan book is confirmed and so proposals to change the loan repayment terms are being floated for implementation after the 2015 General Election (Gurney-Read, July 2014).