

campaign  
empowering  
young people  
to make a  
difference



# Funding our Future Campaign Guide

2010-2011

## Funding our Future – Campaign Guide

Why campaign for a fairer higher education funding system?.....	3
How is higher education currently funded? .....	3
What changes are planned for higher education funding? .....	4
Why do we need to campaign for fairer higher education funding?.....	5
What is the fair way to fund higher education? .....	6
What does BYC think needs to happen? .....	7
Who can I contact about this issue?.....	7
What can I ask decision-makers to highlight this issue? .....	8
How can I take action to support the campaign?.....	8
How can you support me to campaign on this issue? .....	8
Where can I find more information on higher education funding? .....	9

## Why campaign for a fairer higher education funding system?

Young people in our membership have prioritised the need for BYC to campaign for fairer higher education funding and for BYC to support our member, the National Union of Students (NUS) in their campaign work on this issue. Young people recognise that the current way of funding higher education is not working for students and universities but believe there are alternatives to lifting the cap on fees.

*“We oppose any form of tuition fees because they act as a barrier and a deterrent to participation. We believe there should be a properly funded education system, free at the point of entry, funded by progressive taxation gathered via the income tax system. There should also be a student grant that properly reflects the cost of living. The higher education funding system should be based solely on students’ ability and be independent of economic or social background – allowing free access to education.*”

*“We believe that attempts to lift the cap on tuition fees should be defeated. We believe that a single simple student support scheme would help to alleviate the inequalities in support given to students, and that student support should be based on what you need, rather than what or where you study.*”

*“We think that the coming year, 2010-11, will be crucial to the future of higher education, and it is important that we are at the centre of the debate. Whilst we retain our principled commitment to the notion of free education, we believe that in order to secure a fairer funding system we need campaign effectively against any rise in fees of potentially £5000, £7500 or even £10,000 per year.*”

*“We are committed to campaigning for a fairer higher education funding system which ensures that education continues to be based on ability, not the ability to pay. It will also combat the inequalities faced by part time, international and postgraduate students.*”

*“We will join together with NUS to campaign for a fairer education funding system, focusing on defeating any lift to the cap, pushing for a fairer alternative, and opposing the marketisation of education”.* **British Youth Council Manifesto.**

## How is higher education currently funded?

Currently most UK students (except Scottish students studying in Scotland) pay tuition fees to universities to fund their undergraduate course place. The fee you pay is based on your parents' income (called means-testing) and you pay the fees up front during each academic year.

If you are eligible (based on your household income) you can apply for financial support from the Government to pay your tuition fees and living costs by getting student loans. You are able to take out two student loans per academic year:

- a Tuition Fee Loan - to cover your tuition fees in full
- a Maintenance Loan - to help with accommodation and other living costs (how much you get depends on your household income)

Student loans have to be paid back - but you don't have to start making repayments until you've left your course and are earning over £15,000. Once your earnings reach this threshold, you'll pay back 9% of whatever you earn over £15,000.

In addition some eligible students can qualify for the full or partial Maintenance Grant to help with living costs. Universities also offer bursaries to help with living costs. If you're paying maximum tuition fees and getting the full Maintenance Grant or Special Support Grant, you are entitled to at least a minimum bursary payment. Most universities will give you more than a minimum bursary.

Part-time students do not currently have access to student loans. The main sources of government-funded financial support for part-time students are:

- A Fee Grant - to help with tuition fees
- A Course Grant - to help with study costs, such as books, materials and travel

The maximum Fee Grant you can get is based on how 'intensive' your course is - how long it takes to complete compared to the equivalent full-time course.

The amount you pay for tuition fees also depends on where you live in the UK are where you study. English and Northern Irish students pay tuition fees wherever they study in the UK. Welsh students pay tuition fees in England, Scotland or Northern Ireland, but only at £1,250 a year if they remain in Wales or study a course elsewhere that is not available at any Welsh university. Scottish students pay tuition fees in England, Wales or Northern Ireland; if they remain in Scotland no fees are paid as of the abolition by the Scottish Government in 2007.

## **What changes are planned for higher education funding?**

The amount that students currently pay for fees was set by the UK Parliament in 2004. This was when Parliament passed the Higher Education Act. This Act of Parliament brought about the introduction of 'top-up fees'. Essentially meaning that instead of a flat fee of £1,200 per year for students to be paid up front, students would be charged up to £3,000 which could be varied from course to course. The debate around this act was highly controversial, and the Commons vote at second reading was the closest that the Government had come to defeat on passing a law through Parliament since 1997 – the Bill passed at that stage by only 5 votes.

In November 2009, the Government tasked an independent panel to consider the future direction of higher education funding in England. The 'Independent Review of Higher Education Funding and Student Finance' was launched on the 9th November 2009. Chaired by Lord Browne of Madingley, the former chief executive of BP, the Review became known as the 'Browne Review'. The review was tasked with making recommendations to Government on the future of fees policy and financial support for full and part-time undergraduate and postgraduate students. In October 2010, the Review recommended that:

- The current cap on fees of £3,290 per year be removed, allowing universities to charge what they want.
- Universities charging students more than £6,000 per year will ensure that those which charge the most contribute more to supporting the poorest students.
- Part-time students should receive student loans

In response to recommendations of the Browne Review the Government outlined its plans to change higher education funding:

- Any university or college will be able to charge a graduate contribution of up to £6,000.
- In exceptional cases, universities will be able to charge higher contributions, up to a limit of £9,000, subject to meeting conditions on widening participation and fair access. It will be up to the university or college to decide what it charges, including whether it charges at different levels for different courses.
- Any university or college will be able to charge below £6,000. Universities and colleges wanting to charge above £6,000 a year will have to show how they will spend some of the additional income making progress in widening participation and fair access.
- The Government will continue student loans for eligible students so they can pay the university or college for tuition costs. For the first time, part-time students will be entitled to a loan as they are studying for at least one third of their time.
- Maintenance loans will be available to all irrespective of income.
- Students from families with incomes of up to £25,000 will be entitled to a student maintenance grant of up to £3,250 and those from families with incomes up to £42,000 will be entitled to a partial grant.
- Graduates will not make a contribution towards tuition costs until they are earning at least £21,000, up from the current £15,000. The repayment will be on 9% of income above £21,000, and all outstanding repayments will be written off after 30 years.

To change the cap on tuition fees from £3000 to £9000 the Government will need to amend the Higher Education Act. This means that MPs will need to vote on whether they agree such a change should happen.

MPs are to vote on to whether to approve the £9,000 fee ceiling for 2012-2013 in the House of Commons on Thursday 9 December.

The Government has also said that it will publish a Higher Education White Paper in winter 2010 on the future of universities.

### **Why do we need to campaign for fairer higher education funding?**

Young people are extremely worried that raising tuition fees to £9000 will deter young people from attending university because of the cost and leave them with increasing levels of debt.

NUS, a BYC member, has led the campaign against the lifting of the current cap and raise to fees of potentially £9000. Responding to the Government's proposal NUS said:

*"The Government have completely failed to explain what students would receive in return for higher fees other than higher debts. Students and their families will simply not be fooled by rebranding of plans to triple tuition fees to foot the bill for funding cuts. They will also be justifiably believe that requirements on access, employability, quality or the student experience would be just as toothless as they are now."*

*"These dangerous proposals risk pricing students out of elite universities and saddling a generation with huge debts before they have even got on their bikes to find work. If Liberal*

*Democrats were to keep the pledges they made to voters then proposals to railroad a tripling of tuition fees through Parliament would be dead in the water."*

*"Just four years ago, fees trebled and in that time there has been no improvement in student satisfaction, no improvement in quality, no improvement in staff-student ratios and no improvement in contact time. Universities haven't been value for money for fees of £3,000 a year, and they certainly haven't justified an increase, let alone a three fold hike".* **Aaron Porter, NUS, 3 November 2010.**

Prior to the announcement of the Government proposals, research found that nearly eight out of ten students, 79%, would be deterred by fees of £10,000, whilst 70% say they would be deterred by fees at £7,000. When asked what was closest to their view of tuition fees 59% of students believed that they should not be expected to pay fees. Of those that did believe they should contribute they believed that this should be about a fifth (21%) of total costs of tuition, estimated to be about £8,000 a year i.e. around £1,680 (compared to the current £3,225). 42% of students believed that if they had to contribute more to the costs of their tuition it should come through the income tax system, compared to only 24% saying similar level of fees but with higher interest rates.<sup>1</sup>

## **What is the fair way to fund higher education?**

BYC believes that students should not contribute to higher education funding at the point of entry, by fees, and instead higher education funding should be sustained via progressive taxation gathered via the income tax system. This is because we believe tuition fees act as a barrier and a deterrent to participation.

NUS have proposed an alternative to the Government proposals – the Graduate Contribution Scheme. In this proposed scheme students will contribute to the costs of their degree once they have graduated. Under this system those who benefit most from university by earning more will contribute more. Main points of the proposal include:

- A graduate contribution would be paid into an independent fund – a People's Trust for higher education – which would be built up over time and eventually deliver considerable additional resources for universities in the future.
- Former students would make contributions to the Trust for a fixed period of twenty years. Instead of paying fees fixed when they start their courses, they would pay back linked to the benefit they obtain from higher education over a longer period, but this would not be a simple 'graduate tax'.
- Full-time and part-time fees would be abolished; no up front payment at all, for either full-time or part-time students.
- The actual proportion of earnings sought in contributions would be variable and progressive (meaning you pay more if you earn more); rates of contribution would range from 0.3% for those with very low earnings, to 2% for average earners and 2.5% for very high earners. Payments would be spread over a longer period and would therefore be more affordable; for example, a person earning £30,000 would be £37 better off each month than under the current system and a lower threshold would be put in place to ensure no contribution is sought from very low earners.

---

<sup>1</sup> NUS/ HSBC, November 2010, *Students Research*. Available from: <http://www.nus-connect.org/news/article/highereducation/642/>

- There would be a payment time limit of twenty years to ensure people do not contribute for their whole working lives.<sup>2</sup>

Research has also found that an alternative proposal of graduate tax of 1%, rather than fees, would deliver the same level of resources as currently available to universities, would make the Exchequer no worse off than under the current system and would have a small negative impact on graduates i.e. the total contribution made by all graduates would increase though some graduates – particularly low earners – would be better off if a graduate tax of 2.4% was levied, universities would be approximately £3.1 billion per annum better off.<sup>3</sup>

### What does BYC think needs to happen?

- The cap on tuition fees (currently £3000) should not be lifted.
- That the Government should consider alternatives to fees, such as the graduate contribution scheme.
- That young people, both current and future students, need to be involved in decisions made about changes to the higher education funding system and progress to tackling inequalities in student support.

### Who can I contact about this issue?

To raise your concerns about this issue you might want to contact the following decision-makers. The best way to contact those listed below is to go to <http://www.writetothem.com> put in your postcode and you will be able to email them immediately.

If you're a young person living in England	If you're a young person living in Northern Ireland
<ul style="list-style-type: none"> <li>• Your local councillors</li> <li>• Your MP</li> <li>• Vince Cable MP - Secretary of State for Business, Innovation and Skills – email via <a href="http://www.bis.gov.uk/contact/ministers-business">http://www.bis.gov.uk/contact/ministers-business</a> (address the email for his attention)</li> </ul>	<ul style="list-style-type: none"> <li>• Your local councillors</li> <li>• Your MP</li> <li>• Your MLA</li> <li>• Danny Kennedy MLA – Minister for Employment and Learning, Northern Ireland Executive – email <a href="mailto:private.office@delni.gov.uk">private.office@delni.gov.uk</a></li> <li>• Vince Cable MP - Secretary of State for Business, Innovation and Skills – email via <a href="http://www.bis.gov.uk/contact/ministers-business">http://www.bis.gov.uk/contact/ministers-business</a> (address the email for his attention)</li> </ul>
If you're a young person living in Scotland	If you're a young person living in Wales

<sup>2</sup> NUS, 2010, *Funding our Future Campaign*. Available from: <http://www.nus.org.uk/en/Campaigns/Funding-Our-Future/Funding-Blueprint-launch/>

<sup>3</sup> million+ and London Economics, September 2010, *A Graduate Tax: Would it work?* Available from: <http://www.millionplus.ac.uk/research/a-graduate-tax-would-it-work>

<ul style="list-style-type: none"> <li>• Your local councillors</li> <li>• Your MP</li> <li>• Your MSP</li> <li>• Michael Russell MSP – Cabinet Secretary for Education &amp; Lifelong Learning, Scottish Government – email <a href="mailto:scottish.ministers@scotland.gsi.gov.uk">scottish.ministers@scotland.gsi.gov.uk</a> (address the email for his attention)</li> <li>• Vince Cable MP - Secretary of State for Business, Innovation and Skills – email via <a href="http://www.bis.gov.uk/contact/ministers-business">http://www.bis.gov.uk/contact/ministers-business</a> (address the email for his attention)</li> </ul>	<ul style="list-style-type: none"> <li>• Your local councillors</li> <li>• Your MP</li> <li>• Your Assembly Member (AM)</li> <li>• Leighton Andrews AM - Minister for Children, Education and Lifelong Learning, Welsh Assembly Government, email <a href="mailto:correspondence.leighton.andrews@wales.gsi.gov.uk">correspondence.leighton.andrews@wales.gsi.gov.uk</a></li> <li>• Vince Cable MP - Secretary of State for Business, Innovation and Skills – email via <a href="http://www.bis.gov.uk/contact/ministers-business">http://www.bis.gov.uk/contact/ministers-business</a> (address the email for his attention)</li> </ul>
---	--

### What can I ask decision-makers to highlight this issue?

When writing to or meeting decision-makers you could bring up this issue by asking the following questions:

- Do you support tuition fees as a means to fund higher education?
- Do you support the idea of a Graduate Contribution Scheme as proposed by NUS?
- Will you vote against any rise in tuition fees proposed in Parliament?

Make sure you let BYC know what they have to say by emailing [campaigns@byc.org.uk](mailto:campaigns@byc.org.uk)

### How can I take action to support the campaign?



Write to your MP to detail your opinions as a constituent on this issue.

Check out <http://www.byc.org.uk/fundingourfuture> for the latest campaign action from BYC.

### How can you support me to campaign on this issue?



BYC has Regional Organisers who can come and present on this campaign across the UK and support you to develop your local campaigns.

If you are interested in this opportunity, or would like further information, please email [campaigns@byc.org.uk](mailto:campaigns@byc.org.uk)

## Where can I find more information on higher education funding?

### **National Union of Students – Funding our Future.**

The campaign against increasing tuition fees and how the graduation contribution scheme can be an alternative to tuition fees.

<http://www.nus.org.uk/en/Campaigns/Funding-Our-Future/What-is-the-NUS-Blueprint/>

### **Department for Business, Innovation and Skills.**

Government plans to reform higher education funding and student finance.

<http://www.bis.gov.uk/studentfinance>

### **Independent Review of Higher Education Funding and Student Finance.**

The website for the Browne Review and their recommendations about higher education funding and student finance.

<http://hereview.independent.gov.uk/hereview/>

### **DirectGov – Student finance.**

A quick guide to student finance in the UK.

<http://www.direct.gov.uk/en/EducationAndLearning/UniversityAndHigherEducation/StudentFinance/index.htm>

## **For more information**

### **about BYC training:**

[www.byc.org.uk/training](http://www.byc.org.uk/training)

### **or to download further resources:**

[www.byc.org.uk/resources](http://www.byc.org.uk/resources)

## **British Youth Council**

**We empower young people across the UK to have a say and be heard.**

[www.byc.org.uk](http://www.byc.org.uk)

[mail@byc.org.uk](mailto:mail@byc.org.uk)