



# The All-Party Parliamentary **University Group**



All Party Parliamentary Group on Students

**Note of speaker meeting: “Students as consumers in their education: where student fees go, how universities explain their financial decisions to students, the public and government”**

Speakers:

**Professor Simon Gaskell**, Principal, Queen Mary University of London

**Nick Hillman**, Director, Higher Education Policy Institute

**Sorana Vieru**, Vice-President (Higher Education), National Union of Students

**Professor Simon Gaskell** began his comments by establishing his position that students should be considered as co-creators of their education. However he proposed that it was the increase to fees of £9,000 that has prompted universities to work out how and where their finances are being spent. He noted that the full costing of these fees must take account of spending on infrastructure and make allowance of spending on widening participation activities such as bursaries and scholarships.

Professor Gaskell went on to discuss cross subsidy between courses, noting that if you compare the least expensive disciplines to teach with the most expensive, such as medicine and dentistry, there is close to a factor of two difference in the real cost. For some courses, particularly those that are laboratory based, institutions are receiving a fee which is much lower than the real cost. All universities with a wide disciplinary spread cross-subsidise. He went onto describe the communication challenge for institutions. Universities do provide information about how money is spent in the round to their students, but the question needs to be posed of whether individual students would be content with the knowledge that they are subsidising other students and other courses.

Other challenges arise from the terminology that institutions use and are required to use. Institutions talk, correctly in accounting terms, about their surplus. The implication of the word surplus is that there is funding that is surplus to requirements, but this is not the case. What institutions are actually referring to is the funding which is available to spend on maintenance or improvements, for IT or Library facilities for example, and sometimes this ‘surplus’ is inadequate for those purposes.

He summarised his points by saying that institutions are faced with the challenge of how to communicate to their students, not only on the use of fees, but to justify and explain the sorts of cross-subsidies within universities that provide a wide range of subjects.

**Nick Hillman** began by asking whether students get enough information about where their fees go. He mentioned that the single biggest piece of work undertaken by his organisation is a survey of full time undergraduates, in which one question is whether students receive enough information about how their fees are spent. In the most recent survey 75% of respondents answered that they felt they didn't receive enough information.

He argued that providing this information was important for students particularly as there was a danger that students would try to work out value for money by adding six hours of contact per week over the year and dividing this by the total cost of their degree, comparing that with the number of contact hours you may receive at an independent school where the cost is around the same price. Mr Hillman then noted that this calculation doesn't account for the additional things that institutions provide. He argued that students understood and accepted that when you enrol in a very large institution that provides multiple courses there will be cross-subsidising. He noted that this was particularly the case for students who chose to enrol in research focused institutions, and that students will have chosen the provider because of the opportunities that a research institution provides.

Finally, he noted that a more granular breakdown of how fees are spent, as opposed to providing data split at the £100m level would be better for universities to do voluntarily rather than have this task imposed upon them. A more detailed breakdown would provide intelligible information for the average student but also for policy makers.

**Sorana Vieru** opened her comments by asking how helpful the narrative that students have become more demanding and therefore institutions have had to become more accountable actually is. She raised the point that it was useful to frame the discussion in the context of the White Paper, 'Success as a Knowledge Economy: Teaching Excellence, Social Mobility and Student Choice' and the Higher Education and Research Bill, noting that both documents are geared towards students becoming consumers even if they themselves don't feel that way and flagging that there was no opportunity for a student representative to be involved within the newly proposed Office for Students. She argued that students are too often told what is in their best interest rather than included in the discussion.

Therefore Ms Vieru argued that students labelled as consumers is disempowering, suggesting that students are or should only be listened to because they are paying money. She argued that this goes against the work that the NUS and Students Unions have done with their institutions to building a healthy understanding of what their education should look like, with students as partners in their learning. She noted that at the institutional level students are given a seat at the table; however there is a danger that if this is only a token appointment this could force the student into more of a watchdog role. Finally she closed her comments by proposing that the question should not be how the universities explain their decisions but how they include students in the decisions that the universities are making.

## Q&A and Discussion

It was suggested the discussion should be viewed from a wider lens by **contextualising some of the policy initiatives taking place in Westminster** by looking at the devolved nations and others. It was agreed that students were **both consumers and partners**, as students who consume a rich learning experiences that they have co-created as genuine partners. Attendees noted that there is a balance to be struck as universities have a wealth of experience in designing courses, and it is paramount to preserve the integrity and quality of the qualification offered. There are some situations where universities need to act as leaders, particularly when students are new, young and potentially away from home for the first time. It was recognised that some institutions have got better at listening to students, but it was also argued that the amount this is taking place is being exaggerated.

It was suggested that when students query where money is being spent, they are actually questioning the decisions that university leaders are prioritising. This led to a discussion on **cross-subsidies** and communication of them. It was acknowledged that cross-subsidy wasn't particularly well understood. However, it was felt that it would be important for this to be understood or else there is a danger students would not apply for the course they had the ability for but instead apply for what they could afford.

The distinction was made between quantity and quality of information. Attendees agreed that without a **granular breakdown** of where student fees are spent there is a risk that students itemise the cost of each contact hour that they receive in relation to the £9,000 fees. It was felt strongly that information provided needed to be more meaningful for students and that currently the sector had an imperfect understanding about how and why students make their choices about higher education. It was also commented that the terminology of 'tuition' fees were counter intuitive. Students were aware that the experience is wider than contact hours and that they will not necessarily receive the benefit of improved or upgraded infrastructure or facilities, but this term reinforces the idea that the money should be entirely spent on their individual teaching.