

Student Flysheet on Graces 6 and 7

Applicants to university have a natural fear of debt, contrary to some claims by the current government. This is particularly true of the poorest students in our society – these are the students most likely to be put off applying to university under the new fee regime. The trebling of tuition fees to £9,000 will have a disastrous effect on the University's attempts to widen participation: nowhere is this more true than at Cambridge and Oxford, each with their own historical challenges in attracting applicants from the poorest backgrounds. We need to substantially increase the amount we spend on our widening participation efforts if we are to begin to offset the damage that increased tuition fees will do to our aim of attracting the best young minds, irrespective of their financial background.

The trebling of fees will generate for the University an extra £64m per annum. Even accounting for the massive cuts to the HEFCE Teaching Grant, Cambridge will still be better off by more than £12m every single year.

These two initiated graces propose that the University increase the amount it commits to widening participation from the proposed £10 million by an extra £4 million or £2 million respectively. Whilst spending £10 million can be made to look like we are spending more than the University does at present, when cuts to nationally funded programmes like AimHigher are taken into account, **less will actually be spent on widening participation in Cambridge**. Spending an extra £2 million would allow us to maintain the status quo – spending an extra £4 million would be making the positive statement about widening participation that the new fees landscape requires.

Comparison with other Institutions

Oxford, the university in the most comparable financial position to our own, has recognised that they will have to increase their spend on widening participation in a way that our University has not. Oxford **proposes to spend £13 million** on a combination of bursaries, fee waivers and widening participation activities to attempt to offset the damage that tuition fees will do. Even other Russell Group universities which do not share our historical challenges in widening participation, such as Birmingham and Leeds (who have also been forced to charge £9,000 tuition fees in light of the government's massive cuts to higher education), **propose to spend headline figures of £12 million and £16 million respectively**.

Cambridge is the country's leading university – we must be seen to be leading the rest of the higher education sector in reducing the damage that £9,000 tuition fees will do to encouraging applications from the poorest backgrounds and certainly not cutting the amount that is spent on widening participation in Cambridge. The increased spend we are proposing will be spent from the additional income gained from *the increase in student fees*. If we are to continue to be one of the world's best universities, we need to continue to attract the best minds in the country as our students – **and we can only do this if we attract the poorest students as well as the richest**.

This is the most important year for widening participation

In the post 9k fee landscape, all future years will be difficult years for widening participation. However, 2011-12, the lead up to the year that we begin charging £9,000, will be the **most challenging of all**. This

challenge will be compounded by the **cut of the AimHigher and the Excellence East programme and the HEFCE widening participation stream, which channelled millions of pounds into WP schemes in the University, Colleges and departments**— though the University has consistently failed to investigate just how much money we will be losing from these programmes.

In light of these challenges, we need to commit to a diverse package of measures. Though we were strongly encouraged by the University Council’s climb down over its plans to slash maintenance bursaries in half, we know that generous maintenance bursaries will not be enough in the year (and years) ahead— though they are the most important part of any package for the poorest students while they are at Cambridge. To properly tackle this challenge, we need the package that £12-£14 million would allow.

Spending £12 or £14 million would allow us to keep the Cambridge Bursary at current levels – but it would **also allow us to offer a waiver of up to £3,000 to poor students** (all those with a family income of under £25,000, rather than just for a tiny selection of the very poorest first years under the current system) and invest **£1.5 million to make up for the cuts to widening participation funding sources**. We could once again (as we can currently) advertise ourselves as having the **most generous financial support package in the country** for the poorest students – from experience, we know that this claim is one of the most invaluable tools in encouraging applications to Cambridge.

The financial case for £12 or £14 million

The University’s approach has been to work out how much they *think* they can afford to spend on widening participation and propose to spend that amount. What we have done is work out **how much it costs to offset the damage to widening participation that £9k fees will do, and show that those plans are affordable**.

The table below is based on the University’s own estimate of our financial position in the coming years. Without any extra spend on widening participation, by the time all students are charged £9,000 tuition fees, **the University will be £12.2 million a year better off than it is today – as a direct result of charging undergraduates the highest level of fee**. What these graces propose is that we spend an extra £4 million (a third of our profits from fee income) or an extra £2m (a sixth) of this additional money and use it to increase our widening participation efforts.

| | Fee income (£m) | HEFCE T Grant (£m) | Total Funding (£m) | Change on 10-11 (£m) |
|-------------------------------------|--------------------|-----------------------|-----------------------|-------------------------|
| 2010-11 | 36.2 | 60.4 | 98.9 | 0 |
| All students charged £9k fees | 99.7 | 13.5 | 113.2 | 12.2 |

Figures based on Paper: “Financial Impact - Home/EU Undergraduate and PGCE Students: Funding Flow” presented to Working Group on Fees and Bursaries; includes the University’s current proposed bursary/WP spend.

When the University initially proposed the total amount it would spend on widening participation and financial support for students, it was unclear what the rest of the sector would be spending. Now a clear

norm has emerged. Other Russell Group universities are spending significantly more on widening participation and financial support than we are – **Cambridge needs to catch up and it can afford to do so**. For more information (including details of our budget modelling), visit www.cusu.cam.ac.uk/universityfinances.

We are not claiming that all WP money is spent in the best possible way by the University - where it can be used more efficiently it should be. However, this cannot be an excuse for Cambridge shirking its investment in widening participation, especially at such a critical time for its success.

The Old Schools' own figures show that the University will be better off by £12.2 million from changes to teaching funding with the introduction of £9,000k fees, even with the additional expenditure we propose. Though the next couple of years will be financially difficult for the University, this will be easily made up for by the profit we will make from the new fee regime. What we are requesting would **not be Cambridge living beyond its means** – it is financially viable and necessary that we increase the amount of money we spend on widening participation if we want to continue to attract the best and the brightest.

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