



**Leeds**  
CITY COUNCIL

**Draft Statement of  
Scrutiny Board (City &  
Regional Partnerships)**

**on**

**University Fees**

# Introduction



## Introduction

1. At its meeting on the 21<sup>st</sup> July 2008 Scrutiny Board (City & Regional Partnerships) considered a request for scrutiny from the University of Leeds Student Union concerning their University Fees campaign and the impact students have on the Leeds economy.
2. The Board established a Working Group to consider this request and determine what further action, if any, it wished to take concerning the Government's proposals to remove the ceiling for University Fees in April 2009 and the economic impact students from our two Universities have on the local economy.
3. The drivers for this are set out in the Strategic Outcome of the Council's Strategic Plan 2008-2011 "to have an enhanced workforce that will meet future challenges through fulfilling individual and economic potential and investing in learning facilities" and in the improvement priority to "enhance the skill levels of the workforce to fulfil individual and economic potential".
4. The Working Group was delighted to meet our external partners Professor Vivien Jones, pro-Vice-Chancellor, University of Leeds and Steve Denton, pro-Vice-Chancellor, Leeds Metropolitan University and representatives from the University Unions who helped Members with their deliberations.
5. The Scrutiny Board on the 23<sup>rd</sup> October 2008 accepted the recommendations of its Working Group of 17<sup>th</sup> October not to undertake a formal inquiry but that a statement be prepared for consideration by the Board at its meeting on the 20<sup>th</sup> November 2008.
6. This report provides detail of the discussion held and puts forward a number of recommendations.
7. On the statements made by the witnesses present the following report represents the general consensus of the Members.
8. The Working Group would like to thank the University Union representatives, pro-Vice-Chancellors and officers who assisted us with this piece of work.

# Comments and Recommendations



1. Our Working Group met on the 17<sup>th</sup> October 2008 (see appendix 1) and we considered with the pro-Vice-Chancellors from the University of Leeds and Leeds Metropolitan University and representatives from the University Unions and the City Development department the following papers
  - Extract of minute from Scrutiny Board (City Development 21<sup>st</sup> July 2008)
  - Report of the Head of Scrutiny and Member Development on the request for scrutiny from Leeds University Union
  - Report of the Leeds University Union
  - Report of the Director of City Development "The Local Economic Impact of Students at Leeds' Two Universities
2. We were informed by the University Unions of the current funding model for tuition fees and the potential impact on Leeds, if the cap on fees is removed following the Government's review in 2009.
3. Issues identified and discussed included
  - The expectation that as fees rise the number of students staying in their home towns is likely to increase and the numbers of applicants for higher education funding to fall.
  - Recognition that the Leeds Metropolitan University have a distinctive and pioneering approach to full time undergraduate fees and that it has only charged £2,000 since the introduction of differential fees.
  - That higher fees may result in students shopping around for Universities who are charging lower undergraduate fees but who may not be providing the best or most suitable course.
  - That market forces may result in less popular universities closing.
  - That Post 16 student levels in Leeds were not currently high enough to meet targets as outlined in the Leeds Strategic Plan and higher fees could have an adverse effect on the number of students moving into higher education.
  - The concern that higher fees would make it difficult for people from social or economically disadvantaged backgrounds to apply for University places.
  - Recognition that the least well off will be the first group of potential students not to be able to afford to go to University even in their home town if University fees increase further unless proper support is offered through bursaries.
  - That the local economic impact of Leeds' two universities is substantial. They are responsible for over £1.3bn of output and 17,600 full time equivalent (fte) jobs. Leeds' Gross Value Added (GVA , a measure of output) is around £15.3bn and there are around 388,000 fte jobs so the universities' contribution is around 9% and 5% respectively. They also supply graduates each year to the local economy.

## Comments and Recommendations



- That within these figures the impact of students themselves was smaller, but the wider impact was dependent on the universities attracting students in the first place.
  - That the student population of Leeds contributed 10% of the city's economic input and 5% of employment.
  - That a third of graduates went on to employment in Leeds
  - That the figures (See appendix 2) are conservative because they are based on slightly dated input data, and the impact of conference and events expenditure, and the universities' substantial role in supporting local business competitiveness and innovation were not quantified in the report of the Director of City Development.
4. We were advised that both Universities want a properly funded higher education system, but recognise the high costs of high volume progression to higher education. Appropriate financial support for students is crucial in this context. The pro-Vice Chancellor of Leeds Metropolitan University referred to the fact that they do have a 'low charging high impact' policy in this regard.
5. We recognise that Equality and Diversity are embedded in the Leeds Strategic Plan and the Council Business plan, with a number of strategic outcomes and priorities being directly linked to equality and diversity issues. The Council has an Equality and Diversity Scheme which includes an Action Plan outlining in more detail how equality objectives will be achieved. We take the view that a University system that is fair to all sections of our community is fundamental to meeting these objectives.
6. From the evidence presented to us we concluded that there should be adequate funding of Higher Education without removing the cap on University fees.
7. We heard from representatives of the University Unions that bursary schemes and access to funding varies from University to University and is often complex and difficult to understand.
8. It was suggested to us by the University Unions that there was a massive under spend on bursary schemes in Leeds. Administration of bursaries was overseen by each University across the UK, was unregulated and each applied different conditions and criteria to those wishing to apply.

### Recommendation 1

**That local MPs be asked to give their support to the view that there should be adequate funding of Higher Education without removing the cap on fees.**

## Comments and Recommendations



9. The University of Leeds pro-Vice-Chancellor stated that where there was underspend against budget on bursaries, this underspend was used for widening access activities. The pro-Vice-Chancellor for the Leeds Metropolitan University stated that they do not have a bursary scheme, given their distinctive 'low charging high impact' approach to fees. They both acknowledged the complexity and difficulty in applying for such help.

### Recommendation 2

**To complement recommendation 1 MPs and the Chief Executive Education Leeds should be asked to support the introduction of a single national bursary system that is easy to understand and access through consistent and transparent processes.**

10. We acknowledged the collaborative work that already exists between the two Universities and the City Council.

11. We noted the fact that both Universities want to increase and improve the quality of information, advice and guidance that is provided to their students particularly around bursaries and fees and acknowledged the work they had already done in this regard. We were asked if the Council would be prepared to consider some jointly funded post with the Universities to develop this area of work.

12. We considered the establishment of a suitable post funded jointly by the Universities and the City Council to be worthy of further investigation.

### Recommendation 3

**That the Director of Children's Services be asked to consider whether the Council would be prepared to fund with the University of Leeds and Leeds Metropolitan University the establishment of a suitable post to develop and improve the information, advice and guidance provided to students particularly in relation to university application processes and application for financial support.**

# Appendix 1



## Witnesses Heard

- Professor Vivien Jones, pro-Vice-Chancellor, University of Leeds
- Steve Denton, pro-Vice-Chancellor, Leeds Metropolitan University
- Danial Adilypour, Education Officer, University of Leeds Student Union
- Will Watson, Education Officer, Leeds Metropolitan University Student Union
- Thomas Holvey, Senior Policy & Information Officer, City Development
- Garry Milner, Head of 14-19 Strategy, Education Leeds
- Mr Rob Damiao, Community Officer, Leeds University Union

## Dates of Scrutiny (to date)

- 21<sup>st</sup> July 2008 Scrutiny Board (City Development)
- 17<sup>th</sup> October 2008 University Fees Working Group
- 23<sup>rd</sup> October Scrutiny Board (City Development)



# Appendix 1



## Scrutiny Board (City & Regional Partnerships) University Fees Working Group

Meeting held on 17<sup>th</sup> October 2008

### **Present:**

Councillor Sue Bentley (Chair)  
Councillor Bernard Atha  
Councillor Valerie Kendall  
Councillor James Lewis

### **Others in Attendance:**

Professor Vivien Jones, pro-Vice Chancellor, University of Leeds  
Steve Denton, pro -Vice Chancellor, Leeds Metropolitan University  
Danial Adilypour, Education Officer, University of Leeds Student Union  
Will Watson, Education Officer, Leeds Metropolitan University Union  
Thomas Holvey, Senior Policy & Information Officer, City Development  
Garry Milner, Head of 14-19 Strategy, Education Leeds  
Richard Mills, Principal Scrutiny Adviser, Democratic Services

### **1.0 Apologies and Welcome**

- 1.1 Apologies were reported from Rob Damiao, Community Officer, Leeds University Union and Councillor Lucinda Yeadon.
- 1.2 The Chair welcomed everyone to the meeting and in particular Professor Vivien Jones, Steve Denton, Danial Adilypour and Will Watson.

### **2.0 Request for Scrutiny**

- 2.1 The Chair referred to the request for scrutiny which the Board had considered on the 21<sup>st</sup> July from members of the University of Leeds Student Union with regard to their fees campaign.
- 2.2 The Chair reported that the Board had deferred consideration of their request and established this working group to consider if an inquiry was appropriate and if so consider suitable terms of reference.

### **3.0 Background Papers**

- 3.1 The Chair referred to the documents which had been circulated to everyone present.

## Appendix 1



### **4.0 Issues and Comments**

4.1 A number of issues were identified and comments made during the discussion including:

- The Council's Strategic Plan and FE  
The Government's proposals to remove the ceiling on University Fees and that both universities wish to see a properly funded higher education system
- The desire of the Universities to provide better support and information to its students and the work that has already been undertaken in this regard
- The fact that bursary schemes vary from university to university and are often complex and difficult to understand
- Leeds Metropolitan University complements Leeds University and are meeting different student needs and not in direct competition
- The need to continue to improve the infrastructure of the city
- School results and courses available
- That both Universities encourage wider participation through outreach work with primary and secondary schools
- The Aim Higher Education Project
- The work and importance of the Leeds Benefits Service
- The collaborative work that already exists between the two Universities and the City Council

### **5.0 Proposed Actions**

5.1 Members identified

- (a) The fact that both Universities want to provide more information, advice and guidance to potential students in Leeds particularly around bursaries and fees and has asked whether the Council would be prepared to consider some jointly funded post with the Universities.
- (b) That local MPs be asked to give their support to the view that there should be adequate funding of Higher Education without removing the cap on fees. This should be complemented by a single national bursary system that is easy to understand and access through consistent and transparent processes.

### **6.0 Recommendations of the Member Working Group**

6.1 The Working Group recommended to Scrutiny Board (City & Regional Partnerships) that it request a draft statement to be prepared for its consideration incorporating the proposed actions identified in paragraph 5 above.



## Appendix 2



### STRATHCLYDE MODEL RESULTS

The combined impacts of Leeds Metropolitan University and the University of Leeds are presented here.

<b>Economic impact of LMU and UL</b>				
	<b>Impact of university expenditure</b>	<b>Impact of UK students (based on 50,696 no.)</b>	<b>Impact of international students (based on 7,728 no.)</b>	<b>Combined impact</b>
<b>1. Direct output (=turnover), £m</b>	529	0	0	<b>529</b>
<b>2. Secondary output, £m</b>	824 (550)	411 (240)	60(38)*	<b>1,295 (828)</b>
<b>3. Total output generated, £m (1+2)</b>	1,353 (1,079)	411 (240)	60(38)*	<b>1,824 (1,357)</b>
<b>4. Direct employment, fte</b>	8,494	0	0	<b>8,494</b>
<b>5. Secondary employment, fte</b>	8,907 (6,394)	3,631 (2,320)	550 (373)	<b>13,088 (9,087)</b>
<b>6. Total employment generated, fte (4+5)</b>	17,401 (14,888)	3,631 (2,320)	550 (373)	<b>21,582 (17,581)</b>
<b>7. Export earnings, £m</b>	57	0	39	<b>96</b>
<p>All figures in brackets are the regional impact which comprises part of the main figure            *Generated from £39m of off-campus expenditure (see row 7)            All financial estimates rounded to nearest million            Fte = full-time equivalents (1 full-time job=2 part-time)            LMU figures based on 2006-7, UL on 2005-6 input data            GVA = Gross Value Added</p>				