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Research and Library Service Briefing Note

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Potential Implications of the Browne Review for the Open University

1 Introduction

The following briefing note summarises some of the implications for the Open University following the publication of the Browne Review.

2 The Open University and Tuition Fees

The Open University is a distance learning University that has approximately 250,000 students. Of these the average age of an OU graduate is 32 with approximately 47,000 students receiving some form of financial support¹.

By its very nature the OU provides people with part-time third level courses, with 70% of those who study with the OU in employment at the same time. As such the Browne Review, and the subsequent statements by the Conservative and Liberal Democrat government regarding the implementation of the Reviews findings, will have a significant impact on the University and its student body.

¹ Open University *Facts and Figures* <http://www8.open.ac.uk/about/main/the-ou-explained/facts-and-figures> (first accessed 4th November 2010)

As with other UK Universities, the OU could currently charge up to £9,750 for a full degree². However, OU fees range from £3,600 to £4,890 for a full degree.

The OU tuition fees are based on a number of variables, such as what the course is on, whether the student is from the UK or is an international student and what modules they decide to take on.

The Browne Review recommended that part time students should be able to access the same tuition fee loan as full time students, which under current Government proposals would amount to potential loan funding of £9,000 per year.

The Open University welcomed this recommendation and stated that³:

For those who have been arguing for a better deal for part-time students, this is a report to welcome, applaud and celebrate.

The OU comments that one of the main concerns for their students is what will happen to their fees and that despite modelling potential outcomes, it will be several months before the University will know the full consequences of the new funding environment.

The OU states that:

We hope we will be able to set fees at levels that will still be attractive and competitive in the future. This is the baseline from which we start, not the assumption that the Browne Recommendation would allow us to set fees at £18,000 for a degree⁴.

The OU is currently assessing the impact of the announcements but that:

If public funding is cut, The Open University will look carefully at the ways in which we can protect the quality of our teaching. This may mean reducing costs, scaling back or increasing revenue. We will look at fees – but any changes will not be introduced until 2012/13⁵.

When asked will the proposed removal of teaching funding effect how much the OU has to charge for degrees, the University responded:

The OU has been operating for more than forty years in the sort of market, with less regulation, that Browne is now recommending should apply across the sector. We have managed throughout that time to marry sustainability and quality with affordability and maintain a strong focus on social

² The Open University, Four in Ten website *In reply to questions following the OU's response to the Comprehensive Spending Review* <http://fourinten.org/2010/11/in-reply-to-questions-following-the-ou%e2%80%99s-response-to-the-csr> (first accessed 4th November 2010)

³ The Open University 12th October *Browne Review Calls for Support of Part Timers* <http://www.open.ac.uk/platform/news/ou-news/browne-report-ou-calls-support-part-timers> (first accessed 4th November 2010)

⁴ The Open University, Four in Ten website, *The OU's response to the Comprehensive Spending Review* <http://fourinten.org/2010/10/the-ous-response-to-the-comprehensive-spending-review> (first accessed 4th November 2010)

⁵ The Open University 21st October 2010 *Mission will Guide Response to Cuts* <http://www.open.ac.uk/platform/news/ou-news/mission-will-guide-response-spending-cuts> (first accessed 5th November 2010)

inclusion. We shall continue to do so. Of course, there are many unanswered questions regarding the new funding arrangements which we will fully consider before making any decisions. Our guiding social justice mission will, of course, also play a strong part⁶.

3 Additional Concerns

In a further response to the Browne Review, the OU raised three issues (through its “Four in Ten” campaign website⁷ and in a Briefing Paper from the OU, attached at Annex 1).

The first of these is the threshold for eligibility for full financial support being reduced from 60 to 40 credits. Whilst the OU welcomed this increase in potential participation rates, it believed that the threshold would be best suited at 30 credits as:

It would mark the start of a new modern era of higher education which promotes opportunity, flexibility, quality and the crucial role of part-time in delivering future economic growth and social mobility.

The second area of concern identified by the OU was in regards the proposed introduction of a tariff system to assess eligibility for accessing tuition fee funding. The OU states that this would disadvantage students with low educational attainment, citing that 41% of its students have only one A-level or less. The OU said that:

A future system must support all people, regardless of background and this is what we will continue to ask for.

The third area of concern is widening participation and fair access. The Browne Review recommends that five widening participation streams allocated by the HEFCE should be merged into one Access and Success fund. The OU believes that any...:

...new widening participation initiatives must have funds equal to, or greater than, the current level of investment devoted to ensuring that students from non-traditional backgrounds are not dissuaded from entering higher education⁸.

⁶ Discussions between the Author and an Open University Representative

⁷ The Open University, Four in Ten website, *The OU's response to the Comprehensive Spending Review* <http://fourinten.org/2010/10/the-ous-response-to-the-comprehensive-spending-review> (first accessed 4th November 2010)

⁸ The Open University Naik, R Briefing Note on Lord Browne's Review of Higher Education Funding & Student Finance

Annex 1



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Briefing Note on Lord Browne's Review of Higher Education Funding & Student Finance

Summary

The Open University operates across all of the devolved regions of United Kingdom. While Lord Browne Review focuses on Higher Education in England, The Open University is keen to engage with the devolved administrations in Northern Ireland, Scotland and Wales to discuss the potential implications and implementation of Lord Browne's Review.

The Open University warmly welcomes the six principles of Lord Browne's Review and is especially supportive of his recommendation to extend support for the costs of learning to the four in ten students in England who chose to study part-time. Throughout this process we have had four tests for any future system of funding and we will measure the proposals which Government brings forward against these:

- a) Does the system ensure equality of access?
- b) Does the system provide parity to full-time and part-time students?
- c) Does the system enable flexibility of study?
- d) Does the system sustain and promote quality?

We are delighted that all three main parties have endorsed the extension of support to part-time students; however, there are three specific issues we are now keen to see resolved: the intensity of study threshold at which support for the costs of learning is provided; the proposal to introduce a tariff point system and support for widening participation and fair access.

Key Issues

1. The Review notes that students receive significant benefits from studying at 30% intensity, not the current 50% threshold and recommends that this level should be lowered to 33% (page 36). Whilst this is a welcomed step, the Open University's joint submission with Birkbeck to Lord Browne, presents clear evidence that significant numbers of students benefit from studying at 25% intensity (30 credits per year). The legislation which comes forward should therefore **extend support for the costs of learning to the many thousands of students (45,000 at the OU alone) who study at 25% intensity**. This would be welcomed by the CBI, Universities UK and the NUS. Furthermore, it would deliver a *truly* 'mode-blind' system which has been advocated by all three main parties and the flexibility of study which the government has been keen to espouse and employers are eager to encourage.
2. Students from non-traditional backgrounds may be deterred from entering higher education if a tariff point system is used as a precondition for Student Finance. The Review's report

acknowledges on page 33 that: “a significant minority of students admitted in the current system do not have tariff points – for example, 11% of students entering higher education in 2009 had qualifications certified by the Business and Technology Education Council (known as BTECs), and yet BTECs are not recognised by the tariff system.” The **tariff point system restricts social mobility as it restricts students from non-traditional backgrounds** who are unlikely to have the prior attainment required for eligibility to Student Finance. For example, 41% at The Open University have one A-level or less. It is vital that such students continue to have access to a top quality higher education and potential barrier to that must be avoided.

3. In order to ensure widening participation and fair access in English higher education, sufficient support must be provided to these areas. Currently more than £412 million is provided to the sector for the purposes of ensuring that students from lower socio-economic groups are not deterred from maximising their academic potential. Lord Browne has suggested that five of the current widening participation streams allocated by HEFCE be merged to form a single Access and Success fund. We passionately believe that **new widening participation initiatives must have funds equal to, or greater than, the current level of investment** devoted to ensuring that students from non-traditional backgrounds are not dissuaded from entering higher education.

Contact details

If you have any questions or would like further details on The Open University's position please feel free to contact Rajay Naik at r.d.naik@open.ac.uk or 01908 655054. For specific reference on The Open University in Northern Ireland, please feel free to contact John D'Arcy at j.darcy@open.ac.uk or 02890 245025.

We look forward to working with you in developing a future model for higher education in Northern Ireland.

About The Open University

The Open University (OU) is the largest academic institution in the UK and a world leader in flexible distance learning. Since it began in 1969, the OU has taught more than 1.5 million students and has more than 250,000 current students, including 20,000 overseas, learning in their own time using course materials, online activities and content, web-based forums and tutorials and through tutor groups and residential schools.

The OU has been highly rated for teaching quality, and has been at the top of student satisfaction rankings in the National Student Survey since it was introduced in 2005. 70% of students are in full-time or part-time employment, and three out of four FTSE 100 companies have sponsored staff to take OU courses.

The OU supports a vibrant research portfolio and in the UK's latest Research Assessment Exercise (RAE 2008), the University climbed 23 places to 43rd, securing a place in the UK's top 50 higher education institutions

Regarded as Britain's major e-learning institution, the OU is a world leader in developing technology to increase access to education on a global scale. Its vast 'open content portfolio' includes free study units on OpenLearn, which has had more than 13.2 million visitors, and materials on iTunes U, which has recorded over 22.9 million downloads. The OU has a 40 year partnership with the BBC which has moved from late-night lectures in the 1970s to

prime-time programmes such as Life, Coast, James May's Big Ideas and The Money Programme.

Visit www.open.ac.uk