

Council Notice and Grace: Reply to the remarks made in Discussion on a Topic of Concern and the proposed arrangements for the undergraduate Composition Fee for UK and EU undergraduates from 1 September 2012

Introduction

1. The Council wishes to respond to the remarks made in Discussion on 18 January 2011 and 1 February 2011 on the following Topic of Concern:

The University's response to the proposed changes in higher education funding, in light of the more detailed proposals following the publication of the Browne Review. (Reporter, 2010–11, pp. 317–18).

2. The Council reminds the Regent House that Regulation 12 of the regulations on Composition Fees (*Statutes and Ordinances*, p. 160) provides that the Composition Fee charged to home and EU undergraduate students 'shall be the amount determined by the Secretary of State as the higher amount under Part 3 of the Higher Education Act 2004, subject to the approval of the Director of Fair Access to Higher Education; failing which the basic amount determined under the Act.' Part 3 of the Higher Education Act 2004 has not been repealed. Regulation 4 of The Higher Education (Higher Amount) (England) Regulations 2010 (SI 2010 No. 3020)¹ prescribes that the higher amount with effect from 1 September 2012 is £9,000 and the basic amount £6,000. Under the terms of the University's Regulation, the Composition Fee to be charged to all UK and EU undergraduate students from 1 September 2012 would therefore be £9,000 if the Director of Fair Access to Higher Education gives his approval.

3. However, the Council agrees with several speakers in the Discussion that, on a matter of such importance, the Regent House should be given the opportunity of confirming by Grace, through a ballot, that it supports the Council's intention to submit an Access Agreement to the Director of Fair Access to Higher Education for approval in order that the provision of Regulation 12 of the regulations on University Composition Fees comes into effect so that the higher amount of £9,000 can be charged.

4. This Notice therefore provides information about the developing arrangements under consideration by the Council for student financial support and widening participation and on the proposed access targets. The Council wishes to ensure, as far as this is possible, that no student need be deterred from applying to Cambridge for financial reasons. The Notice also initially sets out the financial and educational reasons why the Council believes it is necessary that a Composition Fee of £9,000 is charged to all UK and EU students from 1 September 2012.

5. The Council discussed the matters reported in this Notice at length at its meeting on 6 December 2010, which led to the publication of its statement on Fees and Funding on the University's website on 8 December, drawing upon the substance of the University's submissions to the Browne Review.² It subsequently discussed detailed proposals on fees and student financial support and associated arrangements at its meeting on 14 February 2011. This Notice is the outcome of those discussions.

6. The Council's discussions have been informed by a Planning and Resources Committee Working Group on Fees, Bursaries, and Widening Participation, which has included senior University and College representatives, and the President of Cambridge University Students Union (CUSU) in its membership. The Working Group met on two occasions and it took into account advice from the Undergraduate Admissions Committee, the Admissions Forum, and from Colleges, via a letter that was sent to all Heads of House.

¹ http://www.legislation.gov.uk/uksi/2010/3020/pdfs/uksi_20103020_en.pdf

² <http://www.cam.ac.uk/univ/notices/funding-of-he.html>

The timetable for decision

7. The timetable for determining the University's policy with regard to fees and financial arrangements for students is short and is dependent, in part, on information from the Government and the Office for Fair Access (OFFA) that is still incomplete. The Council regrets the compressed timetable in which decisions must be made. But it notes, in that context, that it will be necessary that the Composition Fee to be charged, the financial support arrangements for students, and the access provisions can be included in an Access Agreement that has to be submitted to OFFA by early to mid April according to a timetable set out by OFFA.³ OFFA has undertaken to consider and approve all new access agreements by early to mid July 2011 in order that appropriate information about the fees to be charged and the financial support to be offered to individuals can be made available for prospective students considering applying to Cambridge and other universities for 2012.

8. The Council has decided that it must follow a timetable that would permit a ballot to take place between the publication of this Notice and the end of March to meet the deadline imposed by OFFA. The Grace that it promotes confirms the currency of legislation already approved by the University. For these reasons, the Council has concluded that it should publish this Notice and a Grace to serve the twin purposes set out in the Introduction. The Discussion on the Topic of Concern enabled members of the Regent House to express their views on the substance of the University's response to the recent proposals made by the Government. As well as responding to those views in this Notice, the Council provides contextual information that will inform members of the Regent House when they vote on the Grace to authorize the Council to submit an Access Agreement to OFFA. Voting *placet* on the Grace will confirm current University legislation that, subject to an Access Agreement approved by OFFA, a Composition Fee of £9,000 will be charged to all UK and EU undergraduate students from 1 September 2012. The Council also notes that the proposed ballot will enable fly-sheets and other statements to be issued in the normal way and that the web-based Discussion Forum⁴ available to all members of the University on these matters since early February has also been of assistance to the Council in coming to its conclusions and will serve a similar purpose for members of the Regent House.

The Council's proposals in summary

9. The Council believes that the University has no responsible option but to charge the higher Composition Fee of £9,000 as already determined by Ordinance. The University and the Colleges are already contributing significant income from other sources to the average annual cost of educating each UK and EU undergraduate. In 2010/11, this cost will be £17,100 per student compared with the total income from fees and HEFCE recurrent grant for teaching of £8,300 per student after deducting bursary costs. With the very substantial reductions in HEFCE grant that are planned, a Composition Fee of £6,000 would have very severe effects on the provision of high-quality undergraduate education by Faculties and Departments, and by Colleges. There would also be wider damaging effects on educational and research activity in the University.

10. The University's Mission Statement commits it to contributing to society through the pursuit of education, learning, and research at the highest international levels of excellence. The published values that accompany this Statement also commit us, *inter alia*, to the widest possible student access to the University, to freedom from discrimination, and to academic freedom in pursuing the University's objectives. Those values also recognize the relationship between the University and the Colleges as fundamental to the nature of Cambridge.⁵ The Council's response to the Government's recent policies with regard to fees and access are framed to be consistent with the Mission Statement and its values. The Council's proposals are supported by the Colleges Committee.

11. The Council believes that without departing from the principle that admission to undergraduate courses should be on merit and potential, irrespective of background, the University and the Colleges should strive as hard as possible to maintain and improve access. It is therefore proposed that the total sum to be set aside for student support and outreach activities be increased from the current £7m per annum to approximately £10m. The precise sum can be determined once final advice has been received from OFFA on its expectations of Access Agreements. The proposed Access Agreement to be submitted to OFFA will specify the details of the support for students and the access targets that the University will set itself for admissions. The Council will decide on the allocation and purpose of funds for student financial support, and for sustaining outreach activities at its meeting in March.

12. The Council recommends strongly that members of the Regent House vote *placet* to the Grace at the end of this Notice, thereby setting a Composition Fee of £9,000 from 1 September 2012 for all new UK and EU undergraduate students, regardless of course or College. If the Grace is not approved the University would be unable to submit an Access Agreement to OFFA by its deadline. By default the University's Composition Fee for UK and EU undergraduates could then only be set at a level of £6,000 with the consequences described above.

The context of recent national policy

13. The Report of the Independent Review of University Funding and Student Finance in England ('the Browne Review') was published on 12 October 2010.⁶ The Government presented its Spending Review for the period to 2014/15 on 20 October 2010. The Spending Review included the Government's proposals for the future funding of higher education in England and the associated arrangements for student finance in response to the recommendations in the Browne Review. Following Parliamentary consent later in the same year, the arrangements for permitting higher fees for students were approved. They include the phased withdrawal from 2012/13 of the principal element of Teaching Grant allocated by the HEFCE to institutions for the support of all full-time courses of higher education. The HEFCE will retain an increment of grant to fund higher-cost courses and those deemed to be of

³ <http://www.offa.org.uk/guidance-notes/guidance-to-the-director-of-fair-access-issued-by-bis/>

⁴ Available to Raven users from the front page of the University's website – <https://forum.cam.ac.uk/viewtopic.php?f=27&t=3636>

⁵ <http://www.admin.cam.ac.uk/reporter/2000-01/weekly/5850/6.html>

⁶ <http://www.bis.gov.uk/assets/biscore/corporate/docs/s/10-1208-securing-sustainable-higher-education-browne-report.pdf>

strategic importance. As a consequence of this withdrawal of grant revenue, the Government will permit institutions of higher education to charge students a fee of up to £6,000 a year from 2012/13, with an upper limit above this of £9,000 subject to a satisfactory Access Agreement approved by OFFA. By comparison, the current highest fee permissible for 2011/12 is £3,375. The announcement of these new fees or ‘graduate contributions’ – to use the Government’s terminology – was accompanied by a revised loan and maintenance grant system, including a National Scholarships Programme.⁷ Final details are awaited on the scope and purposes of this Programme. The Government issued a letter to OFFA on 10 February 2011 setting out its expectations of fair access to higher education for those institutions wishing to charge a fee of greater than £6,000 per year.⁸

14. The annual grant letter from the Department for Business, Innovation and Skills (BIS) to the HEFCE was issued on 20 December 2010 and provides information about the changes to grant funding for 2011/12 and beyond.⁹ The Government has also stated that it will be issuing a White Paper later this year, possibly in March. This is expected to set out, *inter alia*, revised structural arrangements at the national level for the regulation and delivery of higher education.

Response to remarks made in Discussion

15. The national policy context described above will be well-known to members of the Regent House. The request for a Discussion of a Topic of Concern was signed by 169 Members of the Regent House and took place over two sessions of two hours each. Thirty-seven contributions were made to the Discussion.

16. The Council notes the disapproval of many speakers of the proposals in the Browne Review and in particular its emphases that the primary functions of higher education are to generate economic growth and to provide skills for employment. The Council shares strongly the views expressed by several speakers on the purposes and values of higher education which go far beyond the emphases they detect in the Browne Review and Government policy more generally. In that context the Council recalls and commends the speech of the Vice-Chancellor Emerita, Professor Richard, in opening the annual UUK Conference in Cambridge in September 2008. She noted in that speech:

‘As institutions charged with education, research and training, our purpose is not to be construed as that of handmaidens of industry, implementers of the skills agenda, or indeed engines for promoting social justice. Responsive to and helping to shape the national policy context, we need the independence and autonomy to chart our individual institutional courses, and to experiment.’

Professor Richard also reflected in her annual address on 1 October 2005 on the role of the University in society and its relationship to government.

17. The example of Professor Richard’s speeches,¹⁰ and more recently the University’s submissions to the Browne Review, and the Council statement published on 8 December 2010, show that the University and its officers have been willing to engage publicly in the national debate on higher education as well as striving to exercise influence privately but persistently with ministers and senior civil servants over the past several years. Professor Richard’s speech to UUK did not command universal support among Vice-Chancellors at the time, and the notion that Cambridge is entitled to assume a public leadership role in such matters as several speakers suggested may well be presumptuous. The University, for example, is a member of the Russell Group of research-intensive universities but does not always agree with its policies or statements. It can, and does, make its views known to the Group’s leadership. Yet it cannot dictate, from Cambridge, what the consensus of the other nineteen members should be.

18. Some contributors ask that the University should campaign against government policy in relation to the funding of higher education or government policy more generally. The Council stands by the statement it issued on 8 December 2010 about the funding of higher education referred to in paragraph 5 above, which takes a different view from Parliament’s when it agreed the current arrangements for fees and the funding of higher education. But the Council believes that campaigning politically is not an activity in which it must necessarily engage as part of the University’s mission and risks wrongly presupposing a consensus among members of the Regent House on the issues involved. In any event, Parliament has now made its decisions and the task of the collegiate University’s leadership is to navigate a way through the new landscape to reach the best outcome for the institution, consistent with our purpose and values, which include maintaining Cambridge’s position as an internationally-leading educator of excellent students.

19. The Council also notes that ascertaining whether an informed consensus exists within the University (particularly on the timescale of fast-moving political events) is difficult: some speakers, for example, evidently did not approve of the University’s submissions to the Browne Review. Others may take a different view. The University is fortunate in having traditions and arrangements where the knowledge, experience and analysis of its individual members on particular topics – no more so perhaps than on this topic – are nonetheless published and may therefore resonate beyond Cambridge.

20. Several speakers expressed concern about the future of the arts, humanities, and social sciences following the Government’s decisions on reducing Teaching Grant and introducing higher fees. The Council’s statement of 8 December 2010 – as noted by many – affirmed the necessity of the University’s sources of funding sustaining and enhancing teaching across the broad range of disciplines. This is also one of the University’s published values accompanying its Mission Statement. Professor Franklin – the Head of the School of Arts and Humanities – noted that the effect of a uniform cut in the HEFCE’s Teaching Grant would be to reduce the funding per student in the arts, humanities, and social sciences by no more than in the sciences. He went on to suggest that if the University set a single fee for students irrespective of subject, it would be possible to maintain the relative financial position of

⁷ The current details of these arrangements may be found at: <http://www.bis.gov.uk/news/topstories/2010/Nov/student-finance>

⁸ <http://www.bis.gov.uk/assets/biscore/higher-education/docs/g/11-728-guidance-to-director-fair-access>

⁹ <http://www.bis.gov.uk/assets/biscore/higher-education/docs/h/10-1359-hefce-grant-letter-20-dec-2010.pdf>

¹⁰ <http://www.admin.cam.ac.uk/offices/v-c/role/speeches/>

its Schools. The Council agrees. It further agrees with Professor Franklin that the reduction in funding for the arts, humanities, and social sciences nationally has arisen principally from their lower weighting in the formula for the distribution of QR, RAE-related, income and not from the proposed teaching funding changes. For a research-intensive university like Cambridge the sensitivity to research funding changes is greater than that for teaching. QR rewards excellence and provides the funding to underpin curiosity-led research, which itself is a vital expression of the autonomy that is integral to the fulfilment of the University's mission and purposes. The Council strongly believes therefore that the preservation of the dual-support system of research funding is essential to the future health of research in all subjects in the University.

21. Dr Disley spoke of her concern about the effect of the new fee arrangements on the desire or financial ability of students to pursue postgraduate work. The Board of Graduate Studies and others have expressed a similar concern and the Council, advised by the General Board, will return to this question at a later date. Fostering a large and vibrant community of doctoral and M.Phil. students is critical to the maintenance of the University's overall research standing. The Board of Graduate Studies already works closely with the Cambridge Trusts, Cambridge University Development Office (CUDO), and the Colleges to ensure that financial support is available to as many outstanding students as can be afforded. More will doubtless need to be done in the wake of the new funding arrangements, and to provide the environment, support, and funding that will also ensure that we can compete for the world's best graduate students and post-doctoral workers, which remains a key goal.

22. The Council is grateful to all those who contributed to the Discussion. The views expressed have been carefully considered in framing what follows.

The cost of an undergraduate education in Collegiate Cambridge and the Composition Fee to be charged

23. The most recent data that we can compare with other institutions shows that the total costs per student at Cambridge were £16,510 in 2008/09. This compares closely with Oxford's costs from the same data.¹¹ In 2010/11, the total costs per student at Cambridge had risen to £17,100. These costs are shared between the Colleges and the University. It is not the case that the support provided by the Colleges is in some way additional to the University's. It is an integral part of it. Many of the services provided by the Colleges would, in a unitary structure, be provided by the University. These costs are nearly double the sector average and about 25% higher than Imperial College's. They arise directly from the model of education that is the hallmark of Cambridge and from the very high proportion of historic buildings that comprise the collegiate estate.

24. Significant resources are devoted both to the encouragement of applications from suitably qualified applicants, and the selection of students, which is the responsibility of the Colleges. The combined effort of the University and the Colleges is steadily increasing the number of applicants who might previously not have thought of applying to Cambridge. This individual approach to selecting the very best candidates with the highest potential, regardless of background, adds to our costs but gives all applicants an equal chance.

25. The University has high expectations of its students but matches those with a variety of support systems, some College-based, some University-based, that are tailored to the individual throughout his or her education. This is one of the reasons that Cambridge has one of the lowest non-completion rates in the sector despite the high level and intensity of its courses.

26. The Colleges add significant resources of their own to the University funding that supports undergraduate teaching. Small group teaching is centred on a student's College and the supervision system is essential to Cambridge's educational philosophy. It is one of the principal features that distinguish the University internationally in the quality of its teaching and the subsequent success of its alumni. The supervision system involves the full range of academic staff, including senior professors, in undergraduate education and support. The grouping of relatively small numbers of undergraduates in individual Colleges facilitates interdisciplinary interaction between undergraduates, and between undergraduates, graduate students, and senior staff from a range of academic backgrounds. The objective is to produce graduates with an understanding of the breadth of academic endeavour as well as a depth of understanding in a particular subject.

27. The high quality of the students admitted by Cambridge is demonstrated by their qualifications on entry and the high level of achievement that they have reached by the time they leave the University, which serves as a foundation to their future success.

28. These factors are essential to maintaining Cambridge's leading position as an educator of young people and a source of graduates who demonstrably have a significant and beneficial impact on society. The collegiate University is committed to ensuring that its educational arrangements are kept under review and adapt to changing needs and circumstances. In that context, attention is also given to ensuring that the University's courses remain of the highest international standard but are delivered and supported efficiently. Nonetheless, the Cambridge model comes at a higher cost than in many other UK universities.

29. Currently, the University's costs for each UK or EU undergraduate are met by three primary income streams:

- Government in the form of the HEFCE T Grant – this was £63.8m for Cambridge in 2008/09, equivalent to an average of £5,890 per capita
- Students in the form of annual tuition fees – these totalled £31.3m in 2008/09

¹¹ The figure of £16,510 for 2008/09 includes an estimate of costs on the College side which is derived from College Accounts. University costs are derived from annual returns to HESA. The total cost breaks down as £9,230 for the University (excluding the cost of the College Fee transfer) and £7,280 for the Colleges, as follows:

2008/9	£/student
University expenditure reported to HESA	12.09
College fee transfer included in HESA return	(3.61)
TRAC adjustment for cost of capital etc	0.75
College expenditure reported in Financial Memorandum	7.28
Total	16.51

- The University and the Colleges in the form of bursaries and operating subsidies funded through endowment and other unrestricted income

The University's combined fee and grant income for 2008/09 was £8,800 per student on average and £8,300 if the cost of bursaries are taken into account¹², barely half the total cost in that year of £16,510 (see footnote 11). The shortfall represents a combined burden on the University and Colleges of £88m and is increasing as HEFCE funding reduces.

30. To put the effects of the recent funding cuts and proposed new funding regime in context, Chart 1 shows income (fees plus HEFCE T grant less bursaries) for home/EU students from 2007/8 projected forwards to 2016/17 under three scenarios:

- A. funding as it would have been if the series of recent cuts had not occurred and the funding regime introduced in 2006 had continued simply tracking inflation;
- B. funding as it has actually occurred predicted forwards according to the assumptions set out in the University's 2010 Budget Report (May 2010¹³) with the reductions in teaching funding announced in 2009;
- C. funding as it has actually occurred predicted forwards based on the new fee regime and transitional arrangements assuming a Composition Fee of £9,000 per annum starting in 2012/13.

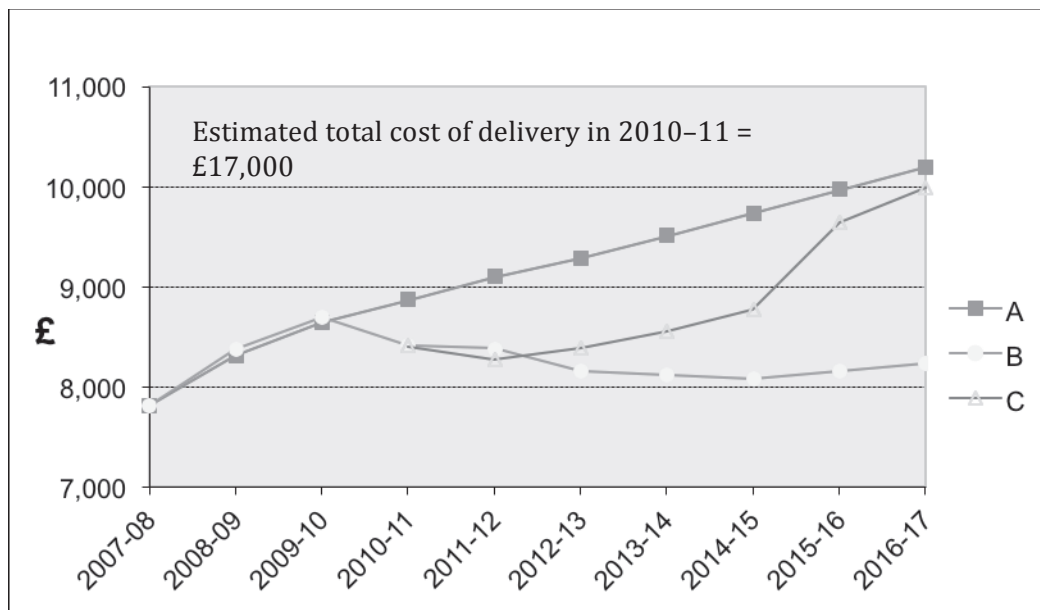
As can be seen, charging a Composition Fee of £9,000, would almost restore the University's income to levels similar to the 2006 funding regime as if the cuts had not occurred. While this would almost compensate for the effect of the cuts, a significant funding gap remains. Undoubtedly, the University's and the Colleges' endowments should be used in part to enhance the value of an undergraduate education at Cambridge but the level of predicted deficit exceeds the total available endowment income and provides a compelling argument for charging a Composition Fee of £9,000.

31. Some have suggested charging a Composition Fee of slightly less than £9,000. But to do so would suggest that there is no funding shortfall. It would also further undermine our efforts to maintain the quality of our teaching and our wider mission of education and research. For example, a reduction of just £100 to £8,900 would cost over £1m per annum. This represents, as an example, the cost of 20 University Lecturers.

Chart 1: Income (fees and funding) per home undergraduate student

Key

- A. 2006 funding regime projected forwards with no cuts to HEFCE T
- B. Effect of reductions in T funding announced in 2009
- C. Predicted funding under new regime if £9,000 fee adopted



32. The Council has also examined the question of whether the University should charge £9,000 for all courses or introduce, for the first time, different fees for different courses, depending on their costs. The new higher education funding regime means that a contribution to the higher cost of laboratory-based subjects will still be met by the Funding Council. Yet, a fee of £9,000 will still only be a contribution to the overall cost of a Cambridge education, regardless of whether a student is studying a predominantly humanities-based tripos or a science-based one. Cambridge's broadly-based tripos arrangements would make it difficult to calculate with precision the cost of a particular course. The Council firmly believes therefore that a single Composition Fee for all courses will continue to serve well in the future the University, the Colleges, and students from the UK and EU. The current arrangements will remain in place for deploying funding from the Chest to Schools through the University's planning round and resource allocation procedures, and to the Colleges through a fee transfer agreement.

33. It is therefore the Council's view that, provided the associated conditions in the University's Access Agreement

¹² Part of the University's fee and grant income is transferred to the Colleges via the College Fee Transfer which was £3,600 per student in 2008/09.

¹³ <http://www.admin.cam.ac.uk/reporter/2009-10/weekly/6189/section7.shtml#heading2-29>

approved by OFFA are acceptable and achievable, the University should charge a Composition Fee at the maximum permissible rate of £9,000 with effect from 1 September 2012 regardless of a student's course or College. The Government will continue to provide students with loans to cover the full cost of the fees charged by universities, as well as both maintenance grants and loans at comparable levels to those currently offered.

Financial support for students

34. The University remains determined that 'no UK student should be deterred from applying to the University ... because of financial considerations, and that no student should have to leave because of financial difficulties'.¹⁴ Since virtually all higher education institutions at present charge the same tuition fee (£3,375 for 2011–12), to date the Cambridge Bursary Scheme has generally been seen as focused on maintenance support (though in fact it does not distinguish between fees and maintenance support). The Cambridge bursary for 2011 entrants is worth a maximum of £3,400 for standard-age students and £5,650 for mature students. Few other higher education institutions offer bursaries in excess of £2,000. In terms of the headline figure the Cambridge Bursary Scheme is therefore currently significantly more generous than most others.

35. In September 2010 it was reported by OFFA that 'disadvantaged young people have not been influenced by the size of bursary on offer when making university choices'.¹⁵ The guidance provided by BIS to the Director of Fair Access on 10 February 2011 warns against institutions requiring 'students to take out higher loans, which the institution then recycles into poorly targeted bursary schemes' and instead encourages the use of financial waivers which have the 'effect of reducing the cost of borrowing to both the public purse and the student.'

36. Current advice from the Government is that any higher education institution charging in excess of £6,000 must participate in the National Scholarship Programme. Details are as yet incomplete, but the Government envisages a fee waiver, or a bursary capped at £1,000, with matched contributions from institutions.

37. Opinion regarding the optimal financial support package to offer to future students has been diverse, with contributors variously noting the severe pressure on the finances of the collegiate University, the desirability of offering support to students from middle income families, and the correct balance between alleviating future fee debt and providing current maintenance support. Annex A sets out the principles that the Working Group of the Planning and Resources Committee arrived at to inform its recommendations to the Council. The Annex also provides more detailed information about the scheme the Working Group proposed.

38. The Council noted that the model of financial support proposed by the Working Group would be significantly more expensive than the current bursary scheme (which will cost almost £7m in 2010–11, divided 75:10:15 between University, College, and Newton Trust contributions). The Council believes strongly that there must continue to be a uniform Cambridge Bursary Scheme on principles which all Colleges accept and can agree to implement consistently. The share of cost might however be reconsidered, particularly as the contribution made by the Newton Trust is necessarily limited by the fixed nature of its annual income flow. One possibility might be that Colleges are incentivized to raise funds in order to pay the maintenance bursary. Similarly, CUDO might be directed more actively to raise funds for student support on behalf of the University. These aspects will require further discussion and the challenges of raising such funding should not be underestimated. In addition, as experience by prospective students and universities of the new financial arrangements for HE develops, adaptation of the financial support arrangements for students to be agreed by the Council in March may well be needed in future years.

39. Members of the Council, at its meeting on 14 February 2011, expressed different views about the recommendations of the Working Group and, in particular, the balance to be struck between fee waivers, bursaries, and outreach provision. There was clarity, however, that the quantum to be set aside for these purposes in total should be increased to approximately £10m (as proposed by the Working Group) since this is consistent with the OFFA guidance that existing bursary provision should be increased in proportion to any new money raised from higher fees. The Colleges Committee agrees with the need to increase expenditure for these purposes to approximately £10m.

40. The Council will finalize its view on the elements of the financial support for students and the provision of funds for outreach work to be included in the Access Agreement at its meeting on 14 March 2011 in the light of the firmer information expected shortly from OFFA and on the National Scholarships Programme. It will publish its decisions in a separate Notice. In any case, the Council will need to provide authority for potentially amending the final form of the Access Agreement within the parameters and principles it sets if new information emerges following the Council meeting. It will authorize the senior Pro-Vice-Chancellor, Professor Young, and the Pro-Vice-Chancellor for Education, Professor Rallison, in consultation with the Chairman of the Colleges' Committee, to agree any final amendments. The Council will also keep the finally-approved arrangements under review in the light of experience as to their effect in meeting the University's objectives, the developing market in Higher Education, the annual review by OFFA, and the annual review of the Access Agreement by the University.

Access conditions

41. The letter of guidance from BIS to OFFA sets out an expectation that institutions charging more than £6,000 will include in their Access Agreement 'an agreed programme of defined progress each year ... in relation to appropriate benchmarks'. The current University of Cambridge Access Agreement (drafted in 2006) sets out three milestones against which it will measure its progress:

- Proportion of UK undergraduates from state schools or colleges (60–63%)
- Proportion of students whose parental occupations are categorized within Social Classes 4–7 (13–14%)
- Proportion of students from low participation neighbourhoods (5–6%)

There are a number of problems associated with the second and third milestones; the University does not have access to information regarding parental occupation at the point of application; students do not necessarily study

¹⁴ <http://www.cam.ac.uk/cambridgebursary>

¹⁵ *Have bursaries influenced choices between universities?*, <http://www.offa.org.uk/publications/>

in the postcode in which they are domiciled; and the method by which social class is measured has recently been changed, affecting comparability. The Council therefore proposes that the University focuses on the proportion of state sector intake in terms of measuring progress. Additional secondary targets (for example in relation to student retention) may also be needed as part of the Access Agreement and if so these will be chosen after consultation with the Undergraduate Admissions Committee.

42. Each year HESA produces performance indicators providing comparative data on the performance of institutions in respect of widening participation. These performance indicators include benchmarks which are based on formulations which do not accurately represent the combination of factors influencing entry to Cambridge, and so the University has instead undertaken its own research and analysis. The University's analysis indicates that 66.5% of English students taking A-levels who secure the Cambridge standard entry requirement of A*AA are from state schools; 64.1% among those who secure A*A*A; and 60.7% of those who secure A*A*A*. It is clear from 2010 admissions that most 'competitive for entry' applicants performed comfortably above the standard entry level, with a mean of 2.5 A*s. This suggests that the Cambridge benchmark should be set at between 60% and 63%. The Admissions Forum and the Undergraduate Admissions Committee agreed that a benchmark of 65% or above would not be achievable, bearing in mind that the introduction of a higher rate of tuition fee will itself make it more difficult to maintain the current proportion of state admissions. Given that guidance to OFFA speaks of progress and short- and long-term goals, it is proposed that the University agrees to move annually from the current figure of 58% into a range of between 61% and 63%. This proposal has the support of the Senior Tutors' Committee and the Colleges' Committee. This conclusion was significantly informed by a paper prepared for the Working Group, referred to earlier, by Dr Richard Partington, Senior Tutor of Churchill College. The paper, which draws on data provided by Cambridge Assessment, is included as Annex B to this Report. The Council has noted that the Senior Tutors' Committee, the Admissions Forum and the Undergraduate Admissions Committee are confident that mechanisms can be devised and agreed by the Colleges (who are the undergraduate admitting authorities) to ensure delivery of these targets and the avoidance of financial penalties without undue distortion of our mission.

Widening participation

43. The University and the Colleges are deeply committed to raising the aspirations of young people to undertake higher education and particularly at Cambridge. Certain Colleges also include the specific admission and support of mature students within their missions. These commitments are given substance by an extensive programme of schools liaison and other activities taking place across all regions of the UK and in Cambridge. Such work is done both by individual Colleges, the University, and by both in partnership with other organizations and institutions. The University and the Colleges wish to ensure that it is able to sustain and enhance this programme of work in the future.

44. At present, the majority of widening participation activity delivered by the University is funded by donation or from other external streams, including from the Colleges. In 2010/11, this is true of over 83% of the £1.426m to be spent. A very generous benefaction by Mr Harvey McGrath has allowed the Cambridge Admissions Office, in collaboration with the Colleges, to test different types of activity and this will lead to a greater focus on those activities which are proven to have an impact on aspiration, engagement, and admission. The University will experience an immediate end to its current funding streams from Excellence East and Aimhigher and, in the next few years, the McGrath donation. For these reasons, and to cement the University's commitment to outreach and participation, the Council will wish to ensure that the work of the Admissions Office is funded appropriately. To maintain current levels of funding would require a contribution of £1m per year if other sources do not become available.

Conclusions and Grace

45. The Council believes that the arguments presented above for charging a Composition Fee of £9,000 per annum to UK and EU undergraduate students with effect from 1 September 2012 are compelling. The proposal to charge a fee at this level has the support of the Colleges' Committee. The Council has sought to provide the Regent House with contextual information on the current funding and educational position of the University in support of its proposal, as well as its developing proposals for the provision to be made for fee waivers, maintenance bursaries, and sustained access activity. Taken together, these arrangements will form the substance of the Access Agreement that the Council wishes to propose to the Director of Fair Access to Higher Education. The Council's proposal is commended to the Regent House whose approval is sought by the following Grace that will be put to a ballot as soon as practicable.

Grace

That approval be given to the Council's intention to propose an access agreement to the Director of Fair Access to Higher Education, for his approval, pursuant to regulation 12 for University Composition Fees (Statutes and Ordinances 2010, p. 160).

Notice of a Ballot

In accordance with Regulation 7 of the regulations for Graces of the Regent House (*Statutes and Ordinances*, p. 107), the Council has determined that a vote will be taken on this Grace by postal ballot.

In connection with the ballot the Registry will arrange for the printing and circulation of any fly-sheet, signed by ten or more members of the Regent House, which reaches him by 1 p.m. on **Thursday, 3 March**. Fly-sheets must bear, in addition to the signatures, the names and initials (in block capitals) of the signatories (*Statutes and Ordinances*, p. 112). Voting papers and fly-sheets will be distributed to all members of the Regent House on or before **Monday, 14 March**; the last date for the return of voting papers will be **Friday, 25 March**.

ANNEX A

RECOMMENDATIONS FOR FINANCIAL SUPPORT FOR STUDENTS AND FOR ACCESS PROVISION FROM THE WORKING GROUP OF THE PLANNING AND RESOURCES COMMITTEE

The Working Group reached broad agreement that the following principles should underpin a new system of financial support for students:

- Support should be focused on the poorest students rather than attempting to provide a greater range of students with smaller bursaries
- Fee waivers must form part of any package, and these must be deducted/paid at source
- Maintenance bursaries in combination with government grants and loans should exceed the maintenance rate set by the University as the amount required to cover living costs for 8 months (currently £7,166)
- The University will wish to restate that no student will have to leave the University as a result of financial hardship
- The University must make clear statements about the cost-effectiveness of the Cambridge system in publicity, and about the quality of the support that students receive

Based on these principles, the Working Group proposed that the University offers a partial fee waiver and a maintenance bursary to those students from the lowest household incomes. Specifically, any student in receipt of a full government grant (i.e. from household incomes of £25,000 or less) should have their fee reduced by £3,000 and be entitled to a Cambridge maintenance bursary of £1,625. Any student who is in receipt of partial government support (i.e. from household incomes of between £25,000 and £42,000) will receive smaller fee waivers and Cambridge maintenance bursaries which taper to zero.

Cost of Proposed Access Measures as proposed by the Working Group [in advance of full information about the requirements of the National Scholarships Programme]

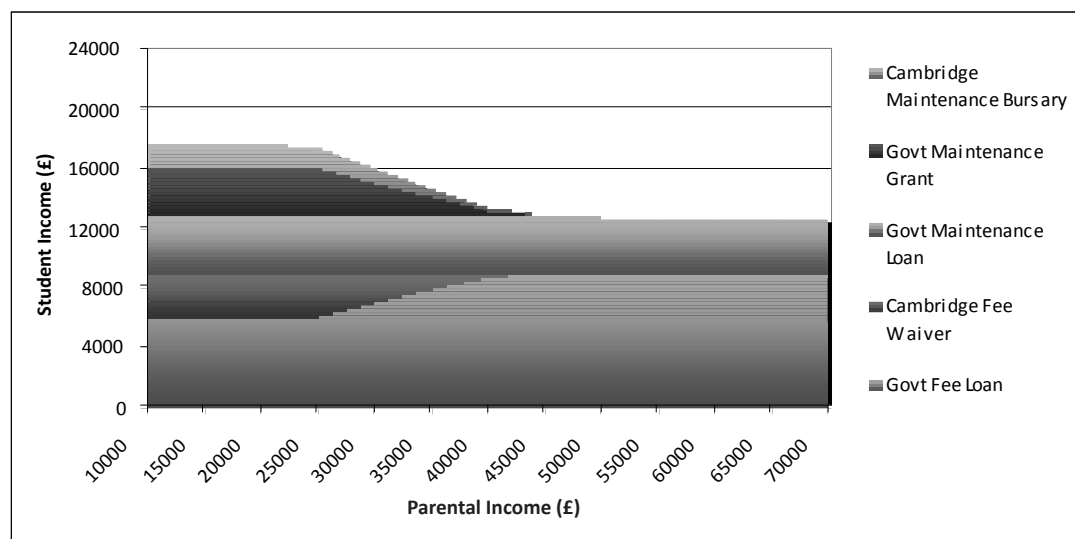
Household Income	Less than £25,000	£25,000 to £42,000	£42,000 to £60,000	Above £60,000	Total	Cost (%)
Number of Students	1,350	1,200	1,100	7,350	11,000	
Standard Fee	£6,000	£6,000	£6,000	£6,000	£6,000	
Additional Fee	£3,000	£3,000	£3,000	£3,000	£3,000	
Standard Fee Income	£8,100,000	£7,200,000	£6,600,000	£44,100,000	£66,000,000	
Additional Fee Income	£4,050,000	£3,600,000	£3,300,000	£22,050,000	£33,000,000	
Total Income	£12,150,000	£10,800,000	£9,900,000	£66,150,000	£99,000,000	

Proposed Cambridge Access Measures

Fee Waiver	£3,000	£3,000	£0	£0	
Maintenance Bursary	£1,625	£1,625 tapered to £0	£0	£0	

Cost of Access Measures

Fee Waiver	£4,050,000	£1,800,000	£0	£0	£5,850,000	5.9%
Maintenance Bursary	£2,193,750	£975,000	£0	£0	£3,168,750	3.2%
WP Activity					£1,000,000	1.0%
Total Cost	£6,243,750	£2,775,000	£0	£0	£10,018,750	10.1%

Proposed levels of support by household income

It was the Working Group's view that a scheme of this sort had the advantage of being relatively easy to convey to prospective students and their parents and teachers. It is unknowable what range of support will be provided by other higher education institutions, but the proposed package would ensure that study at Cambridge is no more expensive for a student from a lower income household than it is to study at the average mainstream higher education institution. The Working Group also proposed that higher levels of maintenance support would continue to be offered to mature students.

ANNEX B

UK STATE-SECTOR UNDERGRADUATE ADMISSIONS TO CAMBRIDGE: WHAT IS AN ACHIEVABLE TARGET?

Richard Partington
Senior Tutor, Churchill College
Chair, Outreach Steering Group, Admissions Research Working Party

BACKGROUND

Cambridge's current agreed milestone (target) for state-sector admissions with OFFA is 60–63% of UK students – by which we mean UK-domiciled students attending UK schools. This milestone was agreed bearing in mind what was then known about the pattern of A Level results in UK schools, but was also aspirational in intent.

In 2010 an A* grade was introduced into A Level, and Cambridge used this grade in its conditional offers for the first time. Cambridge's 'standard' offer was set at A*AA but in practice 93% of successful applicants achieved or exceeded this requirement, 77% achieved or exceeded A*A*AA, and 52% achieved or exceeded A*A*A*. The average number of A*s achieved by entrants was 2.5.

A Level, however, is not the only qualification we need to take into account when considering what a reasonable and achievable target for state-sector admissions might be. We also need to consider results in the International Baccalaureate, in Scottish Advanced Highers, and in STEP Mathematics. The IB, for example, was taken by 3.6% of UK Cambridge entrants in 2009.

That placing significant emphasis upon achieved examination results when admitting students is rational and fair has been shown by a detailed examination within the University of the relationship between students' results at point of entry and subsequent performance in Cambridge Tripos exams. This has shown good and consistent correlations between, on the one hand, AS Levels, the IB and STEP, and, on the other, Part I of Tripos – in all of Cambridge's major subjects. On the Pearson correlation coefficient scale of -1 to +1, AS Levels as measured in terms of Uniform Mark Scheme percentages, for instance, correlate with Tripos at a mean of 0.38 and STEP with the Mathematical Tripos at a mean of 0.5.¹⁶ The effectiveness with which achieved results at entry predict Tripos does not vary according to school or college background. Given the same examination results at admission, students from the state and independent sectors are equally likely to perform well in Cambridge. This runs counter to the pattern reportedly observed in some UK universities, and periodically cited by commentators – that state-educated students apparently outperform independently educated students with the same A Level results.

METHOD

All of the above is germane to setting a target for Cambridge state-sector admissions, but the fundamental starting-point for any estimation of what is reasonable and achievable in this regard is the pattern of A Level results in England – because our UK entrants largely come from England and complete A Levels.

The pattern of English A Level results, however, needs to be modified to reflect the following:

1. Admissions from Scotland, Wales and Northern Ireland;
2. IB results;
3. Scottish Advanced Higher results;
4. STEP Mathematics results;
5. The appropriateness for entry to Cambridge of the subject-combinations at A Level chosen by applicants;
6. Patterns of admission by subject to Cambridge.

English A Level results

A Level results achieved in English schools and colleges in 2010 were obtained from DfE through the good offices of Cambridge Assessment.¹⁷

These results are listed in Appendix 2, attached, but may be summarised as follows:

English A Level results	Proportion of results achieved by maintained-sector students
AAA or better	67.36%
A*AA or better	66.45%
A*A*AA or better	64.06%
A*A*A* or better	60.72%

¹⁶ Such correlations are markedly stronger than those between GCSE and Tripos (mean = 0.26) or aptitude tests, such as BMAT or TSA, and Tripos (mean = 0.18).

¹⁷ I am very grateful to Dr Jo Emery of Cambridge Assessment for her work in obtaining these results for us, as well as for her advice. I am equally grateful to Miss Helen Reed and Dr Peter Chetwynd of Cambridge Admissions Office for their hard work, assistance and advice in relation to schools and colleges data, and patterns of application and admission – including data relating to IB and Scottish Advanced Highers. Please note that the A Level results exclude grades in Critical Thinking and General Studies, on which Cambridge does not ordinarily make conditional offers.

Although Cambridge's standard offer is currently A*AA, it is clear from last year's experience that most competitive-for-entry applicants performed comfortably above this level. Given that the large majority of Cambridge entrants in 2010 achieved grades A*A*A or better at A Level, and given that the average number of A*s achieved by entrants was 2.5, a target of 62–63% state-sector admissions seems to me to be an appropriate embarkation-point for calculation, as it fits with an average achievement-level between two and three A*s (in the table above). If one were to express this as a wider range, as in our current OFFA milestone, then 61–64% would seem appropriate.

Admissions from Scotland, Wales and Northern Ireland

Students from Scotland, Wales and Northern Ireland constituted 7.3% of Cambridge UK admissions in 2009.¹⁸ Overall, Scottish, Welsh and Northern Irish students are likelier to be state-educated than English students, and I estimate that the effect of this upon a state-sector target for admissions derived from English A Level results should be to raise it by around 1.5% (i.e. from 62–63% to 63.5–64.5%).¹⁹

IB results

These are listed in Appendix 3. 3.6% of Cambridge UK entrants in 2009 completed the IB, two-thirds of whom were educated independently. I estimate that the effect of this upon an A Level-based state-sector target for admissions should be to lower it by around 1%. IB results therefore tend to counter the effect of admissions from Scotland, Wales and Northern Ireland.

STEP Mathematics

The key currency for entry in Mathematics, which typically constitutes 6–7% of Cambridge UK admissions, is STEP Mathematics, not A Level. But the balance between the state and independent sectors in Mathematics admissions is roughly in line with the overall pattern of A Level performance, and so I judge that STEP should be neutral in our considerations when setting a target for state-sector admissions.

A Level subject-combinations and patterns of admission by subject to Cambridge

In 2008 Cambridge Assessment completed a statistical study on behalf of the University's Outreach Steering Group that showed that students choosing 'inappropriate' A Level subject-combinations appeared to be much less of a problem for university admissions than was then widely being supposed in the media – certainly among high-performing students. A short report based on this study is available at: <http://www.admin.cam.ac.uk/news/dp/2009022705>. Cambridge Assessment have not been able to complete a new analysis of A Level performance and subject-combinations at this time, but we have no reason to believe that the principles that applied then should have changed now; indeed, given the amount of attention this issue has received in the media in the past couple of years, it is likely that the problem has, if anything, reduced somewhat. I estimate that the general effect of students choosing inappropriate combinations of A Level subjects for Cambridge entry upon our state-sector admissions target should be to lower it by around 0.5%. On top of this there is an additional, specific effect involving the subject-combinations being presented by applicants for particular Cambridge subjects. This is harder (and very time-consuming) to assess. Economics and Modern Languages, for instance, require relatively straightforward combinations of A Level subjects that are surprisingly uncommon in UK state schools and colleges – e.g. for entry to Economics: Mathematics and Economics, or Mathematics and Business Studies. In these two subjects, which typically account for around 11% of Cambridge UK admissions, it is consequently difficult in practice to admit an intake that is much more than 50% state-sector.²⁰ That said, I believe that this difficulty affects a minority of Cambridge's potential entrants and I estimate that its effect upon our state-sector admissions target should be to lower it only by a further 1% or so.

So far as the subject-balance within Cambridge is concerned, our successful entrants for Science-side subjects are statistically likelier to achieve grades A*A*A* than are entrants for Arts-side subjects – where a grade-profile of A*A*A is commoner. But admissions are split roughly 50:50 Arts to Sciences, and, given that the average number of A*s achieved by entrants last year was 2.5, I believe that the effect of this is unlikely to be significant.

CONCLUSION

I estimate that the overall effect of the various factors acting on a target for maintained-sector admissions derived from the English A Level results of 2010 should be to lower it by around 1%: to 61–62% or, if we specify a target with a wider range, 60–63% – which would affirm our current milestone. I believe that we have made real strides in the last decade in our access work and in making our admissions process more demonstrably transparent, valid and fair. State-sector entry to Cambridge has markedly improved. But hitting the suggested target will require us to renew our focus on both fronts. While I believe that this can be done, the government's new fees regime represents a leap into the dark that could make our task vastly harder in ways that at present we can only guess at. Because of the uncertainty around university applications in this new world, a target with a wider range – allowing for year-to-year fluctuation – might be advisable.

¹⁸ See Appendix 1. I base my key calculations upon the entry statistics for 2009. Not only are these the most recent readily available, but, looking at data from 2007, 2008 and 2009, 2009 was an 'average' recent year for admission.

¹⁹ Scottish Advanced Higher results, which constitute the majority of Scottish exam results, are essentially neutral in terms of their effect upon any state-sector admissions target we set.

²⁰ This was shown by the 2008 study.

APPENDIX 1

UK and total applications 2009, showing applicant residency and school background

UK Country		Independent		Maintained		Other/Overseas		Total
England	Applications	3282	32.80%	6453	64.49%	271	2.71%	10006
	Acceptances	1111	42.16%	1501	56.96%	23	0.87%	2635
N. Ireland	Applications	4	1.80%	218	98.20%		0.00%	222
	Acceptances	3	4.11%	70	95.89%		0.00%	73
Scotland	Applications	161	45.74%	178	50.57%	13	3.69%	352
	Acceptances	37	49.33%	35	46.67%	3	4.00%	75
Wales	Applications	47	16.38%	235	81.88%	5	1.74%	287
	Acceptances	11	18.64%	48	81.36%	0	0.00%	59
All UK	Applications	3494	32.15%	7084	65.19%	289	2.66%	10867
	Acceptances	1162	40.89%	1654	58.20%	26	0.91%	2842
Total	Applications	4259	27.12%	7236	46.08%	4209	26.80%	15704
	Acceptances	1310	37.65%	1683	48.38%	486	13.97%	3479

Data supplied by Cambridge Admissions Office

APPENDIX 2

2010 English schools and colleges A Level results (excluding Critical Thinking and General Studies)

Result	Maintained no.	Independent no.	Total	Maintained %
AAA (or better)	20305	9839	30144	67.36
A*AA	14108	7124	21232	66.45
A*A*A	7162	4018	11180	64.06
A*A*A*	2817	1822	4639	60.72

Results are for students aged 17–18. Both results and the identification of school/college type are derived from DfE data

APPENDIX 3

2009 IB and Advanced Higher Cambridge applications and acceptances

		Independent		Maintained		Other/Overseas		Total
Advanced Highers								
Home	Applications	112	39.3%	170	59.6%	3	1.1%	285
	Acceptances	27	42.9%	35	55.6%	1	1.6%	63
EU	Applications	0		1	100.0%	0		1
	Acceptances	0		1	100.0%	0		1
Overseas	Applications	1	33.3%	2	66.7%	0		3
	Acceptances	0		0		0		0
Total	Applications	113	39.1%	173	59.9%	3	1.0%	289
	Acceptances	27	42.2%	36	56.3%	1	1.6%	64
Int. Baccalaureate								
Home	Applications	206	53.0%	154	39.6%	29	7.5%	389
	Acceptances	68	65.4%	34	32.7%	2	1.9%	104
EU	Applications	34	9.4%	8	2.2%	320	88.4%	362
	Acceptances	6	13.0%	2	4.3%	38	82.6%	46
Overseas	Applications	49	10.5%	1	0.2%	417	89.3%	467
	Acceptances	4	7.5%	0		49	92.5%	53
Total	Applications	289	23.7%	163	13.4%	766	62.9%	1218
	Acceptances	78	38.4%	36	17.7%	89	43.8%	203

Data supplied by Cambridge Admissions Office