

BIS | Department for Business
Innovation & Skills

HIGHER EDUCATION

The Government's response
to Lord Browne's Review

JUNE 2011

Lord Browne's proposal	Government's response
Student finance	
1. There should be more investment in higher education and this should come from graduates.	Accept
2. There should be no cap on fees but institutions should have to pay a levy on fees above £6,000 to meet the costs of student loans.	Reject Unlimited fees could deter some students. Instead, fees capped at £9,000 with the expectation that some of the extra income from fees above £6,000 should be invested in promoting fair access.
3. Up-front support for fees for full and part time students.	Accept
4. Flat rate loan for living costs (£3,750) for all students, with some grant for living costs if household income up to £60,000 (full grant of £3,250 if household income less than £25,000).	Accept in part Support will be more focused on the poorest students. Means-tested grants for living costs tapered from maximum of £3,250 for those with a household income of less than £25,000 through to £0 for those with a household income of over £42,600. Means-tested loans for living costs of between £3,575 and £5,500 per annum (for those living away from home outside London). Added to grants, this will ensure most students get at least as much support for living costs as under the current system. Compared to Lord Browne's proposal, we will provide more overall support with living costs for those with household incomes up to £36,500.
5. Graduates repay when earning over £21,000.	Accept
6. Those earning under £21,000 are not charged a real rate of interest.	Accept Interest rate for those earning under £21,000 will be at RPI.
7. Graduates earning over £21,000 pay an interest rate of RPI+2.2 per cent (equivalent to Government cost of borrowing), with rebate if repayments do not cover the interest.	Accept in part Interest rate made more progressive. Those earning above the £21,000 threshold increases gradually, reaching the full RPI+3 per cent at £41,000.
8. Outstanding balance written off after 30 years.	Accept

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9. Graduates able to use the student loan repayment system to donate to their higher education institutions.	<p>Accept in part</p> <p>The existing payroll giving system already facilitates a tax-efficient way of giving to institutions with charitable status and so there is no need to introduce a new system.</p> <p>Will instead explore how Government can support voluntary giving through data sharing and awareness raising of the existing mechanisms.</p>
Student choice	
10. Every school required to make individualised careers advice available to its pupils, delivered by certified professionals.	<p>Accept</p> <p>New duty on schools to secure independent, impartial careers guidance.</p>
11. There should be a single online portal for university and student finance applications.	<p>Accept in principle</p> <p>Further work required to explore deliverability.</p> <p>The Student Loans Company and UCAS will explore the possibility of developing a single application portal for both higher education and student finance applications, for those entering higher education in 2014/15.</p>
12. There are key pieces of information that students would find helpful and should be collected and provided through a single UCAS portal.	<p>Accept</p> <p>All higher education institutions to provide Key Information Sets on their websites by 2012 and this information will be available on Unistats for students to compare different courses.</p>
13. Institutions and students to work together to produce Student Charters.	<p>Accept</p> <p>We endorse the Student Charter Group recommendation that all higher education institutions should develop Charters by September 2012.</p>
14. Entitlement to student finance based on a UCAS tariff and no limit on the number of these students that a higher education institution can recruit; institutional allocations still used for priority courses and those without a UCAS tariff.	<p>Accept in part</p> <p>We will gradually introduce an achievement-related model, starting with students with grades AAB and above.</p> <p>We will also introduce a 'margin' of places to be allocated to providers that combine good quality with value for money and whose average fee (including waivers) is at or below £7,500.</p> <p>We will explore options that could enable employer and charitable supported places to be 'off-quota' provided they do not create cost</p>

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	liability for government.
Safeguarding the public interest	
<p>15. A new Higher Education Council for England formed of the Higher Education Funding Council for England (HEFCE), the Quality Assurance Agency (QAA), the Office for Fair Access (OFFA), and the Office of the Independent Adjudicator (OIA) to oversee the new system.</p>	<p>Reject</p> <p>We see value in maintaining independent organisations for overseeing quality, fair access and student complaints. In any case, some of these bodies play a UK-wide role and are independent of Government so combining them is not feasible.</p> <p>Accept that HEFCE will play a different role in the new system and we will consult on the details of this role prior to bringing forward legislation.</p>
<p>16. HE Council to provide targeted public investment for clinical programmes and other priority subjects.</p>	<p>Accept</p> <p>We have provided HEFCE with a steer on Government priorities for funding and have invited them to consult on how teaching grant should be allocated from 2012/13.</p>
<p>17. All higher education institutions benefiting from the student support system should require all new teaching staff to undertake a teaching qualification.</p>	<p>Reject</p> <p>This would place an additional burden on institutions.</p> <p>We will however require all institutions to publish information about the proportion of teaching staff that hold a relevant qualification.</p>
<p>18. HE Council to define minimum levels of quality, contact hours and course content for the programmes that it funds.</p>	<p>Reject</p> <p>The Government respects the principle of academic autonomy whereby independent institutions are responsible for ensuring the quality of their courses and determining course content – where appropriate working with employers and professional bodies.</p> <p>We accept that there should be better information available about different courses, and so all institutions will be required to publish standardised details of teaching and learning activities and assessment methods, as part of the Key Information Set.</p>
<p>19. A new Access and Success fund to support higher education institutions recruiting and retaining students from disadvantaged backgrounds.</p>	<p>Accept in part</p> <p>We have asked HEFCE to ensure the future method of allocating teaching grant provides extra support for the cost of recruiting and supporting students from disadvantaged backgrounds.</p>

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20. Widening Participation Strategic Assessments (WPSAs) and access agreements merged, updated annually and made a condition for higher education institutions accessing the student support system; tougher requirements for those charging higher fees.	Accept HEFCE and OFFA will work to bring these two documents together to maximise their coherence and minimise the administrative burden on institutions.
21. Institutions should have freedom to focus on access activities that have the most effect (no minimum bursary).	Accept
22. Higher education institutions that do not meet their targets for fair access and completion will have to agree extra investment to improve their performance.	Accept The Director of Fair Access will judge whether an institution is investing enough, and in the right way, in making progress towards their fair access benchmarks.
23. HE Council will conduct an annual survey of fees charged allowing easy comparison for students between the charges of different higher education institutions.	Accept Students will be able to easily compare fees via the UCAS course finder and Unistats, and fees will also be part of the Key Information Set provided for every course.
24. New providers able to access the student support system if they meet requirements on access, quality and information.	Accept All providers wishing to access student support will first need to satisfy eligibility requirements on quality, access and going concern and then sign up to conditions around dispute resolution, financial monitoring, information, student number controls and pricing.
25. New providers able to access HE Council funding for priority programmes if meeting the same requirements as other providers.	Accept Existing institutions, further education colleges and not-for-profit alternative providers will be eligible to apply for HEFCE grants provided they have satisfied the relevant conditions. We will consult on how this will work in practice. Only those recognised higher education institutions participating in the REF/RAE will be eligible to apply for research funding.
26. HE Council responsible for ensuring higher education institutions are a going concern and oversee mergers and acquisitions.	Accept HEFCE will have responsibility for overseeing the health of the system.
27. HE Council takes on responsibility for dealing with complaints and publishes decisions on disputes.	Reject It is important to have an independent organisation to deal with complaints, and so the

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	<p>OIA will maintain responsibility for this.</p> <p>We will ask the OIA to publish its decisions and consult on ways it can support more effective and efficient dispute resolution.</p>
<p>28. HE Council may invest in supporting employer engagement.</p>	<p>Accept in principle</p> <p>HEFCE may invest in supporting employer engagement but this will depend on the outcome of its consultation on allocating the teaching grant from 2012/13.</p>
<p>29. HE Council should invest in priority programmes at taught postgraduate level and monitor trends in postgraduate participation.</p>	<p>Accept</p> <p>HEFCE to consider – as part of its consultation on teaching grant – how to support postgraduate study and to monitor the long term trends in participation following undergraduate funding reforms.</p>

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