

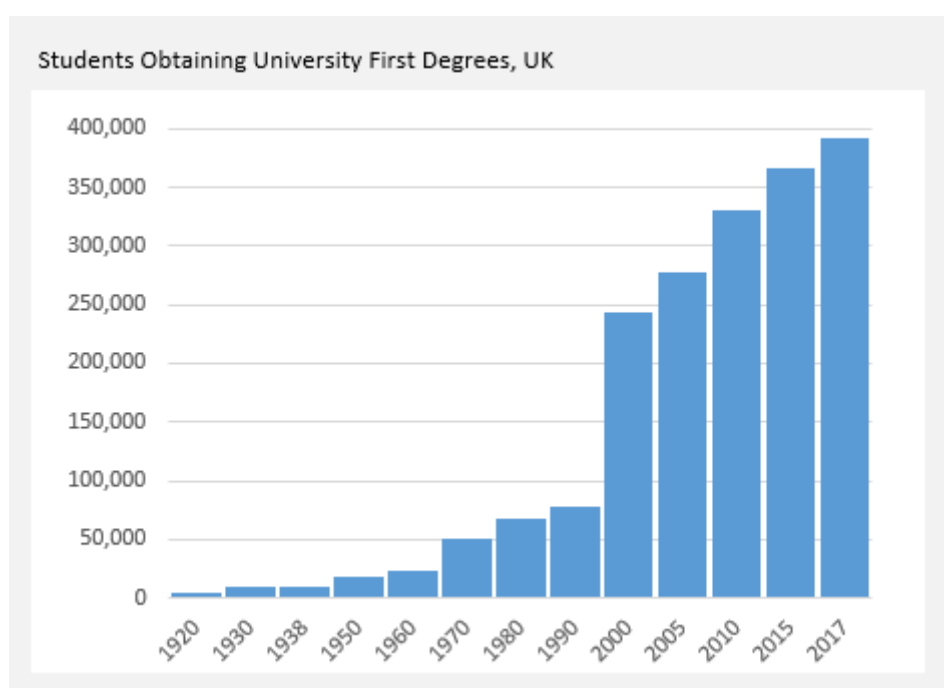
CARDIFF METROPOLITAN UNIVERSITY

ANNUAL REVIEW OF THE USE OF FEE INCOME: 2017/18

This document is designed to provide answers to the questions most frequently asked by students when seeking information about the University's use of tuition fee income.

Why am I required to pay tuition fees?

As demonstrated by the graph below, the number of learners participating in higher education has grown significantly since the early 1980s.



This period of expansion has created challenges for the funding of the HE sector and, arguably, the foundation for introducing tuition fees came in 1989 with the freezing of grants and the introduction of student loans. Following Lord Dearing's 1996 recommendation that students should pay approximately 25% of the costs of tuition, the introduction of an annual tuition fee of £1,000 came via the 1998 Teaching and Higher Education Act. Proposals to allow universities to set their own variable tuition fees (within a cap of £3,000) were implemented in the autumn of 2006. The fee cap was raised to £9,000 per year in 2012. Whilst the £9,000 fee cap continues to apply in Wales, from September 2017 universities in England have been able to increase the maximum fee from £9,000 to £9,250 to account for inflation.

Isn't student finance changing in Wales?

Yes, all **new** full- and part-time students from Wales starting a university course in September 2018 will receive support for living costs equivalent to the National Living Wage, made up of a mixture of means tested grants and loans. All students entering higher education prior to September 2018 will remain subject to the funding system in place when they commenced their studies.

Do higher tuition fees mean that universities now have more money?

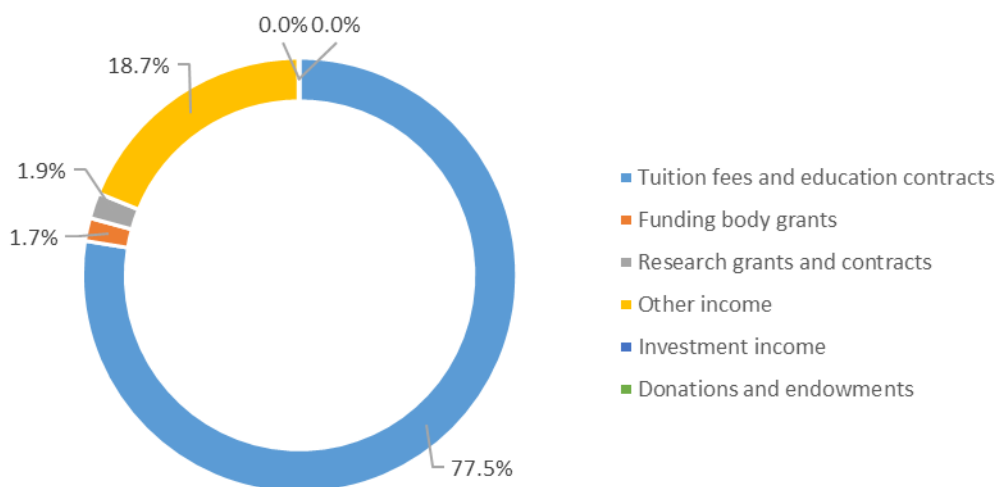
No. Prior to the introduction of student fees universities received a substantial teaching grant from the Higher Education Funding Council for Wales (HEFCW). Since the introduction of tuition fees, and as they have increased, the teaching grant received by universities has reduced accordingly. Given that home undergraduate tuition fees are capped at £9,000, with no inflationary increase permitted, all universities in Wales continue to experience a real terms reduction in fee income.

Although the level of income has not increased the University, through the Higher Education (Wales) Act 2015, is required to invest between 14% and 17% of its annual tuition fee income in activities designed to enhance equality of opportunity and promote higher education. HEFCW, in its role as regulator, requires that each HE provider seeking for its courses to be designated for access to Welsh Government student support publishes a Fee and Access Plan which, in providing a clear rationale, objectives and targets, details how it will support Welsh Government objectives.

Are tuition fees the University's only source of income?

As shown by the chart below, in 2017/18 tuition fees represented 77.5% of the University's total income of £103.7M.

2017/18 Income by source (proportion of total)



Does the University make a profit?

The University is a charity and therefore, rather than being accountable to shareholders with expectations of making a profit, the University must use its surpluses for public benefit. Cardiff Met's surpluses are used to ensure that the University remains sustainable through investment in buildings, equipment and IT facilities. In 2017/18 our surplus was £3.4m.

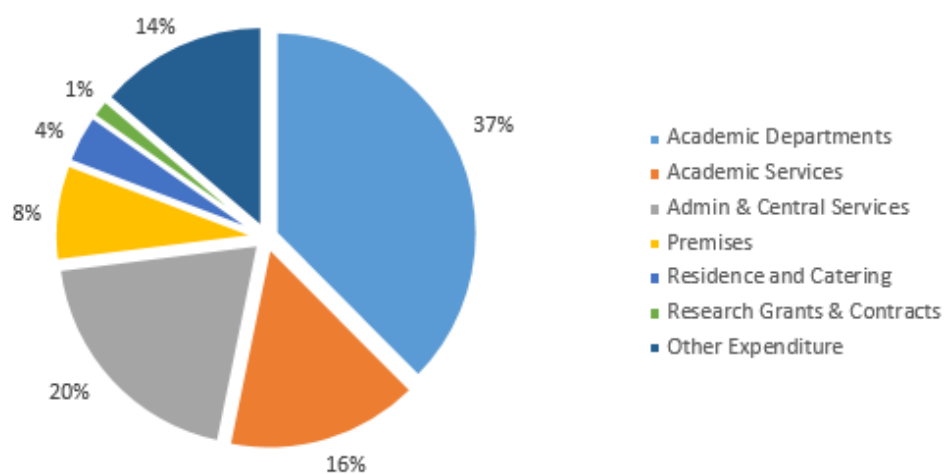
What do I receive in return for my fees?

Expressed at the highest level, your fees contribute to the achievement of the University's purpose, which is to deliver high quality and high impact practice-focused and professionally recognised education, research and innovation in partnership with our students and industry. Investment in this core purpose means that, through working together and championing creativity and diversity, the University can enable every student to fulfil their full potential to make outstanding graduate-level contributions and thereby generate sustainable economic growth and social cohesion for our City, Wales and the wider world.

More specifically student tuition fees are used, alongside the other sources of income detailed above, to pay for the direct education that students receive, including the ancillary services, such as libraries and student welfare, which provide the support necessary to ensure that each individual in a diverse population of students is able to reach their full potential.

Your time at Cardiff Met is not merely the sum total of lectures and seminars. The student experience extends well beyond the core activities of teaching and student support. Tuition fees contribute towards the cost of providing bursaries and scholarships, hardship funds, overseas mobility opportunities, social and sports facilities, student transport and a students' union. Fees also contribute towards the cost of major investments in the University which benefit students such as the Students' Union facilities at Cyncoed and Llandaff, and the buildings which house the Cardiff School of Art and Design and the Cardiff School of Management. Looking ahead, there are plans to invest significantly in improving the University's technological infrastructure and learning, social and sports facilities on both Cardiff campuses. The University is also seeking to establish a new School of Technologies. The chart below provides a breakdown of the University's 2017/18 expenditure.

2017/18 Expenditure by type (proportion of total)



Your fees are also an investment in less tangible outcomes which nevertheless ensure that you receive value for money at Cardiff Met. For most students their time at University will have a significant influence in shaping who they become and what impact they will have on the wider world. We are proud to say that over 94% of Cardiff Met graduates are in employment or further study within 6 months of graduation, but your Cardiff Met experience will ensure that you develop skills that do more than prepare you for a specific career. A unique and vibrant student experience - the Cardiff Met Student EDGE - is being developed to nurture those ethical, digital, global and entrepreneurial skills which will enhance and future-proof your social, economic and cultural capital. In purely financial terms, research undertaken by the Institute for Fiscal Studies identifies, that 10 years after graduation, graduate earnings are between 2 and 3 times the earnings of those without a degree.

Am I paying for a building that I'll never have opportunity to benefit from?

No. Whilst 8% of the University's expenditure supports the development and maintenance of its premises the fees paid by current students are not contributing to current building projects. The University has recently completed implementation of a £50M estates programme which included, amongst other developments, a new Students' Union facility at Cyncoed and the iconic new buildings which house the Cardiff School of Art and Design and the Cardiff School of Management. To achieve this the University borrowed money and the fees of current students are being used to repay these loans.

Do my fees subsidise those learners studying on courses that are more expensive to deliver?

The University strives to deploy its resources effectively and fairly. However, as with any university, it is inevitable that there will be some degree of cross-subsidy between students as each individual will have a unique set of needs and requirements which need to be met. The time and resources required to deliver individual courses will vary across disciplines and between years. Equally, at the level of the individual, some learners will use the library service more intensively than others whilst others may interact more frequently with student support and welfare services. The University must respond to the needs of a diverse student population and, as such, it is impossible to price each student's education on an individual basis whilst also protecting the principle of fair and open access.

Do I get a say in how my fees are spent?

Cardiff Met prides itself on the level of engagement it has with its student body, providing students with opportunities to express their opinions, and to be partners and joint decision-makers within the University. The University systematically seeks and acts upon evaluative feedback from students on their experience at module, programme, School, and institutional levels and via the 'Have Your Say' campaign. It engages with all national surveys via an established "Survey Season" and has recently launched its own Student Satisfaction Survey to capture feedback from all other students who are not represented in national surveys. Students are also represented at University-level committees and on Programme and School-level committees. Student-staff liaison committees provide feedback on a range of academic and non-academic issues, supported by a well-established student representation framework at course, year, and school level. These support the work of two sabbatical officers, the SU President and Vice-President, who are both full members of the University's Board of Governors and also meet regularly with the Vice-Chancellor and Deputy Vice-Chancellor.

The University provides regular Fee and Access Plan monitoring reports to the Board of Governors thereby providing formal opportunity for the student voice to be represented through the membership of the sabbatical officers. The Students' Union is always seeking to enhance its representation structure and has recently augmented this through establishment of six new part-time roles covering the key themes of Equality and Diversity, Health and Wellbeing, Internationalism, Communications and Technology, Societies and Activities, and the Welsh Language. This enhancement facilitates deeper formal and informal engagement with students.

The outcomes of the Fee and Access Plan monitoring process also feed into the development of the new initiatives and activities undertaken by the University. Most recently, students have been integral to the successful Strategic Conversations initiative that has informed the development of the University's new strategic plan.

Notwithstanding the opportunities and mechanisms detailed above, the University recognises that there is opportunity to further enhance student engagement in evaluating fee plan implementation. Consequently the University has made a commitment to publishing future reports on the deployment of fee income alongside its Fee and Access Plans to ensure that all students and prospective students have access to this information at all times.