

## Fly-sheets reprinted

The following fly-sheets, etc., are reprinted in accordance with the Council's Notice on Discussions and Fly-sheets (*Statutes and Ordinances*, 2011, p. 112).

### Flysheet for Graces 6, 7, 8, and 9 of 26 May 2011

Graces 6, 7, 8, and 9 (labelled A, B, C, and D in the Council's Report), initiated by members of the Regent House, are concerned with the levels of funding that the collegiate University will provide for student bursaries, fee waivers, and widening participation. At the time that these Graces were proposed, the Council had not completed its deliberations concerning the University's Access agreement in which these sums are specified. In consequence the Graces have in part been overtaken by events. In particular the Cambridge Bursary Scheme option that the Council selected permits payments either as fee waivers or as maintenance bursaries as a matter for individual student choice. This choice has widely been welcomed across the University, but would be inconsistent with Graces 8 and 9 (C and D).

The spending proposed by the Council under these headings matches the highest levels expected by OFFA. It represents about a third of the fee income above the base level of £6,000 per student that the University expects to receive under the new fee arrangements and it exceeds the sum presently spent for these purposes. There was extensive consultation with the intercollegiate bodies and others before the Council made its decision. In the context of the University's financial position, with a cumulative Chest deficit of £36m anticipated over the next four years, larger amounts of Chest funding cannot be afforded without damage to the student experience and to the wider educational mission of the University.

Increased expenditure on individual items of the University budget cannot be considered in isolation as Graces 6 and 7 (A and B) propose because compensating reductions in expenditure will be needed elsewhere. The Allocations Report provides an appropriate opportunity for the Regent House to support, or otherwise, the budget as a whole.

**For these reasons we urge the Regent House to support the recommendation of the Council and the General Board by voting non placet to Graces 6, 7, 8, and 9 (Graces A, B, C, and D in the Council's Report).**

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### Flysheet for Grace 10 of 26 May 2011

Grace 10 (labelled E in the Council's Report) requires the University to set internally a higher figure than 61–63% for the proportion of UK undergraduates it aspires to be able to admit from state schools or colleges.

We oppose this proposal. Responsibility for undergraduate admissions rests with the Colleges. The target of 61–63% for state school admissions was reached after extensive discussion by the Admissions Forum and other intercollegiate bodies. It forms part of Cambridge's access proposal to OFFA, and is based on evidence of the numbers of suitably qualified potential applicants from state and independent schools in the UK. The unanimous Admissions Forum view is that a higher target could be achieved only by use of quotas and this is opposed by the Forum as a threat to maintaining the quality of undergraduate admissions. The 61–63% target will be difficult to reach and the Senior Tutors' Committee is putting in place additional measures designed to achieve it.

The setting of a new target would be damaging both because it would appear duplicitous to have different internal and external targets and because it would undermine the rationale for the evidence-based figure that Cambridge has adopted in its OFFA agreement. We support the strenuous efforts of Colleges and Departments to widen participation. A higher aspirational target that is felt to be beyond reach could prove counter-productive to those efforts.

**We urge the Regent House to support the recommendation of the Undergraduate Admissions Committee, the General Board, and the Council by voting non placet to Grace 10 (Grace E in the Council Report).**

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### Flysheet for Graces 11, 12, and 13 of 26 May 2011

The initiated Graces 11 and 12 (labelled F and G in the Council's Report) each contain two elements. Both re-open the question of the fee to be charged to students who start their undergraduate course in 2012, and both request more detailed justification for the level of fee to be charged in 2012 and thereafter.

In our view, the £9,000 fee for 2012 has already been settled (subject to approval by OFFA) by a decisive vote of the Regent House and we do not think that the matter should be revisited. As discussed in the earlier Council Report, this income is vital to the future financial health of the University and even with this level of fee the budget report shows a cumulative £36m Chest deficit over the next four years. A lower fee would inevitably result in damaging cuts. A great deal of information has already been provided to the University showing that when both University and College elements are taken into account a fee of £9,000 represents only about half the annual cost of an average undergraduate course. This is too wide a gap to be explained by accounting detail; it is difficult to see what further information could usefully be provided. **We therefore urge that the Regent House supports the recommendation of the Finance Committee, the General Board, and the Council by voting non placet to Graces 11 and 12 (F and G in the Council's Report),** thereby confirming the decision that it has already reached by ballot that a £9,000 fee should be charged in 2012.

The Council has itself proposed Grace 13 (Grace H in the Council's Report) that provides that the level of the undergraduate fee will be determined annually by Grace. Financial information about the cost of an undergraduate education will, as this year, be provided by both the University and the Colleges in a Report to the Regent House. This proposal will provide the information needed to inform the setting of fees. **We therefore recommend that the Regent House should vote placet to Grace 13 (Grace H in the Council's Report).**

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### Flysheet on Graces 6–9 and 11–13 of 26 May 2011

Graces 6–9 concern expenditure on Widening Participation (WP), including student bursaries and fee waivers. Graces 11–13 concern the level of fee charged to Home/EU undergraduate students, how that fee is set, and how it is justified. Taken together, the Graces potentially affect the University's finances.

At a time when the governments of our major international competitors are investing in higher education, our government has cut the overall higher education budget by over 40%, with far higher cuts in the budgets for teaching and capital expenditure. This is in addition to the large teaching cuts, particularly for Oxbridge, imposed by the previous administration. As a result the University's finances are under severe pressure.

The recent Allocations Report on the University's budget (*Reporter*, 2010–11, p. 764) has been drawn up using best estimates of the likely effect of these government cuts. The budget is based on further reductions in University general expenditure (after accounting for inflation), a Home/EU fee of £9,000 in 2012/13 (with inflationary increases after that) and expenditure on WP increasing to £9.5m in 2014/15. However, even with a £9,000 fee, albeit somewhat alleviated by an expenditure on WP that is at the upper end of the levels suggested by the OFFA (and, as far as can be estimated, in-line with the percentage spend of other Russell-Group universities), the projected cumulative total University deficit over the next four years is £23.6m, while the projected cumulative Chest deficit is £36.4m. The University cannot run a deficit indefinitely, and these projected deficits would be even larger if the recent rounds of savings, that include scores of 'frozen' posts, had not been implemented. It is not until 2014/15 that the University's annual budget is predicted to return to surplus, and even then it is not clear that there will be scope for filling all the frozen posts.

We believe that the proposed budget strikes a judicious balance between an increased level of Home/EU fee, increased expenditure on WP, and further reductions in expenditure on administration, teaching, and research. For this reason we ask you to vote **non-placet to Graces 6 and 7** (both of which would further increase expenditure on WP) by placing the figure '1' in the 'against' box. We also ask you to vote **non-placet to Grace 8** (since the Grace on the Allocations Report effectively achieves the aim of this Grace), and **non-placet to Grace 9** (since the Allocations Report is the appropriate mechanism for balancing expenditure between competing claims).

We welcome Grace 13. This would require that the Home/EU undergraduate fee be set annually by Grace (as are other fees), and that the recommendation for the fee be accompanied by an analysis of the costs of an undergraduate education. Grace 12 requests that the fee be set annually: this is addressed in Grace 13 (although by Notice rather than Report). Graces 11 and 12 request that a financial case be provided for charging the proposed level of fee: this too is addressed in Grace 13. In addition, Graces 11 and 12 would re-open the level of fee to be charged in 2012–13. This fee was settled by ballot last term, and we see no reason to return to this issue. For these reasons we ask you to vote **non-placet to Graces 11 and 12**, but to **vote placet to Grace 13**.

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STEPHEN J. COWLEY	RAYMOND E. GOLDSTEIN	JEROME NEUFELD
R. J. DOWLING	E. J. HINCH	R. J. STIBBS
K. EDGCOMBE	N. J. HOLMES	R. D. H. WALKER

## Student Flysheet on Graces 6 & 7

### Context

**Whatever the Government claims about including measures of progressiveness and affordability in its new funding system, potential applicants to university have a natural, emotional fear of debt.** This is especially true of the poorest in our society: the prospective students most likely to be put off from applying to university under the new fee regime. We fear the trebling of tuition fees to £9,000 will have a disastrous effect on universities' attempts to widen participation: nowhere is this more true than at Cambridge and Oxford, each with their own historical challenges in attracting applicants from the poorest backgrounds.

The trebling of fees will generate for the University an extra £64m per annum. Even accounting for the massive cuts to the HEFCE Teaching Grant, Cambridge will still be better off by more than £12m every single year. As the Government is cutting funding for widening participation efforts, it is crucial that we in Cambridge make a reasonable effort to offset some of the damage that increased tuition fees will do to our aim of attracting the best young minds, irrespective of their financial background.

### Purpose

These two initiated graces propose that the University increase the amount it commits to widening participation from the notional £10 million currently proposed by an extra £4 million or £2 million respectively. Whist allocating £10 million can be presented so as to claim the University is spending more than we are at present, **when cuts to nationally funded programmes such as AimHigher are taken into account there will actually be less spent on widening participation in Cambridge than previously.** An extra £2 million would in effect allow us to maintain the status quo; an extra £4 million would allow us to make the positive statement about widening participation that the new fees landscape requires.

### Comparison with other universities

Oxford, the university in the most comparable financial position to our own (and with similar undergraduate numbers), has recognised that they will have to increase their spending on widening participation in a way that our University has not. Oxford proposes to spend an equivalent of £13 million on a combination of bursaries, fee waivers and widening participation activities to attempt to offset the damage that the new fees will do. Even other Russell Group universities which do not share our particular historical challenges in widening participation, such as Birmingham and Leeds (who have also been forced to charge £9,000 tuition fees by the Government's enormous cuts to higher education funding), propose to spend headline figures of £12 million and £16 million respectively.

### The need for increasing widening participation funding

Cambridge rightly aspires to remain pre-eminent not only nationally but globally, and to achieve this we must be seen to be leading the UK HE sector in reducing the damage that £9,000 tuition fees will do (as £14m would allow). We must certainly not reduce the amount spent on widening participation in Cambridge (as the present £10m would cause). The increased spend we are proposing will come from the additional income gained from the increase in student fees. If we are to continue to be one of the world's best universities, we need to continue to attract the best minds in the country, and we can only do this if we attract the poorest students as well as the richest.

In the £9,000 fee landscape, widening participation will remain difficult for the foreseeable future. However as we begin charging £9,000, we will experience perhaps the most challenging year of all. This will be compounded by the cut of the AimHigher and the Excellence East programmes as well as the HEFCE widening participation stream, which channelled millions of pounds into activities in the University, Colleges and Departments. We remain appalled that the University has failed to investigate exactly how much money we will be losing from these programmes.

In light of these challenges, we need to commit to a diverse package of measures. Though we were enormously relieved that initial plans to slash maintenance bursaries in half were retreated from, we know that generous maintenance bursaries will not be enough in the year and years ahead, although they remain the most important single part of any package for the poorest students while they are at Cambridge. To properly tackle this challenge, we need the package that £12m–£14m would allow.

Spending £14 million would allow us to keep the Cambridge Bursary at current levels, and it would also allow us to offer a waiver of up to £3,000 to more of our poorer students (all those with a family income of under £25,000, in addition to the £6,000 fee waiver proposed for just a tiny selection of the very poorest first-years under the current system) and invest £1.5 million to make up for the cuts to widening participation funding sources. £12m would allow us to go a considerable distance towards this. In either case, Cambridge could once again – as we currently can – advertise ourselves as having the most generous financial support package in the country for the poorest students. From our long experience of running student-led outreach activities, we know that this claim is one of the most invaluable tools we have in encouraging applications to Cambridge.

### The financial case

The University's approach has been to work out how much they think they can afford to spend on widening participation and propose to spend that amount. What we have done is work out how much it costs to attempt to offset the damage to widening participation that £9,000 fees will do, and show that these plans are affordable.

The table below is based on the University's own estimate of our financial position in the coming years. Without any extra spending on widening participation, by the time all students are charged £9,000 tuition fees the University will be £12.2m a year better off than it is today, *including* the currently proposed £10m spend, as a *direct result* of charging undergraduates the highest level of fee legally possible. What these graces propose is that we spend an extra £4 million (a third of Cambridge's profits from fee income) or at least an extra £2m (a sixth) of this additional money and use it to support our widening participation efforts.

#### **Financial position of the University<sup>1</sup>:**

	<b>Fee income  (£m)</b>	<b>HEFCE T Grant  (£m)</b>	<b>Total Funding  (£m)</b>	<b>Change on 10–11  (£m)</b>
<b>2010–11</b>	36.2	60.4	98.9	0
<b>All students charged</b>	99.7	13.5	113.2	12.2
<b>£9k fees</b>				

For more information (including details of our budget modelling), visit the CUSU website: [www.cusu.cam.ac.uk/universityfinances](http://www.cusu.cam.ac.uk/universityfinances).

#### **Conclusion**

We are not claiming that all widening participation money is always spent in the best possible way by the University, and where it can be used more efficiently it most certainly should be. However, this cannot be an excuse for Cambridge to shirk the necessity of its investment in widening participation, especially at such a critical time for its success.

The Old Schools' own figures show that the University will be better off by £12.2 million from changes to teaching funding with the introduction of £9,000 fees. Though the next couple of years will be financially difficult for the University, this will be counteracted in the next few years by the additional income we will make from the new fee regime. What we are requesting would not cause Cambridge to live 'beyond its means' – rather, it is both financially viable and utterly necessary that we increase the amount of money we spend on widening participation if we want to continue to attract the best and the brightest.

We also ask that you vote for the amendments to Graces 6 and 7, as these will ensure that the Old Schools **actually** increases its expenditure on widening participation, from central funding.

Signed by the following sabbatical officers and members of the central bodies:

HARRIET FLOWER

ROSIE O'NEILL

GERARD TULLY

RUTH GRAHAM

TOM PARRY-JONES

SAM WAKEFORD

MARIA HELMLING

SARAH PETERS-HARRISON

MORGAN WILD

ANDY McGOWAN

TAZ RAZUL

ALEX WOOD

RAHUL MANSIGANI

<sup>1</sup> Figures based on paper 'Financial Impact – Home/EU Undergraduate and PGCE Students: Funding Flow' presented to Working Group on Fees and Bursaries; includes the University's current proposed bursary/WP spend. Report of Discussion