The social cost of variable tuition fees

Variable tuition fees could penalise universities that offer the best chances to students from lower socioeconomic backgrounds

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Guardian.co.uk, Monday 11 October 2010 16.30 BST

The Browne report is expected to offer the possibility of variable fees across all qualifications and universities. Photograph: Christopher Furlong/Getty Images

The Browne report is expected to offer, for the first time in Britain, the possibility of variable fees across all qualifications and universities. Within a few years, it may be possible to choose between similar qualifications priced at anything up to £10,000. This is unknown territory.

When universities strategise about how to price their qualifications in a post-Browne world, the elephant in the room will be the annual league tables. What do the major league tables really measure? At first glance, quite a lot: entry standards, completion rates, student satisfaction, spending per student, research reputation. But the primary determinant of a university's position in a league table is the class profile of its students.

This is demonstrated by adding one factor that none of the major league tables use, but which is readily available from the Higher Education Statistics Agency (Hesa): the proportion of students from each of the socioeconomic categories used by the Office of National Statistics to classify all working households in Britain.

Hesa's records show that the average proportion of students from the lower four socioeconomic categories is 32.3% for all British universities, with a range from 57.2% (London Metropolitan University) to 11.5% (Oxford University).

What happens if the proportion of students in each university from households in lower socioeconomic categories is correlated with the rank order of universities? We did this at Salford for this year's Times Good University Guide, and found a good level of statistical significance. In essence, the unacknowledged correlation that lies behind the Times Good University Guide is between the socioeconomic status of students' households and the A-level grades that a university is able to require of applicants in order to fill its available places.

Simply, if depressingly, universities function at the far end of a process of selection that begins in primary school. The socioeconomic status of a household heavily influences whether its children will go to university at all, since only about 20% of young adults from the lower four socioeconomic categories go to university, in comparison to more than 50% from the upper three categories.

League tables label a university "good" or "better" if it has a high score on a measure
heavily influenced by the socioeconomic profile of a university's students. Because prior educational attainment is so strongly linked to socioeconomic category, a university in the top 10 of the Times Good University Guide will be dominated by students from professional and managerial households (82% on average) with top A-level results. In contrast, a university in the bottom 10 of the Times ranking will have about 46% of its students from working-class households, who will have achieved significantly lower A-level results.

While working to improve student satisfaction and directing more resources towards teaching are important, the key move for any university in the middle or lower part of the rankings is to improve student retention and achievement by pushing up A-level scores required for admission. Due to the way the rankings are calculated, this will invariably mean enrolling a higher proportion of students from professional and managerial households in higher socioeconomic categories.

Given the influence of the major league tables it is probable that variable fees will harden these sorting effects. At present, studying at any of the 122 institutions ranked in the Times Good University Guide costs, at least notionally, the same. But in the system proposed in the Browne report, a significant number of universities will not be able to fill their places if they charge the maximum permitted tuition fee. Because most people associate quality with price, it is likely that the higher the ranking, the higher the fees.

Fair pricing of university places will depend on students and their families being able to evaluate the premium that is charged over and above the cheapest available option. For universities such as Oxford and Cambridge, this will be straightforward; if the cheapest available degree in law costs, say, £3,000 per year, then Oxford and Cambridge will add a premium of £7,000, and will be able to sustain this because of reputational value. But other universities will have a more complicated task in setting their prices.

The worst outcome will be to be forced to follow current league tables, creating the equivalent of a charge for being taught with students of similar social and educational backgrounds. The best outcome will be premiums based on objective and credible measures of educational gain. And the most important indicator will be a university's record in beating the odds by providing their students with pathways to opportunities that are greater than they or their families could have expected.