Lessons learnt from financing arrangements in the United Kingdom for the Netherlands

Bachelor thesis European Studies

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Summary

This bachelor thesis will answer the question "Which lessons can the Netherlands learn from the developments in student financing policies and their impact on higher education students in the United Kingdom?". Elements that express a situation of cost-sharing, like tuition fees and student loans, determine the independent variables of this study whereas study choice serves as the main dependent variable. This bachelor thesis will be structure along the four different subquestions that are derived from the central research question. A qualitative case study of the history of student financing arrangements for higher education in the United Kingdom will be made including most recent policies in the United Kingdom regarding the main research topic. The paper will then consider which lessons can be learnt from this and if they can be helpful for the Netherlands. The research design will be a case study, since it only investigates the situation in the United Kingdom. The lessons found, which the Netherlands can learn from the United Kingdom, will be counterfactually considered in the Netherlands. Cost-sharing in general has already been covered in the academic world, providing a source of information. Yet literature on the newest legislation in the United Kingdom and literature considering cost-sharing in the Netherlands is scarce.

Introduction

There currently is a political debate on whether students should pay for their education or whether society should pay. The Dutch government is currently changing the student financing arrangements in higher education, as well as reducing costs for the government. Some of these measurements have been implemented in September 2011 or will be implemented in September 2012 and are specifically aimed at the financing arrangements for students in higher education. In the United Kingdom (UK) the cap on variable tuition fees has just been increased from £3.290,- to £9.000,-.

Background

In the Netherlands, there are two types of institutions which offer higher education. The 43 HBO institutions offer higher professional education, providing theoretical and practical training for occupations and hence higher vocational qualifications. The 13 universities in the Netherlands combine academic research and teaching (Dutch Government, 2012). Both in the UK and in the Netherlands, the higher education scene consists of universities as well as higher professional education institutions. Both counties use the European Credit Transfer System to determine the students' workload, where one credit represents 28 hours of work and a student must attain 60 credits per year. The European Credit Transfer System was introduced in 2002 to increase across-border student mobility. All HBO (higher professional education) and university courses fall under the bachelor-master system. In the UK, higher education institutions (HEI) also fall under the bachelor-master system. (Dutch Government, 2012)

Fulltime Dutch students have to pay a flat rate tuition fee of €1.771,- which is annually determined by the government. Students who have to pay this tuition rate must study in fulltime at a publicly funded Dutch higher education institution, have the nationality of a country which is part of the European Economic Area, live in the Netherlands, Belgium, Luxembourg or a near German federal state (Bremen, Lower Saxony or North-Rhine-Westphalia) and cannot be currently enrolled for a programme at another institution. Students who do not meet these criteria are not eligible for this tuition rate, they have to pay a non-capped tuition rate (*instellingscollegegeld*) (mostly around €7.500,- or more, (see example RUG, 2012)).

Dutch students are also eligible for a performance-related grant. The performance-related grant is initially a loan, which is converted into a gift if the student has obtained his/her diploma within a period of 10 years. The performance related grant consists of a basic grant (€266,23 per month when the student lives away from home, and €95,61 when the student lives at the parental home) and a student travel product (free during the week and 40% discount in the weekend, or free during the weekend and 40% discount during the week). A means-tested supplementary grant is available to students depending on the level of parental income. The supplementary grant amounts up to €244,60 when a student lives away from home, and up to €224,68 when a student lives at home. In addition to the performance related grant, there is also a voluntary student loan (up to €283,86 regardless of where a student lives) and a tuition fee loan (€147,58, regardless of where a student lives) available. Students not eligible for the performance-related grant can use the tuition fee loan (which is equivalent to the tuition fee they have to pay) and students eligible for the performance-related grant may use the student loan, which is given out on a monthly basis. Students are eligible for this grant for the duration of the study programme, after which they can borrow the equivalent amount for three more years (DUO, 2012).

Two years after a student's right to a student grant ends, or after graduation, the student must start repaying its loan (unless he/she did not take up an extra loan and finished the programme within 10 years). The student must pay a monthly amount which enables him/her to pay back his/her debt within 15 years. If a student cannot repay his/her debt, he/she can apply for a reduction or cancellation of the debt based on a means test.

About 80% of the students are involved in part-time jobs. Students involved in jobs have a limit to the amount they can earn (bijverdienlimiet), which means that if they pass this limit they are no longer eligible for grants. The limit currently lies at €13.362,53 (DUO, 2012). As the Dutch education system is relatively small, there is a high level of transparency and uniformity with regard to the quality of degrees and entrance requirements (Vossensteyn, 2005, p. 107).

For now, the grants/loans system is the same for both bachelor- and master-students. However, the Rutte-Verhagen coalition cabinet proposed to cancel the basic grants for master students, and replace it with a student loan. In April 2012, the Rutte-Verhagen coalition cabinet lost its majority (since the PVV party withdrew its support). The (currently) demissionary coalition cabinet will be replaced after the upcoming elections. Several parties decided to make an agreement until the new elections, which included the postponement of cancelling the basic grants for master students and replacing it with a loan. Cancelling the basic grant would mean a drop of a students' grant by either €11147,32 or €3.194,76 per year (depending on whether a student lives at home or away from home).

It is unsure when the basic grant for master-students will be cancelled and replaced with a loan. It is clear, however, that the Dutch legislation in the area of higher education (specifically concerning financing arrangements for students) is highly debated and likely to be changed in the (near) future. The ISO (Interstedelijk Studenten Overleg, the largest student organization in the Netherlands) fears that the change in Dutch legislation harms the quality of universities and reduces opportunities for students to reach their full potential (ISO, 2012). Moreover, many politicians have put forward their fear of reduced access, particularly for students from poor economic backgrounds.

The United Kingdom is a good example of a country where student financing arrangements and tuition fees have recently been changed and have led to a situation where students have to pay a substantial amount of the costs of higher education through high tuition fees, which they can pay through student loans. This paper will focus on the development of changing student financing arrangements in higher education and the impact it had/has on accessibility of higher education in the United Kingdom. The aim is to draw some conclusions, and use these as lessons which the Netherlands can learn from.

The academic literature is not clear-cut on the question who should pay for the costs of higher education. Some advocate that students should pay for their higher education, such as Abebayehu Tekleselassi (Tekleselassi, 2001), others advocate that society should pay, such as Claire Callender (Callender, 2006), and some plea for a balance between the two, such as Nicholas Barr (Barr, 2009). The main arguments for the pros and cons of higher education can thus be found in the existing literature, particular on the phenomenon of cost-sharing (Johnstone, 2004). This paper will use the existing body of knowledge in order to investigate the situation in the United Kingdom, which is an extreme case in student financing arrangements.

In the United Kingdom, successive changes in the student financing arrangements have been made (freezing the level of grants and introduction of student loans in 1990, introduction of tuition fees in 1997, the increase of tuition fees in 2006). In 2010, following recommendations made by a committee led by John Browne in the Browne Review, which was published on October 12th 2010, the UK government has proposed a 80% cut in the teaching grants for universities, and has allowed them to charge higher fees, with a maximum of £9.000,- rather than the current £3.290,-. Hence creating a system where students rather than society pay for their education. Successive policies since the early 1990s have substantially increased costs for students, culminating in the recent tuition hike. Clearly, this has been a much more rigorous decision than what is going on in the Netherlands, which is why the Netherlands can possibly learn from the situation in the United Kingdom.

Through investigating the history of student financing arrangements in the United Kingdom since the late 1990s, with the help of the pros and cons of cost-sharing which will be found in the existing literature, this paper will set out a clear overview of these pros and cons, and perhaps lessons we can learn from the situation in the United Kingdom specifically.

Research question

The central research question is formulated as follows:

“Which lessons can the Netherlands learn from the developments in student financing policies and their impact on higher education students in the United Kingdom?”

This question will be answered with the help of the following subquestions:

1. “What policies have been implemented and are scheduled to be made in the Netherlands concerning higher education student financing arrangements?”
2. “ What are the policy developments regarding student financing for higher education in the United Kingdom?”
3. “What are the likely consequences of these developments in student financing in the UK, including the most recent decisions to seriously increase tuition levels, for access to higher education?”
4. “What can the Netherlands learn from the situation and developments in the United Kingdom regarding policy strategies and access to higher education?”

The first question is aimed at understanding the current decision-making process in the Netherlands in the area of student financing. Without the answer to this question, it would be impossible to judge whether there are lessons from which the Netherlands could learn. This question has already been answered in the introduction.

The second and third questions focus on the United Kingdom, investigating its situation and identifying which actors are involved (with the help of the pros and cons of changing the financing arrangements of students in higher education, which are found in the literature). These questions will be dealt with in the chapter about the United Kingdom. The final subquestion will help drawing a conclusion and hence answering the research question, as it analyses and uses the information found through all other subquestions. This question will be dealt with in the chapters on effects and lessons.

The research question as well as the first and second subquestions are empirical questions, as they are about facts and observations. Specifically, the first and second subquestions are descriptive and the third and fourth subquestions are exploratory. The research question is ultimately intended as a predictive question, as the situation of the UK is compared to the unknown future in the Netherlands.

The paper will first focus on theories and concepts derived from the literature, after which it sets out an overview of the pros and cons of cost-sharing. The research methodology and measurement of the paper will be discussed, including threats to the validity of this paper. The history of the United Kingdom will be discussed in the chapter named the United Kingdom. Finally, the paper will discuss the effects of this history and then draw some conclusions and answer the research question in the final chapter.

Literature review

Theories and concepts

The research question addresses which lessons the Netherlands can learn from the student financing system for higher education in the United Kingdom. Access to higher education is often thought to be correlated with public funding of students attending higher education institutions. Access to higher education refers to the (in)ability of students who are both eligible and want to participate in education and are (un)able to do so (for a more elaborate explanation see Johnstone, 2004). The literature shows that this (causal) relationship is (mostly) not the case (especially in the long run). However, decreasing public funding immensely may have impact on the access for students (especially in the first year after implementation) nonetheless. In the United Kingdom, as a result of 'extreme' legislation (changing the cap on tuition fees), this might be the case. As the aim of the study is to learn from recent and passed decision-making in this field in the United Kingdom, this must be kept in mind. The concepts of cost-sharing and student choice are crucial to understanding policymaking regarding student financial arrangements and their possible effects.

Cost-sharing implies "that students and their parents bear an increasingly greater share of higher education costs, usually through higher tuition fees and paid for more with loans and student jobs instead of grants" (Johnstone 2004). Cost-sharing can be accomplished in several ways. One way would be to introduce or increase tuition fees (which is the amount of money students pay as a contribution to the instruction costs). Another way is to reduce subsidies which students (or their parents) receive. A third way would be through policies that do not (fully) compensate for study costs or living expenses, or through a growing importance of private education (Vossensteyn, 2005, p. 18). And finally, cost-sharing can be accomplished through the introduction of student loans.

Different economic theories could be used to explain the effects of cost-sharing, or perhaps even more suitable are the different psychological approaches. Traditional human capital theory assumes rational economic decision-making. In this particular case, this means that this theory assumes that students weigh the economic and other benefits of higher education against the direct and indirect costs of higher educational participation (including fees, the costs of living, and the opportunity costs of full or partial withdrawal from the labour force during school years)

(Teixeira *et al*, 2006, p. 348). Based on these costs they make a decision as rational actors whether to participate in higher education or not.

Behavioural economics assumes that students behave irrationally. According to the traditional human capital theory, if the returns to education outweigh the costs, students as rational investors will select higher education over immediate labour-force entry as the former ultimately maximizes wealth. Behavioural economics suggests that students, despite the positive private rates of return of higher education, student loans, and available grants, students do not always chose to invest in higher education (Gandhi, 2008, p. 134). According to this theory, this is caused by the fact that students often base their decisions on flawed judgements or decisions.

To investigate economic theories, one must be able to identify the costs and benefits. Costs, and in relation to this benefits, are hard to measure, conceptualize and operationalize. As they are very important in the public – private debate (on cost-sharing), the following table will be used throughout the research:

Table 1. The Private and Social Costs and Benefits of Higher Education

	Private	**Social**
Costs	Tuition, fees and study materials Foregone earnings	Operating costs of programmes Student support Foregone national production related to students
Monetary benefits	Higher productivity and thus higher net earnings Better job opportunities Higher savings Personal and professional mobility	Higher national productivity Higher tax revenues Greater flexibility in labour force Higher consumption Less dependency on government
Non-monetary benefits	Educational enrichment Better labour conditions Higher personal status Higher job satisfaction	Social cohesion, appreciation of social diversity and cultural heritage Higher social mobility

	Better health and life expectancies	Lower crime rates
	Improved spending decisions	More donations and charity work
	More hobbies and value of leisure activities	Increased capacity to adapt new technologies
	Personal development	Higher social/political participation

Source: Jongbloed and Vossensteyn, 2002; World Bank, 2002.

As it is extremely difficult, if not impossible, to operationalize and measure these concepts, we can look at the rates of return to measure this. For example, in the United Kingdom this was 5.1% in 2001, and in the Netherlands this was 5.7% in 2001 (Mora et al., 2007). In 2010, this was 14.4% in the United Kingdom and 10.9% in the Netherlands (European Commission, 2010). These numbers refer to the private rates of return, which is based on the costs and benefits of education for individual students.

Student choice refers to the choice of students to go to a higher education institution or not, and also which intuition they will go to and which study program they choose to follow. In the UK, as the newest legislation is yet to be implemented it is impossible to access student choice for the next academic year. This paper will therefore look at trends in the past, and put them next to events in the past (such as the introduction of tuition fees in the UK in 1998). Student choice will be operationalized as the number of students applying in the United Kingdom for higher education and the number of students entering higher education in the Netherlands. Reason for this is because in the Netherlands, all prospective students which are eligible for higher education will be able to enter into higher education (only a limited number of studies have limited capacity and selective entrance). In the United Kingdom, the government determines the number of students who are allowed to enter into higher education for each year. Therefore not all applicants can enter a HE programme as a percentage of 83% (in 2011) of the students is rejected a place through the selection process (UCAS, 2012b). Hence applicants are a better estimate for the amount of students who chose to participate in higher education, because it represents the actual number of students who chose to participate in higher education.

There are many factors which influence student choice, major factors are student's socio-economic background (parental education, family income, ethnicity, encouragement of parents and peers), gender, students' motivation and aspirations, and students' academic ability and achievements (Vossensteyn, 2005, p. 47). Some of these factors will be mentioned as possibly influencing the results found throughout this paper.

Besides these two main concepts, this study also use a framework to analyse the situation in the UK and confer it to the situation in the Netherlands. In both countries, the following topics (Vossensteyn, 2005) will be considered:

- The student loans system.
- Grants and scholarships.
- Tuition fees.
- Family support.
- Living costs (as a confounder: since big differences between the Netherlands and the United Kingdom could impact the total costs of participating in higher education).
- SES (socio-economic status) of students (as a confounder).

Financial aspects influencing on student choice are the only aspects which can be 'easily' controlled through policies implemented by the government. Therefore, this paper will look at a change in these policies and its effects. As in the United Kingdom many policies in this area have already been implemented, this will be the case study. The results will then be used to reflect on the Netherlands.

The aim of this paper is to find out whether changes in cost-sharing affect student choice and accessibility. Student choice refers to which study program, which type of school (higher professional education or university, in the case of the Netherlands) and which school specifically (prospective) students choose. Accessibility refers to the (in)ability of students who are both eligible and want to participate in education and are (un)able to do so.

These concepts help us to understand the what this paper is discussing. Yet, in order to understand the results in the area of higher education this paper will also focus on the pros and cons of cost-sharing specifically.

The pros and cons of cost sharing

The pros and cons of changing the financing arrangements (tuition fees as well as student loans) for students in higher education can be found in the literature.

Pros of cost-sharing

According to Nicholas Barr (2009, p. 12), higher tuition fees strengthen competition amongst higher education institutions. Having a cap on tuition fees would also enable universities to strengthen the equity principle, as students would have to pay a higher tuition fee for renowned international universities and relatively lower tuition fees for local (less quality) higher education institutions. Moreover, tuition fees would also mean extra resources for higher education institutions. According to Nicholas Barr, this can both enhance quality as well as improve effectiveness.

Vossensteyn (2009, p. 175) notes that the high private rates of return justify a contribution from students through tuition fees, also enhancing the lifetime equity principle: the prime beneficiaries from higher education pay part of its costs. Tuition fees also stimulate quality in education, guaranteeing that students and governments receive value for their money. Moreover, tuition fees are also said to make students more aware of the decisions they make, enabling them to make better and more responsible enrolment decisions based on their abilities, interests and aims.

Cons of cost-sharing

One of the most prominent and visible downsides of tuition rates, is the effect it has in the political sphere. The higher tuition fees are, the lower political support is for policy-making in the area of higher education in general (e.g. 'less pay, less say')(Barr, 2009, p.8). The argument which is mostly used, however, is that tuition fees deter students from poor backgrounds (Barr, 2009, p.8), possibly even leading to social exclusion. Vossensteyn (2005, p. 15), however, found that there is not enough evidence to say that low-SES students are more likely to be deterred by tuition increases or attracted to tuition decreases than students from high-SES groups.

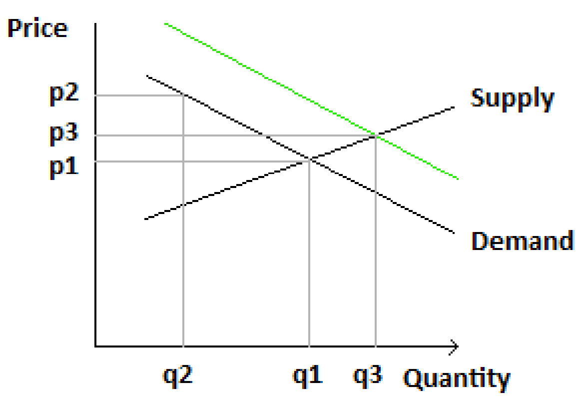
The positive externalities argument, which refers to the positive effects which both students and society gain from higher education participation (higher paid jobs, knowledge economy, etc.) could also be seen as a reason <u>not</u> to increase tuition fees. Positive externalities generated by higher education also <u>justify</u> high public subsidies. Moreover, quality and well-considered enrolment decisions can be encouraged in other ways, such as quality-assurance (Vossensteyn, 2009, p. 175).

Combination of high tuition fees and student loans

According to Claire Callender (Callender, 2006, p. 129) the 2004 reforms in the United Kingdom (of which the tuition fee cap of £3.000,- was implemented in 2006) could possibly reassert elitism. She thinks that privileged students who populate top universities will pay high fees, but will also get highly valued degrees and well-paid jobs once they have graduated, whereas students from poorer economic background, with low income or low access, will populate universities at the bottom of the hierarchy and will pay less but also end up with large debts and lower paid jobs once they are graduated. Hence the results will be mutually reinforcing, polarising the socially and ethnically differentiated university scheme.

Nicholas Barr (2009, p.13), looks at this combination with a more positive as well as economic perspective. The combination of tuition fees and student loans works out fine. Taken alone, high tuition fees would harm access as they represent a move along the demand curve. However, loans and special bursaries for students from poor economic backgrounds represent an outward shift of the demand curve. This means a shift of "resources from today's best-off (who lose some of their fee subsidies) to today's worst-off (who receive a grant) and tomorrow's worst-off (who, with income-contingent repayments, do not repay their loan in full)" (Barr, 2009, p.13). In the table below, this is summarized. The equilibrium of the supply and demand in higher education (number of students who chose to participate in higher education depending on the price) can be found at p1/q1. As Nicholas Barr notes, taken alone, tuition fees harm access. The move along the demand curve which represents this can be found at p2/q2, which clearly shows a lower number of students when the price goes up. The rise in tuition fees in combination with loans and special bursaries is represented by the green line. Loans and special bursaries make the net-price lower, and hence students are more willing to participate in higher education. In this way, both the price (tuition fees) and the quantity (participation rates) can rise (p3/q3).

Table 2. Supply and demand curve higher education



Personally, I agree with Nicholas Barr and therefore find it extremely important that higher tuition rates are combined with more elaborate student loan possibilities. Claire Callender, however, worries that students are debt averse. This would mean that, even with more possibilities for students to take up a (higher) student loan, the demand curve would not shift outwards but there would simply be a shift along the demand curve. The result is similar to only raising tuition fees, hence the number of students participating in higher education would drop. Vossensteyn has found that even though students claim to be debt averse, they in fact are not. Students indicate to be debt averse, but in practise they will borrow if they cannot finance their studies otherwise. As will be explained in the chapter about the United Kingdom, high tuition rates will go hand in hand with (higher) student loans. I therefore expect students to indicate a high level of debt aversion, but in practise use these students loans to finance their studies. This will still be in line with Barr’s argument, resulting in an outward shift of the demand curve and thus entailing an increase in tuition fees without definite (negative) results on access. In the Netherlands, cancelling grants for a masters degree and replacing it with a grant is hence similar to this. I therefore also expect that this will not cause definite (negative) results on access in higher education.

Research design and measurement

Threats to validity

The research design can be qualified as a (qualitative) case study. After analysis of the United Kingdom as a the case study of this research, the paper will look at which lessons the Dutch situation can learn from it. The case study will be an explanatory design, as the paper aims at understanding whether certain changes in legislation have changed participation rates and/or other factors. A case study design can have many potential threats to the validity of the design, some of which also threaten the validity of this research.

History

Events occurring concurrently with the research could cause the observed effect. For the United Kingdom, legislation is currently set for September 2012. As the legislation is definite, this will not harm the validity of the research. However, as the history of policies concerning student financing arrangements in higher education in the UK will be investigated, specifically looking at their potential affects to access, these will influence the research. Furthermore, in the Netherlands it is unclear when the basic grant for master-students will be cancelled and replaced with a loan.

Instrumentation

The nature of a measure may change over time or conditions in a way that could be confused with a treatment effect. The most obvious threat is hence using uninformed, biased, or simply wrong information which is the basis for the investigation on the history of policies concerning student financing arrangements in higher education in the UK. A vast number of sources will therefore be used to control for errors.

Selection

Selection can be a threat if the composition of the experimental group changes abruptly or at the time of the intervention. The research looks at the United Kingdom because the Netherlands can learn from the UK, as there have already been several years of changes concerning the student financing arrangements for higher education.

Statistical conclusion validity

Statistical conclusion validity applies to this design as much as it does to other designs. However, there will be no statistical analysis in this research.

Construct validity

Construct validity refers to the inadequate explication of constructs or confounding of constructs. A section of the research will be devoted to this.

Case selection

The most important reason to select the United Kingdom is because the Netherlands can learn from it. Far reaching cost sharing policies in the Netherlands are similar to the far reaching cost sharing policies implemented in the United Kingdom. In the United Kingdom there have been years of serious changes in the student financing system for higher education. Since the Brown report and even now, there has been a lot of legislation that changes the financial conditions to study for students in higher education institutions. Currently, some serious changes are about to be implemented. Because of this, the Dutch debate may be able to learn from the debate in the United Kingdom. This is the main reason why the United Kingdom is selected as a case study in this research.

The following features show that the United Kingdom is also a useful case study due to other factors involved:

- It is geographically close to the Netherlands.
- Its GDP per capita is relatively similar to the GDP of the Netherlands.
- Its overall structure (politically as well as economically and culturally) is quite similar to the Netherlands, as it is also a member of the European Union. However, it must also be noted that there are cultural differences.
- Both countries show neoliberal higher education policies in which more market-oriented elements are introduced. As the United Kingdom is a head in this field, the Netherlands can learn from it.
- It is an extreme case in terms of cost sharing which implies that if changes in tuition fees, grants and loans for students prove to have any impact on student choice and access, these effects should become visible in the UK case study.

There are, however, also aspects in both countries which differ from each other. These differences include differences in culture, perceptions on finance, debt aversion, different current legislation, etc.

Unfortunately, it is not possible to find a country which is identical to the Netherlands in all its aspects besides this debate.

Data collection and data analysis

The data used in the research will be mostly qualitative desk research. Most data is collected through either government bodies, using websites and folders, or scientific journals and books.

The data that will be collected will be mostly descriptive, and mostly used for the historical analyses of student financing arrangements in higher education in the UK. Data will also be used to analyse the consequences of implementing policy in this area.

The United Kingdom

In 1963, the Robins Report recommended one of the most substantial expansions of higher education in UK history and laid the foundation for the current HE system in the UK (HEFCE, 2012). The history of cost-sharing started in May 1979, when Margaret Thatcher, who was with the Conservative party, became prime minister of the United Kingdom. She is well known for her active role in the privatization of many areas in the United Kingdom, including the area of higher education. In November 1990 John Major, who was also with the Conservative party, became prime minister of the United Kingdom. He continued privatization in the higher education sector and also increased the students' share of the costs for higher education (cost-sharing). The most determinative and influential piece of legislation up until then was the *Education (Student Loans) Act of 1990* and will hence be the starting point of the evaluation of the history of the student financing arrangements in the United Kingdom.

1990

In 1988 the white paper on Top Up Loans for Students was issued, saying that "[t]he benefits system is intended to serve social and not educational purposes; the taxpayer supports the latter through the grants system" (The Times, 1998). The white paper evolved into the Education (Student Loans) Act of 1990, under the government led by Margaret Thatcher. This Act introduced student loans and made them available to all full-time higher education students. The loans were not means-tested and had a zero real rate of interest. Once graduates would earn 85 per cent of national average earnings, the loan had to be repaid within a five-year period.

The conservative government, led by Margaret Thatcher, implemented these changes with an aim to reduce dependency of students on the elaborate grants available as their major source of income. Hence student grants were frozen at the 1989-90 levels, and quickly eroded due to inflation. Student loans were introduced to compensate for this 'loss', and by 1996-97 grants and loans were worth roughly the same. (Callender, 2006, p. 106-107)

The system was a huge success, as many students started to borrow. Eventually, this led to a gradual replacement of the maintenance grants with loans to a full loan system in 1999 (Vossensteyn, 2009, p. 178).

1997

The National Committee of Inquiry into Higher Education investigated the future of universities, and issued a report in July 1997, after it was inquired to do so by PM John Major. Being chaired by Sir Ronald Dearing, this became known as the Dearing Report. Its key recommendations included the ending of universal free higher education in combination with charging tuition fees of £1.000,- a year, in the form of a graduate tax. The report also recommended further expansion and a framework for qualifications, as well as support for an interdisciplinary arts and humanities research council (HEFCE, 2012).

Before the Dearing report was considered for integrating into law, tuition fees were fully paid by the government. There were means-tested student grants available and subsidised student loans, both with a maximum around £2.000,-. Rather than integrating the entire report, the New Labour government, led by prime minister Tony Blair, chose to replace the grants system by the loan scheme as of 1998. As of 1998, students had to pay the new £1.000,- tuition fee. After a transition year, hence in 1999, grants were abolished and replaced with student loans. (Callender, 2006, p. 106).

1998

The Dearing Report had led the New Labour government to implement several, but not all, of its recommendations. The recommendations that were implemented were gathered in the Teaching and Higher Education Act of 1998. The changes were announced only shortly after the New Labour government had come into office, in July 1997. The aim of the government was to widen participation in higher education and facilitate access to higher education. The money raised through the abolition of grants was designated for funding the widening participation agenda.

The most important features of the Act are means-tested tuition fees for new entrants (where only about 35 per cent pay the full maximum fee); the abolition of mandatory grants for living costs, which were subsequently replaced with means-tested student loans (where students from wealthier families are only eligible for about 75 per cent); and the introduction of a fairer income contingent method for repaying loans (there was no time limit and the repayment threshold was set back to £10.000,-) (Callender, 2006, p. 107).

The Teaching and Higher Education Act was successful in two respects. First of all, through the abolition of grants, money became available to fund the agenda set to increase access of higher education. Secondly, students became less reliant on grants, but contributed to their own education through the loans system. The balance in cost-sharing hence shifted towards more privatization as students were forced to take more responsibility for the costs of their education. A negative result of the Teaching and Higher Education Act was how it disproportionately affected students from low income families in comparison with their peer students from wealthier families. This disproportionate effect was a result of the abolition of grants, which disproportionately affected students from low income families, as before, they were eligible for a larger grant than students from wealthier families. The New Labour government had not aimed to reduce or even sustain the relative disadvantage of students from low income families, rather it had aimed at expanding higher education. The Teaching and Higher Education Act of 1998 was socially regressive (Callender, 2006, p. 126). In addition to this, opinions about the effect the Act has on access are divided (Vossensteyn, 2009, p. 175).

2004

Following the white paper The Future of Higher Education in 2003, which aimed at widening access to Higher Education institutions and helping them remain competitive in the world economy and was published by Charles Clarke (the new Labour education secretary), the New Labour government led by Tony Blair implemented the Higher Education Act in 2004. The proposal by Charles Clarke was very controversial, as, in their manifesto for the 2001 general elections, Labour states that they would “not introduce top-up fees and has legislated against them” (The Guardian, 2004). The Act passes with a margin of 5 votes.

Most importantly, the Higher Education Act allowed universities to charge variable top-up tuition fees. The Higher Education Act would introduce variable tuition fees of up to £3.000,- in 2006 to be paid up front (in practise to be repaid after graduation via student loans). Tuition fees were no longer means-tested, ensuring that all students had to pay (the same amount of) fees. In order to compensate for this, a means-tested higher education grant was introduced, which was initially set at £1.000,-, but would rise up to £2.700,- once the variable top-up tuition fees were introduced (in 2006). The loan repayment threshold was set to £15.000,-, and student debt was to be written off after 25 years. Moreover, the universities that chose to charge the maximum tuition fee of £3.000,-, had to pay a minimum bursary of £300,- to low income students. The Office for Fair Acces set up agreements with universities, before they would be allowed to actually charge the maximum tuition fee (Callender, 2006, p. 108).

2006/2007

Differential tuition fees were implemented in the year 2006. In practise, this means that the majority of institutions charge the full £3.000,- and only a few institutions charging lower, with the lowest tuition fee set at £2.000,- (British Council, 2007). The main difference in tuition fees are perceived to lie in the availability of bursaries that universities offer.

2010

By 2010/11 the maximum tuition fees had increased to £3.290,- a year. In 2009, the call of increasing the level of tuition fees had already been made. With the announcement of a further review of tuition fees by Business Secretary Peter Mandelson, he stated that "since [tuition fees] were introduced, student numbers have continued to rise, along with the numbers coming from lower-income backgrounds" (The Times, 2009). This resulted in a report by John Browne, the so called Browne Review which was published on the 12th of October 2010. It proposed removing the cap on tuition fees altogether.

Even though the Browne Review resulted in fierce demonstrations by students, on the 9th of December 2010, the House of Commons voted to increase the cap on tuition fees to £9.000,- per year. The Labour government, led by prime minister Gordon Brown, set out a strategy for ten to fifteen years in A New Framework for Higher Education. Soon after, many aspects were reduced due to the coming elections.

Following the elections, a coalition government was formed between the Conservative and Liberal Democratic parties, with David Cameron as prime minister. After this coalition formed, the Brown Review was published under the title Securing a Sustainable Future for Higher Education.

The report based its recommendations on six principles:

1. "More investment should be available for Higher Education.
2. Student choice should be increased.
3. Everyone who has the potential should be able to benefit from Higher Education.
4. No one should have to pay until they start to work.

5. When payments are made they should be affordable.
6. Part-time students should be treated the same as full-time students for the costs of learning." (Browne Review, 2010, p. 6-7).

Its main recommendations were to remove the cap on tuition fees, meaning that universities could charge more than the current £3.290,- per year; raising the repayment income threshold to £21.000,-; maximizing the monthly amount students have to pay back to make it affordable; and giving part-time students equal entitlements to tuition.

The recommendation of removing the cap resulted in much debate in the United Kingdom. As many Liberal MPs had signed pledges stating they would vote against similar legislation, the coalition was threatened. Even the media was split on the subject, as for instance the Financial Times thought it very radical, the Spectator thought it progressive and The Guardian feared the social cost of variable tuition fees (The Telegraph, 2010). Students' voices were most notably heard through student unions, specifically through the National Union of Students (NUS). NUS organised several demonstrations (of which most involved violence, which was condemned by NUS) against implementing a higher cap for tuition fees. The president of NUS, Liam Burns, as well as the former president Aaron Porter (June 2010-June 2011), are both against any increase in tuition fees. However, both do support a graduate tax as an alternative model for financing higher education, where a fair and progressive system is, as they claim, key for student support.

On November 3rd 2010, the government responded to the Browne Review, to which it had made several alterations. Most notably, the removal of a cap on tuition fees was rejected. Instead, the following measures were agreed upon: the cap on variable tuition fees was to be raised to £9.000,-; a 3% interest rate would be charged on student loans; the repayment threshold would be set at £21.000,-; and student debts will be written off after 30 years, rather than after 25 years. Business Secretary Vince Cable added that "[n]o one will contribute until they can afford to do so – when they are in well paid jobs" (BIS, 2010).

On December 9th 2010, the House of Commons voted on the alternations proposed by the government. The MPs approved the changes, including raising the cap on tuition fees to £9.000,-, with a majority of 21 (323 votes in favour and 302 votes against). Remarkably, 21 Liberal Democrats and 6 Conservative MPs voted against the government, even though their parties were part of the coalition. As a result, several MPs were forced to resign. On the 14th of December 2010, the House of Lords passed the legislation with a majority of 283 to 215 votes.

Differences countries

In the United Kingdom, there are difference between these rules between England, Northern Ireland, Scotland and Whales. The history above focused on legislation in England, which will also be the focus of the rest of the study. Northern Ireland, Scotland and Whales can all charge the maximum of £9.000,- to students from outside their country, but can have slightly different legislation for locals. Maintenance loans and maintenance grants also differ, as does the income threshold. In the table below the main differences are portrayed.

Table 3. Differences grants and loans in different UK countries (2012-2013)

	Max maintenance loan (London figures in brackets)	Max grant for students from low-income homes	Income threshold for max grant
England (2012)	£5,500 (£7,675)	£3,250	£25,000
Northern Ireland (2012)	£4,840 (£6,780)	£3,475	£19,203
Scotland (2011)*	£5,417**	£2,640	£19,310
Wales (2012)	£4,745 (£6,648)	£5,000	£18,370

Source: http://www.bbc.co.uk/news/education-11483638

There is a fear for English students moving to Scottish or Welsh institutions to circumvent higher tuition fee rates. Hence, even though the cap on tuition fees is raised to £9.000,- in England, it is expected that this will also soon be the case in the other jurisdictions of the United Kingdom (Marcucci & Usher, 2011, p. 56).

Effects

Effects of high tuition fees

The effects of high tuition fees on students, particularly whether they chose to go to a HE institution or not (access), is very important. The paper addresses access to higher education, which is, amongst other aspects, determined by the price elasticity of the demand for higher education. Most studies find that the demand for higher education seems to be quite inelastic for most students, Heller (1997) concluded that students are responsive to prices, with a price elasticity of -0,7. Vossensteyn and Canton (2001) also found a price elasticity of -0.73. “However, studies reported by Heller and Callander as well as by Vossensteyn and De Jong found that decisions to aspire to higher education […] for low income students […] may be quite responsive to changes in tuition fees, student living costs or the amount or form of student Financial assistance” (Teixeira *et al.*, p. 348-349).

Supporting this, Johnstone (2003, p. 371) found that the net price of higher education (which is the combined effect of tuition fees discounted by financial aid) has little effect of middle and upper-middle income students, but could have a discouraging effect on low-income students.

Greenway and Haynes (2003, p. 153-156) found that participation rates have increased steadily in the UK, despite the introduction of tuition fees. They mark this as evidence of ‘success’ (p. 153). However, they do note that the social mix in UK universities has hardly changed at all from 1980-2001. The relative number of students from poor economic background was and remains low, and could be seen as a fault in UK legislation (p. 156). Penell and West (2005), found that students from poor economic background were (since the introduction of tuition fees) also more likely to end up with higher levels of debt than students from wealthier families.

Callender (2006) stresses this issue of higher debts and refers to the concept of debt aversion. She found that students from poor economic backgrounds were both more debt averse and more likely to end up with higher debts than students from wealthier families. Vossensteyn, however, found that even though students are debt averse, this does not influence their choice. Students, when asked, did indicate that they would be more likely not to go to a HE institution if they anticipate higher debts (through higher tuition fees or a decrease in student loans). Yet when students make an actual decision, they often make a different choice than indicated before. Hence students are must less debt averse than Callender found.

Statistics

In the United Kingdom, there are several deadlines for students for applying for higher education institutions. Most programmes have to be signed up for before January 15. The following data is based on this deadline (and also compared with the same deadline for the 2011-12 study-year). For the 2012-13 study-year, for which the tuition fee cap is set at £9.000,-, there has been a 7.4% lower total number of students applying than for the 2011-12 study-year. Applicants have decreased from all UK countries, in England with 9.9%, in Northern Ireland with 4.4%, in Scotland with 1.5% and in Wales with 1.9%. Applicants have decreased to institutions located in England with 8.5% and to institutions in Wales with 9.3%, but have remained nearly unchanged in Northern Ireland (+0.1%) and Scotland (+0.2%) (UCASa, 2012).

The question is whether these numbers represent an effect of the high tuition rates, and whether these results are likely to continue or 'wear off' for the next study-year (2013-14). In order to investigate these results, we will first have a look at applicant numbers for the previous years in the United Kingdom. As one can see below, the total number of applicants went from 583,546 to 540,073 (the -7.4% difference mentioned above).

Table 4: total applicants for all courses

	2011	2012	Diff (+/-)	Diff (%)
Total applicants	583,546	540,073	-43,473	-7.4%

Source: http://www.ucas.com/about_us/media_enquiries/media_releases/2012/20120130

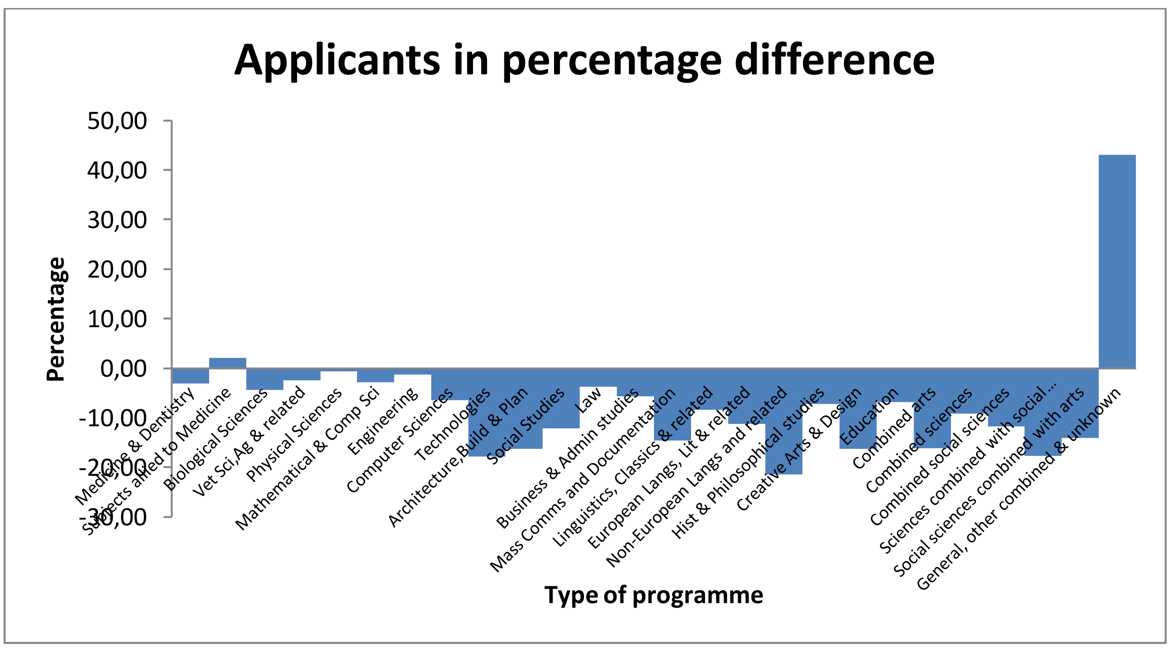
These numbers refer to the total number of applicants in the United Kingdom. Similar results were found in the Netherlands, after the performance related grant was introduced in 1996. In the Netherlands the effects gradually wore off and were mostly visible in the year directly following the introduction of the grant. The table below shows the total number of applicants arranged by country. One can clearly see a difference between England and the other countries. In England, the number of applicants for 2012 is 9.9% lower than for 2011, in Northern Ireland there is a difference of 4.4%, in Scotland a difference of only 1.5% and in Wales a difference of 1.9%. The difference could be explained by the differences in legislation. The high tuition fee is, for now, only applicable in England and for English students. Hence the relatively high drop in the number of applicants, compared to only small drops in the number of applicants in Northern Ireland, Wales and Scotland, could be explained by this.

Table 5: total applicants by domicile (UK only; arranged by country)

By UK country	2011	2012	Diff (+/-)	Diff (%)
England	426,208	384,170	-42,038	-9.9%
Northern Ireland	19,130	18,292	-838	-4.4%
Scotland	39,761	39,169	-592	-1.5%
Wales	21,289	20,876	-413	-1.9%
Total	**506,388**	**462,507**	**-43,881**	**-8.7%**

Source: http://www.ucas.com/about_us/media_enquiries/media_releases/2012/20120130

In appendix A, applicants are subcategorized by the education programme they have chosen to follow. The following graph (1 Applicants in percentage difference) can be created for the data of the year 2011-12:

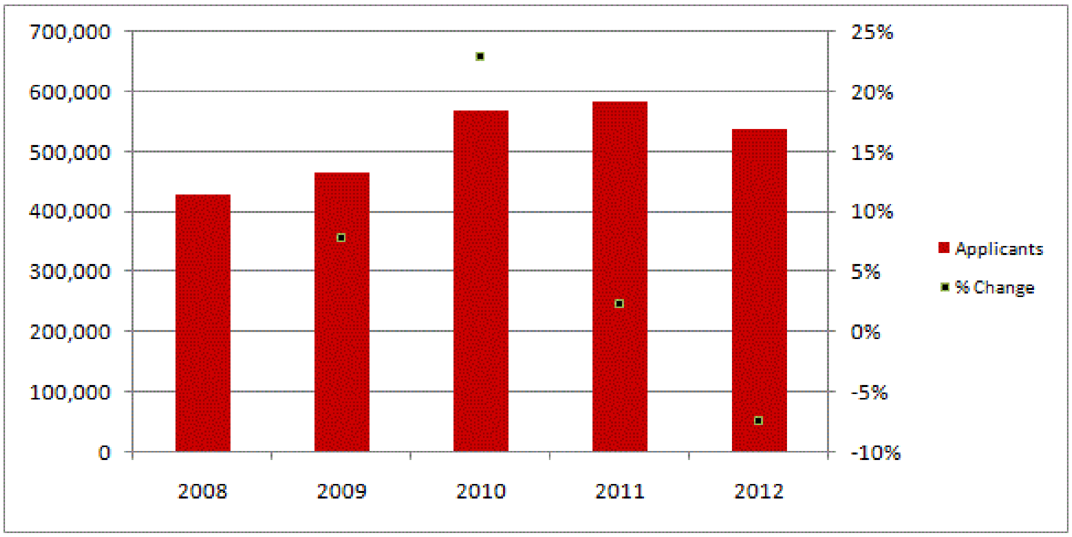


Clearly student choice is affected differently for different types of programmes. Study programmes such as technology and architecture, which are often perceived as ‘difficult’, clearly show a considerably smaller number of applicants than last year. However, as indicated by

Vossensteyn (2005), tuition fees is not a major factor impacting on student choice. This seems to be true for applicants for the 2012/13 study-year.

The following graph (2) shows the total number of applicants since the year 2008. The overall decrease in applicants seems unexpected, and hence is still likely to be attributed to the increase of the cap on tuition fees to £9.000,-.

Graph 2 Total Number of Applicants since 2008

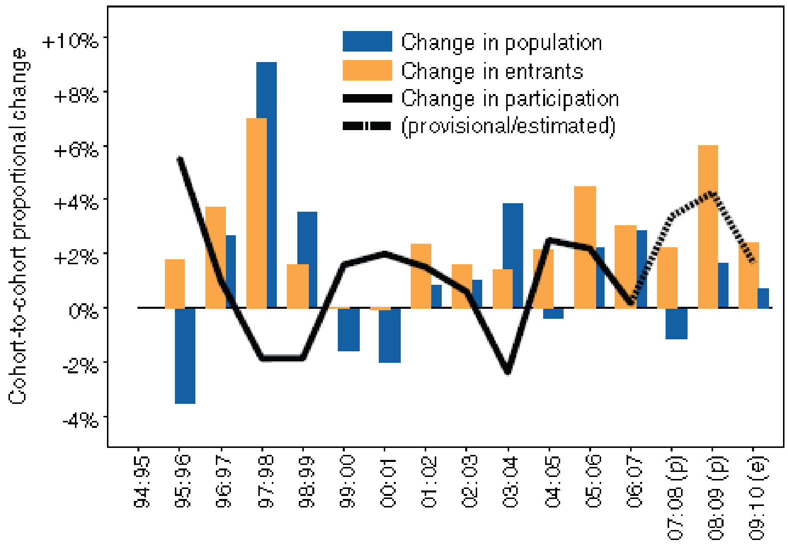


Source: http://www.ucas.com/about_us/media_enquiries/media_releases/2012/20120130

The past five years cannot help us make a good estimate whether the increase of the cap on tuition fees to £9.000,- will permanently reduce the number of applicants for higher education institutions.

Another way of looking at the effects of the student financing policies is the proportion of young entrants (17-19 years old) in higher education, which is shown in the graph (3) below. The proportional change can be easily lined up with changes in tuition fees: the introduction of fees in ’98, the introduction of a cap on fees till £3.000,- in 2003, and the actual enforcement of those rules in 2006. One can see a relative participation decrease before tuition hikes, but soon afterwards (with a maximum of 3 years) an increase and also stabilisation.

Figure 11 Cohort-to-cohort proportional changes in population, entrants and young participation



Source: http://www.hefce.ac.uk/media/hefce/content/pubs/2010/201003/10_03.pdf

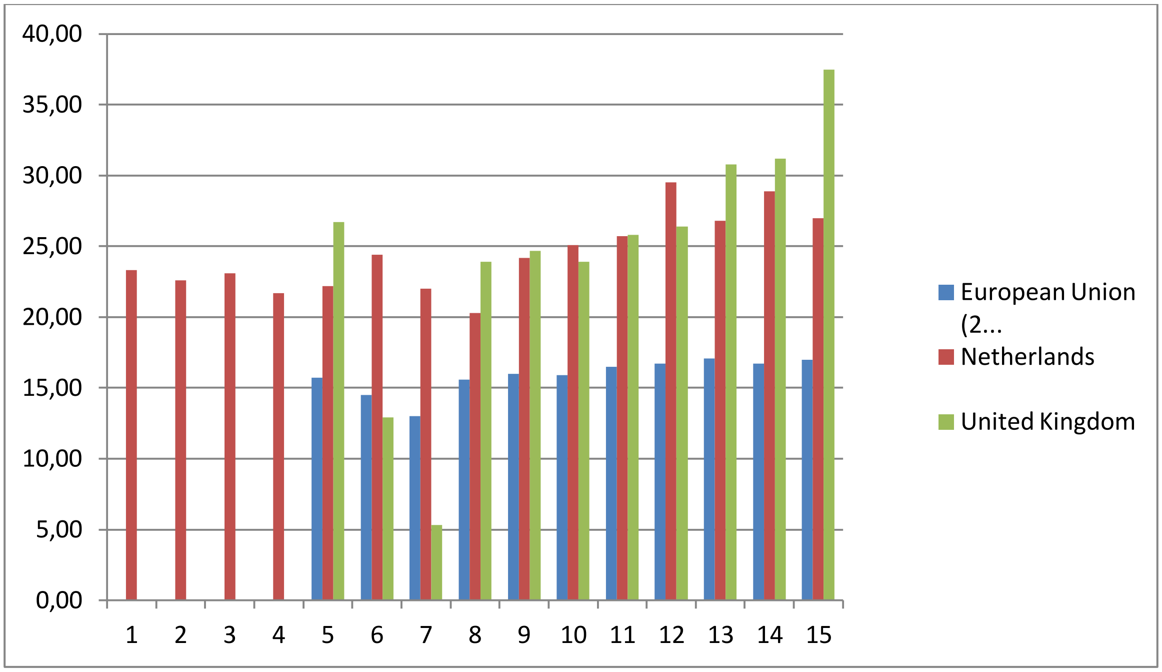
Conclusion

According to the traditional human capital theory, the long term benefits of higher education outweigh the overall costs and thus students would make the rational decision of entering higher education. This implies that a tuition increase has to be interpreted in the total rate of return to higher education and then even the tuition hikes in 1998 and 2003 would be easily absorbed by the higher future earnings of graduates, thus not having a significant impact on participation. Behavioural economics stresses that students do not always make this rational decision, because they are heavily influenced by the psychological effects (shocks, loss aversion, etc) of current practices.

In line with the traditional human capital theory, one can find that students are influenced by the cost of tuition fees. However, these effects only show for one or two academic years. Nicholas Barr (2009) suggests that this can be looked at with an economic perspective. Taken alone, this huge increase in tuition fee would be more likely to have a long-term effect on the number of applicants. However, the loans system can compensate for this, as we have seen in the pros and cons section of this paper. As one can see in appendix B, the number of students taking up loans has been steadily increasing since 1990. As of 1998, loans became (almost) equivalent to the tuition fees. Hence in the past, the student loans system in the United Kingdom could have played a substantial role in limiting the impact on access caused by higher tuition fees. The fact that the number of students who take up loans has steadily increased since 1990 is in line with Vossensteyn's perception of debt aversion. Hence, as we have seen in the pros and cons section, higher tuition fees do not necessarily (negatively) impact access.

In the table below one can see that this is also likely to be true for the Netherlands.

Graph 4 Financial aid to students as a percentage of total public expenditure.



Source: Eurostat (2012).

The numbers on the vertical axis represent financial aid to students as percentage of total public expenditure in tertiary education. 1 represents the year 1995 and 15 represents the year 2009.

Lessons

Conclusions about the situation in the United Kingdom

Considering the pros and cons section, we can make the following conclusions for the United Kingdom.

Most universities have already announced that they will be charging the maximum of £9.000,-. Higher tuition fees therefore do not seem to result in strengthening competition amongst higher education institutions. Moreover, higher tuition fees do not strengthen the equity principle, as there will hardly be any tuition rate differentiation amongst universities. Tuition fees hence only result in direct extra income for higher education institutions. The question is whether this will actually enhance quality, or simply compensate for the lower amount higher education institutions will receive from the government.

Student choice nor access seems to be (substantially) affected by the high tuition rates for the study-year 2012-12 in the United Kingdom. However, this does not mean that students do not make better and more responsible enrolment decisions based on their abilities, interests and aims. In addition to this, the high tuition rates are likely to motivate both students and government to demand a higher quality of education.

The possible effects of high tuition rates in the political sphere have been highly detected in the United Kingdom. Not only was the high tuition cap highly debated, many demonstrations by students took place. It is therefore likely that the current legislation has had an effect on political support for policy-making in the area of higher education in general.

The effects of policy-making in the period of 1990-2012, which have been discussed in the previous section, support the notion that access effects are short-term. Moreover, no exclusive evidence is found that enables us to say that students from poor backgrounds are more likely to be deterred from higher education than students from wealthier backgrounds.

Government aims and actions in the Netherlands

The main question which should guide the discussion on tuition fees in the Netherlands is which goal the government sets out to achieve.

If the goal of the government is to widen access, we have seen in the United Kingdom that this did not have specific effects. Moreover, for at least the first year it is more likely that a raise in tuition fees decreases access to higher education.

If the government aims at enhancing quality, higher tuition fees could help. However, quality can also be ensured through other measures. In addition to this, higher tuition fees did not guarantee higher quality in the United Kingdom.

As for the equity principle, which would be a result of increased competition between higher education institutions, the United Kingdom has shown us that this is unlikely to be reality.

If the Netherlands wishes to make changes in its policy about student financing arrangements for higher education, it should do this with the aim of letting students contribute to their education. As private rates of return are high, this is a valid aim. In addition to this, the government could also aim at reducing the amount of money it spends on higher education, by letting students pay. Moreover, it is unlikely to have a great impact on access, quality or student choice, as we have learnt from the United Kingdom.

Lessons concerning new legislation in the Netherlands

There are currently two different pieces of legislation in the Netherlands, which will both be implemented soon (exact dates are still unknown or heavily debated) and which will be dealt with here.

One of them entails cancelling the basic grant for master students and replacing it with a student loan. Through cancelling this basic grant, the price students have to pay to participate in higher education rises. However, a student loan, equivalent to the basic grant, is made available. We have seen that, in the United Kingdom, student loans always increased when tuition fees increased. Specifically for the oncoming high tuition cap (of £9.000,-), student loans have been increased to cover course costs. In line with the economic perspective by Nicholas Barr, and in line with the results we have found in the United Kingdom (no major impact on access caused by higher tuition fees), a combination of higher fees and student loans does not have a (negative) impact on access. We may therefore conclude that, as long as the Netherlands replaces the basic grant for master students with a student loan, it is unlikely to have a (negative) impact on access (as we have found that debt aversion does not play a substantial role in practise). Claire Callender found that students from poor economic backgrounds, however, are more debt averse than students from wealthier families. Even though Vossensteyn has found that students are often will use student loans when they need them, the Dutch system already takes this into account. The basic grant will be cancelled and replaced with a student loan, but the supplementary grant will stay in place. So even though there is no exclusive evidence that students from poor backgrounds will be deterred by this legislation, they will still be eligible for supplementary grants. Overall, I think the Dutch government should implement this piece of legislation for several reasons. First of all, it adds to the public-private debate, which I think justifies this legislation. Secondly, no exclusive evidence is found in the literature, which states that higher tuition fees (combined with student loans) reduce access to higher education. And finally, similar legislation has been implemented in the United Kingdom without any visible substantial negative impact on participation.

The second piece of legislation, the so called "langstudeerboete", which has already been implemented by the Dutch government, but is currently still highly debated upon whether it should be implemented as of 2012/2013 or later, is the substantial higher fees for long term students. This legislation entail that students who are 'delayed' have to pay extra fees. Students are allowed to use one extra year for their programme (so one extra year for a bachelor, and one extra year for a master) but after that year they have to pay an extra €3.000,- per year (on top of regular tuition fees). This legislation is designed to reduce the number of students who spend many more years to finish their studies than the amount of years they are supposed to spend. Taken alone, these fees would harm access to higher education. But students have the opportunity to take up extra student loans, to cover the extra costs. Hence, this means higher tuition fees in combination with student loans, leading me to the same conclusions as cancelling the basic grant for master students and replacing it with student loans. Yet there is a difference in the type of students, as this legislation also applies for students who have already started their programme, at the start of which this legislation did not yet exist. Moreover, students are confronted with these high fees in a later stadium of their academic career. Basic and supplementary grants will remain student loans if students do not finish their programme, and will only be turned into a grant once a student gets his/her diploma. Many other factors therefore influence decisions students make as a result of the "langstudeerboete". Mostly, students will be confronted with the choice of continuing their studies or dropping out. To answer this question, we must look at a different unit of observation (not just prospective students) through for example a follow-up study.

Appendix

Appendix A: total applications (choices) by JACS3 subject group

Table 6: total applications (choices) by JACS3 subject group

JACS3 Subject Group	2011	2012	Diff (+/-)	Diff (%)
Group A Medicine & Dentistry	97,409	94,374	-3,035	-3.1%
Group B Subjects allied to Medicine	323,059	329,733	6,674	2.1%
Group C Biological Sciences	210,832	201,653	-9,179	-4.4%
Group D Vet Sci,Ag & related	25,347	24,747	-600	-2.4%
Group F Physical Sciences	94,133	93,587	-546	-0.6%
Group G Mathematical & Comp Sci	43,376	42,148	-1,228	-2.8%
Group H Engineering	118,823	117,221	-1,602	-1.3%
Group I Computer Sciences	82,096	76,855	-5,241	-6.4%
Group J Technologies	10,146	8,340	-1,806	-17.8%
Group K Architecture,Build & Plan	42,810	35,825	-6,985	-16.3%
Group L Social Studies	216,272	190,115	-26,157	-12.1%
Group M Law	107,726	103,613	-4,113	-3.8%
Group N Business & Admin studies	276,637	260,879	-15,758	-5.7%
Group P Mass Comms and Documentation	55,723	47,575	-8,148	-14.6%
Group Q Linguistics, Classics & related	67,970	62,266	-5,704	-8.4%
Group R European Langs, Lit & related	24,406	21,675	-2,731	-11.2%

Group T Non-European Langs and related	7,852	6,165	-1,687	-21.5%
Group V Hist & Philosophical studies	79,786	73,967	-5,819	-7.3%
Group W Creative Arts & Design	271,931	227,729	-44,202	-16.3%
Group X Education	86,564	80,578	-5,986	-6.9%
Y Combined arts	65,640	55,042	-10,598	-16.1%
Y Combined sciences	37,315	33,898	-3,417	-9.2%
Y Combined social sciences	30,151	26,581	-3,570	-11.8%
Y Sciences combined with social sciences or arts	95,615	78,671	-16,944	-17.7%
Y Social sciences combined with arts	59,373	51,007	-8,366	-14.1%
Z General, other combined & unknown	16,991	24,321	7,330	43.1%
Total	**2,547,983**	**2,368,565**	**-179,418**	**-7.0%**

Source: http://www.ucas.com/about_us/media_enquiries/media_releases/2012/20120130

Appendix B: number of students taking up student loans 1990/91-2005/06

Year	Take up for academic year(000s)	Total Value of Loans (in millions)	Estimated Eligible Students(000s)	Take Up Percentage	Average Loan
1990/91	180.2	69.90	643.5	28%	£390
1991/92	261.1	139.20	726.2	36%	£530
1992/93	345.3	226.50	836.3	41%	£660
1993/94	430.4	316.70	917.4	47%	£740
1994/95	517.2	538.80	944.4	55%	£1,040
1995/96	559.8	700.80	949.8	59%	£1,250
1996/97	589.6	877.20	945.7	62%	£1,490
1997/98	615.1	941.00	962.9	64%	£1,530
1998/99	659.5	1,233.50	966.7	68%	£1,870
1999/00	699.7	1,795.40	966.0	72%	£2,570
2000/01	759.9	2,203.70	974.4	78%	£2,900
2001/02	810.4	2,490.10	995.7	81%	£3,070
2002/03	838.0	2,626.00	1029.7	81%	£3,130
2003/04	849.0	2,712.00	1061.0	81%	£3,190
2004/05 provisional	856.2	2,794.00	1080.0	79%	£3,260
2005/06 provisional	880.7	2,933.10	-	-	£3,330

Source: http://www.slc.co.uk/statistics/national-statistics/facts-and-figures.aspx

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