

# Do I look like I can afford £27,000 for a degree?

Meet 16-year-old Molly Brett. Like many students in her age group, her anticipated path to construction has been derailed by tuition fee rises. *CM's* round-table discussion examines her options now.

**Elaine Knutt** reports. Photography by **Ed Tyler**

(l-r) Nick Gooderson,  
Rick Lee, Molly Brett,  
Darren James, Anne  
Schuster

IN SEPTEMBER, 16-year-old Construction and Built Environment Diploma student Molly Brett assumed that her future career path would include three years' study at university. But that was before the Browne Report and subsequent government vote radically changed the rules for Molly and thousands like her. From September 2012, anyone graduating with a BA or BSc Hons will be handed a tuition fee bill of £18,000-£27,000. Factor in maintenance loans of £4,000-£7,000 a year, plus overdrafts, and Molly's generation could start their working life with a debt the size of a small mortgage.

So Molly, not to mention her hard-pressed parents, is wondering whether it's all worth it. Should she sign up for frightening levels of debt, knowing that the repayments will form a financial cloud over her twenties and beyond? One alternative might be to find an employer to sponsor her studies part-time, but will the recession-hit industry support enough training places? Or are there other options, that Molly, her parents and even her school aren't aware of?

**Funding uncertainty**

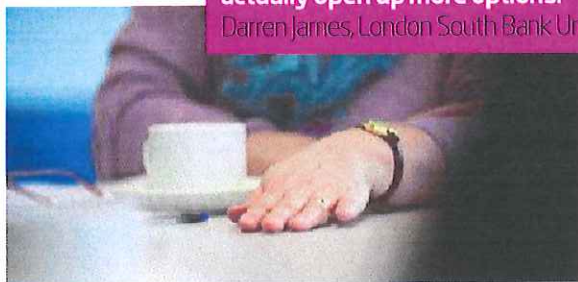
Molly embarks on the two-year Advanced Diploma at Thamesview School in Gravesend, Kent, in September, where her interests lie in architecture, architectural technology and pre-construction. The situation may be clearer by the time she's submitting a UCAS application or meeting employers, but the current uncertainty over fee levels and how these will impact on universities and employers (see box) has left her feeling lost. "I don't really know what the options are. I'm thinking about university, but I'm not really sure about funding. My mum and dad have been affected by the recession anyway, so the money's quite a big deal."

Construction Manager has introduced Molly and her construction diploma teacher, Anne Schuster, to three people who can help review her options. Darren James, senior admissions tutor for the built environment department at London South Bank University – which also kindly hosted the meeting – wants to make sure she understands the long-term personal and professional benefits of a degree, as



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Darren James, London South Bank University



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Anne Schuster, Thamesview School, Gravesend



much as the financial implications. Rick Lee, group human resources director at Willmott Dixon, which offers management trainee positions to bright school leavers, represents the "earn and learn" option.

Nick Gooderson, education and standards director of CITB-ConstructionSkills is there to explain the possible wild card: a new form of "Higher Level Apprenticeship" that confers a qualification equivalent to a degree. Although the Construction Management HLA is due to be offered by employers and institutions from next September, the details are still so hazy that James, Lee and Schuster are as interested in what Gooderson has to say as Molly.

Schuster, a former building surveyor, also wants to know how best to advise other diploma students at Thamesview.

She recently asked three of her Year 13 students – unaffected by the tuition fee hike – how they would have reacted if the

rules had changed a year earlier. One student with the self-confidence to see himself as a future high earner said it wouldn't have affected his university plans. But two others, perhaps more risk-averse and from families with modest incomes, said that £27,000 would have made them rethink.

**Deferred payments**

"If they had to pay £9,000 a year, they just wouldn't," says Schuster. "And that would be such a shame, because you've got some really good talent there, that's come up through exactly the route the last government wanted. Everything was set up for them to do that progression [from the Diploma to university]. Anything the universities or employers can do to ease that burden is obviously going to be very, very welcome."

Darren James, cast as spokesman for an entire sector, does have a few cards up his sleeve. First, he wants to set the factual record straight: under the government's plans, the repayment threshold moves from today's annual salary of £15,000 to £21,000, with graduates repaying 9% of the amount they earn above £21,000 each year. But the factor that's perhaps of more direct relevance to Schuster's students is that deferred payment will

also be on offer to part-time students, who currently have no option but to pay fees up front.

"More people working in the industry will have access to the funding to enable them to go to university," says James. "In terms of flexibility, that might actually open up more options to more people. And to the people you mentioned, maybe if they were earning money, they could study part-time, get funding, and still be earning," he suggests.

Addressing Molly directly, James makes the point that her lifetime earning power is likely to be much higher if she has a degree: in fact, it's been calculated by Universities UK as being 20-25% more than a school-leaver with A-levels. But he also wants Molly to see that university is an investment in more than just the financial sense. "It shouldn't purely be a financial decision, it should be a little bit more than that," he says. "The fees shouldn't be a deterrent to getting what you want in life, to fulfilling your dreams and aspirations. Don't miss out on something that you may wish you'd done in 10-15 years."

But will a gamble on her future earning power, or the idea of university as a place where life-long ambitions take shape, persuade Molly? Students with parents who graduated themselves may be influenced by these ideas, but not everyone is in that situation. "My parents didn't go to university, so they have no idea what to expect," she says. Schuster also feels this is where the danger lies. "It's very easy for these students [who would be first generation graduates] to be switched off the concept. I feel we're marginalising a section of our young people," she says.

**Part-time lovers**

James asks Molly if she'd consider part-time study: LSBU has a high proportion of part-time students, often sponsored by their construction employers. "Their employers see the benefit of it; they know that what they're getting at the other end is a person who's useful to them and the industry." Molly agrees that the part-time route to a degree looks appealing: "Yes, I'd definitely consider it, it seems a lot easier with the funding situation."



**"Construction Management as a Higher Level Apprenticeship could comprise a foundation degree. And apprentices have to be employed, so they're getting paid as they learn."**

Nick Gooderson, CITB-ConstructionSkills



**"You could start on £15,000-£18,000, plus a pension contribution, and a car scheme. Then we'll fund your study as well – it's designed to get people started."**

Rick Lee, Willmott Dixon



But the employer-sponsorship model depends on there being enough employers to sponsor students, and all eyes now turn to Willmott Dixon's Rick Lee. He's happy in the hot seat, knowing that the firm's management trainee scheme – which is open to both school-leavers and graduates – offers an appealing package to young people.

"If you do your Advanced Diploma and think 'I want to get cracking', we can help you do a degree," says Lee. "You could start on £15,000-£18,000, plus a pension contribution. As you go on into your training, you get a set of wheels to zip about from site to site. Then we'll fund your study as well, contribute to the cost of the course fees and the cost of books," he says, mentioning that Willmott Dixon has links with several institutions, including Reading and the University of the West of England. "It's designed to get people started," he adds.

**Limited numbers**

Molly looks as if a window to a future she hadn't considered has just opened, but the next comment half-shuts it again. "This year we had about 1,500 applications, for 20 or 30 places – the numbers are being finalised now. But that shouldn't discourage people," says Lee, anticipating Molly's reaction. "It should encourage you to get your head down in your studies, to get experience in a site or design office and get it now."

But Lee's encouragement skirts around some difficult questions. If university tuition fees are rising from today's £3,375

a year to £9,000, will Willmott Dixon be prepared to subsidise that extra, unproductive overhead? And if it's having to pay

more, will it compensate by taking on fewer trainees?

Lee responds that Willmott Dixon would absorb the extra costs in the interests of the long-term health of the business: "That kind of penny-pinching is almost cutting your nose off to spite your face."

But Schuster raises another point, relating to the mismatch between the current slump in construction demand and the number of young people hoping for a career in the industry. "At the end of the day, it may not be about money. I'd have

thought it would be dictated by the demand for trainees [on sites] – what if you have too many trainees for the number of sites?” Lee again asserts Willmott Dixon’s long horizons. “We would balance off the need for good talented people who will stay with us in the long term, against whatever commercial pressures we may face.”

But Schuster makes a good point, as Nick Gooderson of CITB-ConstructionSkills would surely agree: his opening remarks refer to the downturn in trade apprentices trained by the industry. Prior to the recession, 20,000 a year were entering apprenticeships, in 2010 only 7,000 demanded training places. A similar drop-off in sponsored studentships could also be on the cards.

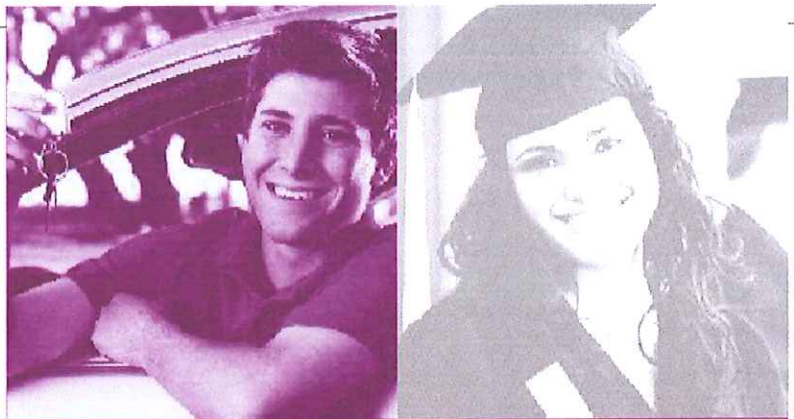
But Gooderson is really here to talk about Higher Level Apprenticeships (HLAs), a new Level 4-5 qualification. In comparison, A-levels are considered Level 3, and an honours degree is Level 6. “We’re working with universities, colleges and employers to deliver HLAs, looking initially at Construction Management,” explains Gooderson. “HLAs require a theoretical component and a competence qualification, but a foundation [two year] degree could be used to cover both aspects. A foundation degree can then be topped up to an honours degree.”

#### Repackaged qualification

Schuster finds it reminiscent of the multi-part structure of the Advanced Diploma, while LSBU’s Darren James finds the idea of progressing from a foundation qualification to a degree to be a repackaging of what institutions already offer. “Our courses are designed to progress from one to another, so a lot of our students take an HNC over two years part-time, then move on to year 3 of a five-year part-time degree.”

Lee is not over-excited by the idea either. “If there’s additional funding from government, that would be welcome – it helps Molly, and it helps employers. But in terms of putting levels on the numbers, we’d have to wait and see. The current structure and arrangements seem to work very well.”

Gooderson agrees that the HLA is not ground-breaking. “There isn’t really much difference [to what’s on offer], the aim is to formalise it into an apprenticeship, with the government dictating the specification.



## The agony of choice

Will higher tuition fees lead students to desert traditional degrees in favour of more flexible options?

So just how will the dramatic rise in tuition fees affect construction degrees? If, as seems possible, fewer 18-year-olds are recruited to a reduced number of degree courses, will we see a corresponding increase in post-school training places offered by construction employers? And, after a decade when degrees have become the established route to MCIQB, will we see a return to the days when on-the-job training is just as prevalent?

There is plenty of speculation, but few firm facts. First, only a handful of universities have set fee levels: many are waiting for the publication of a government White Paper, which will contain more information on the levels of funding available.

#### Real-term cuts

One academic suggests that no university will be able to charge less than £6,000 a year. “That represents a real-term cut in funding on a like-for-like basis, so no one will be charging less than that,” he says.

CIOB course accreditation officer Rosalind Thorpe agrees: “If it’s under £6,000, they would be operating on less than they get at the moment. And many won’t want to charge lower fees, because it would undermine their position as a ‘top’ university.”

Meanwhile, the government is ring-fencing funding for STEM subjects –

Science, Technology, Engineering and Maths. Construction is not covered under STEM, but institutions where construction subjects are taught alongside engineering degrees – with students sharing modules, for instance – could find that it’s easier to maintain funding for construction courses than at others where it’s a standalone subject.

Academics are privately anticipating closure of some courses. “Very few universities are financially stable. If the government is reducing teaching income, they will have to reduce costs. Every institution has courses it wants to protect, and others that are less significant, and I don’t think construction will escape,” says one senior lecturer. However, he adds that architecture could be more seriously affected than construction, as its two-part, five-year degrees are more likely to receive fewer applicants.

On the question of how 18-year-olds will view construction in comparison to other degree choices, some find cause for optimism. “There will always be demand for what students perceive as good value courses,” says David Woolven, director of undergraduate studies of the school of construction and project management at UCL. “Construction is still a positive choice that takes them into a career, while others are just an

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Molly Brett, CBE Diploma student



> It's also a formalisation of the path from a trade apprenticeship right through to Level 6, and a way of raising the profile."

Around the table, the one person who does seem to be impressed with the idea of an HLA is Molly herself. "I've found out a lot, especially with apprenticeships. I didn't know that could be counted as high as if you'd been to university. Because the government seems to be encouraging university more than apprenticeships, it's very confusing." Apprenticeships are unfamiliar territory for her: just as her parents can't give her first-hand advice on university, they don't have any personal experience of apprenticeships either.

It is left to Darren James to bring the discussion back to where it started – Molly herself. "From your point of view, it's firstly about choosing the right subject. You need to be clear where your strengths lie, and choose the most appropriate course. When you talked about getting a distinction started [for architectural drawing], you sounded really pleased with it."

Molly smiles, pleased that he remembered. Whatever option she ends up following, the discussion seems to have confirmed that she will find her future in the industry. **CM**

education in a subject area. So we could see a drop-off in applications overall, but more focus on vocational courses [such as construction]."

But others take a different view. "For architecture and engineering, there's no other way to practise than through a degree. But what happens to building and surveying is less clear, and to an extent depends on the professional bodies [CIOB and RICS]," says a lecturer at a London university.

"In recent years, it's become hard to become a corporate member of the CIOB without either a degree or many years of industry experience [via the EPR]," he adds. "Maybe there will be a need for the CIOB to reintroduce its own internal exams or alternative routes to membership [for 18-year-old entrants]."

Other effects of tuition fee rises include a possible switch towards part-time courses. For the first time, part-time students will be able to defer tuition fees in the same way that full-timers already can. In recent years, some universities, such as Northumbria, have experienced a drop-off in part-time study as employers withdraw sponsorship deals, but the new regime could in fact make it easier for students to self-fund a part-time course.

But if the economy continues to flatline, employers are likely to struggle with the added financial burden that £6,000+ fees place on sponsored earn-and-learn arrangements. At the moment, the UKCG reports that medium-sized contractors are hiring top-notch graduates dropped from major firms' sponsorship programmes.

So could contractors find more

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David Woolven, UCL

cost-effective ways of training the next generation? Kier is already championing sponsorship for "foundation" degrees: two-year courses offered by some universities and Further Education colleges. At the moment, 100 trainees nationally combine work on Kier sites with part-time study at Sheffield Hallam University. After the foundation degree, trainees can study for a further 18 months part-time to earn an honours degree.

#### Alternative routes

Entrance requirements are one A-level, an NVQ Level 2 or a completed apprenticeship. "We're trying to create alternative routes to higher education that respond to the current market," says Richard Bush, deputy managing director of Kier's construction division.

Kier's scheme has similarities to Higher Level Apprenticeships, which are also likely to feature partnerships between employers and institutions offering part-time foundation degrees. Factor in the government funding available for HLAs, plus the fact that foundation degrees via FE colleges will have lower fees due to higher student-teacher ratios, and HLAs could become an affordable training route for contractors.

Further options for students include "franchised degrees", where a university subcontracts courses to cheaper FE colleges. These can extend overseas: Wolverhampton University offers a BSc Hons in Construction Management via the Hong Kong School of Continuing and Professional Education. While the course doesn't have any UK students at the moment, similar courses could attract school-leavers in the future. "Students could go to China, get a UK degree and a job," says the CIOB's Thorpe.

Universities will set fee levels by this July, so that applicants filling in UCAS forms for September 2012 places will know where they stand. But the actual impact of the reforms – both on the number of applicants and places offered – will only emerge slowly. "It won't happen overnight, but we could be looking at a very different picture in four to five years," says UCL's David Woolven.