

Clip: Open University fees in the early 1980s

Video: Countdown to the OU1 (1984)

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Don Feasey:

Well no matter how diverse our students might be they all have one thing in common, they had to pay fees otherwise the University simply wouldn't function. So I talked to University Secretary Joe Clinch about finance.

Joe Clinch:

The way it works is that the Government through the Department of Education and Science funds the University on what they call a cash deficiency grant.

Don Feasey:

Now hang on, what does that mean?

Joe Clinch:

Well, let me explain what it means. A cash deficiency grant, that means the Government makes up the difference between their estimate of what we need in the way of expenditure and what they're prepared to provide through a grant which they make available to us, and of course, the difference are the fees, the student fees. But of course we're very constrained because Government says to us we assume your fee levels will be £120 for a full credit in 1982 and they will then determine our grant on the assumption that we take their advice. In other words it is rather a technical autonomy that we have in the matter of fees.

Don Feasey:

Yes because you could easily go into the red.

Joe Clinch:

Either go into the red or perhaps another danger is it might be felt that if we didn't have to put up the fees that we already had funds we didn't need.

Don Feasey:

We're talking about funds, I mean how much money are you talking about, what's the overall budget?

Joe Clinch:

Last year, something like 55 million pounds, a quite substantial sum.

Don Feasey:

Can you express... let's have a look at this, what sort of proportion of all this money is actually coming out of the student's pocket?

Joe Clinch:

Well this is a sum that can be done in lots of different ways, but I think one could say last year, (that is, when I say last year, 1981, the year we're just finishing financially), the student fees contributed across the University about 16 per cent of our total income. Another 82 per cent coming from government grant and about 2 per cent thereabouts in the way of research contracts, research grants, earmarked grants for special purposes.

Don Feasey:

So from the point of view of the student then, they are in fact getting pretty heavily subsidised.

Joe Clinch:

There is a very significant subsidy, clearly in the way our costs are structured that is that fees are representing, as I say, about 16 per cent. Government is supporting the bigger portion of our expenditure.

Don Feasey:

Just let me put a question to you. I'm a student and I'm having to pay out this £120 to get cracking and get started, I might turn round and say well I can get a degree cheaper elsewhere, why should I come to the OU, what are we getting, you know, why are you charging this amount of money when I could go to Wolsley Hall or somebody else?

Joe Clinch:

Well I think there are a lot of good academic and educational reasons why students come to The Open University. I think probably the most important is our accessibility, we are accessible in all parts of the United Kingdom. We do have our Open Entry policy and we do attempt to provide a very structured teaching that will help the student who is perhaps not well prepared or who's been out of study for a while to get into the system and to be successful. These I think are important academic and educational reasons. I think on the financial side it's true that we have a concern that it does seem that part time study in the Open University is perhaps costing our students rather more than part time study elsewhere.