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Fees, fairness and the National Scholarship Programme: Higher education policy in England and the Coalition Government

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Conservative and Liberal Democrat policies for higher education funding in the 2010 general election campaign offered voters a stark choice – with one party willing to consider raising the cap on undergraduate fees, while the other publicly committed to removing any student contribution. It is not surprising therefore that this was an area in which they found it impossible to agree a firm position as part of their coalition agreement (Cabinet Office, 2010).

When parliament later voted on higher education funding, the view of the larger party prevailed and the cap on fees almost trebled to £9,000. The Liberal Democrat Deputy Prime Minister took responsibility for launching a National Scholarship Programme (NSP), providing financial support to undergraduates from lower-income backgrounds, to be introduced at the same time as the increase in fees. While this may have offered limited political credibility to his party, the structure of the scheme was criticized from the outset, and it ceased to operate after just three cohorts of students.

This paper identifies the political and policy drivers behind the NSP. It explores the need for compromise in the context of the Coalition Government and the drive to embed a dimension of 'fairness' into policy change. From an analysis of the NSP's implementation, evolution, and ultimate closure, we consider the extent to which fairness can, and cannot, successfully be promoted through the design of undergraduate fees and financial support, an objective that was espoused by politicians responsible for the introduction of £1,000, £3,000 and, ultimately, £9,000 fees.

The coalition agreement

Following the indecisive general election result of May 2010, a coalition government was formed consisting of 307 Conservative and 57 Liberal Democrat members of parliament. Negotiations and compromise between the two parties produced a coalition agreement with the subtitle 'fairness, freedom and responsibility' (Cabinet Office, 2010). In the Coalition cabinet, Conservative David Cameron would be Prime Minister and Liberal Democrat Nick Clegg would take the role of deputy. Another Liberal Democrat, Vince Cable, was made Secretary of State for Business, Innovation and Skills (BIS), the department with responsibility for universities.

Developing reforms regarded as 'fair' by both parties of the Coalition raised no major problems in some areas of government, such as public sector pension reform (Cutler and Waine, 2013). However, for undergraduate tuition fees, reconciling the views and commitments of Conservative and Liberal Democrat wings of the Coalition would be difficult. Higher education

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policy is an example of the greatest differences between the two parties in terms of pre-election pledges and manifesto statements. The Liberal Democrat manifesto (2010: 39) reaffirmed a commitment to:

> Scrap unfair university tuition fees for all students taking their first degree, including those studying part-time, saving them over £10,000 each. We have a financially responsible plan to phase fees out over six years, so that the change is affordable even in these difficult economic times, and without cutting university income. We will immediately scrap fees for final year students.

In a highly visible move before the election, the National Union of Students asked politicians to sign a pledge which stated: 'I pledge to vote against any increase in fees in the next parliament and to pressure the government to introduce a fairer alternative' (NUS, 2010). All but one of the next Liberal Democrat parliamentary party made this commitment – most signing up at managed events in front of constituency media. This undertaking continued a long-standing position of eliminating fees; the party campaigned on a pro-student ticket and traditionally did well in constituencies with above average numbers of university students and staff. Hence, increases in tuition fees were particularly awkward for the Liberal Democrats because of the significance to the party of 'the university vote'.

On the other hand, the Conservative Party's manifesto was highly non-committal, claiming that the publication of an external review – scheduled for after the election – would inform policy. The Conservative position was to:

> consider carefully the results of Lord Browne's review into the future of higher education funding, so that we can unlock the potential of universities to transform our economy ... and, provide 10,000 extra university places this year, paid for by giving graduates incentives to pay back their student loans early on an entirely voluntary basis. (Conservative Party, 2010: 17)

The Conservatives had made no promises on increasing fees and therefore did not have any electoral expectations to live up to. The forthcoming report of the Browne Review was used by both the Conservative and Labour parties as justification for not specifying a policy position on fees before the election.

Given these underlying differences in approach to higher education funding, the coalition agreement foresaw potential difficulties and included a section which stated: 'If the response of the Government to Lord Browne's report is one that Liberal Democrats cannot accept, then arrangements will be made to enable Liberal Democrat MPs to abstain in any vote' (Cabinet Office, 2010: 32). Even with this caveat in place, higher education policy proved to be highly sensitive for both parties during the first year of the new Government.

The Browne Review

Reform came early for the Coalition because a revision of university funding in England was overdue. The *Independent Review of Higher Education Funding and Student Finance* had been launched on 9 November 2009 by the previous Labour Government and was headed by Lord John Browne (Hansard, 2009). The Browne Review (2010), as it is widely known, was commissioned on a cross-party basis by Lord Mandelson who was responsible for higher education policy in the final period of the Labour administration. Conservative MP David Willetts, then a shadow minister who would become Minister of Universities and Science in the Coalition, was consulted on the scope of the review which would be reporting after the election. The review fulfilled a commitment made by the Labour Secretary of State Charles Clarke during the Commons stages of the Higher Education Act 2004 to examine the impact of the £3,000 tuition fees on participation and access after three years of the policy (Hansard, 2004).

The report of the Browne Review, *Securing a Sustainable Future for Higher Education*, was published on 12 October 2010. It rejected a graduate tax and recommended removing the existing £3,290 cap on the annual fee level; there should be no limit on the fees that an institution could charge, although a levy would be placed on any fees charged above £6,000, with a proportion (increasing for higher levels of fees) being returned to the public purse, as an incentive for universities to operate cost-effectively. The report also concluded that the government should continue to provide upfront loans to cover tuition fees and living costs with means-tested grants available for students from lower-income families. For the first time, these loans, it advocated, should be available to part-time as well as full-time students.

Responding to Browne

Education charities condemned uncapped fees. For example, the Sutton Trust argued prestigious courses would become the preserve of the most privileged, while the Helena Kennedy Foundation warned of 'social sorting' (Shepherd, 2010). The recommendations in the Browne Review were unpopular, and publicly and politically unacceptable for the Coalition. By the end of October, Secretary of State Vince Cable had ruled out unlimited fees and announced there would be a ceiling price (Ashton, 2010; Sparrow, 2010). The key recommendation of the Browne Review would not be implemented; however, some of its proposals were selectively adopted. Even with a cap on fees, this position fell some way short of what many Liberal Democrats wanted (Quinn *et al.*, 2011: 305). To address this, the rising fees would have to be accompanied by other measures.

On 15 October 2010, Nick Clegg announced a £7 billion 'fairness premium'. In his speech (Clegg, 2010a) he illustrated what was meant by 'fairness'; this was being used almost as a proxy for a political ideology to guide the Coalition. Clegg identified three main ways of thinking about fairness: equal treatment in the law; equal shares; and equality of opportunity, with every child having the same chance to progress. This third type, he argued, requires policy intervention to increase social mobility.

The 'fairness premium' was a three-point plan, with interventions before children started school, during their schooling, and for those who entered higher education:

- all disadvantaged 2-year-olds would be entitled to 15 hours a week pre-school education
- a 'pupil premium' of additional funding would be given to schools to support poorer pupils and reduce the educational inequalities they may experience
- a 'student premium' would, as Nick Clegg put it, support 'the least advantaged students, representing a commitment of at least £150 million a year by the end of the spending review period. Our goal is clear: to tear down the barriers that prevent poorer young adults from entering university' (Clegg, 2010a).

While the specific policy interventions to achieve the first and second aspects of the fairness premium were reasonably well defined at the time of the Deputy Prime Minister's speech, the third announcement – affecting higher education – was less well-developed and required consultation to identify an effective way of achieving its goal. Following that consultation, the 'student premium' became the National Scholarship Programme.

Developing policy

On 3 November 2010, the Minister for Universities and Science presented the government's intentions to the House of Commons. David Willetts commented: 'Although participation in higher education has improved in recent years, there has not been enough progress in securing fair access to some of our best-known universities' (Hansard, 2010a). To address this, all universities charging over £6,000 would be obliged to participate in the NSP. To ensure these universities took responsibility to widen participation, a tougher regime of sanctions was mooted. The role of the Office for Fair Access (OFFA) would be enhanced, and it was proposed that universities failing to meet their own, more challenging access agreement benchmarks may be refused permission to charge fees above £6,000. The new funding arrangements sought 'to increase the leverage of Government funding by securing matched funding from universities' (Hansard, 2010a).

The planned new NSP was announced at the same time as the decision to close Aimhigher, saving the government £78 million a year, which would help offset the cost of the NSP. Aimhigher was a central pillar of New Labour higher education policy, having been created in 2004 by amalgamating several widening participation initiatives that had been developed during the first two terms of the Blair Government (Doyle and Griffin, 2012). The justification given for the axing was provided by David Willetts (2010), who argued that 'Aimhigher has assisted universities and schools to learn a lot about what works in raising the aspirations of young people from disadvantaged backgrounds, but we now need to use this knowledge to make much faster progress on social mobility'. He added that the pupil premium and the NSP 'give us the opportunity to take a "whole-of-education" approach, starting much earlier and supporting pupils to turn school-based achievement into success at university'. However, this new direction in widening participation policy was perhaps merely rhetorical; it could be argued that Aimhigher also represented a 'whole-of-education' approach.

To justify the Coalition's position – that high fees do not deter students or reduce demand for places – Willetts referenced a report by the Institute for Fiscal Studies into the impact of the reforms to undergraduate fees and funding introduced in 2006 (Dearden *et al*., 2010). The report, he said, 'indicates that while a £1,000 increase in fees results in a 4.4 per cent decrease in university participation, this is more than offset by the increases resulting from provision of loans and grants (3.2 per cent and 2.1 per cent increases)' (Hansard, 2010b).

Parliament votes

On 9 December 2010 the House of Commons voted to raise the fee cap specified in the Higher Education Act 2004 (Hansard, 2010c). This involved introducing a variable fee cap, from a 'basic amount' of £6,000, rising to a maximum of £9,000. An average of £7,500 was used to project the cost of the policy to the government. To persuade parliament, it was argued fairness would be embedded into future policy by higher fees being conditional on more demanding access agreements. It was envisaged that the proposed close relationship between fees and the requirements of the access agreements would control the fee level. Vince Cable explained that the new policy landscape would create a situation where fees would raise 'to £9,000 in exceptional circumstances' (Hansard, 2010d).

Supporting an increase in fees was politically difficult for the Liberal Democrats and Clegg faced the prospect of a rebellion by his MPs (Stratton, 2010). The issue remained highly controversial and the National Union of Students and the University and College Union organized a demonstration against the proposal to raise fees to £9,000. It was attended by 50,000 people on 9 November 2010. Later that day, the protests turned violent and rioters damaged Conservative Party Central Office (Blake, 2010). In the days before the vote, Clegg worked hard to win over members of his parliamentary party and the public. For example, writing in the *Financial Times* on 7 December, he defended the tuition fees policy and its social mobility enhancing credentials (Clegg, 2010b). He called for unity and issued an ultimatum to his ministers: vote for the fee rise or resign (Coates, 2010). The government survived the vote, although 21 Liberal Democrat and 6 Conservative MPs rebelled, reducing the Coalition's majority from 83 to 21. Eight Liberal Democrats and two Conservatives abstained while Labour voted against (Hansard, 2010e).

The White Paper

The government published the White Paper *Students at the Heart of the System* on 28 June 2011 (BIS, 2011a). A chapter was dedicated to improving social mobility through fairer access. This fitted into the Coalition's social mobility strategy, which had been published in April 2011. An objective of this was 'ensuring fairer access to higher education, so that bright people from poor backgrounds have a good chance of getting to university' (Cabinet Office, 2011: 43). This outlines the Coalition's holistic approach to tackling social mobility, which could be viewed as the rationale for the NSP.

The policy agenda had moved on since the December vote in parliament. This explains two aspects of the White Paper. First, by the spring of 2011, it was known that two-thirds of universities would charge the maximum £9,000 fee for at least some courses, with the average being nearer to £8,500 (Sugden and Forfar, 2011). The policy would now cost more than planned. To address this, the White Paper contained a mechanism to bring down the average fee level by redistributing higher-priced places to lower-priced ones (BIS, 2011a: 50). Second, what was required in access arrangements and the details of operation of the NSP were now fully developed (BIS, 2011a: 61–2).

The NSP in practice

The terms under which the NSP was launched (for the 2012 cohort of university entrants) sent out clear signals of political intent:

- the government made an initial financial commitment of £50 million (with the intention of increasing this to £100 million, then £150 million in subsequent years) to the programme, with institutions expected to match this funding (on a 100 per cent basis for those charging over £6,000 in fees and at 50 per cent with fees of £6,000 or less)
- NSP scholarships had to be worth at least £3,000 for eligible full-time first year undergraduates in England – the core criterion for eligibility for the scheme (set by the government) was a maximum household income of £25,000; but institutions could add other criteria, consistent with their own circumstances and strategic objectives (with details of plans for NSP funding to be included in access agreements submitted to OFFA)
- no more than £1,000 of the support offered under the NSP could be in cash – with the rest to be given 'in kind' (for example, through fee waivers or accommodation discounts)

- an institution's matching of NSP funds could be used to increase the number or value of awards for first year undergraduates and/or to extend support into subsequent years of study
- NSP funds were not to be used towards outreach programmes, which should continue to be resourced from other areas
- institutions were responsible for operating 'transparent and fair processes and procedures for making NSP awards' (HEFCE, 2011: 7) and for ensuring that 'information regarding the operation of and the criteria for the NSP is readily available to eligible students and published on each institution's web-site' (HEFCE, 2011: 8).

The number of government-funded NSP places that each institution received in 2012 was dependent solely on its home/EU undergraduate numbers. No consideration was given to the proportion of students an institution had from households with an income below £25,000. So, for example, for the 2012 entry, both Oxford and Oxford Brookes were allocated 133 places each.

The government's stipulation concerning the minimum value of each award meant that those institutions with larger proportions of students satisfying the maximum income threshold of £25,000 were under greater pressure to introduce additional criteria for eligibility than those with smaller proportions of undergraduates from low-income backgrounds. Thus, as found in one independent analysis of the package of undergraduate fee and funding reforms that were introduced in 2012:

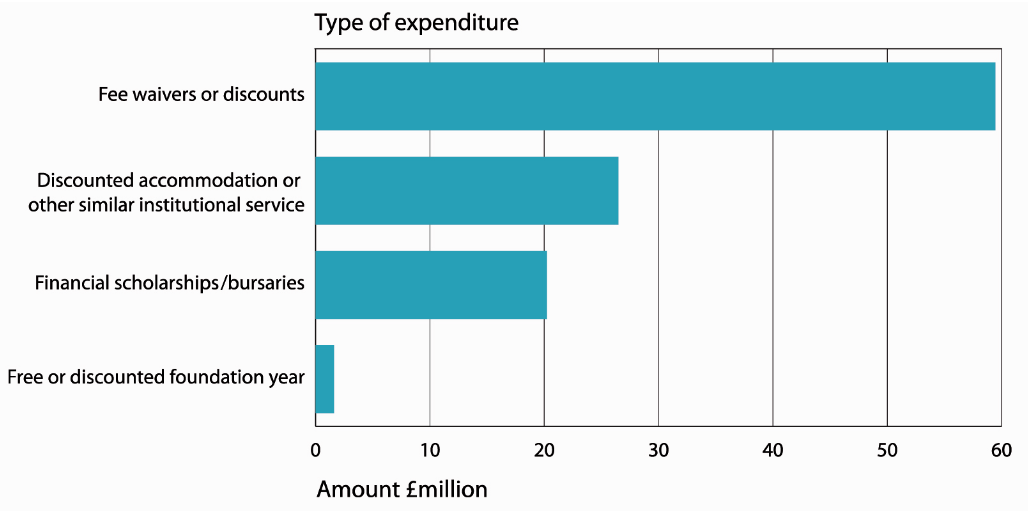
> [A] university that admits more deprived students may have to spread its NSP funding (and its own contribution) across a higher number of eligible students, compared with a university of a similar size that serves a more affluent student body. Furthermore, higher-status universities seem to contribute more of their own resources (per student) to their support schemes than lower-status universities do, perhaps drawing on the higher fee income per student at their disposal. (Chowdrey *et al*., 2012: 4)

Evaluating the NSP

Before the NSP began, Vince Cable announced it would be evaluated for its effectiveness in complementing the work that universities were already doing to increase social mobility and hence modified as necessary; institutions were cautioned not to plan on the basis that its terms would remain unchanged year on year (BIS, 2011b). Thus, in addition to the requirement for institutions to detail their NSP expenditure in their OFFA monitoring returns, HEFCE commissioned an annual series of independent evaluations of the operation of the scheme.

From its first year, this series of evaluations found that the NSP had an impact on the pattern of institutional expenditure on student support. As the access regulator noted in its annual monitoring report for 2012–13: 'There was a much stronger emphasis on fee waivers than in previous years' (OFFA/HEFCE 2014: 14). Fee waivers accounted for £93.2 million of the total £462.6 million spent by institutions with access agreements with OFFA and, as Figure 1 shows, more than half of the £107.8 million (including £47.8 million in government funds) spent on National Scholarships was distributed in this way – at least in part prompted by the stipulation that no more than £1,000 of each National Scholarship could be delivered in cash (ibid.).

Figure 1: How institutions delivered NSP awards to the 2012/13 cohort in 2012–13 (OFFA/HEFCE, 2014: 16)



Of the 181 institutional NSP schemes for which OFFA had validated data at the time of the publication of its annual monitoring report for 2012–13, 154 operated at least one of their own criteria for eligibility (in addition to the national maximum income level set by the government) as a means to address what would otherwise have been an oversubscription for the scholarships (OFFA/HEFCE, 2014: 17), as shown in Figure 2.

Figure 2: Additional criteria used by institutions to determine NSP eligibility 2012–13 (OFFA/HEFCE, 2014: 34)

Criterion	Number of institutions using this criterion	Number of those where this criterion was mandatory
Income-related	95	83
Care leaver	68	11
Other	47	22
Disability	35	1
Achievement-related	29	16
POLAR/low-participation neighbourhood	29	5
Tuition fee resident in England	28	27
Tuition fee	27	27
Full-time/part-time	26	25
School/college	24	6
First generation higher education	21	10
Firm choice	15	11
In receipt of other benefits	14	2
Timely application	14	11

Within a year of the introduction of the NSP there were already doubts about its effectiveness as a means to widen participation. One significant consideration was the extent to which applicants could obtain definitive information on the benefits they might expect (or not) from the NSP at different institutions. A study of the information available on financial support offered by 90 English universities in 2012 found that:

> While some universities publish clear and transparent criteria for their student support schemes, this is only true for 26 of the 90 universities we have examined … Thus, students applying to these universities cannot know in advance how much total support they will receive. The uncertainty that students face over the total amount of financial support they can get will not assist with their decisions over whether to go to university and, if so, which one. (Chowdrey *et al.*, 2012: 12)

The problems created by this 'information asymmetry' had already been identified in the context of the fees and funding changes that were introduced in 2006 (Callender and Wilkinson, 2013: 301; Brown with Carasso, 2013: 124). Furthermore, the higher education 'market' that Coalition policies were aiming to create (Willetts, 2011) could not operate effectively if 'consumers' did not have accurate information on which to base their choices.

For students at those institutions that used criteria in addition to household income, there was another practical obstacle to accessing NSP funds. Although the assessment carried out by the Student Loans Company (SLC) during an application determined whether a candidate satisfied the income criterion of the NSP, each university had to operate its own processes to consider candidates against any non-financial criteria used. This meant that students had to complete an application for NSP funding to their institution in parallel with their application to the SLC, adding to the administrative processes for both parties and to the university's costs of operating the NSP (Callender and Wilkinson, 2013: 303).

Hence, the practical implications of the capping of NSP awards within some institutions created another barrier to the effectiveness of the programme in widening participation:

> … the extent to which the NSP can be used as a mechanism to encourage potential students to apply to HE is limited because most institutions cannot state with any certainty whether a prospective student will receive an award prior to their enrolment. The lack of a guarantee, coupled with a general lack of awareness of the NSP and variation in the level, type and timing of the support available, reduces the influence that the Programme has over initial decision-making for most students. (Bowes *et al.*, 2014: 77–8)

However, the same evaluation (Bowes *et al.*, 2014: 77–8) did note that some institutions felt that NSP awards – particularly those delivered in the form of cash or institutional services, rather than fee remission – had some positive impact on retention, although there was no robust evidence to support these views. The report also noted that higher-ranked institutions offered more generous packages of student support, than lower-ranked institutions, therefore:

> Another consequence is that the average cash support available to low-income students at lower-status universities has actually fallen following the reforms, while it has increased among higher-status universities. Such students may qualify for fee waivers, which were not present under the old system, but these may be less valuable to students than cash support since they are only a potential future benefit. (Chowdrey *et al.*, 2012: 4–5)

Furthermore, some institutions included eligibility criteria for their NSP awards that were clearly designed to influence the recruitment cycle in ways that were unrelated to the social background of candidates – incentivizing early applications, selecting the institution as a firm (rather than insurance) choice with UCAS, or rewarding those with higher pre-entry qualifications. These market-driven elements meant that – subject to the over-riding government eligibility criterion of a maximum household income of £25,000 – some NSP awards were being used to attract early commitment from applicants or to encourage applications from candidates with higher pre-entry grades, rather than allocated wholly on widening participation criteria.

The evolution of the NSP

It is probably not surprising, therefore, that within a year of its initial operation, the NSP was subject to robust criticism:

> Bursaries and the new NSP are generating new forms of inequality rather than eradicating them. Their discretionary and variable nature leads to the unequal treatment of students ... Because the NSP allocations ignore the socio-economic composition of an HEI, NSP allocations are spread most thinly amongst HEIs with the highest proportion of disadvantaged students, primarily less research intensive and prestigious, post-1992 HEIs. Consequently, the government's NSP contribution for each low-income student is lower at these HEIs. A more sensitive NSP allocation system could easily change this inequity. (Callender and Wilkinson, 2013: 304)

In the context of criticisms such as this, at the beginning of 2013, HEFCE announced that it would change the basis on which NSP funding was distributed, saying:

> The new methodology supports the principle that funding should follow those individuals most in need. This means that those institutions which recruit more students from a disadvantaged background are likely to receive a higher proportion of the funding than in previous years of the programme, and those institutions which recruit fewer disadvantaged students are likely to receive a lower proportion. (HEFCE, 2013: 3)

The demise of the NSP

The June 2013 spending review announced the government's decision to refocus the funds that had been used for the NSP (HM Treasury, 2013: 40). David Willetts explained that the decision to withdraw the NSP was taken following the findings of independent evaluations and that it would not operate after 2014–15. From 2015, government funds that had been spent on the NSP were to be diverted to postgraduate scholarships and to funding local outreach and access partnerships (Hansard, 2013a; 2013b).

Five months later, BIS announced that its funding for this final cohort would be reduced (Hansard, 2013c). Given the length of the undergraduate recruitment cycle, the timing of these changes presented institutions with practical problems:

> [T]his cut to NSP funding was announced after universities had designed their financial support packages and it meant that universities had to revise their plans. The reduction in the government contribution to NSP from £150 million to £50 million comprised a reduction of government funding per award from £3,000 to £2,000 and a 50% cut to the number of awards allocated to each university. Additionally, universities were required to maintain the matched funding as planned in their Access Agreements (£150 million in total), meaning that institutions would have to contribute at least three times as much funding as they receive from the government. (Dearden *et al.*, 2014: 6–7)

Also with effect from 2014, the cap was removed on the amount of an NSP award that could be given in cash, and institutions with fees of below £6,000 were no longer obliged to participate in the NSP. In its final year, therefore, both the scale and the scope of the programme were significantly reduced.

Lessons from the NSP 'experiment'

During its three years of operation, the NSP provided support to 90,000 undergraduates across 225 institutions in a wide range of ways. The withdrawal of the NSP was nevertheless unsurprising, given that even the modified scheme was vulnerable to inherent criticisms of its operation and its effectiveness in delivering the Coalition Government's policy objectives concerning widening participation.

This rise and fall of the NSP within a period of just three years is best understood by considering both the financial and the political context of its lifespan. The large deficit in the national budget and the pressing funding needs of public services with a greater political priority than universities and their students (such as health care and compulsory education) underpinned the government's desire for graduates to contribute more to the cost of their education. Even though the rhetoric of the market was used to justify the raising of the fee cap to £9,000 (Willetts, 2011), the policy was introduced at a time when there was an undeniable drive to reduce public spending and government borrowing. In this context, therefore, fees had to be capped because of the need to limit the amount loaned by the SLC and financed by HM Treasury.

On the other hand, the widening participation arrangements, such as the NSP, that accompanied the 2012 fee increase can be explained by party political factors. For the Liberal Democrats there was a need to accompany the politically unpopular higher fees with a voter (and particularly student) friendly initiative. The headlines of rising fees created the need to be seen to be doing something for poorer students and for access to higher education. Given the way that it was launched, the NSP in particular can be seen as a consequence of the fact that the government was a coalition of two parties: one that wanted higher fees, the other that had pledged to remove fees. The NSP was therefore a policy concession to the Liberal Democrats and stands as a clear example of compromise and cooperation within the Coalition.

This stands in contrast to the debates that preceded the passage of the Higher Education Act (2004) and the introduction of OFFA, which crossed party political boundaries. That legislation passed its crucial second reading in the House of Commons on 27 January 2004 with a majority of five, at a time when the Labour Government's parliamentary majority stood at 161. The heated debates around the proposed increase in the maximum undergraduate fee to significantly above £1,200 (the maximum fee at the time), had also focused around concerns about possible impacts on participation in higher education:

> [C]oncerns about access to higher education – what is known as 'widening participation' – became a central feature of the difficult passage of the legislation through both houses of parliament … The final legislation saw a series of measures designed to temper the market in higher education. (Driver and Martell, 2006: 132)

Prime Minister Tony Blair wanted £5,000 fees (Baty, 2005), but had to compromise at £3,000 and provide concessions for those more sceptical of change. Compromise within higher education policy has, therefore, also been a feature of governments with a large majority. However, for the Blair Government, compromise was within one party and on this occasion, the concerns about policy change had been expressed from all sides of the House.

The NSP, first and foremost, was an intervention that offset rising fees and loans, and the relationship between these funding policies was itself subject to criticism. Even before the programme was operating, it was argued that, because the NSP involved fee waivers, it was a means to reduce the amount of money being distributed as fee loans by the SLC, thus improving the government's balance sheet. One such critique was made by Liberal Democrat Simon Hughes in a report on access to education (Hughes, 2011). Appearing before the BIS Select Committee in the House of Commons, the Chair of the Sutton Trust, Sir Peter Lampl, argued that the use of fee waivers in this way sent a contradictory message: the government's central claim was that higher fees were not a deterrent to participation, so the implication that fee reductions could be an incentive to participation was inconsistent (House of Commons, 2011).

If the NSP was intended to embed the concept of fee waivers and thus reduce the amount borrowed in the form of fee loans, it was not effective. In its summary of approved access agreements for 2015/16, OFFA noted that just 6 per cent of the financial support provided to undergraduates (£49.9 million) was expected to be in the form of fee waivers – compared to 30 per cent for the previous year (OFFA 2014: 6; Table 1e). This figure of £49.9 million represents less than one per cent of the fee loans issued by the SLC in 2013/14, the last year for which data is available (SLC, 2014: 5).

A second political problem for the NSP was that it did not achieve 'brand recognition'. Institutions that absorbed NSP commitments into their wider bursary programme did not necessarily promote the funding they offered to applicants and students using the NSP 'brand'. As Diamond *et al*. (2012: 32) note:

> raising awareness of the NSP and other financial aid available is a key priority for the programme and integral to its success. The important role institutions fulfil in helping to effectively market and promote the NSP to potential recipients through a range of media, including prospectuses, events and the internet, is recognised by policy-makers.

Because the NSP was often submerged into other schemes, it had poor visibility within the higher education sector and among many applicants. Moreover, it had almost no recognition among voters. Therefore, the influence that the Liberal Democrats had exerted within the Coalition to create the NSP and the money spent on delivering it did not repair the damage higher fees caused to the party's credibility.

The NSP may not have achieved a number of the political objectives that were set directly for it, but decisions that universities made when implementing the programme reflect some adoption of market behaviours, another Coalition policy objective for higher education:

> Institutional responses to the new student support regime … clearly demonstrate a market effect, most overtly on the behaviour of post-92 institutions. Not only did post-92s recognise that they were not able to financially support as many of their traditional intake (on average students from poorer backgrounds) through the NSP, there is evidence that they had also begun to adopt many of the outreach and recruitment strategies previously typical of pre-92 institutions in order to increase their market share of higher-achieving applicants … Where once such post-92 institutions marketed themselves as access institutions with a mission to widen participation, any attempt to move into an aspirational market segment reduces the diversity of institutions and hence opportunities for social mobility for the many –which is of course a fulfilment of the social justice remit of higher education. A student support system designed to help the brightest of the poor to enter selective universities and simultaneously help cut public expenditure necessarily leaves post-92 institutions and students that aspire to them out in the cold. (McCaig, 2014: 14)

The ways in which individual universities responded to the various components within the Coalition's higher education reforms illustrate contradictions within the landscape created by the overall policy package. These can be seen in the way that the implementation of the NSP by individual universities became enmeshed with their strategies to position their institutions within the revised market conditions of undergraduate education. Thus, effective adoption of one policy (market behaviours by institutions) may be considered to have been a barrier to the effective use of the NSP to support another policy (widening participation). For example, the introduction of the NSP coincided with the removal of the requirement for institutions to provide at least a minimum bursary of £300 to all students from the lowest income families (Cable and Willetts, 2011: para. 5.7). As the number of NSP places was capped, from 2012 those institutions that did not have the resources to supplement these funds reduced the range of students to whom they offered financial support.

These legitimate criticisms of the NSP must, however, be considered in the context of the challenges of designing policy when many different components are in flux simultaneously. In the case of undergraduate fees and funding, complexities were introduced in 2012 by changing the deferred payment fee regime (the terms of student loans) at exactly the same time as introducing point of consumption benefits (the NSP). It is inevitably difficult to predict how the various different components of a complex new system will interact and with what ultimate effect. It also makes policy evaluation difficult as the effects of a specific intervention are difficult to isolate when more than one change is made at the same time.

The NSP suffered further, though, because of its inherent complexity – created by devolving decisions about eligibility and type of support offered within a national policy to individual institutions. This generated disparities between universities and among students studying within the same institution, with the same household income receiving 'a greater or lesser amount or no award at all' (Bowes *et al*., 2013: 76). In the design of the programme, the government had set up a system in which it was highly unlikely that sector-wide equity of provision could be achieved. Moreover, the devolved arrangements, which placed more responsibility on universities, made delivering a 'whole-of-education' approach to widening participation envisaged by the Coalition less likely.

Hence, it was impossible that the NSP would ever truly be a 'National Programme'. To confuse matters further, the term 'scholarship' is mainly used to refer to financial support that is allocated on ability, while the large majority of NSP awards have been allocated on the basis of means-testing or other socio-economic criteria. So the 'National Scholarship Programme' was, in fact, not national; neither did it offer scholarships, nor a coherent programme.

As this analysis of the NSP demonstrates, there are many challenges in attempting to use higher education policy to increase 'fairness'. It also highlights the complexity of government interventions that seek to address social mobility and achieve social justice using fees, bursaries, and loan arrangements associated with undergraduate education. There is no clear evidence that the NSP, as operated from 2012–15, played a significant part in widening participation in higher education; it does, however, stand as a testament to the compromises that were necessary to maintain a coalition government for the full five years of the parliament.

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