

# Accommodation Fees Student Proposal for Freeze

May 2018

Please Note: As of July 2018 this proposal is accompanied by a cover-letter responding to the University's paper.

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## 1. SUMMARY

In a proposal to this committee last June, the student body requested a reduction in accommodation fees along with a freeze until such time as the review on differential pricing is completed. The University has contended that attempting to provide a greater range in differential pricing is not an accurate reflection of the accommodation currently on offer, resulting in a limited price range for students compared to other universities. Since considering an expansion of differential pricing is not a viable option, the student body demands an alternative solution to rising accommodation fees that is an accurate reflection of the quality of services and accommodation they are paying for, as evidence of value for money. Meanwhile University continue to obfuscate their reasoning behind annual fee increases that fail to reflect the quality of accommodation, and to misrepresent how this decision is made. The student body requests CPI as the inflation rate on the 2018/19 residential charge to determine the fee for 2019/20 residential charges and for any future increases agree. We also propose that the University agree in principle to a freeze in the 2019/20 residential charges (so that the residential charge would not increase from 2019/20 to 2020/21) while work on value for money and financial support is undertaken.

Before any future fee increases bursary provision must be improved, and announced in advance of when the increase is announced. Expecting students and prospective students to accept a fee increase when information on the financial aid isn't available isn't there is unfair, and will deter students from Durham. Durham's elitism and lack of diversity is not just an issue of reputation, it's an increasing reality of our current culture, driven by rising costs, and is of upmost concern to the student body.

## 2. RATIONALE

### Historic review

Students have consistently held the opinion that while the commitment to raise accommodation by predicted RPI was a good start, any increase is an increase on an already artificially high amount. As indicated in the following table, the University's historic rate of increase has often been above RPI and in some years, irrationally so. The rate of increase can be characterised as sporadic and illogical when compared year to year.

In May 2018 the House of Commons Treasury Committee argued that CPI, not RPI should be used for student loan interest rates<sup>1</sup>. They based their argument on the idea that CPI is a more reliable index, stating that RPI has in fact been 'de-designated as a National Statistic'. To reflect the Treasury's recommendation that the Government use CPI as a more reliable statistic for inflation, we have

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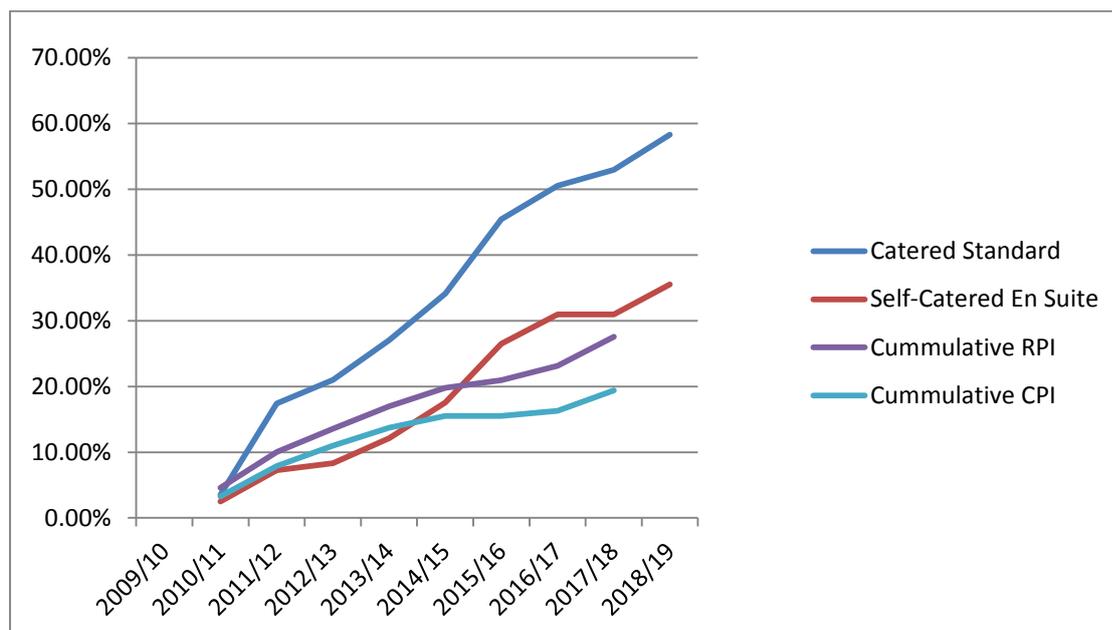
<sup>1</sup> <https://www.parliament.uk/business/committees/committees-a-z/commons-select/treasury-committee/news-parliament-2017/student-loans-government-response-17-19/>

included annual CPI into Figures 1 and 2. Annual CPI increases are not only lower than the percentage increases issued by the University on the cost of their college accommodation, but are also consistently lower than RPI as well.

Figure 1: Durham University accommodation prices compared to annual RPI and CPI

Academic year	% increase in single room, catered, shared bathroom	% increase in self-catered, en suite	Annual RPI %	Annual CPI %
18/19	3.5%	3.5%	n/a	n/a
17/18	1.6 %	0%	3.6%	2.7%
16/17	3.5%	3.5%	1.8%	0.7%
15/16	9%	8%	1%	0.0%
14/15	6%	5%	2.4%	1.5%
13/14	5%	3.5%	3.0%	2.6%
12/13	3%	1%	3.2%	2.8%
11/12	13%	5%	5.2%	4.5%
10/11	3.5%	2.5%	4.6%	3.3%

Figure 2: Shown as cumulative percentages



This data lends credibility to the students' concerns that accommodation fees are raised with no discernible justification, particularly when the University is still unable to provide a breakdown of the costs attached to maintaining and running the colleges. Had the University used a reasonable increase of RPI since 2010, the 2017-2018 fees would be £6,193 for catered, standard accommodation. Had CPI increases been used since 2010, a standard catered college room would cost £5,801 in the 2017/19 academic year. As can be seen in Figure 3, college accommodation fees are drastically higher than both RPI and CPI.

Figure 3: College fee increase comparison if RPI and CPI increases were used

Academic Year	Catered Standard		
	Actual	RPI	CPI
2010/11	£4,854	£5,077	£5,014
2011/12	£5,505	£5,341	£5,240
2012/13	£5,673	£5,512	£5,387
2013/14	£5,995	£5,678	£5,527
2014/15	£6,289	£5,814	£5,609
2015/16	£6,819	£5,872	£5,609
2016/17	£7,058	£5,978	£5,649
2017/18	£7,171	£6,193	£5,801

### **Durham Compared**

In the report presented last June, a total of seven universities were compared, including Durham, for the academic year 2017-18 (see Appendix A). The accommodation offered by each institution was distributed by lowest and highest fee types in both catered and self-catered accommodation. While the upper fees at Durham were not the highest, Durham's lowest end of accommodation fees was higher than any of the other fees represented. This means that while some students at other universities may pay more for specific types of accommodation; they also have a greater choice in pricing options. An update of these figures for 2018-19 reveal the same trend, where Durham has a much smaller range in accommodation prices, and a much higher starting rate for accommodation (see Appendix B).

While it may be the case that quality between rooms across Durham University is not diverse enough to warrant such a wide range in pricing options for students, it is expected that the price range that is available would be more affordable and in line with RPI/CPI rates. For example, University of Aberdeen only has one pricing option for catered accommodation over 39 weeks, which amounts to £5,773. It has a modest variety of self-catered accommodation with a range of £3,861-£4,407 per 39 weeks. When compared to Durham, the price differentiation between the lower and upper ends of accommodation is at a much lower overall percentage than Durham, but the actual prices are significantly less at Aberdeen (see Appendix B). The overall lower price across accommodation compensates for the lack in room pricing variation. It should also be noted that most of the universities in the comparison chart have a 40 week contract, compared to Durham, which offers 38 or 39 week contracts. As such, these students not only have more variation and lower pricing options, but also have longer contracts and therefore better value for money.

On a national level, *Times Higher Education* reported that average university accommodation fees across the UK were £125 per week, or £4,875 over a 39 week contract in 2017-18<sup>2</sup>. The lowest ends of Durham's pricing options in both self-catered and catered rooms exceeded this national average, and are continuing to rise. When factoring in other costs as a part of the Durham experience, including tuition fees, social costs and society/sport fees, phone bills, purchasing educational materials (e.g. books, laptops, and supplies), the cost of living becomes a financial barrier to the Durham experience.

<sup>2</sup> [www.timeshighereducation.com/student/advice/cost-studying-university-uk](http://www.timeshighereducation.com/student/advice/cost-studying-university-uk)

From a regional perspective, Durham also has significantly higher accommodation fees. The lowest end of catered accommodation fees at Durham are £189.02 per week, compared to Newcastle at £144.55, and York at £141.57 per week (see appendix C). This difference is further noticed in self-catered accommodation where Durham's lowest fee option begins at £133.21 compared to Newcastle at £84.14, Northumbria at £70.00, Teesside at £58.00, and York at £105.97 per week.

While Durham fees are significantly higher compared to other universities in the North East, we can appreciate that the collegiate system provides a different experience for Durham students compared to regional universities. When comparing lower and upper ranges of accommodation fees against Oxford and Cambridge, Durham has the highest weekly cost for catered accommodation when comparing the least expensive options (see appendix D). Durham's lowest weekly cost is £182.63, Cambridge's is £138.00 and Oxford's average weekly cost is £175.40 for the lower end of catered accommodation. Bear in mind that Durham and Cambridge's prices are listed as actual prices, whereas Oxford's lowest option is listed as an average of all collegiate lower-end costs, meaning that this number is certain to be lower than the £175.40 listed.

While Durham's lowest cost option is much higher than both Oxford and Cambridge's lowest option, we recognise that Oxford and Cambridge have considerably higher fees for their upper ranges of accommodation options. To mitigate some of these costs for lower income students, both Oxford and Cambridge have larger and broader bursary packages than Durham for 2018-19 for students with household incomes below £42,000. Cambridge's highest bursary tier begins at £3,500 while Oxford's begins at £3,700 (see appendix E).

### **Other University Responses**

Increasing university accommodation costs are a concern for students across the country, which has resulted in a number of protests and rent strikes from students. The following universities have taken action in response to the legitimate complaints around rent increases and standard of living.

- UWE Bristol agreed to a complete rent freeze on accommodation for 2018-19.
- UCL agreed to freeze its lowest rents in 2017 along with an increase of its accommodation bursary by £600,000 for a total of £1.4million in accommodation bursaries.
- In 2016 Warwick agreed to freeze room prices across certain blocks of houses. They also agreed that any accommodation fee increases for the following year would remain below inflation, resulting in a rent reduction for scheduled accommodation increases.
- Brunel agreed to keep all future accommodation increases below an average of the combined RPI and CPI rates.
- LSE paid an estimated £60,000 to over 100 postgraduate students after being challenged in a student led class action lawsuit over mould, inadequate heating, and mice infestations.

### **Student Views**

In 2016-17, more than 2,000 students at Durham participated in research around housing across five colleges. While students enjoy and recognise the benefits of college accommodation, these same

students believe that college accommodation fees are too expensive. Some of the findings of this research found that:

- Over 70% of students either 'agreed' or 'strongly agreed' that there are some elements of their college accommodation that they cannot get in private accommodation.
- 72% of students either 'disagreed' or 'strongly disagreed' that college accommodation provides good value for money.
- 75% of students either 'disagreed' or 'strongly disagreed' that college accommodation provides better value for money than private accommodation.
- 61% of students either 'agreed' or 'strongly agreed' that they would prefer to live in college accommodation if price was not a factor.

The qualitative responses provided some further insight to student opinion on accommodation fees. The majority of experiences offered by students related to the price of college accommodation being too high, and the implications that this has had on their life as a student. Many participants felt that fees are too expensive for what is actually available in college accommodation and that friends at other universities pay considerably less for better quality accommodation. Participants also made reference to the fact that the increased fees will put off prospective students from coming to Durham, and particularly those from lower income families, making Durham an even less diverse, and more elitist, university than it is already. A number of participants also described wider negative implications of being priced out of college accommodation; for instance feeling isolated and pushed out. Those who chose to live in, and pay the high fees, described feelings of guilt towards their parents who have had to foot the bill for their unnecessarily expensive college room, as student loans no longer cover this cost.

Another common theme mentioned by participants focused on the facilities available in college and how these have impacted on experiences of living in. The majority of experiences relating to facilities were negative, mentioning things like not being able to control heating, only having access to a bath (no shower) and mould in rooms. A number of participants also suggested that additional services, such as laundry facilities, can be quite expensive in college. This was also closely linked to price, as the majority of participants stated that facilities of this low standard are not worth the high prices that Durham University are charging for them.

More recently, the *Palatinate* held a student housing survey from 31 January to 14 February 2018 that gathered responses from 533 students<sup>3</sup>. Some of their findings include:

- Only 12.4% of responses agree that Durham offers good value for money overall.
- 77.8% of responses either 'disagreed' or 'strongly disagreed' that college accommodation is good value for money.
- 79.5% of responses believed the University should cut college fees.
- 58.3% of responses agreed that their college has good facilities.

The Office for Students states that 'value for money' requires universities to be transparent about what they offer and what students are paying for. Students should 'experience the full benefits of higher education in exchange for the effort, time and money they invest' (OfS). As of current,

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<sup>3</sup> [www.palatinate.org.uk/one-10-durham-students-say-college-halls-value-money/](http://www.palatinate.org.uk/one-10-durham-students-say-college-halls-value-money/)

Durham University continues to obfuscate their reasoning behind sporadic fee increases despite student body requests for a review of evidence that they are receiving value for money.

### **Campaign**

Students feel strongly that the increase in accommodation fees year on year is damaging the community feel of the colleges and further isolating students who cannot afford the full Durham experience. This directly contributes to an increasing inequality gap between students from different economic backgrounds. When these fees do not reflect any standard inflation increase or improvement to services, this only further exacerbates problematic wealth inequalities, providing additional barriers to students already experiencing the most hardship. As a result, the college experience will be more homogenous and exclusionary, isolating ‘widening participation’ students.

Durham SU Assembly, the highest student democratic, representative body for Durham University passed a policy calling for the creation of a campaign to fight the continued increase in accommodation fees (Appendix F). The Cut College Costs #RippedOff Campaign has called on the University to lower and freeze accommodation fees. The change.org petition<sup>4</sup> has received 2,187 signatures as of 17 May 2018. In response to the question ‘the cost of living in college makes me feel...’ from the campaign, students responded:

- *‘isolated. I can’t afford to live in college and so I have to live 20 mins away by bike. I’m missing out mainly on the social aspect of living in, eating and chatting with friends. High college costs segregates colleges based on wealth, which is both sad and appalling’*—student at St. Chad’s
- *‘exploited and vulnerable’*—student at St. Aidan’s
- *‘worried. As a Masters student I pay £13,000 for my course plus £8,879 for accommodation. This is blocking people from low income backgrounds going on to achieve further qualifications’*—student at Van Mildert
- *‘the growing inequality between poor and rich are the source of this country’s stagnation. Increasing housing cost contributes to this.’*—student at St. Aidan’s
- *‘quite literally ill’*—student at St. Aidan’s
- *‘horried as I don’t want to take out another hefty loan just to be part of the college community’*—student at Ustinov
- *‘the University does not want people like me’*—student at St. Aidan’s

### **3. Recommendations**

Based on the information outlined in this report, and the fact that differential pricing has been ruled out as a viable option, the student body calls for a freeze in college accommodation fees at the 2018/2019 rate, and commitment to introducing bursary increase before any new increase.

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<sup>4</sup> <https://www.change.org/p/durham-university-cut-college-costs-at-durham-university-rippedoff>

While we firmly believe that a freeze in fees is a very reasonable ask at this stage, we have been made aware that it might not be feasible to put this in place with immediate effect due to existing financial commitments. We would therefore call for a commitment from the University now, to put a freeze in place for the 2020/21 academic year, as it is recognised that fees for that year have not yet been set and could therefore be budgeted for without negative implications on existing resource commitments. In addition to this, we would request an exact date from the University for implementation of an improved bursary scheme, so that the students in the most financial need will not be disproportionately disadvantaged in the face of continued college fee increases. It is imperative that this be put in place before fees are raised any further, as the University is pricing disadvantaged students out of Durham with each rise whilst disregarding the fundamental lack of diversity that this promotes.

We also recognise that the University made a commitment to Millie Tanner (SU President 2015-16), via this forum, to only increase college accommodation fees at the same rate as CPI. While this was a much welcomed commitment by the student body, these increases are placed on already artificially high fees and recent evidence would indicate that RPI is not a reliable measure upon which to base increases. In light of this, we request that if the University refuse to commit to a freeze following this paper, that CPI be used in place of RPI, as a more accurate and reliable guide, and that a commitment is made to continued improvement to the University's bursary scheme, with a date for announcement of bursary improvements set.

## Appendix A

*University accommodation comparison 2017-18*

University	Catered accommodation fees			Self-catered accommodation fees			Overall % difference
	Lower	Upper	% difference	Lower	Upper	% difference	
UNIVERSITY OF DURHAM	£6,940.00	£7,616.00	8.9%	£4,891.00	£5,464.00	10.5%	35.8%
UNIVERSITY OF GLASGOW	£6,289.92	£6,956.04	9.6%	£3,524.43	£5,353.53	34.2%	49.3%
UNIVERSITY OF ST ANDREWS	£5,837.00	£8,170.00	28.6%	£3,915.00	£6,486.00	39.6%	52.1%
READING UNIVERSITY	£5,726.00	£7,215.60	20.6%	£4,620.00	£9,800.00	52.9%	41.6%
UNIVERSITY OF YORK	£5,664.00	£7,150.00	20.8%	£4,239.00	£6,121.00	30.7%	40.7%
NORTHUMBRIA UNIVERSITY	£4,368.00	£4,368.00	0.00%	£2,730.00	£7,073.50	61.4%	61.4%
BOURNEMOUTH UNIVERSITY	£6,585.20	£6,585.20	0.00%	£4,402.80	£6,098.80	27.8%	33.10%

## Appendix B

### University accommodation comparison 2018-19

University	Catered accommodation fees		% difference	Self-catered accommodation fees		%difference	Overall % difference
	Lower	Upper		Lower	Upper		
DURHAM UNIVERSITY	7,183.00	7,883.00	8.88%	5,062.00	5,655.00	10.66%	35.79%
UNIVERSITY OF GLASGOW	6,292.65	6,958.77	9.96%	3,731.91	5,681.13	34.31%	46.37%
UNIVERSITY OF ST ANDREWS	6,021.00	9,156.00	34.24%	5,244.00	6,691.00	21.63%	42.73%
READING UNIVERSITY	5,848.00	7,497.14	22%	4,872.00	10,206.00	52.26%	52.26%
UNIVERSITY OF YORK	5,663.00	7,349.00	22.94%	4,239.00	6,513.00	34.91%	42.32%
UNIVERSITY OF BRISTOL	6,268.92	10,551.24	40.59%	4,662.98	7,444.20	37.36%	55.81%
University of Bath	3,865.00	7,920.00	51.99%	2,660.00	7,030.00	62.16%	66.41%
UNIVERSITY OF ABERDEEN	£5,773	£5,773	0%	£3,861	£4,407	12.39%	12.39%

2018-19 North East Region University Comparison							
University	Catered accommodation			Self-catered accommodation			Contract length
	Lower	Upper	Weekly breakdown	Lower	Upper	Weekly breakdown	
Durham	7,183	7,883	189.02 to 202.13	5,062	5,655	133.21 to 145.00	38 for lower and 39 weeks for upper
Newcastle	5,225.85	6,287.19	144.55 to 172.85	3,365.60	6,650.00	84.14 to 166.25	38 weeks for catered, 40 weeks for self-catered
Northumbria	Data not available for 2018			2,730.00	5,583.55	70.00 to 129.85	39 for lower and 43 weeks for upper
York	5,663	7,349	141.57 to 183.72	4,239	6,153	105.97 to 153.82	40 weeks
Teesside	Not available	Not available		2,320	4,600	58.00 to 115.00	40 weeks

<b>2017-18 collegiate university catered accommodation weekly cost comparison</b>					
<b>University</b>	<b>Lower</b>	<b>Upper</b>	<b>Contract Weeks</b>	<b>Lowest Weekly Cost</b>	<b>Highest Weekly Cost</b>
Cambridge	4,140	9,780	30	138.00	326.00
Durham	6,940 (38wks)	7,616 (39 wks)	38/39	182.63	195.28
Oxford	4,385	7,323	25	175.40	292.92

## Appendix E

### Oxford Bursary 2018-19

Household income	Annual Bursary
£16,000 or less	£3,700
£16,001 - £20,000	£2,700
£20,001 - £22,500	£2,500
£22,501 - £25,000	£2,200
£25,001 - £27,500	£1,700
£27,501 - £30,000	£1,400
£30,001 - £32,500	£1,100
£32,501 - £35,000	£1,000
£35,001 - £37,500	£800
£37,501 - £40,000	£600
£40,001 - c. £42,875	£200
c. £42,876 +	£0

### Cambridge Bursary 2018-19

Household Income		Bursary	
£0	to	£25,000	£3,500
£25,001	to	£26,250	£3,400
£26,251	to	£27,500	£3,145
£27,501	to	£28,750	£2,890
£28,751	to	£30,000	£2,635
£30,001	to	£31,250	£2,380
£31,251	to	£32,500	£2,125
£32,501	to	£33,750	£1,870
£33,751	to	£35,000	£1,615
£35,001	to	£36,250	£1,360
£36,251	to	£37,500	£1,105
£37,501	to	£38,750	£850
£38,751	to	£40,000	£595
£40,001	to	£42,620	£300
greater than		£42,620	£0

## Policy: Cut College Costs

### Assembly notes:

1. Accommodation fees in Durham have steadily risen over the past nine academic years exceeding the Retail Price Index (RPI) by a difference of over 25%.
2. The University's commitment to increasing accommodation rates by RPI is merely a small increase to an already exaggerated rate.
2. For 2017-2018, Durham has announced accommodation fees of £6940 for catered, standard accommodation and £5336 for self-catered, ensuite.
3. Had the University used the reasonable increase of RPI for the past nine academic years, the 2018-2019 fees would be at £5775 for catered, standard accommodation and £5139 for self-catered, ensuite.
4. A review of 12 peer institutions' accommodation rates reveals that while Durham's upper fees for both catered and self-catered accommodation were by no means the highest, their lower fees were the highest for both catered and self-catered and by a significant margin. Durham's lowest catered fee is over £1000.00 per year more expensive than the next highest equivalent.
5. The variation in accommodation fees offered by peer institutions is significantly greater than what is offered at Durham. Bar one University reviewed (which only had one catered college and therefore no differentiation in price) the average % difference for catered accommodation is 31.6%. For self-catered accommodation, the average % difference was larger at 48.5%.
6. At Durham, there is a 7.1% difference in price from the lowest to the highest fee option if you want catered accommodation. For self-catered accommodation, there is a difference of 11.9%. For 2016-2017 Durham's accommodation rates for 2016-2017 include a shared room discount of just £225.

### Assembly believes:

1. Clear evidence exists showing that there have been exaggerated increases in accommodation fees resulting in Durham being an outlier amongst peer institutions.
2. Exploring and setting differential prices on already inflated rates will not fix the problem of too high accommodation fees.
3. A lowering of the base rate of accommodation fees is necessary before any differentiation occurs.
4. High accommodation rates make living in college too high for returning students resulting in a loss of students returning to live in college and a loss of the college as a true student community.

5. The University has been unable to identify why accommodation rates are set so high or where the money from accommodations fees is specifically distributed within the University budget.

**Assembly resolves:**

1. To mandate the President to create and put on a campaign with the purpose of lobbying the University to:

- lower 2018-2019 accommodation fees to what they would have been had the University been using RPI for the last nine academic years;
- commit to an extensive review of accommodation fees that includes student consultation with a focus on:
  - Where the funds paid for accommodation fees are actually spent;
  - Pricing options including differential pricing;
  - Options to increase the number of returners; and
- freeze accommodation fees until the conclusion of the review.

## Appendix G

Please find Appendix G attached – July 2017 SU submission on College fees to SFAAG

## Appendix H

Please find Appendix H attached – June 2016 SU submission on College fees to SFAAG