



# Education & Culture Committee

## Call for Evidence: Universities Scotland Submission

### Availability and Balance of Student Support in Scotland

1. Universities Scotland, as the representative body of Scotland's 19 higher education institutions is pleased to provide evidence to the Committee on the availability and balance of student support in Scotland.
2. Universities in Scotland are committed to widening access. In 2013, Principals in Scotland declared:

*“University should be equally open to any learner with the appropriate academic potential to benefit, regardless of their social or economic circumstances. It is of equal importance that those learners are properly supported to complete their studies successfully and fulfil their potential.”*

3. The availability of and model for student support funding has a direct impact on students, and prospective students. A further significant impact is the availability of funding to universities to support student success – through widening access, dedicated student support and in the delivery of an excellent, engaging student academic experience.
4. This submission will show that Scotland's universities continue to widen access and propose ways to strengthen the support for students and universities to ensure that limitations of funding do not constrain individuals, institutional and societal aspiration for wider access to Scotland's world-class higher education sector.

### Student Support: Impact on Access & Retention

5. Evidence from across the Scottish HE sector indicates that Scotland's universities are succeeding in widening access and improving retention. Application rates from students from deprived backgrounds to Scottish HEIs increased by 50%<sup>[1]</sup> since 2006 and between 2012/13 and 2013/14 there was 10.1 per cent increase in SIMD20 Scottish-domiciled entrants to Scottish universities. Equally, overall retention levels are high and improving still further, at 91.3 percent in 2012/13, rising from 89.4% in 2011-12. Retention rates for students from deprived areas are also high and are rapidly approaching the rate for all students, with retention for SIMD20 students improving by twice as much as the overall retention ratio from 2009/10. This progress has been achieved despite a student support system which currently places the greatest debt burdens on students from the poorest backgrounds and graduates that earn the lowest salaries. There is reason to believe that a more progressive student support funding model might facilitate even greater rates of progress.

6. There has been ongoing review of the impact of student support funding models across the UK in recent years. Research from OFFA[2] suggests that the introduction of fees in England has not had a negative effect on access to University by those from low-income backgrounds. However, the Independent Commission on Fees[3] notes that there have been significant and sustained falls in the number of mature and part-time students, suggesting that the financial aid package available may have been a factor in deterring some groups of students from attending university.
7. In August 2013, means-tested grants in Scotland were substantially reduced, with an overall reduction of around 40%. A loan replaced the lost grant. Due to the new loan/grant ratio of the current system in Scotland, entrants from the most deprived backgrounds will graduate with the largest financial burden as they will require to borrow the largest amounts to support living costs. Those who enter relatively low paying careers post-graduation will also pay more overall due to the length of repayment and interest.
8. In evidence to the Smith Commission in October 2014, Universities Scotland highlighted the need to remove the barriers to higher education for those in receipt of benefits to support widening access. At present, the rules governing entitlement to Housing Benefit constitute a barrier to entry to full-time higher education for some prospective students who stand to lose this vital income once they acquire student status. The current interface between the benefits system and student support disproportionately hits adults with parental responsibilities, mature students, part-time students and care leavers. The potential loss of housing benefit (and council tax reduction) can be a significant barrier to people in social housing who are wanting to enter higher education but who would face substantially increased costs if they did so. We believe that some adjustments to the rules could work in the interests of social justice, and contribute to further progress in widening access, and would urge the Committee to consider whether newly devolved powers will allow any action in this area.
9. We share the Scottish Government's wish to ensure that all with the ability to benefit from higher education should have the opportunity to do so and recognise that this requires the level of student support funding available per year to be sufficient to meet a student's reasonable living costs. We would, however, support the Government in exploring options for reducing the financial burden on the poorest students.

### **How We Support Access to University and Educational Attainment**

10. Scottish HEIs have committed decades of research and activities into understanding barriers and determining what works in widening access, and **work in partnership** with schools, colleges and others to ensure every potential student has access to the information and support they need. A number of these partnerships are aimed directly at narrowing the educational attainment gap. Widening access and supporting retention requires not just sustainable student support funding for individual students but continued and sustained strategic investment in universities to support widening access outreach, and excellent student services to support students' academic, personal and financial welfare once in university.

11. In 2013-14, publically funded tuition met only 95% of real costs of teaching in Scottish HEIs [4]. UK-wide this figure was 101%. There has been a real-terms reduction of almost 10% funding per student in Scotland since 2009-10, while applications from Scottish domiciled students have been steadily increasing, up 5.6% since 2006. It is crucial to widening access that learning and teaching in Scottish universities is fully and sustainably funded.
  
12. Funding for additional widening access places has had a real impact on young people from Scotland's most deprived communities. Demand from Scottish students for university places continues to grow, and outpaces the provision available. The ring-fenced additional places for SIMD40 students and students articulating to University introduced in 2013-14 have been a welcome innovation and have already made a significant impact. The additional articulation places have allowed more students to commence their degree programme in a college, and the 9 HEIs in receipt of additional places increased SIMD20 and SIMD40 entrants by 22% and 19% [5] respectively compared to the previous year. It is essential that this progress continues and that the student support funding system encourages them to take advantage of these opportunities

### **Recommended Actions to Improve Access and Student Retention**

1. **Fairness of Debt Burden:** Overall we would support a refreshed approach to student finance, looking at ways to minimise the current debt burden on the poorest students. There is a question of fairness in continuing a system which leaves the poorest students with the greatest financial burden over a lifetime.

The reintroduction of maintenance grants merits further consideration, while recognising that affordability and sustainability of provision remains the critical factor in any redesign. We would be supportive of research to look at the impact of the removal of maintenance grants, and the characteristics of students most adversely affected. Internal research by our members supports the view that students from lower income backgrounds are likely to be more debt adverse.

Several of our members note the differences between the Scottish and English loan systems which may disproportionately disadvantage low income Scottish students. Raising the repayment threshold to £21000, providing loan support over the summer period and reducing the period of liability from 35 to 25 years (as in England) are all steps which could be considered in effectively reducing the burden on the poorest students.

Over the longer term, the implications of the debt burden on society are unknown. Our members would register concern that over time a policy of high debt burden, particularly for those from the poorest backgrounds, may restrict social mobility and have unintended economic consequences, such as a more financially risk-adverse population, or a reduction in those prepared to upskill to meet labour market requirements, or to follow critical but relatively low paid careers.

2. **Avoiding changes in support policy for current students:** The 40% reduction in grants and subsequent replacement with loans in 2013, was immediately applicable to all students

including those currently on course. We note that this may have adversely impacted on student financial planning and that it changed a financial support policy for students currently mid-course. We would advocate for any future changes in support policy to begin with new entrants to the system only.

### 3. Support for Lifelong Learning & Alternate Routes

Scottish Union Learning<sup>1</sup> have noted in a number of reports and case studies the clear benefits to both employers and the workforce of opening up access to learning and development opportunities at all career stages, regardless of age, background or circumstance.

Access to upskilling and progression pathways in the workplace drives entrepreneurial thinking and growth. Scottish HEIs are committed to lifelong learning and support this through an exceptionally diverse and innovative approach. Examples include delivering courses in partnership with trade unions, offering courses at all levels in a variety of modes including part-time and online, assisting employers to credit-rate their own internal training, and reaching out to alumni networks to engage in mentoring opportunities.

However, there are growing threats to lifelong learning access which we believe need to be addressed now in order to grow and sustain a healthy, adaptable and entrepreneurial workforce for Scotland.

- **Equitable Funding Availability for all Modes of Study:** We would support access to student loans for those wishing to complete a second undergraduate degree or other qualification later in life. The pressures of the labour market mean that it is likely the typical graduate will require to change career or add to their skills base in order to meet the demands of a fast changing labour market several times over a lifetime. Family commitments and other life circumstances may limit progression or learning opportunities, which means a flexible and equitable approach to support across all qualifications and delivery modes is required to ensure the student can pursue the learning which is right for them. For example, removing the income restriction for the part-time fee grant could aid in this. We believe firmly in providing the option of a 'second chance' at higher education.
- **Support for Postgraduate Study:** It is critical that support for postgraduate study is available to support upskilling and student choice across the UK. We are strongly supportive of the Scottish Government's PGT Review Group and look forward to seeing the final report and recommendations shortly.
- **A Renewed Focus on Workplace Support:** As set out in Recommendation 5 above, we note with concern the substantial falls in part-time undergraduate and postgraduate numbers supported by employers in recent years. This mirrors a wider UK-wide substantial decline in both part-time and mature students as set out by the Independent Commission on Fees[3]. Between 2011/12 and 2013/14, there was a decline of almost 13% in students from poorer backgrounds starting degrees in England<sup>2</sup>. We are concerned that finance may act as a barrier to those wishing to pursue higher education later in their careers and a deterrent to lifelong learning, and would be keen to work with all stakeholders to understand how this might best be addressed going forward.

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<sup>1</sup> <http://www.scottishunionlearning.com/files/Resources/SUL-STUC-Skills-Utilisation-Report-Final.doc>

<sup>2</sup> <http://blog.universitiesuk.ac.uk/2015/07/09/ou-head-are-more-students-from-poorer-backgrounds-going-to-university/>

**4. Support improved information and guidance for prospective students:** There is evidence [6][7] to suggest that prospective Scottish students can have relatively low levels of awareness and/or understanding of both the student support available and the implications of loans on their future earnings and life choices. This includes a degree of debt aversion (particularly if the student does not understand the repayment method or does not know others with current student loans) and also hesitancy in estimating their total likely debt on graduation. Improved access to financial information for students, parents, carers and guardians, ensuring that every student and their family applying for support understands what is available and the longer term implications would go some way to address this. Provision of clear and understandable financial information, to be considered alongside other key information sets such as graduate salaries and destinations ensures and protects informed decision-making.

**5. Explore alternative routes for financial support for students**

Employers have a pivotal role to play in raising aspirations and powering the economy through enabling skills growth and progression pathways. For both part-time undergraduate and part-time postgraduate courses, industry/employer funding was the most common major tuition fee source for Scottish students at Scottish HEIs in 13/14, accounting for 18% and 21% of those cohorts respectively [8].

Over 3500 part-time undergraduate and some 2800 part-time postgraduates had the major part of their tuition fees funded by industry/their employer in 13/14. However these part-time numbers have fallen dramatically, by close to 40% in both cases since 2004-05.

The most common subject areas in 13/14 supported by employer fees were allied health, engineering, business and education. Notable subject areas with relatively low numbers of employer supported students were: the sciences (maths, physics, chemistry & biological sciences), computer science, architecture building & planning and the creative arts & design, alongside medicine and some humanities subjects (languages, history).

As this closely mirrors sectors currently reporting skills shortages and gaps<sup>3</sup>, such as in the creative industries, construction, chemical & life sciences and ICT sectors, we suggest that the Committee considers further ways by which employers can be encouraged and supported to develop the skills of their workforce which they need through access to life-long learning.

**6. Close the Teaching Funding Gap & Protect Strategic Project Support:** Sustainable funding for universities is critical in supporting outreach work from institutions to schools and individuals to raise aspiration and support educational attainment.

**7. Commission for Widening Access:** Finally, we would strongly encourage the Committee to tap into the expertise currently being gathered under the auspices of the Commission for Widening Access.

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<sup>3</sup> <http://www.skillsdevelopmentscotland.co.uk/resources/skills-investment-plans/>

## References

- [1] UCAS, "UCAS Analysis Note 2015/03," 2015.
- [2] Nursaw Associates, "OFFA: What do we know about the impact of financial support on access and student success," 2015.
- [3] Independent Commission on Fees, "Independent Commission on Fees 2015 Final Report," 2015.
- [4] "Scottish Funding Council Transparent Approach to Costing Data 2013-14." [Online]. Available: [http://www.sfc.ac.uk/FundingImpact/Governance/TRAC/transparent\\_approach\\_to\\_costing.aspx](http://www.sfc.ac.uk/FundingImpact/Governance/TRAC/transparent_approach_to_costing.aspx). [Accessed: 21-08-2015]
- [5] Scottish Funding Council, "Learning for All: Measures of Success," 2015 [Online]. Available: [http://www.sfc.ac.uk/web/FILES/Statistical\\_publications\\_SFCST062015\\_LearningforAllMeasuresofSuccess/SFCST062015\\_Learning\\_for\\_All\\_2015\\_Measures\\_of\\_Success.pdf](http://www.sfc.ac.uk/web/FILES/Statistical_publications_SFCST062015_LearningforAllMeasuresofSuccess/SFCST062015_Learning_for_All_2015_Measures_of_Success.pdf)
- [6] S. Minty, "Young People's Views of Tuition Fees and their Attitudes Towards Debt," 2014.
- [7] Universities UK, "Student Funding Panel: An analysis of the design, impact and options for reform of the student fees and loans system in England," 2015.
- [8] Higher Education Statistics Agency (HESA)., "HESA Student Record (HEIDI)," 2015. [Online]. Available: <https://www.hesa.ac.uk/>