Introduction
The Open University in Scotland welcomes the opportunity to submit a response to the call for evidence in relation to the Education and Culture Committee’s budget scrutiny on further and higher education funding issues.

The Open University is the leading provider of part-time and flexible higher education in Scotland. While The Open University in Scotland very much welcomes the Scottish Government’s settlement for the HE sector, we would like to highlight the disparity in funding arrangements between full-time students, and part-time and distance learning students, and to offer suggestions on how the committee might explore the amount of support that is likely to be available to these students from the budget.

Current funding arrangements for part-time and distance learning HE students

Tuition fees
Scottish domiciled, part-time, HE students and students that study higher education full-time through distance learning are still liable for tuition fees. There are currently two sources of fee support available to part-time HE students on low incomes:

- **The Part-Time Fee Grant**
  Students on an income of £22,000 or less, studying 40 credits or more\(^1\), can apply for a Part-Time Fee Grant of up to £500 towards the cost of their fees. (The Part-Time Fee Grant was known as ILA 500 until April 2011 when it was rebadged and its budget moved from SDS to SAAS).

  Funding for the Part-Time Fee Grant forms part of the Student Support budget held by SAAS, which is demand led i.e. funding is not guaranteed but dependant on how much demand there is for various grants.

  In 2010/11, The Scottish Government assumed 24,000 students would apply for the PT Fee Grant/ILA 500.

- **The Part-Time Fee Waiver**
  Part-time students on certain benefits or in a household with an income of £16,000 or less, can apply to have their fees waived. Higher Education Institutions recover the waived fee (up to an assumed tuition fee of £1285 per year) from the Scottish Funding Council. In 2010/11, the budget for the Part-Time Fee Waiver scheme was £3.7M and used to support approximately 5,700 part-time students.

Given the disparity in fee support available to part-time and full-time students, it is

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\(^1\) A full-time course is 120 credits
important that the commitment not to introduce tuition fees for full-time students does not come at the expense of fee support for part-time students on low incomes. To guard against this, The Open University in Scotland recommends that the Education and Culture Committee identifies what fee support is likely to be available to part-time students, particularly those on low incomes, in the budget and that the committee explores what other demands are likely to be made on the Student Support budget held by SAAS which could reduce the amount of money available for the Part-Time Fee Grant.

**Student support for part-time HE students**
Unlike full-time students, part-time, HE students are not eligible for student support in the form of grants or loans, with the exception of discretionary grants allocated by individual HEIs and the Disabled Students Allowance, which assists disabled students with additional costs.

**Incentives for part-time provision**
It is widely recognised that part-time provision is more expensive to deliver and that without financial incentives, HEI could withdraw part-time provision, denying educational opportunities for those students who need or wish to study below full-time intensity. To incentivise the provision of part-time provision, the Scottish Funding Council has previously set aside funding in the form of the Part-Time Incentive Grant (PTIG) and allocated it to HEIs (with the exception of the Open University) on a formula basis.

It is the Open University’s understanding that from 2012/13, the PTIG will be absorbed into the SFC’s regional coherence fund, without any guarantees that part-time provision will form part of the regional coherence agenda.

The Open University in Scotland welcomes the support that has been received from the Scottish Government to date to support provision below full-time provision, but is concerned that the removal of the PTIG combined with a potential decrease in fee support for part-time students risks undermining the viability of part-time provision.

The Open University recommends that during the course of the committee’s scrutiny of the budget, members explore how the Scottish Government will retain its commitment to support part-time HE provision, and what funding arrangements are in place to sustain provision for those that wish or need to study below full-time intensity.

**About Part-time HE students**
Over 74,000 people from all ages, all backgrounds, and all locations in Scotland participate in higher education part-time. That’s four in every ten Scottish higher education students.

Given the vital role, that flexible, part-time study plays in economic growth, workforce development, social mobility and serving remote communities, it is important that funding for part-time student and part-time provision is protected.
Most part-time undergraduates study for vocational or professional qualifications and employers believe employees who study part-time have skills and knowledge equal to, or better, than those who gain their qualifications on full-time courses.²

Part-time study also extends educational opportunities to many people who, due to their particular personal circumstances, would otherwise be excluded from higher education. It would therefore be regrettable if funding sources which contribute towards their fees were inadvertently cut following a commitment to maintain full fee support for all full-time HE students domiciled in Scotland, regardless of their income.

Recommendations for the Education and Culture Committee

- Identify what fee support is likely to be available to part-time students on low incomes in the budget;
- Explore what other demands are likely to be made on the SAAS Student Support budget which could limit access to the Part-Time Fee Grant;
- Determine how the Scottish Government will retain its commitment to support part-time HE provision.

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² Employer perspectives on part-time students in UK higher education Mason, G. HESCU, Manchester 2010.