



The Scottish Parliament
Pàrlamaid na h-Alba

EDUCATION AND CULTURE COMMITTEE

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Dear Angela,

Thank you for providing oral evidence on school budgets and the educational attainment gap at the Committee's meeting on 23 February. As I stated at the end of the meeting, the Committee had some further questions on student support and the Scottish Funding Council (SFC) that we were unable to cover in the time available. I have therefore set out our questions below.

Student Support

We considered the student support systems in further and higher education at our meeting on 24 November 2015¹. Witnesses outlined what they considered to be some of the pressures or challenges facing these support systems. I have summarised the principal concerns below and request that the Scottish Government addresses each point in turn by explaining what further action it, or other public bodies, could take—

- The Scottish Funding Council allocates a ring-fenced, cash-limited pot of funding to colleges for student support. This funding has three elements that it is intended to support: further education maintenance bursaries, childcare costs and discretionary funding. Evidence was submitted that many colleges find that the bursary (and in some cases also the childcare) element of this pot runs out before all students receive the funding for which they are eligible. This means some students taking non-advanced courses do not get any, or only a proportion, of the living cost bursary support they should receive (i.e. they meet the eligibility criteria but there isn't sufficient funding available to allocate payments);

¹ <http://www.scottish.parliament.uk/parliamentarybusiness/report.aspx?r=10236>

- The Committee heard about differences in attitudes to borrowing. The suggestion was made that those from lower income backgrounds may be more risk averse about borrowing money, meaning this could be a barrier to such individuals pursuing higher education where living cost support comes largely in the form of student loans;
- Scotland operates a student loan system with different repayment terms to those that operate in England. In Scotland in financial year 2015-16 the loan becomes repayable when the borrower is earning above £17,335, while in England the repayment threshold is £21,000. In addition, the period after which the outstanding loan is cancelled if not paid back in full is 35 years in Scotland, in contrast with England where the cancellation period is 30 years.
- The meeting also highlighted the complexity of the student support system. There are different funding streams that apply to students depending on whether they are in further or higher, full time or part time education, and whether the course is supported by funding from the Scottish Funding Council or Skills Development Scotland. This makes it challenging to understand what financial support is available and may serve as a barrier to those wishing to enter further study.

Scottish Funding Council (SFC)

We held an evidence session on the SFC on 29 September 2015² and subsequently wrote to the Scottish Government to ask questions about the main topics to have emerged from that meeting. Your response to our letter³ has raised a number of further issues on which we would welcome a response.

In essence, these issues are all concerned with the future funding of higher education institutions and the potential balance between public and other sources of funding—

- The Committee asked whether HEIs should contribute more towards the cost of funding the teaching of Scottish and EU students. The Scottish Government's letter replied "At a strategic level, we want our relationship with HEIs to grow and mature over time supporting universities to leverage in resources from other sources to support delivery of research and teaching. It is hard to predict what the delivery of higher education might look like in 20 years." **Please clarify, in the context of our original question, exactly what is meant by "leveraging in resources from other sources to support delivery of research and teaching" Does this mean you do consider HEIs should contribute more towards the cost of funding the teaching of Scottish and EU students?**
- Our letter asked "As university access is widened how will the funding of the SFC to pay for university places be adjusted?" The response described measures being taken to widen access and reiterated the Scottish Government's commitment to ensuring equal access to university for all

² <http://www.scottish.parliament.uk/parliamentarybusiness/report.aspx?r=10120>

³ http://www.scottish.parliament.uk/S4_EducationandCultureCommittee/Public%20bodies/SFCSGResponse20160112.pdf

children. **It is not clear, however, how this anticipated increase in university places – assuming that other prospective students are not to be displaced – will alter the funding required by the SFC;**

- **The Scottish Government’s response noted a rise in international students⁴ while stating that the lack of a post study work route “is putting Scotland at a competitive disadvantage”. Fees from international students provide significant income for some universities. If there is a risk of international student numbers – and therefore income – dropping, could that generate a pressure on the public purse to provide additional resources? Could a reduction in international student numbers also make the provision of some courses less viable, to the potential detriment of Scottish students?**

I would be grateful for a response by 10 March.

Yours sincerely,

**STEWART MAXWELL MSP
CONVENER**

⁴ From 12,205 in 2007-8 to 16,020 in 2013-14.