

EDUCATION, LIFELONG LEARNING AND CULTURE COMMITTEE

Wednesday 6 February 2008

Session 3

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EDUCATION, LIFELONG LEARNING AND CULTURE COMMITTEE

3rd Meeting 2008, Session 3

CONVENER

*Karen Whitefield (Airdrie and Shotts) (Lab)

DEPUTY CONVENER

*Rob Gibson (Highlands and Islands) (SNP)

COMMITTEE MEMBERS

*Aileen Campbell (South of Scotland) (SNP)

*Ken Macintosh (Eastwood) (Lab)

*Christina McKelvie (Central Scotland) (SNP)

*Mary Mulligan (Linlithgow) (Lab)

*Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD)

*Elizabeth Smith (Mid Scotland and Fife) (Con)

COMMITTEE SUBSTITUTES

Richard Baker (North East Scotland) (Lab)

Hugh O'Donnell (Central Scotland) (LD)

Shirley-Anne Somerville (Lothians) (SNP)

*attended

THE FOLLOWING GAVE EVIDENCE:

Hazel Rutherford (Scottish Government Lifelong Learning Directorate)

Maureen Watt (Minister for Schools and Skills)

CLERK TO THE COMMITTEE

Eugene Windsor

SENIOR ASSISTANT CLERK

Nick Hawthorne

ASSISTANT CLERK

Andrew Proudfoot

LOCATION

Committee Room 5

Scottish Parliament

Education, Lifelong Learning and Culture Committee

Wednesday 6 February 2008

[THE DEPUTY CONVENER *opened the meeting at 10:03*]

Subordinate Legislation

Individual Learning Account (Scotland) Amendment Regulations 2008 (SSI 2008/1)

The Deputy Convener (Rob Gibson): Good morning, and welcome to the third meeting of the Education, Lifelong Learning and Culture Committee in 2008. The first agenda item is to take evidence on a Scottish statutory instrument that is subject to the negative procedure—the Individual Learning Account (Scotland) Amendment Regulations 2008. Members will recall that we first considered the instrument at our meeting on 23 January, when we agreed to invite the minister to appear before us so that members could pursue some lines of questioning. I welcome to the committee Maureen Watt, the Minister for Schools and Skills, and Hazel Rutherford, who is the course costs support team leader in the higher education and learning support division of the lifelong learning directorate of the Scottish Government—an even longer title than John Swinney's.

As we have considered the instrument at a previous meeting, we will move straight to questions.

Ken Macintosh (Eastwood) (Lab): Although the regulations are welcome, I am conscious that we should not just nod them through. I will not make any bones about the fact that the committee welcomes the increase in funding for part-time students, but we really need to explore whether the regulations represent the first word or the last word in the Government's approach to support for part-time students. All the parties have a great deal of concern in this area. Although I welcome the regulations, I am slightly concerned about their limitations, so I want to explore the other options that the Government considered before deciding to use the individual learning accounts as a method of providing additional support for students. Why was the limit set at £18,000? What further work is being done?

The Minister for Schools and Skills (Maureen Watt): As Ken Macintosh probably knows, the work was started before the election. Initially, six

options were discussed with stakeholders. Do you want me to go over them?

Ken Macintosh: No. I gather that the number of options was narrowed down to three.

Maureen Watt: Yes, it was. Appraisals were done of those three options, including costings. Because the Government is looking towards replacing loans with grants, we went for the option of extending the ILA to £500. At that stage, the other options were to pay all part-time fees. However, many employers contribute to fees and we thought that that should remain the case. We did not think that the Government should pick up that cost.

The other option was means-tested grants for fees based on household income rather than on individual income. It is important that the individual has ownership of their fees rather than its being based on household income. That is why we have taken the option of extending the ILA to £500.

I hope that this is the beginning of a process. Why did we stick with the £18,000 limit? I asked that question myself. We have to put the threshold somewhere, I suppose.

Hazel Rutherford (Scottish Government Lifelong Learning Directorate): Yes—£18,000 is the existing limit. Although the limit is reviewed periodically, we thought that we would stick with it for the time being. Obviously it will be reviewed when the threshold for the whole scheme is reviewed.

Maureen Watt: The threshold went up from £15,000 to £18,000 last year. Such things are flexible and take various factors into account.

Ken Macintosh: On the threshold, the main contrast is between the support that is available through the ILA to individuals with an income of £18,000 or less, and the part-time fee waivers that are available in England and Wales that are available to people whose income is up to £30,000. There is quite a contrast between what we are providing now and what is available to part-time learners in England and Wales.

Maureen Watt: I think that you will find that the figures from England and Wales are based on household incomes rather than on individuals' incomes.

Ken Macintosh: That is right.

Maureen Watt: The fees in England are also much higher than they are here, so taking those two circumstances into account means the comparison was not of apples with apples but of apples with pears. We are quite satisfied that the two provisions are roughly similar. Hazel Rutherford might want to say something.

Hazel Rutherford: I can say more about the support that is available in the rest of the UK. There is additional support of up to £1,000 for people whose income is up to £23,000, but it drops down to £450 for people on higher incomes.

We did some analysis to see whether our support is comparable: we thought that we would be offering parity by offering £500 to those who are on or under the individual threshold of £18,000. Obviously the institutional fee waiver still exists—the additional funding does not replace that. Those who are on very low incomes or benefits will still have their fees paid by the college or university.

Ken Macintosh: That is true for people who have an income of £15,500 or below, or who are on benefits, as you say.

What will the overall additional cost of the programme be?

Hazel Rutherford: The funding that has been put aside for that is £12 million for this year and £13 million for the next two years. Obviously this is demand-led funding, so we do not necessarily know what impact the additional funding will have on increasing the participation rate.

In addition to the £500, £1 million is going into the institutions' discretionary funds. The intention is that institutions will use that money to provide travel, study and child-care expenses: in other words, additional expenses that part-time learners might need but which are not covered by the fee.

Ken Macintosh: I have a few other questions, but I am conscious that other members might want to come in.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): I have two basic questions. First, do the regulations apply to part-time degree students? Secondly, is the £500 an annual ILA fund, rather than for the duration of a course, and is it for degree level?

Maureen Watt: Yes, it is for degree-level courses, the higher national certificate, higher national diploma and above.

Jeremy Purvis: What are the Government's intentions with regard to all part-time fees? Is it the Government's intention to remove all part-time fees?

Maureen Watt: I am here today to discuss this particular SSI in relation to ILAs. I say that we should—with the convener's permission—stick to that. We are here to discuss the SSI and we are talking about introducing this new money for part-time students. What will happen in the future is perhaps a matter for the Cabinet Secretary for Education and Lifelong Learning.

Jeremy Purvis: As Mr Macintosh said, part of the consideration of this instrument is to

understand where it fits in to the overall programme. It is germane to ask whether this is an appropriate way to take it forward, with regard to the overall policy that—as you indicated—it fits into.

Maureen Watt: We identified a gap in funding for part-time students in higher education, so we believe that by doing what we are doing we are plugging that gap. People who are studying part-time at college are entitled to the existing ILA, but we found a gap, which is why we have gone along this route.

Jeremy Purvis: Was consideration given to extending the fee waiver grant scheme at universities and colleges?

Maureen Watt: That was one of the initial options, but it was discarded.

Jeremy Purvis: Why?

Hazel Rutherford: We considered extending the fee waiver. The main reasons for discarding it, following our discussions with the colleges and universities, was that means testing would have to be introduced in each institution. The university sector certainly felt that that would be over the top. It would also be an administrative overhead, which was one of the main reasons why it was rejected.

Maureen Watt: There was no agreement across the sector on what was the best of the initial six options. In terms of not adding an administrative burden to higher education institutions, this was thought to be the best way to do it.

Jeremy Purvis: I guess that if there was a policy position or decision to have the fee waiver grant scheme extended to cover all full-time equivalent students studying at higher education institutions, it would not be burdensome as far as bureaucracy is concerned, because you would simply be applying it to all part-time students studying at universities.

Maureen Watt: I answered Mr Macintosh's question on roughly the same thing. Some of the background philosophy concerns upskilling existing employees who want to study part time. Often they will get an employer contribution—it is important to retain that.

Jeremy Purvis: I will ask a factual question. What proportion of the fees is currently provided by employers of part-time students?

Maureen Watt: I suspect that it would vary, depending on the course and other things. I do not know whether Hazel Rutherford has any figures on that.

Jeremy Purvis: Overall, if we are looking at the proportion—

10:15

Hazel Rutherford: I think, overall, about a third of existing part-time students' employers make some contribution. That is what we have come up with.

You asked why we are not abolishing the part-time fees completely, as for full-time fees. Apart from the cost and the substitution of employer funding, regulation would be necessary to cover the fees. Currently, the institutions can set part-time fees at whatever they like, so abolition would lead inevitably to regulation of the fee levels, as it does for full-time fees, along with a cap on numbers and, possibly, less choice for the institutions and for individuals.

Aileen Campbell (South of Scotland) (SNP): Do the regulations represent the preferred option of all the institutions and everyone else involved in the HE sector?

Maureen Watt: There was no particular preference for any of the initial six options. Most institutions are happy with using ILAs because doing so does not burden them with extra regulation. ILAs are well embedded in Scottish society now. The initial £200 ILA is a well-known route for part-time study. Lots of women returners pick it up as the way of getting back into learning and, if they have a part-time job, they will know that more money is available through ILAs if they go on to higher study.

Hazel, do you want to add anything?

Hazel Rutherford: Yes—I will say a little bit more about why that option is more favoured. It is a simple scheme for learners to understand and allows institutions to maintain control of fees. Because it is based on individual income, it is felt that it provides some degree of equity. I think that the institutions' main concern about using the ILA scheme was administration, which we have addressed by introducing a simplified scheme for providing the additional support for part-time HE students. We have addressed some of the concerns that the universities and colleges had previously had about ILAs.

Aileen Campbell: Are there any plans to monitor increased participation and examine the impact?

Hazel Rutherford: Absolutely. That is one of the things that we can do with the ILA scheme. We currently have information about the types of learners who use it and the types of courses that they do. We also intend to monitor what happens as a result of introducing the increased support.

Mary Mulligan (Linlithgow) (Lab): How many students do you estimate will benefit from the change from loan to grant? On the back of the point that you have just made to Aileen Campbell,

how much have you built into the £12 million, £13 million and £13 million for increased participation?

Hazel Rutherford: We estimate that about 20,000 students from the current population will be eligible. We have allowed a little bit of extra funding for increased demand but, basically, the costings have been done on the basis of the existing population. Although there is a little bit of extra funding, we have not been able to estimate what increased demand there will be.

Ken Macintosh: I am not sure that I agree with the statement that ILAs are simple. I am in favour of them, but they are rather bureaucratic, so simplified ILAs are welcome. I do not think that they were originally designed to support the majority of part-time students. That has been the effect, but I am not sure that it was the original purpose, which is why I question their use as the vehicle to expand our support for part-time students. They are not necessarily the obvious choice.

The original ILA scheme ran into difficulties because it was open to abuse. Thereafter, it was tightened up considerably. What work has been done to monitor uptake of ILAs? Are all students taking advantage of the ILAs to which they are currently entitled?

Maureen Watt: The problems in the initial programme—I remember accessing it way back—occurred mainly down south. We were disadvantaged in Scotland when the programme was stopped. On accessing funding, forms must be filled in to access any funding, but I am not sure that it will be a complicated task to do that for ILAs. On monitoring the ILAs, about 90,000 people are registered for them and about 55,000 have active accounts—it is a huge number.

Ken Macintosh: Do all students who are entitled to the £200 support take advantage of ILAs? I would have thought it more likely that the more generous £500 would increase uptake of ILAs.

Hazel Rutherford: I think most students who are entitled to take advantage of the £200 support would do so. However, there are limitations because not all the courses that they might want to do are necessarily registered with the scheme and not all universities are currently registered. However, we hope that that will change once we introduce the amended ILA scheme, and that we will manage to get more courses registered.

Ken Macintosh: Obviously, the funding for learners review will look at the big picture, but is work being done to monitor how many students take advantage of their entitlements?

Hazel Rutherford: The current ILA scheme has been evaluated through two surveys: the survey

for learning providers and intermediaries, which reported last December, and we will publish the learner surveys at the end of March. That work will pull together a lot of qualitative assessment from learners about what they think of the scheme and what they use it for. Again, that will feed into any proposals we make for changes.

Ken Macintosh: I have two final questions. The first is on the bigger picture of the development of policy on general support for part-time students. I was slightly surprised by what I would describe as the relatively low-key announcement of support for part-time students through this SSI. I assume that further work will be done in this area. Will it be done through the futures learning body, or whatever it is called? Has not a body been set up to take forward thinking on and funding for higher education generally?

Hazel Rutherford: It is the joint future thinking task force.

Ken Macintosh: Will that body take forward decisions about support for part-time students? Given that the work of the funding for learners review, which culminated in this SSI, is over, what vehicle will be used to take forward our thinking on support for part-time learners generally?

Maureen Watt: We will see how the amended scheme beds in first and take matters forward from there. Hazel might know more about the joint future thinking task force.

Hazel Rutherford: I know that the task force has been set up and that it has terms of reference, but I am not aware whether funding is included or excluded.

Ken Macintosh: The alternative is the skills strategy. The other contrast between what is happening here and what is happening elsewhere in the United Kingdom is that the financial support that is available to everyone for skills training up to level 2 is now being given to those training up to level 3 in England and Wales. That is obviously in stark contrast to what is on offer in Scotland. Will the skills strategy be the device for looking at part-time learning?

Maureen Watt: Work is still to be developed in the skills strategy on how to take forward upskilling. However, we feel that the ILA scheme fits well with upskilling because it is for part-time students, many of whom will already be in work that offers upskilling. The scheme fits well with the objectives of the skills strategy.

Ken Macintosh: Well, quite. The advantage of increasing funding for part-time students to improve skills is clear, but it has come about not through the skills strategy but through a different route altogether. What I am really thinking about is the overall strategy for increasing skills training

and funding across the board. It would be good to have an idea of the Government's philosophical approach and not just ideas about the practical implementation of policy.

Maureen Watt: The skills strategy has been published, but there is still engagement with stakeholders on what we want to achieve and how we want to achieve it. People in the directorate and ministers have been engaging widely with stakeholders across the piece, and the results of that engagement will be presented to Parliament in due course.

Ken Macintosh: I return to the cost of the scheme. Scotland will follow a different route from that which England and Wales will follow, but you suggested that the Scottish scheme will be equally generous. It will use an £18,000 income threshold for individuals rather than a £30,000 household income threshold. Will you forward to the committee any figures that would substantiate your claim and would compare, proportionately, what is on offer to part-time learners in Scotland with what is on offer to part-time learners in England and Wales? On the face of it, it is not immediately obvious that the scheme is equally generous; indeed, it seems that someone would be in a far better position in England or Wales than here.

Maureen Watt: I have a table with me. The thresholds in England and Wales would be completely different. If, for example, fees were up to £1,500 and a person's household income was under £15,700, there would be a grant of up to £765 for full course fees.

Ken Macintosh: Fees will be waived for all those in households that receive under £15,700. The key is the difference in what the Scottish scheme will do. Obviously, it will benefit those who have a household income of above £15,000 but an individual income of below £18,000. However, I am interested in the proportions rather than in individual examples, as it is possible that in some examples people will be better off here and in other examples people will be better off in England. Let us take as a benchmark people whose household income is below £15,500 or who are on benefits and have their fees waived. Taking into account the number of students, how much additional investment will the Scottish Government make available compared with the additional investment that will be made available in England and Wales to benefit students there? I am not sure whether you have that figure.

Maureen Watt: I am not sure that we would make such a comparison. Why would we? As we have said, there will be £12 million, £13 million and £13 million for the new support over the spending review period. We are talking about a Scottish solution in a Scottish situation. Trying to

make comparisons with similar situations in England is difficult, because there household income is used. We think that using individuals' incomes is fairer. As a woman, I can see the importance of using individuals' incomes rather than household incomes. We are on the right lines. We could try to work out better comparisons if you wanted us to, but I am not sure that they would be relevant.

Hazel Rutherford: We have information and are more than happy to share a table that shows comparisons. As the minister said, £12 million, £13 million and £13 million will be put into the scheme over the spending review period. We have tried to ensure parity, but that is difficult because fee levels in England are probably slightly higher than they are in Scotland. It is difficult to reach an average figure.

Ken Macintosh: So the scheme in England will be more generous because the fee levels are higher there.

Hazel Rutherford: Possibly.

Ken Macintosh: There are two arguments. We can choose to go for a scheme that is based on individual incomes, but I question whether the proposed scheme is equally generous or fairer. A choice is involved, and the proposed scheme is not obviously more generous; in fact, it is questionable whether it is more generous. I would welcome any information that you could supply on that. That the fees of full-time students are paid but those of part-time learners are not is iniquitous and does not benefit the skills agenda. The contrast with England is even more obvious. Clearly, further work needs to be done. It would be good to have the figures and the baseline agreed to allow us to move forward.

10:30

Maureen Watt: As I said, it is difficult to make a comparison, as we are not comparing apples with apples. The discretionary grants to cover child care and travel costs that are available from higher education institutions make it difficult to lump all the moneys together, as each individual is treated differently. Comparison is not easy, because we do not necessarily know about all the bits and pieces to which individuals are entitled. However, the £4 million that was already available has been increased by £1 million.

Jeremy Purvis: The budget for individual learning accounts Scotland in 2007-08 was £19.3 million, but in 2008-09 it will be £10.5 million. Where in the Budget (Scotland) Bill, which Parliament will debate this afternoon, can I find the money that you have stated will fund the scheme? Where is that information published?

Hazel Rutherford: It is in the budget line for the Student Awards Agency for Scotland, which will distribute the money.

Jeremy Purvis: Why has it been separated from the budget for individual learning accounts Scotland?

Maureen Watt: Because the funding mechanism for the £200 that is available from ILA Scotland is different.

Hazel Rutherford: When we prepared the budget, we wanted to make clear that this was additional money for part-time students. The existing ILA budget was being reduced to reflect demand. The money is included in the SAAS budget line because SAAS will pay it out. It will be paid out slightly differently from existing ILA money, because we have streamlined the system.

Jeremy Purvis: Where is the money identified? It is not identified in the Student Awards Agency for Scotland budget line in the education and lifelong learning budget, and the overall figure for fees, grants and bursaries from SAAS is going up by only £5 million. *[Interruption.]* One of my colleagues is asking about the relevance of my question to the statutory instrument. We are considering investment under the instrument, so it is fair to ask where the figure for that investment is published.

Maureen Watt: We will come back to you on the point. We do not have an answer at the moment.

Ken Macintosh: I know that there was not huge take-up of the loans for part-time students, but how much are you saving by abolishing the existing system of part-time loans? Is that saving included in the figure of £12 million?

Maureen Watt: Only 600 students took up the loans that were available.

Hazel Rutherford: Because the finance was loans based, the cost was very small—along the lines of £250,000.

Ken Macintosh: Was budgetary provision made for part-time loans at that level, or was more money set aside for such loans? Was there £1 million or £2 million in the budget that has now been withdrawn?

Hazel Rutherford: No. The costs were always met from within existing SAAS funding.

The Convener (Karen Whitefield): That concludes our questions to the minister, whom I thank for her attendance. I apologise for being a little late. I thought that this morning two hours would be sufficient time for me to get here from Airdrie, but obviously it was not.

We considered the instrument at a previous meeting and we are now required to reconsider it

having heard evidence from the minister. Copies of the instrument have been circulated and members have before them a note on it. No motion to annul the instrument has been lodged and the Subordinate Legislation Committee determined that it did not need to draw the attention of the Parliament to the instrument.

Jeremy Purvis: I have a comment before we agree to approve the SSI. The minister indicated that she would be willing to come back to the committee, which I appreciate. To follow on from Mr Macintosh's question, it would be helpful if there were a commitment from the Government to consider part-time student support and what mechanism will be used. Will it be done through the future thinking task force or will there be consultation on student support, loans and grants?

Secondly, I note that the net expenditure of the Student Awards Agency for Scotland is falling from £559.3 million in 2007-08 to £510.6 million in 2008-09. That is a considerable fall in the agency's overall budget and the budget line does not identify where funding for the policy will come from.

Further clarity would be helpful on both those issues. Perhaps the committee could write to the minister.

The Convener: We can certainly make those points in the report, if the committee is so minded. We can also write to the minister and ask her to respond. However, I point out that while I have some sympathy for the points that you and Mr Macintosh have made, whether the money for the proposal is there is a matter for the Government to deal with when the applications come in, not the committee; we are merely considering whether the policy is right.

Does the committee want to include the points that Mr Purvis has made in our report or would members prefer to write to the minister, which would guarantee that we would receive a formal response?

Jeremy Purvis: I leave it to you to decide the best way forward.

The Convener: It would probably be better if we wrote to the minister, as we would then be guaranteed a response. If we include the points in the report, the minister is under no obligation to respond, although I am sure that she would. Indeed, Maureen Watt has already agreed to come back to the committee on the line of questioning on the budget figures.

Does the committee agree that it has no recommendation to make on the Individual Learning Account (Scotland) Amendment Regulations 2008 (SSI 2008/1)?

Members indicated agreement.

Police Act 1997 (Criminal Records) (Scotland) Amendment Regulations 2008 (SSI 2008/6)

The Convener: Members have before them a note on the SSI and a copy of it. No motion to annul the instrument has been lodged and the Subordinate Legislation Committee determined that it did not need to draw the attention of the Parliament to it.

This is a very procedural instrument and I note that members of the committee have no comments to make on it.

Does the committee agree that it has no recommendation to make on the Police Act 1997 (Criminal Records) (Scotland) Amendment Regulations 2008 (SSI 2008/6)?

Members indicated agreement.

The Convener: The next meeting of the committee will be on 20 February. I hope that members have a good recess.

Meeting closed at 10:40.

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