

Coalition of Higher Education Students in Scotland (CHESS)

Supporting a Smarter Scotland: A consultation on supporting learners in higher education

This consultation response will set out CHESS' vision for Scottish Higher Education and the support provided to learners and direct responses to the options detailed in the Consultation Paper.

The Coalition of Higher Education Students in Scotland (CHESS) exists to promote and enhance the position of students in higher education in Scotland and act as their voice on national issues. By listening to CHESS as a national student body, organisations can be assured that they are listening to the voice of 100,000 higher education students in Scottish institutions. CHESS voices concerns on issues that really matter to students.

CHESS are working in partnership with the National Union of Students Scotland (NUS Scotland) and have worked closely with political parties represented within the Scottish Parliament. Where costings and figures have been received from any of these bodies they are reflected in the references below. CHESS would like to express their thanks for the useful discussions and partnership approach taken by all in the process of responding to this Consultation Paper.

CHESS' Vision for Scottish Higher Education

In difficult economic times, the power and value of Higher Education cannot be underestimated. Higher Education must be seen as a long-term investment; in the economy which will benefit from it and in the individuals who undertake it.

There are four key principles in relation to student support funding which will underpin this consultation response:

- Focus resources to tackle student hardship rather than graduate debt
- Increase the availability of student loans
- Remove the need for students to rely on commercial loans
- Establish a minimum income guarantee of £7,000

CHESS believes there are fundamental failures in the current funding system, and in the Consultation Paper for not addressing these shortcomings.

By not contemplating an increase in student loan provision the Consultation Paper has overlooked the biggest difficulty facing students in higher education: financial hardship while studying. While CHESS still believes reducing graduate debt is important, it is of greater importance that students do not have to work excessive hours in part-time jobs or rely upon commercial debtors to balance the budgetary limitations of the average student.

Commercial debt places a number of unnecessary burdens on students: high rates of APR vastly increase the debt a student is likely to graduate with and is in direct opposition to the Scottish Government's pledge to 'Dump the Debt'. Students are often forced to service the debt rather than repay it; monthly minimum repayments necessitate a vicious cycle of further financial hardship and borrowing.

Students suffering financial shortages are also likely to undertake excessive part-time work to fund basic necessities such as rent, utilities and food. Students forced into excessive part-time work have less time to focus on their studies, impacting upon the quality of their degree, and consequently their prospects after graduation. A failure to fund students correctly while at university ultimately jeopardises their future success;

crucially, it jeopardises the Government's wider vision of a revitalised, smarter Scottish economy led by a strong graduate workforce.

It is these key principles and current systemic failures which inform CHES's Vision for Scottish Higher Education.

Establish Minimum Income Guarantee

CHES continues to call for the establishment of a Minimum Income Guarantee of £7000 to ensure that students from all socioeconomic backgrounds have sufficient financial support to attend University. A minimum income guarantee would remove (or at least reduce) the necessity of students undertaking excessive paid work during term time and / or the reliance on commercial debt, and consequentially the significant stresses caused by financial hardship. The Graduate Endowment Abolition (Scotland) Act 2008 allows for the establishment of a Minimum Income Guarantee and CHES calls upon the Scottish Government to follow through with this commitment. There is already a significant disparity between the minimum loan guarantee and the maximum student support available in Scotland (£890 and £4510 respectively)¹ and in England (around £2000 and £6200 respectively)²: Scotland's higher levels of student drop-out and England's greater success in attracting students from Widening Participation backgrounds are not perhaps unrelated.

Remove Parental Support Requirement

Student funding is anomalous within the benefits system in taking account of parental income when assessing need. Typically, students entering Higher Education will be adults in their own right and would, in any other circumstances, be judged upon their own requirements as individuals. To force parents to continue to support beyond the legal age of childhood is an anomaly which must be corrected.

A minimum income guarantee or a higher level of maximum student support available may well be rendered meaningless if a proportion of this is reliant upon parental contributions. While undoubtedly the majority of parents are eager to contribute to their dependents' education, there is significant anecdotal evidence that not all are capable of contributing, whether due to additional familial responsibilities, family breakdown or insufficient funds. In the current economic climate of rising unemployment there is an increasing risk that parents simply will not have the additional financial capacity necessary to contribute, regardless of their willingness to help: indeed, it is not unreasonable to expect that in some cases parents will take commercial debt upon themselves to meet their expected contribution to their children's education.

Facilitate Lifelong Learning

In the spirit of 'lifelong learning' and with respect to the regulations forbidding discrimination by age, it is important to consider the opportunities and financial support available for those in later years who are returning to or attending Higher Education for the first time. The Scottish student funding arrangement prevents anyone over the age of 55³ from accessing student support, which appears anomalous in comparison to England (60)⁴. It also seems out of line with Government policies to increase the compulsory retirement age and the wider societal trends which have seen the average retirement age rise to almost 65⁵. These discrepancies seem entirely misaligned with the principles outlined in the Age Positive Campaign which the Scottish Government professes to support.

Support Part-Time and Postgraduate Students

Part-time and postgraduate students have been specifically exempt from the Supporting a Smarter Scotland Consultation. While part-time and postgraduate students can often face different issues from full-time undergraduates there are still significant funding shortcomings faced by these students. The rising trend in part-time and postgraduate student numbers, combined with the current global economic difficulties, would suggest a significant impending increase in people returning to higher education to retrain on a part-time basis or to increase their competitiveness in the employment market through postgraduate study: it seems short-sighted therefore to exclude these groups from the consultation.

¹ Student Awards Agency Scotland (www.saas.gov.uk)

² Student Finance England (www.direct.gov.uk/studentfinance)

³ The Education (Student Loans) (Scotland) Regulations 2007

⁴ Student Finance England (www.direct.gov.uk/studentfinance)

⁵ Office of National Statistics (www.statistics.gov.uk)

Response to the Consultation Options

CHESS does not believe that any of the proposed options offer a viable solution to the current failings of the student supporting funding arrangements. While CHESS acknowledges that any increase in student support funding is a positive step, the small increases in student support detailed in the consultation are insufficient to combat the failings in the current system. As detailed above, CHESS believes it is necessary for the Government to invest in students by investing in a sustainable Higher Education sector - and so thereby investing in the future of the Scottish economy.

Option 1 – Begin transition towards a grants based system

While Option 1 partly addresses the significant issue of graduate debt and the effect this can have on recruiting students (particularly from widening participation backgrounds) it does not address the wider issue of student hardship.

Focussing on expanding the Young Student Bursary (YSB), either through increased support to those currently eligible or increasing the scope of the YSB, is not an effective means of expanding funding for all potential students. A fairer funding system would not prioritise dependent students over independent or mature students: the optimal model would therefore discard the targeted criteria underpinning the Young Student Bursary.

The greatest problem with Option 1 is that the level of support funding each student receives will not increase sufficiently. Students receiving a maximum level of Government support, totalling £5100 for students from households with an income of less than £18,360, will still be £1900 short of the £7000 income necessary each year to support a full-time undergraduate student. As outlined above this is likely to lead to excessive working or commercial debt, which suggests this option is unlikely to greatly advance the welfare of students.

With already significant divides between the Further and Higher Education sectors (and between Higher Education courses delivered at colleges or universities) CHESS believes it would be unwise to further segregate by degree delivery method. While such a move may increase the articulation into Higher Education courses at colleges, if funding stopped at Colleges it is unlikely these students would progress into Universities despite the ASC's assertions. CHESS believe that students' choice of course and place of study should be made for pedagogical reasons, rather than financial incentives.

Option 2 – Increase the minimum level of income available

As key supporters of the Minimum Income Guarantee, CHESS strongly believes that the Scottish Government should increase the minimum level of income available. Option 2 does not represent an acceptable solution to improve student support. An increase in the minimum level of income from £5100 to £5500 is unlikely to have a significant impact upon individual students' welfare. CHESS believes that within current budgetary restrictions it is most important to prioritise those in greatest need of additional support: if those entering Higher Education from households with income under £18,360 were targeted, CHESS believes that the minimum income of £7000 could be guaranteed for these students.⁶

It is important to note that Option 2 does not address support for independent students as it focuses on the expansion of the Young Students Bursary; it should also be considered how student support funding can be prioritised in future to ensure that those independent students most in need receive the minimum income guarantee.

Option 3 – Increasing income and reducing debt for a more focussed group

CHESS believes that Option 3 presents a hybrid of two options which do not significantly alter the current system. While the intentions of increasing support for those who need it most and reducing graduate debt are

⁶ Scottish Labour Party Response on Smarter Scotland

positive, CHES do not believe that Option 3 would present a substantial improvement to the current funding system.

Other Options

The Supporting a Smarter Scotland consultation also highlights a number of 'other options'. CHES believe that removing support from second HE Qualifications is unthinkable in the current economic climate: maintaining the support will allow individuals facing redundancy an opportunity for lifelong learning, to re-skill to best support themselves and their families, and to contribute to Scotland's economic recovery.

CHES would not support the removal of the minimum loan. The minimum loan provision in Scotland is already significantly lower than the rest of the United Kingdom: removal of the minimum loan entirely would only further increase this inequality.

Conclusions

CHES do not believe that any of the options detailed in 'Supporting a Smarter Scotland' are satisfactory to address the difficulties faced by students with the current student support funding system.

CHES believes a focus on reducing student hardship rather than reducing graduate debt is the most effective way to spend the £30m offered by the Scottish Government. Targeting support for those from backgrounds with the lowest income to provide them with the £7000 minimum income guarantee is possible through a mixture of loans and grants, and will greatly reduce the dependency on commercial credit and supplementary income for a group of students who are most likely to be forced to rely upon these undesirable adjuncts to government sanctioned support.