

Consultation response to the Independent Review of Financial Support for Students

The Scottish Government announced an independent review of student support following NUS Scotland's Scottish election campaign. This briefing can be used to help inform your response to the consultation on the review, which closes on 31st August 2017.

Introduction

The Scottish Government called the Student Support Review in September 2016 following NUS Scotland's Scottish elections campaign *Shaping Scotland's Future*.

During our campaign we called for the following:

- A right to improved, locally delivered bursary support for all FE students;
- A guarantee that FE student support will increase with inflation;
- Improvements to the HE support system to be provided through grants rather than loans;
- The introduction of a National Discretionary Fund to help students facing financial difficulty in the summer months.

NUS Scotland has consistently argued that student support is central in widening access – ensuring that more people are able to access and succeed in education.

We've welcomed the political narrative moving towards student support being seen as a social contract, recognising the

benefits that education brings to wider society.

It's particularly encouraging that this review has given us the opportunity to continue our push for a right to improved bursary support for all FE students, guarantees that support will increase with the cost of living, improvement to the HE system through grants, and support during summer months.

This briefing will help you respond to the consultation on the Independent Review of Financial Support for Students which is available [here](#)¹. The closing date for responses is 31st August 2017. The briefing summarises key points of NUS Scotland's response to each of the questions posed in the consultation document.

Question 1: Greater alignment of financial support

Any increases in student support should be delivered through grants rather than loans.

Based on average SAAS loan figures², the average student loan debt in Scotland is set to almost double to £21,160 in coming years. We cannot afford to allow student debt to keep increasing at such drastic rates.

Particularly, we should be conscious that

¹ <https://consult.scotland.gov.uk/student-support/financial-support-for-students/>

² http://www.saas.gov.uk/_forms/statistics_1516.pdf

debt can be a deterrent to accessing education. The Commission on Widening Access' interim report highlighted that debt aversion is highest among those from the most deprived backgrounds³.

FE students must have a guaranteed right to bursary support

Further education plays a crucial role in society – opening new education and work opportunities to people who might otherwise miss out. However, unlike HE students, FE students aren't automatically entitled to financial support.

71% of students in an NUS Scotland survey in 2015 stated that not knowing how much support would be available made their decision to undertake their course more difficult. This highlights the need for guarantees before a student applies.

In the longer term, all students should have the right to guaranteed bursary through a Universal Living Grant. Implementation of a guaranteed right to bursary support for FE students would be an important step toward achieving this policy aim, voted through at NUS Scotland conference in 2016.

There should be parity in income levels for FE and HE students

In the coming year, FE students who receive support will receive a maximum of £97.33 a week, the equivalent of £3,893 over 40 weeks. This compares to a maximum of £7,250 annual support for HE students.

This system means students are discriminated against based only on their level of study, rather than any personal circumstance – and does not reflect the cost of living which students face equally.

The current Education Maintenance Allowance (EMA) discriminates on the basis of age and should not be used in place of FE bursaries

The current FE Support system is sometimes used in place of bursaries for 16-19 year olds in FE, potentially ignoring significant personal circumstances. Under EMA, an FE student under the age of 20 can be left

receiving £30 a week – less than a third of what students on the same course could be receiving – this should not be the case.

The introduction of a right to support for FE students must not disadvantage any student

While entitlement to student support can be positive, and creates financial security for many students – entitled support can automatically count as income, and have negative consequences for benefits payments.

The Scottish Government must ensure that the introduction of a right to FE support for all students interacts positively with the benefits system, and use new powers to ensure no student is disadvantaged.

Question 2: A simplification and clarification of support systems:

Students should be able to choose from a number of payment options, including spreading payments over 12 months

Currently students have no control over the timings of their support payments, and students are left with no support over summer months. We'd like to see a payment system which gives students options, including spreading their support payments over 12 months rather than nine, and more flexibility on when or if they receive the 'double payment', which HE students currently receive at the start of the year.

Creating a number of payment plans to choose from would ensure students are able to receive payments in a way which suits their individual circumstances.

Students should have access to a locally delivered discretionary fund over the summer

Currently students facing financial hardship during term time can apply for discretionary funds, but in many cases this safety net is removed over summer.

Research from the Students' Association of the University of the West of Scotland found

³ <http://www.gov.scot/Resource/0048/00489004.pdf>

that around half - 49.63% - of students that drop out of universities in Scotland do so in the summer.⁴ As well as giving students the opportunity to extend their existing support, we believe students should have access to a locally delivered discretionary fund over summer – as they do during term time.

3. Better communication of the funding available

Information on financial support should be delivered as students and pupils consider next steps

The Commission on Widening Access' interim report⁵ highlighted that financial concerns and debt adversity can be a significant deterrent to students in Scotland. For this reason, information should be particularly targeted at those from SIMD20 and 40 backgrounds, who are the focus of widening access activities.

Information should be provided at the point that people start thinking about their next steps, and in a fair support system this information would incentivise people to access the right education path for them. However, while transparency is important, information and advice must be delivered carefully to ensure that debt levels do not put potential students off accessing loans.

The loan repayment threshold in Scotland should be tied to the average graduate starting salary

Currently, graduates in Scotland start repaying loans once they start earning over £17,335 – much less than the £21,000 in England.

The SNP's 2016 manifesto pledged to rise the Scottish threshold to £22,000, which should, and could, be done immediately. However, NUS Scotland believes that going forward the repayment threshold should be tied to the average graduate starting salary, currently £22,500.⁶

⁴ https://www.sauws.org.uk/asset/News/6013/SummerSupportReport_final2.pdf

⁵ <http://www.gov.scot/Resource/0048/00489004.pdf>

⁶ <https://www.hesa.ac.uk/news/29-06-2017/sfr245-destinations-of-leavers>

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4. Levels of funding and the funding mix

Student support is a social contract and should be calculated at the same level as the Scottish Living Wage

To ensure students have the financial support they need to succeed in their studies and reflect the rising cost of living, we believe student support should be tied to the Scottish Living wage.

This should be calculated based on 25 hours of study a week, leaving students potentially open to undertake 10 hours a week of part time work without exceeding the equivalent of full time working hours, as recommended by the Independent Committee of Inquiry into Student Finance.⁷ Over an academic year this would mean £8,450 income for students. Any outcome of this review should be noted by ongoing reviews into nursing, midwifery and allied health professional courses.

Any increases to FE student support must come in the form of improved bursaries

There is a clear need for more support for students in further education. However, introducing loan debt to students in further education would be detrimental overall, and has the potential to act as a deterrent to students accessing the opportunities that further education can open up. FE students are more likely to come from poorer backgrounds than HE, and these students are most likely to be debt averse.⁸

FE graduates are less likely receive the same 'graduate premium' or career progression rate as HE graduates, meaning loans would take longer to pay off, and incur more debt. Equally, many FE graduates go on to higher education, meaning a potential for more years spent incurring loan debt.

5. Any other comments, ideas and innovations

⁷ Independent Committee of Inquiry into Student Finance, 1999

⁸

<http://www.gov.scot/Resource/0049/00496619.pdf>

Student support should not be tied to attendance

Currently, students at college have to have a 100% attendance rate, with limited self-certificated absences, in order to receive their bursary.

We believe that attendance should not be tied to student finance and any student attendance policy should instead be written from a welfare and pastoral perspective.

NUS Scotland believes students on maternity or paternity leave also require support

Our 2016 report on student parents – the Bairn Necessities⁹ – recommended that colleges and universities should provide bursary support and family leave for those who become parents during their studies.

NUS Scotland believes that consideration must be given to the support available to EU and international students

While the support system in Scotland currently covers Scottish domiciled students, in light of Brexit we would welcome the opportunity to look at the support available to EU and international student support in more depth. Particularly, we'd like to explore what arrangements the UK and Scottish Governments might put in place following Brexit, including what support is available to Scottish students taking 'study abroad' years.

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⁹ <http://www.nusconnect.org.uk/resources/the-bairn-necessities>

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