

Review of post-18 education and funding – call for evidence

**National Union of Students
response**

May 2018

Introduction

The National Union of Students (NUS) welcomes the Review of Post-18 education and funding and the opportunity to respond to this Call for Evidence.

NUS is a voluntary membership organisation which makes a real difference to the lives of students and its member students' unions. We are a confederation of almost 600 students' unions, amounting to more than 95 per cent of all higher and further education unions in the UK. Through our member students' unions, we represent the interests of more than seven million students, learners and apprentices.

NUS looks forward to continued dialogue with the advisory panel in regards to the review. If there are any immediate questions about this response please email David Malcolm, Head of Policy and Campaigns at david.malcolm@nus.org.uk

Questions

Q1. This review will look at how Government can ensure that the post-18 education system is joined up and supported by a funding system that works for students and taxpayers. The panel would like to understand your priorities. What, if any, are your principal concerns with the current post-18 education and funding system?

Further and higher education are critical to society. Through FE and HE we expand the boundaries of knowledge, we enable individuals to reach their potential, we improve and support society as a whole, and we create a more dynamic economy. For these reasons, NUS believes strongly that FE and HE are public goods and this should be reflected in public policy. We welcome this review of post-18 education in England and the opportunity it presents to not only address the issues facing FE and HE in 2018, but to reframe the debate away from a market ideology that has failed both sectors.

Our vision is of a free and funded FE and HE system which enables all who can benefit from FE and HE to do so. Society

should value students and their time to learn, and that value can be expressed in the way students are funded to access education. The review must therefore address fees and the barriers that high fees in FE and HE create, both through debt aversion and the instances, particularly in FE and part-time HE, where there is limited access to any fee support.

However, abolishing fees is insufficient if students are excluded or impoverished by the cost of living. Financial hardship impacts on the student experience and student welfare, particularly mental health, and the priority must be to ensure maintenance support is adequate. We believe there should be a Student Living Income that covers students' costs. Student support should be progressively targeted at those who may need extra support and should not mean the poorest students have higher debts than those from richer families.

Parity across FE and HE for students is also critical, and we welcome the fact the review sees FE and HE as two integral parts of a wider tertiary education system. FE has been underfunded for many years and this review should ensure that providers and learners receive much-enhanced funding. However, greater investment in FE should not be achieved by a simplistic reduction to funding for HE. As a society we should be increasing our funding of tertiary education across the board.

We are equally clear that while it is critical to ensure that we have a funding system which supports students and tertiary education, funding arrangements alone cannot address all of the issues that impact on students' ability to get in and get on in FE and HE. Costs have risen faster than income, especially accommodation and transport. Non-financial barriers to access and success, not least the attainment gap for black students, lack of local provision of FE or HE, and limited access to quality information, advice and guidance. Greater collaboration between institutions can help address these points, but this too requires

a rejection of markets and competition as the main driving force for change.

Part 1: Choice and competition across a joined-up post-18 education and training sector

Q2: How do people make choices about what to study after 18? What information do they use and how do they choose one route over another: for instance, between academic, technical and vocational routes?

According to evidence submitted the [NUS Poverty Commission](#), choices in post-18 education are strongly influenced by class background and for the lowest-income students, choice has been severely impacted by cuts to funding and support.

Evidence heard by the Commission highlighted how current practices in post-16 education restrict the aspirations of disadvantaged students, including the mandatory GCSE English and Maths retakes, where 80% of retakes are from the most deprived students. According to evidence heard, the most deprived students also show least progress in these subjects and must repeatedly resit these exams, so their wider curriculum is continuously impoverished by time spent on these two subjects. Because of these and other pressures, educational programmes no longer have the scope to provide pastoral support, confidence building, and coaching for students to pursue post-18 education. A clear message from the evidence we heard was that the lack of participation in post-18 education from disadvantaged students was not due to a lack of aspiration, but rather a lack of self-belief that they would 'fit in' and achieve.

The reliance of the HE – and, increasingly, FE – systems on debt has an impact on choice. In part, this is the decision on whether to go in to FE or HE, but also the choice of where and what to study, with poorer students choosing to live at home or subjects which they hope will reduce their exposure to debt or enable them to repay faster – in contrast to the less constrained choices of their wealthier

peers. We set out the available evidence on debt in our [briefing](#) here.

Learners in deprived areas are also negatively impacted by the lack of affordable transport. Specifically, within the context of college mergers and the scrapping of Educational Maintenance Allowance, learners' choices of what to study are being dictated by the courses on offer at their nearest learning provider – rather than subjects they have a talent for, or where they see their future career.

Q3: How do people make choices later in life about what further study to undertake?

NUS/Million Plus research, [Never Too Late to Learn](#), found that geographic proximity was a key deciding factor for mature students, who tend to apply to fewer institutions than young applicants and are more likely to apply directly to their institution of choice rather than via the UCAS system.

We found that mature students are more likely to study vocational subjects, including subjects allied to medicine, computer science, architecture, building and planning, social studies, education-related subjects and combined subjects compared to younger learners.

Notably for mature students, a degree was regarded as a means to an end; a way of enhancing employability and skills while studying a subject of interest and acquiring a qualification that enables them to change careers, access employment opportunities that would otherwise remain out of reach and/or improve earnings potential. Employment and career-related motivations featured highly among survey respondents and workshop participants who often said they had clear goals in mind when they first started thinking about going to university later in life.

Q4: In recent years we have seen continued growth in three-year degrees for 18 year-olds. Does the system offer a comprehensive range of high quality alternative routes for young people who wish to pursue a different path at this age? How can Government encourage provision

across a wider range of high quality pathways to advanced academic, technical and vocational qualifications?

It is critical to view this issue as important for learners at all ages, not simply those at 18. The sharp declines in adult learners in FE and part-time HE students mean not only fewer pathways for mature learners but in turn can impact on the viability of provision for younger learners. The Poverty Commission heard that many learners in rural areas or where transport infrastructure was poor there was a lack of suitable provision, and where the students could not move to the course this restricted access.

Moreover, from a student perspective, regardless of age or location, the system can be confusing and the different options difficult to evaluate. If a range of different options are to be viable in general, there must be adequate information and, crucially, advice and guidance to navigate these choices, and to understand and combine different sources of information to make decisions. It cannot be assumed individuals have access to the right cultural capital to understand which options might be most appropriate in the context of the individual's ambitions and interests, their existing qualifications, their likely financial entitlements, their existing commitments and an understanding of the different qualifications available, and the qualities or otherwise of the providers who could offer a course. As one example, there are numerous different paths into nursing, which might include access to healthcare courses at level 2 or level 3, nursing associate or degree apprenticeship nursing, undergraduate degree courses or work-based learning, as well as numerous providers in numerous locations.

The Poverty Commission found the system lacks sufficient investment in information, advice and guidance. From 2010, central government funding for programmes such as AimHigher and Connexions, which provided crucial support to learners in making such decisions, was severely reduced. It was assumed providers would make up for the loss of this support, but of course in a marketised system their main

incentive is to attract individuals to their own courses. Much greater investment into independent IAG is required.

Q5: The majority of universities charge the maximum possible fees for most of their courses and three-year courses remain the norm. How can Government create a more dynamic market in price and provision between universities and across the post-18 education landscape?

NUS rejects much of the premise of this question. We oppose the marketisation of FE and HE, and have discussed at length the problems with markets in our [Roadmap to Free Education](#). Numerous attempts to introduce price competition through different mechanisms by successive governments have failed, largely because education is a Veblen good – that is, price is a mark of quality and providers are wary of the signal sent by setting fees lower than their competitors. Mechanisms to enforce such competition would merely distort markets and lead to perverse outcomes – for example, those institutions who do better at recruiting disadvantaged students receiving less income, or poorer students feeling they have less choice than their richer counterparts than is already the case. Moreover, it is an irony of the current system that the desire to marketise HE has led to provision concentrating on full-time, three-year degrees. Providers funded by the public would be able to create more innovative provision – possibly collaboratively – in an environment where competition is reduced.

Q6: What barriers do current and new education and training providers face in developing innovative or diversified provision?

While NUS cannot speak on behalf of providers, we believe a barrier to provision is the lack of appropriate funding available to students on courses, as the student support system is inadequate or fails to adapt to new forms of provision. For example, two-year degrees are predicated on study through the summer but additional loan amounts are too low, certain other allowances (for disabled

students or students with children) do not increase, and the archaic system of three termly payments mean students receive three equal instalments of support, with the final in April expected to last for the final six months of the year.

Q7: How can Government further encourage high-quality further education and higher education provision that is more flexible: for example, part-time, distance learning and commuter study options?

The homogenisation of courses seen in recent years stems from funding decisions made by Government, both in respect of providers and of learners. Both need better and different funding if alternative provision is to be restored.

For example, the changes introduced in 2012 have had an enormously damaging impact on part-time higher education, as a combination of the sharp increase in fees, the restrictions on fee loan entitlement (especially for second qualifications), debt aversion and a sharp drop in employer support combine to reduce some forms of study option and deter students from taking up courses¹. The decline in adult learners in FE has similar origins. As a consequence, part-time funding needs to be rethought completely.

However, it is also the case that however funded, it is critical that those studying in non-traditional ways are able to benefit in full from FE and HE. While for many such provision is the best way for them to access tertiary education, others feel compelled to do so for financial reasons alone. Regardless, too many miss out on some of the non-academic benefits because of long journey times, caring responsibilities or employment obligations. For example, NUS has published two research reports, [Reaching Home](#) and [Student Engagement in the context of Commuter Students](#), which focus on the experiences of students living at home or

commuting. They evidence that providers all too often assume their students have moved away and do not have adequate provision for students who commute. Significant cultural change is required if commuting is to be seen as more than 'second-best'.

Q8: To what extent do funding arrangements for higher education and further education and other post-18 education and training act as incentives or barriers to choice or provision: both at the individual and provider level? How does this impact on the choices made by prospective students and learners? What can Government do to improve incentives and reduce barriers?

We set out our views in the answers to other questions in this section, but we would reiterate that the misguided drive to marketise higher education and the dogmatic and quixotic attempts to engineer price competition through funding policies and other mechanisms such as TEF have had the perverse effect of reducing choice and provision, while the funding of students, especially the reliance on debt as a mechanism, acts to restricts choice – not only whether to study, but where and what to study. Crucially it is disadvantaged students who are restricted most, in both provision and choice and attempts to create price competition have made the situation worse. For example, BAME students were more than twice as likely to say they would have reconsidered applying to their institution if it were rated 'Gold' in TEF.²

Part 2: A system that is accessible to all

Q9: What particular barriers (including financial barriers) do people from disadvantaged backgrounds face in progressing to and succeeding in post-18 education and training?

¹ Callender, C. and Thompson, J. (2018) *The Lost Part Timers: The decline of part-time undergraduate higher education in England*. Sutton Trust.

² Palmer, D. (2017) *Teaching Excellence: the student perspective*. Student Union Research.

While it is understood that the most obvious barrier to participation in post-18 education is relatively poor attainment in formal education, most measures of attainment fail to capture learners' previous educational disadvantage in school, or the cultural and social barriers that can accompany material poverty. Academic attainment accounts for only 75% of the 'access gap' on degree courses³; the remainder of the gap is attributed to financial, social and cultural exclusion.

The specific financial barriers for students accessing post-18 education are best understood in terms of reductions in funding, compounded by the issue that these students usually do not have access to familial or informal financial support. Moreover, the Commission found that low-income students faced a poverty premium whilst in education or training, a further financial barrier to their attainment that was borne out of their material deprivation.

The NUS Poverty Commission demonstrated how expenditure requirements for working class students contribute to, and compound, financial poverty placing these students in a precarious position. Specific areas of expenditure were named by the Commission as having a serious detrimental effect on disadvantaged students entering and remaining in education and training- these were primarily transport, housing, child care, course costs and access fees.

For example, the additional cost burden for students who lacked the right qualifications to start university courses immediately after completing college, who were disproportionately from a low-income background was raised. Working class students often face more limitations on the FE topics they can study, compared to their middle-class peers, due to the lack of affordable public transport to allow them to attend institutions offering appropriate

or relevant courses. The knock-on effect of this lack of choice can mean that their progression to HE or an apprenticeship can be hindered by the requirement to complete bridging/foundation courses to be accepted on to their chosen programme, which carries with it an additional cost burden of both access fees and living expenses.

Accommodation costs were identified as substantial barriers to access for low income students, specifically within an environment of increasing privatisation of student accommodation and increasing prices. The [NUS/ Unipol Accommodation Costs Survey](#) highlights the exponential rise in rent costs for students over the preceding decade. The Poverty Commission heard evidence that students from poorer backgrounds were excluded from student accommodation because of the cost, and were living in substandard private rented sector housing, which had a significant detrimental effect on their attainment and wellbeing whilst studying.

The NUS [Meet the Parents](#) report found that students with children face considerable financial pressures due to a combination of insufficient childcare funding, lack of funding for associated course costs, and reduced benefits. Lone parents are particularly disadvantaged; they are more likely to apply for hardship funds, take on additional debt and are less able to work because of a lack of childcare support from a partner. There is no clear or consistent funding entitlement for student parents in either FE, HE or apprenticeships. Similar pressures for student carers were highlighted in our [Learning with Care](#) report.

Hidden course costs were also highlighted in the Poverty Commission as a barrier to access, with numerous examples submitted of prohibitively high costs. These included examples of kits for hairdressing courses, audition fees for performing arts courses, field trips, rehearsal fees, printing charges and the

³ Raffo, C. et al. (2014) *Adult and Tertiary Education and Poverty – A review*. Joseph Rowntree Foundation.

costs of purchasing specific clothing and footwear, for use in science labs or building environments.

There is considerable variation across England in terms of additional study costs and the extent to which providers charge them to students. Greatest consistency and transparency should be created, if necessary via OfS or other oversight.

Findings from the Commission showed that in terms of the social and cultural barriers to access, to many disadvantaged learners, post 18 education can seem a distant, middle-class pursuit unrelated to the interests and needs apparent to many working-class people.

A key recommendation from the Poverty Commission was that access to post-18 education should be promoted to learners in ways that are accessible, available, appropriate and timely. Strategies for inclusion should focus on change within institutions, rather than applicants, to broaden access to low-income students. Achieving this through communities and schools could be transformative – educational institutions should support teachers to develop conversations with pupils about their future academic careers in a way that is meaningful, and which bridges the divide between them and their tertiary options.

Q10: How should students and learners from disadvantaged backgrounds best receive maintenance support, both from Government and from universities and colleges?

Ensuring apprentices, learners and students have access to the maintenance support they require must be a major priority for this review.

For too many, support is completely inadequate. NUS has set this out in evidence over many years, most notably our [Pound in Your Pocket](#) (PIYP) report in 2012 and more recently in the Poverty Commission.

Adult learners rely almost entirely on limited discretionary funding provided by

the Department for Education and paid via providers, but the overall budgets have not increased in seven years, and were never adequate in the first place. This is especially for those who need childcare support. In PIYP adult learners reported some of the highest levels of financial stress and poor wellbeing. Our research reports on apprentice finance – [Forget Me Not](#) and [Apprentice Travel](#) – illustrate the difficulties apprentices face covering their costs; the Poverty Commission also highlights the issues with a significant proportion of apprentices being paid less than the legal minimum wage.

In HE, maintenance support has become almost exclusively debt-based, with maintenance grants and NHS bursaries abolished in favour of student loans with high interest rates and limited loans for postgraduates introduced. This has given rise to issues of debt aversion – particularly for healthcare students, with a significant drop in applications and a smaller drop in acceptances in 2017, the first year of the policy, and a further significant drop in applications for this year. Debt has further impacts on choices as set out in Q2, and in addition poorer students are more likely to work part-time to try to reduce their exposure to debt, with many working over the 16-hour threshold which research suggests has an impact on studies. The current policy in HE is also regressive: loans are partially means-tested so the poorest students graduating with the highest student loan debts – more than £50,000 for a three-year degree including fee loans – and pay the most interest. Other allowances for disabled students and student parents have been cut or frozen and have lost value over time, while the household income threshold for full support of £25,000 has not increased since 2008.

Although institutional bursaries are no longer compulsory, and the Office for Fair Access encouraged a greater focus on outreach, many HE providers continue to offer support through this mechanism, especially wealthier providers. Although very important to many students, this means some of the poorest students in institutions who do not offer support

receive less than those with higher household incomes in those institutions who do⁴. Central funding for hardship (the Access to Learning Fund) was scrapped in 2014, and as a result hardship funding across England can be patchy.

It is also key to recognise that a significant and often vulnerable minority of learners and students – primarily students who are parents and disabled students, but also many part-time students – rely on the social security system for additional support. The interaction between benefits and student support is often confused (NUS publishes a handbook on student support and benefits for advisers with the Child Poverty Action Group which runs to over 300 pages) and benefits agencies make frequent errors, leading to students experiencing stress or not receiving their entitlements. Again, we set this out in the Poverty Commission report.

It is clear that major reform is required. Maintenance support should be entitlement based, debt should be radically reduced and learners and students with children should be given adequate additional support. As a major priority, maintenance grants and equivalents should be restored and extended across all modes and levels, and support provided progressively so that those who need most support are able to do so. The maintenance support approach of the Diamond Review in Wales – an approach which offers grants set at an equivalent to the National Living Wage – deserves close examination by the advisory panel as a potential way forward for a Student Living Income.

In addition, household income thresholds must be increased and students must not rely on a 'postcode lottery' of institutional support, either for bursaries or for hardship. Attention must also be paid to apprenticeship pay and to the benefits system if all in post-18 education are to be funded adequately.

Part 3: Delivering the skills the UK needs

Q11: What challenges do post-18 education and training providers face in understanding and responding to the skills needs of the economy: at national, regional and local levels? Which skills, in your view, are in shortest supply across the economy? And which, if any, are in oversupply?

NUS does not have sufficient information to be able to answer this question.

Q12: How far does the post-18 education system deliver the advanced technical skills the economy needs? How can Government ensure there is world-class provision of technical education across the country?

There needs to be a consideration with how employers in different sectors value different qualifications in technical skills. The provision of HNC/D qualifications in engineering for example has high value and therefore is seen as a positive route into high-skilled employment for learners. However, in creative vocations this is not the case. Some of the work DfE are currently consulting the sector on Level 4/5 reform highlights this problem. Government need to consider exactly what world-class provision looks like relevant to the sectors' expectations, not trying to force the development of one-size-fits-all routes for each sector.

Part 4: Value for money for graduates and taxpayers

Q13: How should students and graduates contribute to the cost of their studies, while maintaining the link that those who benefit from post-18 education contribute to its costs? What represents the right balance between students, graduates, employers and the taxpayer?

As we set out in our [Roadmap to Free Education](#) report, NUS passionately

⁴ Wyness, G (2015) [Deserving Poor? Are higher education bursaries going to the right students?](#) UCL.

believes further and higher education should be free – that is, without a price tag paid by the student and paid for through public funds, which are in turn supported by progressive and fair taxation of individuals and employers. We believe it is critical to see free education (and adequate maintenance support) as public investment in the future of the country not a burden on ‘taxpayers’ – students are and will be future taxpayers, and this is how their individual contribution should be made.

The current system is not inevitable. England has chosen to significantly reduce the public investment in tertiary education at a time when other major economies in Europe, including France, Germany and the Netherlands have increased their investment⁵.

Part of the answer lies with employers. Business profits handsomely from the present public and individual investment in FE and HE but simply does not pay its fair share. In many cases, including part-time HE study as set out in Q7, employers are making less direct investment in education. The apprenticeship levy, though positive in intention, has often been used simply to rebadge existing training or worse simply to turn low-paid work into even lower-paid ‘apprenticeships’ rather than create new, quality training opportunities⁶. Meanwhile corporation tax will fall from 30% in 2006 to only 18% in 2020. Taxes on business should be increased to help pay for the services, not least FE and HE, that business use.

Q14: What are the most effective ways for the Government and institutions to communicate with students and graduates on the nature and terms of student support?

As discussed in Q4 above, much greater investment in student-centred information, advice and guidance is required. Many institutions have excellent advice services which undertake outreach work and this

should be encouraged and where necessary better supported. The Money Advice Trust (and predecessor bodies) previously funded a programme of advice in FE and HE but withdrew this in favour of a centralised service which has little expertise in student funding.

Note however that the Poverty Commission found debt aversion to be a significant issue, and regardless of the information provided, where support is based solely on significant debt communication alone will not address student concerns.

Q15: What are the best examples of education and training providers ensuring efficiency in the method of course provision while maintaining quality? And what are the challenges in doing this?

The FE Area Review process attempted to bring about greater efficiency in the college sector in England, primarily through creating fewer, larger FE institutions. NUS carried out roundtables in many areas under review to establish learners’ expectations of teaching and learning, access to education, learner voice and outcomes.

Whilst some of the mergers and efficiencies recommended by the reviews are still taking shape, learners were clear about some of their expectations and how efficiencies can either help deliver these or significantly hinder providers’ ability to deliver high-quality education. We have attached a summary of findings from our area reviews and can provide regional/area based reports on request.

Q16: What are the ways that Government can increase the value for money of post-18 education?

NUS believes that ‘value for money’ is far from the most appropriate measure of worth for a college or university, as it fails to capture the true value of education. As we state in Q1, education is public good

⁵ European University Association (2017) [Public Funding Observatory](#). EUA.

⁶ Richmond, T (2018) The great training robbery: assessing the first year of the apprenticeship levy. Reform.

with that should be free to all, so that everyone can benefit from its transformative power.

Even taken on its own terms, it is far from clear that students consider the high level of tuition fees to be 'value for money'. In our 2016 report *Double Jeopardy*, 52% of HE graduates said their course was not worth the money they had paid, a figure which rose to 63% for arts graduates.

NUS supports the finding from the Student Union Research [Value for Money](#) report, which emphasises transparency and accountability as the key determinant for students of value for money, and recommends that providers publish a clear breakdown of how tuition fees are spent. This will support students to make informed choices about where they study, and should encourage moderation and accountability between education providers.

Within the Value for Money report, students gave their opinions on how value for money can be increased in higher education and NUS amplifies their voices and recommendations that students should be consulted in a meaningful way on new investments and that excessive salaries paid to the top tiers of management should be reduced.

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