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Supporting a Smarter Scotland (CON 1115)
Scottish Government
CSU Spur U5b
Saughton House
Broomhouse Drive
Edinburgh
EH11 3XD

Our Ref: dm/lw/consult - support smarter scotland 30apr09

30 April 2009

Dear Sir/Madam

Supporting a Smarter Scotland: Consultation on Supporting Learners in Higher Education

SAC – Scotland’s land-based higher education institution (HEI) – welcomes the Scottish Government’s commitment to address the complexities of higher education (HE) student support.

As Scotland’s newest designated HEI, SAC is proud of its role in providing accessible, quality higher education to a diverse learner population. Over half of our enrolled full-time undergraduate students are mature on entry, many are first time participants in higher education, others articulating with previously acquired higher national level qualifications, and a growing number returning to take a second HE qualification.

Around 16% of our full-time equivalent numbers (FTE) is made up of part-time students, either studying for an award or taking individual modules for continuing professional development (CPD) or personal interest. Our postgraduate portfolio is delivered flexibly combining award winning e-learning with on-campus weekend schools and taken exclusively by part-time registered learners.

SAC has experienced an increase in requests for funding we either directly provide or administer on behalf of the Government. There was a 48% increase in applications for SAC’s own bursaries for academic year 08-09, and a 40% increase in applications to the Discretionary and Childcare funds in this academic year to date. However, in reporting these increases we recognise that individual students’ funding needs potentially alter on a year by year basis, and there is a possible growing student awareness of additional support available.

SAC considers the proposal for changes to the current student support to be timely, given the economic situation and the Scottish Government’s recognition of the role of higher education in developing Scotland’s potential, and we therefore welcome the £30 million injection for the support of students. Properly targeted, this should be capable of making a significant impact to individual students and the Scottish student population in general.

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The comments which follow are made in the spirit of assisting a fair, efficient and effective distribution of this additional funding; a distribution which maximises assistance to where it will be of most benefit.

In responding to this consultation, we are also mindful of other positive initiatives recently introduced by the Scottish Government to assist Scottish students including the current part-time post-graduate fees support pilot, and the changes to part-time undergraduate funding which took place for the start of this academic year with the introduction of a means tested grant (the ILA £500).

We trust our response to this consultation will be helpful in targeting support for learners in higher education.

Yours faithfully

David McKenzie
Vice Principal Learning

RESPONSE TO CONSULTATION QUESTIONS

Section 3 - Investing in Student Support

Option 1a

- *What are your views on the proposal to begin a move to grants by extending the Young Students Bursary?*

This proposal has some merit as it would target the still major age group currently within Scottish higher education, but it excludes the growing number of first time mature students and age eligible students designated independent, many of whom, if means-tested, might be eligible.

- *Do you feel that the focus of bursary support should continue to be on dependent students?*

The Young Students Bursary has been a successful initiative and achieved its objective of reducing debt for an age specific, dependant and financially eligible sector of the student population. The changes in Scottish student population should be recognised however, and SAC would prefer funds be directed to a Scottish Students Bursary scheme that is means tested for all first time, dependant and independent HE participants and runs alongside the economically necessary student loan system.

Option 1b

- *What are your views on the extension of bursary support to independent students as part of a transition to grants?*

SAC supports this development. There is a student population under the age of 24 whom for reasons not necessarily of their doing, find themselves designated independent with no parental or other family financial support forthcoming. Whilst institutionally administered Discretionary and other Government funds, and institutions' own financial support schemes, may be forthcoming, this is not guaranteed from year to year. The awarding of a Government administered, regular Bursary would provide funding certainty and assist these students in making the decision to commence or continue in higher education.

Option 1c

- *What are your views on the proposal from the ASC to introduce full bursary/grant support for higher education courses in colleges?*
- *In particular, what are your thoughts on the potential for this to change the nature of support so that it would be based on what type of institution you were attending rather than your level of study?*

SAC is not supportive of this proposal from the Association of Scottish Colleges. We acknowledge the role the College sector has in delivering higher education to Scottish learners and value the many partnerships we have with colleges which share similar cognate bases, a geographical proximity or a commitment to rural Scotland.

SAC believes that to introduce a criterion of where a student's studies, rather than their financial situation is contrary to an education system which values, and benefits from, offering a diversity of choice for learners.

The HEIs have worked long and hard in increasing participation from non traditional backgrounds, including those from first generation participants, and from socially deprived areas. To ignore the valuable work by the four Wider Access fora, and individual institutions' own community partnerships by providing financial incentives to students to choose the college sector for their HE experience would be unjust.

Option 2

- *What are your views on the NUS proposal to increase the overall support available by increasing the grant support currently available?*

SAC has sympathy with this proposal, and agrees that the immediacy of having the resources to adequately live and study is more of an issue once studying than the thought of accumulating more debt. The issues around long term debt are usually most prominent before a student commences the course and at key stages, for example at the end of an academic year and choosing to exit with a lower level qualification rather than progressing to, and completing, the highest award.

Increasing the funding available through a means tested increased Young Students Bursary however, excludes many students who are experiencing comparable, if not more acute, financial pressures. It would therefore be an acceptable proposal if the concept of the Young Students' Bursary was revisited (as in our response to Option 1a) to address the needs of the mature and independent students within the system.

- *How should we address the potential effect on parental or partner contributions?*

The additional financial burden on parents or partners should be minimised. If there is a Government acknowledgement that the total support package is currently too low (as suggested by NUS Scotland) all efforts should be made to ensure the financial burden on all students and their financial supporters is minimised when increasing the support available. This might be done by either increasing the grant threshold, or providing the additional loan at a nil interest rate.

- *How should the increase in income be addressed for independent students who receive no bursary support?*

Please see earlier comments above. The Young Students Bursary as a means tested grant should be extended to the other suggested eligible types of student.

Option 3

- *What are your views on this hybrid option aimed at those on the lowest incomes?*

Again, this hybrid appears to be focussing on recipients of the Young Students Bursary. This option could have merit if widened to include all students in receipt of the maximum loan.

Other options

- *Are there any other initiatives or ideas that you believe we should explore further?*

From the experience of its student population, SAC believes that serious consideration be given to replacing the Young Students Bursary with a means tested Bursary scheme for all eligible first time HE qualification Scottish students (a new

Scottish Student Bursary). The financial implications of this are obviously not available to SAC while preparing its response to the consultation, but a student support system which acknowledges the changes in the Scottish student higher education population is, we believe, timely and necessary.

Section 4 - Fairer Entitlement to Support

Support for Second HE Qualifications

- *What are your views on the options proposed to ensure that the funds available are used as fairly as possible to give students adequate support for their first degree?*
- *Do you agree that we should consider removing student loan support for second degrees?*
- *Alternatively, should we be maintaining funding for this group to explore more avenues to support opportunities to retrain or up skill those who may face redundancy as part of the effects of the economic situation?*

SAC has a number of students studying for a second HE qualification. Their decision to return to learning, many of whom are still repaying debt from their first HE study, is commendable and should be supported in a fair manner. It is this group of students who benefit hugely from our own SAC Trust Centenary Bursary scheme and whilst it is appropriate to recognise the support they might have received in the past, it is possible to argue that the taking of a second HE qualification will enable a positive contribution to the nation's economy, through re-skilling in an area which will lead to employment.

It is therefore suggested that the Scottish Government consider the payment of tuition fees for those full-time students re-skilling at undergraduate level in priority subjects or where it removes such students from job seekers' allowance and other unemployment benefits.

SAC would also support the investigation of Scottish Career Development Loan (CDL) package to replace the need of Scottish students applying for the current Westminster administered CDL. Experience dealing with both the banks administering the loan, and the Learning and Skills Council, which hold definitive course/institutional information, have not always been smooth and any replacement system which provides accessible funding to second time HE participants, with a reduced bureaucracy for the HEIs, is to be encouraged.

Minimum Loan

- *Do you believe that there is a case for removing the minimum loan?*

Whilst controversial, this could be a longer term objective for the Scottish Government. Previously, there was no minimum grant and what is currently offered elsewhere in the UK varies considerably. It could be argued that the amounts available do not significantly reduce the overall debt potentially built up over a four year degree programme. However, SAC does recognise that it provides a modicum of 'independent' funding to those students for whom the remainder of their funding is deemed to be available from parental/partner support.

The consultation paper omits to tell us how many Scottish students actually take out the minimum loan but estimates it would save the Scottish Government £5.6 million in the associated costs. This reduction in administrative costs, which could be

directed back into the main student support funding pot, is significant, and the objective should therefore remain under consideration.

Travel Expenses

- *Do you think that support for travel expenses should be subsumed into the main grant pot or should it remain a separate, claim-based fund?*
- *Should we differentiate between day-to-day travel expenses and trip to and from home from those who stay away from home?*

The provision of additional funding for travel purposes has been welcomed by many students who remain living at home whilst studying. However, the funding required to meet the associated costs of administering such a scheme could more appropriately benefit the overall main student support funding pot. SAC would support the continuing of means tested funding for day to day travel for students living in the parental/partner home, and for fulfilling the requirements of the course (i.e. required placement attendance where placements are not remunerated). However, this could be assessed at the time of the initial fees/support application rather than as a separate application which requires separate assessment.

Any support for travel to, and from, the place of study for those who stay away from home should be exceptional, means tested and based upon whether the student could have reasonably been expected to apply for, and take up an offer at a institution closer to home.

Section 6 - Servicing Existing Student Loan Debt

- *What are your views on our proposals to service existing student debt if funding becomes available in future?*

Whilst it is commendable of the Scottish Government to consider ways to reduce, or even remove, the student loan debt of past students, it could be argued that these students went into Higher Education aware of their longer term financial obligations.

To service the loan debt by making the annual repayment (estimated to be £64 million a year) is an ambitious proposal and unlikely to be sustainable, particularly given that the consultation paper does not propose abolishing the student loan process in any of its three options. Likewise, the payment of the interest (given as £50 million for last year) considerably exceeds the additional £30 million available in 2010-11 for current student support and the basis of this consultation.

Any efficiencies in administration of the student loan collection should be sought, and if this includes sale to a third party this should be considered in the medium term. To take on the annual repayment or interest payment costs however, are ambitious financial undertakings in the current uncertain economic climate.

Section 7 - Conclusion

- *Overall, based on the options and issues presented in this paper, we would welcome your views on what our funding priorities should be for the £30 million pounds available in 2010-11 and in future years.*

SAC welcomes the additional funding proposed but would wish to see a distribution which recognises the diversity which exists within in the Scottish HE student population.

Recognition should be given to first time HE mature students, and the potential economic benefit that those taking second HE qualifications might bring to Scotland.

SAC therefore suggests that consideration be given to developing a Scottish Students Bursary, a means tested grant available to all first time dependant and independent HE students. It also would support a reconsideration of fees support for second time HE students which might be provided should certain criteria be met (see response to Section 4 – Fairer Entitlement to Support).

Providing an effective student support system, where the balance of the cost should always be the direct financial support given to students, is vital. To reduce the current financial costs associated with the administering of the current student support system should be a Government objective, with savings redirected to the student support fund.

In considering the costs to the Scottish economy in the direct supporting of Scottish students in HE, the Government should also recognise the hidden costs associated in administering other forms of Government student support which are absorbed by the HEIs themselves, as well as the direct costs in terms of institutional provided support in the form of bursaries and trusts.

