

Public Audit Committee: Audit of higher education

NUS Scotland submission

Introduction

NUS Scotland welcomes this opportunity to provide evidence to the committee, as part of discussions around the recent Audit Scotland report, *Audit of Higher Education in Scottish Universities*. NUS Scotland was a member of the project advisory group, and we welcomed the report – importantly, the first of its kind – upon publication. The report provided an important snapshot of the state of the higher education sector in Scotland, highlighting how the university sector is, rightly, in receipt of well over a billion pounds of public funding but emphasising the important role universities can, and must, play in ensuring genuine public benefit for that level of public funding, not least through widening access. The report emphasises the leading universities we have and the excellent outcomes they deliver for our students – but, was right to highlight that is only the case for those able to access one of the precious places currently available.

Over the last couple of years, NUS Scotland, Universities Scotland and UCU Scotland are all united around a common cause of the need for our universities to be funded through strong, sustainable and public investment. Audit Scotland's report, however, raises the need for that funding to fully support our ambitions for higher education, and that the quality or experience for students doesn't suffer. At the same time, ensuring the necessary public funding doesn't mean we shouldn't then question our universities to ensure that funding is spent in the most impactful way possible – as the report highlights, income has risen by 38% over the last decade, and reserves stand at £2.5 billion. Students deserve to know how that money has been, and will be, spent, and what it means for them and their learning experience.

The report was right to recommend the need for government to ensure public funding fully supports the ambitions and priorities that have been set for higher education, and the commitments made by Government, universities and colleges, and the wider sector – not least on widening access. Those opportunities, and our ambitions, however, also require the necessary support for students to not just access higher education but also to stay there and succeed. That is why it was very welcome that Audit Scotland highlighted the need to look again at the support provided to students, not least at the balance of loans and grants. For the purpose of this submission, NUS Scotland has focussed in on the recommendations of the report that are priorities for NUS Scotland – those around widening access and student support – not least as we look ahead to the upcoming draft budget; the appointment of a Fair Access Commissioner; and, the ongoing work of the proposed review of student support.

Ensuring the resources to deliver on our access ambitions

As the audit notes, outcome agreements – whereby institutions are required to better evidence their public benefit in return for the public funding they receive – have undoubtedly been a big step forward in ensuring the funding SFC provides delivers better and fairer outcomes. However, as the SFC's *Learning for All* publication shows, while it's encouraging to see access rates for our poorest students going up, it's still marginal and not fast enough if we're to truly achieve our ambitions on fair access.



University entrants from the 20% and 40% most deprived areas increased respectively to 14.1% (from 14% in 2014/15) and 30.8% (from 30% in 2014/15). An ambitious target of ensuring fair representation in our universities by 2030, however, will require the resources and places to ensure it is met and continue increasing the number of available places; not least as NUS Scotland research suggest, on current trends, this target will be missed by decades. Equally, UCAS statistics show that there persists a large gap in the conversion rate of applications to acceptances between the most deprived and least deprived.

The below shows – using the most recent available UCAS statistics for 18 year old Scottish domiciled applicants to Scottish universities (*albeit, this data set comes with a number of caveats*) – the conversion rate of applicants to acceptances, across each SIMD quintile. It shows that there persists a significant gap in the conversion rate between application and acceptance rates between those students from the most deprived backgrounds and those from the least deprived.

SIMD (%)	Application : Acceptance Conversion rate (%)					
	2010	2011	2012	2013	2014	2015
0-20	67	63	67	71	65	63
20-40	71	68	70	73	71	72
40-60	76	70	72	72	69	72
60-80	78	72	75	74	72	75
80-100	77	74	76	75	74	75
Total	68	64	66	67	64	66

As such, we welcomed the audit's recommendation that *"SFC and Scottish Government undertake and publish research on trends in applications, offer rates and acceptances for Scottish university places to assess what impact the limits on funded places are having on access to the university system for Scottish and EU students. They should consider the implications of this research for existing policy ambitions and funding approaches."* This is a recommendation that we would look to the Fair Access Commissioner, upon appointment, to also make a priority.

Some of the greatest progress we have seen in recent years on fair access has undoubtedly been as result of the SFC's delivery of additional funded places specifically for widening access and (as discussed below) articulation. While fair access should be absolutely core to what universities are doing, those additional places have provided the necessary catalyst for greater action, with 2,638 additional places being delivered for fair access since 2013/14. However, as we are in the final year of those additional places, we must look at how we carry them on in future, ensuring a place in education for all those with the potential to succeed. Equally, it must be noted that **those places have only been achievable through a transfer of funds from SFC to SAAS**, to cover the tuition fee grant and living cost bursary for those students, putting added pressure on the remaining resource budget.



The role of articulation in fair access

As the report noted, overall SFC spent £45m on various programmes to boost fair access – however, this does not just cover programmes to support direct access to university, but also efforts to boost articulation. As the most recently available figures show, **29% of students studying in college are from the 20% most deprived backgrounds**. For just those studying higher education in college the figure is 23%. As noted above, and in light of those figures, along with additional places for widening access, the SFC also introduced additional places for articulation. Since 2013/14, the SFC has funded 4,310 such places, boosting the numbers of students articulating from college to university.

That said, it is not just through these additional places that articulation activity occurs, and it is a distinctive feature of Scottish higher education. However, looking away from those funded places – which guarantee a student direct entry to university into the appropriate year – and as the Commission on Widening Access showed, it is incredibly disappointing that there continues to be huge disparities in work on articulation between our different types of university. Figures from the SFC show that:

- Overall, our ancient universities account for only 6% of students from the most deprived backgrounds moving from college to university;
- Making that figure even starker is the fact that, of those 113 students, 91 are made to start over again in first year ('progression only');
- A further 10 are made to duplicate a year of study ('advanced progression', typically this is HND students who are made to repeat 2nd year);
- Overall, across all institutions, 51% of articulating students are forced to repeat years of study – only 49% enter university from college at the year and level they should.

Articulation is a success story of Scottish education and fair access, but far from the complete success it should be. Instead, countless students (often from our most deprived backgrounds) are made to unfairly repeat years of study, taking on the extra debt, workload, and opportunity costs that comes with that duplication. That should be a matter of urgency to address, as it comes at a huge cost – to the student and also society as a whole. In light of continued pressures on SFC, university and college budgets, that is a huge waste of resource, as SFC essentially has to fund extra years of study and it takes up an extra university place that could otherwise have been accessed by someone else. We believe that must be addressed as a priority, and that must be a priority for universities.

Higher education support

As the report notes, following reforms in 2012, total student loan funding, from SAAS to students, increased from £174.6 million to £337 million. Those were reforms that were supported by NUS Scotland, as they were intended to significantly increase the amount of support available to students. While it cannot be escaped that this came through in the form of loans, rather than grants, worst of all would have been no increases at all. However, it is clear that – on the basis of various pieces of evidence since then, and now that the reforms have had time to bed-in, and we have seen the take up from students of these increased loans and the effects of various groups of students – they are reforms that we must revisit.



At the end of 2015, SAAS released its annual student support statistics, showing, among other things, the amount of grants, loans and fee payments being paid to students. At a top level, this showed that among those from lower household income brackets (those most in need of support, and also with access to higher levels of loan funding) there was a relatively large level of non-take up of loans. A FOI request to dig deeper into these figures raised a number of concerning findings about the number of students who do not take any loan. **The below shows the percentage of students studying degrees and HNC/HND programmes who do not take any student loan, broken down by household income bracket.**

Household income	Not taking a loan (%)	
	Degree	HNC/HND
Max bursary	5.97	8.77
Less than max	54.55	80.84
Up to £16,999	16.48	25.75
£17,000-23,999	16.62	25.66
£24,000-£33,999	16.64	27.27
£34,000 and above	28.57	47.27
Receiving no bursary	46.68	45.96
Total	36.10	33.35

These figures show that:

- Across all household income brackets, 36% of students do not take out any loan. Students studying higher education at college are less likely to take on a loan compared to those studying at university;
- In both the lowest household income bracket (up to £16,999) and the second lowest (£17,000-£23,999), 20% of students don't take any loan. Those figures rise to 26% of students, in each bracket respectively, who are studying higher education in college;
- Not taking any loan would see the amount of support a student in the lowest household income bracket receives drop from £7,625 per year (loan and bursary) to £1,875 (just bursary). In the second lowest, it falls from £6,875 to £1,125;
- 66% of mature students (those in receipt of the independent student's bursary) don't take out a loan. Any of these students with a household income of £17,000 and above receive no bursary support.

It was very welcome that Audit Scotland recommended that *“Scottish Government and Student Awards Agency Scotland (SAAS) should analyse existing student bursary and loan data to identify the impact of current student finance policies on different groups of students, such as those from deprived backgrounds or part-time students”*. Since then, we have the announcement, as part of the Scottish Government's Programme for Government, that there will be a comprehensive review of student support undertaken between autumn 2016 and autumn 2017, which we hope will address the issues identified in the audit.

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