



University and College Union

‘Further, higher, better’

**Submission to the government’s
second Comprehensive Spending
Review**

Section 23

23 Learner and student support

Further and adult education

Traditionally there has been little financial support for post-school learners outside of HE to pay either course fees, other support costs and maintenance. We welcome the announcement in the 2006 Budget of the right to free learning to the age of 25 and to a first full level 3 qualification, backed by adult learning grants to help with costs of living.

Although 16 to 25 education is now free for a first full level 3 qualification, adult learners have had to rely on a variety of sources of financial support for their studies. The unemployed and those on various benefits have enjoyed full remission of course fees in further and adult education. Colleges and institutions have had the right to remit all or part of the fees for those whose financial circumstances have acted as a barrier to participation. Many have been very generous with their fees policies - often to widen participation and sometimes to beat the competition. Since the incorporation of colleges, this has meant some financial loss, as course fees are assumed to cover at least parts of the costs of provision. The Learning and Skills Council, since its inception, has assumed that college fees represent 25% of the costs of delivery.

The government's declared policy is to change the balance of who pays for learning between the state, the employer and the individual. As research has shown that those with higher qualifications enjoy considerable wage premiums, the government has decided that public funds for post-school education and training should be directed at certain priority groups who have benefited least from previous educational experiences, have few qualifications that command a wage premium and who cannot be expected to invest heavily in their own learning, especially as any economic benefit from so doing would be fairly long-term.

Nevertheless the extension of free training to young people to level 3 up to the age of 25, still leaves large numbers of adults with level 3 qualifications and above - or their employers - increasingly expected to make a larger contribution to any learning. The fee assumption for those with level 3 qualifications and above has now been raised to 37.5% of the costs of a course, and the stated intention is to raise this assumption to 50%. To make the policies stick, the LSC has introduced individual fee income targets for colleges.

In adult and community learning, although the government has guaranteed a minimum national funding and some provision in every area, it now distinguishes between what it terms 1st Steps Provision - from which the learner is expected to progress to a programme leading to a qualification - and learning for personal and community learning, which is unaccredited. There are resources for this but they are limited, and learners - especially those with level 3 and above qualifications - are being expected to pay more, in some

areas a lot more, for their learning. Any fee remission has to be funded by the provider/authority from the general resources available to it. So too generous remission of fees can lead to a diminution in the programme offer. There must be concerns as to whether the rise in fees will impact negatively on adult participation in learning. Many employers have had a poor record paying for training, and it is unlikely that higher fees are going to help change this. The learners most likely to be adversely effected by the rise in fees are those in low waged employment. They are ones most likely to be participating in level 3 learning programmes, but also the least likely to be able to afford higher fees.

There are two mains ways that resources could be extended for adults:

- extending the entitlement to learning programmes, by extending the age for any level 3 entitlement from 25 to 30, and/or by extending the entitlement where there are regional/sectoral skills gaps at level 3 and above;
- introduction of income related loans to cover fees, as in HE.

Fees are one component - albeit a very important one - in the financial sums involved in learning. There are other key costs that the learner has to meet as part of their studies. These include:

- transport costs
- materials
- equipment and special clothing
- childcare costs
- maintenance

The position of financial support for young people has improved over recent years, especially with the national roll-out of income-contingent Educational Maintenance Allowances for 16-19 year olds. As national experience of EMAs grows, it will be important to analyse, evaluate and interrogate this to see what has worked, what could be improved and if more targeting is needed. The amount of EMA needs at least to keep abreast of inflation, if it is not increased in real terms.

Learner support for adults is a very different picture. Currently there are various forms of financial learner support, none of which are particularly successful. These have evolved separately with a variety of different delivery mechanisms; they don't represent a coherent system.

The major elements of financial support are:

- Learner support funds (LSF) including access, childcare, residential bursaries. There is national guidance but local flexibility. Criteria are focused on need especially financial. These funds are administered by colleges. The LSF budget in 2003-04 was £96.5m and supported 200,000 learners.

- Adult Learning Grant (ALG): for disadvantaged adult learners. We welcome the £11m provided for ALGs in the 2006 Budget. They have been piloted and there will be national coverage by 2007-8.¹²⁷ It may well be that with the entitlement being extended to level 3 for that age cohort, the ALG may be taken up by older learners. However at £30 per week, it is not sufficient to support a family if the principal wage earner is the learner.
- Career Development Loans (CDL): these are commercial loans with eligibility based on the course and ability to repay. Banks have the final decision. There is significant take-up for qualifications above level 3. Public subsidy goes to the cost of loan repayment postponement. The budget 2003-04 was £14.8m, for more than 17,000 learners.
- Learner Accounts for those undertaking level 3 programmes: these are being trialled.
- There is a range of other arrangements, including bursaries to adults on residential courses in specialist colleges.

Comment

The change in FE fees for adults, especially for higher level courses, means there will need to be close links to fees reform and forms of learner support. They have to be mutually reinforcing, so learner support is effective and targeted to help facilitate access to those most in need. The level 2 and level 3 entitlements may mean more demands on the learner support finance. Yet the national fee assumption increase may also mean that some may need more help than before.

Over the medium term, learner support will need to be better focused on discretionary funding, especially that supporting Skills Strategy priorities. It will need to be geared to increasing numbers completing and succeeding. The higher fees for those outside priority groups must not be a serious access barrier. What will be required is a coherent easily understandable system that provides information about the range of available financial support, and speedy assessment of support in specific circumstances without unnecessary bureaucracy.

The Learner Support Funds currently are the main source of financial support currently. The criteria for its allocation is primarily financial need. In the future, Skills Strategy priorities will mean there are more learners receiving support, so they should need less from discretionary assistance. However there may be more demand from learners outside the priority areas who are low-waged and low-skilled.

Even within the context of the Government's rebalancing of contributions and prioritising public funding to the most needy, there will remain individuals who need assistance to pursue their choices in learning. One way may be to

support those already qualified learners through loans, especially where the rate of return from additional qualifications is high. The current Career Development Loans scheme could be developed to better support the Skills Strategy. There are a number of options, including a tiered system of support loans, with a sliding scale to help priority groups. Loans could - and perhaps should - be limited to those undertaking training with providers assessed by LSC Quality Assurance processes.

At present all schemes for financial support for adult learners are administered separately. There would be clear advantages in linking their administration. Over the long term, there should be a move to develop a system where learners need supply their details only once. One system could assess a learner's previous learning career - including qualifications, learner financial means, whether they are automatically eligible for financial support and/or whether they are eligible for any discretionary support. This would best be linked through a Unique Learner Number.

Higher education

In England in 2006-7, means-tested maintenance grants will be available for full-time undergraduates, up to £2,700. Maintenance loans will be available up to £6,170, and fee loans will be available up to £3,000. In Wales, Welsh-domiciled students choosing to study in Wales will be eligible for a £1,800 tuition fee grant from 2007-8. The Welsh Assembly learning grant will provide maintenance support of up to £2,700 for eligible Welsh students. Maintenance loans will be available. From 2007-8, a national bursary scheme will be introduced for students attending HE institutions in Wales. Scottish-domiciled students studying in Scotland get means-tested loans towards living costs. Young students from low-income families receive part of their living cost in the form of a non-repayable bursary (maximum in 2005-6: £2,395)

In October 2005 the Department for Education and Skills announced that the maximum financial support for part-time students in higher education in England, studying at 50% intensity of a full-time course, would rise from £590 to £750 a year. Maximum support for students studying at 75% intensity would rise from £885 to £1,125 year. Means-tested course grants are available for eligible students to a maximum of £250 a year. In November an additional package of £40m for 2006-7 and 2007-8 was announced to widen part-time participation among the most under-represented social groups in higher education.

In higher education, commentators from the sector agree that highly variable levels of bursary and scholarship support will impact both on students and institutions.

Pam Tatlow, Chief Executive of Campaigning for Mainstream Universities (CMU), commenting on the first annual report from OFFA, said: 'The report confirms that some students will receive ten times more bursary support each year than others with the same family income depending on where they study. This is an inevitable consequence of the market which the Government

promoted by its support for variable bursary schemes rather than a national scheme and by ignoring warnings that many universities which were already excellent in widening participation, would inevitably have more students entitled to support.'

It is clearly in the interests of students that equitable support arrangements are on offer, and this is something the HE sector is not necessarily averse to. Giving evidence to the House of Commons Education and Skills Select Committee, in February 2005, Professor Driscoll, Vice Chancellor of Middlesex University, commented: 'The Russell group [of research-intensive universities] are prepared to agree that the grant should be top-sliced for the whole system in order to provide for a national bursary system. The estimates I have ... show that as much as 50% of the additional fee income will get diverted into bursaries and, secondly, that administrative costs could run to as much as three-quarters of a million [pounds]. This is iniquitous and it just adds to the problem of the diversity of funding that seems to be part of the current higher education system.'

Comment

Support arrangements must also encompass part-time students on an equitable basis – particularly if the government's 50% target is to be achieved. As previously stated, part-time students currently get less support on a pro-rata basis, and none at all if they study for less than 50% of a full-time course. Combined with the fact their fees are payable upfront, there is a significant bias in favour of full-time study.