

Response ID ANON-D5MK-2EAK-M

Submitted on 2015-05-29 10:36:59.218503

Respondent Profile

1 What is your name?

Name:

Robert Massey

2 What is your job title? (if applicable)

Job Title:

Deputy Executive Secretary

3 What is your email address?

Email:

rm@ras.org.uk

4 Please provide a telephone number.

Telephone Number:

02077343307

5 What is your organisation?

Organisation:

Royal Astronomical Society

Are you responding on behalf of your organisation or membership?

YES

Please tick a box from the list below that best describes your role or organisation?

Other (please describe)

Other (please describe):

Learned Society

Policy Objective - Postgraduate Taught Master's Study

1 Do you believe that access to finance is a significant barrier to progression into postgraduate taught Master's study?

YES

Please provide evidence to support your response. :

Out of a total of 3900 Fellows, the RAS has around 300 who work in the area of solid-Earth geophysics, covering both industry and academia. They note with concern the decline in enrolments on postgraduate courses (covered in the BIS document accompanying this consultation) and in particular on MSc courses in geophysics. According to our Fellows, there are now only two such courses in the UK (one in Aberdeen and one in Leeds).

With unregulated fees, no access to low-cost loans, and very little access to studentships in England at least, the burden of debt accrued during even a single year of study appears to be a serious disincentive for applicants, despite the good employment prospects after completion of these courses. In astronomy, students have been self-funded on MSc courses for a long time, so the new scheme could also enhance opportunities in this field.

2 Are there other barriers, other than access to finance, which in your view prohibits progression into postgraduate taught Master's study?

NO

Are there other barriers, other than access to finance, which in your view prohibits progression into postgraduate taught Master's study? Please provide reasons/ evidence to support your response.:

Other barriers are much less significant for well qualified students.

Loan Amount

3 Do you believe the availability of up to a £10,000 income contingent loan will increase an individual's likelihood to pursue postgraduate taught Master's study?

YES

If No to Q3, please provide reasons/ evidence to support your response.:

In common with other organisations, the RAS has raised the issue of financial support for MSc students in a number of forums, including with MPs in the last parliament. We firmly believe that, for eligible students, the proposed system is far less of a risk for applicants than if they have to rely on commercial loans. It does though still of course add to the cumulative debt for students who have existing undergraduate loans and BIS will need to monitor the impact of this over the years ahead.

4 Do you think £10,000 is the right amount to support individuals in undertaking study, while ensuring they have a stake in deciding whether studying a Master's degree is the right path for them?

NO

If no, what do you think the maximum loan amount should be and why?:

The unregulated system of fees makes it hard to recommend a 'right' amount for the level of loan available through the new system, as different institutions charge home / EU students anything between £3000 and £20000 each year (this is apparent from a cursory look at university websites). Students are likely to need to support their living costs in addition to tuition fees, so if we assume a median course cost of even £9000, the available loans will not be sufficient for many students.

With that in mind, a reasonable level of loan would be £15000, which would be comparable to the annual support on offer to undergraduates.

5 If yes to Q4, what proportion of £10,000 do you think an individual would seek to borrow, and why?

Please provide reasons/ evidence to support your response.:

6 Do you believe the availability of a £10,000 income contingent loan will have an impact or influence on the following:

Propensity to study a postgraduate taught Master's course over Other Postgraduate courses?:

YES

Propensity to study full-time over part-time?:

Propensity to study part-time over full-time?:

Rise in the level of postgraduate taught Master's course fees?:

YES

Please provide evidence to support your responses. :

If low cost loans are available for taught Master's courses, but not others, then it will presumably encourage applications to those programmes. The balance between full and part time enrolment will be influenced by the terms and conditions of the scheme. If loans are not available to part time students, then the new system may encourage full time enrolment. Whatever the structure of the scheme, if loans only pay for fees, then students without additional financial resources on both full and part time programmes are likely to need to cover living costs through employment.

The absence of regulation means that there is a serious risk of a rise in course fees to match the available funding. Universities argue that many course fees (particularly those in STEM subjects) do not cover the full costs of teaching, so raising funds through an increase in those fees could be an appealing option.

Contribution to costs

7 Do you think the proposed loan should be paid directly to the borrower, and the borrower should decide the balance they allocate between fees and maintenance?

NO

Please provide reasons/ evidence to support your response. :

This depends very much on the level of fee and the size of the available loan. If the loan is only sufficient for the course fee, then ensuring those funds go directly to the relevant higher education institution (HEI) at least makes the financial position of the students clear and ensures that the provider receives the income it requires.

8 If No to Q7, do you think a proportion of the loan should be limited to a fee loan which is paid directly to the course provider?

YES

Please provide reason/ evidence to support your response. :

As in question 7, this approach would allow better financial planning by both HEIs and students.

9 If Yes to Q8, how much of the £10,000 loan should be limited for the purpose of a fee loan?

More than 50%

Please provide reasons/ evidence to support your response.:

There seems no good reason to allow flexibility in this area. If students are enrolled on courses at a given cost, then the HEI provider will need early payment of the fees to ensure the effective operation of its programmes. £5000 (50% of the available loan) would not be sufficient to support the costs of many STEM courses, particularly those where students spend time in practical laboratory or fieldwork training.

10 What other sources of finance might an individual need or rely upon, as well as the proposed loan, to meet all the costs of pursuing postgraduate taught Master's study?

Please provide details/ evidence to support your response.:

If the loan is only sufficient to pay tuition fees, then many students will need to rely on sources of income such as personal savings and part time employment.

Individual eligibility

11 Which groups of individuals, in your view, experience finance as the main barrier to pursuing postgraduate taught Master's study? How best might they be defined and/or identified? Are the proposed eligibility criteria appropriate or should they be refined?

Please provide reasons/ evidence to support your response.:

12 Are there other ways of identifying individuals with financial need for the purposes of pursuing study at this level?

Please provide details and evidence to support your response.:

The largest piece of supporting evidence for this consultation was the survey in Annex 5 that looked at the motives of existing postgraduate students, the findings of which are used to justify the age cap for loans. This is surely a skewed methodology as it selects those who have elected to study postgraduate programmes, but in any case it still identified a significant number of mature students who had financial concerns. To quote table 19, "...across all age groups a broadly similar proportion of students say funding and support affected their decision to study." Table 4 states that 30% of students aged 31 and over say they are struggling financially, and table 7 states that 41% of students aged 26 and over see avoidance of debt as a factor in applying for commercial loans to support postgraduate study.

We were surprised that the authors of the report put less weight on potential applicants who were deterred from taking up courses for financial and other reasons, preferring to look at existing students who have overcome these barriers. Even so, the 2014 Intentions After Graduation Survey that is quoted in the BIS paper acknowledges that "Additional financial support is by far the most cited response, mentioned by around 60% of all students" as an inducement for those currently unlikely to consider postgraduate study.

All this suggests that a significant number of mature students are being deterred by financial considerations. The proposal to restrict the availability of loans to students under 30 therefore seems to rest on a partial interpretation of the evidence base.

Institutional eligibility

13 Do you think that institutional eligibility should be restricted to HEFCE fundable institutions and Alternative Providers who have obtained Degree Awarding Powers?

14 If No to Q13, which other institutions and providers should be additionally included for eligibility?

Please provide reasons/ evidence to support your response.:

15 What quality and assurance arrangements should be put in place for institutions and providers who are not HEFCE fundable institutions, or Alternative Providers without Degree Awarding Powers, to ensure standards and quality?

Please provide reason/evidence to support your response. :

Fee inflation

16 Do you believe the availability of up to a £10,000 loan would result in excessive course fee inflation?

YES

Please provide reasons/evidence to support your response. :

When full cost tuition fees were introduced in England in 2011, the Government assumed that HEIs would elect to charge an average of £6000 per annum. In the event, the overwhelming majority of universities moved to charge close to £9000 per annum, the maximum fee, as they argued that this was the only way to cover their teaching costs. There is no reason to believe, particularly in an unregulated system, that HEIs will not increase lower cost fees to match the loans available to UK / EU students.

17 If Yes to Q16, do you agree that the Government should look at mechanisms to safeguard against rapid and excessive course fee inflation, and how should it be assessed?

Please provide reasons to support your response. :

Yes, for the reasons outlined in Q. 16. Assessing changes in fees will require an effective data gathering and monitoring system.

18 If Yes to Q17, what safeguards should be applied against rapid and excessive fee inflation, and how should this be monitored?

Please provide reasons to support your response. :

The Society believes that the Government should regulate course fees by allocating a proportion of the loan to fees and a portion to living expenses. With a cap on the loan, if this becomes the usual form of financial support for students, then institutions will be less likely to attempt to increase fees beyond that level.

Course eligibility

19 Do you agree with the description of postgraduate taught Master's courses provided?

If No to Q19, please give reasons/evidence for your response. :

20 Are there any other postgraduate courses, particularly professional qualifications, that you feel would be excluded from the description of eligible courses which you think are particularly important to the economy?

If Yes to Q20, please provide reasons/evidence to support your response. :

Course intensity

21 Are there instances where a further reduced study period - of less than 50% intensity - should be considered for pro-rata loan eligibility?

YES

Please provide reasons/evidence to support your response. :

Institutions like the Open University, which has a large number of part time students, aim to recruit students from lower income backgrounds, including those who are changing career or pursuing advanced study later in life. At least some of these students have low household incomes and will need to remain in employment, so cannot commit to higher intensity programmes. Those on low incomes will still depend on access to loans to cover their teaching costs.

Loan distribution

22 Do you agree that the loan should be paid to the borrower in instalments across the academic year?

Please give reasons/evidence to support your response. :

23 Do you think confirmation of attendance is an appropriate trigger to release the loan to the borrower?

Please give reasons/evidence to support your response. :

Repayment terms

24 Do you think this is the right balance of repayment terms to achieve an affordable scheme for borrowers whilst also meeting the principle of individuals repaying in full?

Please provide reasons/evidence to support your response. :

25 If No to Q24, which repayment terms would you recommend be made more generous, and which less generous in order to offset this?

Please provide reasons/evidence to support your recommendations.:

Other wider implications

26 Are there other issues Government should be aware of, which would impact on the take-up of this proposed loan by those with any of the protected characteristics, and what steps might Government take to mitigate any negative impact?

YES

Please give reasons/evidence for your response. :

Parents and those with caring responsibilities are a group that may defer postgraduate study until beyond the age of 30. This is likely to discriminate against women in particular, as they are still far more likely than men to take on this role (see for example the 2011 report by the Equality and Human Rights Commission, which indicated that 82% of men with dependent children worked full time, compared with 30% of women). We therefore argue that the Government should remove the age cap for loan eligibility.

27 What other sources of support could be offered to learners who would not be eligible for the new postgraduate loan?

Please give reasons/evidence for your response. :

If learners are not eligible for the new loan, then less generous alternatives are unlikely to encourage them to apply for courses. Someone over the age of 30 with a family and without the means to pay course fees upfront is unlikely to take on the risk of a fully commercial loan.

Impact on employers and business

28 Course eligibility - Are there any other postgraduate courses, particularly professional qualifications, that you feel would be excluded from the definition of eligible courses which you think are particularly important to the economy?

If Yes, please list them and provide reasons/evidence to support your response.:

29 Contribution to costs - Based on the contribution to costs principle, are there features of the proposed loan scheme that you feel could be changed or enhanced that would encourage you as an employer or business to meet and/or contribute to your employees undertaking a postgraduate taught Master's course?

30 If Yes to Q29, which of the following features would you change/enhance:

Please provide reasons to support your response. :

31 Balance of benefits - Do employers agree, that given the access to skills that employers tell Government they need, this new loan proposal offers advantages to not only individuals but also to employers?

Please provide reasons/evidence to support your response. :

32 Do employers think that making changes to payroll systems to deduct postgraduate loan repayments will cost their business?

33 If yes to Q32, is the impact to the changes required likely to be in the following areas:

Please provide further details/ information to support your response.:

34 Repayments - What new challenges, if any, do employers think administering this new loan scheme would present for them, and how might Government mitigate these?

Please provide reasons/evidence to support your response.:

Review of Support for Postgraduate Research Students

1 How can we broaden and strengthen support for postgraduate research students and excellent postgraduate research?

Please give specific examples and evidence where possible.:

A straightforward way to do this would be to increase the number of PhD studentships supported by RCUK. Particularly in astronomy, PhD students are a major part of the research workforce.

2 Is there unmet demand for postgraduate research skills and qualifications amongst employers and potential students?

If so, please provide evidence.:

3 How can we attract and retain top research talent in the UK? What is the impact of the availability and level of individual stipends, and other factors such as postdoctoral opportunities? Does this vary across subjects?

Please provide evidence.:

Partnering to Support Postgraduate Research Students

4 How could the Government further develop partnerships with industrial and charitable partners to leverage public sector funding to support postgraduate research?

Please give specific examples and evidence where possible.:

5 How could the Government link with existing funding mechanisms and finance platforms and/or support new or innovative approaches?

Please give specific examples.:

Income Contingent Loans to Support Postgraduate Research Students

6 Would the availability of a £25,000 loan influence a student's decision to pursue postgraduate research study or the location of study?

Please give your views on the loan amount and any other factors that may influence a student's decision.

Please provide further details/ information to support your response.:

The RAS believes that a loan of this kind would not have a significant positive impact and instead would likely reduce applications for PhDs in STEM subjects. We oppose the introduction of loans for PhD students, and strongly support the continuation of fully-funded studentships from research councils and universities, giving students stability and a reasonable level of income.

BIS may find a new self-funded scheme of this kind attractive, but we believe it would deter a very large number of applicants, who will already have incurred large debts from their undergraduate courses and will not want to double that burden. (This is clearly also a risk for MSc students, but there are now very few

studentships in Master's courses in our areas of interest, so the new scheme at least offers some support where none exists at present.) The overwhelming majority of PhD graduates move out of academia into other careers, so if the supply of PhD students decreases, it will cut off a flow of highly skilled people into the wider economy.

7 Should we prioritise specific subjects where the scientific and economic case is strongest, or instead provide broad support to all subjects, even if this means capping the total number of loans or offering them on less generous terms? If we prioritise certain subjects, how should we go about it?

Please give specific examples and evidence where possible::

8 How can we ensure loans complement existing funding mechanisms, maintaining a focus on the most excellent research and on linking with external funding?

Please provide further details/ information to support your response::

9 How can we minimise complexity for Higher Education Institutions and for employers?

Please provide further details/ information to support your response::

10 Is there anything else we should take into consideration?

Please provide evidence::

Though this is outside the main scope of the consultation, the new loan scheme does not cover students in Wales, Scotland and Northern Ireland, as HE is a devolved matter. The Society will make representations to the devolved governments on this and asks BIS to consider how the relevant bodies in the different nations can cooperate on postgraduate provision. This contrasts with STEM PhD courses, where RCUK stipends are available across the UK.