

## Performance and Resources Committee Meeting

Date of Meeting	Friday 1 December 2017
Paper Title	Student Funding
Agenda Item	13
Paper Number	PRC2-J
Responsible Officer	Jim Godfrey, Interim Finance and Resources Director
Status	Disclosable
Action	For Noting

### 1. Report Purpose

- 1.1. To update the Committee on the recent developments in respect of student funding.

### 2. Recommendations

- 2.1. The Committee is asked to;

- **note** the out-turn figures for student funding in 2016-17,
- **note** the additional student funding request for 2017-18,
- **request** that the student funds are monitored and that a progress report is presented to the next meeting of this committee, and
- **note** the recommendations of the Independent Review of Student Support and request that a further update is provided, once the Scottish Government has considered these recommendations.

### 3. Background

- 3.1. The Scottish Funding Council issued a Call for Information on 17 October 2017. The Call for Information invited colleges to relinquish unspent student support funds or request an increase to their student support allocations for the academic year 2017-18. A copy is available via the following link:

[http://www.sfc.ac.uk/web/FILES/callsforinformation\\_sfcci082017/SFCCI082017\\_Student\\_Support\\_IYR\\_2017-18\\_Call\\_for\\_information.pdf](http://www.sfc.ac.uk/web/FILES/callsforinformation_sfcci082017/SFCCI082017_Student_Support_IYR_2017-18_Call_for_information.pdf)

- 3.2. An independent review of Student Funding was commissioned by the Scottish Government and the final report was published in November 2017. This review proposes some significant changes to the current arrangements and the Scottish Government is now considering these proposals. A copy of the full report is available via the following link:

[http://www.gov.scot/Publications/2017/11/3884?\\_ga=2.196131820.1795612737.1511359429-1491431551.1511359427](http://www.gov.scot/Publications/2017/11/3884?_ga=2.196131820.1795612737.1511359429-1491431551.1511359427)

#### 4. Report – Student Support Funds 2016-17

- 4.1. In November 2017, SFC provided a summary of the actual spend<sup>1</sup> by the colleges for 2016/17. The information contained in the summary preceded the audit of student support funds and it is possible that there will be some further changes as a result of the audit. During the financial year 2016-17, colleges requested, and were granted additional funds to meet demand. The original allocation, in-year re-distribution and actual spend for each college is shown in the following table:

College	Original Allocation (£000)	In-year request & distribution (£000)	Total Allocation (£000)	Spend (FES) (£000)	(Under-) /Over-spend (£000)
City of Glasgow College	£8,040	£87	£8,127	£8,064	(£63)
Glasgow Clyde College	£8,951	£230	£9,181	£9,175	(£6)
Glasgow Kelvin College	£4,372	£530	£4,902	£4,567	(£335)
<b>Total</b>	<b>£21,363</b>	<b>£ 847</b>	<b>£22,210</b>	<b>£21,806</b>	<b>(£ 404)</b>

- 4.2. The under-spend of £404,000 is significant and represents 47.7% of the additional funds requested. A pattern of high in-year requests followed by a significant underspend reduces confidence in the forecast predictions.

- 4.3. The Committee is asked to note the out-turn figures for student funding in 2016-17.

#### 5. Report – Call for Information, Student Support Funds 2017-18

- 5.1. For 2017-18, the SFC is again providing the opportunity for a re-distribution of funds between colleges and regions. There is also an opportunity to re-distribute funds within the Glasgow Region prior to applying for/relinquishing funds externally.
- 5.2. The three colleges have provided a return to GCRB indicating that they do not have surplus funds to relinquish and are all requesting additional funds for 2017-18. The original funds allocated, and the additional requests, are shown in the following table:

College	Original Allocation 2017-18 (£000)	In-year request 2017-18 (£000)	Possible revised total 2017-18 (£000)	Spend (FES) 2016-17 (£000)	Increase compared to previous year spend (£000)	
City of Glasgow College	£8,287	£301	£8,588	£8,064	£524	6.5%
Glasgow Clyde College	£9,090	£314	£9,404	£9,175	£229	2.5%
Glasgow Kelvin College	£4,569	£650	£5,219	£4,567	£652	14.2%
<b>Total</b>	<b>£21,946</b>	<b>£1,265</b>	<b>£23,211</b>	<b>£21,806</b>	<b>£1,405</b>	<b>6.4%</b>

<sup>1</sup> Reported via the FES returns submitted by the Colleges

- 5.3. In recent years, the requests for additional funds have usually been met in full. However, it may be necessary to determine the method for distribution of funds if the amount allocated to the region is less than that requested by the Colleges.
- 5.4. Regular monitoring of the revised forecasts during the financial year provides an opportunity to redistribute funds between the Colleges.
- 5.5. The Committee is asked to:
- note the additional funding request for 2017-18
  - request that the funds are monitored and that a progress report is presented to the next meeting of this committee

## 6. Report – Independent Review of Student Financial Support in Scotland

- 6.1. The Scottish Government commissioned an independent review of student support. The review was led by Jayne-Anne Gadhia and supported by a Review Board. The review was completed in November 2017 and the final report produced. The report sets out a number of recommendations that could, if accepted by the Scottish Government, have a significant impact on student funding. The recommendations are outlined below:

### Fair funding

- Entitlement to a Minimum Student Income of £8,100 in both further and higher education
- Delivered through a mix of bursaries and student loans, with means-testing of bursaries to target support for those from the poorest backgrounds
- Student loans available in further education
- Further education loans written off in full for those transitioning from further to higher education
- Student loan terms enhanced by: – Repayment threshold being increased to £22,000 – Write-off period for student loans being shortened from 35 to 30 years – Low interest rates continuing (lowest of RPI or 1% above Bank of England base rate)

### Parity

- Common funding system across further and higher education, with local face-to-face support
- Common data system and a central budget for student support
- Flexibility for students around when they would receive financial support

### Clarity

- A single, centralised online portal to provide information to all students
- Consistent guidance and communications for prospective students of all ages, parents and carers
- Local support to help students navigate the system, especially those with more specialist needs
- These recommendations are complemented by a proposed special support payment for students on benefits in further and higher education, similar to the approach already taken in England, Wales and Northern Ireland

#### Costs to implement

- To support the introduction of student loans in further education, the Scottish Government should provide an equal split of bursaries and loans for the poorest students in further education
- This would provide an immediate and meaningful improvement in funding to students and would cost an additional £16m per year
- There are other options, some of which would cost less and some more

**6.2.** The Committee is asked to note the recommendations of the review and request that a further update is provided, once the Scottish Government has considered the recommendations.

### **7. Risk Analysis**

**7.1.** There is a risk that student funding poses a threat to the financial sustainability of the colleges. The reason for this is that colleges are required to meet the cost of providing student funding but the level of grant income is fixed. Therefore, any overspend has to be met from other college income and, as a result, there may be a tendency to overstate the income required to mitigate this risk. However, if additional funds are requested, but are then not required, there could be a reduction in confidence in the financial forecast provided.

**7.2.** The review of student funding recommends a number of wide-ranging changes. If implemented, this will result in significant change to the student funding landscape. It is anticipated that the changes will have a positive impact on learners but there are also potential implications for colleges and their funding teams.

### **8. Legal Implications**

**8.1.** There are no specific legal implications associated with this report.

### **9. Resource Implications**

**9.1.** There are no direct financial implications for GCRB. The financial implications for the colleges are set out in the report above.

### **10. Strategic Plan Implications**

**10.1.** There is a clear link between the regional strategic ambition of widening access to college learning and student funding. This report informs the Board of recent developments in the area of student funding.