

Reforming healthcare education funding: creating a sustainable future workforce

**National Union of Students
response**

June 2016

Introduction

The National Union of Students (NUS) is a voluntary membership organisation which makes a real difference to the lives of students and its member students' unions. We are a confederation of 600 students' unions, amounting to more than 95 per cent of all higher and further education unions in the UK. Through our member students' unions, we represent the interests of more than seven million students, including the vast majority of students undertaking healthcare courses.

NUS implacably opposes the Government's decision to scrap the NHS bursary for nursing, midwifery and allied health professional bodies and replace it with a system of tuition fees and student loans. We have taken this position following extensive discussions with our member students' unions and healthcare students; the proposals are also opposed by a large number of trade unions and health professional bodies including Unison, the Royal College of Nursing, the Royal College of Midwives, the British Medical Association and the British Dental Association. We share a common concern for health and social care in England in general and the wellbeing of the NHS in particular, and a firm conviction that these proposals risk far more harm than good.

The Department has sought to downplay the extent of the change these reforms represent. The reforms end the principle of free education for healthcare students, increase the student loan debt for the poorest healthcare students by seven times or more, and ends the role that the NHS (via Health Education England) plays in managing the supply of its own healthcare professionals. The Department is casually exchanging a system that recognises the value of these professionals and which, at its best, enables careful planning to meet the needs of the NHS, to one which leaves everything to market forces and simply assumes it will all turn out fine. It is no way to run a health service.

We believe everyone stands to lose: students, universities, the Government, the NHS and, most importantly, patients. In holding this consultation exercise, the Department of Health states it does not wish to hear why we, or any other organisation, oppose these proposals, only how best to implement them. However, given the potential impact on students and patients we feel it is imperative for the Department to understand our concerns and think again about the proposals before it is too late.

Our response

In preparing our response we have consulted extensively with our member students' unions, in particular those with healthcare student populations. This has included a roundtable event attended by representatives from these students' unions and input from individual healthcare students, including the grassroots campaign group Bursary or Bust. In addition, we have worked closely on this issue with a number of partner organisations including Unison, the Royal College of Nursing, the Royal College of Midwives, the British Dental Association, the British Medical Association and the Society of Chiropractors and Podiatrists. With Unison, we commissioned London Economics to undertake a detailed analysis of the proposals to inform our response, and the findings are discussed below.

Our response is in two main sections. We begin with an overall analysis of the reforms which details our reasons for opposing the reforms. The Department has chosen to consult on the implementation of its chosen option rather than on the principle but given the potential impact we feel it is vital for the Department to understand why students, students' unions and NUS are so opposed to the changes, and the dangers we believe the Department has failed so far to recognise. The second section responds to the specific questions in the consultation document in that wider context.

We strongly urge the Department to consider all of our comments and concerns, to admit that the decision to scrap the bursary has been in error and to engage with students, their representatives, universities and the wider health and education sectors to identify an alternative.

Section 1 – overall analysis

The weak economic case for reform

The stated rationale for the proposals is to increase student numbers, increase funding for institutions and reduce Government expenditure. The evidence that these reforms will achieve any, let alone all, of these objectives is flimsy, and there is a significant risks that, far from achieving these goals, the reforms may in fact exacerbate staffing shortages and funding pressures, with a consequent impact on patient safety.

It is clear that shifting the system from one where student loan debt would amount to around £7,500 for a three year course to well in excess of £51,000 in total must have some impact. The Department failed to provide adequate analysis of this impact, so to inform our consultation responses, Unison and NUS commissioned independent economic analysis by London Economics (LE)¹. LE are a respected organisation who have conducted similar work on other reforms to health and higher education; amongst other matters, they were able to identify the cost of the new higher education finance system introduced in 2012 would be far more expensive than the Government had first predicted².

LE have developed detailed statistical models and analysed other evidence to find that, in summary:

- given the impact of such an unprecedented percentage increase in the cost of a course, and the student profile of those who undertake healthcare courses, the proposals will vastly increase the debt levels of **students**, and even with a relatively conservative estimate of demand elasticity will reduce the demand for healthcare courses such that not only will the additional graduates fail to materialise, but current supply may not be sustained;
- that given this reduction in demand, and the costs of providing support via agreements with the Office for Fair Access, the additional income for **institutions** may not be realised – and with the addition of the inferred encouragement of greater competition between institutions, some may find courses become unviable; and
- that the cost to **Government** arising from a far higher RAB³ charge for healthcare students, again related to the student profile involved, coupled with greater reliance on agency staff by the NHS as it seeks to make good the shortages in qualified staff, risks eliminating any savings to the public purse.

The detailed analysis, including the basis for the statistical models and illustrations of the impact, can be found in the reports. What these findings show is that these proposed reforms, far from solving the problems the Department identifies, there is a strong risk the reforms will fail and in fact make those problems worse. As such, the economic case for the reforms is weak, the risks are clear, and it is simply reckless for the Department to pursue these changes.

The social value of healthcare education

As much as the economic case for these reforms is highly questionable, economics is not the only reason we oppose the proposals so strongly. There is a well-recognised social value to a number of aspects of these courses: in higher education in general and in educating future healthcare professionals in particular; in ensuring the system works so that the individuals entering the

¹ The London Economics report, plus an addendum responding to one critique of their findings, will be submitted alongside this consultation response. The reports can also be found at the following links:
<http://londoneconomics.co.uk/wp-content/uploads/2016/05/UNISON-NUS-Report-Nurse-fees-and-funding-24-05-2016-FINAL-VERSION-LONDON-ECONOMICS.pdf>
<http://londoneconomics.co.uk/blog/publication/the-impact-of-the-2015-comprehensive-spending-review-on-higher-education-fees-and-funding-arrangements-in-subjects-allied-to-medicine-june-2016/>

² See: www.timeshighereducation.com/news/cost-of-new-fee-regime-may-soon-exceed-the-old/2012146.article

³ Resource, accounting and budgeting charge, which broadly quantifies the loss to Government on the student loans made because of write-offs after 30 years or at death

profession reflect the communities they serve; and in ensuring the service they give to the NHS and other health and social care settings during their training as well as following qualification is adequately recognised.

These proposals fail to recognise this value, actively undermine those objectives, and instead the Department will commodify healthcare education and place students in a position of having to pay very significant sums despite the NHS and other providers relying on them to make a significant contribution to patient care via their placements.

For nursing students, as an example, this amounts to 2,300 hours over the three years of the course – well over one year's work in aggregate, if an individual worked 40 hours a week without holidays. Very often these placements involve overnight or weekend shifts and significant amounts of travel, especially in more rural areas. In some cases, students have to arrange temporary accommodation as their placement is too far away for an ordinary commute.

To be clear, healthcare students on placement form part of the workforce. Though they are in theory 'supernumerary' to the minimum staffing requirements of a given clinical setting, the practice can be very different, and in any event healthcare students carry out a number of tasks in support of their registered colleagues. In many instances, they will be acting to support patients at some of the most sensitive moments in their lives, from birth to death. The great majority of the students we have consulted believe that the introduction of fees is tantamount to having to pay to work, and so deeply unfair and unjust. This is one of the most obvious ways in which healthcare students are different to those on many other programmes and the social value of their education so necessary to recognise.

Nor will the vast majority of healthcare graduates go on to earn very high salaries: the starting salary for a nurse is £21,692, and the average salary overall is around £30,000. Students do not enter healthcare professions for high salaries but because they want to provide excellent care. The psychology involved should not be underestimated: charging fees of £9,000 a year, plus loans for maintenance, for courses during which students are expected to work in health and social care settings for over a year in total, will cause some to question whether the cost is worth the gain.

This highlights a further significant concern. For NUS, the social value of education is so great we believe in the principle of free education for all in further and higher education, healthcare students included. Society benefits from a well-qualified population regardless of an individual's specific discipline, and the investment in education should reflect this. In the case of healthcare students that benefit is even more evident and the investment all the more necessary.

Healthcare students and debt

Students on healthcare courses have different characteristics to the 'typical' student. As the Department's own equality impact analysis notes, they are in particular significantly more likely to be women and to be mature students. They are also more likely to have children of their own. They are also much more likely to be from poorer backgrounds than the 'typical' higher education student. All of this is a reflection of the strength of healthcare education and its attraction to those from groups otherwise less likely to take up higher education. We agree that the current bursary system does not provide adequate funding for study for far too many students – but as the reforms increase student debt levels so significantly, and because students will rely entirely on debt for living costs, the Department risks undermining access precisely because of the student profile concerned.

First, the regressive impact of the abolition of maintenance grants in the BIS system should be acknowledged. Grants have been replaced by higher student loans, but these are means-tested, so

that the poorest students will graduate with much higher student loan debts. For students who can claim benefits during study, and who could previously claim the special support grant, an even higher loan amount is available – meaning the most vulnerable of all students will have the highest debts of all, all the more so if they study in London. Worse still, the impact of the changes will mean these students could be thousands of pounds worse off compared with the NHS bursary system – for the detail of this see our answer to question 4 below.

Most of the evidence on debt and its impact on students has not looked at NHS-funded or healthcare students specifically. Nevertheless, the availability of non-repayable grants and the prospect of debt is linked to participation and with the characteristics more prominent amongst healthcare students or who are important if the professions are to reflect society at large. For example, research shows that debt deters poorer students more⁴, and debt particularly deters groups such as lone parents, BME students and Muslim students from entering higher education⁵. We have had Muslim students tell us they have taken up healthcare courses because it avoids student loan debt they consider problematic: although the Government has committed to an alternative student support system which meets some of these concerns, it is not yet in statute and almost certainly will not be ready by the time the Department intends the new rules for healthcare funding will be in place.

We have seen some of the most serious effects of this deterrence in mature and part-time higher education. Mature student applicants fell sharply in 2012 and still have not recovered to the levels seen in 2010 or 2011⁶. Meanwhile, part-time undergraduate student numbers have plummeted since fees rose in 2012 and have yet to show signs of recovery⁷. It is no coincidence that part-time students are overwhelmingly mature. Meanwhile, in further education, the removal of much of the direct funding for adult learning and the introduction of advanced learning loans has resulted in a drop in adult learner numbers in recent years⁸. Indeed, given that many mature learners come through further education before taking up their healthcare degree this is already a threat to the ability of healthcare courses to attract suitably qualified applicants.

Debt has further negative impacts on students who do pursue a course of study: most notably in their propensity to take up excessive part-time work. There is a clear association between part-time work and attainment: students working 15 hours a week are a third less likely to get a good degree than a similar student who did not work⁹.

A UUK study in 2005¹⁰ found that a large minority of HE students (28 per cent) were working to avoid or reduce debt:

“Sixteen per cent were working to avoid taking out a student loan altogether. Reducing the amount of loan via this method was a much more important reason for minority ethnic students, Muslim students, students living with their family, and those studying in London. Such students seemed to be trading time for money.”

⁴ See, for example:

[http://eprints.lse.ac.uk/21010/2/Does_the_fear_of_debt_deter_students_from_higher_education_\(LSERO\).pdf](http://eprints.lse.ac.uk/21010/2/Does_the_fear_of_debt_deter_students_from_higher_education_(LSERO).pdf)

⁵ <http://www1.lsbu.ac.uk/ahs/downloads/families/familieswp9.pdf>

⁶ See UCAS figures: www.ucas.com/sites/default/files/app_level_report_2015-dr2_011_04.pdf

⁷ See HESA figures: <https://www.hesa.ac.uk/sfr224>

⁸ See SFA figures:

www.gov.uk/government/uploads/system/uploads/attachment_data/file/513851/SFR_commentary_March_2016_QAR_Update.pdf

⁹ www.tandfonline.com/doi/abs/10.1080/02680930801924490?journalCode=tdep20

¹⁰ See p9: http://dera.ioe.ac.uk/5866/1/rd15_05.pdf

The Department of Health's own literature review in 2009¹¹ concluded that bursaries reduced the amount of part-time work undertaken by non-traditional students, and that:

"There is evidence that more healthcare students undertake term time working than students generally... The majority of evidence suggests that students – including healthcare students – work to pay for essentials such as accommodation, travel and childcare costs and/or to avoid debt."

Excessive working will affect the ability of students to concentrate on their degree courses, potentially increasing attrition and reducing attainment, contributing to the recruitment crisis and reducing patient safety.

The Government has also damaged its own case in respect of student loans as an adequate solution by freezing the student loan repayment threshold from 2016 for all students who have started their courses since 2012 – a decision which affects women and BME graduates most. Having reassured students that there is no 'risk' to student loan debt as repayments only begin once earnings exceed a certain level, changing the repayment conditions it promised would be in place without has undermined trust in the system as a whole. How can graduates be certain the repayment conditions will not be made worse in the future?

From participation to graduation, debt has an impact on students, and on the groups of students who are more likely to take up healthcare courses. By contrast, grants have been shown to increase participation by 3.95% for £1,000 of grant¹². For these reasons the Department must think again about these reforms.

These reforms are different

The Department states it is confident the reforms will be successful on the basis that participation has increased for other undergraduates since 2012, despite the increase in fees and loan balances. As we have outlined in the section above, this is not wholly the case, particularly for mature and part-time students.

The Department ignores two other key issues which together mean this change cannot be directly compared to 2012: first, the number of 18-year-olds in the population is in steady decline until 2020¹³, meaning fewer younger students available to take up higher education courses. Second, the scale of this change is far greater: these reforms represent a shift in funding which was brought in over four different major reforms for other undergraduate programmes over 18 years. On every occasion fees were increased there was a decline in applications for at least one year and it defies belief that there will not be a similar effect now, made all the more significant by the other factors at play.

The differences in the student profile of healthcare students, in the context of the reforms and in the scale of the reforms suggests the impact on demand for higher education could be far greater than the Department asserts.

In addition, we now know that the reforms take place against the backdrop of the vote to leave the European Union following the June referendum. This may, in future, mean far fewer EU students taking up courses and provides even greater reason to act with caution before making changes.

¹¹ Available on the National Archives website, see p7: http://webarchive.nationalarchives.gov.uk/20130107105354/http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/DH_101614?IdcService=GET_FILE&dID=198932&Rendition=Web

¹² <http://www.sciencedirect.com/science/article/pii/S0272775714000910>

¹³ See HEPI: <http://www.hepi.ac.uk/wp-content/uploads/2014/02/39DemandforHEto2029summary.doc>

Weak or non-existent evidence

The Department's analysis of the impact of these reforms is in general insufficiently rigorous: evidence is weak or absent, and the scope of the analysis far too narrow. The equality impact assessment, for example, looks only at the effect of debt on participation and not on retention or success.

A particularly troubling aspect of the evidence base is the forecast for the number of new healthcare students the reforms purport to generate over the remainder of the Parliament. The consultation document states the proposals would mean: "an end to the unfairness in the current system which sees two out of three nursing applicants being turned down for a nurse training place on the basis of funding rather than ability." For this reason, the Department claims that the reforms will mean a total of 10,000 extra places by the end of the Parliament.

We have sought in vain to understand the evidence – if there is any – on which the 10,000 figure is based. The economic impact analysis provided with the consultation document says only that, "based on historical evidence on numbers of commissioned places, it has been estimated that an additional 10,000 places might be made available by the end of this parliament." This gnostic statement does little to explain how this figure has been calculated, and we are concerned that it has been cited without any real evidence to support its use.

It is certainly not the case that two out of three nursing applicants are turned down on the basis of funding. As the Department knows, the application process for healthcare courses is, rightly, more stringent than for many other degree courses. The application numbers it cites includes those who apply but who are not deemed suitable for one or more of a number of reasons: on academic grounds, or because they do not meet the criteria set out in the 'value-based recruitment' framework, or pass a DBS check, or a literacy or numeracy test, or who are not regarded as suitable following an interview. A Freedom of Information request by Unison to universities suggests that only around 18 per cent of applications are from suitably qualified applicants¹⁴.

In light of these findings, the Government's rationale is based at least in part on a highly flawed statistic. We are very concerned that other contentions are based on equally weak evidence.

Inadequate consultation and risk assessment

The reform process as a whole has been deeply flawed. It is unacceptable and wrong for the Department to announce it will abolish bursaries without any prior consultation with students, their representatives, or healthcare professional bodies whatsoever. Worse still, since the announcement there has been desperately little engagement with any of these groups by the Department. The consultation exercise focuses solely on implementation not principle, and, as we have outlined, is accompanied by inadequate and incomplete impact assessments. The impact on students with children is underplayed and there is a total failure to quantify the impact on students claiming benefits, although the reforms may leave them worse off overall.

Neither the consultation document nor the accompanying impact assessments make any attempt to quantify the risk of the proposals failing on their own terms, still less suggest any mitigations that may be put in place. Given the clear risks set out in this consultation response it is an abrogation of the Department's duty to the public to press ahead with the reforms without creating and publishing a risk assessment, and allowing public scrutiny of the mitigations proposed.

¹⁴ For more details see footnote 3 in the second London Economics report

The alternative

In opposing these reforms we are not making the case that the present NHS bursary system is perfect – successive NUS reports, as well as research conducted by trade unions and health professional bodies, evidence that healthcare students struggle with finances, and need more support during their studies. Universities, too, need sufficient funding to ensure the delivery of quality higher education, but this cannot be achieved by placing the burden on students alone.

The Department needs to abandon its proposals and start again. It must engage students, their representatives and other experts in the discussion about the future of healthcare funding. The universities and their representatives who have called for these reforms without themselves having sought any student opinion should also join this conversation. Dialogue and discussion must replace an imposition of will.

However, there is very unlikely to be a solution which means funding rises for both students and universities and direct reductions in the cost to Government. To be clear, these reforms attempt this alchemy but will fail. It is our belief that the Government is pursuing these reforms based primarily on the short-term impact on the deficit rather than the long-term interest of students, universities or the public purse, and is ignoring the clear evidence of the negative impacts that will result.

It is not too late to avoid these impacts, and, with the input of students and other interested parties, develop a better policy, one which recognises that public investment in healthcare education strongly benefits patients and the NHS, as well as other health and social care settings.

Section 2 - Consultation questions

- 1. After reading the list of impacted undergraduate and postgraduate courses, are there further courses which you consider should be included in the scope of the reforms? If yes, what are these courses and why would the current funding and delivery models require their inclusion?**

We do not believe any further courses should be included in the scope of the reforms.

There is a lack of consistency in the way paramedic courses are funded at present and NUS believes that all such courses should have been brought into the NHS bursary scheme. We believe that the NHS bursary should be retained and paramedic courses brought into the scope of the bursary system.

- 2. Do you have any views or responses that might help inform the government's proposed work with stakeholders to identify the full set of postgraduate healthcare courses which would not be eligible for a Postgraduate Masters loan and to consider the potential support or solutions available?**

As far as NUS is able to establish, the reforms would mean removing postgraduate diploma level study from any standard funding route, as well as some other post-registration courses that lead to registerable and recordable qualifications, although this is unclear at present. Aside from the recklessness represented in committing to changes that the Department does not appear to fully understand, removing funding from any such route is a myopic move which will only limit the numbers of professionals in the service. As it is, there is a risk to the take up of postgraduate courses arising from the cost of undergraduate study by certain groups: the HEFCE *Intentions After Graduation Survey 2014*¹⁵ showed that when looking at the undergraduates who intended to go into postgraduate study, those who defined as BME, disabled and mature were less likely to actually enrol in such study. Fear of debt and other financial considerations were cited as the principal reasons individuals were deterred from study in the previous year's research¹⁶ on this topic.

Retaining the NHS bursary scheme which presently funds these students is the obvious and preferable alternative to moving to the new system in the first place. At the very least, the scope of the postgraduate loan scheme should be extended to healthcare courses that would otherwise fail to otherwise qualify for funds, although the nature of the repayments for this scheme – which are concurrent with those for any undergraduate loans – will need to be carefully considered in the context of healthcare funding if we are to ensure an ongoing supply of professionals with these qualifications.

As an alternative, universities could ensure a supply of bursaries for poorer students to enable them to study, but this will not be comprehensive, nor will it be cheap and the universities concerned will struggle to find the extra funding under the new system as outlined above.

- 3. We consider that operating the exemption will support the objectives for encouraging second degree students to undertake nursing, midwifery and allied health courses. Are there any other options, which do not include an NHS bursary, which could be considered?**

As with the existing system, an exemption to the standard rules on funding for second degree students should apply for healthcare courses. To ensure all students receive funding, the same

¹⁵ http://www.hefce.ac.uk/media/hefce/content/What_we_do/Cross-cutting_work/Postgrad/IAGS/IAGS_summary_4.pdf

¹⁶ http://www.hefce.ac.uk/media/hefce/content/pubs/2013/201334/2013_34.pdf

exemption could apply to postgraduate diploma and other similar courses – this is the case for students taking Postgraduate Certificate in Education (PGCE) qualifications and so the principle could simply be extended.

This said, given the implications of the funding reforms for healthcare students, and the impact of previous reforms on other undergraduate students, this implies that the poorest students who start their first course in 2016/17 and who go on to a second degree in healthcare would face a total debt of in excess of £100,000. The prospect of this level of debt, even if it seems unlikely that the graduate would ever pay the full balance off, would still be a major deterrent. It would be far better to retain the NHS bursary scheme as a way of encouraging second degree students, or else to pay them as NHS employees.

4. Are there circumstances, as set out above or otherwise, in which the standard student support system which would be available for nursing, midwifery and allied health students would be inadequate or limit participation? Why is this? We are specifically interested in cases where an individual's circumstances mean that they would not fully benefit from the increase in living cost support, or to the same extent as other students.

We believe there are many reasons why the proposed system of support will be inadequate – indeed, will be lower than it is now, contrary to the Department's assumptions – and where it will limit participation.

We have set out in the first section of our response the role that debt plays in the choices and behaviour of students, and in particular those from lower socio-economic groups. In summary, the research evidence strongly suggests such an enormous increase in debt will reduce participation from those groups most deterred by debt, most particularly mature students, those from low income backgrounds and lone parents; all of these groups are more likely to take up healthcare courses than average. Given the proportion of suitably qualified applicants is far lower than the overall application figure suggests, on a fairly conservative estimate of elasticity of demand given the increase in costs, London Economics has estimated that the demand could drop below that which currently exists¹⁷.

Even where these students do still take up courses, they are more likely to make choices that enable them to reduce their exposure to debt, such as taking up excessive part-time hours or choosing to study nearer home, which could reduce access to some of the more specialist professions not available in all areas of the country¹⁸.

We also have some significant concerns about the impact of the reforms on students with children. The Department is making a very partial assessment of the impact of the new system on students with children, and it is not true that the only impact of changing the system will be felt by students with one child or more than five – though even if that were true, it would still be unacceptable. As matters stand lone parents in particular will lose out from the move to this system, but also those households where the student's partner is not dependent on the student but their wages are not high enough to reduce student support either at all or only by a small amount.

As the consultation document notes, it is true that the weekly maxima for childcare funding is higher in the BIS system than for NHS bursaries, and the Parents' Learning Allowance is also higher. Where an adult dependant is included, the rate of adult dependents' grant is also higher. However, these gains may not be offset for some families, partly depending on the cost of

¹⁷ <http://londoneconomics.co.uk/blog/publication/the-impact-of-the-2015-comprehensive-spending-review-on-higher-education-fees-and-funding-arrangements-in-subjects-allied-to-medicine-june-2016/>

¹⁸ <http://www.tandfonline.com/doi/abs/10.1080/03075070802211802>

childcare, but more critically where child dependants are involved because the NHS bursary system retains child dependents allowances which were scrapped for other undergraduates in 2003. The Department appears to underestimate the extent of the impact of scrapping this allowance.

At present the NHS bursary scheme dependents allowance pays £2,448 per year for the first child (or an adult dependent if this applies), and £549 for any subsequent children. The loss of these payments could mean a student parent receiving significantly less support from supplementary grants, easily in excess of £2,000 per year. For this reason, the additional student support for these students would not be nearly as much as the Department claims, and nor would such situations be in any way exceptional.

To illustrate this point more clearly, some comparison figures are provided below:

Dependents' grants comparisons (2016/17 figures)

1. Lone parent student with one child aged three and a weekly bill for childcare of £160, required for 45 weeks in the year.	
<p><u>NHS bursary system</u></p> <p><i>Childcare grant</i> 85% of £160pw, with a maximum payment of £128.75pw = £128.75pw, or £5,793.75 for the year</p> <p><i>Parents' Learning Allowance</i> £1,204 per year</p> <p><i>Dependents' Allowance</i> £2,448 per year</p> <p>Maximum entitlement: £9,445.75</p>	<p><u>BIS system</u></p> <p><i>Childcare grant</i> 85% of £160pw, with a maximum payment of £155.24pw = £136pw, or £6,120 for the year</p> <p><i>Parent' Learning Allowance</i> £1,573 per year</p> <p><i>Dependents' Allowance</i> £0</p> <p>Maximum entitlement: £7,693</p>
Difference: £1,752.75	

2. Lone parent student with two children, aged one and four. Weekly bill for childcare is £240, required for 45 weeks in the year.	
<p><u>NHS bursary system</u></p> <p><i>Childcare grant</i> 85% of £240pw, with a maximum payment of £191.45pw = £191.45pw, or £8,615.25 for the year</p> <p><i>Parents' Learning Allowance</i> £1,204 per year</p> <p><i>Dependents' Allowance</i> £2,997 per year</p> <p>Maximum entitlement: £12,816.25</p>	<p><u>BIS system</u></p> <p><i>Childcare grant</i> 85% of £240pw, with a maximum payment of £266.24pw = £204pw, or £9,180 for the year</p> <p><i>Parent' Learning Allowance</i> £1,573 per year</p> <p><i>Dependents' Allowance</i> £0</p> <p>Maximum entitlement: £10,753</p>
Difference: £2,063.25	

<p>3. Student in a relationship with low-paid partner and three children aged 3, 5 and 8. Partner is not financially dependent but earns £15,000 per year so their income does not reduce the student's support. Weekly bill for childcare is £270, which required for 39 weeks in the year.</p>	
<p><u>NHS bursary system</u></p> <p><i>Childcare grant</i> 85% of £270pw, with a maximum payment of £191.45pw = £191.45pw, or £7,466.55 for the year</p> <p><i>Parents' Learning Allowance</i> £1,204 per year</p> <p><i>Dependents' Allowance</i> £3,456 per year</p> <p>Maximum entitlement: £12,126.55</p>	<p><u>BIS system</u></p> <p><i>Childcare grant</i> 85% of £270pw, with a maximum payment of £266.24pw = £229.50pw, or £8,950.50 for the year</p> <p><i>Parent' Learning Allowance</i> £1,573 per year</p> <p><i>Dependents' Allowance</i> £0</p> <p>Maximum entitlement: £10,523.50</p>
<p>Difference: £1,603.55</p>	

Critically, these comparisons are generous to the Department in that they assume that the student is able to find OfSTED registered and approved childcare throughout their course and during their placements. The childcare grant is only paid in respect of this type of childcare, and if the student is not able to do so, not least as this type of provision for weekend and overnight childcare is so limited, then the higher maxima for the childcare grant are of little use and the loss of income still greater. Many students rely on their dependents' grants and the Parents' Learning Allowance to pay for informal childcare and reducing this funding will simply place student parents under greater strain. At best they will have to rely still further on university hardship funds, once again reducing the supposed financial benefit to universities of moving to this new system.

The Department may believe that the higher maintenance loan may still mean higher support for such students overall, even if it does not equal a 25 per cent increase. However, for many students with children, as well as disabled students, the student support system forms only part of the total income on which they rely. Although most full-time students are unable to claim mean-tested benefits, some exceptions apply, relating mostly to those with children and disabled students. The Department has made no attempt that we know of to model the impact of the changes on students with children or disabled students who claim benefits.

In part, the individual impact will depend on the student's individual situation, their family, the length of the course in the year, their housing costs and so on, and some of the detail of the benefit rules following the abolition of maintenance grants have yet to be made fully clear. However, there will be very many instances where students will lose out because of the funding changes and these will not be the exception. To take the student in the first example above:

Student support and social security comparison (2016/17 figures)

<p>1. Lone parent student with one child aged three, studying for 45 weeks. Lives in Manchester in a two bedroom flat with monthly rent of £500. This is lower than the local housing allowance cap. The student has a weekly childcare bill of £160, and receives maximum student support and claims Universal Credit while studying.</p>	
<p><u>NHS bursary system</u></p> <p><i>Bursary and loan</i> £1,000 non-means-tested bursary £2,643 means-tested bursary £1,848 extra weeks allowance £2,324 reduced-rate student loan (£7,815 total)</p> <p><i>Childcare grant</i> 85% of £160pw, with a maximum payment of £128.75pw = £128.75pw, or £5,793.75 for the year</p> <p><i>Parents' Learning Allowance</i> £1,204 per year</p> <p><i>Dependents' Allowance</i> £2,448 per year</p> <p>Maximum student support entitlement: £17,260.75</p> <p><i>Universal Credit</i></p> <ul style="list-style-type: none"> - Maximum payment of £1094.90 per month¹⁹ - less student support income of £287.67 per month²⁰ <p>Total £807.63 per month or £9686.76 per year</p> <p>Maximum overall support: £26,947.51</p>	<p><u>BIS system</u></p> <p><i>Student loan</i> £9,347 student loan £1,936 long course loan (£11,283 total)</p> <p><i>Childcare grant</i> 85% of £160pw, with a maximum payment of £155.24pw = £136pw, or £6,120 for the year</p> <p><i>Parents' Learning Allowance</i> £1,573 per year</p> <p><i>Dependents' Allowance</i> £0</p> <p>Maximum student support entitlement: £18,976</p> <p><i>Universal Credit</i></p> <ul style="list-style-type: none"> - Maximum payment of £1094.90 per month - less student support income of £541.16 per month²¹ <p>Total £553.74 per month or £6644.88 per year</p> <p>Maximum overall support: £25,620.88</p>
<p>Difference: £1,326.63</p>	

Even with the increased loan amount the overall is support is lower under the new arrangements – and once again, this example flatters the reforms by assuming OfSTED registered or approved childcare is available throughout the year. If the reforms actually reduce the support to some of the most vulnerable students, and it doesn't mean more funding for universities, and it means dubious savings for government, there really is no justification for pursuing them whatsoever.

Finally, none of this is to mention the change in the funding of placement costs. The move away from placement costs reimbursement where costs exceed the standard travel from the student's term-time residence to the institution, whereas the BIS travel grant means students now finding the first £303 of their travel costs for placement. The impact here will depend on the student's standard

¹⁹ Consisting of standard allowance (£317.82), child allowance (£277.08) and housing costs (£500)

²⁰ Reduced rate student loan plus dependent's allowance, divided by 12 months and less £110 disregard

²¹ Student loan for benefits claimants plus long courses loan, less 'student support element' benefit disregard of £3,469, divided by 12 months and less £110 disregard. Note the exact rules around the student support element have yet to be clarified by DWP so exact calculation may be different

travel costs but in at least some cases will mean reduced funding. Of greater concern is the lack of funding where temporary accommodation is required. Many placements, particularly though not exclusively those for specialist professions or in more rural areas, may be some distance from the student's normal place of residence and either too far for a reasonable journey by public transport or not accessible at all at the times required. In that event, temporary accommodation is required; if the student may now have to pay for accommodation twice, that is highly unfair and possibly untenable situation for the individual concerned.

5. Do you agree that increasing the available support for living costs typically by around 25 percent or more, and enabling these students to apply for additional funding through the allowances on offer from the Student Loans Company, would ensure that we continue to have a diverse population of students?

No, for the reasons we outline in detail in the answer to question four above. The Department has got its sums wrong and in many cases the available support will not be increased by this amount, which threatens the diversity of recruitment and indeed recruitment overall. Debt aversion will also play a part as again we have outlined.

We absolutely agree that healthcare students need more support and that the NHS bursary system caused hardship in many cases, but these reforms will make matters worse for some groups of students, not better.

6. Are there specific factors relating to healthcare students which you consider we need to take account of in relation to the discretionary maternity support provided by the student support system?

Given that healthcare students are overwhelmingly women, and much more likely to be mature than students in general, and thus much more likely to become pregnant during study, there are very obvious reasons why healthcare students are different in this regard. The maternity allowance in the NHS bursary scheme has been a positive and progressive innovation and the principle should be extended to other students not removed from healthcare students. The discretionary support in the BIS system is inadequate.

The allowance enables students to continue with the course rather than drop out due to insufficient support during a period of maternity leave. Given that attrition rates are already much higher for healthcare students, it would be perverse to put these students in the position of having to leave the course; given the impact of non-completion on the students would be so much higher given far higher fees and loans, it is essential to do as much as possible to ensure they can complete. The alternative to drop out would be pressure on the student to return to study and placements as soon as possible, with a potential impact on the health of the child or the mother.

7. Are there any other measures which could be considered to support our principles of fair access?

The new arrangements would mean that healthcare students are brought in to the scope of the Office for Fair Access for the first time. This is in itself one of the few positive aspects of the reforms, as universities should ensure they place as much emphasis on access, retention and success for healthcare students as they do other students. Retention is a particular concern as the average attrition rate for healthcare students is so much higher than for students on average. We are concerned that universities do not fully appreciate this challenge: while their representatives in UniversitiesUK and the Council of Deans for Health have lobbied hard to ensure students pay much more for healthcare courses, they have been much less vocal on the actions that they expect

universities will take to improve access, retention and success as a result of the increased income they expect.

That said, as we have stated we have grave concerns that the additional income generated by the reforms will be much lower than universities anticipate. In part this will be because of the negative impact on demand as forecast by London Economics. In addition, in some areas where there are competing institutions, numbers may rise at one institution only because it is attracting students who would previously have attended neighbouring universities.

The availability of any additional financial support may play a part in attracting students so universities may be incentivised to offer institutional bursaries to healthcare students. However, many universities, particularly those established more recently and which are less wealthy, do not offer institutional bursaries or scholarships to any of their students. Those which do offer financial support generally do so based on financial need – for example, offering bursaries to students in receipt of full state support. The fact that poorer students are more likely to take up healthcare courses may mean this becomes a very expensive undertaking. This risks either such students being excluded from institutional bursary schemes, as is currently the case, and which does nothing to halt any decline in demand for these courses arising from the changes to financial support; or otherwise the additional income to universities is lower because of the expenditure on such support.

If the Department is truly committed to supporting fair access it needs to abandon these reforms and open dialogue with students, their representatives, trade unions, universities and others to discuss the alternatives available.

8. Do you consider that the potential options for those new part-time students, commencing courses in 2017/18, will support students in continuing to undertake these courses in this transitional period?

We support any transitional arrangements that help mitigate the many negative impact of the reforms. However, the experience of the changes on other undergraduate programmes – which the Department has been keen to highlight in its consultation document – suggest, as outlined in Section 1 above, that there will be a significant decline in part-time numbers as a result of the changes. As there is only a very small number of part-time healthcare students, the changes threaten to extinguish part-time study as an option altogether.

9. Do you consider that moving all new part-time students onto the student support system for both tuition and living cost support, through the Student Loans Company from 2018/19, will continue to encourage part-time students to undertake these healthcare courses on a part-time basis?

No, for the reasons given in our answer to question 8.

10. Do you have any general comments on the content of Chapter 2 which you think the government should consider?

The reforms will have an impact beyond England, partly in limiting the cross-border flows of students within the UK as Scottish, Welsh and Northern Irish students are deterred from taking up courses in England due to cost, and also students from other EU member states for the same reason.

There is a wider impact on the devolved administrations arising from the impact of the Barnett formula given the We understand Unison have modelled the potential impact and that, other things

being equal, Scotland's budget will be reduced by £52m, Wales's budget by £36m and Northern Ireland's by £19m.

11. We would welcome respondents' views on how, in delivering these reforms, we look at the widest possible solutions to ensuring high quality clinical placements. These views will actively inform further stakeholder engagement prior to the government response.

It is in everyone's interest that healthcare students have high-quality placements, with experienced mentors able to give the necessary time and attention to their students to enable them to succeed. Apart from anything else, patient safety must be paramount; staff in too many clinical settings are already overstretched and the Department has to recognise the challenges in absorbing additional student numbers.

Our belief is that demand for healthcare courses will go down as a result of the reforms, and so in fact the pressure on the placement system will likewise reduce. However, if the Department's forecast is correct and the 10,000 additional students are recruited it is by no means clear the system is able to cope. Nurse educators have reported the system is "fragile" as matters stand, and with no extra capacity, though the Council of Deans insists this is not true of all areas of the country²². However, in the absence of central planning by Health Education England (HEE), additional recruitment is unlikely to be confined only to those areas with spare capacity, if indeed they exist.

That the Department is pressing ahead with reform without any apparent mechanism for university recruitment to articulate with HEE placement management is another example of the recklessness of these proposals. If a university decides to double its intake of, say, nursing students, many of whom could be recruited through Clearing just before a course starts, must HEE simply find placements for these students at short notice and hope local hospitals can cope? The consultation document recognises these limitations; with its reference to unspecified "appropriate mechanisms" being introduced to manage demand it seems to be recognising that, far from the cap on student numbers being removed, in practice it will simply exist in a slightly different form.

The students we have spoken to have particular concerns about placement opportunities in rural areas and for small and specialist subjects more generally. Many students already face significant travel to reach placements and the Department cannot expect students to travel exceptional distances because it will not invest properly in the placement system.

12. What more needs to be done to ensure small and specialist subject provision continues to be adequately provided?

As we have outlined, there is a very strong risk of lower demand for healthcare courses following these reforms. London Economics have forecast that, for this reason and as a result of the OFFA requirements, this could mean little extra income or perhaps even lower income for universities. In the case of small and specialist courses the drop in numbers could be very small but still threatens the viability of provision in a given institution.

In any case opening up healthcare education to greater market forces may mean that demand decreases in certain parts of the country even if it does increase elsewhere. Planning by HEE is no doubt imperfect, but in its absence the Department risks regional shortages if certain specialist courses close in certain parts of England.

²² <http://www.nursingtimes.net/roles/nurse-educators/placement-system-too-fragile-to-cope-with-student-increase/7001464.article>

NUS believes it would be better to retain a system of planned provision via HEE and an improved bursary scheme which incentivises students to take up small and specialist courses as well as healthcare professions more generally.

13. Do you have any general comments on the content of Chapter 4 which you think the government should consider?

No.

14. Do you have any further comments on this consultation which you think the government should consider?

We have a number of additional comments for the Department to consider.

Monthly payments

One of the strengths of the NHS bursary system is that the bursary is paid monthly to students, enabling them to budget more effectively, albeit that the overall income is still inadequate. The move to the BIS system means students being paid in three roughly equal instalments over the year; this will be a particular issue for those on 45 week courses, as one payment will be expected to cover the whole period between April and September. Without retention of monthly payments such students will almost certainly face hardship as their finances are stretched over the summer – just at the time when university hardship funds have been exhausted.

As a result, students will be under significant financial strain and many will take on additional part-time work, affecting their ability to focus on the course – or worse will be forced to leave the course altogether. The Department must recognise this danger and retain monthly payments.

Forgivable loans/golden hellos

During the debate on the reforms, some organisations have suggested some form of forgivable loan system be introduced for NHS employees (that is, the NHS repays all or part the loans of graduates) or a 'golden hello' be paid to new professionals as a means of incentivising recruitment to these courses. Although we recognise the good intention involved in these proposals we do not believe that they are viable solutions to the issues caused by the reforms.

Given the first graduates from the professions affected by the reforms if they were to go ahead will graduate in 2020, after the next general election, the Department cannot guarantee any such scheme will be in place by the time it would take effect. The Government's decision to freeze the student loan repayment threshold despite promising students in 2012 that it would rise by average earnings from 2016 sadly demonstrates that such promises cannot be trusted. For that reason students now could not be confident the Government will not change its mind in the future and the incentivising effect would be blunted.

It is also unclear that NHS employers can afford such largesse without it impacting on pay and conditions for NHS employees more generally. Nor can the Government insist that other health and social care providers follow suit, and many healthcare professions do not operate wholly within the NHS.

Associate nurses

The Department has also indicated that the new associate nursing apprenticeships will form part of the solution to recruitment shortages. NUS is very supportive of apprenticeships, and in creating pathways into nursing that suit a variety of different individuals. However, in the context of the

reforms to healthcare education funding, we are concerned that students from lower-income backgrounds will choose nursing associate programmes instead of nursing degree courses on the basis of cost alone, whereas wealthier students will take up nursing courses at university. The Department must not create a class divide between these two roles.

Retention in the NHS

Finally, we would point out that the crisis of recruitment in the NHS is not simply because the education system is not training enough healthcare professionals; it is because too many professionals are leaving the NHS before retirement because they are overstretched and underpaid. We believe the Department needs to place a greater focus on retention in the NHS to help address staffing shortages, including increased pay for staff in the NHS, a halt to damaging and unnecessary top-down restructures and consultation and engagement with the professions on those reforms which are necessary rather than antagonistically forcing through changes, like those that caused the recent junior doctors' strike.

The Department appears to be taking the same approach to reform of healthcare education funding. We hope that it recognises the mistakes it has made, halts the reforms and

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NUS would be very happy to discuss our response further with the Department. In the first instance please contact:

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