

## Response ID ANON-D5MK-2EBS-W

Submitted on 2015-05-29 11:40:31.832901

### Respondent Profile

#### 1 What is your name?

**Name:**

Susan Kay

#### 2 What is your job title? (if applicable)

**Job Title:**

Executive Director

#### 3 What is your email address?

**Email:**

s.kay@epc.ac.uk

#### 4 Please provide a telephone number.

**Telephone Number:**

+447901670897

#### 5 What is your organisation?

**Organisation:**

Engineering Professors' Council

#### 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?

University Association

**Other (please describe): :**

### 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. :**

We are pleased that the issue of access to funding for postgraduate study for UK students is receiving attention. C.57% of engineering postgraduate taught students studying at UK HEIs are from outside the EU.

We believe that there is a significant number of students who chose to study a bachelor's degree (in engineering - BEng) and then decided they would like to continue to Master's level study if they could fund an additional year.

Access to loan funding would need to be brought into line with the arrangements for integrated Master's programmes, where students already have access to state funding.

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

YES

**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.:**

1. Time - family and work commitments. Incentives for more engagement and support from employers (who benefit from employees having higher level qualifications) is needed, together with capacity building in some of the best examples of university-employer collaboration to develop flexible work options to allow up-skilling (and re-skilling) of the workforce are needed.

2. Lack of support for transition from bachelor's level study - either:

- a) for students with 2(ii) or 3rd class degrees
- b) "conversion" from non-related bachelor's level degrees e.g. maths, physics to engineering

## 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.:**

It will only increase the likelihood of take-up if the loans are widely accessible, not administratively complex and well-publicised. Currently, the commercially available loans tend not to be "core business" for the banks involved in the scheme and so staff knowledge about them low with the attendant poor service that this creates.

Learning from the schemes being piloted as part of HEFCE's postgraduate support programme (for STEM subjects) would be informative.

**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?:**

Difficult to say. An appropriate amount for a newly graduated 21 year old might be quite different to the requirements for a 35 year old career changer. It would, however, be a significant contribution within the context of the mix of other funding an individual might access to support their ambitions.

**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?:**

NO

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

YES

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

NO

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

NO

**Please provide evidence to support your responses. :**

Given the current financial constraints, many of those who choose to undertake a Master's level qualification do so on a part time basis to allow them to earn while they learn. Time is, however, a constraint, and if finance were available, more may choose to study full time. That said, employers (particularly SMEs) might be less likely to support employees who take a full year out to study so there may be no net change.

## 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?**

YES

**Please provide reasons/ evidence to support your response. :**

Comments made regarding ensuring alignment of the arrangements for integrated Master's and taught Master's apply.

Given the much wider range of life stages of postgraduate students, payment of the loan direct to the student to allow them to make these decisions (as well as negotiate support from any employer or other source), seems appropriate.

Arrangements would need to be in place to ensure that HEIs received payment of tuition fees "up front" - for example, the loan could be paid in tranches, with future tranches not being made available until proof of payment of fees is received.

**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?**

**Please provide reason/ evidence to support your response. :**

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

**Please provide reasons/ evidence to support your response.:**

There should be no limitation. Again, given the wide variety of motivations and life stages for this level of study, and the likelihood that £10k will only be a contribution to the total overall costs, it should be left to the individual to decide how to use the money - but future tranches of the loan should not be payable until proof of payment of the tuition fee has been received.

**10 What other sources of finance might an individual need or reply 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.:**

Employer contribution  
Own/family resources  
Grant/scholarship/bursary

**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.:**

Most recent graduates will experience financial barriers (unless they have access to private resources). Even those who have worked for some years will do so as they are likely to have different calls on their resources (children, elder care responsibilities etc).

Thus, it would seem that complex and detailed eligibility criteria are not required (those who have private resources will not need such support...). Each applicant could be asked to produce a "business case" for completion of the qualification and plans for funding and repayment.

Further, we do not believe that there should be an age cap. Those in the 30-45 year age group are most likely to be considering career change and in need of support to do so (the lack of such support currently must surely be a contributing factor to this group not currently undertaking postgraduate study in large numbers).

**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.:**

None that will not require a significant burden of administration.

**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?**

NO

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

**Please provide reasons/ evidence to support your response.:**

Franchise arrangements  
Connected institutions  
Designated programmes/institutions (while the majority of these are HEFCE-fundable, some may not be so)

Clearly there needs to be some form of regulation and ways to prevent unscrupulous manipulation of the system but:

a) there are arrangements already in place for alternative providers to access loans and grants and the arrangements should be consistent with these;

b) some institutions/joint ventures/franchise arrangements may have innovative programmes and modes of delivery (developments essential to the future viability of the postgraduate market) in the early stages of development and if their potential students are disadvantaged compared with existing fundable institutions, these innovative developments may never reach the "mainstream". The current arrangements ask for those institutions to prove financial viability (either alone or via a sponsor) and to undertake similar quality assurance processes to fundable institutions.

**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. :**

The same as those for fundable institutions.

**Fee inflation**

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

NO

**Please provide reasons/evidence to support your response. :**

The postgraduate market is a complex and competitive one with many more variables for both the student and the provider than simply price. There may be some movement in pricing currently and in the immediate future to make postgraduate programme pricing consistent with undergraduate programmes but if this does occur, it will happen regardless of the introduction of loans at this level.

**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. :**

**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. :**

## **Course eligibility**

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

YES

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

Yes, broadly - but see answer to Q24 regarding alignment of payment arrangements for integrated Master's and stand-alone Master's. This requires some further clarification.

Further, it seems inequitable to exclude from eligibility those who have an integrated Master's from going on to undertake a specialist Master's qualification. We would recommend exempting strategic and vulnerable subject areas such as engineering from this rule (as is the case for the "ELQ" undergraduate funding arrangements) to encourage converters and career changers.

**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?**

YES

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

Care needs to be exercised in the definition of distance learning programmes. Many programmes now offer "mixed mode" learning - a mixture of distance learning and face-to-face. Are these programmes to be excluded? It's now a little simplistic to describe programmes as "part time" or "full time" or "distance learning". The mode of study and method of delivery per se does not preclude an individual from needing financial support. Indeed, it could be argued that those choosing to study and work (having previously worked full time) will need the financial support to "bridge" the loss of salary until they can work full time again - but that they will be a sounder proposition in terms of ability to repay the loan.

Mixed modes of delivery tend to be attractive to employers and excluding them may cut off the option of students undertaking to take out a loan on the understanding that an employer will repay it (in whole or in part) if the student completed the course successfully. We recommend further exploration of this option - particularly in shortage skills areas important to the economy (like engineering) - in particular, incentivising employers to put these arrangements in place (perhaps via tax incentives).

Some thought would also need to be given as to what triggers would be necessary (as alternatives to attendance) for receipt of the loan in the case of distance learning and mixed mode programmes.

## **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?**

NO

**Please provide reasons/evidence to support your response. :**

## **Loan distribution**

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

YES

**Please give reasons/evidence to support your response. :**

Ensures payments can be stopped if the student does not attend.

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

YES

**Please give reasons/evidence to support your response. :**

This is already extensively monitored and easily applied.

That said, see our response to Q20 re distance learning and mixed mode programmes. Perhaps releasing funds on receipt of a declaration by the university that certain learning milestones have been achieved could be an alternative.

## 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?**

NO

**Please provide reasons/evidence to support your response. :**

Some thought needs to be given to the differences which would exist between current arrangements for students on an integrated Master's programme - where they would be repaying 9% of the outstanding loan above the threshold and those who have both an undergraduate loan and a new postgraduate loan which they would be required to pay in parallel...

**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.:**

Given that the student loan is repaid from pre-taxed income, perhaps consideration could be given to giving employers a tax incentive to repay the loan in a single payment on a student's behalf, on successful completion.

## 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. :**

Excluding distance learning programmes from eligibility may preclude students with certain disabilities from gaining a postgraduate qualification. While we do not support exclusion of eligibility on the basis of mode of delivery - see our earlier response (Q.20) - if this is to be the case, consideration could be given to providing access to those with registered disabilities to loans for such programmes.

**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. :**

Incentives for employers (e.g. through the tax and national insurance system) to provide funding support for employees - particularly in areas of shortage skills such as engineering.

## 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::

It is currently quite difficult to secure funding for PhD research that is not linked to an existing large and successful programme. While Doctoral Training Centres have some attractions in management/administrative terms, they limit flexibility to HEIs to support staff and take into account the range of topics being researched and further concentrate funding in large, well established programmes, limiting evolution and regional access for businesses. Adding this funding to the block grant and allowing universities to develop their own systems of distribution, appropriate to their strategies, would seem preferable. This would also have the benefit of providing universities with additional resources to help develop relationships with local and regional business (which in itself could bring in additional funding, for example through matched funding schemes).

**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::

It's essential we provide support that ensures we attract and retain top research talent. In engineering, the latest available data show that 47% of postgraduate research students are from outside the EU - and a further 14% from other EU countries. (32% of all PGR students are from outside the EU). UK funding support needs to match the support overseas students receive from their home countries if we are to develop more "home grown" talent. This issue is also impacting the ability to recruit academics of UK nationality in engineering (where 17% of permanent academic staff are of non EU origin compared with 9% in all other subjects) - the fewer UK nationals we have undertaking PhD programmes, the fewer future UK national academics.

Anecdotally, our membership tells us that the best talent is attracted by studentships with higher stipends (as universities are competing for this talent with higher paid industrial positions). Incentives for industrial sponsorship to contribute to funding these positions would be helpful.

**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::

CASE studentships are a good example that could be extended. These schemes put funding in the hands of the industrial partner to work with the HEIs of their choice meaning they are more likely to develop long term relationships and contribute further funding to develop programmes that are of use to them (overcoming the disadvantages of doctoral training centres outlined earlier). Extending the number available and eligibility would be welcome. (Certainly for EPSRC CASE partners, companies must have "an established UK-based research and/or commercial production capability" , this precludes say, smaller companies who wish to develop such capability: partnering with a university is a key way to help them to do so).

**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::

We are not supportive of the introduction of loans for PhD programmes. A PhD programme is the first step on the career ladder - whether as an academic or industrial researcher and should therefore attract a salary/stipend. It is salaried positions against which universities are competing for such talent and research programmes provide broad long-term benefits to the nation and the economy through their development of the future academic research community and developing innovative new businesses.

UK students can be reluctant to undertake PhD research even when fully funded as they perceive the financial reward to be less than in industry and, increasingly since the introduction of the £9k fee, they are keen to start work. As outlined earlier, we are seeing a reducing proportion of UK students on our engineering PhD programmes.

**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::**

As we are not supportive of loans for PhD programmes, as outlined above, we cannot comment on whether certain subjects should be prioritised for such loans. We would however support prioritisation for funding support, if it were necessary, for subjects with a stronger business case for support of a skills gap (such as engineering, where this is well-documented).

**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::**

As stated earlier, we do not support loans for PhD programmes.

Widening access to funding across the sector rather than concentrating it in a small number of centres is needed.

**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::**