

# MillionPlus

The Association for  
Modern Universities



**POLICY BRIEFING**

## Learning with the lights off: students and the cost-of-living crisis

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# Learning with the lights off: students and the cost-of-living crisis

## Executive Summary

The unfolding cost of living crisis risks setting-back the widening participation successes seen in the UK over recent years. The existing packages of financial assistance, announced by the UK government over the course of 2022, fail to help students.

The analysis of the 2022 Student Academic Experience Survey outlined in this paper identifies the more than 300,000 undergraduates that will be hardest hit financially in the coming academic year. These students are more likely to belong to groups traditionally underrepresented in higher education. Black and mature students are the two groups most at-risk of immediate financial hardship. Additionally, students from lower socio-economic backgrounds, those from areas with lower rates of participation in higher education and students who live-at-home or commute to campus are also more likely to be at-risk. Given the close links between thoughts of quitting, mental health problems and financial difficulties, universities face significant rates of attrition in the coming months. This places successful widening participation policies at significant risk.

As the institutions that educate a disproportionately high number of students at-risk of financial hardship, modern universities have been quick to act. A recent survey of responses to the cost-of-living crisis by MillionPlus universities illustrates a range of innovative and targeted programs aimed at mitigating rising costs. Yet the scale of the problem requires immediate action from the government and regulator.

Immediate increases to maintenance funding would bring short-term relief for many students. Alongside this, hardship funds for universities should be increased, and students should be better included in the existing assistance programmes announced by the government throughout 2022. For their part, universities can work to signpost students to financial and mental health assistance while working with local businesses and authorities to reduce the financial burden on students. Modern universities, as educators of a greater share of at-risk students and through existing programmes, are central to mitigating the crisis currently facing many of their students.

### Recommendations

#### UK Government

- An immediate increase to maintenance funding for students. Ideally in the shape of maintenance grants, though maintenance loan increases would bring welcome relief in the short-term.
- The better inclusion of students in the wider cost of living assistance programmes announced in September 2022.
- Implement enforcement measures to ensure energy discount payments are passed on to tenants where fixed energy costs are included in their rental charges.\*

*\*In these circumstances, landlords who resell energy to their tenants should pass on the payments appropriately in line with Ofgem rules.*

#### Office for Students and the Student Awards Agency Scotland (SAAS)

- An immediate increase in hardship funds for universities to be targeted at students most at need.

# Introduction

1. Since late-2021, inflation has consistently outstripped wage and benefit rises in the UK. Driven by a combination of domestic and international factors, including Brexit, a global pandemic, a tough recruitment market, the war in the Ukraine and global supply chain disruption, inflation hit a 40-year high of 9.4% in June 2022<sup>1</sup> and forecasts predict inflation reaching as high as 18% in 2023.<sup>2</sup> This has inevitably meant a rise in the cost of living in the UK.
2. The resultant price rises have been felt particularly hard in three areas:
  - Fuel prices which have risen by 40%.
  - Food prices have hit household budgets, increasing by nearly 10%, although, as the Institute for Fiscal Studies has recognised, in reality low-income households face a higher rate of inflation.<sup>3</sup>
  - Domestic energy prices, driven by rising wholesale gas prices, have increased significantly. The cap on energy prices increased by 54%, from £1277 to £1971, in April. Forecasts of further increases saw a price cap increase to £3549 in late-August and an expectation that the cap would peak at £6500 in 2023.<sup>4</sup>
3. Following the Conservative Party leadership contest in September 2022 and faced with continued spiralling energy costs, the newly appointed Prime Minister, Liz Truss, announced plans to limit energy prices in just her second day in the job. These plans were confirmed in the government's Growth Plan announced on 23<sup>rd</sup> September, which capped the typical annual household bill at £2500.
4. However, despite this planned cap and previously announced assistance programmes, the situation facing higher education students this autumn has largely been absent from the debate surrounding the cost-of-living crisis. While universities have taken action to try to ease the pressure and mitigate the worst of the challenges faced by their students, more is required to avoid widescale problems as students commence their studies at university in the coming weeks.

## EXISTING GOVERNMENT HELP

5. In response to the scale of the crisis, the UK government has outlined a programme of assistance which has been announced in stages and takes two forms.
6. The first is a programme of comprehensive support which includes a £400 energy bill reduction first introduced in July 2022, a 5p cut in transport fuel duty and changes to National Insurance. The threshold at which National Insurance is paid was increased from £190 to £242 per week in July and the 1.25% uplift in contributions implemented in April will be scrapped in November as announced in the recent Growth Plan. These measures come on top of the £2500 energy bill cap announced in the Chancellor's Growth Plan in September.
7. The second is a programme of targeted help aimed at those likely to be hit hardest by rising prices. This includes a £650 payment to households receiving means-tested benefits,<sup>5</sup> an additional payment for

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<sup>1</sup> 'Inflation and the 2% target', Bank of England (2022), available at <https://www.bankofengland.co.uk/monetary-policy/inflation>

<sup>2</sup> Giles, C., D. Sheppard and J. Pickard (2022) 'UK inflation projected to hit 18.6% as gas prices surge', The Financial Times, available at <https://www.ft.com/content/778e65e1-6ec5-4fd7-98d5-9d701eb29567>

<sup>3</sup> Karjalainen, H. and P. Levell (2022) 'Inflation hits 9% with poorest households facing even higher rates', The Institute for Fiscal Studies, available at <https://ifs.org.uk/news/inflation-hits-9-poorest-households-facing-even-higher-rates>

<sup>4</sup> 'In the News...Our latest price cap forecast' (2022) Auxilione, available at <https://www.auxilione.com/in-the-news>

<sup>5</sup> These include Universal Credit, income-based Jobseekers Allowance, income-related Employment and Support Allowance, Income Support, Working Tax Credit, Child Tax Credit and Pension Credit.

pensioners already in receipt of the Winter Fuel Payment, £150 on top of existing disability payments<sup>6</sup> and a £150 council tax rebate for those living in council tax bands A-D paid in June/July 2022.

8. In addition to the measures above, £500 million has been made available through the Household Support Fund. The Fund seeks to assist vulnerable households in meeting everyday costs such as food, clothing and utilities and is distributed by councils in England through a process of application. Rules set by individual councils make eligibility difficult to define, but some councils offer assistance to over-16s, others require applicants to be over 18, and certain councils require successful applicants to be in receipt of national benefits and hold few savings.
9. Together, these plans reduce the average household energy bill by between £1400 and £2200 per year.
10. In addition to energy bill assistance, the government announced income tax reductions. The highest profile of these was the scrapping of the 45% tax band for earnings over £150,000 which was later scrapped. But the government also announced a reduction of the basic rate of tax paid on earnings over £12,571 from 20% to 19%.
11. Analysis conducted prior to the raising of the energy price cap in late-August suggest this assistance will be quite effective at mitigating rising energy prices in low-income households.<sup>7</sup> However, limited access to means tested benefits for students, combined with accommodation arrangements preventing energy bill measures from reaching its intended target and tax cuts that do not generally apply to the earnings of students, means this existing assistance will not ease the living costs of many students.

## WHAT DOES THIS MEAN FOR HIGHER EDUCATION STUDENTS

### Existing solutions fail to help students

12. Student finance differs significantly in the four countries of the United Kingdom and consists mainly of a combination of maintenance grants and partly means-tested maintenance loans. Over the past year, however, increases in student maintenance funding across the UK, which has been in the region of 2%, has been far outstripped by rising prices. This places significant strain on the finances of many university students.
13. This strain is exacerbated by the fact that access to government assistance for students is limited. In most cases, full-time university students are not eligible for means tested benefits, nor do they receive Winter Fuel Payments. This not only prevents access to help linked directly to means tested benefits, but also precludes access to the Household Support Fund where receipt of benefits is often a condition of applying. Added to this, students are already exempt from paying council tax.
14. Energy bill relief may also not be as effective for students as for the wider public. Around one-third of students live either alone or in shared accommodation, with the majority of these renting from private sector landlords.<sup>8</sup> An increasing number of students have begun to rent with bills included,<sup>9</sup> which sees a single payment covering both accommodation and household costs, such as utilities, internet and television. This raises confusion as to who receives energy bill relief payments. It is likely, as the bill payer, that the money would go directly to the landlord, and whilst it is a legal requirement for landlords to pass on these savings to tenants, in reality who will enforce this? The Scottish government has

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<sup>6</sup> Disability payments cover Disability Living Allowance, Personal Independence Payment, Attendance Allowance, Scottish Disability Benefits, Armed Forces Independence Payment, Constant Attendance Allowance and War Pension Mobility Supplement.

<sup>7</sup> Bell, T. et al. (2022) 'Analysis of the Government's additional cost of living support', The Resolution Foundation, available at <https://www.resolutionfoundation.org/publications/back-on-target/>

<sup>8</sup> Information is gathered from the annual Student Academic Experience Survey conducted jointly by the Higher Education Policy Institute and AdvanceHE, available at <https://www.hepi.ac.uk/2022/06/09/2022-student-academic-experience-survey/>

<sup>9</sup> 'Demand growing for student homes with bills included', Property Reporter (2021), available at <https://www.propertyreporter.co.uk/landlords/demand-growing-for-student-homes-with-bills-included.html>

recognised this problem by moving to include student accommodation in its rent freeze plans, which sees a cap of 0% on rent increases until at least March 2023. Yet rents have already increased by 10% on average over the past year,<sup>10</sup> so there is evidence that landlords will continue to pass on rising costs to renters where legislation is not enacted.

15. Finally, any changes to income tax and national insurance are unlikely to have a significant effect on student finances. Although domestic students do not have restrictions placed on the number of hours they are permitted to work,<sup>11</sup> there is evidence of a link between an increase in hours of paid employment and reduced academic performance.<sup>12</sup> This has led to guidance for students suggesting paid employment should be limited to between 10-15 hours.<sup>13</sup>
16. The changes to the National Insurance threshold made in July harmonised rates with the basic rate income tax threshold. Contributions for both now start when an employee earns £242.<sup>14</sup> Students working at the upper limit of the guidance would need to earn more than £16 per hour to exceed the threshold at which basic rate tax and National Insurance begin to be paid. Given that the national minimum wage for 18-20-year-olds is £6.83, only rising to £9.18 for 21-22-year-olds, the earnings of students working the maximum recommended hours fall well below the thresholds.
17. Even for students exceeding these thresholds, the savings are small. For a notional student earning £300 per week, the National Insurance changes taking effect in November represent a saving of £7.62 per week and the reduction in the basic rate of income tax would see take home pay increase by 58p. This £8.20 per week saving for a student who would be earning well above minimum wage at recommended hours, clearly fails to tackle the problems facing students this autumn.

## Who will be hardest hit?

18. There have been recent studies of the impact of the cost-of-living crisis on students. A survey of 1050 students by Universities UK<sup>15</sup> shows that more than two-thirds of students feel concerned about managing their living costs, and more than half stated that these concerns would impact their ability to continue studying this academic year. Similar findings emerge from a recent report by the National Union of Students<sup>16</sup> which also shows that around half of students believe they will need to cut back spending on food, heating and transport on their return to university this year. The study also reports that the cost-of-living crisis is likely to entrench inequalities by having a disproportionate effect on trans/non-binary students, students of colour and students with caring responsibilities. Both studies show a link between the crisis and worsening mental health and well-being of students affected.

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<sup>10</sup> Love, P. and G. Hammond (2022) 'Soaring UK rents leave tenants facing eviction and homelessness', The Financial Times, available at <https://www.ft.com/content/28823d7c-800e-43eb-ac40-01ad9052eb70>

<sup>11</sup> International students are limited to 20 hours per week during term-time under the conditions of their visas.

<sup>12</sup> Manthei, Robert J., and Alison Gilmore. "The effect of paid employment on university students' lives." *Education+ Training* (2005); Curtis, Susan, and Najah Shani. "The effect of taking paid employment during term-time on students' academic studies." *Journal of further and higher education* 26, no. 2 (2002): 129-138;

<sup>12</sup> Applegate, Craig, and Anne Daly. "The impact of paid work on the academic performance of students: A case study from the University of Canberra." *Australian Journal of Education* 50, no. 2 (2006): 155-166.

<sup>13</sup> 'Studying and working part-time', Student Information Scotland (2022), available at <https://www.studentinformation.gov.scot/students/student-life/studying-and-working>

<sup>14</sup> Basic rate income tax allowance is £12,571 per year which breaks down to £241.75 per week for a 52 week working year.

The exact amount at which basic rate income tax is paid is £241.75.

<sup>15</sup> The survey results and analysis can be found at <https://comresglobal.com/polls/universities-uk-students-cost-of-living/>

<sup>16</sup> The report is available at <https://www.nus.org.uk/resources/student-cost-of-living-support-september-2022>

19. In this policy brief, we build on these studies by examining the Student Academic Experience Survey (SAES)<sup>17</sup> to identify the students likely to be most impacted by the cost-of-living crisis. The survey, jointly conducted by HEPI and AdvanceHE, provides responses from a representative sample of more than 10,000 students.
20. Two key advantages arise from using this survey. First, and unlike either the UUK and NUS studies, the SAES was conducted prior to the first energy price cap increase in April. The announcement of assistance made by the UK government in September, combined with previously announced help, has effectively fixed energy prices at the April-level. Fieldwork conducted in February and March, therefore, offers an accurate, if conservative, overview of student perceptions in an economy similar to the one faced today. Second, the representativeness of the survey's sample allows accurate estimates of the number of students likely to be impacted in the wider population. This allows the scale of the problem to be shown more clearly.
21. Our analysis focuses on two areas of the survey – the financial concerns of students and reasons for students having considered quitting their studies. Responses to these questions allow us to identify groups that were at-risk prior to April 2022.<sup>18</sup> Once identified, we explored where at-risk students are more likely to study and their main income streams.
22. Further to this, we surveyed MillionPlus-affiliated universities to better understand what measures were being implemented at an institutional level and which students they were targeting.

### **COST OF LIVING CONCERNS**

23. The Student Academic Experience Survey asks students to select their main concern with the cost of attending university. Even prior to the current crisis, 52% of students reported that the cost of everyday living was their main concern, while 8% said that the costs of learning resources – a category including the costs of travelling to campus – concerned them most. The survey also allowed students to state that they had concerns with all areas of their finances.
24. These broad-ranging concerns are a sign that a student was struggling prior to price increases in April, after which their financial struggles have likely increased. Concerningly, 17% of the students surveyed – representing between 300,000-338,000 of the UK's student population – fall into this at-risk category.
25. The two strongest predictors of being at-risk are 'age' and belonging to a 'black' ethnic group. More than one-quarter of students aged over-25 are at-risk, as opposed to 16% of students aged 25 and under. Similarly, 27% of black students are at-risk of financial hardship. This represents between 40,900-44,000 students aged over 25,<sup>19</sup> and 40,000-43,000 black students.<sup>20</sup>
26. Several other factors are associated with a higher likelihood of being at-risk. The first is the socio-economic classification (or social grade<sup>21</sup> as it is commonly referred) to which a student belongs, with

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<sup>17</sup> The survey data and report of its findings can be accessed at <https://www.advance-he.ac.uk/reports-publications-and-resources/student-academic-experience-survey-saes>

<sup>18</sup> For the purposes of this report, we define 'at-risk' as any student exhibiting financial concern in all areas covered by that question, or any student that responded that they had considered quitting their studies as a result of financial concerns.

<sup>19</sup> Accurate breakdowns of students aged over 25 is hard to come by, so we took the average of the proportion of UCAS intake aged over 25 since 2013 (approx. 8.7%): <https://www.ucas.com/data-and-analysis/undergraduate-statistics-and-reports/statistical-releases-daily-clearing-analysis-2022>.

<sup>20</sup> The proportion of the undergraduate population with a black family background is 8.5%, <https://www.ethnicity-facts-figures.service.gov.uk/education-skills-and-training/higher-education/first-year-entrants-onto-undergraduate-degrees/latest>.

<sup>21</sup> Social grade is a measure of social class used for statistical and survey analysis. The measure has six categories – A, B, C1, C2, D and E – identifying a group's occupation status. A detailed overview is available here

students from upper-middle- and middle-class backgrounds less likely than students from working class backgrounds of being at-risk. This places 48,000-53,000 students from working class backgrounds in the at-risk category.

27. There are also large numbers of at-risk students that either commute to campus or have remained living at home during their studies. Given the additional costs associated with commuting, it should not be surprising that between 61,900-68,400 commuter students face financial difficulties. While 36,000-39,800 live-at-home students are at-risk as the cost-of-living bites.

## THE LINK BETWEEN FINANCES AND QUITTING

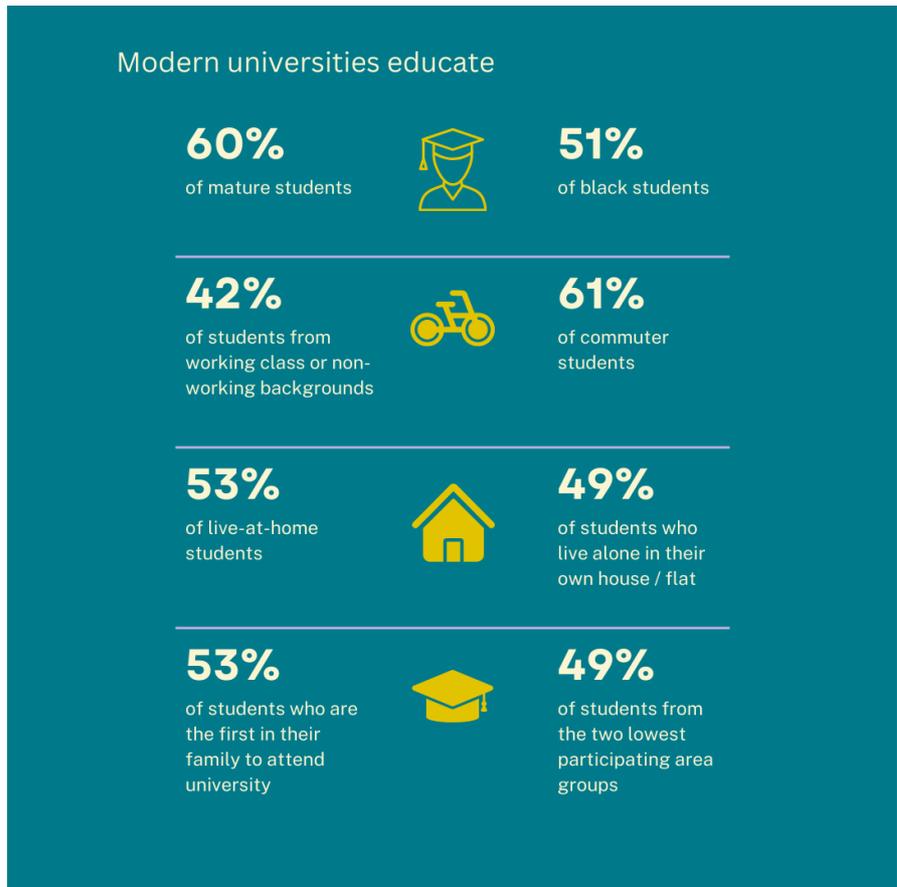
28. The survey also asked students to cite their main, or most recent, reason for having considered leaving their studies, with findings suggesting a link between financial concerns and thoughts of leaving university.
29. Problems with mental or emotional health were cited as the main reason students had considered quitting, with one-third of those polled (representing between 579,000-615,000 undergraduates) stating that reason. Given the findings of the UUK and NUS studies detailed above showing the harmful effect of financial worries on the mental health of students,<sup>22</sup> this alone should sound warning bells about the challenges that students will face this autumn. However, a further 6% of respondents – representing between 90,000-108,000 students – **directly** cited financial difficulties as the main/most recent reason for contemplating quitting their studies.
30. Given these responses pre-date the current crisis and so numbers have likely increased, the finding has deeply troubling consequences for student retention over the coming months.
31. As with living cost concerns, specific groups of students were more likely to have considered quitting for financial reasons. Age is once again a key predictor. Twice the proportion of students aged over-25 had considered quitting due to finances than those under-21. This represents between 12,500-15,700 of mature students who have considered quitting because of experiencing financial difficulties. Additionally, students living alone tend to face greater financial outgoings than those in shared or university-owned accommodation and were therefore almost three-times more likely to cite financial issues as their main/most recent reason for thinking about quitting their studies.
32. First generation students and students from lower participating areas were also more likely to have thought about leaving due to their finances. With record admissions from low participation areas in 2022, the threat of students quitting their studies in record numbers this autumn/winter should assistance not be given is a real one. Just as worryingly, students in their first year of study are significantly more likely to report finances as their main reason for quitting. These factors are likely to combine to drive record drop-out rates among the lowest participating groups in the UK if immediate action to address the cost of living is not taken.
33. In the same way that at-risk students are not distributed evenly across the student population, at-risk students are also more likely to study at modern universities.<sup>23</sup> While modern universities educate around 46% of all undergraduates, a disproportionate number of the at-risk groups identified above study at such universities.

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<https://www.ukgeographics.co.uk/blog/social-grade-a-b-c1-c2-d-e>. The six categories are grouped into upper-middle and middle class (AB), lower middle class (C1), skilled working class (C2) and working class and non-working (DE).

<sup>22</sup> 'The cost of living crisis is pushing students to the brink', National Union of Students (2022), available at <https://www.nus.org.uk/campaign-hub/cost-of-living-crisis?i=0>

<sup>23</sup> Modern universities are generally defined as institutions given university status through the Further and Higher Education Act of 1992, or have been granted university status since 1992.



34. Modern universities, therefore, can help to mitigate the impact of the rising cost of living on at-risk students. Indeed, a survey of MillionPlus institutions shows that universities have already recognised the challenges their students face and are working with student unions, business partners and reviewing services to put programmes in place to help students.
35. Our analysis of the Student Academic Experience Survey produces some extremely concerning findings with more than 300,000 students reporting that they had serious financial concerns prior to the current crisis hitting full swing in April. The link between financial difficulties and mental health problems, and the strong link between mental health problems and contemplating quitting university, should ring alarm bells in all areas of higher education and government. Yet there is also a strong and more direct link between a student encountering financial difficulties and them thinking about leaving their studies. Left unchecked, the emerging cost of living crisis is likely to result in significantly increased drop-out rates in the coming academic year.
36. Further to this, our analysis shows that increased dropouts caused by the cost-of-living crisis would be detrimental to the social justice and widening participation policies pursued by government over recent years. Most of the student groups evidenced as at-risk have been traditionally underrepresented in higher education, and policymakers and institutions have worked hard to increase their representation. These policies are at significant risk, and it is imperative that government take immediate action to ensure that current and future measures introduced also embrace higher education students.
37. However, it is not just a government issue. As modern universities educate the majority of the 'at-risk' students identified, they play an important role in any solution to the cost-of-living crisis. The following section provides a closer examination of measures enacted by MillionPlus member universities to alleviate problems faced by their students. These programmes provide effective models of assistance that can target students most in need of help.

## What is being done by MillionPlus universities?

38. In their position as anchor institutions at the centre of their communities, MillionPlus institutions have been quick to recognise the challenges posed to their students by the cost-of-living crisis. Over the last month we have surveyed the MillionPlus membership on their responses to the cost-of-living crisis. Responses have broadly fallen into three closely related categories – the widening and strengthening of existing hardship funds; reducing costs for students; and monitoring student trends to help better target solutions to where they are needed as the crisis unfolds. Below we detail some, but not all, of the programmes already in place to deal with the issue.

### THE USE OF HARDSHIP FUNDS

39. The expansion of hardship funds has been the most common response by MillionPlus universities to the unfolding crisis. Indeed, every institution consulted cited an increase and/or widening of their hardship funds for the coming academic year. Examples include, [The University of Sunderland](#) increasing the number of automatically awarded funds (e.g., maternity grants) and adapting their hardship fund to cover rising rent and energy bill costs. The [University of East London](#) has allocated funds on a proportional basis to any student citing financial difficulties as a reason for considering withdrawing from their studies.
40. The [University of Central Lancashire](#) has increased its hardship fund for the 2022/23, as has [The University of Bolton](#), which will increase its student support fund from £150,000 to £250,000 for the coming year. In the case of Bolton, this will see inflation-level increases to the composite living costs used to calculate support fund levels and a review of their international crisis fund. The challenges facing international students, who are often excluded from such assistance, has led [Edinburgh Napier University](#) to widen their hardship programme to include overseas students.
41. Finally, institutions have recognised a stigma attached to asking for financial assistance and are developing programmes designed to reduce the barriers preventing some students applying for help. One example at [The University of Bolton](#) has seen collaboration with the Students' Union to advertise and normalise applying for assistance, with particular focus on students during their induction period and at freshers' events.

### REDUCING COSTS FOR STUDENTS

42. MillionPlus institutions have also pursued ways to reduce costs for students. These take two main forms. First are programmes to provide students with cut-price goods and services by working collectively with local businesses, councils and student unions. Amongst such programmes, [Leeds Trinity University](#), [The University of Sunderland](#) and [Canterbury Christ Church University](#) have all worked to reduce the cost of food and other household products sold on campus. The [University of Bolton](#) has worked with local supermarkets and transport providers to offer food vouchers and discounted travel to students. While the [University of the West of Scotland](#) provides students with a free breakfast twice a week.
43. The second is by providing greater flexibility to their students. The high number of commuter students attending modern universities raises the prospect of fuel poverty. As such, MillionPlus institutions in more remote areas of the UK have moved to reduce the requirements to travel to campus. This includes the [University of the West of Scotland](#) who will provide more flexibility around timetabling (e.g., earlier release of timetables to allow for advanced planning) and attendance to reduce the travel costs of students. Likewise, the [University of the Highlands and Islands](#) will broaden the availability of hybrid models of learning for its students. Other universities, in recognising issues around increased hybrid delivery first encountered during the pandemic, have moved to re-implement programmes designed to lessen digital poverty. For example, both [Abertay University](#) and the [University of Bolton](#) have begun to review the impact of digital poverty on learning, with Bolton reintroducing their Laptop Loan scheme.

## MONITORING OF EMERGING TRENDS

44. MillionPlus institutions have diverse student populations, many of whom have specific needs. As a result, MillionPlus universities have well-developed systems designed to better understand their student bodies. This allows challenges to be pre-empted and tailored solutions to be put in place. The emerging cost of living crisis has been no different. While prompt changes to hardship funds have been universal, other solutions have been tailored to the demographic and geographic differences between institutions and their students.
45. Evidence of how effective responses to fast-moving challenges are developed at MillionPlus universities this can be seen through the innovative programme used at the [University of Sunderland](#). The university analyses different data points, including attendance monitoring, analysis of drop-out rates and exit surveys for students withdrawing from study, to build a developing picture of their student population. This gives an evolving understanding of issues facing students and allows solutions to be developed more quickly and effectively. As part of this, analysis of the Student Academic Experience Survey shows that students in at-risk categories are more likely to rely on maintenance loans/grants to cover their costs of living, so presenting a policy proposal for directed help.
46. In a similar fashion, the [University of Suffolk](#) has quickly identified the additional costs of its health students on placement. These include travel or dual accommodation costs when on placement which the student must cover prior to claiming them back as expenses. The university is currently seeking solutions to a problem that is likely to be faced by other students on placements, such as trainee teachers and social workers.

## Conclusion

47. The analysis explored within this briefing outlines the serious concerns that remain in terms of adequate support measures for higher education students, particularly those from disadvantaged backgrounds or non-traditional routes into higher education and who are predominately educated at modern universities.
48. Whilst we commend the government for identifying various measures to help households and businesses through this difficult period, it is clear that those measures do not encompass or cushion higher education students from the serious implications that the cost-of-living crisis will bring; from rising food costs, high rents, energy prices, travel costs, caring costs to name but a few.
49. Our survey of what is being implemented by MillionPlus institutions to lessen the impact of the unfolding crisis highlights also demonstrates that they are limited in the scope in which they can intervene especially where energy and fuel is concerned. This must be balanced against the mutual concerns of rising costs for the university. This therefore means a broader government intervention is required which will encompass the needs of those students identified as 'at-risk'.
50. First, it is obvious that hardship funds offer a flexible and effective means of delivering assistance to students. Therefore, the Office for Students and Student Awards Agency Scotland (SAAS) should expand their hardship funding allocations as a means for helping students meet the challenges of the cost-of-living crisis. The detailed understanding that institutions, particularly MillionPlus universities, have of their student populations would allow this additional funding to be targeted where it is most immediately needed.
51. Secondly, the recognition that at-risk students are also more likely to rely on maintenance grants and/or loans to pay their living costs leads to the conclusion that maintenance funding should be increased to help students meet their rising living costs this autumn.

## Recommendations

### UK Government

- An immediate increase to maintenance funding for students. Ideally in the shape of maintenance grants, though maintenance loan increases would bring welcome relief in the short-term.
- The better inclusion of students in the wider cost of living assistance programmes announced in September 2022.
- Implement enforcement measures to ensure energy discount payments are passed on to tenants where fixed energy costs are included in their rental charges.\*

\*In these circumstances, landlords who resell energy to their tenants should pass on the payments appropriately in line with Ofgem rules.

### Office for Students and Student Awards Agency Scotland (SAAS)

- An immediate increase in hardship funds for universities to be targeted at students most at need.

## Potential measures that all universities could implement

- Work with local student unions to widen the reach and lessen the stigma of the use of financial assistance programmes available for at-risk students.
- Clearly sign post mental health service provision that is available to all students.
- Work with local businesses and councils to agree measures to reduce the financial burden for 'at-risk' students while on campus – for example discounted food, free breakfasts, travel vouchers, introducing more shared space for studying in the evening.