

PARLIAMENTARY BRIEFING

Westminster Hall - Impact of increases in the cost of living on further and higher education students, 19 September 2023

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1. On Tuesday 19 September from 4:30pm, Paul Blomfield MP will introduce a debate on the Impact of increases in the cost of living on further and higher education students, in Westminster Hall.
2. MillionPlus is the Association for Modern Universities in the UK, and the voice of 21st century higher education. We champion, promote and raise awareness of the essential role played by modern universities in the UK's world-leading university system. Modern universities make up 52% of all UK undergraduates and 37% of all postgraduates, with over one million students studying at modern institutions across the UK. They are major anchor institutions, generating £17bn in expenditure-related gross value add. These institutions are drivers of social mobility and an important cog in regional growth agendas.

Cost-of-living crisis

3. Analysis from MillionPlus's October 2022 [Learning with the Lights Off report](#) shows that nearly 300,000 students will be at risk due to the cost-of-living crisis, with traditionally underrepresented groups in higher education hit the hardest.
4. 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.
5. 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 two years, however, any increase in student maintenance funding across the UK has been far exceeded by rising inflation and consumer prices.
6. This places significant strain on the finances of many university students. This is exacerbated by the fact that access to government assistance programmes is very limited and usually not applicable for students. 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.
7. 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.
8. The Government should implement an immediate increase to maintenance funding for students, ideally in the shape of maintenance grants, and ensure higher education students are included in any further cost-of-living measures introduced. The Government should also conduct a review of maintenance loan

support to allow them to be adjusted with inflation when higher than forecast. Additionally they could boost teacher recruitment and retention by applying an in-year uplift to initial teacher training bursaries to help tackle these concerns while prioritising the strategic planning of bursaries for future years.

9. As the institutions that educate a disproportionately high number of students at-risk of financial hardship, modern universities have been quick to act. A survey of responses to the cost-of-living crisis by MillionPlus universities illustrates a range of innovative and targeted programmes aimed at mitigating rising costs.
10. MillionPlus universities have provided widespread and targeted assistance for their students. This includes increasing and broadening eligibility for hardship funds, offering discounted food, travel and other goods, offering flexible modes of study to limit the needs for travel to campuses, and are monitoring trends to quickly tackle emerging issues with rising prices.
11. This has helped many students, but the scale of the problem requires immediate action from the Government and the regulator. Immediate increases to maintenance funding would bring short-term relief for many students. Alongside this, hardship funds for universities should be increased.
12. 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.

STUDENT NUMBERS AND PUBLIC SERVICES

13. Modern universities help to ensure a healthy pipeline of local graduates entering key public workforce professions in their regions. Analysis of graduate outcomes data shows that 65.9% of modern university graduates in work are found in the public administration, education and health sectors.
14. The pandemic-induced increase in students applying to nursing courses has waned, with the numbers now only slightly above the 2019 pre-pandemic levels (+1.7%), but 13.3% lower than in 2022.
15. This year, there has been a 13.4% decrease in successful nursing applications across all age groups. The largest decline has been in applications from 18-year-olds, which are down 18.6% from 2021. A decrease has also been seen across mature student numbers as well, dropping by 24% from 2021.
16. English providers experienced a 21% fall in 2023 in applicant numbers from 2021, at the height of nursing applicant numbers, and the number of nursing candidates accepted by Scottish providers in 2023 fell by 22% compared to 2021.
17. Similarly, there has been a 5.9% increase in teacher training numbers compared to 2019, but a 12.1% decrease from 2022. The increase in international students in 2023 compared to 2022 conceals longer-term trends and shifting dynamics within this group.
18. Although strategies to widen participation have been somewhat successful in encouraging students from disadvantaged and low participation areas, the numbers from these groups have declined, and mature student numbers remain below pre-pandemic levels. The cost-of-living crisis has certainly had an impact in discouraging applications to certain subjects.

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