



## Parliamentary Briefing Future of Student Opportunity Allocation in the balance

**million+ Parliamentary Briefing January 2014: Future of Student Opportunity Allocation in the balance**

The future of the Student Opportunity Allocation in higher education hangs in the balance. The fund is distributed to universities in England from the grant provided to the Higher Education Funding Council for England by the Department for Business, Innovation and Skills. The Allocation provides additional funding to universities to support students from disadvantaged backgrounds and those with disabilities. BIS is being asked to impose a 60% cut in the Allocation (worth £332m in 2013-14) in 2014-15 by the Treasury as a stepping stone to the abolition of the entire Allocation in 2015-16.

### **Coalition Agreement and social mobility**

The May 2010 Coalition Agreement refers to social mobility in higher education and the Government has introduced the Pupil Premium in schools. The Student Opportunity Fund operates on the same principles and is distributed to universities on a formulaic basis according to the backgrounds of the students that they recruit.

In our 13th January briefing million+ highlighted key facts about the Allocation, its distribution and the purpose to which it is put by universities. Following media reports of the threat to the Allocation the NUS has launched #Savestudentopportunities.

### **Why now is the worst possible time to cut this fund**

In December 2013 the Government announced the early removal of the National Scholarship Programme – set up to help mitigate the impact of raising the student fees cap to £9,000. This happened mid-year – with many students already expecting that they would receive support through the programme. Universities have worked hard to find finance or other means of support to help these students stay in university.

With universities struggling to mitigate the impact of removing one stream of support for disadvantaged students, it is likely that removing or dramatically cutting the Student Opportunity Allocation over the same period would be much harder for universities to manage – making cuts to support programmes even more likely and more damaging.

**Action: We would ask Members of Parliament to seek urgent assurances from Treasury and Cabinet Office colleagues that there will be no reduction or abolition of this allocation at this particularly damaging time.**

## Open letter to the Deputy Prime Minister

Professor Michael Gunn, Vice-Chancellor of Staffordshire University and Chair of the university think-tank million+, has issued an open letter to the Deputy Prime Minister, Nick Clegg MP, urging him to intervene to ensure that the Student Opportunity Allocation (which has already been cut by £40m in 2013-14) is retained in full. This letter can be found below.

Dear Deputy Prime Minister,

Social mobility in higher education and Student Opportunity Allocation

I am writing as a matter of urgency to outline our concerns that HMT and BIS may be considering a substantial cut to the Student Opportunity Allocation in the imminent Annual Grant letter to HEFCE. This vital funding follows the student, akin to the Pupil Premium, and is distributed linked with the background of students which each university recruits and a range of criteria including disability.

Any cuts would come hard on the heels of the termination of the National Scholarship Programme in 2014-15 - a year earlier than expected. As universities, we have welcomed the discretion afforded to us by HEFCE guidance which has allowed us to invest Student Opportunity funding in ways which best meet our student profiles. However we must point out that universities with more socially inclusive student profiles add to the Student Opportunity Allocation from other income streams.

We strongly reject the notion that the Student Opportunity Allocation is no longer required because funding is available via Access Agreements, required by OFFA. These access funds primarily support scholarships, bursaries, outreach activities, partnerships, and emergency welfare funds to mitigate the impact of tuition fees. Many universities with significant numbers of widening participation students do not have large endowment funds and therefore access funding is derived from fee income. Access funds are therefore not a substitute for the Student Opportunity Allocation provided by the Government via HEFCE.

Above all, it would be counter-intuitive to cut the Student Opportunity Allocation so soon after the Chancellor has announced that the Treasury will fund unregulated expansion of student numbers from 2015.

The Student Opportunity Allocation has played a key role in social mobility by funding and supporting progression and success in higher education of students who otherwise might not have studied for a degree. As you have been a forthright advocate for social mobility, we strongly urge you to ensure that the Student Opportunity Allocation is retained in full and is not subject to any further reductions in 2014-15 or 2015-16.

Yours sincerely,



Professor Michael Gunn

Chair, million+

Vice-Chancellor, Staffordshire University