



Committee for Employment and Learning

OFFICIAL REPORT (Hansard)

Student Finance and Student Fees:
NUS-USI

14 October 2015

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Thomas Buchanan (Deputy Chairperson)

Mr Sydney Anderson

Mr David Hilditch

Ms Anna Lo

Ms Bronwyn McGahan

Mr Pat Ramsey

Witnesses:

Mr Fergal McFerran

National Union of Students - Union of Students in Ireland

The Deputy Chairperson (Mr Buchanan): Fergal, we welcome you to the Committee. We apologise that we are running a bit late and have held you back for a bit. It is over to you. We will give you up to 10 minutes to make your presentation, after which members will ask questions.

Mr Fergal McFerran (National Union of Students - Union of Students in Ireland): Thank you. Good morning, members. Before I start into the presentation, I want to say that I am grateful for the opportunity to present to you all this morning. Since I took up my post on 1 July, I have met a number of you in an individual capacity, so I am glad to have the opportunity to speak to you all as a group this morning.

I am the president of the National Union of Students-Union of Students in Ireland (NUS-USI) and a recent graduate of Queen's University Belfast. NUS-USI is a democratic, membership-led organisation. We work alongside 11 student unions in 11 universities and colleges across Northern Ireland to represent around 200,000 students in higher and further education. We exist as a result of the joining of the national student unions of Britain and Ireland over 40 years ago to represent the interests of students in Northern Ireland across the community divide, so we are unique and have, I believe, a very special history and place in Northern Ireland. The specific items that I have been invited to discuss today — tuition fees, higher education funding, support payments and part-time and postgraduate funding — are by no means simple topics, but I will try to be succinct. Please tell me if I am running away with myself.

Our current position on higher education funding, specifically on tuition fees, is twofold. First, from an ideological perspective, we fundamentally believe in the need to understand education in terms of its public value, not as something to be bought and sold. Secondly, we believe that there are reasonable economic arguments not only to oppose a rise in tuition fees but to scrap them. NUS-USI is in favour of publicly funded higher education that is free at the point of access to the learner. We believe that a funding model that widens and deepens access to higher education to everyone in Northern Ireland is not simply a pipe dream but a target that we as a society have a responsibility to work towards.

Higher education is incredibly important in Northern Ireland for a number of reasons from job creation to providing a highly skilled and qualified graduate workforce and conducting world-leading research. These are all things that you already know, so I want to focus on something else this morning.

Education is transformative, by which I mean that, when we afford individuals the right to an education, we afford them the opportunity to control their life, better themselves, to be exposed to a world of opportunities, meet new people and improve their life chances. As the Minister for Employment and Learning said very recently, higher education is one of the most important enablers for social mobility, social cohesion and social change in Northern Ireland. I am sure that none of you would fundamentally disagree with anything that I have just said. Why, then, in affording the opportunity to many to better themselves, do we ask them to take on the burden of tens of thousands of pounds of debt? Last year, we briefed this very Committee on student hardship from a piece of research that we had carried out, 'Pound in Your Pocket'. One of the headline findings from the research was that 70% of students were concerned about the future levels of debt that they had incurred as a result of entering higher education. The research also found that even small levels of debt, such as a small bank overdraft, were strongly linked to poor student well-being. The National Union of Students (NUS) in the United Kingdom recently carried out research into the attitudes and behaviours of the first batch of graduates in England who paid the £9,000 fee level. From that, we know that 77% of graduates were either worried or very worried about the student debt that they had incurred, to the extent that almost half believed that it would have a significant bearing on their standard of living post graduation.

From our perspective, an important element of the tuition fees debate is to examine exactly what the impact has been in England since the fee level was increased. In the briefing document that we provided ahead of today's meeting, you will see that the Department for Business, Innovation and Skills (BIS) has had to revise its savings forecasts repeatedly since the fee increase. The truth of the matter is that raising tuition fees in England has created a generation of students who are burdened with even more debt, with a system that will not even pay for itself in the long run. If we were to replicate that system here in Northern Ireland, we would be in real danger of what has been accepted already as being an unsustainable higher education funding model becoming even worse. A rise in tuition fees, as far as we can see, would not only be short-sighted but make little to no economic sense in the long term.

A report published last week by the Equality Commission outlined the fact that, since 2007, educational inequality has got worse in Northern Ireland. The report specifically highlighted the impact on those from working-class communities, particularly Protestant working-class boys. I ask you all to reflect on how the association of tens of thousands of pounds' worth of debt with entering higher education could affect young people from a working-class community when they are deciding what is or is not a realistic aspiration for them in life. It is a damning indictment on all of us that so many who are more than capable of achieving still feel that entering higher education or going to university is reserved for certain groups in society in Northern Ireland.

As I wind up this section of our presentation, I will return briefly to where I began and say that abolishing tuition fees is not simply a pipe dream. There is a responsibility on all of us to examine carefully how we can work towards achieving that. Our tertiary education system is incredibly important, but, if you look to Scotland, Germany or some Nordic countries, you will see that there are ways and means of creating a fairer and more accessible system. There is an opportunity here, and I believe that we can show leadership and some creative thinking in the face of the difficult situation that is our higher education funding problems.

I will now move on to part-time and postgraduate student finance. It is an area of funding policy that has long been neglected in Northern Ireland, so we welcomed the consultation from the Department and were more than happy to respond to it. For part-time undergraduate students, we were presented with two options. The first was to replace the current system of means-tested grants with loans, while the second was to provide loans to top up the grant system. I have already outlined our position on tuition fees and student loans, so I will not go over it again, but in the knowledge that there was no option offered to us in the consultation to abolish fees, the second option — a loan to top up the grant — was our preferred one. We believe that supporting part-time students makes clear economic sense. Students are an ever-diversifying group of people, and our system of higher education should be as accommodating and flexible as possible to allow individuals to study and better themselves in an ever-demanding local and global economy.

The Department for Employment and Learning presented three options for postgraduate funding. The first was to extend the current tuition fee loan for undergraduate students to postgraduates taking

courses deemed relevant to the economy. The second was to extend the tuition fee loan in all subject areas. The third involved a loan scheme similar to what is being proposed in England, offering £10,000 to Northern Ireland-domiciled students to use towards either fees or living costs. In our response to the consultation, we indicated that the third option was our preferred one, for the simple reason that it seemed optimum for students in Northern Ireland and for generating economic benefits for Northern Ireland as well. In an increasingly competitive graduate market, postgraduate study is seen as something that sets an individual apart, so making it more accessible is incredibly important. There are more details about our position on those things in the briefing document.

I will spend the little bit of time that I have left talking about the frequency of student support payments. Members will be aware that the issue of student support payment frequency has been on our agenda for quite some time, and it has been of particular interest to a number of student activists who continue to campaign on the issue. We believe that the current system, whereby students receive their support on a triannual basis at the beginning of each academic year, is outdated, not fit for purpose and not reflective of the reality that our students will go on to experience after they graduate. We very much welcomed the consultation from the Department, as, in my opinion, it allowed us to have a more thorough discussion about the issue.

We were presented with four options as payment models, three of which were, in some way, a system of monthly payments, and therein lies our current problem. We believe that moving to a system of monthly payments would be incredibly beneficial for students, but we do not believe that anyone — us and DEL included — is currently well enough informed about the specific needs of and demands on our students to know which of the three models would have the most positive effect. In our consultation response, we argued that DEL should commit to carrying out research that maps the demands on and needs of our student body in Northern Ireland as a result of their financial circumstances to ensure that, if any change is made to the payment structure, it is an informed one. If DEL is willing to commit to carrying out that research, we have indicated that we will be more than happy to promote and support it.

Another issue in our consultation response was that there is a growing need for better financial education for our students. We recommended that DEL explore, alongside the Department of Education, the possibility of incorporating formal financial education into the curriculum in Northern Ireland. As our research report 'Pound in Your Pocket' clearly indicated, there is a lack of any such formal training for our young people, and introducing it could go some way to mitigating many of the issues faced by students once they enter the independence of tertiary education.

The final point that I will make on the issue is a little bit more stark. Last week, you heard from student officers from Queen's Students' Union. They gave an insight into the reality of student hardship, the growing demand on food banks and the number of students who are going through the doors of its advice centres looking for help. We can change the system of how we pay our students their support, but, regardless of how we divide the money that they receive, whether that is three times a year, 10 times a year or 12 times a year, they will still receive the same amount of money in total. From our research, we know that 72% of students feel overwhelmed by their finances. We know that 58% regularly worry about not having enough money to meet their basic living expenses. We know that more and more students are working alongside their course and working more and more hours just to be able to afford to stay in university or college. Therefore, I think that there is a very clear message: if higher education is so incredibly important to our society and our economy, we should make it as accessible as possible by funding our students properly.

I hope that I have not run over time. I am happy to take questions.

The Deputy Chairperson (Mr Buchanan): Thank you, Fergal, for your presentation and for the paper that you provided, which is very informative indeed.

I want to touch on the issue of tuition fees and higher education funding. Obviously, the Committee is concerned about the reduction in funding to the higher and further education sector. You said that you would like to see tuition fees being completely scrapped. Whereas they have been raised in England, the Executive have held tuition fees at £3,500 here in Northern Ireland. We have heard your argument about how detrimental that has been in England and how it is not working. Your paper really looks at the negatives. We have to look at the situation that Departments find themselves in financially, and it is fair to say that they are tightening their belts very, very tightly. If we were to scrap student fees entirely, my understanding is that it would take a further £55 million a year up until 2020 to compensate for that. Where could those finances come from to fund that? If we were to scrap student fees completely at this time, have you looked at where that pot of money would come from?

Mr McFerran: We have done some initial research — a bit of a scoping exercise — on how we might fund it. To frame the discussion, part of it is about priorities and how far up the list of priorities students and higher and further education should be in Northern Ireland. I would argue that they should be quite high up that priority list.

As far as we see it, there are ways and means to deal with covering the cost of scrapping tuition fees. There could be an argument made for greater devolution of tax powers to Northern Ireland to raise revenue to do it. There is also the possibility of examining our rates system on a model of progressive taxation on an income basis so that households that earn the most pay more towards a system that will pay into our education system, our healthcare and so on. That would mean that, as a result, everyone was buying into a pot of money that pays for something that everyone in Northern Ireland benefits from. When we have an education system that is accessible and allows people from any background to enter it, our society will become a more stable, happy and prosperous one. It is about that bigger picture. To be honest, it relates specifically to the Department's Big Conversation that is ongoing at the moment. It has been a welcome opportunity to think a bit differently and not just in the context of cuts, cuts, cuts. It is about looking at things differently and talking about the fact that, if we could argue for greater devolved powers and we framed our regional rate system differently, this is what we could do.

There is also the argument from a 2007 Deloitte report, which outlined the cost of the community divide in Northern Ireland and things attached to that. Deloitte estimated that around £1.5 billion a year was spent on dealing with division in Northern Ireland. We certainly believe that there has not been the work that is needed towards resolving that, which would, in effect, bring about savings that could be spent elsewhere. There is probably more work to be done there that would help free up some funding.

The Deputy Chairperson (Mr Buchanan): Although there have been cuts to higher and further education, given the circumstances that we find ourselves in, it is fair to say that it is one of the priorities for the Executive. Let us remember that the Executive put the economy at the very heart of the Programme for Government, and you cannot build an economy if you do not fund your students in further and higher education. However, you are right: we need to think outside the box about how this can be funded. The Big Conversation opens the way for that to happen. Let us hope that all the providers will take part in it so that we can find a way forward and a sustainable strategy for higher and further education.

Mr Ramsey: You are very welcome, Fergal. It was a very articulate presentation, as we would expect from you.

This is a big ask in the present circumstances. Parties are in talks, and Departments are preparing for an election, so a new Programme for Government is evolving in some way, I hope, and a new Budget. The discussion is good, and I think that parties need to reflect on your presentation, but, as the Deputy Chair said, we are hearing a presentation from the lecturers' union next on the wholesale redundancies that are happening across Northern Ireland. Generally speaking, lecturers in universities are very highly energised and motivated, but they are not now, because of the circumstances that we are in. In the light of that, do you see it as being a realistic goal going forward, given the pressures that are on all universities to make ends meet?

Mr McFerran: I believe that it is realistic. It would not happen overnight, but, in the next few years, with the political will behind it, it could happen. Look at other parts of the UK — such as Scotland — and other countries across the world. Part of it is a cultural approach, where countries do not as a society believe that education is something that is to be bought and sold and have made it a priority not to charge students tuition fees to enter higher education.

It is not a pipe dream. It is achievable. I obviously understand the financial context in which the Executive currently operate, but I think that, going forward, if we want to instil public confidence in the political system in Northern Ireland again, we should start to be more ambitious about our public policy. We are a democratic organisation. Our position on these things is arrived at through discussion and debate, and our members collectively believe that this is something that we should strongly advocate.

You talked about a new Assembly and a new Programme for Government. The student movement in Northern Ireland is committed to involving students and young people in that Assembly election. Our members have been distributing voter registration forms since the beginning of the academic year. In

the past five or six weeks, since the beginning of September, I have visited, alongside the NUS-USI team, over 30 university and college campuses across Northern Ireland to listen to students on the issues that they care about. We will use that to form a manifesto of things that students want to see, and we will encourage them to participate in the democratic process as well.

Mr Ramsey: I will change the subject, although it is something that you referred to: the student support programme. There is a worry that there is less student support about and that more of our young people and students are falling into financial hardship. Can you give us a flavour of that? How is it coming about in the present climate that people find themselves dependent on food banks?

Mr McFerran: It is a reality, unfortunately. I myself was recently a student. I graduated the day before I took up this post, and for the entire time that I studied I also worked part-time. That was quite common. The problem is that so many students work an increasing number of hours to help subsidise the cost of living. This is not students earning money to go out; rather, they are working specifically to cover the costs of their utility bills and rent, to heat their home and to buy their shopping. It has got to the point now at which the cost of living is so high for students that they cannot afford through their support payments to cover the basic cost of living.

We mentioned briefly in our presentation that financial education should be built into the curriculum at an earlier stage. That would help mitigate some of the issues that some of our students face. We know clearly from our research that the issue is that the support payments themselves are not robust enough to help students cover their living expenses.

Mr Ramsey: I have two further questions to throw in. I know that we are under pressure, Deputy Chair. I chaired an all-party group on disability yesterday, and there was a young student in a wheelchair at it. Her big concern was around future support programmes, particularly for those who have a disability. Is that a worrying trend?

Mr McFerran: Over the term of the coalition Government, there were plans to scrap the disabled students' allowance (DSA). That was protected for the time being. It is uncertain at this moment whether the full-blast Conservative Government, if you want to describe them in that way, currently plan to scrap DSA. We are working with our colleagues in the NUS in the United Kingdom to ensure that we set out our stall on why that would not be something that we think should happen. Students with disabilities should not face additional barriers, and we should do everything that we can to ensure that higher and further education is accessible to them.

Mr Ramsey: May I suggest that you attend a future meeting of the all-party group to give a flavour of and maybe some stats and data on the range of young people who have disabilities? Perhaps a student who has a disability could give a testimony to the group on his or her progression and pathway. That would be helpful.

Mr McFerran: I would be more than happy to do that.

Ms Lo: Fergal, nice to see you again. That was a very good presentation.

I have to confess that, when I went to university, I did not have to pay any fees. That was how it was for my generation. I even got a cost of living grant, which I am sure is very enviable to students now.

My two sons both embarked on long degrees — architecture and medical science — and one is in the final year of his PhD, hopefully. They were content to get a student loan. I think that many people say that. They know that, because they have received higher education, they will start off better than others and earn more money than those who did not go to university. Do you not think that it is fair that students pay some tuition fees?

Mr McFerran: I can understand where your sons are coming from, but from our research we know specifically that that is not the case for the majority. Traditionally, those who enter higher education get a higher qualification and a good job that pays more. If we were to implement a system whereby, through taxation, money was ring-fenced for higher education, it would be a fairer way of funding it, mainly because the association of debt puts those from lower socio-economic backgrounds specifically off entering higher education. They do not see it as an aspiration. I can certainly see where your sons are coming from, but there is a fairer and more accessible way of doing it. If you enter higher education and get a good degree and a good job that pays well, you should then pay into

a system that funds higher education for everyone else who is coming after you. We should do that through a different form.

Ms Lo: I am glad to hear that you are going around colleges and talking to students and that you will produce your own manifesto. We are now into phase 2 of the Big Conversation. How will you mobilise students to take part in it?

Mr McFerran: You should all have received an invitation from us. Next week, we, alongside representatives from across civil society, are hosting an event in Queen's students' union. There will be a panel comprising, for example, young people, students, trade unions and Parenting NI. We are engaging with partners to ensure that vested interests are represented. We have invited you to be in the audience to listen to and take note of what civil society has to say. We are very much encouraging students to come along and be involved in that conversation.

Ms Lo: I think that I have it in my diary.

Mr McFerran: Great. Thank you.

The Deputy Chairperson (Mr Buchanan): What time is that?

Mr McFerran: From 7.00 pm to 9.00 pm.

The Deputy Chairperson (Mr Buchanan): OK.

Mr Ramsey: That is grand if you live in Belfast.

Mr Anderson: Thank you for your presentation. I will be brief. You talked about the frequency of support payments, and Pat touched on that. Obviously, that is a big issue at the moment, but what financial planning help or education do students get at present? Is the students' union or anyone else trying to help them? There appears to be a lack of something. Students get their money, and they could get rid of it in a few days or even less.

Mr McFerran: There is something missing, I agree. We advocate that DEL and the Department of Education work together to examine the possibility of building something into the curriculum to ensure that we mitigate the risk rather than dealing with it when a problem arises. Our students' unions at Queen's and Ulster have advice centres that support students in financial need with budgeting and so on. Outside the context of my family, there was no formal financial training or education through my primary, secondary and tertiary education that gave me any experience of budgeting. I worked a part-time job from when I was 16, so I had to learn to budget for myself, and, when I arrived at university, I had to manage my finances. To a certain extent, we are dropping some students in at the deep end, because, when they enter higher education, it is often their first real taste of independence and of dealing with their own finances.

Mr Anderson: Is there nothing done in schools and colleges, Fergal? In the past and maybe to a lesser extent today, there was the like of careers advice. Is there no one in their final year at school or college who advises students, "You are going into a situation here, and this is what you'll get. You'll get a loan or a grant at a certain time in the term, and you'll need to be very careful how you manage that"? What I hear from you and others is that the advice that they get is not working. Is it a big issue?

Mr McFerran: I believe that it is. The figures speak for themselves in terms of how students feel overwhelmed by their finances; I think I quoted 70%.

Mr Anderson: It was 77%.

Mr McFerran: Yes. Obviously, if there is something in place, we either do not know about it or it is not working. We need to look at what we can do. It would be quite a simple fix that would help to mitigate some of the risk associated with students entering into high-risk loans. Some students are now doing that as well. If we can intervene earlier, maybe when they are in secondary school or before they enter further or higher education, that would be a very good step forward.

Mr Anderson: If you had your way, Fergal, there would be no call for education in financial planning if there were no loans or grants and we had free education.

Mr McFerran: I do not necessarily think that it is a bad idea. *[Laughter.]*

The Deputy Chairperson (Mr Buchanan): Thank you for coming to the Committee, Fergal, and for taking questions from members. No doubt we will meet again at some stage.

Mr McFerran: Thank you very much for your time.