13 November 2007

Dear Ms Whitefield

Graduate Endowment Abolition (Scotland) Bill

Thank you for your letter of 9 November 2007 regarding the evidence given by Scottish Government officials to the Education, Lifelong Learning and Culture Committee in relation to this Bill.

I am disappointed that the Committee feels that my officials were unable to fully articulate the evidence supporting the Policy Memorandum and the benefits that abolishing the Graduate Endowment fee will have. I would be happy to provide the Committee with some additional briefing on the matters you mention and will do so ahead of my appearance before you on 28 November 2007.

It is important to note that, according to the data provided by SAAS, two thirds of the Graduate Endowment fee is added to student loan debt. The Graduate Endowment fee is very much part of the debt issue. Debt, and the fear of debt, is a real and growing concern for many prospective students. Average student debt now stands at just under £11,000 and there is no doubt in my mind that this unfair fee creates a barrier. As I am happy to explain when I appear before you, widening access to higher education is not about increasing participation in total numbers but about enabling people from non traditional backgrounds to go to university. Fear of debt as evidenced in the Joseph Rowntree Foundation study affects those more from non traditional backgrounds in particular.

Young people from areas of multiple deprivation should have wider access to higher education and, although efforts on this have increased recently, the proportion of entrants to university coming from deprived areas of Scotland has still not changed significantly in recent years. I believe that debt, and the fear of debt, acts as a brake on the aspirations for those from our poorest and most disadvantaged communities in particular and moves us away from a Scottish education system that should be based on the ability to learn.
This is a view that was specifically highlighted by the majority of respondents to our consultation including student representative bodies such as the NUS and CHESS, a number of institutions, the STUC, EIS and Association of Teacher and Lecturers (ATL), the Scottish Funding Council and the BMA.

I am aware that Jeremy Purvis asked about the repayment of Graduate Endowment that has been added to student loan debt. The key figure here is that only £57,000 of £26 million of Graduate Endowment fees added to student loan debt has been returned to the tax payer, a tiny fraction. The number of borrowers who make up the £57,000 is not central to this argument, but, in response to Mr Purvis’ request, my officials will obtain the information and forward it to you.

I would like to assure you though that my officials and I are committed to continuing to work closely with the Committee to develop this essential piece of legislation and I look forward to answering all of your questions on the Bill on 28 November.

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