UCU Scotland has nearly 7,000 academic and academic-related members in Scottish higher education institutions (HEIs). We welcome the opportunity to respond to the call for evidence on the Graduate Endowment Abolition (Scotland) Bill by the Scottish Parliament’s Education, Lifelong Learning and Culture Committee.

UCU Scotland welcomes the bold step by the new Scottish Government in reducing future student debt and welcomes the abolition of the Graduate Endowment. However, there are broader issues that should be considered as part of the process in considering the value of the abolition.

UCU Scotland supported the abolition of the up-front undergraduate tuition fee for full-time students and at the time accepted the notion of the graduate endowment as the way of making higher education free at point of entry.

The Graduate Endowment was envisaged as funding for bursaries for students from low income backgrounds as part of the package to encourage broader participation in higher education. We would be concerned if this aspect of the Cubie settlement was lost but given the SNP manifesto promises and assurances given in the consultation this would seem to be unlikely. However, the level of bursaries does not cover the full entitlement and students from low income backgrounds still have to take out a student loan. Further the level of student entitlement does not cover the living and study costs of students forcing most students to take out commercial loans, overdrafts and credit card debt. We wonder if this is more relevant than the income based repayment of the graduate endowment.

For part-time students the situation is even worse as they still are liable for up-front fees and have limited access to support for living costs. A review of funding for part-time students was part of the Cubie settlement yet this was not delivered by the previous administration. Though part-time students are not covered by this bill the committee may wish to consider the wider issue of parity for part-time students.

As part of the budget announcement, funding has been earmarked for the abolition of the graduate endowment but there are also funds to increase the level and number of grants for students. This element is related to this bill and UCU strongly recommends that this funding is used to increase the bursaries for students from low income backgrounds and to roll-out this support to part-time students.

The other issue of concern is the effect on future funding of higher education. Presently the graduate endowment is paid back as part of the student loan once a graduate’s income reaches a certain threshold as a proportion of the income above that threshold. Hence the funds are limited from this new source of funds until many more graduates reach a higher income in years to come. Hence this fund will not be recovered in the future as envisaged resulting in a loss of expected funding. This may impact directly on the higher education budget which would be a concern for staff in universities. There is assurance in the consultation that this measure will not affect the sector’s budget, however the disappointing HE settlement in the 2007 spending review gives cause for concern about whether that can be a meaningful commitment.

UCU Scotland maintains that some of these less immediate issues could be covered in a broad review of the purpose of universities and their role in a modern Scotland. Such a wide ranging review has not taken place since the Robbins review in the 1960s. Since then the number of universities and students has increased dramatically. Universities have moved from ivory towers for the few to the mass education system of today. This has occurred with little planning and the time is ripe to take a long term view of the development and future role of universities.

In conclusion we support the graduate endowment abolition as long as bursaries are at least maintained and that overall funding for higher education is not affected.

UCU is prepared to give oral evidence on the bill.