



# **About HEPI**

- UK's only specialist HE think tank
- A non-partisan charity
- Supported by most universities & others







#### **Student Accommodation: The Facts**

Sarah Jones and Martin Blakey





August 2020

#### Introduction

HEPI Policy Note 26

hepi.ac.uk

The number of serving world leaders educated in another country is widely regarded as a proxy for 'soft power'. When a country has educated a relatively high number o people who go on to lead their own countries, this is thought to reflect the influence of the host country and it may bring diplomatic and trade benefits. International students have been called 'The best ambassadors a nation has' and the British Council believes 'familiarity with the UK matters'

Each summer, the Higher Education Policy Institute tracks the tertiary education of current heads of state and heads of government and publishes the results as the HEPI Annual Soft-Power Ranking. Past iterations have featured in the Government's nternational Education Strateay (March 2019) and are regularly guoted by Ministers.<sup>3</sup>

When we started looking at the education of serving world leaders back in 2015, we looked only at how many world leaders were educated in the UK. However, since 2017, we have also looked at how many were educated in other countries too. In the first year, we found the UK had educated more world leaders than any other country, but the US vertook the UK in 2018 and extended its lead in 2019.

- In 2017, we noted the 'UK is (just) number 1 for educating the world's leaders': 58 leaders of 49 different countries had studied at a higher level in the UK – compared to 57 leaders of 51 different countries who had studied in in the US.
- In 2018, we noted the 'UK slips behind the US': 57 leaders of 52 different countries had studied at a higher level in the UK – compared to 58 leaders of 53 differen countries who had studied in the US.
- In 2019, we noted the 'US extends its lead over the UK': 59 leaders of 53 differen countries had studied at a higher level in the UK - compared to 62 leaders of 55 different countries who had studied in the US.4
- is year, we find the UK has fallen even further behind the US.
- In 2020. 57 leaders of 52 different countries studied at a higher level in the UK compared to 62 leaders of 58 different countries who studied in the US.

One or two data points cannot show a trend, but more than two may do so. Taking the last four years of results together, we see a clear and consistent pattern: the UK's positio has deteriorated relative to the US in each year.

owever, over a guarter of countries (52 out of 195) are led by someone educated in the UK, which does well compared to every other country except the US.

Student voters: Did they make a difference?

**Nick Hillman** 



**HEPI Report 133** 



**Beyond business as usual: Higher education in the** era of climate change Keri Facer





Rachel Hewitt, HEPI Director of Policy and Advocacy

April 202

**HEPI Policy Note 29** 

- hirds of undergraduate students (66%) say they have not received any financial reimburseme from their university or accommodation provider as a result of the pandemic. Around a fifth (19% have received reimbursement from their accommodation provider, 13% from their university and 2% from both
- Two-thirds of students (66%) are living in their usual term-time accommodation, whereas 34% are
- Over half of students (56%) are not expecting to receive any more face-to-face teaching th academic year, compared to 44% who are.
- Student satisfaction with online learning is at a similar level to November 2020, but up from the levels in March and June 2020 (54% now, compared to 59% in November, 42% in June and 49% in March 2020
- Around two-thirds (65%) of students say the messaging from their higher education institution of the impact of the pandemic on this academic year has been clear and around one-fifth (19%) say the messaging has been unclear.
- Almost two-thirds (63%) of students say their mental health is a little or much worse as a result of the pandemic compared to just 14% who say their mental health is a little or much better. Just under a quarter (23%) describe their mental health as the same. One-fifth (21%) describe their mental health as much worse
- Over a third (38%) of students are satisfied with the delivery of mental health services, whereas 509 of students are satisfied with the delivery of other support services.

#### Introduction

April 2021

COVID-19 continues to have a significant impact on the student experience as the UK remains under significant restrictions with higher education institutions largely teaching online. Each round of the HEPI / YouthSight Coronavirus polling has taught us more about the student experience during the pandemi from the first in March 2020, then in June 2020, November 2020 and now in March 2021.<sup>1</sup> This latest polling conducted as we begin to learn more about the routes out of lockdown across the UK, highlights the issu that are important to students in understanding how the pandemic has impacted their experience, and how perceptions have developed over time.

The survey of over 1,000 full-time undergraduate students was undertaken between 11 and 16 Marc 2021. Weights have been used to ensure the sample is representative by age, gender and university type

#### in UK universities Nick Hillman January 2021

A short guide to

non-continuation

#### Introduction

aepi

**HEPI Policy Note 28** 

Non-continuation in higher education is rising up the political agenda. The Office for Students plans, for example, to judge the quality of courses at English higher education institutions by their continuation rates as well as the proportion of graduates progressing to managerial and professional employment or higher-level study

There has been extensive discussion on the pros and cons of assessing courses by the destination of graduates.<sup>2</sup> But this has not been matched by a similarly close consideration of using continuation rates as another proxy for quality. This matters because there is no consensus on important issues, such as what an acceptable non-continuation rate is, whether it is damaging for individuals to leave a course before the original learning objective is met and how policymakers should respond to the issue.

There is not even a consensus on the best way to describe the phenomenon whereby some students enrol in higher education but then leave before completing their original target qualification.

In the vernacular, it is often described negatively as 'dropping out'. Policy experts sometimes speak of 'non-retention' and the published data for UK institutions from the Higher Education Statistics Agency (HESA) are described as showing 'non-continuation rates'. England's Office for Students sometimes refers to 'non-completion', while a report for the Welsh Government used 'withdrawal' and also noted the high number of possible alternative terms in academic literature on the issue:

Morgan (undated) adds 'departure', 'unsuccessful' and 'failed' to this list, and points out that Leys (1999) suggested there were 'nine definitions associated with drop-out or withdrawal', while Foster (2000) had identified thirteen possible definitions.<sup>3</sup>

Some of the terms describe slightly different things - for example, HESA's UK Performance Indicators track students from the year they enter to the following year (or the following two years for part-time students), while the OECD uses the original theoretical duration of a course as well as another measure that adds a further three years.

But despite the terminological confusion, all such measures describe a gap between learners' original stated intentions and their situation when they leave their course. A number of terms are used interchangeably in some of the pages that follow.

#### **Student Finance in England** from 2012 to 2020: From fiscal illusion to graduate contribution?

Alan Roff



**Debate Paper 25** 

Mixed Media: what universities need to know about journalists so they can get a better press

> **Rosemary Bennett** With a Foreword by Professor Adam Tickell



**Debate Paper 26** 

**Designing an English Social Mobility Index Professor David Phoenix** 















hepi) YouthSight







Very confident

## Sex and Relationships Among Students: Summary Report

## Most students want sexual consent tests, survey finds

THE TIMES

Nicola Woolcock, Education Editor

Thursday April 29 2021, 12.01am, The Times

Thinking about the ways in which you have learned about sex and relationships, to what extent do you agree with the following statements?



The education I received at school prepared me for sex and relationships at university

My parent(s) or guardian(s) played an important part in my education by talking about sexual consent

Before starting higher education, all students should have to pass an assessment to show that they fully understand sexual consent

Throughout my time at university there have been workshops, talks, assemblies and clinics on sexual Fairly confident Not very confident

 $M_{v}$  parent(s) or quardian(s) played an important part

# Perceptions of value-for-money have fallen to their lowest levels so far



"AdvanceHE

hepi)

**Student Academic** 

**Experience Survey** 

Jonathan Neves (Advance HE) and Rachel Hewitt (HEPI)

2021





#### Is tomorrow's university system already emerging?

11 June 2021 by Ian Matthias and Mike Boxall



## Are Level 4 and 5 qualifications a good investment?

14 June 2021 by Héctor Espinoza, Stefan Speckesser, Imran Tahir, Jack Britton, Sandra McNally & Anna Vignoles



## Staff mental health 2019-2021: What has changed?

16 June 2021 by Liz Morrish



<u>The creative industries matter to London,</u> <u>Yorkshire and the nation</u>

15 June 2021 by Diana Beech & Peter O'Brien



## YouthSight

**HEPI Policy Note 31** 

## No easy answers: Student finance in the spending review

**Nick Hillman** 

June 2021



## Tuition fees Increasing England student loan repayments 'would save government £4bn a year'

Architect of current system claims lowering income threshold for repayments is fairest way to fund higher education

**Richard Adams** Education editor

Thu 10 Jun 2021 07.06 BST

#### SOCIETY



n, trust and tolerance

- Increased tax revenues .
- Faster economic growth
- Greater innovation and labour market flexibility ٠
- Increased productivity of co-workers ٠
- Reduced burden on public finances from co-ordination ٠ between policy areas such as health and crime prevention

MARKET

- Higher earnings ٠
- Less exposure to unemployment ٠
- Increased employability and skills development ٠
- Increased entrepreneurial activity and productivity



Better mental health

- Greater life satisfaction
- Better general health



**INDIVIDUAL** 

Department for Business nnovation & Skills

攡

#### SOCIETY

n, trust and tolerance

- Increased tax revenues
- Faster economic growth
- Greater innovation and labour market flexibility

So don't cut spending on education – in fact, there is a strong case for spending more at a time of crisis / upheaval.

bn

in preventative care

- Better mental health
- Greater life satisfaction
- Better general health



INDIVIDUAL



News > Education > Education News

#### Gavin Williamson criticised for 'galling' comment on 'dead-end' university courses

Exclusive: NUS vice president for higher education savs remarks show education secretary is 'out of





Gavin Williamson ditches Tony Blair-era target to get 50% of kids into university as he vows major overhaul of further education



The Education Secretary vowed to 'stand for the forgotten 50%' who do not go to university. (PA)



Matt Honeycombe-Foster ♥ matt\_hfoster

5 min read 09 July 2020



### Tories want to end the university boom years

With the taxpayer and many students getting a raw deal, more funding is likely to be switched into technical education

James Forsyth | Thursday June 03 2021, 5.00pm, The Times









end the n years

etting a raw deal, more echnical education

0pm, The Times

5 min read | 09 July 2020



# Nick Hillman: Three options for higher education. Less support for students, fewer of them – or else they pay more

### By Nick Hillman





## ould bankrupt a dozen IFS warns

Il placed to deal with the fallout, pandemic in weak financial health port New HEPI report reveals over 350,000 more higher education places will be needed in England by 2035 to keep up with demand, while Scotland will see a decline in demand for places over the same period, despite increased participation in higher education

22 October 2020





## On the horizon



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Figure 1: English and Welsh 18-year old population 2009-2036

Source: Office for National Statistics (ONS) - Births in England and Wales<sup>5</sup>

*Figure 4: English Higher Education full-time and part-time initial participation rates (aged 20 and under)* 



Source: Department for Education Participation Rates in Higher Education: 2006 to 2018, 26 September 2019





HEPI Report 134

news website of the year Log in

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Coronavirus News Politics Sport Business

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## 350,000 extra university places needed to meet demand, report finds

Two-fifths of the demand for places will be in London and the South East

*By* **Camilla Turner,** EDUCATION EDITOR 22 October 2020 • 6:00am

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# Less £££ for teaching and learning



Figure 3.1: Estimate of university resources per student per publicly funded degree 1990-91 to 2017-18 (in 2018-19 prices)<sup>24</sup> (IFS)



The Augar report wanted:

"further efficiencies ... freeze of the average per-student resource for a further three years. ... a real terms reduction of 8 per cent between 2019/20 and 2022/23, and a reduction of 11 per cent compared to 2018/19 funding levels."

July 9, 2020

SPECIAL REPORT

# Is it still worth getting a university degree?

The world of higher education has been turned on its head by the pandemic. Will university life ever be the same again? Megan Agnew reports Gavin Williamson: expansion of higher education not what the nation needs

A question of degree

The future of universities: 'I don't think I am getting my money's worth at the moment'

# The great university con: how the British degree lost its value

Why we should cut graduates' taxes and pay for it by reducing the number of low value university courses

## Students 'taken advantage of' by universities letting 'too many' onto courses, says minister Michelle Donelan

The universities minister Michelle Donelan said 'social mobility isn't about getting more people into university'

Contact hours	No evidence it makes much difference		
Class size	Useless on its own		
Teaching intensity	Lack of clear advocates / no o		
Student satisfaction	Easy courses do well, some g		
Teaching qualifications	Lack of evidence they make a		
Value for money	Skewed by fee levels and sho		
DLHE / Graduate outcomes	Too soon (and too low respon		
LEO	Too obsessed with money an		
TEF basket	Not actually about academic		
Subject-level TEF	Too complicated		
League tables	Weird – eg entry tariff boosts		
Learning gain	Can't yet be done successfully		
Ofsted-style assessments	Academics not keen	heni	
Engagement / workload	Insufficient public data		

Published: November 10, 2020

Nick Hillman: Three options for higher Florida education. Less support for students, Gulf of Mexico fewer No 4th option this time around, now

student loans are accounted for lifferently, with 50%+ deemed current public spending.



dozen

**Puerto Rico** 

Bermuda

Bermuda

Triangle

#### OK UNIVERSICIES, ILS WALTIS

Overall, the sector is well placed to deal with the fallout, but those who entered pandemic in weak financial health could be at risk, says report

July 6, 2020

Simon Baker

Twitter: @HigherBaker



#### £70,000 Augar panel: £61,300 £58,800 £5.4bn fee loan write-off £60,200 2020-21 prices £60,000 £4.0bn maintenance write-off The government has been **RAB charge of 54%** 8 £50,000 200 £47 £54, s on Lifetime repayments (£ NPV, £40,000 £35,600 ions, in 300 ig the £26,200 £30,000 £31 ting £19,700 £17,000 £20,000 would go a sing the 300 £10,000 ial hole. ł 5th 5th 5 යි 3rd ■ £0 4th B0 R R R £0 2nd 1 St 6th 7th 8th 9th



Edward Peck, VC at NTU

& a member of the

*Current repayments, by gender (net present value)* 

## 2012 forecast by Lorraine and others



The Distributional Impact of the 2012–13 Higher Education Funding Reforms in England Haroon Chowdry, Lorraine Dearden, Alissa Goodman, Wenchao Jin 15 June 2012



- Lots of caveats not strictly comparing like with like..
- But note that, compared to original plans:
  - a much higher proportion of women pay back nothing
  - there is a much bigger gap between repayments from men and women
  - much less is paid back overall loan write offs have increased
  - consequence changes to the methodology / data and policy changes

## Tuition fees: former Tory adviser says government got its maths wrong

Nick Hillman, who worked for David Willetts on student loans regime, calls for action over looming university funding gap

### Rowena Mason, Shiv Malik, James Ball

Fri 21 Mar 2014 20.01 GMT

New higher loan repayment threshold is a big (and expensive) giveaway to graduates

Chris Belfield, Jack Britton and Laura van der Erve Press release

03 Oct 2017

	Current system	No interest rate above inflation	35-year repayment term	Threshold of £19,390
Cost of fee loans	£5.4 billion	£6.1 billion	£4.9 billion	£3.2 billion
Cost of maintenance loans	£4.0 billion	£4.5 billion £3.7 billion		£2.4 billion
RAB charge	54%	61%	50%	33%
Percentage not repaying all	88%	74%	85%	76%
Percentage not repaying any	33%	33%	33%	16%
Average debt	£47,000	£45,600	£47,000	£47,000
Repayments male	£34,800	£28,400	£37,900	£44,700
Repayments female	£13,100	£11,800	£15,500	£23,500

	Current system	No interest rate above inflation	35-year repayment term	Threshold of £19,390	
Cost of fee loans	£5.4 billion	£6,1 £9.4 billion write-			
Cost of maintenance loans	£4.0 billion	£4.5 bino.	off cost	Julion	
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	<u>.</u>	gender pay gap			

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Repayments male	£34,800	£28,400	£37,700	en) benefit
Repayments female	£13,100	£11,800		
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	Current system	No interest rate above inflation	35-year repayment term	Threshold of £19,390
Cost of fee loans	£5.4 billion	£6.1 billion	£4.9 billion	Saves nearly
Cost of maintenance loans	£4.0 billion	£4.5 billion	£3.7 billion	£1 billion
RAB charge	54%	61%	50%	falls to 50%
Percentage not repaying all	88%	74%	85%	76%
Percentage not repaying any	33%	33%	33%	16%
Average debt	£47,000	£45,600	£47,000	£47,000
Repayments male	£34,800	£28,400	£37,900	Hits 'typical'
Repayments female	£13,100	£11,800	£15,500	graduates

	Current system	No interest rate above inflation	35-year repayment term	Threshold of £19,390
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Repayments male	£34,800	Affects men		£44,700
Repayments female	£13,100	and women		£23,500

	_	No interest	35-year	Threshold		
Higher repayments are tricky politically and could be seen as intergenerational unfairness. but are						
they preferable to the alternatives?						
Average debt	£47,000	£45,600	£47,000	£47,000		
Repayments male	£34,800	Affects	men 🔍	£44,700		
Repayments female	£13,100	and wo	men ,0	£23,500		

	England post-2012	Australia	New Zealand
Repayment threshold	£27,000	£25,000 (upper threshold £75,000)	£10,000
Repayment rate	9%	Tapered from 1% to 9% on whole salary once over relevant thresholds	12%
Repayment term	30 years	No term limit	No term limit
Interest	0%+RPI to 3%+RPI (currently 5.6%), depending on salary	CPI (0.6%)	0% (unless you are abroad, when it is 3%)

New HEPI Debate Paper argues for the student loan scheme to be replaced by a graduate contribution scheme, including contributions from those who graduated in the era of grantfunded study

21 January 2021

By Alan Roff

Alan Roff argues the student loan scheme is unviable and that there are no affordable ways of fixing it: the individualised basis makes it impossible to secure more funding from the best paid graduates after they have repaid their own debts or to increase repayments in an affordable way for lower-paid graduates. Student Finance in England from 2012 to 2020: From fiscal illusion to graduate contribution? Alan Roff





**Debate Paper 25** 

LORRAINE DEARDEN PROFESSOR OF ECONOMICS AND SOCIAL STATISTICS SOCIAL RESEARCH INSTITUTE, UCL



Access can be affordable: Ensuring a sustainable tuition loans system in England

**Response from Lorraine Dearden** 

# Introduction

- Agree with most of what Nick has put forward today
- Financial cost considerations/ICL design needs to include extending loans to vocational education
- But the distributional implications of what he is proposing are not ideal without further adjustment to the ICL system alongside the lowering of the threshold
- Not true that those in bottom third don't pay anything
  - LE model not allowing people to move up and down the distribution?
- Big problem is the interest rate



# ICL financing in a post-covid world

- Worst time to cut student places and indeed need to provide financial support to all students engaging in vocational and higher education at this time
  - But that necessarily means, in a post-COVID world, making sure it is affordable and equitable
  - Necessarily involves redesigning ICLs
  - Also re-introducing grants with better designed ICLs is both affordable and much more equitable (why should debt be highest for those from poorest backgrounds?)
  - Essential if expanding ICLs to vocational education where earnings on average are significantly lower than for university

# Why lowering threshold not enough?

- Without reform to interest rates it is highly regressive
  - Interest rate RPI (2.6%) +3% during university, RPI after April following university if < £27,295 per year, then tapered and then RPI+3% if earnings > £49,130
  - If lower repayment threshold will also lower point that taper begins
  - BUT government cost of borrowing and most competitive interest rates well below what is being charged to students
  - Means that those who will pay the most (incur the interest rate premium for the longest time) will be those who earn consistently over 30 years but don't extinguish debt
  - Top earners will pay off early and therefore not pay the interest rate premium for the full 30 years - REGRESSIVE

# Easy to fix

- Pin interest rate to government cost of borrowing plus small margin (below market rates)
  - This should happen every year and to all borrowers.
  - 3% is way too high for current conditions but in future might be very reasonable if government cost of borrowing goes up.
- To recover lost revenue, have a transparent loan charge that is added to loan e.g. 20%
  - This ensures that the highest earning graduates pay the most (120% of loan value) cf now where they can exit early if access to cheaper interest rates and avoid cross-subsidizing lower earnings
  - Equitable and progressive

# Illustration

- Student from high income starting in 2017
  - Fees of £27,750 and Maintenance Loan of  $\pounds$ 12150 =  $\pounds$ 39900
  - How much interest accrued as at June 2020?
- Anybody willing to provide a guesstimate either as level and/or percentage of loan?



- Answer: £4773.30 or 12% of loan amount
- In year to June 2021 no work interest accrued £209.79
- Instead charge 20% of loan amount and add to loan-completely transparent (£7980) and *reduce* interest rate
  - Ensures progressivity and ensures highest earning graduates pay 120% of loan value back to cross-subsidise lower earning graduates
  - Means even if extend repayment term still progressive



# Other options

- Piecewise linear repayment rates should be considered as well as lowering thresholds – e.g. 5%, then 9% and then 12% - see Long (2019)
- Re-introduce well targeted grants cost implications small if well designed

Reference: Ngo Van Long (2019), Financing higher education in an imperfect world, *Economics of Education Review*, Volume 71, Pages 23-31, ISSN 0272-7757, https://doi.org/10.1016/j.econedurev.2018.06.004.