



# Universities Scotland: update on the impact of COVID-19 on universities for the Education and Skills Committee

August 2020

## Key messages

- This update supersedes the brief shared with the Education & Skills Committee on Wednesday 19 August. As mentioned then, work to put learners first following use of the teacher-awarded grades was necessarily a fast-moving issue, involving many partners.
- **Teacher awarded grades and entry to university.** Universities have been acting in students' interests and placing students where they meet the conditions of their offer, working from teacher-awarded grades. This process continues. Additional numbers still aren't known for definite. We welcome the Scottish Government's commitment to fund additional places for the duration of the degree. Universities received operational guidance from the Funding Council on 26 August. We welcome the Minister's intent to do the right thing by learners who received teacher-awarded grades in S5, an increased number of whom might now be in a stronger position to apply to university.
- **The impact on international student enrolment is still not known.** There have been some indications of increased student confidence over the summer but there won't be reliable data on this until October/November 2020.
- **We must revisit the Scottish Government's [Further and Higher Education Sustainability Plan](#) mid-year as the biggest financial impact will hit universities in 2020/21.** This plan specifically committed that *'further support and actions will be necessary once the full impact is apparent so that colleges and universities can come through this unprecedented crisis and be key players in the nation's recovery'*. Amongst all the financial pressures facing the sector, as a result of the pandemic, the potential loss of international student numbers remains the single biggest pressure in 2020/21. We would be looking to the Scottish Government to re-engage with us on funding discussions if, as predicted, there has been a significant reduction in international student enrolments. The Sustainability Plan indicated that would be the Scottish Governments' intention.

## Doing the right thing by learners – entry to university and teacher-awarded grades

- Universities have been acting in students' interests and reconsidering offer holders who met the conditions of their offer with teacher awarded grades.
- As of 27 August, 33,590 Scottish domiciled students had been placed in a Scottish university. This is 5,350 more than on SQA results day (4 August) and a 5-percentage point increase on the same point in the cycle in 2019. The increase can't all be explained by the decision to revert to teacher-awarded grades. In any normal year, the number of Scots placed continues to grow after SQA results day as Scots make use of UCAS Clearing. 1,460 Scot-dom students have been placed via Clearing as of 27 August.<sup>1</sup>
- Even before the decision to work with teacher-awarded grades, UCAS data shows universities were acting in students' best interests. 64.7% of Scots-dom students were holding their first choice (firm offer) as of 18 August. This is up three percentage points from the same time last year.
- **Additional places.** UCAS is expected to publish data relating to Scot-dom student, in light of the SQA decision, on Friday 28 August. This should give us the strongest indication yet of additional numbers needed. From our close work with institutions we believe that additional places will be needed but

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<sup>1</sup> UCAS Daily Clearing Analysis, [Interactive Data Dashboard](#)



it has been frustrating, though unavoidable, not to have a sector level data set to inform decision-making in the short time frame available.

- **Funding.** We welcome the Scottish Government's commitment to fund any additional places needed for Scots (and EU students) starting in 2020 and for every year of their undergraduate degree. The Funding Council published guidance to universities on the funding approach to the additional places on 26 August. This clarified that the Scottish Government has removed the cap on numbers in the controlled subjects of medicine, nursing and midwifery.
- It was helpful to have the Minister's explicit recognition that this also has implications for demand for university, and university funding, for 2021 entry as a result of Higher grades awarded to S5 pupils, now starting S6 and now possibly intending to apply to university with a better set of Higher results. Universities will need early clarity from Scottish Government on the number of places available in 2021/22 in the controlled subjects. This is pressing, as UCAS's admissions cycle opens on 8 September with the first deadline for entry in 2021 closing on 15 October for those applying to medicine.
- **Impact of A-level reversal.** The reversal of policy in England in regard to A-levels has implications for demand and eligibility in Scotland too. This will see entrant numbers rise considerably above planned numbers in some institutions. There's a specific funding issue here too. Whilst rUK students pay fees at the level of £9,250 there is a Government subsidy for "high cost subjects" which cost significantly more than the fee level to teach. This is particularly significant for Medicine, where the changes to A-level grades mean that increased numbers of rUK students have now met the standards for admission to Scottish medical schools.
- **Long-term funding implications.** It was important to do the right thing by learners. Universities fully support that. Yet, the consequence of creating additional funded places in higher education is to further exacerbate the funding problem in higher education as every Scottish and EU-domiciled student is under-funded by £700 in real terms relative to 2014/15 levels. Even with the cross-subsidy from international student fees, under normal circumstances, the situation is unsustainable. If we do see a fall in international student numbers, as expected, the financial impact on the sector will make a very difficult situation worse.
- **Access.** The placed applicant data shows a positive story on widening access into university. As of 27 August, the data was showing a 4-percentage point increase on SIMD20 placed applicants compared to the same point in 2019 and a 7-percentage point increase in the number of SIMD20-40 placed applicants. This represents an increase of 590 additional SIMD 0-40 students placed for entry in 2020/21.

#### International demand for study in Scotland

- It is still too early to provide a reliable indication of international student numbers for 2020/21. This will only come from enrolment numbers gathered in the SFC's Early Statistical Return. This is not usually published until December of every year but we're in discussion with SFC and HE planners to see if how much earlier this can be brought forward without compromising the reliability of the data.
- In the meantime, UCAS data on placed applicants looks encouraging (up 10% as of 25 August) but this needs to be heavily caveated. Only circa 60% of international undergraduate students apply via UCAS and it does not capture postgraduates, who represent the majority of international students. This year, data on international placed applicants is no guarantee of the ability of international students' intent to enrol or ability to travel to get here.
- Other indicators are mixed. Institutions report a very mixed picture on fee deposits paid (with deposits significantly up and down on last year at different institutions). We note that UKVI data suggests that the number of student visas granted in China for study in the UK is around 2,000 relative



to 50,000 at the same point in 2019. Hopefully, at least some of this shortfall can be explained by a backlog in processing. Students from China represented 31.2% of Scotland's international students (at all levels of study) in 2018/19.<sup>2</sup>

- The potential loss of international student fees for AY 2020/21 was the single biggest factor influencing the serious financial situation facing universities as a result of the pandemic, as identified by the [SFC's briefing note](#) on the financial impact from May. As a sector, this remains a major concern. The Scottish Government's [Sustainability Plan](#) was clear that it recognised that "*further support and actions will be necessary once the full impact is apparent*".
- We would very much welcome it if the Education Committee could return to this issue later in the calendar year (early November would be optimal in regards to data availability). If numbers are significantly down it will be important that the Scottish Government and Scottish Parliament engage with this mid-year in order to protect the financial sustainability of the sector.

### **Financial support for higher education**

- The financial threat facing universities as a result of the pandemic remains very serious. Institutions did get budgets for AY 2020/21 approved by their governing bodies, but university leaders and governing bodies remain highly concerned about the financial challenges facing institutions. AY 2020/21 was always going to be significantly more challenging for universities than 2019/20 and we expect that to be the case.

### **Support from the Scottish Government**

- Universities welcome the financial support they have received from the Scottish Government thus far. In particular, the announcement of £75 million of funding for research in May was very welcome. The Scottish Government's decision on the future fee status of EU undergraduate students was announced with political regret, but we welcome the Scottish Government's commitment that the resource currently supporting EU students will stay in the sector. Given major continued pressures and the subsequent need to create additional funded places in universities, we ask for certainty from Scottish Government that all of the resource will stay in the university sector for all years of the transitional period (which is a four-five year period).
- We have also welcomed smaller pots of resource (<£5m) for capital and for university students facing digital poverty.
- Confirmation that additional places for Scottish-domiciled students who met offer conditions would be funded is welcome and it is the right thing to do. However, as the price paid to teach each Scottish domiciled students falls far short of the full economic cost of teaching, and as there was significant pressure on this grant before the pandemic<sup>3</sup>, the additional places actually increase the financial pressure on universities. The COVID emergency means there is far less opportunity available to institutions to address the shortfall through income-generating activities such as international student fee income, events, conferences and accommodation.

### **Support from the UK Government**

- The UK Government has made a number of packages of support available to UK universities, some of which include HEIs in Scotland. Of these, the package to [protect research jobs](#), announced on 27 June, is the most significant. We particularly welcome the premise of the support package, which

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<sup>2</sup> HESA Students 2018/19

<sup>3</sup> Between 2014/15 and 2019/20 there was a 9.6% cut in teaching funding per student. Universities Scotland (2019) The [Future of Scotland's Universities](#) p53



effectively seeks to provide a partial Government underwrite of losses of international student fee income (though this is capped at no more than the value of research income from non-public sources such as medical charities). In doing so, the UK Government has recognised that international student fee income is essential to cross-subsidise university research and make it financially viable. The package looks to ensure that vital research is not put in jeopardy.

- Operationally, there are a couple of aspects that mean it is not likely to offer the same benefits to universities in Scotland as in England.
  - First, the package has been deliberately designed so that the funding is only available to underpin research. In Scotland, international student fees cross-subsidise research and teaching, but the funding available through this package cannot be used to support teaching.
  - Secondly, the package is a mix of loan and grant in a 75:25 ratio. We have explored with the UK Government and Scotland Office whether institutions are able to access the grant element only and have been told no. The extent of borrowing in the Scottish HE sector means that institutions may not be able to access the loan element without breaching covenants on existing loans. At a sector level, the HE sector in England has been less reliant on borrowing (at least going into the pandemic) than in Scotland and this package does not take this into account.
- If there could be movement on these operational elements of the package, Scotland's universities would welcome this and many institutions would seek to make use of the support package.
- The Coronavirus Job Retention Scheme was useful to higher education and most institutions did furlough some eligible staff which reduced pressure on 2019/20 budgets. As the scheme is winding-up, it will have very limited to no beneficial impact on 2020/21 budgets.
- We welcome the UK Government's draft [R&D Roadmap](#), as published on 1 July. Within this, the UK Government's intention to work with other funders to fund a greater proportion of the full economic cost (FEC) of research is very welcome. This has been a long-standing issue, adversely affecting research across the UK. We'd want to make the point that even as plans for this develop, it will be vital that the UK progresses toward FEC whilst retaining the dual-support model for funding research.
- In regard to the [UK Government Restructuring Plan](#), as announced mid-July, no university in Scotland intends to make use of this. We believe this was a missed opportunity to create a package that incentivised institutional transformation, to secure sustainability but also in ways that would address wider economic and societal needs more broadly, and was available to institutions at a stage(s) before the financial need becomes critical.

#### **A safe restart to the academic year**

- Universities have made student and staff safety and public health the top priority in their restart plans. We have been working intensively with Scottish Government and public health experts in the preparations and implementation of the guidance. Institutions are going beyond a compliance-based approach, taking a range of additional precautions to protect the safety and wellbeing of their students, staff and, as a result, the wider community.
- At the time of writing, there were ongoing developments in relation to the use of face coverings by students on campus and testing of student population which are likely to overtake the details set out in this brief. The Scottish Government has advised it will publish revised guidance for HE & FE on 1 September 2020. Universities will work with the revised guidance as needed.
- Universities will be delivering teaching through a blended model of in-person and online delivery. Universities want to offer some on-campus experience for students where it is safe and practical to



do so. This will be limited to small seminar groups, laboratory work, practical work and so on where it can work within the guidelines.

- Universities have made a number of adaptations to their campus to support a COVID-safe return. Examples include: enhanced cleaning and hygiene protocols; significant reconfiguration of spaces and routes through buildings; significant decrease in building and room occupancy to comply with 2m distancing; a range of on-campus measures to support the Test and Protect scheme, signage and hygiene stations for staff/students; ticketing and time-slot allocations to avoid queues and clusters of students, use of face coverings to comply with the guidance and in areas where 2m distance cannot be adhered to. For some institutions, this will also mean an expectation that students wear face coverings when learning in small in-person groups.
- Some institutions have co-developed COVID-19 pledges with their students and (in some cases) staff to reinforce the personal responsibility everyone must take for themselves and each other in this pandemic and as a way to reinforce the institutional culture around safety.
- The arrival of EU and international students is being managed very carefully. Students arriving from countries not exempt from the quarantine list will be supported by their institution to do two weeks quarantine, based on the public health advice that thus is the most effective route to keep themselves and others safe.
- Students and staff unions have been partners in the development of the safe return plans. Student unions have shared ownership of this work and have a very responsible approach to the safety of their community. As a community, students have shown they care about each other and about Scotland from the very outset of this pandemic – by skipping graduation and going straight to the frontline of the NHS to support the workforce, the making of PPE, other volunteering opportunities and by staying home.

#### **Funding Council's Review of Sustainable and Coherent Provision**

- Our submission to the first phase of this review can be found [here](#). We have engaged positively and constructively with this review. We see it as an opportunity for the Funding Council to strategically support universities to play a strong role in Scotland's recovery and adapt to the medium and long-term changes as a result of the pandemic, and the recession it has triggered, to ensure that universities can support the workforce, SMEs, Scotland's economy.
- We'd like to draw the Committee's attention to two aspects of our submission:
  1. The range of adaptations universities have made to respond to the changed circumstances and need as a result of the pandemic and post-pandemic context.
  2. The set of principles we suggest for how to ensure prioritisation of resources on page 14 of our submission to the Funding Council.
- We do not see the Review as the time to introduce further shocks to the sector at a time of major financial pressure and continued uncertainty. The future trajectory of the pandemic is still unknown and the sector faces shocks as a result of the UK's exit from the EU, with much still to be resolved for higher education in the negotiations.

#### **Supporting student mental health**

- From the outset of the pandemic, institutions were alert to the risk it posed to exacerbating mental ill-health within the student community. Support services moved online and the early months saw a shift to broader support for wellbeing and self-care as well as low level anxiety.
- The network of HE student wellbeing professionals is strong and they have been sharing best practice, in delivering services under much-changed circumstances, from the beginning.



- So far, there have been some positives, with a broader range of the student population (including commuter students and students with mobility issues) able to make better use of online services. Additionally, many institutions have reported better levels of continuous engagement with online services and lower drop-off rates.
- However, the sector anticipates a major spike in demand for services in AY 2020/21. The impact of 5 months of various stages of lockdown, rising student hardship and adjustment to new models of learning are likely to be contributing factors.
- Universities Scotland has commissioned a [significant research project](#) into student mental health which is to be delivered by the Mental Health Foundation and is funded by the Robertson Trust. The *Thriving Scottish Learners* study aims to lead to recommendations on prevention, early intervention and support of learners' mental health and wellbeing. The project will capture the impact of the pandemic on student mental health and we have connected to NUS Scotland's recent student mental health survey so we have a pre-pandemic baseline with which to gauge the extent of the pandemic's impact on student mental health.

**ENDS**

