



Department  
for Business  
Innovation & Skills

**HIGHER EDUCATION**

**Consultation on Support for  
Postgraduate Study**

**RESPONSE FORM  
MARCH 2015**

## Consultation on Support for Postgraduate Study

The Department may, in accordance with the Code of Practice on Access to Government Information, make available, on public request, individual responses.

The closing date for this consultation is **29/05/2015**.

Your name:

Your organisation (if applicable): **GuildHE**

Address: **Woburn House, 20 Tavistock Square, London WC1H 9HB**

Please return completed forms to:

[pgl.consultation@bis.gsi.gov.uk](mailto:pgl.consultation@bis.gsi.gov.uk)

Or

Postgraduate Consultation  
Abbey 1, 5<sup>th</sup> Floor  
1 Victoria Street  
London  
SW1H 0ET

Please tick a box from the list of options below that best describes your role or organisation:

Role or Organisation			
	Business representative organisation		
	Charity or Social Enterprise		Research Council
X	HE Policy Organisation		Small Business (10 to 49 people)
	Individual		Student
	Large Business (Over 250 staff)		Student Representative Body
	Legal Representative		University
	Local Government		University Staff
	Medium Business		Other
	Micro Business (up to 9 staff)	Please Describe:	

## Government Loans for Postgraduate Taught Master's Study

### Policy Objective

**Q1. Do you believe that access to finance is a significant barrier to progression into postgraduate taught Master's study?**

Yes

No

Please provide evidence to support your response:

Postgraduate study is important in the further development of individuals' employability, higher-level skills and therefore human capital, as well as social capital and personal identity.

Postgraduate study is, however, usually regarded as expensive. There is currently limited funding available to students for postgraduate study, with competition for all scholarship funding intense, and where awarded on the basis of academic excellence, applicants are normally required to have, or to expect to achieve, a first-class UK Bachelor's degree or an overseas qualification of an equivalent standard.

Many final year students and graduates who do not receive a scholarship, bursary, studentship, award or grant for postgraduate study are presented with a significant financial barrier as they cannot afford to pay for their fees upfront.

A number of recent reports have identified finance for accessing postgraduate study as a barrier to further career progression (see for example [Creative Graduates Creative Futures](#), 2010, p.211). BIS studies show that only 0.5% of UK-domiciled postgraduates take up the existing PG Career Development Loans (PCDL). 60% of PGT students receive no financial support at all from either public or private sources (PGR is 30%).

Recent studies have also found that PG fees have been increasing and that higher PG fees reduce demand – a 10% increase in tuition fees is associated with a reduction in the probability of progressing to a postgraduate degree of between 1.7% and 4.5%. Also evidence shows that there are significant differences in progression probabilities between students from different socio-economic groups, even after controlling for observable differences in academic attainment. (Source: Phillip Wales (2013) [Access all areas?: the impact of fees and background on student demand for postgraduates higher education in the UK](#)).

There is also currently a lack of understanding about support available for postgraduate study and a risk that undergraduates considering their career options will assume postgraduate financial support is still available in the same way as it is at undergraduate level.

Currently, the reality is that participating in postgraduate study is difficult for those who do not perceive they can afford it, even those achieving well at

undergraduate level, and does not permit everyone to pursue their education further.

**Q2. Are there other barriers, other than access to finance, which in your view prohibits progression into postgraduate taught Master's study?**

Yes  No

Please provide reasons/ evidence to support your response:

Barriers may be presented for potential students who have undertaken other large financial burdens – e.g. mortgages, starting a family – which do not tend to affect undergraduate entrants (in particular the young, school-leaver population). These burdens are more likely to affect older learners – the majority of which (i.e. the over-30s) are excluded by the consultation proposals.

### Loan amount

**Q3. Do you believe the availability of up to a £10,000 income contingent loan will increase an individual's likelihood to pursue postgraduate taught Master's study?**

Yes  No

If No to Q3, please provide reasons/ evidence to support your response:

**Q4. Do you think £10,000 is the right amount to support individuals in undertaking study, while ensuring they have a stake in deciding whether studying a Master's degree is the right path for them?**

Yes  No

If no, what do you think the maximum loan amount should be and why?

**Q5. If yes to Q4, what proportion of £10,000 do you think an individual would seek to borrow, and why?**

Less than 50%  More than 50%

Please provide reasons/ evidence to support your response:

Most individuals will seek to borrow to help meet the cost of both fees and living costs, particularly with the average course fee exceeding £5,000 as evidenced in the consultation document and recent surveys such as the Complete University Guide. NUS estimate living costs average around £12,000 and higher in some parts of the

country. Therefore between fees and living costs, we expect the total amount borrowed to exceed £5,000.

**Q.6 Do you believe the availability of a £10,000 income contingent loan will have an impact or influence on the following:**

Propensity to study a postgraduate taught Master’s course over Other Postgraduate courses.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Propensity to study full-time over part-time?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Propensity to study part-time over full-time?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Rise in the level of postgraduate taught Master’s course fees?	Maybe	

Please provide reasons/ evidence to support your response:

Propensity to study Taught Masters courses: this depends on which types of courses are ultimately made eligible for the loan.

Propensity to study full-time or part-time: It is difficult to tell whether students would shift from PT to FT; there has been a significant recent decline in PT study. Some may opt to study full-time if the money is made available to them. But importantly, potential students with other commitments, such as caring responsibilities, may make use of the loans to re-skill or up-skill part-time, widening the pool of potential applicants.

Rise in the level of postgraduate taught Master’s course fees: it is possible that the loan will incentivise HEIs to raise fees, but the risk of this could be offset if BIS chose to specify what proportion of the £10k could be allocated towards fees.

**Contribution to costs**

**Q7. Do you think the proposed loan should be paid directly to the borrower, and the borrower should decide the balance they allocate between fees and maintenance?**

Yes  No

Please provide reasons/ evidence to support your response:

Paying directly to the student would allow flexibility for the loan beneficiary and avoid administrative complexities for institutions.

The market in PGT fees is currently highly varied across different institutions and courses; if this is to remain the case, there is an argument for giving the student free choice over the balance of spending.

This is also an appropriate solution because the PGT fee system does not closely resemble the UG fee system – fees are not capped, vary widely, and the balance of financial need may differ significantly from one student and course to the next.

This free choice should be supplemented by good IAG on how to balance use of the loan between fee commitments and living costs.

**Q8. If No to Q7, do you think a proportion of the loan should be limited to a fee loan which is paid directly to the course provider?**

Not sure

Please provide reasons/ evidence to support your response:

While this would remove some of the administrative burden if it could be linked well to the system by which institutions currently receive UG fee payments, there may also be other consequences of paying the funding directly to providers. We can envisage four possible scenarios:

1. Institutions maintain fees at current levels and benefit from reduction in administrative burden over the medium term, because the entire fee (and therefore the payment administration) is covered by the loan.

2. Institutions maintain fees at current levels and the administrative burden increases as they are required to process fee-payments via both the SLC and the student directly, if the SLC proportion does not cover the whole fee.

Scenarios 1 and 2 may occur simultaneously in different providers.

3. All institutions take the opportunity to increase their fees and the loan system does not reduce the net cost of fees to the student (with the corresponding administrative burden as under 2 above).

4. PGT fees are capped by government to manage the overall cost, and all institutions lose flexibility and, probably, rise to the cap.

**Q9. If Yes to Q8, how much of the £10,000 loan should be limited for the purpose of a fee loan?**

Less than 50%       More than 50%

Please provide reasons/ evidence to support your response:

**Q10. What other sources of finance might an individual need or rely upon, as well as the proposed loan, to meet all the costs of pursuing postgraduate taught Master's study?**

Please provide reasons/ evidence to support your response:

- Private funds e.g. personal savings, income from work, overdraft, family contribution.
- Employer support.
- Disability support and other forms of welfare/tax credits.

- Scholarships and bursaries (through institutions or other sources).

### **Individual eligibility**

**Q11. Which groups of individuals, in your view, experience finance as the main barrier to pursuing postgraduate taught Master's study? How best might they be defined and/or identified?**

Please provide reasons/ evidence to support your response:

No one financial support model will fit all types of learners and a more nuanced understanding of this is needed if we are to truly address widening participation into postgraduate study. This should not become less of a priority once the postgraduate loan is introduced in 2016/17 if some groups are to be excluded from accessing funding (e.g. over-30s).

Questions BIS will need to address include:

- What is the pattern of participation in PGT across different ethnicities, social mobility groups (family socio-economic backgrounds or POLAR groups)?
- What are the issues around the drop in part-time study and how does that link to PGT uptake?
- Are the patterns of progression different in different regions?
- Is age a factor in progression in particular subject-areas? There is evidence that, for some subject-areas, graduates tend to work for a number of years before returning to postgraduate study. Such older graduates may be excluded from further upskilling under the system on grounds of age.
- What else would motivate a graduate to progress to PGT (or even PGR) at a slower pace? We have already referred above to those wishing to gain professional experience. Often, that experience is a vital factor in pursuing professionally-focused PG study or research later e.g. social work, health, education.
- Because of the continued restrictions around some ELQs (Equivalent Level Qualifications), some students who returned for a second undergraduate course to learn new skills would likely be unable to self-fund for a further programme. They may also exceed the age threshold by the time they come to PG study. This could be remedied straightforwardly by removing the outdated and restrictive remaining ELQ rules.

**Q12. Are there other ways of identifying individuals with financial need for the purposes of pursuing study at this level?**

Please provide reasons/ evidence to support your response:

Below we have outlined some alternative means of identifying individuals with financial need, but we have also sought to address other forms of need e.g. policy priorities. We are conscious that the consultation focuses on financial need, but that BIS also has a number of parallel priorities around skills provision.

- *Institutional allocation*: Loans allocated to institutions rather than students – allowing the funding to be tailored to other important policy factors such as completions, volume of students, etc. A system of funding institutions, rather than students, could facilitate a number of the other alternatives set out below.
- *Competitive process*: Places allocated to institutions through competition. This would need to be balanced carefully against priorities for ensuring growth and skills across the regions – HE providers and graduates are not evenly distributed across the country; however they may act usefully as local or regional anchors.
- *Strategically-targeted*: A strategically-targeted distribution which seeks to target some or all of the loans at areas where demand would otherwise be at greatest risk. For example, this could be tied to supporting part-time PG study, or Strategically Important and Vulnerable Subjects (SIVS), or particular target groups more broadly than the proposed, age-based criteria. Would require more management by HEFCE, but could be linked to existing channels e.g. HEFCE working group on SIVS.
- *Ability-based system*: Take the funding out of the hands of the student and allocate based on, for example, undergraduate attainment or potential determined in other ways. This could be combined with institutionally-managed funding to allow institutions to target their support and recruitment.
- *Means-testing*: Using the Student Loans Company's existing means-testing mechanisms to determine individual PG students' financial need. The same criteria could be adopted as are currently used at undergraduate level for determining maintenance grant/loan eligibility.
- *Links to other Government-held welfare data*: to identify individuals in greater need, for example those in receipt of disability allowance or other welfare benefits or tax credits, those with caring responsibilities.
- *Supply and demand management*: A means of managing the market. This could be a hybrid model, with a general loan scheme but some loans being held back and targeted to plug gaps in the market, or to provide incentives to innovate provision or meet other policy priorities. It could thus be combined with any of the above measures. HEFCE have an interest in demand and supply of graduate skills and are sensitive to vulnerable subject-areas. If their

other funding streams are further reduced, this may be a way of ensuring they can still support some of their priorities at PG level.

- *Fee waivers?* Currently it is not clear whether this would be an option, but for some courses, allowing fee waivers (perhaps as part of the student's own choice of how to spend the money) may alleviate financial concerns. To make this manageable to institutions it could be tied to means-tested financial circumstances.

### **Institutional eligibility**

**Q13. Do you think that institutional eligibility should be restricted to HEFCE fundable institutions and Alternative Providers who have obtained Degree Awarding Powers?**

Yes       No

**Q14. If No to Q13, which other institutions and providers should be additionally included for eligibility?**

Please provide reasons/ evidence to support your response:

The scheme should be accessible at any institution which has proven its ability to deliver high-quality postgraduate programmes.

Some alternative providers without DAP also offer high-quality specialist vocationally-focused postgraduate courses and are significant providers to particular industries like the creative industries. BIS is now reviewing DAP and has imposed a moratorium on further applications, therefore under the proposal to limit eligibility, students at non-DAP-holders would not have access to these opportunities for a number of years. This strikes us as unfair, where high quality provision has been appropriately proven.

**Q15. What quality and assurance arrangements should be put in place for institutions and providers who are not HEFCE fundable institutions, or Alternative Providers without Degree Awarding Powers, to ensure standards and quality?**

Please provide reasons/ evidence to support your response:

BIS should consider the link to the current consultation on regulating alternative providers student numbers. Satisfactory arrangements for collaborative provision will also need to be provided to ensure quality thresholds are met.

### **Fee inflation**

**Q16. Do you believe the availability of up to a £10,000 loan would result in excessive course fee inflation?**

Maybe

Please provide reasons/ evidence to support your response:

It is difficult to tell. Some will argue that fee inflation was a feature of raising the UG fees to £9k, but it is difficult to draw a direct parallel between UG and PG fees as the PG system has always been a more open and varied market.

It may be that some will seek to raise fees while others will not.

It would also be difficult to determine whether fee inflation would be caused by the availability of £10k loans, or by reductions in the unit of resource elsewhere such as through funding cuts or lack of inflationary rises in UG fees.

Fees vary extremely widely at present, and while fees at some institutions have recently risen (or may do so if loans were introduced), it is possible that others have not raised their fees so as not to discourage potential students during the recent period of declining PGT uptake, and are now running their courses within very small margins. And while it could be reasonable to uplift fees to meet increased delivery costs or enhance the student experience, it would arguably be less reasonable – or less advantageous to students – to increase fees simply on grounds of reputation.

**Q17. If Yes to Q16, do you agree that the Government should look at mechanisms to safeguard against rapid and excessive course fee inflation, and how should it be assessed?**

Please provide reasons/ evidence to support your response:

We are in favour of safeguards where they are in the interest of students. But as we stated above in Q16, it will be too challenging to isolate the availability of loans as the cause of any future increase in fees.

We would therefore be in favour of Government continuing to have regard to the cost of study and value for money for students and the taxpayer, but through the existing channels rather than introducing any new mechanism linked to the introduction of loans. HEFCE could, for example, continue to review and monitor postgraduate costings.

**Q18. If Yes to Q17, what safeguards should be applied against rapid and excessive fee inflation, and how should this be monitored?**

Please provide reasons/ evidence to support your response:

See above Q16.

### Course eligibility

**Q19. Do you agree with the description of postgraduate taught Master's courses provided?**

Yes  No

If No to Q19, please give reasons/evidence for your response:

**Q20. Are there any other postgraduate courses, particularly professional qualifications, that you feel would be excluded from the description of eligible courses which you think are particularly important to the economy?**

Yes  No

If Yes to Q20, please provide reasons/evidence to support your response:

We are interested in understanding more about how professional doctorates would be supported by the Government's package of PG finance proposals. These are increasingly important qualifications which directly upskill graduates to succeed at a higher level in the economy.

We are assuming that the current support available to PGCE students will continue as at present.

### Course intensity

**Q21. Are there instances where a further reduced study period - of less than 50% intensity - should be considered for pro-rata loan eligibility?**

Yes  No

Please provide reasons/ evidence to support your response:

We would, however, encourage Government to consider ensuring that the system is able to deal with taught postgraduate students who need to reduce their intensity below 50% due to circumstances beyond their control.

### Loan distribution

**Q22. Do you agree that the loan should be paid to the borrower in instalments across the academic year?**

Yes  No

Please provide reasons/ evidence to support your response:

As stated above, we agree with the principle of students choosing how to spend their loan.

The proposal to align the instalments with existing processes would ensure it can be implemented with minimal burden.

We are aware of arguments among some groups (including those responsible for advising students on finances), that monthly loan payments would be a more helpful way of ensuring students to manage their cash flow more responsibly. In

light of these arguments, and the current programme to improve the SLC systems, this may also be an opportunity for BIS to review whether the current frequency of loan payments is appropriate. (This would relate to both the flow of loans to students, and institutional fee-loan payments and cash-flow issues at undergraduate level.)

**Q23. Do you think confirmation of attendance is an appropriate trigger to release the loan to the borrower?**

Yes  No

Please provide reasons/ evidence to support your response:

As above, we anticipate this could align easily with existing processes in institutions.

### Repayment terms

**Q24: Do you think this is the right balance of repayment terms to achieve an affordable scheme for borrowers whilst also meeting the principle of borrowers to repay in full?**

Yes  No

Please provide reasons/ evidence to support your response:

The proposed repayment terms represent a simple solution that graduates will already be familiar with.

We are broadly comfortable with the terms but BIS may need to think carefully about how to incentivise PGT in professions in professions with flatter career-earnings trajectories. Maintaining the lower income threshold at £21k will squeeze real-terms earnings over time. PGT graduates would likely be liable for two loans – their UG one and their PGT one. We would therefore recommend BIS keep the £21k threshold under review, giving consideration to whether it needs raising over time to encourage more individuals to take up postgraduate study.

However, we recognise the continued pressures on public spending and current issues around the RAB charge and long-term debt arising from growing student loan expenditure.

We have also spoken with other organisations about the repayment terms. We would encourage BIS to consider the progressive model put forward by the National Union of Students (NUS), in which the proposed flat RPI+3% rate were changed to a tiered rate – thus moving it into line with undergraduate repayment terms – and offsetting any increased RAB charge by raising the maximum interest rate to 4%. If this delivers the same efficiencies as the flat 3% rate, as NUS estimates it would, it would be more progressive as it would ensure those at the lower end of the repayment spectrum repay less in real terms than those earning more, while not costing the taxpayer more.

**Q25. If No to Q24, which repayment terms would you recommend be made more generous, and which less generous in order to offset this?**

Please provide reasons/evidence to support your recommendations:

See above.

### **Other wider implication**

**Q26. Are there other issues Government should be aware of, which would impact on the take-up of this proposed loan by those with any of the protected characteristics, and what steps might Government take to mitigate any negative impact?**

Yes  No

Please provide reasons/ evidence to support your response:

We have outlined above our arguments for including over-30s in the eligibility criteria. We are concerned that BIS's analysis draws primarily on evidence from those who have attended PG study – it therefore does not give equal treatment to the reasons others did not attend. Finance is clearly one potential barrier to not undertaking PG study.

There is also a correlation between disability and lower income, so as salaries increase with age, disabled potential students are likely to be particularly negatively affected by the age cut-off.

Potentially, some graduates from non-traditional backgrounds could be more likely to have begun their undergraduate study later, and would therefore be affected by the proposed age limit.

Women who have taken time out after undergraduate to start a family, would also be more liable to be affected by the 30 year-old age cut-off.

The impact of the recession on individuals relatively new in employment and therefore largely affected by redundancies and pay freezes over the past 7 years should be taken into account. This group are likely to now be in their early thirties or to have pursued other life goals as a priority to postgraduate study during this period.

**Q27: What other sources of support could be offered to learners who would not be eligible for the new postgraduate loan?**

Please provide reasons/ evidence to support your response:

Is the plan to replace the PCDL scheme with this new one? Could both operate side by side?

## Impact on employers and business

### a. Course eligibility

**Q28. Are there any other postgraduate courses, particularly professional qualifications, that you feel would be excluded from the definition of eligible courses which you think are particularly important to the economy?**

Yes  No

If Yes, please list them and provide reasons/evidence to support your response:

We expect employers will be interested in understanding more about how professional doctorates would be supported by the Government's package of PG finance proposals. These are increasingly important qualifications which directly upskill graduates to succeed at a higher level in the economy – and in specific business roles.

### b. Contribution to costs

**Q29. Based on the contribution to costs principle, are there features of the proposed loan scheme that you feel could be changed or enhanced that would encourage you as an employer or business to meet and/or contribute to your employees undertaking a postgraduate taught Master's course?**

n/a

**Q30. If Yes to Q29, which of the following features would you change/enhance:**

	Loan amount		Repayment terms
	Contribution to costs		Income contingent repayment
Yes	Age eligibility		Other
	Course eligibility	Please describe	
	Institutional eligibility		

Please provide reasons to support your response:

- (i) Extending the scheme to PGT over-30s would provide leverage to and enhance the prospects of older students. Currently, a number of other areas of public policy emphasise support for younger adults, so a case could be made for supporting access to further study for older people is an

area Government should focus on – to offset an otherwise substantial bias against those in the middle period of their working lives.

- (ii) We recognise that the loans scheme needs to fit into a total spending envelope, but we would note that there is a strong potential return to the wider economy, including wellbeing measures, from PG study amongst older graduates (in this case, those over 30), which is good for wider economy and society. Research in this area is limited, however, examples of such benefits include enhancements to an individuals' social capital, such as attitude change, and, when pursued for an employment-related reason, noticeable enhancements across an individuals' perceived social, identity, and human capital (Jamieson, A. et al, Studies in Higher Education, 34:3, 2009, pp.245-262).

c. Balance of benefits

**Q31. Do employers agree, that given the access to skills that employers tell Government they need, this new loan proposal offers advantages to not only individuals but also to employers?**

Yes

No

Please provide reasons/ evidence to support your response:

To our knowledge, yes, many businesses would see the advantages of the scheme for themselves as employers. Employers will benefit from larger volumes of higher-level skills in their workforces. Many postgraduate programmes are aimed specifically at vocational upskilling in a particular specialism, and many will benefit specific businesses very directly.

**Q32. Do employers think that making changes to payroll systems to deduct postgraduate loan repayments will cost their business?**

If the system is linked to the undergraduate repayment system, the payroll implications will be minimal for employers.

**Q33. If yes to Q32, is the impact to the changes required likely to be in the following areas:**

	Payroll and HR Staff time on the operating system
	Dealing with employee queries and preparing guidance
	Correcting errors and resulting from increased volumes and extra complexity
	Upgraded software

Other things (please describe below)
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Please provide further details/ information to support your response:

d. Repayments

**Q34. What new challenges, if any, do employers think administering this new loan scheme would present for them, and how might Government mitigate these?**

Please provide further details/ information to support your response:

**None anticipated.**

## **Review of Support for Postgraduate Research Students**

**Q1. How can we broaden and strengthen support for postgraduate research students and excellent postgraduate research?**

Please give specific examples and evidence where possible:

GuildHE and its sub-association, the Consortium for Research Excellence, Support and Training (CREST) feel that extending loans to PGR students would increase domestic take up of research degrees, and thereby improve the general quality and competitiveness of postgraduate research nationally, as well as the ability of the UK to compete internationally in the areas of research and development, innovation capacity and general economic resilience and sustainability. Extending support would also widen the pool of potential PGRs, meaning that the best students are able to undertake research degrees, regardless of their financial circumstances. Given that GuildHE and CREST Members' institutions have long-standing relationships with businesses and organisations in key sectors (health, ageing and sport; agricultural sciences; education; creative and cultural heritage, to name a few), they are well placed to ensure a smooth transition between research degree and research-informed careers.

In order to ensure that this takes place, we would suggest that HEFCE should extend the principle of funding excellent research wherever it is found, and hence should invest in research students where internationally excellent research has been identified (through REF2014). RCUK could also allow research studentships to form part of RCUK grant applications, thereby mitigating against overconcentration; the reach and effectiveness of Doctoral Training Centres could also be increased by encouraging the current DTCs to work with other specialist universities where research excellence exists through collaborative research studentships.

**Q2. Is there unmet demand for postgraduate research skills and qualifications amongst employers and potential students?**

If so, please provide evidence:

Postgraduate credentials remain a way for individuals to distinguish themselves from the growing graduate population and hence improve immediate and long-term employment prospects. Key sectors have demonstrated an unmet demand for postgraduate research skills and qualifications – for example, in agriculture, where employers are facing major global challenges around complex global issues – for example food security – that require an upskilling of PGRs in the relevant disciplines, as well as a capacity for interdisciplinary collaboration. Regional demand remains uneven; however, demand should also increase given the emergence of new sectors reliant on high-level research and innovation-orientated skills; the ability for research students from different backgrounds and experiences in industry as well as diverse demographics (including age) to enhance the innovation capacity within a regional context also underpins these arguments in relation to balanced economies.

**Q3. How can we attract and retain top research talent in the UK? What is the impact of the availability and level of individual stipends, and other factors such as postdoctoral opportunities? Does this vary across subjects?**

Please provide evidence:

A key deciding issue for many potential postgraduates in the future (albeit at an early stage, following on from the rising of undergraduate fees) is the issue of compounding undergraduate debt; this is a particular deterrent for potential PGRs who may be the first in their family to experience Higher Education, and other groups who are more debt-averse. Another is the persistent issue of the lack of available stipends for applied (as well as ‘pure’) research in the disciplines listed above, and the concentration of PGR stipends – and related postdoctoral opportunities – on a very small number of institutions, and simultaneously a limited number of localities or regions, vis-à-vis RCUK. Hence a government loan scheme could play a useful role in ensuring wider and more effective – and potentially more flexible and responsive (i.e. match funded through industry) – financial support is available for a broader cohort of excellent PGRS. Simultaneously, were government loan schemes constructed in such a way so as to allow for flexible entry points, such a system could help to attract PGRs in key sectors from different backgrounds, for example mature students with experience of industry, to PGR study. (Please also see question 12 in PGT section as well for additional examples of mechanisms that might prove useful in the PGR context as well, in terms of widening the potential cohort of students who would accrue the benefits of PGR study.)

It remains important to stress that, with respect to attracting and retaining top research talent, the Home Office’s policies on international student visas and post-work study in relation to net migration figures remain a significant problem for all UK

based institutions. For research students and their families, these policies significantly inflate the costs of postgraduate study, adding an additional layer of risk and hence decreasing the attractiveness of UK-based PGR study.

### **Partnering to Support Postgraduate Research Students**

**Q4. How could the Government further develop partnerships with industrial and charitable partners to leverage public sector funding to support postgraduate research?**

Please give specific examples and evidence where possible:

The Government could encourage partnerships by offering match-funded schemes to support postgraduate research, thereby encouraging businesses and third-sector organisations to contribute; a number of GuildHE and CREST Member institutions have noted that industry partners would be quite interested in triangulated schemes wherein the host institution, government and industry partners all contributed to ensure a sufficient level of support for excellent PGR candidates. More flexible packages such as these are particularly attractive to candidates as co-investment in PGR study acts as an additional layer of quality validation, and would likely convince those students who are most likely to benefit from further study – and most likely to transfer and apply their acquired skills to innovate key sectors – of the potential of their research programme. Ownership of research data and outcomes also needs to be considered in more detail to facilitate collaborative research and co-funded research degrees supported by non-University organisations, as this can often be seen as a barrier. For example, provision of resources to guide or directly enable the sharing or allocation of intellectual property ownership would facilitate more co-funding of research and collaborative partnerships.

**Q5. How could the Government link with existing funding mechanisms and finance platforms and/or support new or innovative approaches?**

Please give specific examples:

Interdisciplinary research is only just beginning to be supported through funding mechanisms (for example, vis-à-vis RCUK); many researchers agree that it is along the boundaries that the most innovative and beneficial research takes place. However, in practice funding calls and allocations for research students (where these are even offered) tend to be narrowly defined and highly specific. Some PGR loans could be earmarked to support research students that demonstrate a real potential to work in an interdisciplinary manner. Again, 'Grand Challenges' (RCUK and European) could be used as the broader thematic context; potentially some match funding from RCUK and other private sources could also help to encourage this type of work, which would benefit the UK research culture in the long term.

### **Income contingent loans to Support Postgraduate Research Students**

**Q6. Would the availability of a £25,000 loan influence a student's decision to pursue postgraduate research study or the location of study? Please give your**

**views on the loan amount and any other factors that may influence a student's decision.**

Yes

Please provide further details/ information to support your response:

The availability of bespoke funding for PGR study is a welcome development and we believe it highly likely to encourage more students from a wider variety of backgrounds to engage with this level of study at various points throughout their careers, and hence to enhance the long-term capacity and competitiveness of research and innovation in and beyond the UK. The amount of loan is likely to be a useful contribution over the duration of the student's research programme of study. One point to note would be the need for loans to be aligned with the welfare benefits/tax credits system to ensure that PGRs with children or disabilities are able to supplement their income without the entire amount of loan being taken into account (if this is not managed, the loan could reduce their entitlements to zero).

**Q7. Should we prioritise specific subjects where the scientific and economic case is strongest, or instead provide broad support to all subjects, even if this means capping the total number of loans or offering them on less generous terms? If we prioritise certain subjects, how should we go about it?**

Please give specific examples and evidence where possible:

Government already prioritises scientific and economic factors in allocating existing funding for subjects within the sector, e.g. STEM. GuildHE and CREST would support an approach which broadens the support to a wider range of disciplines (health, ageing and sport; agricultural sciences; education; creative and cultural heritage), and hence recognises the importance of interdisciplinary and translational research to the UK's portfolio of activity. In terms of directing funding towards particular subjects, perhaps orientating activity towards themes would provide a more flexible and forward-looking approach; for example using the RCUK index of 'Grand Challenges'. Anticipating that the total number of loans would need to be capped, the system could be managed by making a specific number of loans available to each qualifying institution (i.e. internationally excellent research in relevant disciplines). This would not be such a departure from the existing system whereby limited numbers of scholarships/stipends exist, but would mean more opportunities for funding excellent PGRs and their research endeavours more generally.

**Q8. How can we ensure loans complement existing funding mechanisms, maintaining a focus on the most excellent research and on linking with external funding?**

Please provide further details/ information to support your response:

Please see responses to Q4 and Q7.

**Q9. How can we minimise complexity for Higher Education Institutions and for employers?**

Please provide further details/ information to support your response:

Please see responses to Q4 and Q7.

**Q10. Is there anything else we should take into consideration?**

No

Please provide evidence:

**Do you have any other comments that might aid the consultation process as a whole?**

Please use this space for any general comments that you may have, comments on the layout of this consultation would also be welcomed.

Thank you for taking the time to let us have your views. We do not intend to acknowledge receipt of individual responses unless you tick the box below.

Please acknowledge this reply

At BIS we carry out our research on many different topics and consultations. As your views are valuable to us, would it be okay if we were to contact you again from time to time either for research or to send through consultation documents?

Yes