



BRIEFING PAPER

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Coronavirus: Update implications for the further and higher education sectors

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Summary

On 20 March 2020 colleges and universities were closed in response to the Covid 19 pandemic.

The closure of institutions has raised a significant number of issues for providers and students and has caused considerable concern across the post-18 education sector.

Library briefing, [Coronavirus: implications for the further and higher education sectors in England](#), 17 April 2020 discussed concerns that were raised in the early weeks of lockdown. The paper covered among other things: the financial impact on the sectors and the higher education sector's call for a **£2bn bailout package**, university **admissions in 2020/21** and student concerns about **accommodation costs, teaching and assessment and support funds**.

This paper follows up on that briefing and gives updates on later announcements and developments, including the Government's 4 May 2020 announcement of a [support package for universities and students](#).

This paper follows a similar format to the earlier paper and was **correct at the time of writing, 5 May 2020. For later information readers should consult Government and stakeholder websites**

1. Higher education

1.1 Financial impact

Universities are extremely concerned about the impact that the Covid - 19 pandemic will have on the finances of the sector. A potential loss in income from international students and a reduction in recruitment of home students could cause significant financial problems for many providers. It has been suggested that the financial implications are so serious that some providers could go bust or be forced to merge.

On 10 April 2020 **Universities UK** sent a paper to the Government - [Achieving stability in the higher education sector following COVID-19](#), outlining the financial risks faced by the higher education sector and asked for a **£2 billion package of support** (this paper is discussed in the earlier library briefing).

On 23 April 2020 **London Economics**¹ published a report which was commissioned by the University and College Union – the report analysed the impact of the pandemic on the HE sector and gave the following findings:

- Combining the impact of the economic downturn with the expected deferral rate due to the uncertainty caused by the pandemic, compared to 2018-19 first year enrolments, approximately **232,000** students will no longer enrol in higher education in 2020-21 – equivalent to a **24%** decline compared to the baseline (2018-19) cohort.
- In terms of the financial impact associated with this loss in first-year students, the total decline in **just** tuition fee and teaching grant income experienced across the sector was estimated to be **£2.472 billion**.
- Although the average loss in income per higher education institution stands at approximately **£20 million**, given the differences in the reliance on international students by different institutions, this varies significantly. Some institutions might expect to lose more than **£100 million**.
- If university expenditure declines to the same extent as the expected decline in income, this would result in approximately **30,000** job losses across the higher education sector.
- Combining the direct reduction in university income and expenditure with the subsequent indirect and induced 'ripple effects' throughout university supply chains and the wider economy, the pandemic would be expected to result in a decline in UK economic output of approximately **£6.1 billion**, as well as a total of **63,000** job losses.

On 29 April 2020 **Universities UK and MillionPlus** outlined a proposal to **protect and support key public service provision** at universities, [Strengthening and enhancing UK public services in response to Covid-](#)

For the higher education (HE) sector, the pandemic will have immense financial consequences

London Economics

¹ London Economic, [Impact of the Covid-19 pandemic on university finances Report for the University and College Union](#), 23 April 2020

[19](#). The proposals build on Universities UK's earlier stabilisation plan and offer to work with the Government to take forward "**targeted support to protect and sustain courses that meet the national need for key workers**". The proposal asks for the following measures:

- Supporting students and graduates to become key workers in public services, by offering a **maintenance grant of up to £10k** for all students, **removing any recruitment caps**, and providing **fee-loan forgiveness** for those remaining in the relevant professions for at least 5 years.
- Strengthening and enhancing key public service higher educational capacity in UK universities by **increasing the funding to the Office for Students to reflect the added costs** and also creating a new **Public Services in Higher Education Capital Fund** to enable universities to invest in simulation equipment and other infrastructure.
- Retaining and developing key workers in public services, by **increasing general staffing budgets** and creating a **new professional development programme** focused on enhancing skills of current key workers in public services and the new NHS volunteer reserve.

Government support package for universities and students

On 4 May 2020 the Government gave their response to the sector's calls for a bailout and announced a [support package for universities and students](#), the package includes: **temporary student numbers controls**, an **additional 10,000 student places at the discretion of the Government**, with **5,000 of these ring-fenced for nursing, midwifery or allied health courses**, **£100 million of funding brought forward for research** and **£2.6 billion of tuition fee payments bought forward**.

It does not include any additional funding but brings forwards some existing income streams and gives some additional flexibility to how some funding can be used. The £100 million in quality-related research funding will be brought forward to 2019/20 and paid in proportion to existing funding for this year. Second term tuition fees will be brought forward to the first term of academic 2020/21. Half of fee payments will still be made in the third term

An overview of the package was set out in the announcement:

- **Stabilising admissions** – Temporary measures mean providers will be able to recruit full-time, domestic students up to 5% above their forecasts in the next academic year, which is in line with proposals originating from the sector, to help reduce volatility and ensure a fair and orderly admissions. The Government will also have the discretion to allocate an additional 10,000 places, with 5,000 ring-fenced for nursing, midwifery or allied health courses to support the country's vital public services.

- **Preventing exploitative admissions practices** – The OfS will consult on a [new temporary registration condition](#) so it can intervene if providers take actions that are harmful to the sector and students.
- **Enhanced Clearing process** – UCAS is developing a new, personalised Clearing system for students this summer. This includes Clearing Plus, a new service which matches students to universities or other opportunities based on their achievements and course interests. If students' calculated grades exceed their predicted ones, it can suggest alternative courses with higher entry requirements.
- **University research funding** – The Government is bringing forward £100m of [Quality-related research funding](#) (QR) for providers in England into this current academic year as immediate help to ensure research activities can continue during the crisis.
- **Research sustainability taskforce** – DfE and BEIS Ministers will set up an advisory sector working group with the Devolved Administrations to consider how best to respond to the challenges universities face on research as a result of Covid-19, and so university research can continue to support the UK's economic recovery following the crisis.
- **Government business support** – The Government has confirmed that universities are eligible to apply for the Government support schemes, including business loan support, which the OfS estimates could be worth at least £700m, depending upon eligibility and take-up. Providers can also access the Coronavirus Job Retention Scheme to safeguard staff jobs, including for those with short-term contracts.
- **Changes to tuition fee loan payments** – The Student Loans Company will bring forward tuition fee payments of students in the in the 2020/21 academic year to providers, expected to be worth £2.6bn, to help cash flow. This will not affect the loan liability, amount of interest charged to students or the timing of their maintenance loan payments.
- **Financial opportunities** – As part of existing programmes and using established procedures, the DfE will consider purchasing assets, such as land and buildings, where they can be used for new or expanding schools and colleges. This financial year the DfE has budgeted for up to £100m to acquire sites for planned projects across purchases from suitable vendors, including higher education providers among others.
- **Financial help for students** - The Government has worked with the OfS to help clarify that providers can use existing funds, totalling £46m across April and May, to boost their hardship funds for students in financial difficulty. This can include help for IT equipment and internet access.

- **Supporting international students** – The UK continues to welcome overseas students, and Ministers are working across Government as a priority to ensure universities can continue to attract international students. DfE and DIT Ministers will also chair a group, including key sector representatives, to consider how the International Education Strategy can be updated to respond to the impact of the coronavirus outbreak. The student number controls will only apply to domestic and EU domiciled full-time undergraduate students in the 2020/21 academic year.

Further details were given in the following documents:

- [Government Support Package for Higher Education Providers and Students](#)
- DfE guidance document, [Actions for HE providers during the coronavirus outbreak](#).

Alongside the announcement the Student Loans Company **confirmed the process for the advanced payment** of tuition fee loans to providers:

Therefore, we are planning to make two fee payments in the first term of AY 2020/21. The first payment of 25% of the Tuition Fee Loan is being made as normal. A second payment of 25% is being made in advance of term 2. The third term payment of 50% remains unchanged.

This change applies to all UK higher education providers, in respect of English, Welsh and Northern Irish full-time and part-time undergraduate students.²

Comments on the support package

The support package is discussed in the following articles:

- Wonkhe, [The Government's Covid-19 support package for universities](#), 4 May 2020
- ["Government refuses multi-billion pound bailout for universities"](#), *The Guardian*, 4 May 2020
- ["Coronavirus: Online students face full tuition fees"](#), *BBC News*, 4 May 2020

Responses to the support package

Labour

Emma Hardy MP, Labour's Shadow Minister for Further Education and Universities, responding to the Government support package for universities and students, said:

"This disappointing package offers no long-term security to our universities, putting the anchors of our regional economies at risk. Using the Student Premium Funding on student hardship today could further reduce the opportunities for disadvantaged students tomorrow.

But the support package announced this morning for universities falls far short of what would be required to genuinely safeguard the sector and students and catalyse their contribution to future economic recovery.

[Debbie McVitty Wonkhe, 3 May 2020](#)

² Student Loans Company, [FAQ – Reprofile termly fee payments](#), 4 May 2020

“The Government must urgently produce a plan to safeguard the future of our universities and ensure that across the UK everyone has the same opportunity to study at university regardless of where they live.”³

Universities UK

Universities UK President, Professor Julia Buckingham CBE said:

“Universities across all four nations of the UK are doing all that they can to manage the impact of Covid-19 on their students, staff, teaching and research, while at the same time making significant contributions to their communities and the national effort to tackle the pandemic.

“The package of interventions outlined today indicates a welcome recognition from Government of the central role that universities will play in the recovery of the economy and communities and the urgent need to provide support for universities to weather the severe financial storm created by COVID-19. It is clear the Government has listened to the concerns raised and has drawn from the suggestions that the sector has made.

“Universities will want to examine and understand more fully the details of today’s announcement and then work with Government to ensure that detailed measures are developed to meet both the scale and diversity of pressures that universities are facing. This must include further support to protect the strength, capacity and quality of the research base and ensure the sector is positioned to support economic and social recovery through research and innovation.

“Further work will also be needed by the UK and devolved Governments to build on the package to ensure that the necessary support is in place for universities in the devolved nations.”⁴

University and College Union

UCU general secretary Jo Grady said:

‘While it is encouraging that the Government appears to have recognised the need to provide support for universities, this package does not deliver the protection or stability that students, staff and the communities they serve so desperately need. The Office for Budget Responsibility says universities are most at risk of financial pain from the current crisis and they need more than IOUs to solve the problems they face.

‘The student number cap is a misnomer as it will enable the wealthiest universities to substantially grow their domestic student base at the expense of other more locally-focussed institutions. We cannot afford to let this dog-eat-dog approach risk substantial damage both to our country’s academic capacity and local economies which universities are such an important part of.

‘Instead of kicking the can down the road, the Government must underwrite funding lost from a fall in domestic and international student numbers and remove incentives for universities to

³ Labour, [Emma Hardy responds to the government support package for universities and students](#), 4 May 2020

⁴ Universities UK, [UUK response to UK government announcement on support package for universities](#), 4 May 2020

compete against each other at a time when we need to be pulling together.⁵

Responses have also been made by the [Russell Group](#), [MillionPlus](#), [Research England](#), the [Higher Education Policy Institute](#), and the [Sutton Trust](#).

1.2 Consultation on a new regulatory condition

Alongside the Government announcement of the support package the Office for Students (OfS) launched a **consultation on a temporary measure to protect students from exploitative admissions practices**. The OfS document, [Consultation on the integrity and stability of the English higher education sector](#), 4 May 2020 outlines the purpose of a proposed new time limited regulation:

This consultation therefore sets out proposals to prevent providers from engaging in any form of conduct which, in the view of the OfS, could reasonably have a material negative effect on the interests of students and the stability and/or integrity of all or part of the English higher education sector. The consultation includes, but is not limited to, conduct relating to the 2020 admissions process. We propose to achieve this by creating a new, time-limited ongoing condition of registration applicable to all registered providers, as an amendment to the OfS's regulatory framework. This new condition would enable us to consider imposing penalties that would cancel out any financial benefit to providers of acting inappropriately, significantly reducing the likelihood of such behaviour occurring in the first place, but allowing us to intervene if it did.⁶

Stakeholders are asked to respond to the proposals by 26 May 2020.

1.3 Admissions 2020/21

A poll by the Sutton Trust in May 2020 showed that **almost half of university applicants thought that the coronavirus crisis would have a negative impact on their chances of getting into their first-choice university:**

- Almost half (48%) of applicants feel the COVID-19 health crisis will have a negative impact on their chances of getting into their first-choice university. 31% felt it would have no impact. Working class applicants were more likely to be worried about the negative impact (51%, compared to 43% from middle class homes).
- Many students do not feel they are receiving enough support from their school for their university applications (35% are not satisfied overall).
- 43% of university applicants studying for A levels feel that the new assessment procedure will have a negative impact on their grades. While most feel that the impact will be

⁵ University and College Union, [Government support package for universities doesn't provide protection the sector needs](#), 4 May 2020

⁶ Office for Students, [Consultation on the integrity and stability of the English higher education sector](#), 4 May 2020, p1

small, 72% felt that the new grading system is less fair than in a normal year.

- Over half (52%) say they would be likely to take a replacement exam in the autumn if they don't get the grades they hope for. 60% of those attending private schools would be likely to resit, compared to 52% at state schools.
- Applicants from working class backgrounds were twice as likely to have insufficient access to internet access, devices for learning or a suitable place to study, compared to those from middle class homes.
- Private schools are almost twice as likely to be still teaching A level content as state schools (57% vs 30% receiving regular work and feedback from teachers).⁷

The [moratorium](#) on unconditional offer-making has been **extended** until 4 May 2020.⁸

The Government support package announced on 4 May 2020 includes various measures which will impact on student admissions in 2020/21 such as: temporary **student numbers controls, increase in places** and changes to the **UCAS Clearing** process.

Student numbers controls

Student numbers controls aim to prevent universities recruiting high numbers of home students to compensate for losses in international students (this is discussed in the earlier [briefing paper](#)).

It has been suggested that student number controls would **interfere with university's autonomy** over admissions⁹ and Bahram Bekhradnia founder of HEPI argues that it is **unworkable**:

First, the nonsense. The 5% margin apparently includes EU students. Even without the crisis, the number of EU students would have been seriously reduced, and now, as a result of the virus, there may scarcely be any new EU students coming to UK universities next year. That provides an even greater licence to recruit home students, reducing even further the efficacy of this new control to achieve its stated aim – to maintain stability and avoid damaging the least strong. If EU student recruitment dries up, then this policy will enable institutions to recruit as many as 40 per cent more home entrants next year. Effectively this control provides no control at all.

Second, the policy is based on forecasts of intakes. Neither the OFS nor the Government nor anybody else has asked institutions to provide a headcount forecast of 2020 entrants – though it is possible the Government might try to derive such forecasts from other information provided, these are unlikely to be fit-for-purpose. It would have been another thing to require institutions to remain within a margin of 2019 recruitment, but that is not what has been required.

⁷ Sutton Trust, Research Brief, [COVID-19 and Social Mobility Impact Brief #2: University Access & Student Finance](#), May 2020

⁸ Office for Students, [Provider guide to coronavirus, Unconditional offer-making](#)

⁹ Wonkhe, [The government's Covid-19 support package for universities](#), Debbie McVitty, 3 May 2020

Third, the 5% margin is anyway extremely wide. If strong institutions were to increase their recruitment by 5% even over the 2019 levels that would still greatly jeopardise the recruitment of many other institutions. This is not the market at work, but it still allows better established institutions to take advantage of their strengths and exploit the weaknesses of others.¹⁰

Clearing Plus

UCAS is making changes to the Clearing process to create a more **personalised service** – information on the new system [Clearing Plus](#) is set out on the UCAS website:

Clearing Plus will match unplaced undergraduate applicants to relevant courses with vacancies. The service introduces a new personalised Clearing in 2020 and will allow students to move seamlessly between universities – with individual support on offer from UCAS through emails, social media, and over the phone.

UCAS' new partnership with BBC Bitesize means students will also be able to access enhanced information and advice in more places online, as they continue their application journey outside school or college.

From early July, unplaced applicants will be able to sign in to Track (their online UCAS account) to see their individual list of matched courses, and easily send an expression of interest to a university. Universities can then contact interested students, who will be able to add a new course to their UCAS application.

Anyone with a confirmed place who changes their mind can release themselves into Clearing to see their matches. When the online self-release option was first introduced in 2019, around 30,000 people used it, with almost 99% of those who reapplied successfully placed.

Clare Marchant, UCAS' Chief Executive, said: 'We are confident the new personalised Clearing in 2020 will transform the experience for students. They won't need to search through a mountain of courses or make endless phone calls. The most appropriate course options for them as an individual will be presented through their online account.'¹¹

1.4 HE quality and standards

The OfS has published guidance for providers on how universities should **maintain the quality of courses and standard of qualifications** during the coronavirus outbreak. The document, [Guidance for providers about quality and standards during coronavirus \(COVID-19\) pandemic](#) states that "universities should make **all reasonable efforts to maintain broadly equivalent teaching and support**; continue to **assess students reliably and flexibly**; and award qualifications **based on evidence of student achievement**".

Some providers are introducing "**no detriment**" assessment policies as a way of ensuring that individuals are not unfairly disadvantaged by a requirement to change rules or regulations, in session. The Quality

¹⁰ HEPI, [Why the new student number cap is unworkable](#), by Bahram Bekhradnia, 5 May 2020

¹¹ UCAS, [More personalised options and support than ever for students in Clearing 2020](#), 3 May 2020

Assessment Agency for higher education (QAA) has published a paper which gives an outline of these policies, ['No Detriment' Policies: An Overview](#), 24 April 2020.

Teaching Teaching Excellence and Student Outcomes Framework (TEF)

Providers with TEF awards have had them extended to 2021, and there will be no new assessments during 2020. The date of the next TEF exercise has not been decided.¹²

1.5 Accommodation

The Office for Students has published, [Coronavirus briefing note: student accommodation](#), 22 April 2020, which sets out how providers have responded to accommodation issues during the pandemic.

1.6 Student finance

The NUS is calling for a **student hardship fund** to help students in financial difficulty:

The NUS is urging the UK Government to provide "comprehensive, urgent support" for students, saying a £60m national hardship fund should be made available to all students currently in further or higher education.

It calls for an economic package for those who complete their qualifications during the current pandemic, providing access to a grant which can be used for training, reskilling or development.¹³

Further information on the [Student Safety Net campaign](#) is on the NUS website.

Liberal Democrat MP Layla Moran is leading a cross-party campaign to provide more support for students during the pandemic. The group are urging the Government to set up a **Coronavirus Maintenance Grant**.

¹⁴This is discussed in an article in *The Guardian*, "[MPs call for grants to help students in difficulty](#)", 23 April 2020.

The **Scottish Government is putting in place a £5 million package of emergency financial support** to help students facing hardship as a result of the coronavirus (COVID-19) outbreak.¹⁵

Tuition fees for students taught online

Michelle Donelan, the Universities Minister has said that students in England will still have to pay full tuition fees even if their courses are taught online in the autumn provided that the teaching is "good quality".

¹² Office for Students, [Provider guide to coronavirus](#) [Provider guide to coronavirus](#)

¹³ "[Coronavirus: Students 'should be able to retake the year'](#)", *BBC News*, 22 April 2020

¹⁴ Liberal Democrats, [We must do more to support students](#), 24 April 2020

¹⁵ Scottish Government, [Extra hardship payments for students](#), 8 April 2020

It is unclear at the moment whether students will be able to receive in person teaching in the autumn 2020 or whether courses will have to be taught fully or partly online.¹⁶

1.7 Assessment and examinations

The NUS is also calling for all students, in every part of education, to be allowed to **re-take this year at no further cost**, with full maintenance support:

It calls for reimbursement of one year's course, college or tuition fees for students who have paid upfront, or a write-off of one year's debt for those who have paid through loans.

[...]

NUS National President Zamzam Ibrahim said UK students needed a "safety net" because the coronavirus outbreak had hit them financially and had affected the quality of their learning.

Ms Ibrahim said: "Face-to-face teaching and assessments have had to be hurriedly moved online, and placement and other practical activity has had to be cancelled.

"Students have lacked access to key resources, such as libraries and spaces, disabled students have been left unsupported, and students and staff have been struggling with other demands on their finances, welfare and wider lives as lockdown restrictions are enforced.

"The impact of this disruption will not be felt equally, with those on placements and disabled students feeling the impact particularly severely.¹⁷

1.8 Student mental health

The OfS briefing note, [Supporting student mental health](#), 30 April 2020, sets out the ways in which higher education institutions are providing mental health support for students during the pandemic. The OfS webpage, [Supporting student mental health](#) signposts to sources of help for students with mental health concerns.

¹⁶ "[Coronavirus: Online students face full tuition fees](#)", BBC News, 4 May 2020

¹⁷ "[Coronavirus: Students 'should be able to retake the year'](#)", BBC News, 22 April 2020

2. Further education

The DfE have issued updated guidance for FE providers at, [Maintaining education and skills training provision: further education providers](#), 24 April 2020.

2.1 Assessment

On 24 April 2020 Ofqual launched a short consultation on this year's assessment of technical and vocational qualifications, [Exceptional arrangements for assessment and grading in 2020](#). The consultation closes on 8 May

2.2 Guaranteed education places in autumn 2020

The Association of Colleges have asked the Secretary of State for Education to deliver a new '**September Promise**' guaranteeing access to high quality education or training places in autumn 2020 to every young person who wants one:

The Association of Colleges estimates that there are:

- 30,000 16 and 17 year olds in England who would usually expect to start an apprenticeship or work-based learning programme in the coming academic year who will now need alternate provision
- 70,000 18 and 19 year olds in England who would usually be headed for employer-based training, or the labour market who will now need alternative provision
- Other pressures on available state-funded 16+ education places, including a rising population of young people, potential increases in transfers from private to state provision, and the inevitable space constraints created by social distancing.

AoC is calling for this September Promise to **particularly target those from low income families, and those who would normally be starting apprenticeships in September**. There should also be a dedicated focus on 'catch up' to reduce the impact COVID19 is likely to have on achievement and attainment rates.¹⁸

The Association of Colleges has also asked the Government for:

- A **national skills and retraining programme** that brings together the adult education budget, national skills fund (due to start in 2021), national retraining scheme and shared prosperity fund into a coherent, easily managed and understandable fund that works for every adult, in every situation, in every community.

Colleges in England look set to lose around £150 million of their income, 2 per cent of turnover, in the last term of this academic year.

[David Hughes, CEO Association of Colleges](#), 6 May 2020

¹⁸ Association of Colleges, [AoC calls for 'September promise' from Education Secretary as 100,000 young people may struggle to enter the labour market after COVID19](#), 5 May 2020

- **Bringing forward some of the £1.5bn announced in the March 2020 budget** for college capital investment so that it can be used to purchase IT equipment and software, as well as making necessary building modifications to embed a mixture of online and in person learning.

This is discussed in an article in *FE Week*, [Colleges aren't expecting a bailout – they want to help with a 'September promise'](#), 6 May 2020.

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