



NHS bursary abolition: the Education (Student Fees, Awards and Support) (Amendment) Regulations 2017

House of Lords secondary legislation committee UNISON briefing, February 2017

About UNISON

UNISON is the largest union in the health service, representing more than 450,000 healthcare staff employed in the NHS and by private contractors, the voluntary sector and GPs. UNISON members include nurses, midwives, health visitors, healthcare assistants, paramedics, ambulance staff, occupational therapists, operating department practitioners, cleaners, porters, catering staff, admin staff, medical secretaries and primary care staff.

Executive summary

- UNISON urges the secondary legislation committee to recommend this statutory instrument be subject to proper scrutiny on the grounds that it is politically important and gives rise to issues of public policy likely to be of interest to the House.
- The Education (Student Fees, Awards and Support) (Amendment) Regulations 2017 will introduce tuition fees and loans for student nurses, midwives and allied health professionals, effectively ending NHS bursaries in England from August 2017.
- The government does not have a mandate to make this change and it is contrary to public opinion. The consultation was inadequate and a second response on much of the detail has not yet been published, creating considerable uncertainty.
- The increase in student debt has already deterred many potential healthcare students from applying for courses, with UCAS reporting a 23% decline in nursing degree applications in England.
- The decision to remove NHS bursaries was taken before the EU referendum vote and no impact assessment has been undertaken since despite a 92% drop in the number of EU nurses registering with the Nursing and Midwifery Council.
- Following the drop in UCAS applications and EU nurses and the inadequate clinical placement capacity, it is unlikely that the removal of NHS bursaries will deliver on its policy objective of increasing training places by 10,000 by 2020.
- Fewer nurses qualifying will exacerbate the current recruitment shortage in the NHS and put patient safety at risk.
- Wales are continuing to provide NHS bursaries in 2017/18 and will undertake a full review to determine future methods of funding healthcare education. UNISON thinks

that this is a sensible approach and recommends the same for England.

Abolition of the NHS bursary

UNISON has consistently warned of the damage that would be done by the government's decision to abolish NHS bursaries.

The plans will leave most student nurses, midwives and allied health professionals with more than £50,000 worth of debt. As we are now seeing, the fear of debt will discourage many people from training to become healthcare professionals. This will exacerbate the current recruitment crisis, with potentially disastrous repercussions for patient safety.

The government has repeatedly emphasised its claim to be increasing the number of training places available for healthcare students – a claim which UNISON disputes. And now there is clear evidence that the switch from bursaries to loans is having a negative impact on the number of applications.

In addition, a study by London Economics¹ for UNISON and the NUS concluded that higher education institutions will suffer financially as a result of the bursary being scrapped, and that the cost savings to government are likely to be far less than suggested, if they materialise at all.

If the NHS is unable to rely on a “homegrown” workforce to meet the country's future demand for nurses because of the government's plan to remove student nursing bursaries, the English NHS will be even more dependent on other countries for recruitment. However, it also seems likely that the impending exit from the European Union will affect the supply of nurses to the NHS: figures show a reduction of more than 90% in the number of nurses from the EU registering with the Nursing and Midwifery Council since the referendum vote.² The government needs to assess the impact of exiting the EU on workforce supply and revise their assessment of the impact of the bursary proposals in the light of this and the drop in application numbers.

Students and graduates will be worse off

Following the removal of NHS bursaries and their replacement with repayable loans, London Economics say a representative student undertaking a full-time degree in nursing professions will see their total debt (comprising maintenance and tuition fee loans) increase from approximately £6,930 to approximately £48,788 on graduation (Table 1).

Table 1: NHS bursary scheme v undergraduate scheme

	NHS bursary scheme (per year)	Undergraduate scheme (per year)
Tuition fee	£0	Up to £9,250
NHS grant (all students)	£1,000	£0
Means-tested NHS bursary	Up to £5,513	£0
Maintenance loan	Up to £3,263	Up to £11,002

¹ www.unison.org.uk/content/uploads/2016/05/UNISON-NUS-Report-Nurse-fees-and-funding.pdf

² www.telegraph.co.uk/science/2017/01/25/number-eu-nurses-coming-uk-falls-90-per-cent-since-brexit-vote/

Under the new system, a student who takes a maximum tuition and maintenance loan for three years would graduate with student loan borrowing of between £49,041 and £60,756 depending on the course studied, the location and whether or not the student lives in the parental home.

While students may receive more funding during their studies, students and graduates will be financially worse off in the longer term because their total debt will have increased significantly making it harder for them to meet the ever growing cost of living.

While a newly qualified nurse may only repay £90 in the first year, this figure will increase as they go up the Agenda for Change pay points. The scrapping of NHS bursaries will equate to a pay cut of over £900 per annum (or 3%) for a nurse on a mean average salary (£31,080) – the amount a nurse will earn per annum for almost 75% of the repayment period.

Increasing student debt has been shown to delay the chances of a graduate buying their own home. Scrapping NHS bursaries will therefore throw graduates' home ownership plans into jeopardy.

Fewer healthcare professionals, not more

Far from encouraging 10,000 additional training places by 2020, cutting NHS bursaries will discourage many people from becoming a nurse, midwife or allied health professional because of the fear of debt.

According to London Economics, the 71% increased costs that students and graduates will bear will result in the nursing, midwifery and allied health professions being less attractive, and will in all likelihood reduce education participation by 6-7%, equivalent to more than 2,000 students in the first year.

The expected decline in numbers entering nursing, midwifery and the allied health professions in higher education will exacerbate the current recruitment crisis in the health and social care sector putting patient safety at risk.

Scrapping NHS bursaries will have a negative impact on the health and social care sector's capacity to meet demand. If nursing numbers are reduced, this will result in beds being closed in hospitals. For example, Southend University Hospital NHS Foundation Trust was forced into significant bed closures after CQC inspectors raised concerns about staff ratios in January 2016.

With fewer newly qualified nurses, the existing health professionals will be expected to work longer hours and take on more patients in order to do more with less. This is likely to lead to an increase in the occurrence of "never events" (i.e. serious incidents that are wholly preventable). More "never events" will mean more legal claims made against the NHS for clinical negligence.

Latest UCAS figures

There is evidence that the switch from bursaries to loans is already having a negative impact on the number of applications for nursing, midwifery and allied health courses. On

1 February 2017 UCAS published its analysis of full-time undergraduate applications made by the 15 January deadline.³

The UCAS figures showed a total of 37,380 applicants (UK, EU, and non-EU) for nursing courses in England. Last year this figure was 48,230, so there has been a significant reduction of 23% following the government's decision to abolish bursaries for healthcare students in England.

While applications from English domiciled applicants did not increase in Wales, they dropped by considerably less than in Scotland and England, where students will not qualify for a bursary:

- 9% drop in English domiciled applicants for nursing courses in Wales;
- 16% drop in English domiciled applicants for nursing courses in Scotland;
- 23% drop in English domiciled applicants for nursing courses in England.

It seems that access to the NHS bursary therefore acted as an incentive for English domiciled applicants to apply for courses in Wales if they commit to work in the Welsh NHS for two years.

In terms of nursing applications for courses in each country, the size of the decline makes clear which funding model is preferred:

- Scotland – 4% decline (bursary with no conditions and better support);
- Wales – 9% decline (bursary with conditions);
- England – 23% decline (no bursary – replaced with tuition fee and loan).

More funding is therefore encouraging more applicants – one of the reasons why UNISON continues to support the idea of a living bursary or salary status for healthcare students.

No detailed figures are yet available from UCAS for healthcare courses other than nursing, but it seems reasonable to expect there to be a similar reduction in demand for courses in the allied health professions. In December 2016 Universities UK warned that applications in areas such as occupational therapy and podiatry had been particularly badly affected.⁴

Are there more applicants than course places?

The Council of Deans and Universities UK argue that there are still more applicants than places available. While it might look like there are more applicants than course places available, the following demonstrates that there might be less of a buffer than the headline figures suggest:

- The number of excess applicants does not distinguish between those who are suitably qualified and those that won't be able to get a place. Healthcare students have to undertake an interview by the university and someone from a local NHS provider, a values-based assessment to ensure the student has the right values that are aligned with the NHS Constitution, an occupational health screening assessment and a disclosure and barring service criminal background check.

³ www.ucas.com/corporate/news-and-key-documents/news/applicants-uk-higher-education-down-5-uk-students-and-7-eu-students

⁴ www.thetimes.co.uk/article/nursing-degree-applications-fall-by-a-fifth-mbn6cpc5g

- The changes have opened up the higher education institutions (HEIs) to competition. Some universities may maintain steady numbers or see a rise, but this may be at the expense of neighbouring institutions rather than a rise overall.
- Information about the change has been limited. Once students understand the full implications of it they may choose not to progress onto the course.

The government has argued that when previous changes to funding have been introduced there has been a drop in applicants and then a rise the following year. However, this is usually preceded by a spike in applicants the year before the funding change is introduced. There was no spike in 2016 for nursing degree courses.

Even if there is not a drop in the number of students on nursing course places, the government has not undertaken an assessment of the potential impact of the changes on the number of students completing the course. The Shape of Caring review⁵ found that attrition rates on nursing degree courses are in excess of 20%. A UNISON report, *In the red: student nurse debt*,⁶ argues that to reduce their exposure to debt, student nurses may be more likely to take on more additional working hours outside of their studies and placement. Such long hours are known to affect the ability of students to study and so have an impact on their final qualification levels. Attrition rates might increase because they are too burnt out to complete the course or get sufficient grades.

Higher education institutions will be worse off

The government's proposal states that it will ensure sustainable funding for universities. However, because of the decline in student numbers and the need to finance access bursaries under the Office for Fair Access guidance, universities will be worse off financially.

London Economics found that higher education institutions (HEIs) will be worse off by approximately £57-77m per cohort. Approximately half of this decline will be as a result of the decline in student numbers. However, there will also be a reduction in HEI revenues as a result of the fact that a proportion of any tuition fee received by HEIs (approximately 15% above £6,000) will now be 'handed back' to students via the Access agreements that HEIs sign with the Office for Fair Access.

If fees and funding support become entirely portable, HEIs' income streams are likely to be substantially more volatile in the future. Some universities may decide to stop running some health related courses altogether if they are unsustainable.

No cost savings to the Exchequer

Contrary to the government's claim that scrapping NHS bursaries will save the Treasury money, there will be no cost savings to the Exchequer because most nurses will not earn enough to repay the entire loan and the decline in numbers entering nursing will increase agency staffing costs.

Given the fundamentally different characteristics of both students and graduate earnings of nurses, midwives and allied health professionals, London Economics say the cost savings

⁵ <https://www.hee.nhs.uk/sites/default/files/documents/2348-Shape-of-caring-review-FINAL.pdf>

⁶ <https://www.unison.org.uk/content/uploads/2016/10/24112.pdf>

to the Exchequer are more likely to be approximately £88m per cohort than the £534m stated by the government.

However, combining the expected decline in numbers entering nursing, midwifery and the allied health professions in higher education with increased agency staffing costs to cover staffing shortfalls, London Economics estimated that there will be an additional £100.3m cost incurred by trusts per cohort – wiping out any potential cost savings.

Inadequate consultation

Considering the importance of its decision to abolish bursaries and the widespread opposition to this move, the government should at the very least have carried out a full consultation on the substance of its plan and the risks therein. Unfortunately this was not the case, with the rushed consultation that took place in summer 2016 focused merely on the details of the changes and how they should be implemented.

This contrasts sharply with the situation in Wales, where the government is considering the likely impact of any changes to the bursary system over the course of the next year.

The government's consultation response published in July stated that it would be followed by another later in 2016, that would "set out the government's approach to issues of system architecture such as the new clinical placement commissioning system and how we will target the protection of smaller, specialised subjects". The government has yet to publish this second consultation response, creating considerable uncertainty about the provision of clinical placements and protection of smaller, specialised subjects at risk.

Support for the NHS bursary

Opinion polling by YouGov for UNISON has demonstrated overwhelming public support for the union's position that the government should carry on paying the tuition fees of healthcare students (77%) and that healthcare students should be paid for the work they do (71%).⁷

Early Day Motion 1081 on the NHS Bursary was the most signed EDM during the last Parliament, with more than 150 MPs from nine different parties putting their name to it.⁸

What is UNISON calling for?

The latest figures make clear that the decision to abolish NHS bursaries will affect the future ability of the NHS to train and recruit the workforce it needs.

In the interests of patients, healthcare staff and students, and the wider NHS, it is now time for the government to change course.

NHS bursaries should be reintroduced for another year in England, along the lines proposed in Scotland and Wales. This breathing space should then be used to allow the government to conduct a proper review into the different funding models that would help the NHS develop a sustainable workforce.

⁷ www.unison.org.uk/news/press-release/2016/07/study-shows-the-public-wants-the-government-to-pay-for-the-training-of-student-nurses-says-unison/

⁸ www.parliament.uk/edm/2015-16/1081

UNISON therefore urges the secondary legislation committee to recommend this statutory instrument be subject to proper scrutiny on the grounds that it is politically important and gives rise to issues of public policy likely to be of interest to the House.

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