

CSP policy position on changes to student finance systems in England

Background

The UK Government is intending to make significant changes to education funding – with a change in the repayment requirements for student loans; limiting numbers eligible for student loans with a cap on numbers and eligibility threshold; and replacement of student loans with Life Long Loan entitlement, open to further education as well as higher education, with a strong emphasis on modular course provision.

Why the CSP opposes the plan to change student finance

The CSP strongly opposes the Governments proposals to lower the salary threshold at which students start paying back loans, extending the repayment period and changing from interest linked to average earnings to the (currently faster rising) Retail Price Index (RPI) rate plus 3%.

The Government's own equalities impact analysis on the changes shows that changes penalise those on low to medium incomes the most, because they will pay for longer, and therefore pay more interest. This will particularly disadvantage women, people with disabilities, people from black and minority ethnic communities. Among graduates from the 2023 student cohort, those with lower-middling earnings will pay an around £30,000 more over their lifetime, compared to the current system. This is £10, 000 more than high earners.

The impact of financial concerns on individual students cannot be underestimated. Students are already struggling to afford to study face the additional stress of knowing that any financial burden has only been deferred for a short while.

Why the CSP calls for health and care graduates to be exempt from the changes if brought in

The CSP opposes the changes to student finance, and believe the measures place an unfair burden on individuals, put discriminatory barriers in the way of higher education for already marginalised groups and risks undermining much needed workforce supply for all sectors in the health and care system.

The growth in supply of registered physiotherapists has been strong since the current system for physiotherapy education funding was introduced in 2017. Maintaining this is critical if the Government and NHSE is going to meet its current policy commitments and clear the elective care backlog. The burgeoning independent health sector also has needs an expansion of physiotherapists to meet market demand.

Because of these changes, current growth in the supply of physiotherapy graduates is now in jeopardy. It is difficult to predict the degree of risk, and there is some possibility that the high popularity of physiotherapy courses will mitigate it. But it certainly now makes continued growth less certain.

For physiotherapists, who have a starting salary of £25, 655, it means they will be repaying their student loan from the start of their career and for most if not all of the remainder. Coming at a time of soaring basic living costs and the Government anticipating an NHS pay

award of no more than 3%, this will mean physiotherapists paying off student debts will be financially squeezed.

The NHS is experiencing difficulties recruiting and retaining its workforce. Physiotherapists are now leaving at a faster rate than nursing staff, most commonly early on in their career. With salaries squeezed with additional loan repayments, this could drive more physiotherapists away from the NHS to seek higher paid positions in other sectors.

Given the significant impact these changes could have to the health and care sector we urge the Government to think again and to consult with professional health bodies, NHS providers and the Department of Health and Social Care to ensure workforce supply is not undermined at this crucial time.

Women make up the majority of the physiotherapy workforce. The changes to student finance agreements potentially discriminates against women. Because women carry out the lion's share of caring responsibilities they tend to take more time out of work than men. This means they progress slower in their careers than men, which means they will pay over longer. The Institute for Fiscal Studies suggests that men on average will pay around £3800 less towards their loans under the new system, and women will pay £11,600 more.

Why the changes risk reversing physio progress in becoming a more diverse profession

In the last few years the profile of physiotherapy students has become more diverse due to active efforts to widen participation. For example, the proportions of black, Asian and other ethnic minority students, and the proportion of disabled students have both more than doubled in the last decade.

This makes it possible for the physiotherapy workforce of the future to be more representative of the populations that it serves – including in areas with poorer than average health outcomes and high levels of deprivation.

This progress is now in danger of being reversed. The changes will effectively block entry to the profession to people for whom higher debt will be a barrier. This includes people from lower socio-economic backgrounds, black and minority ethnic communities, people with disabilities and mature students.

Why the CSP believes physio and other health and care professions should be exempt from caps on numbers or minimum threshold for student finance if brought in

The healthy supply of physiotherapy graduates has come about with the removal of the bursary, which placed a cap on physiotherapy numbers until 2017. Since then physiotherapy supply has flourished, bringing it more in line with population demand and the needs of the healthcare system. It is essential that a new cap on physiotherapy places isn't introduced through this new measure.

Minimum eligibility requirements are a short-sighted mechanism that will fail to address the underlying issues in poor performing disciplines. What would be more useful for academic programmes in general would be placing value on the accreditation of prior learning and focusing attention of pastoral and academic support enabling students to succeed.

In any case the argument for eligibility requirements as a means to ensure greater value for money from courses is irrelevant to physiotherapy. Physiotherapy has high outcomes and

presents strong value for money, with over 97% of physiotherapy students graduating and a high proportion of these becoming registered to practice and entering the workplace.

The Government has promised in general to treat education of NHS and social care staff as a priority. The specific commitment to this exemption in relation to a cap on numbers and eligibility threshold for student finance is needed.

What the CSP thinks about the Life Long Loan Entitlement proposals

The improved access to education at levels 4-5 that the LLE affords will likely stimulate expansion of courses aimed at healthcare support workers or those seeking to become a support worker.

While this is welcome, there is a risk that without a means of quality control, providers will rush to meet the market. This could result in the very thing that the Government says it wants to reduce – the spread of course provision that don't match the knowledge and skills local healthcare employers need, or prepare learners properly.

It is essential that providers and local employers work in partnership to ensure strong outcomes for learners and value for money, driven by national standards and expectations set by independent bodies such as regulators or professional bodies.

Apprenticeships should remain the key route for support workers to progress in their careers, paid for from the employer levy. There is a risk that with the LLE employers may be less inclined to support apprenticeships at levels 4-6 given there will be an alternative option. If this happened it would impact detrimentally on support workers who can least afford the time away from work or commitment to student debt of the LLE route. Contrary to the ambitions of the LLE this could inadvertently preclude support workers from accessing further/higher education and career progression. The Government needs to make this clear to employers.

Under the LLE it is essential that pre-registration healthcare programmes retain their current funding model and be funded for their entirety, not modular components. This is essential to avoid compromising the high quality of provision, which would have implications for patient care. This must include the level 7 pre-registration programmes that are currently funded through the Higher Education Student Forecast.

Why physiotherapy degree courses must get additional funding to cover costs

With tuition fees being frozen for a further two years at £9,250, with inflation this equates to as much of a cut as recommended in the Auger report, but without replacing the lost income through the teaching grant as originally recommended.

This makes it even more critical that physiotherapy and other high cost health and care course degrees be prioritised for Strategic Priorities Grant Funding. Any failure to do this will make the current workforce problems in the NHS and social care sectors worse.

For physiotherapy this risk is clear from recent history. The combination of a cap on bursaries and insufficient public funding until 2017/2018 in England meant universities had no financial incentive to expand to meet demand. In Scotland, insufficient funding for physiotherapy courses has resulted in high numbers of international students who are never going to be part of the domestic workforce.

It is critical that sufficient funding is available to Universities to deliver higher cost courses of strategic importance to the health care system and the economy, such as physiotherapy.

For more information please read our full responses to the consultations below

CSP response to the education funding consultation <https://www.csp.org.uk/documents/csp-response-education-funding-consultation>

CSP response to the life long loan consultation <https://www.csp.org.uk/documents/csp-response-life-long-loan-consultation>