

# **APPG Students inquiry into tuition and accommodations costs during Covid-19:**

## **The Case for Compensation**

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### Introduction

Our inquiry was launched in response to growing demands for rent and fee refunds following the additional disruption to university education as a result of the national lockdown announced on 4th January. We received submissions from students, sector groups and landlords – and met with a representative group for an open discussion of the evidence.

On the basis of the evidence we received, we believe that the priority is to provide students with the financial assistance that they need now - through an emergency hardship fund and full compensation for rents in respect of unused accommodation due to lockdown measures, as well as addressing the impact on those facing other financial difficulties. We feel that this approach is fairer and more effective than any general reduction in tuition fees. We also believe that it is the best way to fulfill the Government’s responsibility to sustain the universities sector during the crisis.

We were struck by the comment from one participant that students felt that the impact of the pandemic on their lives had not been recognised. This generation, with those in schools, will be affected over their lives by the pandemic more than any other, and will be paying for the national debt longer than anyone else. Although we cannot provide all the support needed by students, or other groups, we believe their voice should be heard and their concerns addressed.

We appreciate that our recommendations involve significant Government spending, although not in the context of the overall costs of the pandemic, but we would emphasise the major financial costs incurred by universities, landlords and students themselves. Other young, and indeed older, people have received huge support through furlough schemes and other measures which have not been available to students.

We therefore believe that our recommendations are practical, proportionate and necessary.

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**All-Party Parliamentary Group for Students**

## Background

This inquiry was launched by APPG Officers to consider calls for financial compensation to students in relation to tuition and accommodation costs following the national lockdown introduced on 4 January. We invited submissions from groups representing students, universities and accommodation providers, as well as regulators and the DfE.

The pandemic has disrupted education at every level and financial pressures have hit students hard too. Although maintenance loans have still been paid, many students have suffered a loss of income from retail and hospitality jobs in particular, as well as other sectors, and university-employed work e.g. outreach, staffing events etc. Many of their families will also have been hit by the financial impact of the pandemic.

We received submissions from NUS, 47 students' unions and 294 individual students, as well as sector groups and accommodation providers. Many students' unions and students called for compensation for accommodation, a reduction in tuition fee loans and interest payments in their evidence to the inquiry.

Comments from students included:

“As a student of an art subject (fashion), I have found it incredibly difficult to get the same level of teaching during this pandemic as I would in normal circumstances. Without access to studio spaces and essential equipment such as sewing machines how am I supposed to learn how to draft patterns and make garments?”

“In terms of compensation for the lack of access to facilities and services, one suggestion from our student body is for universities to receive additional funding in order to maintain access to facilities such as libraries and technology suites after a student has graduated”

“For those who have used SLC, a debt write-off for each year affected by the pandemic would be realistic/appropriate. It may be that a mechanism is put in place so that you have to pay this if you're earning over 60k or something.”

“why should students be expected to pay for houses they are unable to use?”

“I feel there should be compensation. I was denied a reduction in my rent in the first lockdown. I had [to go] home to support my family and as I had left my belongings at my privately rented house, they told me I was not entitled to a rent reduction as the landlord needed the support of that money...I had a large household at home at this point and the extra money would have been very useful to help pay for the cost of feeding everyone and contributing to keeping the house running (bills, rent, council tax, etc.)”

“Students should be compensated with rent return for the period that they're not staying in the accommodation.”

“The private sector has no form of protection compared to universities, therefore we've been forced to pay regardless of vacancy, whereas universities have the ability to provide rebates.

## Accommodation and Hardship Funding

In November, according to a NUS survey three in five students said that Covid-19 had some impact on their income, with two in five having sought financial assistance from family. Half of students reported that the income of someone who supports them financially has been impacted by Covid-19. Three quarters of students say they are concerned about money and their ability to manage financially.

Concerns about paying rent were more likely amongst international students, BAME students, and those commuting to university, with 15% saying they were extremely concerned about making rent payments in November. Many also shared worries about payment of utility bills. According to the NUS, over two thirds of student renters (69 per cent) are worried about their ability to pay rent with around a quarter having been unable to pay rent (22 per cent) or bills (27 per cent) during the pandemic. This builds on further research from Citizens Advice which showed that 16 per cent of students are currently in rent arrears.

63% of students reported cutting back on spending on luxury items and non-essentials in November, with 29% cutting back on food.

According to the same survey, one in five students working alongside their studies had had hours reduced, one in ten were on furlough and a similar number had lost jobs. The number of students in part-time work has fallen to a fifth in comparison to a third in the summer, and there was an increase in students looking for a Christmas job in 2020. Clearly this position will have worsened as a result of the national lockdown, but no updated information is available.

The Department for Education has worked with the Office for Students to clarify that providers are able to draw on existing funds, worth around £256 million for academic year 2020/21, towards hardship support. The government made a further £20 million available on a one-off basis to support those that need it most, particularly disadvantaged students. However, the Russell Group highlights that, given this fund was cut by £16 million in May 2020, this only represents a £4 million uplift to a budget intended to support disadvantaged students across the sector in 'normal' years.

Universities and mission groups have told us that additional hardship funding, and increasing student premium funding, would help to address student concerns and target support where need is greatest. They also point out that there are clear links between financial hardship and mental distress, poor retention levels and student outcomes – additional funding would help prevent the attainment gap from widening between students from more and less advantaged backgrounds. The University Alliance recommends also increasing maintenance loans to students to recognise the impact of the pandemic on students' living costs and exploring whether a proportion of this could be issued as a grant, on either a blanket or targeted basis.

The evidence from many students' unions highlighted that new students signed contracts with universities and private landlords based on correspondence from the university that there would be blended learning in the Autumn term, therefore requiring students to be on campus. Some universities did offer a leave of absence, or the option to withdraw from courses, but students who did this still had to pay around four months' rent if living in university accommodation, and more if they have signed a private contract.

Evidence from last academic year showed that, despite the national lockdown, 28% of first-year students and 71% of second year and upwards students were still paying rent between March-July last year.

While many universities cancelled or refunded rent for the properties they own during periods of lockdown, this was not consistent across all types of student accommodation. The National Residential Landlords' Association explain that most student landlords they surveyed last summer let fewer than 5 properties, with 35.7% letting just one property and 38.6% letting between 2 and 4. The NRLA highlight that small portfolio landlords, unlike institutional and purpose-built providers, cannot spread their risk over thousands of lets across the country. Their investments are often an alternative to a pension, and they are reliant on rental income. The NRLA says that it is "not possible" for most student landlords in the PRS to refund payments without compensation from Government.

Many Purpose Build Student Accommodation providers (PBSAs) and some small landlords have made concessions to their student renters, but this is at their discretion and therefore is inconsistent across the sector. Some tell us that while they could reduce rents in Spring 2020, a lack of Government support means that they cannot do so this year.

## Tuition

A Higher Education Policy Institute (HEPI) [report](#) in December indicated that 23% of students were quite/very unsatisfied with online teaching with also most half saying they were receiving no face-to-face teaching. This was consistent with the NUS report that over one in five of those receiving online learning say that their expectations were not met during the autumn term. Both surveys were undertaken before the lockdown measures imposed further restrictions on learning in January.

Some courses cannot be fully taught remotely, and some students do not have the resources that they require to be able to study from home. As well as access to laboratory or workshop facilities, performance-based and other practical courses face difficulties. Furthermore, students often will not have the resources they need, such as musical instruments or space to practice, to continue studying or access to collaborative work that is crucial for their teaching. Some courses are struggling to meet the vocational requirements and we understand that discussions are taking place with Professional, Statutory and Regulatory Bodies (PSRBs). GuildHE explain that for post-graduate research students, particularly those studying part-time, may have increased caring responsibilities or work commitments (e.g. if in healthcare) and others have lost their income (eg creative practitioners) meaning there is an effect on their research.

There has been significant variation between courses and institutions as to the quality of online teaching and resources. This has been exacerbated for international students, learning in a different time zone, with lectures in the middle of the night. For students with childcare or other caring commitments, it has also been particularly difficult to study at home – especially during school closures.

There was a feeling among many students and students' unions who responded that, while it is important that students are compensated in some way, calling for the institutions themselves to fund large numbers of compensation payments will damage universities and provision for students. At best they felt it would reduce the experience of future students, and at worst will result in closures.

The Petitions Committee published a report calling for more financial support for students in light of the disruption of COVID-19. As part of this the Committee recommended that "*given the importance of the higher education sector to the UK economy, and the exceptional circumstances facing both universities*

*and university students, the Government should consider providing additional funding to universities to enable them to pay any refunds university students are entitled to as a result of the Covid-19 outbreak. The Government could also consider alternative means for reimbursing students, where an independent process has found that they are entitled to a refund, such as reducing student loans of students who are entitled to a refund.”<sup>11</sup>*

We also received evidence from the Office for the Independent Adjudicator, who recognised that “it is important to balance the need for redress for students with the longer-term financial security of the sector. We are aware that the government and others are looking at the scope to provide additional support and we would welcome that.”

The Office for Students felt that it would be inappropriate for them to make comments on policy issues as the sector regulator.

We received submissions from UUK, the Russell Group, the University Alliance and GuildHE. All say that they are “confident” that the “majority” of students will achieve the learning outcomes set out for their course despite the changes this year, given the measures and efforts that their universities have made. University Alliance explain that their members had already made considerable investments in data management and digital tools to improve the student experience, as well as CPD for staff, prior to the pandemic. Universities UK state that Government should be clear that where there is wide-ranging support for active and ongoing learning and progression, students should not expect any fee refund from their university. The Russell Group does not consider that there is a case for blanket tuition fee refunds.

However, they acknowledge that “the public health measures in place to restrict the spread of Covid-19, including Government’s guidance to prevent the return of most students to in-person teaching this Spring term, and additional pressures on clinical placements, will mean that some students on specialist training may not be able to achieve the learning outcomes set out for their course in this academic year. Such a situation would be through no fault of the institution or the affected students and it is crucial that the Office for Students and the Government support institutions in such circumstances and ensure that students are not disadvantaged.”

## Recommendations for Remedial Action and Compensation

### Rents

- Students rent accommodation from universities, private PBSA providers and small landlords, and significant numbers commute from their homes. Across all sectors there have been a variety of responses to demands for rent refunds, and there is a need for consistency in support.
- Issues are raised not only by students who cannot access their accommodation due to Covid restrictions. Evidence highlighted, for example, that some of the most vulnerable students have remained in their accommodation without family support but under increased financial pressure.

- There was a general view that support should go to students directly, rather than to landlords, and that this would best be addressed through a substantial increase in hardship funds.
- Hardship funds have been stretched by student applications and have been significantly enhanced by individual universities. In Wales there has been a £10 million increase in funds in October, plus a further £40 million in January, equivalent in total to around £378 per head for each of the 132,205 foundation, undergraduate and postgraduate students studying at Welsh Higher Education Institutions.
- Student representatives emphasised the need for hardship funding to be truly accessible, with consistent criteria to make it equitable across universities, and perhaps even on portal for applications (but funding awarded through universities for best targeting).
- It was felt that all students should be contacted about the funds – as evidence submitted to the inquiry from students suggested low general awareness about increased hardship funds this year – and should not be restricted to one application.

### **Recommendation:**

- 1. The Government should substantially increase hardship funding to address rental costs for student properties they cannot access, lost income, digital poverty and other unexpected costs.**
  - a. This should be assumed to cover rental periods for time when students were unable to occupy their properties where necessary.
  - b. It should not be allocated according to pre-Covid criteria of severe financial hardship/overdraft entry, but to take account of the points above and there should be an appropriate level of information required from individuals to access support – in a similar model to the Furlough scheme, or the Self Employment Income Support Scheme.
  - c. It should be easy to access, well-publicised, with an application process to promote equity of allocation and access.
  - d. Individual universities should have the flexibility to allocate funds according to need, recognising the experience of their students, but should agree a broad framework to ensure fairness regardless of institution.
  - e. It should be developed in consultation with students, to reflect their experiences.

We would urge the Government to consult speedily with sector bodies in determining the amount of extra hardship funds but believe that an additional sum more than doubling existing student premium funding, of £256 million, would be required. Applying the Welsh approach would suggest a figure around £700 million for England.

- 2. In addition, the Government should consider the introduction of means-tested maintenance grants to assist the 'Covid cohort' with the costs they face.**

Other remedial accommodation measures:

- Scottish law allows students to cancel their tenancies with 28 days' notice, but student representatives indicated only a small number of students had taken advantage of the right.

- Landlords explained that regulation in the PRS and for PBSAs means that this would be difficult if extended beyond Scotland as it could lead to empty properties (particularly for PBSAs which are only licensed for student lettings) which incur council tax (unlike when they are inhabited by students) or they could be unable to fill the properties due to the inflexibility of licensing (e.g. an HMO would have to change license to rent to a family, but then would find it difficult to relicence as an HMO).
- The NRLA said they estimate a council tax fund for these properties would cost £5 million (for Government to reimburse councils, avoiding legislation).

**Recommendation:**

**3. The Government should work with landlords to introduce measures to temporarily increase flexibility for student accommodation to allow students to leave contracts they aren't using more easily, and to reduce pressure on landlords.**

- a. This could include a council tax fund for empty properties as a result of early release from tenancies, to avoid landlords paying charges for releasing tenants from their contracts. Alternatively, it could involve a temporary change to the loss of student exemption for empty student dwellings during the pandemic, but this may be more complex and costly long-term.
- b. It could also include, if tenancies have been terminated, increased flexibility to re-letting accommodation to different types of tenants temporarily without a permanent licensing change.

**Tuition fees**

- The call for tuition fee refunds reflects a concern from students about their reduced learning experience, which has been very different between courses and which has particularly affected those needing access to facilities or other educational experience.
- Universities and their staff have worked hard to provide the best possible blended learning, but it cannot match the educational experience available in normal times.
- Fee refunds would not address this concern and would not assist the majority of students whose fees are paid through the Student Loans Company as the refund would be made to the SLC. Refunds would also reduce universities' income and therefore their students' education.
- Redress should focus on lost learning opportunities and enable access to facilities, specific activities, resources and preparedness/qualification for future roles with practical experience. We note that this is consistent with the approach of the Office for Students, which is consulting with the sector on additional classes.
- Learning loss is a problem at every level of the education system. A fund to support universities in providing, and students in accessing, compensatory learning opportunities might form part of a system-wide response.
- This would particularly allow those who need to qualify through PSRBs to achieve vocational requirements.

### **Recommendations:**

- 4. Government should establish a 'Covid Student Learning Remediation Fund', to allow lost learning to be addressed through provision of educational opportunities not available through the pandemic.**
  - c. This might include additional summer (and potentially autumn) programmes for students graduating this year (particularly for those with practical requirements) or requiring it to progress through study.
  - d. It should focus on both replacing lost teaching and other learning experiences e.g. networking, fieldtrips, skill development, access to resources, facilities and more to build skills and portfolios etc.
  - e. It should prioritise one-year PGT students and final year undergraduates with essential/qualifying practical elements.
  - f. The fund should both enable student participation and support additional university costs, recognising current staffing pressures and workloads.
- 5. The Government should work with Universities to ensure that there is a national 'safety net' to maintain academic integrity across institutions and ensure that students can progress in a way that takes account of the practical, social and emotional challenges they have had to face as a result of the pandemic.**

### **PGR students - additional recommendation**

- 6. UKRI studentships for PGR students should be extended to allow research to be finished to usual high standards, in circumstances where lockdown has affected access to facilities and resources. Consideration should also be given to support for self-funded students.**