

Graduate Endowment Abolition (Scotland) Bill

Bill Number: SP Bill 2
Introduced on: 22 October 2007
Introduced by: Fiona Hyslop (Executive Bill)
Passed: 28 February 2008
Royal Assent: 4 April 2008

Passage of the Bill

The [Graduate Endowment Abolition \(Scotland\) Bill](#) was introduced in the Parliament on 22 October 2007. Stage 1 commenced on 7 November 2007 with the Education, Lifelong Learning and Culture Committee as the lead committee. The Stage 1 (general principles) debate took place on 20 December 2007 and the [Bill was passed](#) following the Stage 3 debate on 28 February 2008.

Purpose and objectives of the Bill

The Graduate Endowment (GE) fee was introduced in the academic year 2001-02, following the Education (Graduate Endowment and Student Support) (Scotland) Act 2001 (The 2001 Act). It was intended as a fixed payment to be made by certain graduates once they had completed their degree, in recognition of the benefits they receive from their period of higher education. It was intended that the income raised from the GE fee would be used to fund improvements in student support, to widen access and participation in higher education.

The Graduate Endowment Abolition (Scotland) Bill was introduced on 22 October 2007 to provide for the abolition of the GE fee for students completing their course on or after 1 April 2007. The Government's Policy Memorandum that accompanied the Bill explained that the reason for abolishing the GE fee was that, as a policy it had failed to deliver its original aims of removing barriers to widening access and participation and using the GE fee income to support future generations of students. It stated that the increased debt burden on graduates remained a barrier to access and that the GE fee has acted as a disincentive to accessing higher education.

Provisions of the Bill

The Bill provided for the abolition of the GE fee for students who successfully complete their course (3 years or more) on 1 April 2007 or thereafter, and would therefore be liable to pay in April 2008. The Bill did not affect the three cohorts of graduates in 2005, 2006 and 2007 who have already paid, or are yet to pay. These students will remain liable to pay the GE fee.

Section 1 of the Bill repealed Sections 1 and 2 of the 2001 Act (and consequently the principal regulations associated with these sections), which made provisions

for payment of a graduate endowment fee by certain persons, and for how the income arising from the graduate endowment fee should be used. Section 1 of the Bill also repealed paragraph 10 in schedule 3 of the [Further and Higher Education \(Scotland\) Act 2005](#), which amended the 2001 Act.

Section 2 of the Bill removed the liability to pay the graduate endowment fee from graduates who completed their course on or after 1 April 2007. Section 2 (3) further provided that the Graduate Endowment fee is to be regarded as having never existed, for graduates otherwise liable from 1 April 2008 onwards. This subsection was included to ensure that should the Bill not have been passed until after 1 April 2008, those graduates would still not have to pay the GE fee.

The Bill also provided that those graduates who became liable to pay the GE fee before 1 April 2008 continued to be liable. Section 3 of the Bill made provisions for Section 1 of the 2001 Act and its principal regulations to remain in effect for these cohorts of graduates. The Bill did not, however, provide for Section 2 of the 2001 Act, which provided for the use of these GE funds for student support, to remain in effect.

Parliamentary consideration

In relation to the general principles of the Bill at Stage 1, the Education, Lifelong Learning and Culture Committee (the lead Committee) had some concerns that there was insufficient evidence to determine whether the abolition of the GE fee would, in itself, contribute to widening access to higher education. However, the Committee also noted that it had not found sufficient evidence that the GE element of the 2001 Act had fully achieved its aims of widening access to higher education, by using GE fee income to provide student bursary support, particularly in relation to those from deprived backgrounds.

The Committee's Stage 1 scrutiny resulted in a number of significant criticisms of the Bill and highlighted a lack of alternative approaches to widening access to higher education. Whilst the Committee agreed with the intention of the Bill to remove barriers to access to higher education, it did not agree that abolishing the GE would be the most effective way of achieving that goal. The Finance Committee also expressed particular concern on the quality of the Financial Memorandum accompanying the Bill. The lead Committee in their [Stage 1 Report](#), therefore, recommended that the general principles be not approved.

Amendments were passed at Stage 2, firstly to include a section in the Bill that places a duty on Scottish Ministers to monitor and report to the Parliament annually on the impact of abolishing the GE fee on widening access and participation in higher education. The second amendment placed a duty on Scottish Ministers to rectify any adverse effect on the sums available for student support as a result of abolishing the GE fee. This amendment was redrafted at Stage 3 and agreed to. The Bill, as amended, was passed, and received Royal Assent on 4 April 2008.

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