

## **EXPLANATORY MEMORANDUM TO**

### **THE EDUCATION (STUDENT SUPPORT) REGULATIONS 2008**

**2008 No. 529**

1. This Explanatory Memorandum has been prepared by the Department for Innovation, Universities, and Skills and is laid before Parliament by Command of Her Majesty.

#### **2. Description**

2.1 These Regulations provide for support for students taking designated higher education courses in respect of an academic year beginning on or after 1st September 2008.

#### **3. Matters of special interest to the Joint Committee on Statutory Instruments**

3.1 None.

#### **4. Legislative Background**

4.1 Regulations are made annually by the Secretary of State to make provision for the payment of grants and loans to eligible students in connection with their undertaking and/or attendance on designated higher education courses.

4.2 These Regulations have been made to give effect to the student support arrangements for the 2008/09 academic year. They increase the amounts of grants for tuition fees (for those students who are still eligible for such grants), student loans for tuition fees and living costs and some grants for living costs in line with inflation. They also increase disabled students allowances in respect of non-medical helpers and for disabled postgraduate students by more than the rate of inflation. Additionally, they increase the income thresholds for maintenance loans and full and partial maintenance grants for new students in the 2008/09 academic year, which means that the number of students eligible for a full or partial maintenance grant should increase. The number of students eligible for full non-means-tested maintenance loans will also increase. These changes are set out in more detail in paragraph 7.

#### **5. Extent**

5.1 These Regulations apply to England. A provision on the treatment of student loans in bankruptcy also applies to Wales and extends to Northern Ireland.

#### **6. European Convention on Human Rights**

6.1 As the Regulations are subject to negative resolution procedure and do not amend primary legislation, no statement is required.

## 7. Policy Background

In 1997, the Government outlined its broad plans for student funding in the report 'Higher Education for the 21st Century'. A year later, the Teaching and Higher Education Act 1998 was given Royal Assent. Section 22 of this Act makes provision for the Secretary of State to provide financial support for students in Higher Education. Such financial support is to be provided in accordance with regulations made by the Secretary of State. These Regulations make provision for support available in relation to an academic year beginning on or after 1st September 2008.

The policy changes effected by these Regulations are set out below:

### 7.1 To align fee support for flexible postgraduate courses for the initial training of teachers (ITT) with that for other postgraduate ITT courses.

From 1st September 2008, new students starting flexible postgraduate ITT courses of at least six weeks in length will be eligible for the first time to apply for fee support under these Regulations. These students will no longer be eligible to have their fees paid by the Training and Development Agency for Schools (TDA).

Students starting a flexible postgraduate ITT course before 1st September 2008 and who are continuing on that course in 2008/09 will not be eligible for fee support under the Regulations, as they will continue to have their fees paid by the TDA.

This change will align fee support arrangements for students on new flexible postgraduate ITT courses with those on other postgraduate ITT courses. It will also result in students on courses of less than one academic year in length becoming eligible (in limited circumstances) for fee support under the Regulations for the first time. However, courses of under a year in length will continue to be excluded from maintenance support under the Regulations.

### 7.2 To increase disabled students allowances (DSAs) in respect of non-medical helpers for full-time and part-time students and postgraduate DSA by more than the rate of inflation

From 1st September 2008, the maximum amounts for these two DSAs will be increased by about 60%. These increases will mean that:

The maximum amount of the DSA for non-medical helpers will increase from £12,420 in 2007/08 to £20,000 in 2008/09 for full-time students and from £9,315 in 2007/08 to £15,000 in 2008/09 for part-time students and certain full-time distance learning students.

The maximum amount of the DSA for postgraduate students will increase from £5,915 in 2007/08 to £10,000 in 2008/09.

These increases will help to ensure that the most severely disabled students have increased access to the support they need for their studies.

### 7.3 To increase the numbers of students receiving full and partial maintenance grants

Full-time students entering higher education from 1st September 2008 (“2008 cohort students”) will be eligible for a full maintenance grant of £2,835 if their annual household income is £25,000 or less, compared to £17,910 in the 2007/08 academic year. This is expected to result in approximately 50,000 more students each year being eligible for a full maintenance grant by 2011/12.

2008 cohort students will be eligible for a partial maintenance grant if their annual household income is £60,005 or less, compared to £38,330 in the 2007/08 academic year. This is expected to result in approximately 100,000 extra students each year being eligible for some level of maintenance grant by 2011/12.

Equivalent changes have also been made to the provisions relating to the special support grant.

These changes will provide increased help for many students from low and middle income families with their living costs whilst at university.

### 7.4 To increase the number of students receiving the means tested element of the loan for living costs.

The income thresholds for the means-tested element of the loan for living costs have been increased for 2008 cohort students. Most 2008 cohort students will be eligible for the full loan for living costs if their household income is £61,061 or less, compared to £38,805 in the 2007/08 academic year. Many new students with household incomes above £61,061 will also be entitled to increased maintenance loan support as a result of this change. These new income thresholds do not apply to travel grants, grants for dependants or the additional loan payable in relation to courses longer than 30 weeks and 3 days, which continue to be subject to the same means testing arrangements as those for current students.

These changes will provide increased help for many new students with their living costs while at university.

### 7.5 Introduction of the long courses loan for 2008 cohort students

The new income thresholds for 2008 cohort students apply only to the maintenance grant and the core component of the loan for living costs. All other supplementary grants and allowances retain the same means testing

arrangements as those for current students.

The long courses loan has been introduced for 2008 cohort students to replace the increased amount of loan for living costs which existing students (those who started their courses before September 2008) may be eligible for if their course is longer than 30 weeks and 3 days in an academic year. The means testing arrangements for the long courses loan are the same as for the loans for living costs for existing students. 2008 cohort students will be eligible for the same amount of support under the long courses loan as they would have received by way of an increased amount of loan for living costs under the previous academic year's arrangements.

#### 7.6 Calculation of contribution – split contributions

It is the Government's policy that households with more than one student in the household should not have to make any greater income-assessed contributions to their children's/dependants' student support than if they had only one student in the household. The existing provisions in this area are complex. As the introduction of the 2008 cohort adds another potential calculation, a simplification to this aspect of the regulations has been made for households including one or more 2008 cohort student, so that the income-assessed contributions for all students in that household are simply divided by the number of students.

#### 7.7 Students who are prisoners during the academic year

It is the Government's policy not to provide maintenance support for students who are prisoners. The Regulations have not been explicit in this matter in relation to full time attended courses. The Education (Student Support) (Amendment) Regulations 2008 which came into force on 28th February 2008 stopped any further maintenance support for students who were prisoners in 2007/08. These amendments will also apply to such students in 2008. They will, however, be eligible for fee support and DSAs. It is intended to amend these Regulations before September this year to ensure that students who are prisoners at any time in the 2008/09 Academic Year will receive pro-rated living costs support for any part of that year that they are not in prison. Any applications for support from prisoners for the 2008/09 Academic Year will be held pending those changes coming into force. The pro-rating provisions are not included in these regulations because of time constraints and the need to make the main body of the regulations now.

#### 7.8 Guidance

Policy changes for 2008 will be notified through Departmental and partner bodies' publications and websites. For example, students will be informed of changes through the respective guides to full-time and part-time financial support. These will be available in hard copy and electronic formats from Autumn 2008. In addition, on-line guidance chapters for Local Authorities will be updated to reflect policy changes for 2008/09.

## 7.9 Consultation

There is no statutory requirement to consult on these Regulations.

However, as part of a two stage quality review process in Spring 2007 for full and part-time policy changes, the draft Regulations for the 2008/09 Academic Year were sent to stakeholders in the HE sector such as the National Union of Students, the National Association of Student Money Advisers, the National Bureau for Students with Disabilities (SKILL), Higher Education Institutions, the Student Loans Company and Local Authorities. Stakeholders participating in the quality review process welcomed the decision to standardise funding arrangements for ITT courses by offering fee loans for flexible postgraduate ITT courses for the first time.

The TDA's funding team met over 100 providers during 2006 to discuss funding issues including fee support for flexible ITT courses. The TDA also circulated a letter in May 2006 to all ITT providers which set out the review of current funding arrangements for flexible ITT courses.

During 2006/07, discussions were held with the NUS and other groups working for disabled students, such as SKILL, about the levels of DSAs which identified the benefits of increasing the maximum amounts of DSAs for non-medical helpers and for postgraduate students. The increases have been welcomed by the NUS, SKILL and other disability organisations.

Changes to the maintenance grant were announced by the Secretary of State in July 2007 as part of a package of reforms to support Higher Education from 2008/09.

## **8. Impact**

8.1 An Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

8.2 The impact on the public sector is minimal.

## **9. Contact**

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