



To:

Higher education institutions in Wales providing designated higher education courses  
Further education institutions in Wales providing designated higher education courses  
Other providers providing designated higher education courses  
The Student Loans Company  
UCAS  
The Open University in Wales  
Student Finance Wales Stakeholder Group  
NUS Wales  
Higher Education Funding Council for Wales  
Universities Wales  
Colleges Wales  
and other interested parties

November 2017

Dear Colleague

## **HIGHER EDUCATION STUDENT SUPPORT AND MAXIMUM TUITION FEE LEVELS**

### **CHANGES TO BE INCLUDED IN THE WELSH STUDENT SUPPORT REGULATIONS FOR ACADEMIC YEAR 2018/19**

The Education (Student Support) (Wales) Regulations 2018 (“the 2018 Regulations”) are currently being drafted and, if made, will provide support for students ordinarily resident in Wales taking a designated course of higher education. The 2018 Regulations will apply to the provision of support to new students in relation to an academic year which begins on or after 1 August 2018 (‘AY 2018/19’). The existing regulations (the Education (Student Support) (Wales) Regulations 2017 (“the 2017 Regulations”)) will be amended and will apply to the provision of support to students who are continuing on courses that began before 1 August 2018.

The 2018 Regulations will differ from the 2017 Regulations in that they will incorporate a number of policy and technical changes; these changes are detailed in the annex below.



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### ENQUIRIES

If you have any queries about the 2018 Regulations or wish to comment on this Information Notice, please contact the Higher Education Division in writing at the address below or by email ([HEPolicy@gov.wales](mailto:HEPolicy@gov.wales)).

<b>Overview</b>	This engagement exercise seeks views on the proposed policy changes and technical changes to the existing student support legislation to be contained in the forthcoming Education (Student Support) (Wales) Regulations 2018.
<b>Audience</b>	Higher Education Institutions; Further Education Institutions; National Union of Students; Student Loans Company; the Open University in Wales; other interested parties.
<b>How to respond</b>	Any comments which stakeholders might have on the proposals should be sent to the Welsh Government by <b>28 December 2017</b> . Comments can be e-mailed to the address below: <a href="mailto:HEPolicy@gov.wales">HEPolicy@gov.wales</a>
<b>Further information and related documents</b>	<b>Large print, Braille and alternate language versions of this document are available on request.</b>  A copy of this SFWIN can also be found on the following website: <a href="http://www.studentfinancewales.co.uk">www.studentfinancewales.co.uk</a>
<b>Contact Details</b>	Further information about this limited engagement exercise can be obtained by e-mailing <a href="mailto:HEPolicy@gov.wales">HEPolicy@gov.wales</a> . or by writing to:  Higher Education Division, Welsh Government, Cathays Park, Cardiff, CF10 3NQ
<b>Data Protection</b>	How the views and information you give us will be used:  Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this engagement exercise is about. It may also be seen by other Welsh Government staff to help them plan future engagement exercises.  The Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published

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with the response. This helps to show that the engagement exercise was carried out properly. If you do not want your name or address published, please tell us this in writing when you send your response. We will then blank them out.

Names or addresses we blank out might still get published later, though this is unlikely to happen often. The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 allow the public to ask to see information held by many public bodies, including the Welsh Government. This includes information which has not been published. However, the law also allows us to withhold information in some circumstances. If anyone asks to see information we have withheld, we will have to decide whether to release it or not. If someone has asked for their name and address not to be published, that is an important fact we would take into account. However, there might sometimes be important reasons why we would have to reveal someone's name and address, even though they have asked for them not to be published. We would contact the person and ask their views before deciding whether or not to reveal the information.

## Summary of changes to student support regulations for AY 2018/19

The next set of student support regulations are expected to be referred to as The Education (Student Support) (Wales) Regulations 2018 ('the 2018 Regulations').

### *Financial Package*

#### 1. Maximum Tuition Fee Level

On 18 October, the Cabinet Secretary for Education announced that the maximum tuition fee level in Wales will remain at £9,000 for academic year 2018/19.

#### 2. Changes to tuition fee support for students who begin their course on or after 1 August 2018

Since the introduction of a maximum fee level of £9,000 in 2012, students ordinarily resident in Wales have had access to financial support which means they do not incur this fee upfront. This has comprised a Tuition Fee Grant and a Tuition Fee Loan. In response to the findings of the Diamond Review, from 2018/19 onwards, the existing support arrangements will be replaced with the following support package:

#### ***For full-time and part-time undergraduate students (including students undertaking distance-learning courses):***

- The current Tuition Fee Grant for full-time students will be replaced with an additional subsidised student loan, up to the maximum fee level applicable in 2018/19. This will be available wherever students study in the UK;
- Tuition fee loans will continue to be available for those eligible part-time students ordinarily resident in Wales, studying at an intensity of at least 25%.

#### 3. Changes to maintenance support for eligible students who begin their course on or after 1 August 2018 (including students undertaking full-time and part-time distance learning courses)

From 2018/19, the following maintenance support will be available:

- A £1,000 non-means-tested universal element of the maintenance grant will be available to eligible students ordinarily resident in Wales on the first day of the first academic year of the course. This will be pro-rated for part-time students (i.e. students studying at 50% intensity will receive £500).
- An additional means-tested element of the maintenance grant will also be available to support living costs. The amount of maintenance grant payable to

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full-time students is determined by reference to where the student lives, their household income and whether they are a care leaver, with more available to students from the lowest income backgrounds and a gradual taper to a £59,200 threshold.

- Although many students will likely be eligible for both the non-means-tested and means-tested element of the maintenance grant, it should be noted that certain categories of students will not be eligible for either. These categories are captured in paragraph 4 below.
- The maximum maintenance grant will be set at the level recommended in the Diamond Review, in the first instance, with a maintenance loan provided to ensure the total level of maintenance support reflects growth in the National Living Wage.
- A non-means-tested maintenance loan will be available to make up the difference between the maximum level of total maintenance support and the amount of maintenance grant a student is entitled to.
- Full-time students with a household income up to £18,370 will receive the maximum grant. The total amount of maintenance support (grant and loan) for full-time students will be 15% less than the standard 'away from home' level for students living in the family home while they study, and 25% more for students studying away from home in London (similar to the current location differential).
- Part-time students will receive, on a pro-rata basis, a modified version of the maintenance support available for full-time undergraduate students. The amount of maintenance grant payable to part-time students is determined by reference to the student's household income, whether they are a care leaver and the intensity of their study (i.e. a proportion of the £1,000 non-means-tested maintenance grant, with an additional means-tested grant up to a maximum based on £6,000 full-time equivalent, but with the maximum grant available up to a household income of £25,000).
- The targeted grants and allowances that exist for undergraduate students, namely the Childcare Grant, Adult Dependents' Grant, Parents' Learning Allowance and Disabled Students' Allowance, will remain in place.

#### 4. Eligibility for the maintenance grant

Students who fall into one of the categories below will continue to be ineligible for a maintenance grant (including the non means-tested universal element of the maintenance grant):

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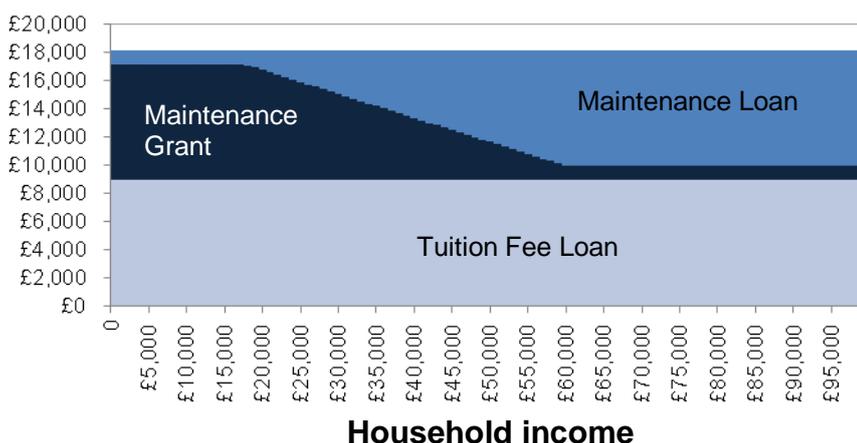
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- The eligible student is a prisoner(subject to certain exceptions);
- The eligible student is a EU National student who does not satisfy the below criteria:-
  - is ordinarily resident in Wales on the first day of the first academic year;
  - has been ordinarily resident in the United Kingdom for three years immediately preceding the first day of the first academic year of the course; and
  - where the student was ordinarily resident in the UK primarily for the purposes of full-time education, was ordinarily resident in the EEA and Switzerland prior to being ordinarily resident in the UK.
- The academic year is a year in respect of which the student is eligible to apply for a healthcare bursary or a Scottish healthcare allowance calculated by reference to the student's income regardless of whether the calculation results in a nil amount;
- The present course is an accelerated graduate entry course;
- The eligible student is undertaking an academic year of a sandwich course during which the periods of full-time study are in aggregate less than 10 weeks (although certain exceptions apply).

### 5. Full-time undergraduate student support by household income

The following chart and table provide an illustration of the projected statutory student support (by household income levels) for tuition fees and maintenance from 2018/19 (for a student living away from home, outside London).

#### Student support



Income	Tuition Fee Loan*	Maintenance support	
		Grant	Loan
<b>&lt;£18,370</b>	£9000+	£8,100	£900
<b>£25,000</b>	£9000+	£6,947	£2,053
<b>£35,000</b>	£9000+	£5,208	£3,792

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<b>£50,000</b>	£9000+	£2,600	£6,400
<b>&gt;£60,000</b>	£9000+	£1,000	£8,000

\* Fee loan amounts based on a £9,000 fee; some institutions will be able to charge more.

### *Proposed policy changes*

#### 6. Removal of the overseas rate

Analysis indicates that the standard 'away from home (outside London)' maintenance package, based on the UK National Living Wage, should provide sufficient funds for living costs in the vast majority of potential global study destinations. It is proposed, therefore, to remove the overseas rate from 2018 and provide eligible students with the 'away from home' package.

#### 7. Part-time study intensity

Tuition fee loans will be provided for eligible students ordinarily resident in Wales who are studying at an intensity of 25% or greater. It is proposed that:

- The period of a student's eligibility will be limited to the ordinary duration of a course divided by the intensity of study;
- Intensity may change each year;
- A student will be paid part-time support subject to a limit, based on their intensity of study: overall, a student should not be funded for more credits than it would take to complete the course on a full-time basis. Students will not receive support for years when they study at below 25% intensity and credits studied in those years will not be counted when calculating the final 'balance' of support/credits;
- Additional years will not be added on the basis of compelling personal reasons as there is already sufficient flexibility afforded to part-time students.

#### 8. Special Support Grant (continuing students)

Currently, students on full-time courses may be eligible to apply for either a Welsh Government Learning Grant (maintenance grant) or a Special Support Grant. Students may be eligible for a Special Support Grant instead of a Welsh Government Learning Grant, if they meet specific criteria in terms of status and/or entitlement to particular benefits. The Special Support Grant is intended to cover costs associated with studying; e.g. books, course equipment and travel. The amounts, tapers and thresholds for the Special Support Grant are currently the same as the Welsh Government Learning Grant, with a maximum amount of £5,161 available. However, unlike the Welsh Government Learning Grant, the Special Support Grant does not affect the amount of maintenance loan to which students are entitled.

9. Special Support Payment (new students) (including students undertaking full-time and part-time distance learning courses)

It is proposed to continue with the Special Support Grant (renamed the Special Support Payment for 2018) as part of the new full-time support package, with the maximum level being maintained at £5,161, which includes a non-means-tested universal element of £1,000. For full-time students eligible for Special Support Payment, the amount of grant they receive will affect the amount of maintenance loan they are entitled to, but it will not be reduced below an amount equivalent to the relevant reduced rate loan.

It is also proposed that eligible part-time students are able to apply for a Special Support Payment, from 2018/19, on the basis that this promotes equality of access to support. The non-means-tested universal element will be pro-rated for part-time students (i.e. students studying at 50% intensity will receive £500).

10. Removal of assessed contributions

Under current arrangements, assessed contributions form the basis for means-tested deductions against the maintenance loan and targeted grants (Adult Dependents Grant, Parental Learning Allowance, Childcare Grant and Travel Grant). Assessed contributions are not relevant to the new maintenance package: for 2018/19, maintenance costs are based on the National Living Wage and the overall level of support is not subject to deductions based on income.

It is proposed, therefore, to remove provision in respect of assessed contributions in the 2018 Regulations. Above the £59,200 upper income threshold for mean-tested maintenance grant, there would be a standard reduction against any travel grant claim. Students will be better off as a result of this change, which furthers simplifies the support arrangements. It is proposed that £1,000 would be an appropriate amount to set as the standard reduction.

11. Removal of split parental contributions in two-student households

Currently, where the same household income is used to assess the entitlement for students, the assessed contribution payable in respect of the eligible student is divided by the number of all eligible students in the household. The means-test operates by calculating an assessed contribution for household income over a certain level and applying that contribution to reduce the student support entitlement. This ensures that parents with more than one child in higher education do not have to contribute more overall compared to parents with only one child in higher education.

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As assessed contributions will be removed for students studying from 2018/19, there is no requirement to develop a split contribution process for the new student support products. The financial assessment rule, whereby household contribution is split when there is more than one student assessed under the same sponsor income is, therefore, being removed for all students from 2018/19. To mitigate the effect of this change on multiple student households, an increased disregard from household income will be applied where there is more than one student in the household. Existing students continuing on courses that began before 1<sup>st</sup> August 2018 will continue to have the split contribution rule applied as they have been previously assessed.

### 12. Grants for Dependants

Students with adult or child dependants can receive help with certain extra costs. The entitlement of a student ordinarily resident in Wales to a Grant for Dependants (GfDs) is calculated based on the residual income of their partner and dependents once reasonable financial obligations, such as rent/mortgage, insurance or council tax, have been deducted. Once the residual income has been calculated, the following disregards are applied to further reduce the residual income. These are dependent on the student's circumstances as follows:

- £1,159 for a student with no dependent children;
- £3,473 for a couple with one child;
- £4,632 for a couple with two or more children;
- £4,632 for a lone parent with one child;
- £5,797 for a lone parent with two or more children.

The remaining residual income is then used to ascertain entitlement to GfDs. Where the residual income exceeds the aggregate total of the GfDs applied for, the student is not entitled to any GfDs. Where the residual income remaining is £0 or less than the aggregate total of the GfDs applied for, the student will be entitled to all, or a reduced amount of, GfDs depending on the remaining income.

At the end of the academic year the obligations must be confirmed and any deviance from the initially declared amounts corrected. This is a manual process and leads to re-assessment, with some students being put into overpayments, where they must repay any overpaid amount to the Student Loans Company.

It is proposed to replace the current approach with one that applies a standard disregard for students enrolling from 2018/19 onwards. The proposal would mean that students with higher household incomes may no longer be able to access GfDs, depending on the grants they have applied for and personal circumstances. Introducing this change would also support one of the Diamond Review principles;

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that the support system should be as simple and transparent as possible to applicants and students, and straightforward to administer.

### 13. Support for care leavers

Responses to the recent consultation on student support were generally supportive of the proposal that the 2018 Regulations should provide that care leavers would be eligible to receive the most generous maintenance support package, with regards to grant/loan balance (“Care Leavers’ Support”).

In the spirit of the Diamond Review, it is proposed that the 2018 Regulations will make provision for care leavers to receive the maximum maintenance grant, regardless of income, and any other financial support to which they are entitled. That is, if they do receive any financial support from their local authority, then that would not be taken in to account for the purposes of assessing their maintenance grant entitlement under the 2018 Regulations. In effect, it will be for the local authority to determine whether they needed to provide *additional* support to a care leaver, given that they will be entitled to receive Care Leavers’ Support.

It is proposed to rely primarily on the definitions of categories of care leavers set out in section 104 of the Social Services and Well-being (Wales) Act 2014 as the basis for defining a care leaver in the 2018 Regulations. However, it is proposed that, in order to be eligible for Care Leavers’ Support, an individual must have been in care for a total period of 13 weeks between the ages of 14 and 16 and must be aged under 25 at the start of their course and for the duration of their course. The part-time package will be pro-rated, as it is for other students, based on the level of intensity of study.

Care leavers will be non-means-tested until they are 25, regardless of their marital status. When aged 25 and over, they will be classed as independent students, meaning their household income will then be taken into account.

A student will be required to provide the Student Loans Company with supporting evidence that they are/were within the care system (as defined in the 2018 Regulations) at the start of their course. If a student is domiciled in Wales and the local authority care is outside Wales, they will be treated as ordinarily resident in Wales.