

STUDENT SUPPORT INFORMATION NOTE:

**STUDENT FINANCE ARRANGEMENTS FOR HIGHER EDUCATION
COURSES STARTING IN JANUARY OR FEBRUARY OF AN ACADEMIC
YEAR**

TO:

INSTITUTIONS OF HIGHER EDUCATION
IN ENGLAND

SSIN 08/12

June 2013

Dear Colleague

**Student Finance Arrangements for Higher Education Courses starting in
January or February of an Academic Year.**

This note provides advice on maximum tuition fees and student support arrangements for students who are starting full-time and part-time undergraduate courses in January or February who normally live in England or, in respect of fee support only, those who are EU students studying in England. It covers courses that follow a full academic year cycle beginning in January or February (i.e. January – December) as well as courses where the first year of the course follows a compressed pattern of study (e.g. January – August).

a) Regulations and Compressed Years of Study.

Entitlement to student support is determined in respect of an academic year, which is defined in Regulation 2(1) of the Student Support Regulations. The key principle followed by the Department for Business, Innovation and Skills (BIS) is that students cannot apply for more than the maximum grant and loan amounts for that course in respect of an academic year. For students starting the academic year in January or February, the academic year is the 12 month period beginning on 1 January and ending on 31 December. This means that the maximum tuition loan, Maintenance Grant and loan for living costs awarded to a student starting their course in January or February 2013 covers the period until 31 December 2013 (in the case of the loan for living costs, excluding the academic quarter in which the longest vacation falls). In such circumstances, students will not be entitled to tuition and living costs support for the second year of their course until after 31 December 2013, and institutions cannot make additional charges for tuition in respect of that course until after 31 December 2013.

b) Tuition Fee Caps and Tuition Fee Loans.

Institutions offering courses that start in January or February are subject to the same full-time and part-time tuition fee caps that apply to courses starting in September or October of the same academic year. For courses starting in January or February, the academic year as defined in Regulations is the 12 month period running from 1 January to 31 December. The key principle followed by BIS is that an institution cannot charge more than the maximum fee amounts stipulated in Fees Regulations in respect of an academic year of a course. This is defined in Regulation 2(1) of the Education (Student Support) Regulations 2011 as a 12 month period beginning on 1 January.

This means that an institution charging £9,000 for the first year of a full-time course starting in January 2013 can charge the student a full £9,000 regardless of whether this first year is taken over the full academic year (January – December) or in a ‘compressed’ mode (e.g. January – August). However the institution can not charge the student for the second year of that course until 1 January 2014.

Students starting full or part-time undergraduate courses in January or February 2013 will be able to apply for the same up-front tuition fee loans as students starting their courses in September or October 2012, whether or not the first year of their course is a ‘compressed’ year. As set out above, they will not be able to apply for a second year of tuition support until after the end of their academic year, as defined by regulations.

c) Tuition Fee Payment Dates for 2012/13.

For full-time and part-time courses starting in January and February 2013, the Student Loans Company will pay tuition fees to institutions in three instalments: 25% in February 2013, 25% in May 2013 and 50% in October 2013. This payment profile has been designed to satisfy BIS policy requirements. It also accommodates the majority of undergraduate courses which still follow the standard 12 month academic year as defined in BIS Regulations.

Institutions will be required to confirm that the student is attending a full-time course at three liability points which will normally be the first date of each term. Attendance cannot be confirmed (and therefore a liability point will not occur) any earlier than 1 January 2013, 1 April 2013 and 1 July 2013. Once an HEI has confirmed the student is attending their course at the third liability point, the HEI will be entitled to receive the third 50% fee loan instalment. The third payment of fee loan will be made in October 2013. (The same liability points will apply to part-time courses with the institution being required to confirm that the student is undertaking the course at the first liability point only.)

If a student is not in attendance at the 3rd liability point because they have completed the compressed year of study, the third (50%) payment of fee loan will not be paid to the institution.

If a student withdraws from their course before the third liability point, the third (50%) payment of fee loan will not be paid to the institution.

If a student transfers to another institution before the third liability point, the first institution will not receive the third (50%) payment of fee loan for the first course.

Case Studies.

Example A - February 2013 start: annual tuition charge £9,000.

Liability point 1 (4 February 2013) – student A's attendance confirmed by HEI – £2,250 fee loan paid to HEI in Feb 2013.

Liability point 2 (22 April 2013) – student A's attendance confirmed by HEI - £2,250 fee loan paid to HEI in May 2013.

Liability point 3 (9 September 2013) – student A's attendance confirmed by HEI - £4,500 fee loan paid to HEI in October 2013.

Example B - February 2013 start: compressed year, annual tuition charge £9,000.

Liability point 1 (4 February 2013) – student B's attendance confirmed by HEI – £2,250 fee loan paid to HEI in Feb 2013.

Liability point 2 (22 April 2013) – student B's attendance confirmed by HEI - £2,250 fee loan paid to HEI in May 2013.

Liability point 3 (5 July 2013) – student B's attendance confirmed by HEI - £4,500 fee loan paid to HEI in October 2013.

Example C - January 2013 start: compressed year, annual tuition charge £6,000.

Liability point 1 (21 January 2013) – student C's attendance confirmed by HEI - £1,500 fee loan paid to HEI in Feb 2013.

Liability point 2 (8 April 2013) – student C's attendance confirmed by HEI - £1,500 fee loan paid to HEI in May 2013.

Student C completes 2012/13 year of study on 14 June 2013 before the earliest possible third liability point of 1 July 2013.

Third instalment of fee loan not paid to the HEI.

Example D - January 2013 start: annual tuition charge £9,000.

Liability point 1 (14 January 2013) – student D's attendance confirmed by HEI - £2,250 fee loan paid to HEI in Feb 2013.

Liability point 2 (15 April 2013) - student D's attendance confirmed by HEI - £2,250 fee loan paid to HEI in May 2013.

Student D withdraws from their course on 15 July 2013 before the third liability point for the course of 16 September 2013.

Third instalment of fee loan not paid to the HEI.

Example E - January 2013 start: annual tuition charge £9,000.

Liability point 1 (21 January 2013) – student E's attendance confirmed by HEI - £2,250 fee loan paid to HEI in Feb 2013.

Liability point 2 (15 April 2013) - student E's attendance confirmed by HEI - £2,250 fee loan paid to HEI in May 2013.

Student E transfers to a second course at a second HEI on 8 August 2013 before the third liability point for the first course of 9 September 2013.

Third instalment of fee loan for the first course not paid to first HEI.

Detailed guidance on tuition fees and attendance processing are provided on the Student Loans Company's HEI Services website at:

<http://www.heiinfo.slc.co.uk/information-advice/hei-bulletins.aspx>

d) Support for Living and Other Costs.

Students who normally live in England starting full-time courses in January or February 2013 will be able to apply for the same Maintenance Grant (or Special Support Grant) of up to £3,250 and the same loans for living costs (up to £5,500, £7,675 or £4,375 depending on where the student is living and studying) as students starting their courses in September 2012 or October 2012, whether or not the first year of the course is a 'compressed' year.

Students starting full-time courses in January or February 2013 will receive payments of Maintenance Grant and loans for living costs in 3 instalments at the start of each term. Loans for living costs will cover 3 quarters (usually terms) in the academic year, but will exclude the quarter in which the longest holiday falls.

The student support package for full-time courses for 2012/13 is described in more detail in the 'BIS loan, grant and fee rates memorandum – AY 2012/13' on the Student Finance England Practitioners' website at:

<http://www.practitioners.slc.co.uk/policy-information/student-support-information-notices.aspx>

e) Grant and Loan Overpayments

Students who withdraw from the first year of a course which starts in January or February 2013 will have any overpayments of grants and loans for living costs calculated in the same way as a student starting their course in September 2012, in line with Student Support Regulations. This policy will apply to years of study taken over the standard 12 month academic year and also to compressed years of study starting in January or February 2013 where the second year of the course starts in September or October 2013.

Maintenance Grant, Special Support Grant, Adult Dependents' Grant and Parents' Learning Allowance are payable in respect of an academic year. For students starting their courses in January or February 2013 this is the 12 month period beginning on 1 January 2013. Loans for living costs are paid in respect of three quarters of the academic year (i.e. three terms).

The following case study illustrates how a student's living costs grant and loan support will be reassessed where the student withdraws from their course.

Case Study.

Grant Overpayment.

Student A starts a compressed first year of study in February 2013. The academic year, which in Regulations covers a 12 month period, therefore starts on 1 January 2013. The terms start on 1 February, 1 April and 1 July.

Student A's Maintenance Grant entitlement for the full 2012/13 academic year, after income assessment, is £3,250.

Student A receives three payments of Grant in February, April and July 2013 totalling £3,250.

Student A withdraws from the course on 15 July 2013.

Student A's grant entitlement is reassessed as follows:

Number of days for reassessment purposes = 166 (1 January 2013 – 15 July 2013).

Student A's revised grant entitlement for the 2012/13 academic year is as follows:

$$\frac{166 \times \pounds 3,250}{365} = \pounds 1,478.$$

Student A will be required to repay £3,250 - £1,478 = £1,772 in Grant.

Loan Overpayment

Student A's loan for living costs entitlement for the full academic year is £3,875. Having received the first and second 33% payments of loan at the start of the first and second terms, student A receives the third 34% payment

of loan, £1,317.50, at the start of the third term on 1 July 2013. There are 46 days in the third term.

Student A withdraws from the course on 15 July 2013.

Student A's loan entitlement for the third term is as follows:

Maximum loan: £3,875 (substituted 'elsewhere' rate)

Number of days attended in third term: 15

Number of days in term: 46

$$\frac{15 \times \pounds 3,875}{46} = \pounds 1,263$$

Divide by 3 to give the entitlement for the term. $\pounds 1,263/3 = \pounds 421$

Student A's revised loan entitlement for the third term is £421

Further advice on overpayments can be found in the 'Change of Circumstances and Overpayment Policy Guidance' on the Student Finance England website at:

http://www.practitioners.slc.co.uk/media/45206/coc_and_overpayments_1112_final_v_1.0.pdf

f) Information for Students

Where an institution is offering a course with a compressed year of study, BIS recommends that the institution ensures that students are clear before starting their course about the student support arrangements that apply to them. This will include an explanation of the student finance arrangements for compressed years (i.e. fees and student support) and the periods which the support covers. It may also include a clear indication that a full-year of tuition is being provided for the compressed year of study; and clarification of how a compressed year of study aligns with traditional contract periods for University or private landlord accommodation.

g) Enquiries

If you have any queries about the Student Support Regulations, please contact, in the first instance, the Student Finance England Practitioner Support Team - telephone 0845 6020583; email: SSIN_queries@slc.co.uk