

WRITTEN MINISTERIAL STATEMENT

RT HON DAVID LAMMY, MINISTER FOR HIGHER EDUCATION AND INTELLECTUAL PROPERTY; DEPARTMENT FOR BUSINESS INNOVATION AND SKILLS

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EDUCATION (STUDENT SUPPORT) REGULATIONS

This Government remains committed to ensuring finance is not a barrier to higher education, enabling people to make the most of their talents and improving their life opportunities. I welcome the latest figures released today that show that more people from lower socio-economic groups are going into Higher Education, with the proportion increasing 3 percentage points since 2002.

Overall there are 300,000 more students in higher education than there were in 1997. We have achieved this owing to continued Government investment, which is over 25% higher in real terms than in 1997.

We are committed to maintaining this increased investment and funding for student support will be increased in 2009-10 by 4% compared with 2008-09. In cash terms, we are planning to spend over £5 billion on student support this year, and even more next year.

In 2006, we introduced a radical new package of student support aimed at supporting those who need it most. We predicted that around a third of students would get a full non-repayable grant; in fact about 40% may receive a full grant, beyond our expectations.

In these difficult economic times, we are continuing to take difficult decisions in the interests of students, universities and taxpayers alike.

We have therefore decided to maintain the current package of maintenance support for full-time students, reflecting the current low inflationary environment.

In 2010/11 students starting a full-time course will be eligible for the same level of up-front maintenance support that was available for new students in 2009/10:

- the full maintenance grant will remain at £2,906.
- the family income threshold for a full maintenance grant will remain at £25,000.
- the family income threshold for a partial grant will remain at £50,020.

Maximum maintenance loans and thresholds will remain at 2009/10 levels, which for a student living away from home outside London could be as much as £4,950 a year.

Students continuing their studies in 2010/11 will also be eligible for the same levels of maintenance support that they received in 2009/10.

In addition, new and continuing full-time students will be able to access a fee loan of up to £3,290 a year, which has been increased by 2.04% in 2010/11 to reflect the up-rating of the maximum tuition fee level.

A similar increase applies to fee and course support for new and continuing part-time students in 2010/11, which reflects our continuing commitment to part-time study.

For full-time "old system" students (mainly those who started their courses before 2006) the same principles apply: their fee contribution loans and fee grants will be up-rated by 2.04% and their maintenance support will be the same as in 2009/10.

We have also decided to align the financial support for new entrants to post graduate and equivalent initial teacher training courses with what is available for the generality of undergraduates. Bursaries and other payments for students undertaking initial teacher training will remain available.

In over 500 constituencies, numbers of young undergraduate entrants to higher education have increased since 1997. And the 20 most deprived constituencies all show higher than average growth over that period. Some of the poorest areas have seen the biggest percentage increases in young higher education entrants. Education Maintenance Allowance (EMA) has been a key driver of rising participation post - 16, and independent evaluation shows that it also has a positive impact on attainment at level 2 and 3..

To help maintain this increase in participation overall we will continue to encourage those in receipt of the EMA to think about progression into higher education in these difficult economic times, it is both fair and reasonable to expect that those students who see an improvement in their financial circumstances are assessed for student support, according to their need. We have therefore revised our plans for a guarantee of student support, and will offer students in receipt of EMA a clear quote of the student support they will receive if their circumstances are unchanged at the time they apply for higher education.

The Student Support Regulations will be laid before Parliament today and, following approval by Parliament will need some weeks to implement. I have asked the Student Loans Company to begin processing new applications for student support as early as possible during the autumn term and returning students in the New Year.