

# Grants for Dependants and Travel Grants

## Higher Education Student Finance in England 2012/13 Academic Year

December 2011

Dear Colleague

### HIGHER EDUCATION STUDENT SUPPORT IN ENGLAND IN 2012/13: GRANTS FOR DEPENDANTS AND TRAVEL GRANTS

Attached is the 2012/13 guidance on '**Grants for Dependants and Travel Grants**'.

This guidance is designed to assist with the interpretation of the Student Support Regulations as they stand at the time of publication. It does not cover every aspect of student support nor does it constitute legal advice. Whilst every endeavour has been made to ensure the information contained is correct at the time of publication, no liability is accepted with regard to the contents and the Education (Student Support) Regulations 2011 remain the legal basis of the student support arrangements for the academic year 2012/13. In the event of anomalies between this guidance and the Regulations, the Regulations prevail. Please note the Regulations are subject to amendment.

If you have any enquiries on this guidance, please contact:

Name	Telephone	E-mail
SLC Student Support Team, Darlington	0845 602 0583	<a href="mailto:ssin.queries@slc.co.uk">ssin.queries@slc.co.uk</a>

## Table of Contents

<b>Introduction .....</b>	<b>4</b>
<b>Policy .....</b>	<b>4</b>
General eligibility .....	4
Means-tested NHS bursaries .....	5
ITT courses .....	5
Sandwich courses and work placements .....	6
Students who become eligible during the course .....	7
Eligibility for grants for living and other costs where students withdraw or suspend study .....	7
Grants for dependants .....	8
Definitions for dependants' grants.....	8
Determining where financial dependence lies .....	9
Students aged 25 or over (or under 25 if they are married or in a civil partnership) .....	9
Students aged under 25 with a child and living with a partner (including a same sex partner) .....	9
Adult Dependants' Grant (Regulation 44) .....	10
Student's partner is an eligible student or holds a statutory award (Regulation 47(4)) .....	10
Dependant ordinarily resident outside the United Kingdom.....	10
Childcare Grant (Regulation 45) .....	10
Qualifying childcare in Wales .....	12
Qualifying childcare in Scotland .....	13
Qualifying childcare in Northern Ireland .....	13
Qualifying childcare outside the United Kingdom .....	14
Audit of Childcare Grant applications.....	15
Amounts of Childcare Grant.....	15
Maximum Childcare Grant in the first and final week of the academic year .....	16
Childcare Grants and retainer fees paid to childcare providers.....	16
Assessing Childcare Grants where students' partner is an eligible student .....	17
Periods covered by the Childcare Grant .....	17
Childcare Grant for final year students.....	17
Students who have a partner with income .....	17
Childcare Grant and early years education.....	18
Childcare Grant and Tax credits .....	18
Parents' Learning Allowance (Regulation 46).....	20
The dependants' grant income assessment .....	21
Assessment of dependants' income .....	21
Financial obligations incurred before the start of the course (Regulation 42(3)) .....	22
Applying the dependants' income .....	23
Payment of grants for dependants .....	26
The number of dependants changes in an academic year .....	26
Travel Grants (Regulations 48-55).....	26
Students attending courses in medicine and dentistry.....	26
Students attending an overseas institution .....	27
Students attending the University of London Institute in Paris.....	27
<b>Administration .....</b>	<b>29</b>
Administering Childcare Grant applications .....	29
Processing Childcare Grant applications on the single system .....	30
Informing students of the breakdown of dependants' grants .....	30
Childcare Grant leaflets and forms .....	30
Form 'Childcare Grant Application Form' .....	30
Confirmation a childcare provider is registered or approved .....	31
Student does not return form 'Childcare Grant Application Form' .....	31
Students who return form 'Childcare Grant Application Form'.....	31
Confirmation of payments made to a childcare provider .....	31

Monitoring returns of 'Confirmation of childcare costs' forms .....	32
Student does not send confirmation of registered or approved childcare .....	32
Student does not send confirmation of childcare payments .....	32
Finalising assessments in 2012/2013 .....	33
Students not in receipt of a Childcare Grant during their longest vacation.....	33
Students in receipt of a Childcare Grant during the longest vacation.....	33
Students who have not confirmed final childcare costs for 2011/12.....	33
Underpayments and overpayments of Childcare Grants .....	33
<b>Annex 1.....</b>	<b>34</b>
<b>CHILDCARE GRANT TIMETABLE.....</b>	<b>34</b>

## Introduction

1. The Regulations referred to throughout this chapter are The Education (Student Support) Regulations 2011 (SI 2011 No. 1986) (Unless otherwise stated) . This chapter explains the supplementary Grants for Dependants and Travel Grants available to full time students under Part 5 of the Regulations (which covers grants for living and other costs). Refer also to section 16 of the LA Portal system user guide 'Managing Non-Loan Product Payments'
2. The following grants for living and other costs are payable under Part 5 of the Regulations:
  - Grants for dependants, consisting of Adult Dependants' Grant (ADG) (regulation 44), Childcare Grant (CCG) (regulation 45) and the Parents' Learning Allowance (PLA) (regulation 46);
  - Travel Grant (regulation 48 - 55);
  - Disabled Students' Allowances (DSAs), (regulation 40 & 41) which are covered in a separate guidance chapter 'Disabled Students' Allowances'; and
  - Maintenance Grant (regulation 55 - 60), Special Support Grant (regulation 61 - 65) and Higher Education Grant (regulation 66 - 67). Guidance on these grants is contained in the 'Assessing Financial Entitlement' guidance.

## Policy

### General eligibility

3. The general eligibility criteria for full-time student support, including grants for living and other costs, can be found in the 'Assessing Eligibility Guidance' chapter.
4. Students who are personally eligible for student support under paragraph 9 of Schedule 1 (i.e. nationals of member states of the European Community) but not under any other paragraph of that Schedule, are not eligible for grants for living and other costs.
5. The only grants for living and other costs to which previous study rules apply are the Maintenance Grant, Special Support Grant and Higher Education Grant (see the 'Assessing Financial Entitlement' guidance).
6. Grants for living and other costs are available to eligible students regardless of age.
7. A student can only receive support for a designated course. Where the eligible course **does not appear** on the HEI database it will not be possible to fully process the application. Information on what action should be taken in this situation is covered in the 'General Eligibility and Financial Assessment Administration' guidance.
8. Students are potentially eligible for grants for living and other costs whilst attending an overseas institution as part of their UK course, whether obligatory or optional (but see paragraphs 48, 55 - 59 & 79 in respect of the Childcare Grant).

9. Full-time students that commenced a course prior to 1<sup>st</sup> September 2012 who are prisoners should not generally be paid grants under Part 5 of the regulations with the exception, where applicable, of DSAs (regulation 106 (8) & (9)). However, in exceptional circumstances SFE has discretion to award other grants under Part 5, in respect of a period that the student is a prisoner. This might apply where stopping or reducing grants for living or other costs for periods spent in prison would cause the student financial hardship and prevent them from continuing their course. Such instances are however expected to be very few. Students who are prisoners for part of the academic year should generally have grants for living and other costs (except DSAs) calculated on a pro-rata basis to exclude any periods spent in prison.
10. No maintenance support (including grants for dependants) will be available to any prisoner (including an eligible prisoner) who starts a course on or after 1 September 2012. No Disabled Students' Allowances (DSAs) (including DSAs for postgraduate courses) will be available to any prisoner who starts a course on or after 1 September 2012. The responsibility to provide assistance for disabled prisoners will lie with the Prison Service.

#### Means-tested NHS bursaries

11. Under regulation 38(4)(a), students are not eligible for grants for living and other costs for any academic year during which they are eligible to apply for NHS means-tested bursaries or similar awards bestowed under section 63 of the Health Services and Public Health Act 1968, article 44 of the Health and Personal Social Services (Northern Ireland) Order 1972 or sections 73(f) and 74(1) of the Education (Scotland) Act 1980 (if the latter is granted in respect of a course leading to a qualification in a healthcare profession other than as a medical doctor or a dentist). Students who are eligible to apply for an NHS Bursary should be directed to the NHS Student Bursaries website at [www.nhsbsa.nhs.uk/816.aspx](http://www.nhsbsa.nhs.uk/816.aspx) for information about the financial support available through the NHS Bursary Scheme. Or they can phone the NHS Student Bursaries Helpline on 0845 358 6655.

#### ITT courses

12. Students who began an ITT course before 1<sup>st</sup> September 2010 which:
  - is at least one academic year in length; and
  - involves periods of full-time attendance (including teaching practice) that are in aggregate six weeks or more in the academic year;are potentially eligible for grants for living and other costs. However, special rules apply to the Maintenance Grant and Special Support Grant (see 'Assessing Financial Entitlement' guidance chapter).
13. Students who began an ITT course before 1<sup>st</sup> September 2010 which:
  - Is at least one academic year in length; and
  - involves periods of full-time attendance (including teaching practice) that are in aggregate less than six weeks in the academic year;are not eligible for grants for living and other costs (regulation 38(4)(b)), with the exception of DSAs (regulation 38(5)). There are separate rates

of DSAs for such students (regulation 41(4)). Students who do not qualify for a grant for living and other costs under regulation 38(4)(b) are eligible for a reduced rate maintenance loan which is not subject to income assessment (regulations 80(1)(b) & 80(2)(b)).

14. Where a student begins an ITT course on or after 1<sup>st</sup> September 2010, the student support package available will depend on whether the course is either full-time or part-time. Designated full-time first degree and postgraduate ITT courses of at least one academic year in length will attract the same support package as full-time non-ITT first degree courses. Designated part-time first degree and postgraduate ITT courses of at least one academic year in length will attract the same part-time support as non ITT first degree courses (see the guidance chapter for Part-time students) and DSAs as part-time non-ITT first degree courses.

### **Sandwich courses and work placements**

15. Students on part-year paid or unpaid placements where the periods of full-time study in the academic year are 10 weeks or more in aggregate are potentially eligible for grants for living and other costs, subject to income assessment.
16. Under regulation 38(6) students are not eligible for grants for living and other costs in any academic year of a sandwich course in which the periods of full-time study are in aggregate less than 10 weeks (unless the period of work experience is an unpaid placement of a type specified in regulation 38(7)). Students who do not qualify for grants for living and other costs under regulation 38(6) are eligible for a reduced rate maintenance loan which is not subject to income assessment (regulation 80(2)(b)).
17. Under regulation 38(7) students undertaking the following types of unpaid work experience in the public or voluntary sectors are potentially eligible for grants for living and other costs (even where the periods of full time-study in the academic year are less than 10 weeks in aggregate):
  - unpaid service in a hospital or in a public health laboratory in the UK or with a primary care trust;
  - unpaid service with a local authority in the UK acting in the exercise of their functions relating to health, welfare or the care of children and young persons or with a voluntary organisation providing facilities or carrying out activities of a like nature in the UK;
  - unpaid service in the prison or probation and aftercare service in the UK;
  - unpaid research in an institution in the UK or, in the case of a student attending an overseas institution as a necessary part of his course, in an overseas institution; (In the Department's view research in an institution must involve some activity within the institution but not all of the work or activity must take place within the institution's physical bounds. Some research work might require a student to undertake some research away from his institution but as long as his base is established at the institution, such work can be regarded as part of his work in the institution.)

- unpaid service with a Health Authority or a Strategic Health Authority, a Health Board or a Special Health Board in Scotland, or a Health and Social Services Board in Northern Ireland.

### Students who become eligible during the course

18. Under regulation 38(8), a student may qualify for grants for living and other costs from, and including, the academic year during which:
  - his course becomes designated;
  - he, his spouse, his civil partner or his parent is recognised as a refugee or becomes a person with leave to enter or remain;
  - the state of which he is a national accedes to the European Community where the student has been ordinarily resident in the United Kingdom and Islands throughout the three-year period immediately preceding the first day of the first academic year of the course;
  - he acquires the right of permanent residence;
  - his Turkish parent becomes a worker;
  - he becomes a person described in paragraph 6(1)(a) of Schedule 1;
  - his parent becomes a Swiss national.
19. In these circumstances the student will be potentially eligible for:
  - Adult Dependants' Grant and Parents' Learning Allowance only for the quarters after the events in paragraph 18 above occur. For example, course becomes designated during quarter 1. ADG and PLA are awarded from the beginning of quarter 2 and continue for the remainder of the course (except the quarter in which the longest vacation falls).
  - Childcare Grant, Travel Grant, DSAs, HE Grant, Maintenance Grant and Special Support Grant for the whole of the academic year of the course. (But a student will not qualify for the Maintenance Grant or Special Support Grant if they do not qualify for a Fee Loan.)
20. However, such a student is not eligible retrospectively. That is, a student is not eligible for grants for living and other costs for academic years of the course falling **before** the academic year in which he becomes eligible in the circumstances mentioned above. Also refer to the 'Assessing Eligibility' guidance.

### Eligibility for grants for living and other costs where students withdraw or suspend study

21. Regulation 109(14) provides SFE with the discretion to pay grants for living and other costs until the end of the term in which the student has withdrawn from a course. Regulation 109(17) provides SFE with the discretion to pay grants for living and other costs if a student is absent from their course. Further guidance on exercising this discretion is contained in the 'Change of circumstances and overpayments' guidance.

22. If a student has withdrawn from their course, HEIs are expected to advise SFE of the withdrawal to allow for rescheduling of financial support and recovery of any overpayment.

#### Grants for dependants

23. The grants for dependants in 2011/12 under regulation 42-47, are:
- Adult Dependants' Grant;
  - Childcare Grant; and
  - Parents' Learning Allowance.

#### Definitions for dependants' grants

24. For the purposes of grants for dependants under regulations 42-47, the following definitions apply (Regulation 42(1)):
- 'Dependant' means, in relation to an eligible student, the student's partner, his/her dependent child or an adult dependant, who in each case is not an eligible student and does not hold a statutory award;
  - 'Partner' means any of the following:
    - i. the spouse or civil partner of an eligible student;
    - ii. the co-habiting opposite sex partner for a student who is aged 25 or over on the first day of the relevant year of a course that began on or after 1 September 2000 (excluding courses taken end-on to a course that started before 1 September 2000);
    - iii. the co-habiting same sex partner for a student who is aged 25 or over on the first day of the relevant year of a course that began on or after 1 September 2005 (excluding courses taken end-on to a course that started before 1 September 2005).

The definition of a partner does not include a partner of the student where it is considered they have separated (in the case of a married student or a student in a civil partnership). This definition also does not include a partner who is ordinarily living outside the United Kingdom and is not maintained by the student.

- 'Adult dependant' means, in relation to an eligible student, an adult person who is dependent on the student, other than the student's child, partner (including a spouse or civil partner from whom it is considered the student is separated) or former partner;
- 'Child', in relation to an eligible student, includes any child of the student's partner who is dependent on the student and any child for whom the student has parental responsibility and is dependent on the student;
- 'Dependent' means wholly or mainly financially dependent;
- 'Dependent child' means, in relation to an eligible student, a child dependent on the student.

25. A child or adult person can be considered to be “dependent” on an eligible student if:
- he is wholly or mainly financially dependent on the eligible student alone; or
  - he is wholly or mainly financially dependent on the eligible student and his partner together (i.e. where the child or adult person is equally financially dependent on the eligible student and his partner who together are providing all or most of his financial support).
26. The definition of ‘dependant’ means that an eligible student aged under 25 is not eligible for an Adult Dependants’ Grant in respect of a cohabiting partner. Since 2005/06, a student’s same sex partner has fallen within the definition of a ‘partner’ rather than adult dependant. Full-time students under 25 with a dependent same sex partner are no longer eligible for a dependants’ grant for that partner. This brings the treatment of same sex partners of students aged under 25 into line with opposite sex partners of students under 25 (regulation 42(1)(h)).
27. The following table summarises when the cohabiting same sex partner or civil partner of a student is a dependant.

	Students who started their course before September 2005		Students who started their course in September 2005 or after	
	Cohabiting same sex partner (not in a civil partnership)	Civil partner	Cohabiting same sex partner (not in a civil partnership)	Civil Partner
Under 25 years old	X	✓	X	✓
Aged 25 years or over	X	✓	✓	✓

Determining where financial dependence lies

**Students aged 25 or over (or under 25 if they are married or in a civil partnership)**

28. The dependants’ grant means test should be applied in all such cases to determine where financial dependency lies.

**Students aged under 25 with a child and living with a partner (including a same sex partner)**

29. Where a student is under 25 and living with a partner, the partner is not a dependant of the student under regulation 42(1)(h). Therefore the partner’s income should not then be used to assess the grants for dependants under regulation 47. However, the income of the partner of a student under 25 should be considered for the purpose of deciding whether a child is mainly financially dependent on the student or the student and his partner together. This should be decided by comparing the estimated income that a student might have – maximum potential student support for living costs: maintenance loan, Adult Dependants’ Grant, Parents’ Learning Allowance, the maximum applicable rate of

Childcare Grant, plus any income from other sources – with the net income of the student's partner, except for any child tax credit. Any child tax credit received either by the student or their partner should be added to the student's estimated income.

#### Adult Dependants' Grant (Regulation 44)

30. In 2012/13, the amount of Adult Dependants' Grant (ADG) under regulation 44 is **£2,642** for one only of:
  - an eligible student's partner (as defined in paragraph 24); or
  - an adult dependant of the student whose net income does not exceed **£3,796**.
31. The net income of a partner, whatever the amount, is always included in the dependants' grant income assessment because there is no maximum amount specified in regulation 44(2)(a) for a partner. A student is not eligible for a grant in respect of an adult dependant whose net income exceeds the maximum amount applicable and such dependants are not included in the dependants' grant income assessment. The income of a partner, a dependent child or an adult dependant any of whom is also an eligible student or who holds a statutory award is not included in the income assessment.
32. There is no requirement for a student to apply separately for the ADG. Provided they have indicated on the PN1 or PR1 forms that they have an adult dependant, there is no requirement for them to make any separate request to receive this grant.

#### **Student's partner is an eligible student or holds a statutory award (Regulation 47(4))**

33. An eligible student may not claim the ADG in respect of his or her partner, or for another adult dependant, if that partner or adult dependant is also an eligible student or holds a statutory award. An eligible student who cannot apply for the ADG in respect of his or her partner because the partner is also an eligible student or holds a statutory award can still apply for the ADG in respect of another adult dependant instead. Where an amount of ADG is being calculated in respect of another adult dependant it is to be reduced by one half if the eligible student's partner is also an eligible student or holds a statutory award, and account is taken of the partner's dependants in calculating the amount of support for which that partner qualifies or the payment to which that partner is entitled to under his or her statutory award.

#### **Dependant ordinarily resident outside the United Kingdom**

34. Where a student maintains a dependant who is ordinarily resident outside the United Kingdom, SFE has discretion to determine the basic amount of ADG payable, if any, to a maximum of £2,642 (regulation 44(3)(b)).

#### Childcare Grant (Regulation 45)

35. The Childcare Grant broadly mirrors the childcare element of the Working Tax Credit (WTC) administered by HM Revenue & Customs. The Childcare Grant is available to students with dependent children (subject to income assessment) who incur "prescribed childcare charges". Prescribed childcare charges means childcare charges of a

description prescribed for the purposes of section 12 of the Tax Credits Act 2002. In other words a charge incurred is a prescribed childcare charge if it is one that potentially attracts the childcare element of the Working Tax Credit (WTC).

36. The childcare element of the WTC is payable in respect of registered or approved childcare. The types of childcare that can potentially attract the WTC childcare element, and therefore also potentially attract the Childcare Grant, are set out at paragraphs 42-48.
37. The Childcare Grant also broadly mirrors the WTC childcare element in circumstances where the registered or approved childcare provider is a relative of the child or the childcare is considered to be compulsory education (see paragraphs 51-53).
38. Students who are potentially eligible for the Childcare Grant are:
  - lone parents;
  - student couples with children; and
  - student parents with a partner on a low income.
39. The Childcare Grant is available in respect of an academic year in which the student incurs prescribed childcare charges for:
  - a dependent child who is under the age of 15 immediately before the beginning of the academic year (for definition of dependant see paragraph 24); or
  - a dependent child who has special educational needs within the meaning of section 312 of the Education Act 1996 and is under the age of 17 immediately before the beginning of the academic year.
40. A child with special educational needs within the meaning of the Education Act 1996 is a child who has a learning difficulty which calls for special educational provision to be made for him. A learning difficulty is defined in the Act as a significantly greater difficulty in learning than the majority of children of his age or a disability that prevents or hinders a child from making use of educational facilities of a kind generally provided for children of his age in schools within the local authority's area.
41. The Childcare Grant is not counted as income by Jobcentre Plus or local authority Housing Benefit sections, when assessing a student's entitlement to income-related benefits.

### **Qualifying childcare in England**

#### **Ofsted registered childcare**

42. Childcare providers who care for children aged under eight in England are registered under the Childcare Act 2006. Ofsted operates two registers; the Early Years Register (EYR), which is compulsory for most childcare providers who care for children up to the end of the foundation stage (31<sup>st</sup> August after the child's fifth birthday) and the General Childcare Register (GCR), which is compulsory for most childcare providers who care for children from the end of the foundation stage to age seven.

43. Childcare providers who care for children aged eight and over, or who provide activity based care, or care in the child's own home for children of any age, are not required to be registered by Ofsted. However, they are able to apply to be registered on the voluntary part of the General Childcare Register. Childcare offered by a provider on the voluntary part of the General Childcare Register counts as qualifying childcare for the purposes of the Childcare Grant.
44. Registered childcare providers can include registered childminders, nurseries, play groups, children's centres, holiday play schemes, sports, arts or language clubs and nannies. Registration requires providers to demonstrate that the premises, people and provision are all suitable for the delivery of childcare. All childcare providers registered by Ofsted have a registration number and are required to display their registration certificate on the premises.

#### **Additional qualifying childcare in England**

45. A student who incurs charges for the following types of childcare in England which are currently eligible for Working Tax Credit (WTC) purposes will also potentially be eligible for the Childcare Grant.
  - Childcare provided by a school's governing body (or equivalent body) provides on school premises or on premises that are covered by the Ofsted whole inspection of the school (for example, a village hall), but the following rules apply to childcare provided by schools:
    - Childcare provided for children aged under three must be on the Ofsted Early Years Register.
    - Childcare provided for children aged five or over must be out of school hours.
    - If the child's school uses an external childcare provider, they must be on the Ofsted register appropriate to the child's age.
  - Childcare provided in the child's own home by a domiciliary care worker or nurse from an agency "registered" with the Care Quality Commission (under the Domiciliary Care Agencies Regulations 2002).
  - Care provided by an approved foster carer (the care must be for a child who is not being fostered by the foster carer) who is also registered with Ofsted either on the EYR or the GCR. (please note 'an approved foster carer' under the Fostering Services Regulations does not replace the requirement for foster carers who look after children, who are not their foster children, to register with Ofsted as a childcare provider on either the EYR or the GCR. This is in line with the tax credits legislation which provides support for childcare costs only in circumstances where the foster carer is registered with Ofsted.

#### **Qualifying childcare in Wales**

46. An English-domiciled student who incurs charges for the following types of childcare in Wales is potentially eligible for the Childcare Grant.

- Care provided by childminders, nurseries and play schemes registered by the National Assembly for Wales through the Care and Social Services Inspectorate for Wales.
- Out-of-school hours clubs provided by a school on school premises or by a local authority.
- Childcare provided in the child's own home by a domiciliary care worker or nurse from an agency registered by the Care and Social Services Inspectorate for Wales (under the Domiciliary Care Agencies (Wales) Regulations 2004).
- Care provided by an approved foster carer, the care must be for a child who is not being fostered by the foster carer. The foster carer must be registered with the Care and Social Services Inspectorate for Wales if the child is under the age of 8, or approved under the approval of Child Care Providers (Wales) Scheme, if the care is in the child's home and the child is under the age of 16.
- Childcare provided in the child's own home or if several children are being looked after, in one of the children's homes by a child carer approved under the Approval of Child Care Providers (Wales) 2007 Scheme.

#### **Qualifying childcare in Scotland**

47. An English-domiciled student who incurs charges for the following type of childcare in Scotland which is currently eligible for WTC purposes, will also potentially be eligible for the Childcare Grant.
- Care provided by childminders, nurseries and play schemes registered by the Scottish Commission for the Regulation of Care.
  - Out-of-school hours clubs 'registered' by the Scottish Commission for the Regulation of Care.
  - Care provided by an approved foster carer or a kinship carer, but the childcare must be for a child who is not being fostered by the foster carer. The foster carer must be registered with the Scottish Commission for the Regulation of Care as a childminder or a daycare provider.
  - Childcare provided in the child's own home by (or introduced through) childcare agencies, including sitter services and nanny agencies registered by the Scottish Commission for the Regulation of Care.

#### **Qualifying childcare in Northern Ireland**

48. An English-domiciled student who incurs charges for the following type of childcare in Northern Ireland which is currently eligible for WTC purposes, will also potentially be eligible for the Childcare Grant.
- Care provided by childminders, nurseries and play schemes registered by a Health and Social Services Trust.
  - Out-of-school hours clubs provided by a school on the school premises or by an Education and Library Board or 'registered' by the Health and Social Services Trust.

- Care provided by an approved foster carer, - but the care must be for a child who is not being fostered by the foster carer. The foster carer must be registered with the Health and Social Services Trust if the child is under the age of 12, or approved under the Approval of Home Child Care Providers (Northern Ireland) Scheme, if the care is in the child's home and the child is under the age of 16.
- Childcare provided in the child's own home by a child carer approved under the Approval of Home Child Care Providers (Northern Ireland) 2006 Scheme.

### **Qualifying childcare outside the United Kingdom**

49. Students attending an overseas institution as part of their courses will not generally be eligible for a Childcare Grant to cover childcare costs incurred abroad. The only qualifying overseas childcare providers are those approved under the Ministry of Defence accreditation scheme, which is currently eligible for WTC purposes. The scheme approves providers who care for the children of personnel based overseas. Students requesting support for any other childcare provided abroad should be referred to their institution's Access to Learning fund.

### **Where the childcare provider becomes registered or approved**

50. Some students may use a childcare provider who is not registered or approved but then becomes registered or approved at some stage during the academic year. In such instances, the Childcare Grant may only be paid from the point at which the provider's application for registration or approval has been successful and their registration or approval confirmed.

### **Where the registered or approved childcare provider is the student's partner or a relative of the child**

51. Childcare charges in respect of which an eligible student may qualify for the Childcare Grant will not include:
- charges incurred in respect of childcare provided by a relative of the child wholly or mainly in the child's home even if the relative is registered or approved;
  - charges incurred in respect of childcare provided by a relative of the child approved under the Approval of Child Care Providers Scheme in Wales or the Approval of Home Child Care Providers Scheme in Northern Ireland wholly or mainly in the relative's home where the care is usually provided solely or mainly in respect of one or more child to whom the provider is a parent or relative;
  - charges paid by the student to his partner in respect of childcare for his child or a child of his partner home even if the partner is registered or approved.

A relative of the child means a parent, grandparent, aunt, uncle, brother or sister whether by blood, half-blood, marriage or affinity. Affinity means a person with a strong relationship to the child, for example someone in a parental position regarding their partner's children and includes step parents.

52. This broadly reflects the position of the WTC childcare element that a person who is the parent or relative of a child, or who has parental

responsibility for a child, is not generally acting as a 'childminder' when looking after that child. The Childcare Grant is not intended to pay for care that any parent or relative of a child might be expected to provide. (Please note that tax credit legislation does not regulate whether someone is a 'childminder'. This is the remit of the Childcare Act 2006 and equivalent legislation in the devolved administrations. The WTC childcare regulations merely reflect the position of this legislation.)

### **Compulsory education charges**

53. Childcare charges in respect of which an eligible student may qualify for the Childcare Grant will not include charges that are considered to be compulsory education charges. The Childcare Grant is not intended to pay for costs related to compulsory education (school fees, for example) which again reflects the WTC position.

### **Audit of Childcare Grant applications**

54. Although there is presently no facility on the single system to identify a selection of Childcare Grant applications for audit, a sample check of applications should be carried out using a manual list of applicants. The number of applications selected for audit will depend on the number of applications received, but a sample check of 10-15% of applications would be appropriate. The checks should involve the amount of care provided and the cost of the care. The process should also include checking that childcare has been provided for the whole period for which the student has received a Childcare Grant and that the student has not received a Childcare Grant for a period when they have not paid for childcare or for a period covered by a free early learning place (refer to the form 'Childcare Grant Application Form'). Where there is any doubt about the veracity of an application for Childcare Grant, this must be investigated further.
55. When carrying out the sample check, it should be confirmed with the relevant body that the Childcare Provider (CCP) detailed on the forms 'Childcare Grant Application Form' and 'Confirmation of Childcare payments' is registered or approved. The local Family Information Services (FIS) should be contacted to confirm the registration status of a childcare provider. It should be noted that, under the Childcare Act 2006, new registration requirements were introduced for all childcare providers from September 2008. Ofsted supply FIS with updated information on childcare providers on a daily basis. This will enable FIS to maintain an up-to-date list of registered childcare providers and their registration status, i.e. whether their registration status is current, cancelled or suspended.

### **Amounts of Childcare Grant**

56. The Childcare Grant pays 85% of the actual cost of registered or approved childcare throughout the academic year, i.e. during term time, short vacations and the longest vacation. The maximum amounts of Childcare Grant payable are as follows.
  - For one dependent child, 85% of the actual cost of registered or approved childcare, paying up to a maximum grant of £148.75 per week (i.e. a maximum of 85% of £175 actual childcare costs). The

maximum annual Childcare Grant for a student with one dependent child using childcare for the whole year is £7,735.

- For two or more dependent children, 85% of the actual cost of registered or approved childcare, paying up to a maximum grant of £255 per week (i.e. a maximum of 85% of £300 actual childcare costs). The maximum annual Childcare Grant for a student with two or more dependent children using childcare for the whole year is £13,260.

57. The Childcare Grant pays 85% of actual childcare costs, but the amount of weekly Childcare Grant paid should not exceed £148.75 per week for one child or £255 per week for two or more children. For example:

Number of children in registered or approved childcare	Total weekly cost of childcare	Total amount of Childcare Grant per week
Student A – 1 child	£90	£76.50 (85% of actual childcare costs)
Student B – 1 child	£200	£148.75 (as the Childcare Grant pays 85% of actual costs of up to £175 per week)
Student C – 2 children	£120	£102 (85% of the actual childcare costs)
Student D – 2 children	£350	£255 (as the Childcare Grant pays 85% of actual costs of up to £300 per week)

#### Maximum Childcare Grant in the first and final week of the academic year

58. A student's entitlement to Childcare Grant is calculated on a weekly basis. A week begins on a Monday and ends on a Sunday. This reflects the requirements of regulation 45(6)(a). If a student claims a Childcare Grant in respect of a week that falls partly within and partly outside an academic year, the maximum grant payable is calculated by multiplying the weekly cap (£148.75 or £255 as appropriate) by the number of days of that week falling within the academic year and dividing by seven (regulation 45(6)(b)).
59. This means that if the student's academic year starts in the autumn and they claim a Childcare Grant in respect of the period from Saturday 1<sup>st</sup> September to Sunday 2<sup>nd</sup> September 2012, (2 days) the maximum grant payable is £42.50 for one child or £72.86 for two or more children. If the student claims a Childcare Grant in respect of the period from Monday 26<sup>th</sup> August to Saturday 31<sup>st</sup> August 2013, (6 days) the maximum grant payable is £127.50 for one child or £218.57 for two or more children.
60. Students continue to receive 85% of their actual childcare costs during the first and final week of the academic year - to the maximum amounts stated above. SFE should note that there is no requirement to pro rata the maximum Childcare Grant payable in other weeks of the academic year even if a student uses childcare for part of a week.

#### Childcare Grants and retainer fees paid to childcare providers

61. Some childcare providers request a retainer fee to be paid by the student to retain a childcare place for the following term or academic year, even if the student is not using childcare for the period. As a retainer fee is

part of childcare costs, the Childcare Grant may be used to pay for retainer fees charged by childcare providers. Childcare providers usually include the cost of meals they provide in their overall childcare cost. If a childcare provider makes a separate charge for the meals they provide during the periods of childcare, these may be paid as part of the Childcare Grant.

### Assessing Childcare Grants where students' partner is an eligible student

62. The amount of Childcare Grant is reduced by one half if the eligible student's partner is also an eligible student or holds a statutory award and account has been taken of the partner's dependants when calculating the partner's support or statutory award (regulation 47(5)).

### Periods covered by the Childcare Grant

63. The Childcare Grant can be paid from the first day of the academic year, provided that the student, whether a first year student or a continuing student, incurs childcare costs from the beginning of the academic year. An illustrative example of the payments of the Childcare Grant over the academic year is shown in the following table. In this example the first day of term is taken to be 1<sup>st</sup> October and assumes the student pays for childcare every week during the academic year.

1 September 2012 – 5 July 2013	6 July 2013– 31 August 2013 (long vacation)
85% of childcare costs for 44 weeks	85% of childcare costs for 8 weeks

64. The example above is based on a student claiming Childcare Grant for the long vacation and whose academic year begins on 1 September 2012. Childcare Grant entitlement starts from 1 September even though the first day of term one is 1 October 2012. The Childcare Grant in respect of the months of July and August 2013 is paid in advance with the third instalment of support. The grant for childcare costs incurred in September 2013 is paid in arrears with the first instalment of support in the following academic year.

### Childcare Grant for final year students

65. The Childcare Grant is not payable to final year students for the period between the end of the course and the end of the academic year in which the course ends (regulation 45(5)). An illustrative example of the Childcare Grant payments to final year students over the academic year is shown in the table below. In this example the first day of term is taken to be 1 October 2012 and the final term of the course ends on 29 June 2013. The illustration assumes the student pays for childcare each week in the period given.

<b>1 September 2012 – 29 June 2013</b>
85% of weekly childcare costs for each week childcare is used

### Students who have a partner with income

66. Some students with a partner in receipt of income may still receive a Childcare Grant but this depends upon the number of dependent children, the cost of the childcare, and the number of weeks that the childcare is used, as well as the level of the income of the partner (if treated as a dependant under regulation 42(1)).

67. The following table gives the income threshold under the dependants' grant means test for receiving £1 of Childcare Grant for students with a partner who has an income. The calculation is based on the assumption that the student is incurring the maximum childcare costs and using registered or approved childcare for 52 weeks. For students with lower childcare costs, and those using childcare for part of the year, a separate calculation should be carried out.

Number of dependent children	Maximum level of partner's income
One child	<b>£13,849 per annum</b>
Two children	<b>£20,528 per annum</b>

*It should be noted that the maximum levels of income given above would in both cases pay £1 of Childcare Grant and the full PLA of £1,508. Income that exceeds the maximum levels given above reduces the amount of PLA £ for £.*

### Childcare Grant and early years education

68. All three and four year olds are entitled to 15 hours a week of free nursery education for 38 weeks of the year from 1 September, 1 January or 1 April following their 3<sup>rd</sup> birthday until they reach compulsory school age (the beginning of the school term following their 5<sup>th</sup> birthday).
69. Children can take up their free nursery education place in a variety of Early Years settings (maintained nursery schools and nursery classes, independent schools, playgroups, day nurseries, pre-schools and with registered or accredited childminders). In order to deliver free nursery education places early years providers must be registered on the Ofsted Early Years Register and deliver the Early Years Foundation Stage.
70. Local Authorities provide funding to deliver free nursery education places for eligible children. The Childcare Grant cannot be paid for any period covered by a free nursery education place. Parents may choose to purchase additional hours of childcare either at the same provider where they access their free nursery education place or at a different provider. The Childcare Grant may be paid to cover the cost of additional childcare outside the free entitlement which the student pays for. Students should only include in their applications childcare for which they have to pay a childcare provider. If they include a free nursery education place in their application, providers will be unable to confirm that the student has made payments.

### Childcare Grant and Tax credits

71. Child Tax Credit (CTC) administered by Her Majesty's Revenue & Customs (HMRC) provides income-related support for families with children. Students with children are entitled to make a claim. It is paid directly into the bank account of the person in the family who is mainly responsible for looking after the children. A person does not have to be in paid work to receive CTC. As long as they are 16 or over and responsible for one or more children, or a young person under age 20 in relevant education or approved training, they may be able to claim CTC. A person may qualify for a higher rate if they have a child under one or a child with a disability. If a student receives CTC, this does not affect their entitlement to the Childcare Grant.

72. Working Tax Credit (WTC) tops up the earnings of low paid working people whether or not they have children. To be eligible for WTC a person must usually:
- be aged 25 or over and work 30 hours or more a week
  - be aged 16 or over, have responsibility for a child or young person and work 16 hours or more a week; or
  - be aged 16 or over, have a disability which puts them at a disadvantage in getting a job, satisfies either the 'qualifying benefit' test or 'fast track' rules, and works 16 hours or more a week.
73. WTC is made up of several elements, including:
- a disability element for working households where the worker has a disability; and
  - a childcare element, to help those with childcare costs.
74. The WTC childcare element can meet up to 70% of the cost of registered or approved childcare up to a maximum cost of £175 a week for families who pay childcare for one child and £300 a week for families who pay childcare for two children or more. The maximum WTC childcare element someone can receive is £140 a week for one child or £240 a week for two or more children, although the actual amount a family receives in WTC childcare element will vary as it is subject to the family's gross income, (ensuring that the most help will go to people who need it most).
75. To qualify for WTC childcare element a lone parent must work at least 16 hours a week and, for couples, both members must work at least 16 hours a week (or one member of the couple must work at least 16 hours a week and the other member is incapacitated, an in-patient in hospital or in prison). Students who satisfy the entitlement rules for the childcare element of the WTC can choose either to claim the WTC childcare element or the Childcare Grant. They cannot claim the WTC childcare element if they or their partner are also receiving the Childcare Grant.
76. Similarly, regulation 45(3) of the Education (Student Support) Regulations 2011 provides that an eligible student shall not be eligible for a Childcare Grant if the eligible student or their partner has elected to receive the childcare element of the WTC. This provision reflects the policy intention that an eligible student should not receive childcare support from the Childcare Grant and the WTC childcare element at the same time.
77. If a student indicates that they or their spouse/partner are in receipt of an award from the WTC and applies for a Childcare Grant under the Student Support Regulations, evidence should be requested to confirm that the eligible student's (or their partner's) WTC award does not include the WTC childcare element. The eligible student should be asked to produce a WTC award notification which should indicate whether the student or their partner is in receipt of the WTC childcare element. This information should also help determine the start/termination dates for Childcare Grant payments.
78. It is possible that a student or their partner's circumstances may change resulting in a request to receive the Childcare Grant instead of the WTC childcare element, or vice versa. There is no statutory bar within the Student Support Regulations or the Tax Credit Act preventing a student

from changing the source of their childcare support. If they are receiving the WTC childcare element and they wish to change over to the Childcare Grant they should notify the Tax Credit Office and give the date when they want the WTC childcare element to cease. This should be the day before the Childcare Grant comes into payment. Parents will be issued with a new awards notice which can be used as evidence that the WTC award no longer includes the WTC childcare element.

79. A self assessment from the student confirming that the student or their spouse/partner is no longer in receipt of childcare support through WTC should be accepted in order to prevent unnecessary delays in payment of the Childcare Grant. Students may be assessed for a Childcare Grant from the first day after their last payment for childcare under the WTC.
80. For more information on tax credits:
  - visit <http://www.hmrc.gov.uk/individuals/tmatax-credits.shtml>;
  - call the Tax Credits Helpline (telephone 0845 300 3900); or
  - call the nearest HMRC Enquiry Centre (listed under 'HM Revenue & Customs' in the telephone directory).

#### Parents' Learning Allowance (Regulation 46)

81. A Parents' Learning Allowance (PLA) of up to **£1,508**, subject to income assessment is available to students with one or more dependent children regardless of the age of the children. It can be paid whether or not student parents use registered or approved childcare.
82. The PLA is intended to cover some of the additional costs incurred by students with dependent children, such as higher travel costs, and books and equipment needed for the course. PLA is not treated as income when students are assessed for income-related benefits, including Housing Benefit.
83. There is no requirement for a student to apply separately for the PLA. Provided they have indicated on the PN1 or PR1 forms that they have dependent children, there is no requirement for them to make any separate request to receive this grant.
84. Subject to an assessment of income, the PLA will be paid to:
  - a) Full-time students with dependent children who are assessed to receive at least £1 of Childcare Grant and/or £1 of Adult Dependants' Grant. Such students are entitled to receive the full amount of PLA (**£1,508**).
  - b) Full-time students with dependent children who are potentially eligible for the Adult Dependants' Grant and/or the Childcare Grant but do not receive these grants because the income of their dependants is sufficiently high to offset them. After applying the dependants' net income against the Adult Dependants' Grant and the Childcare Grant, any remaining income is set against the PLA on a £ for £ basis.
  - c) Full-time students with dependent children who have no adult dependants and are not eligible for the Childcare Grant because they are not using registered or approved childcare. Dependants' net income

is set against the PLA on a £ for £ basis after applying the applicable threshold (see paragraph 91).

85. If the aggregate amount of PLA determined is more than 1 pence but less than £50 then the student will be entitled to a minimum amount of PLA payable of £50 (regulation 47(6)).
86. Where the eligible student has a partner who is also an eligible student and a dependent child who is wholly or mainly financially dependent on him and his partner together, the student and the partner may each receive the amount of PLA due after the application of the dependants' grant income assessment. The PLA entitlement should not be divided between the eligible students.

The dependants' grant income assessment

#### **Assessment of dependants' income**

87. The rules engine within the single system uses information provided by the student on their application to determine the amount of Adult Dependants' Grant and PLA due. The system also displays a message to the SFE assessor prompting them to check the system calculation and amend if necessary.
88. To determine a student's eligibility for dependants' grants (Adult Dependants' Grant, Childcare Grant and Parents Learning Allowance) it is necessary to calculate the dependants' net income, including income from the Working Tax Credit. Regulation 42(2) provides that a dependant's net income is his income from all sources for the academic year after income tax and social security contributions have been deducted. The following sources of income are disregarded under regulation 42(2):
  - any pension, allowance or other benefit paid by reason of a disability or incapacity to which the dependant is subject;
  - Child Benefit payable under Part IX of the Social Security Contributions and Benefits Act 1992;
  - any financial support payable to a dependant by a local authority in accordance with regulations made under sections 2, 3 and 4 of the Adoption and Children Act 2002;
  - any Guardian's Allowance to which the dependant is entitled under section 77 of the Social Security Contributions and Benefits Act 1992;
  - in the case of a dependant with whom a child being looked after by a local authority is boarded out, any payment made to that dependant in pursuance of section 23 of the Children Act 1989;
  - any payments made to the dependant under section 15 of and Schedule 1 to the Children Act 1989 in respect of a person who is not the dependant's child or any assistance given by a local authority pursuant to section 24 of that Act (such payments are commonly known as a residence order allowance);
  - any Child Tax Credit to which the dependant is entitled under Part I of the Tax Credits Act 2002;

- HE Bursary (The HE bursary paid by local authorities to care leavers who started their HE course on or after 1<sup>st</sup> September 2008).

89. Where the student receives maintenance payments under an agreement that expressly or implicitly requires that these payments are to be applied for the benefit of the student's child, this income should be treated as the child's income and taken into account in the dependants' grant income assessment. This might include maintenance payments received by the student under a court order, through the CSA or by way of a voluntary agreement.

#### **Financial obligations incurred before the start of the course (Regulation 42(3))**

90. Regulation 42(3) allows recurrent payments made by the student or his partner in respect of obligations incurred by the student to be deducted from the partner's net income. These obligations must be classed as a recurrent payment made by the student or partner, be reasonably incurred and must have commenced before the start of the students course. Each case must be individually assessed and be considered on its own merits. The following examples are not binding but are intended purely as a guideline as to what items might or might not be regarded as deductible.

Deductible items might include -

- Mortgage payments and mortgage endowments
- Rent payments
- Council tax payments
- Insurance policies (such as household insurance, contents insurance, medical insurance, life insurance and automotive insurance)
- Obligatory maintenance payments
- Private Pension Contributions and Additional Voluntary Contributions (AVCs)
- Subscriptions for which the recipient claims tax relief

SFE would ordinarily consider both Loan and HP agreements, with no maximum monetary limit, for the following:

- Travel, including; Automotive Transportation, primarily a car or motorcycle, with cases also being considered for business related automotive transportation. Other examples might be a bicycle, travel pass, mobility transportation or car repairs. Automotive insurance will also be considered where this involves recurrent payments. One-off payments will not be considered in this respect.
- Home improvements, specifically; essential home repairs, essential home improvements due to disability or impaired mobility.

SFE would **not** ordinarily consider Loan and HP agreements for the following:

- Holidays
- Furniture
- Electrical equipment/white goods
- Home conversions e.g. extensions
- Cosmetic surgery
- Debt consolidation
- Christmas costs

Utility bills, credit and store card payments will not count as deductible items.

In all cases where loan or HP repayments are being considered the applicant should be asked to state, in writing, the amount of the loan or HP, the start and end date for repayments, the amount of the repayments, the persons named in the loan or HP agreement and the reason for taking out the loan or HP. The applicant must also provide a copy of the original loan or HP agreement and evidence of the recurrent payments.

If it is considered that a lesser obligation could reasonably have been incurred in the circumstances, a correspondingly lesser sum may be deducted. Where a partner is making payments in respect of an obligation for which payments are shared by the partner and the student, the full obligation (i.e. the amount being incurred by the student and the amount being incurred by the partner) should be deducted.

Should an assessor conclude that the applicant's circumstances need to be considered further then the case should be escalated to an internal decision group.

### Applying the dependants' income

91. The dependants' aggregated net income for the academic year less one of the following applicable thresholds (regulation 47(7)):
- **£1,159** for a student with no dependent children;
  - **£3,473** for a couple with one child;
  - **£4,627** for a couple with two or more children;
  - **£4,627** for a lone parent with one child;
  - **£5,792** for a lone parent with two or more children;

reduces the student's entitlement to dependants' grants where applicable £ for £ in the following order (regulation 47(1)):

1. Adult Dependants' Grant;
  2. Childcare Grant; and
  3. Parents' Learning Allowance.
92. The dependants' aggregated net income less the applicable threshold is first applied to the Adult Dependants' Grant (if applicable). Any remaining income is then applied to the Childcare Grant (if applicable) and any remaining income is then applied to the PLA (if applicable). If the net income (less the relevant threshold applied) exceeds or equals the

aggregate of the basic amounts of the grants for dependants, the amount payable for grants for dependants is nil (regulation 47(3)).

93. Regulation 47(6) provides that once the contribution has been applied, if the amount of PLA for which the student is eligible is £1 or more but less than £50 the student will be entitled to a PLA of £50.

### **Example 1**

A student has a spouse/civil partner with net income of £3,070 and two children under 15 with net income of £1,125 each. The childcare costs are £150 per week for the whole of the academic year.

**Step 1:** Establish dependants' net income.

<b>Dependants</b>	<b>Income</b>
Spouse/Civil Partner	£3,070
Child 1	£1,125
Child 2	£1,125
<b>A. Total dependants' income</b>	<b>£5,320</b>

**Step 2:** Choose the threshold which applies to the student's circumstances (regulation 47(7)).

<b>Student's circumstances</b>	<b>Applicable threshold</b>
<b>B. 2 parents and 2 children</b>	<b>£4,627</b>

**Step 3:** Calculate the dependants' residual income

<b>A. Total dependants' income</b>	£5,320
<b>B. Applicable threshold</b>	<b>£4,627</b>
Dependants' residual income (A - B)	<b>£693</b>

**Step 4:** Add together all the dependants' grants the student may be eligible to receive.

<b>Grant</b>	<b>Amount</b>
Adult Dependants' Grant	<b>£2,642</b>
Childcare Grant (85% of actual costs - 52 x £127.50)	£6,630
PLA	<b>£1,508</b>
<b>Total</b>	<b>£10,780</b>

**Step 5:** Calculate the amounts of dependants' grants to be paid

<b>A. Total dependants' grants</b>	<b>£10,780</b>
<b>B. Dependants' residual income</b>	<b>£693</b>
<b>Amount of dependants' grant to be paid (A - B)</b>	<b>£10,087</b>

**Step 6:** Breakdown of individual dependants' grants to be paid.

<b>Grant</b>	<b>Amount</b>
Adult Dependants' Grant (full grant reduced by contribution of £693)	<b>£1,949</b>
Childcare Grant (85% of actual costs - 52 x £127.50)	£6,630

PLA	<b>£1,508</b>
<b>Total dependants' grant paid</b>	<b>£10,087</b>

**Example 2**

A student has a spouse/civil partner with net income of **£11,017** and one child. The student uses registered or approved childcare for 40 weeks and the actual costs are £100 per week.

**Step 1:** Establish dependants' net income.

<b>Dependants</b>	<b>Income</b>
Spouse/Civil Partner	<b>£11,017</b>
<b>A. Total dependants' income</b>	<b>£11,017</b>

**Step 2:** Choose the threshold which applies to the student's circumstances (regulation 47(7)).

<b>Student's circumstances</b>	<b>Applicable threshold</b>
<b>B. 2 parents and 1 child</b>	<b>£3,473</b>

**Step 3:** Calculate the dependants' residual income.

<b>A. Total dependants' income</b>	<b>£11,017</b>
<b>B. Applicable threshold</b>	<b>£3,473</b>
<b>Dependants' residual income (A - B)</b>	<b>£7,544</b>

**Step 4:** Add together all the dependants' grants the student may be eligible to receive.

<b>Grant</b>	<b>Amount</b>
Adult Dependants' Grant	<b>£2,642</b>
Childcare Grant (85% of actual costs - 40 x £85)	£3,400
PLA	<b>£1,508</b>
<b>Total</b>	<b>£7,550</b>

**Step 5:** Calculate the amounts of dependants' grants to be paid.

<b>A. Total dependants' grants</b>	<b>£7,550</b>
<b>B. Dependants' residual income</b>	<b>£7,544</b>
<b>Amount of dependants' grant to be paid (A - B)</b>	<b>£6</b>

**Step 6:** Breakdown of individual dependants' grants to be paid.

<b>Grant</b>	<b>Amount</b>
Adult Dependants' Grant	Nil
Childcare Grant (85% of actual costs (52 x £127.50))	Nil
PLA	<b>£6*</b>
<b>Total dependants' grant paid</b>	<b>£50*</b>

\*As the amount of PLA is between £1- £50, the amount of PLA to be paid is £50.

94. The total of the dependants' grant under regulations 44-46 is subject to the main income assessment. This means that any household contribution is applied to the dependants' grants after being first applied,

in the case of old system students, to any tuition fee support in the main income assessment (regulation 99 to 106).

### Payment of grants for dependants

95. Dependants' grants are paid in three instalments, each instalment being paid in the three quarters of the academic year that do not include the longest vacation. Where the first instalment of grant is paid in the first quarter of an academic year, the grant is payable in three instalments of 33% for the first quarter, 33% for the second quarter and 34% for the third quarter. Where the first instalment of grant is paid in the second quarter, it is paid in two instalments of 66% and 34% and where the first instalment is paid in the third quarter, the whole amount of grant for the academic year is paid in one instalment.

### The number of dependants changes in an academic year

96. The number of a student's dependants may change during an academic year. When this occurs, it is necessary to determine who the student's dependants are for each of the three quarters for which the grant is payable (regulation 47(9)).
97. The amount of grant for each quarter so determined is one third of the grant for the academic year, bearing in mind the 33%, 33%, 34% split described above. The amount of dependants' grant for the academic year is the aggregate of the amount of grant calculated for each of the three quarters (regulation 47(10)).

### Travel Grants (Regulations 48-55)

98. For 2011/12, Travel Grants payable under regulation 48 in respect of expenditure incurred on travel expenses **during that academic year** is equivalent to the amount remaining after the first **£303** of that expenditure has been disregarded and subject to income assessment.
99. Some students claiming Travel Grants may undertake their journey by car. For the purpose of deciding the cost of the journey by car, a rate of **27p per mile** should be used. This rate is based on the mid point range of AA motoring costs and includes an amount for wear and tear on the car. Some continuing students using their own car for travel may already be receiving a Travel Grant based on a higher mileage rate. In such cases, the higher should continue to be used until the end of the course.
100. SFE has discretion to pay the grant in advance of the student incurring the expenditure. The travel expenses which a student can claim for must be calculated manually and entered in the appropriate field on the Assessment Summary Screen. The rules engine then applies the disregard to arrive at the amount to be paid.

### Students attending courses in medicine and dentistry

101. Students attending courses in medicine and dentistry who are not eligible for means-tested bursaries or awards from the Department of Health are entitled to a grant to meet the costs of travel associated with their clinical training, where they have to attend at a hospital or other premises in the UK. This does not cover any attendance involving residential study.

**Students attending an overseas institution**

102. Students attending an overseas institution as part of their UK course during a qualifying quarter (whether obligatory or optional) are eligible for the grant to meet the costs of travel within and outside the UK for the purpose of attending the overseas institution, including necessary daily travel costs while abroad. A qualifying quarter is an academic quarter during which the student attends the overseas institution for at least 50% of that quarter. It would be reasonable to allow for three return journeys between the UK and the overseas institution during the academic year in such cases.
103. Account should be taken of the aggregate amount of eligible travel expenditure which a student is obliged to incur in order to attend his course, excluding any expenditure in respect of which a grant is payable under regulation 40. SFE assessors must be satisfied that the method and class of travel are appropriate and that all costs are reasonably and necessarily incurred.
104. There may be cases where single parents who are on courses that involve study overseas have to take their child (or children) abroad with them. In such cases, the cost of the child's/children's fare from the UK to the overseas country may also be covered by the Travel Grant for up to three return journeys during the academic year.
105. Students attending an overseas institution as part of their course for at least 50% of any academic quarter may need to insure themselves against liability for the costs of medical treatment provided outside the United Kingdom. Regulation 53 provides that such students shall be eligible for additional Travel Grant equal to the amount incurred. This expenditure is NOT subject to the £303 disregard. For example, if a student claimed grant on a total expenditure of £320, comprising travel costs of £250 and medical insurance costs of £70, he would be eligible for a grant of £70. The £53 balance from the £303 disregard should not be used to reduce the grant for the medical insurance costs. SFE assessors must be satisfied that the costs incurred for insurance are reasonable.
106. Such students may also have to meet the costs of items such as visas and medical costs (regulation 54 (b) & (c)). Where these are a mandatory condition of entry into the host country, they are legitimate costs incurred in order to attend the course and they can also attract grant. The amount payable in respect of insurance, visa and medical expenses should be entered in the appropriate field on the Assessment Summary Screen. The expenditures described in Regulation 54 are also subject to the calculation in regulation 53.

**Students attending the University of London Institute in Paris**

107. Students attending the University of London Institute in Paris (formerly known as the British Institute in Paris) are eligible for Travel Grants as if they were attending an overseas institution.

**Case Studies: Travel Grant**

**Student A**

Student A is attending an overseas institution for the first 9 weeks of the first academic quarter (01/09/12 - 31/12/12). The first academic quarter is 17 weeks and 2 days in length. Student A is therefore attending the overseas institution for more than 50% of the quarter. Student A is eligible for a Travel Grant in respect of travel expenses which is subject to a £303 disregard.

**Student B**

Student B is attending an overseas institution in the first academic quarter (01/09/12 - 31/12/12). The first academic quarter is 17 weeks and 2 days in length. Student B attends the first 4 weeks overseas, the next 2 weeks in the UK and the following 5 weeks overseas. Student B is therefore attending the overseas institution for 9 weeks in total - more than 50% of the quarter. Student B is eligible for a Travel Grant in respect of travel expenses which is subject to a £303 disregard.

**Student C**

Student C is attending an overseas institution for the first 7 weeks of the first academic quarter (01/09/12 - 31/12/12). The first academic quarter is 17 weeks and 2 days in length. Student C is not eligible for a Travel Grant in respect of travel expenses as he is not attending the overseas institution for 50% or more of the academic quarter.

**Student D**

Student D is attending an overseas institution for the first 8 weeks of the first academic quarter (01/09/12 - 31/12/12) and the first 7 weeks of the second academic quarter (01/01/13 - 31/03/13). The first academic quarter is 17 weeks and 2 days in length and the second academic quarter is 12 weeks and 6 days in length. Student D is not eligible for a Travel Grant in respect of travel expenses for the first academic quarter because he is not attending the overseas institution for 50% or more of the first quarter. However, he is eligible for a Travel Grant in respect of travel expenses for the second academic quarter (subject to a £303 disregard) because he is attending the overseas institution for more than 50% of the second academic quarter.

**Student E**

Student E is attending an overseas institution for the last 5 weeks of the first academic quarter (01/09/12 - 31/12/12) and the first 5 weeks of the second academic quarter (01/01/13 - 31/03/13). The first academic quarter is 17 weeks and 2 days in length and the second academic quarter is 12 weeks and 6 days in length. Student E is not eligible for a Travel Grant in respect of travel expenses for either the first academic quarter or the second academic quarter, as he is not attending the overseas institution in either quarter for 50% or more of the respective quarter.

**Student F**

Student F is attending an overseas institution for the first 8 weeks of the first academic quarter (01/09/12 - 31/12/12) and the first 6 weeks and 3 days of the second academic quarter (01/01/13 - 31/03/13). The first academic quarter is 17 weeks and 2 days in length and the second academic quarter is 12 weeks and 6 days in length. Student F is not eligible for a Travel Grant in respect of travel expenses for the first academic quarter because he is not attending the overseas institution for 50% or more of the first quarter. However, he is eligible for a Travel Grant in respect of travel expenses for the second academic quarter (subject to a £303 disregard) because he is attending the overseas institution for 50% of the second quarter.

**Student G**

Student G is attending an overseas institution for the first 10 weeks of the first academic quarter (01/09/12 - 31/12/12) and the first 10 weeks of the second academic quarter (01/01/13 - 31/03/13). The first academic quarter is 17 weeks and 2 days in length and the second academic quarter is 12 weeks and 6 days in length. Student G is eligible for a Travel Grant in respect of travel expenses for both academic quarters because he is attending the overseas institution for more than 50% of the respective quarters. His Travel Grant award in respect of travel expenses will be subject to a single disregard of £303 for the academic year.

**Student H**

Student H is attending the University of London Institute in Paris for the last 10 weeks of the first academic quarter (01/09/12 - 31/12/12) and the first 3 weeks of the second academic quarter (01/01/13 - 31/03/13). The first academic quarter is 17 weeks and 2 days in length and the second academic quarter is 12 weeks and 6 days in length. Student H is eligible for a Travel Grant in respect of travel expenses for the first academic quarter because he is attending the University of London Institute in Paris for more than 50% of the first academic quarter. However, student H will not be eligible for a Travel Grant in respect of travel expenses for the second academic quarter because he is not attending the University of London Institute in Paris for 50% or more of the second academic quarter. Student H has also taken out medical insurance to cover his period of study abroad. As he is attending an overseas institution for more than 50% of the first academic quarter, student H will be eligible for additional Travel Grant (not subject to a disregard) to cover the cost of his medical insurance for that quarter. SFE assessors must be satisfied that the costs incurred for insurance are reasonable.

## Administration

### Administering Childcare Grant applications

108. Refer also to the guidance on 'General Eligibility and Financial Assessment Administration' and the guidance chapter 'Change of Circumstances' which provides guidance on reassessments and stopping payments.
109. The Childcare Grant and the PLA are paid to the most vulnerable students and therefore assessments should be carried out as early as

possible to ensure that support is paid to the student on the first day of term.

#### Processing Childcare Grant applications on the single system

110. The single system has the facility to calculate the amount of Childcare Grant to which a student is entitled. Using the information on the CCG1 form, the weekly childcare costs for term-time weeks and non term-time weeks should be entered, along with any exceptions to these standard amounts on the Childcare Estimates screen. The system will first apply a pro-rata to any amounts falling in non Monday to Sunday weeks in the first and last weeks of the academic year. Where amounts are entered in the 'Exceptions' section, no pro rata is applied. The system will then apply the 85% calculation. There is a facility to override the automatic assessment of Childcare Grant should this be deemed appropriate.
111. If the student receives a Childcare Grant the assessment should be provisional until all his childcare costs for the academic year have been evidenced and his entitlement checked accordingly. At that point the entitlement may be finalised. This may only be possible at the start of the next academic year if childcare is required for the long vacation.
112. It can be indicated that the assessment is provisional by selecting the Provisional flag on the Validate Evidence screen.
113. Any manual override of the automatic Childcare Grant assessment should be fully explained on the system Notes facility to assist other staff when dealing with student enquiries.
114. Annex 1 provides a summary 'Childcare Grant Timetable' showing what actions need to be taken during the course of the academic year.

#### Informing students of the breakdown of dependants' grants

115. The financial entitlement letter produced under the single system details the breakdown of the various elements of the grants for dependants'. Students should be advised to show the financial entitlement letter to their institutions when applying for discretionary support from the Access to Learning Fund, and to Jobcentre Plus and/or the local authority Housing Benefit section if applying for income-related benefits.

#### Childcare Grant leaflets and forms

116. The booklet entitled 'Childcare Grant and other support for full-time student parents in 2012/2013' and the forms 'Childcare Grant Application Form' (CCG1) and 'Confirmation of childcare payments (CCG2) can be downloaded from the 'Directgov' website. Where a student indicates on the PN1 / PR1 forms or online application that they want to apply for the Childcare Grant, a task will be raised - 'Send Information Pack' (see Annex 2). The information pack will then be sent to the student for them to complete and return.

#### Form 'Childcare Grant Application Form'

117. The student should apply for a Childcare Grant by completing a form 'Childcare Grant Application Form' (CCG1) and sending it to SFE. The applicant may provide an estimate of their likely childcare costs on their application form given that they are unlikely to be aware of their childcare requirements at the time of application. The applicant should be

assessed on the basis of the estimated childcare costs provided on the CCG1.

Confirmation a childcare provider is registered or approved

118. Childcare providers are asked to complete Section 2 of the CCG1 confirming that they are registered or approved. However, if a student has not found a childcare provider at the time of their application, Section 2 of the CCG1 may be left blank and a Childcare Grant may still be paid. However the student will need to provide confirmation that they are using a registered or approved childcare provider when they provide in the middle of term 1, confirmation of the payments made to a childcare provider, using the form 'Confirmation of childcare payments' (CCG2). On receipt of the CCG2, the applicants grant entitlement may need to be reassessed.

Student does not return form 'Childcare Grant Application Form'

119. If a student does not return the CCG1 but has a dependent child, the student's entitlement to the PLA can still be assessed. If the applicant subsequently sends a CCG1 at least three months before the end of the academic year a revised assessment must be carried out and issued.

Students who return form 'Childcare Grant Application Form'

120. Where a CCG1 is returned, the student's entitlement to the Childcare Grant should be based on the childcare costs the applicant has stated on the application form, subject to the limits set out in the Student Support Regulations.

Confirmation of payments made to a childcare provider

121. Students are requested to provide evidence of payments made to their childcare provider on a termly basis, using form CCG2. Students are required to complete Section 1 of the form and then arrange for their childcare provider to complete Sections 2 and 3, confirming the payments received from the student each week during the period. Applicants must send a separate CCG2 to SLC by each of the following dates if the course started in September:
- **2 November 2012** – this form should confirm payments made each week between **1 September 2012 and 21 October 2012**
  - **1 February 2013** – this form should confirm payments made each week between **22 October 2012 and 20 January 2013**.
  - **13 September 2013** - this form should confirm payments made each week between **21 January 2013 and 31 August 2013**. It is recommended that students in the final year of their courses and students not using childcare during their long vacations are requested to return their CCG2 by **19 July 2013**.

Applicants must send the separate CCG2 to SFE by each of the following dates if the course started in January:

- **15 March 2013** – this form should confirm payments made each week between **1 January 2013 and 3 March 2013**.
- **14 June 2013** – this form should confirm payments made each week between **4 March 2013 and 2 June 2013**.

- **17 January 2014** – this form should confirm payments made each week between **3 June 2013 and 31 December 2013**.

122. If the applicant indicates in Section 4 of the CCG2 that their weekly childcare costs will change during the rest of the year, their entitlement, should be reassessed. Estimated childcare costs for the long vacation should be included in the third instalment of grant. The applicant will need to confirm these costs at the beginning of the following academic year. If the applicant is uncertain whether they will need childcare for the long vacation, a reassessment to include the long holiday period should be carried out at a later date. If the reassessment is completed after the third instalment, an additional payment for the extra amount should be made to the applicant via BACS, automatically.

#### Monitoring returns of 'Confirmation of childcare costs' forms

123. The 'validate evidence' section of the LA Portal indicates that the Childcare Grant is provisional, pending receipt of a completed (CCG2) for Term 1, Term 2 and Term 3 and the long vacation. There are reports within the LA Portal that can provide a list of students in receipt of Childcare Grants. Initial requests for the CCG2 and any reminders are sent when the relevant bulk operation is triggered. Once the CCG2 is received it needs to be inserted and processed on the LA portal. Subsequently a new notification will be issued following approval

#### Student does not send confirmation of registered or approved childcare

124. All students are advised to only use registered childcare providers. Most students include details of their childcare provider when submitting the Childcare Grant application (CCG1). However, if the student does not include details of their childcare provider on their application (whether online or via CCG1 form) they should supply this required information when confirming the details on the CCG2.

#### Student does not send confirmation of childcare payments

125. Students should send evidence of payments made to a childcare provider on form CCG2 by each of the dates in paragraph 121 above. Reminder letters would normally be sent to student in advance of these dates. The dates for confirming childcare payments have been selected to allow time to make any adjustments to the next Childcare Grant instalment if the student has under or overestimated their childcare costs at the beginning of the year. There is also a greater incentive for students to return their form by the required dates given that their next Childcare Grant instalment will not be paid unless a completed CCG2 has been returned to SFE
126. If a student has not returned their CCG2 form by the required dates, a re – assessment of the Childcare Grant should happen. Arrangements should be made to recover any overpayment of Childcare Grant. However, payment of ADG and PLA may continue, once the Childcare Grant has been removed. (Any contribution previously applied to the Childcare Grant will now reduce the PLA). A revised and finalised assessment should be sent as soon as possible so that the student can

continue to receive any other payments of grant they are entitled to receive. A notification of the new entitlement will be automatically sent followed by a system generated overpayment letter where applicable, Account should be taken of specific applicants' circumstances in deciding whether to remove the Childcare Grant entitlement if evidence is not received. If a student then provides confirmation of their childcare costs, the Childcare Grant can be reinstated, depending on the student's reasons for failing to produce the evidence by the original deadline.

#### Finalising assessments in 2012/2013

##### **Students not in receipt of a Childcare Grant during their longest vacation**

127. Once a student has confirmed their actual childcare costs for the final term of academic year 2012/2013 and indicated they will not require a Childcare Grant for their longest vacation, the student should be reassessed and a revised support notification for 2012/2013 to show that the assessment is now final.

##### **Students in receipt of a Childcare Grant during the longest vacation**

128. Most academic years begin on 1 September and the longest vacation is the summer vacation. Childcare Grants for the summer vacation are paid up until 31 August, the payment covering the months of July and August. Childcare Grants in respect of September are paid with the first instalment of the following academic year's Childcare Grant.
129. If a student receives a Childcare Grant for the summer vacation they need to confirm their actual childcare costs by 13 September 2013, just after the start of the 2013/2014 academic year.

##### **Students who have not confirmed final childcare costs for 2011/12**

130. Where a Childcare Grant application is received for 2012/13 and the student has not yet confirmed his/her childcare costs for the longest vacation in 2011/12, this should not delay or prevent assessments for 2012/13. In these circumstances the following action should be taken:
  - assess the student for a Childcare Grant in 2012/13 and issue a Support Notification; and
  - reassess the support on receipt of confirmed childcare costs for the longest vacation and issue a final Support Notification for 2011/12 showing the revised amount of dependants' grants.
131. The Support Notification for 2012/13 should include the amount of Childcare Grant for 2012/13 not taking into account any overpayment incurred during 2011/12.

##### **Underpayments and overpayments of Childcare Grants**

132. Any overpayment arising from the revised 2011/12 notifications will be deducted from 2012/13 grants, if the student is continuing on the same course. If the student is not continuing on the same course separate arrangement must be made for recovery of the overpayment. If the student has been underpaid Childcare Grant in 2011/12, the outstanding amount should be paid as quickly as possible and not added to the following year's grant.

## Annex 1

### CHILDCARE GRANT TIMETABLE

From March 2012 onwards	SFE to enclose the publications 'Childcare Grant and other support for full-time student parents in 2012/13 and the forms 'Childcare Grant Application Form' (CCG1) and 'Confirmation of childcare payments (CCG2) to students who have indicated they will incur childcare costs.
By 19 October 2012	Send a reminder letter to students. The letter will remind them they need to return the form 'Confirmation of childcare payments' by <b>2 November 2012</b> .
By 9 November 2012	Send a 2nd reminder letter to students. The letter will remind them they need to return the form 'Confirmation of childcare payments' or they will lose their Childcare Grant.
By 23 November 2012	SLC will need to reassess students as appropriate.
By 18 January 2013	Send a reminder letter to students. The letter will remind them they need to return the form 'Confirmation of childcare payments' by <b>1 February 2013</b> .
By 8 February 2013	Send a 2nd reminder letter to students. The letter will remind them they need to return the form 'Confirmation of childcare payments' or they will lose their Childcare Grant.
By 25 February 2013	SLC will need to reassess students as appropriate.
By 5 July 2013 (or 23 August 2013 if receiving a Childcare Grant in the long vacation)	Send a reminder letter to students. The letter will remind them that they need to return the form 'Confirmation of childcare payments' by <b>19 July 2013</b> (or <b>13 September 2013</b> if receiving a Childcare Grant in the long vacation).
By 19 July 2013 / 13 September 2013	Obtain confirmation of childcare costs for term 3 and the summer vacation. Finalise assessments for 2012/2013 if a Childcare Grant was received.