

STUDENT SUPPORT INFORMATION NOTE

**STUDENT SUPPORT REGULATIONS AND FINANCE
ARRANGEMENTS FOR ACADEMIC YEAR 2016/17**

TO:

HIGHER EDUCATION PRACTITIONERS
IN ENGLAND

SSIN 04/16

4 December 2015

Dear Colleague

**HIGHER EDUCATION STUDENT SUPPORT IN ENGLAND IN 2016/17:
THE EDUCATION (STUDENT SUPPORT) (AMENDMENT) REGULATIONS 2015
(S.I. 2015 No. 1951).**

The Education (Student Support) (Amendment) Regulations 2015 (S.I. 2015 No. 1951) (“the 2015 Regulations”) were laid before Parliament on 2 December 2015. Provisions within these Regulations will come into force on 23 December 2015, subject to consideration by Parliament. The 2015 Regulations amend the Education (Student Support) Regulations 2011 (“the 2011 Regulations” (S.I. 2011/1986)).

Changes to student support for the 2016/17 academic year made through these Regulations confirm the proposals announced at the Budget on 8 July 2015 and through the Written Ministerial Statement of 21 July 2015. These proposals are set out in Student Support Information Note 01/16 and the Financial Memorandum for 2016/17. Both these documents can be accessed on the Student Finance England Practitioners Website at:

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

The 2015 Regulations amend the 2011 Regulations to introduce a revised living costs support package for most new students starting to attend full-time courses in respect of an academic year beginning on or after 1 September 2016. These students, known as 2016 cohort students, will no longer qualify for maintenance grant or special support grant, but will instead qualify for an increased loan for living costs in 2016/17.

The 2015 Regulations also amend the 2011 Regulations to increase the maximum loan for living costs for full-time students continuing to attend their courses in 2016/17. They also increase the maximum long courses loan and reduced rate loan for living costs for new and continuing full-time students in 2016/17. The 2015 Regulations

amend the 2011 Regulations to increase maximum fee loans for students who started their courses before 1 September 2012 at institutions in Northern Ireland.

The 2015 Regulations also amend the 2011 Regulations in relation to the registration of students with awarding bodies, entitlement to childcare grant, allowing the use of electronic signatures in Student Loan Company contract documentation and the recovery of overpayments.

Confirmed changes to student support for the 2016/17 academic year are set out in the Annex below.

Electronic copies of the Education (Student Support)(Amendment) Regulations 2015 (S.I. 2015 No. 1951) and the accompanying Explanatory Memorandum can be downloaded from the 'legislation.gov.uk' website at:

<http://www.legislation.gov.uk/ukxi/2015/1951/contents/made> (Regulations).

<http://www.legislation.gov.uk/ukxi/2015/1951/memorandum/contents> (Memorandum).

An Equality Analysis of the student support changes for 2016/17 can be downloaded from the GOV.UK website at:

<https://www.gov.uk/government/publications/higher-education-student-support-regulations-2015-equality-analysis>

ORDERING COPIES OF THE STUDENT SUPPORT REGULATIONS

If you wish to order copies of the Student Support Regulations, please access the TSO Shop website and click on the 'contact us' link at the top of the webpage:

www.tsoshop.co.uk

ENQUIRIES

If you have any queries about the Student Support Regulations, please contact, in the first instance, the Student Finance England Practitioner Support Team – telephone 0300 100 0618; email SSIN_queries@slc.co.uk

ANNEX

1) Creating a new 2016 cohort definition to differentiate between those full-time students who start their courses in the 2016/17 academic year and those who started their courses in an earlier academic year (Regulation 4).

Full-time students attending their courses qualify for a living costs package which depends on when they started their higher education courses. The 2011 Regulations define these groups of full-time students as 'cohorts'.

The 2015 Regulations amend the 2011 Regulations by introducing a new '2016 cohort' for new students starting to attend full-time courses in respect of an academic year beginning on or after 1 September 2016. 2016 cohort students will qualify for the new living costs support package being introduced for 2016/17. These reforms are being introduced as part of a series of Higher Education measures supporting wider Government plans to reduce the deficit, maintain the financial sustainability of the Higher Education sector and ensure that access to finance is not a barrier to participation in higher education.

Full-time students who are not defined as 2016 cohort students in the 2016/17 academic year, current system students including 2008, 2009 or 2012 cohort students, will continue to qualify for the full-time living costs package in 2016/17 that applied during the 2015/16 academic year.

2) Introducing a new living costs support package for 2016 cohort students (Regulations 31 and 36).

New full-time students starting to attend their courses in the 2016/17 academic year '2016 cohort students', will not qualify for a means-tested maintenance grant. They will instead qualify for an increased loan for living costs, which for most 2016 cohort students on household incomes of £25,000 or less will be 10.3% higher than the maximum maintenance grant and loan for living costs package available for low income students in the 2015/16 academic year.

The 2015 Regulations amend the 2011 Regulations so that the maximum loan for living costs in 2016/17 for most 2016 cohort students living away from home and studying outside London will be £8,200; for students living away from home and studying in London, £10,702; for students living in the parental home, £6,904 and for students studying overseas as part of a UK course, £9,391.

For household incomes above £25,000, the loan for living costs for most 2016 cohort students will be means-tested down to a minimum non-means tested loan for living costs.

The minimum non means-tested loan for living costs in 2016/17 for 2016 cohort students will be increased by forecast inflation, 2.41%, when compared with the minimum loan for living costs for 2012 cohort students in the 2015/16 academic year. The minimum loan for living costs for 2016 cohort students living away from home and studying outside London will be £3,821 at household incomes of £62,180 or more; for students living away from home and studying in London, £5,330 at household incomes of £69,803 or more; for students living in the parental home, £3,039 at household

incomes of £58,201 or more; for students studying overseas as part of a UK course, £4,540 at household incomes of £65,797 or more.

3) Introducing a new living costs support package for 2016 cohort students who are eligible for benefits (Regulations 31 and 36).

The 2011 Regulations stipulate that full-time students on household incomes of £42,620 or less who are eligible for certain benefits qualify for a means-tested special support grant instead of a maintenance grant in the 2015/16 academic year. Full-time students who qualify for special support grant are also entitled to more loan for living costs than other full-time students in 2015/16.

New full-time students who are eligible for benefits and are starting to attend their course in the 2016/17 academic year '2016 cohort students', will not qualify for special support grant in 2016/17. They will instead qualify for an increased loan for living costs which for 2016 cohort students eligible for benefits on household incomes of £25,000 or less will be 2.41% higher (forecast inflation) than the maximum special support grant and loan package available for low income students who are eligible for benefits in the 2015/16 academic year.

The 2015 Regulations amend the 2011 Regulations so that the maximum loan for living costs in 2016/17 for 2016 cohort students who are eligible for benefits and are living away from home and studying outside London will be £9,347; for students living away from home and studying in London, £11,671; for students living in the parental home, £8,144 and for students studying overseas as part of a UK course, £10,453.

For household incomes above £25,000, the loan for living costs for 2016 cohort students who are eligible for benefits will be means-tested down to a minimum non-means tested loan for living costs.

The minimum non means-tested loan for living costs in 2016/17 for 2016 cohort students who are eligible for benefits will be increased by forecast inflation, 2.41%, when compared with the minimum loan for living costs for 2012 cohort students who are eligible for benefits in the 2015/16 academic year. The minimum loan for living costs for 2016 cohort students who are eligible for benefits who are living away from home and studying outside London will be £3,821 at household incomes of £62,182 or more; for students living away from home and studying in London, £5,330 at household incomes of £69,805 or more; for students living in the parental home, £3,039 at household incomes of £58,209 or more; for students studying overseas as part of a UK course, £4,540 at household incomes of £65,801 or more.

The loan for living costs for 2016 cohort students who are eligible for benefits is made up of two separate elements, a maintenance element and a special support element towards the costs of books, equipment, travel and childcare. For 2016 cohort students who are eligible for benefits, the maximum maintenance element for students living away from home and studying outside London will be £5,878; for students living away from home and studying in London, £8,202; for students living in the parental home, £4,675 and for students studying overseas as part of a UK course, £6,984. Students who qualify for more loan for living costs than the maximum maintenance element will receive an additional special support element of loan. 2016 cohort students who are eligible for benefits on household incomes of £25,000 or less, will qualify for the

maximum special support element of £3,469 as part of their loan for living costs entitlement.

The special support element of the loan for living costs will be disregarded by the Department for Work and Pensions (DWP) as student income when calculating means-tested benefits for students in higher education.

4) Introducing a new loan for living costs for 2016 cohort students who are aged 60 or over on the first day of the first academic year of their higher education course (Regulations 31 and 36).

The 2011 Regulations stipulate that full-time students aged 60 or over on the first day of the first academic year of their higher education course on household incomes of £42,620 or less qualify for special support grant in 2015/16. However, this group of students do not qualify for loans for living costs in 2015/16.

The 2015 Regulations amend the 2011 Regulations so that new full-time students aged 60 or over on the first day of the first academic year of their higher education course in 2016/17, '2016 cohort students', will not qualify for special support grant in 2016/17. Those students on household incomes of £43,668 or less will instead qualify for a means-tested loan for living costs towards the costs of books, travel, equipment and childcare. Those students who are on household incomes of £25,000 or less will qualify for a maximum loan for living costs of £3,469 in the 2016/17 academic year. The maximum loan will be tapered down to a £50 loan for students with household incomes of £43,668. Students on incomes above £43,668 will not qualify for a loan for living costs.

The loan for living costs for students aged 60 or over on the first day of the first academic year of their course will be disregarded by the Department for Work and Pensions (DWP) as student income when calculating means-tested benefits for students in higher education.

5) Increasing elements of the student support package for new and continuing full-time students in 2016/17 (Regulation 57 and Schedule).

Full-time students attending courses that are longer than 30 weeks and three days in length during the academic year qualify for a means-tested long courses loan for each additional week or part week above 30 weeks and three days. Students attending their courses for 45 weeks or more in the academic year qualify for the same amount of long courses loan as students attending for 52 weeks.

The 2015 Regulations amend the 2011 Regulations to increase the maximum long courses loans by forecast inflation, 2.41%, for new and continuing full-time students in 2016/17. For students living away from home and studying outside London, the maximum long courses loan will be £88 a week; for students living away from home and studying in London, £113 a week; for students living in the parental home, £57 a week and for students studying overseas as part of a UK course, £122 a week.

Full-time students undertaking a work placement year of a sandwich course do not qualify for the full living costs support package unless they are undertaking an unpaid placement in the public sector, as defined in the 2011 Regulations. Instead, most

students undertaking work placement years qualify for a reduced rate, non income assessed loan for living costs.

The maximum reduced rate loans for living costs will be increased by forecast inflation, 2.41% for full-time students undertaking a work placement year in 2016/17. For students living away from home and studying outside London, the maximum reduced rate loan for living costs will be £2,483; for students living away from home and studying in London, £3,487; for students living in the parental home, £1,863 and for students studying overseas as part of a UK course, £2,970.

These changes aim to maintain the real value of loans for living costs and long courses loans for new and continuing students in the 2016/17 academic year.

6) Increasing elements of the student support package for full-time students continuing their courses in 2016/17 (Regulation 57 and Schedule).

The 2015 Regulations make a number of amendments to the 2011 Regulations in respect of living costs support for full-time students continuing to attend their courses in the 2016/17 academic year.

The maximum loan for living costs for full-time students entering higher education on or after 1 September 2012 but before 1 August 2016, '2012 cohort students', will be increased by forecast inflation, 2.41% for 2016/17 to £5,878 for students living away from home and studying outside London, £8,202 for students living away from home and studying in London, £4,675 for students living at home and £6,984 for students attending an overseas institution or an overseas period of study or work placement in an Erasmus year.

The maximum loan for living costs for eligible full-time students who entered higher education on or after 1 September 2009 but before 1 September 2012, '2009 cohort students', will be increased by 2.41% for 2016/17 to £5,292 for students living away from home and studying outside London, £7,404 for students living away from home and studying in London, £4,102 for students living at home and £6,299 for students studying overseas as part of a UK course.

These changes aim to maintain the real value of loans for living costs for full-time students continuing to attend their courses in the 2016/17 academic year.

The maximum fee loan for English domiciled full-time students who started their courses before 1 September 2012 who are studying at universities and colleges in Northern Ireland will be increased by 3.19% for 2016/17 to £3,925 in line with an equivalent increase to maximum fees for this group of students in Northern Ireland.

This change will ensure that fee loans will cover the full costs of tuition fees for eligible English domiciled full-time students who started their courses before 1 September 2012 who are studying at universities and colleges in Northern Ireland.

7) Adding a condition to require higher education institutions to register students with an awarding body before confirming the student is attending or undertaking their course (Regulations 45 and 51).

The 2011 Regulations currently stipulate that a higher education institution must confirm that a student is attending or undertaking a full-time or part-time course at the start of the first academic year before a payment of fee loan can be made by the SLC to the institution.

The 2015 Regulations amend the 2011 Regulations to require publicly funded institutions, including further education colleges and private institutions that are not awarding bodies to register students with the relevant awarding body at the start of the course before confirming with the SLC that their students are attending or undertaking their full-time or part-time course.

Where an institution has its own degree awarding powers and registers a student on a course, it is also registering the student for the award. The 2015 Regulations amend the 2011 Regulations to require higher education institutions with their own degree awarding powers to register the student on the course at the institution before confirming with the SLC that the student is attending or undertaking their full-time or part-time course.

For institutions that have a validation agreement with another institution which has its own degree awarding powers, the 2015 Regulations amend the 2011 Regulations to require the validation body to have been notified that the student is studying on the course before confirming with the SLC that the student is attending or undertaking their full-time or part-time course.

For institutions that franchise a course to another institution the 2015 Regulations amend the 2011 Regulations to require the institution to register the student with the awarding body before confirming with the SLC that the student is attending or undertaking their full-time or part-time course.

These changes, which cover both publicly funded and private institutions, are being introduced in order to provide additional protection for students so that there is no risk that students will be funded for their fees by the SLC for a course for which they are not registered or notified. They will apply for students starting to attend full-time and part-time courses in respect of an academic year beginning on or after 1 September 2016.

8) Preventing students receiving childcare grant through the Student Support Regulations where that student or student's partner has made a valid declaration of eligibility under the Childcare Payments Act 2014 (Regulation 18).

Full time students who are eligible for student support and who have dependent children may apply for childcare grant (CCG) which provides an income assessed contribution of up to 85% of the actual childcare costs subject to a maximum grant of £155.24 a week for one child only or £266.15 per a week for two or more children.

The Government is expecting to introduce tax free childcare (TFC) for working families in early 2017. The Government will pay 20% of childcare costs up to a maximum of £10,000 – up to £2,000 for each child up to the age of 12. Both parents must be in work and earning under £150,000. Whilst it is unlikely that many students in higher

education will be entitled to TFC, there is a possibility that a small number of full time students on lower household incomes could be double funded through TFC and CCG.

The 2015 Regulations amend the 2011 Regulations to prevent a student from receiving CCG where that student or the student's partner has made a statement that they are eligible for TFC for a three month entitlement period.

This change will apply from the date that the 2015 Regulations come into force.

9) Allowing electronic signatures to be used where a student is required to sign a contract for a loan for fees or living costs (Regulation 9).

Students applying for fees and living costs support can complete almost all of the application process online. However, all applicants must also currently sign a paper declaration form, which confirms that the student has read and agreed to the terms and conditions of the repayable loan. The SLC is carrying out further work on potential options for introducing electronic signatures to the student application process.

The 2011 Regulations explicitly state that information required from a student by the Secretary of State (i.e. the Student Loans Company) can be signed using an electronic signature. However, the 2011 Regulations do not stipulate what type of signature can be used when a student enters into a contract with the Secretary of State for a loan.

The 2015 Regulations amend the 2011 Regulations to make it explicit that a loan contract can be signed by electronic signature.

This change will apply from the date that the 2015 Regulations come into force.

10) Changes to recovery of overpayment of grants and loans (Regulations 46, 47, 49, 52, 53 and 55).

The language used in the Student Support Regulations in respect of overpayments of grants and loans for fees and living costs is being changed so that the wording is consistent. The 2015 Regulations amend the 2011 Regulations by removing the word "eligible" in relation to overpayments so that it is clear that the policy intent is and always has been that any overpayment must be recovered, whether the student was eligible or not for support.

Any overpayment, whether it is for grant or loan, should be recovered from the student as soon as possible and while the student continues to study. This policy is unchanged, but the current wording in the Regulations has led to some confusion. The Student Support Regulations are being amended so that overpayments can be recovered from future instalments of either grant or loan. While some overpayments can be subtracted from certain future payments (including if the student returns to study at a later date) it is preferable to recover directly from the student as soon as possible after the overpayment arises and while they are still studying.

Recovery of overpayments whilst a student continues to study may cause difficulties for some students. If a student provides reasonable evidence that recovery would

result in hardship for the student, the recovery of the overpayment may be suspended until they have left their course.

These changes will apply from the date that the 2015 Regulations come into force.

11) Removing obsolete references to students ordinarily resident in Wales (Regulations 5, 48, 50 and 54).

Most functions covering financial support to students under Section 22 of the Teaching and Higher Education Act 1998 were transferred from the Secretary of State to the Welsh Assembly, under section 44 of the Higher Education Act 2004.

The Student Support Regulations were amended for the 2006/07 academic year to make it explicit that students ordinarily resident in Wales at the start of their course who qualified for support under earlier years of the Student Support Regulations no longer qualified for student support for subsequent years of their course in England from 2006/07 onwards.

The same exclusion was introduced in 2006/07 for (a) students starting a top up course 'end-on' course from 2006/07 onwards who were ordinarily resident in Wales when they started their lower level course before 2006/07 and (b) students who transferred to a course from 2006/07 onwards from a course starting before 2006/07 when the student was ordinarily resident in Wales.

The 2011 Regulations make it clear elsewhere that a student must be ordinarily resident in England on the first day of their course in order to qualify for student support in England as an eligible student. The 2015 Regulations therefore amend the 2011 Regulations to remove drafting relating to transitional arrangements for students who were ordinarily resident in Wales at the start of their course before the 2006/07 academic year.

This change will apply from the date that the 2015 Regulations come into force.

12) Clarifying the rules on funding for students on allied health profession (AHP) courses in Scotland (Regulation 4)

Full-time students undertaking an academic year of a course for which a student is eligible to apply for a healthcare bursary or Scottish Healthcare Allowance (a 'bursary year') are entitled to a reduced rate non-means tested loan for living costs under the Student Support Regulations. English domiciled students studying on Allied Health Profession (AHP) courses in Scotland have from 2013/14 onwards been entitled to apply for a means-tested Young Students Bursary or if they are classified as independent students, for a means-tested Independent Students Bursary. These bursaries are also available for Scottish domiciled students and have replaced the Scottish Healthcare Bursary.

The 2015 Regulations amend the 2011 Regulations to make it clear that the new bursaries for AHP courses fall within the definition of the Scottish Healthcare allowance in the Regulations. This makes it clear that English domiciled students undertaking AHP courses in Scotland are deemed to be undertaking bursary years and are entitled to a reduced rate non-means tested loan for living costs only for an academic year of their course.

This technical change will apply from the date that the 2015 Regulations come into force.

13) Academic years of study on preliminary courses (Regulation 11).

Full-time students undertaking an honours degree course after completing a lower level course (a 'preliminary course') can apply for fee loan for their honours degree course. Their entitlement to fee loan takes into account the number of academic years that the student has spent on preliminary courses (excluding years of repeat study due to compelling personal reasons). Academic years of study on preliminary courses include each year that the student has completed and each year that the student began or completed part of the way through the academic year.

The 2015 Regulations amend the 2011 Regulations to make it clear that entitlement to fee loans will take into account full and part academic years of study on preliminary courses.

This technical change will apply from the date that the 2015 Regulations come into force.