

Health Education Funding in England from 2017/18: Student Funding Information

Summary

From 1 August 2017, new students in England on nursing, midwifery and AHP pre-registration courses (which lead on to registration with one of the health professional regulators) [will have access to the standard student support package of tuition fee loans and support for living costs, rather than getting an NHS grant](#)

The Government is [currently consulting](#) on implementation of the changes (closing 30 June 2016).

What kind of funding does this affect?

This change affects both living cost support and tuition loans. You can find a list of the courses included in this change [here](#).

So will I be able to afford to go to university?

Lots of people worry about whether university is affordable. It's important to know that you don't have to pay money upfront: tuition and living cost loans work like a tax on earnings above a certain amount and aren't like a commercial loan or a payday loan:

- When you make an application to the Student Loans Company the tuition fees are transferred to the university automatically – you don't have to get involved with that process.
- You only start paying back the loans when you earn above £21k, only paying back 9% of any income above £21k. If you earn below that, you don't have to pay back anything. If your income drops below the threshold you stop having to repay the loan.
- You pay back the loans gradually from your pay packet – it's done automatically so you don't have to worry about missing repayments.
- The loans get written off 30 years after you become eligible to repay.

This means that university should be affordable for everyone. [See what Martyn Lewis from Money Saving Expert says](#).

Health Education Funding in England from 2017/18: Student Funding Information

Purpose: From 1 August 2017 there's a new funding system for new students on nursing, midwifery and AHP pre-registration courses in England, with the system moving from NHS grants to student loans.

This briefing answers some of the key questions on how the funding works.

Publication date: 17 March 2016; updated 11 April.

Relevant for: Prospective students, staff in higher education, staff advising students at schools and colleges.

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What could I get in terms of living cost support under the new system?

Under the student support system students are eligible for a range of means-tested loans, including a specific loan designed to support students on courses that have a longer than average student year.

There are also special allowances, for example childcare, adult dependents and parents' learning allowance. As with the current system, these special allowances are grants not loans, so you do not have to repay them.

The day to day level of living support is significantly higher for almost all students under the loans system than the existing grants system. For the maximum claim under the two systems, on current figures:

- Students inside London and living away from the parental home: the maximum amount of living cost support per year would increase from **£8750 to £12058 (a 38% increase)**;
- Students outside of London and living away from the parental home: the maximum amount of living cost support per year would increase from **£6975 to £9256 (a 33% increase)**;
- Students living in the parental home: the maximum amount of living cost support per year would increase from **£5,623 to £7588 (a 35% increase)**


What about travel and accommodation expenses when I'm on placement?

Nursing, midwifery and AHP students spend a large portion of their courses on placements, which means that students have additional travel and accommodation expenses. Under the BIS student support arrangements, students contribute an excess (around £300) towards their placement travel costs before costs are reimbursed.

This has been flagged in the consultation on the implementation of the reforms. We will be urging Government to plug the gap and make sure that students still have these costs met under the new system.

I've got kids: what about help with childcare?

Many health students, particularly those who are mature students have children and other dependents. Under the new system, the childcare



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allowance, which is a grant not a loan, is more generous than under the old NHS bursary rules:

- In both systems, you can claim up to 85% of the maximum rate.
- For one child, this is currently a **maximum of £155.24 per week** on the general HE system, compared to a **maximum of £128.78 per week on the NHS Bursary system**.
- For two or more children, this is currently **£266.15 per week** on the general HE system, compared to **£191.45 per week on the NHS Bursary system**.

There are some particular circumstances in which the allowances under the new system aren't as high as under the bursary system, specifically if the student has one child dependent but no adult dependent, or if the student has large numbers of children (five or more). The consultation on the implementation of the reforms has highlighted this issue and asked for views on how it might be addressed.

What if I've already got a student loan?


It's not usually possible for students who already have loans from a first degree to access student loans for a second degree at the same or lower qualification level (something called the Equivalent or Lower Qualification (ELQ) rule). However, the Government is making these courses exempt to the ELQ rule, meaning that you can access a second set of loans.

That might sound daunting but the 9% repayment over the earnings threshold applies even if you've got more than one set of loans. So if you take out loans for two degrees you will still pay back 9% **not** 18%. The rule about the remainder of the loan being written off after 30 years applies from the first loan you take out.

What happens when I graduate?

As with other students, if you graduate and earn above a certain amount of money (currently above £21k) you start repaying the loan. You repay 9% of the amount you earn over the £21k and this is usually taken out of your pay packet each month.

There are a lot of myths about whether this is affordable for new graduates. The thresholds and amounts can be altered by the Government but as an indication, at the moment on a Band 5 salary in



'On a Band 5 salary in the NHS of £21.7k (the usual starting salary for new nurses or allied health professionals) you would repay £5.25 per month. Any unpaid loan is written off after 30 years.'

the NHS of £21.7k (the usual starting salary for new nurses or allied health professionals) you would repay £63 per year, or £5.25 per month – 9% of £700. Any unpaid loan is written off after 30 years from the date you become eligible to repay it.

What if I have a Plan 1 and a Plan 2 loan?

Repayments for student loans have changed over time. If you took out a loan for a course starting before September 2012 this is a 'Plan 1 loan'; if the course started from September 2012 this is a 'Plan 2 loan'. Although the two loans have different repayment thresholds you will still only pay back 9% of your earnings over £21,000 whatever type of loan and however many loans you have taken out, as the 9% is apportioned between them.

What happens now?

[The Government is currently consulting](#) on the implementation of the reforms, including a range of important issues, such as placement expenses and postgraduate pre-registration courses. We should know the key decisions taken in light of the consultation over the summer.


What about access to loans for Muslim students?

The Government has been looking at the possibility of an alternative way of funding higher education for students who cannot take out interest-based loans for religious reasons. Following a public consultation in 2014, the Government has agreed to offer an alternative finance product that would be Sharia compliant and is planning to introduce legislation to implement this. [You can find more detailed information on the plans in the Government's Higher Education Green Paper, pp. 40-41.](#)

For more information on the new system read our other briefings:

[The System Explained](#)

[All Change?](#)



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