

Funding for Postgraduate Courses

Y Pwyllgor Deisebau | 13 Medi 2016

Petitions Committee | 13 September 2016

Research Briefing:

Petition number: P-05-700

Petition title: **Student Finance Funding for Postgraduate Courses**

Text of petition: “Many people who would like to further their education beyond undergraduate level are put-off by the fact that they are required to attain a bank loan in order to fund their studies. I believe that the government should do more to ensure that working people can afford to continue their education, something which at the moment, would result in considerable debt, if of course, they even qualify for the bank loan.”

Background

The position on funding for postgraduate courses in 2016/17 is different in England and Wales. The position in Wales is expected to change for the 2017/18 academic year.

The position in England

From 1 August 2016, eligible students, domiciled in England, beginning a full-time or part-time Master’s course can apply for a Postgraduate Loan. Students will be able to borrow up to £10,000 to pay their fees and help with living costs. Eligible students will:

- Be aged under 60;
- Ordinarily living in England;
- Not already having a master’s degree or higher qualification.

The loan will not depend on personal or family income. Further information can be seen on the UK Government website: [Funding for Postgraduate Study in England](#)

The position in Wales

Currently (in the 2016/17 academic year) there is no similar scheme for postgraduate loans in Wales, although, in September 2015, Huw Lewis, the then Minister for Education and Skills said that this would have been the Welsh Government's 'policy goal'.

The Welsh Government is dependent on the Student Loans Company (SLC) as its sole delivery agent for student support for both higher and further education students from Wales. The SLC is a limited company whose sole shareholders are the four UK governments. In a [letter, 28 September 2015](#) to Jo Johnson MP, the UK Minister for Universities and Science, Huw Lewis said:

- Recent changes to the sponsorship and governance framework within which the SLC operates has been driven by the interests of the [UK] Department for Business, Innovation and Skills at the expense of the Devolved Administrations;
- The four sponsor departments across the UK had reached 'a common understanding' that no major policy changes should be implemented until the SLC had stabilised its delivery capacity and replaced its core systems;
- As a result of the 'very considerable' demands made by the Department for Business, Innovation and Skills, the SLC has been unable to respond to any of the requests of the Devolved Administrations for academic year 2016/17.

Welsh Government consultation

Between March and May 2016, the Welsh Government consulted on [Support for postgraduate study and part-time engineering, technology or computer science degrees](#). The consultation outlined a proposed interim loan scheme to be implemented for academic year 2017/18 to support Welsh postgraduates. The case for change was recognised in paragraph 28:

28. The evidence on the increasing economic importance of postgraduate qualifications, the link between wealth, existing postgraduate study and social mobility, and the early comment from the Diamond review of the relative situation of support in Wales versus England provide a convincing rationale for the provision of financial support. Such provision can support the achievement of the well-being goals of the Well-being of Future Generations Act 2015.

The proposed interim scheme for Wales will be very similar to that in England. It is proposed that eligible students, domiciled in Wales, will be able to borrow up to £10,000 to support full-time study. They must:

- Be aged up to 60

- Not already hold an equivalent level postgraduate qualification and
- Must be on an approved course (taught or research).

It is proposed that: repayments will begin at £21,000 (with this threshold frozen until 2021): interest will be charged at RPI+3%; and repayments will be made concurrently with any undergraduate debt repayments.

The Independent Review of Higher Education Funding and Student Finance Arrangements, chaired by Professor Sir Ian Diamond

The final report and recommendations of the [Independent review of higher education funding and student finance arrangements](#) is due to report in September 2016. A key priority for the Review is to make clear recommendations about the future longer term funding and to strengthen provision for Welsh postgraduates.

National Assembly for Wales action

During the [Enterprise and Business Committee's scrutiny of the Draft Budget](#) (14 January 2016), Julie James the then Deputy Minister for Skills and Technology, was asked about introducing postgraduate loans. In reply, she said:

“The postgraduate loan situation has been a very fraught one. I’m sure you’ve seen that the Minister has made several public pronouncements about how distressed we are about the situation of the Student Loans Company and, in fact, Chair, I’d like to suggest, if I may—and forgive me if it’s a bit cheeky—that perhaps the committee would like to ask the Student Loans Company chief executive and chair, to come down and speak to you personally about why they have not been able to support Wales in this next financial year in the way that they’ve supported England, because, quite frankly, we’re very angry about it. So, what they’ve done is that they’ve responded to pressure from English Ministers to do a postgraduate loan, and we have been told categorically that they cannot do that for us in the same period and I just think that that’s not acceptable.”

She went on to say:

“So, the answer to your question is: they know that we want to do it as soon as possible. We would have liked to do it now. We haven’t been able to, just for the administrative problems that they’ve had, but we are on record as saying that we’d like to do it as soon as possible.”

Following this, the Enterprise and Business Committee wrote to the Student Loans Company and to the UK Minister for Universities and Science (3 February 2016), asking for their assessment of the issues. In his response (08 March 2016), Jo Johnson, then the UK Minister of State for Universities and Science wrote to the Committee:

The SLC has a unique operating status as the joint delivery partner for all UK administrations in a devolved policy area. The Company's shareholders are also its customers, and the size of each Administration's shareholding aligns to the contribution it makes to the SLC's operating costs. BIS owns 85 % of the company and fund approximately 85% of its operating costs.

And

Your letter states that it was Wales' policy goal to implement a Postgraduate Loans product in AY16/17. This was not explicitly communicated to BIS officials before the SLC's commission was finalised in July 2015. As documented in the minutes of a quadrilateral meeting between officials from BIS and the DAs on 8 June 2015, Welsh Officials confirmed that the timing of the Diamond Review meant that the earliest timing for a Postgraduate Loan product to be implemented in Wales was AY17/18.

I am pleased that the UK Administrations have been able to work together in recent months to deliver improvements to the SLC's governance arrangements and commissioning process. My

The response from Christian Brodie, Chairperson, Student Loans Company is published here: [Page 58, Letter from the Student Loans Company](#).

In her letter to the Petitions Committee, Kirsty Williams says that she expects the SLC to be in a position to run an interim loan scheme for Welsh domiciled students in 2017.

Every effort is made to ensure that the information contained in this briefing is correct at the time of publication. Readers should be aware that these briefings are not necessarily updated or otherwise amended to reflect subsequent changes.