



BRIEFING PAPER

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Debate on SI 2018/443 relating to funding for healthcare students

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Summary

On 9 May 2018, the House of Commons is scheduled to debate a motion to annul the [*Education \(Student Support\) \(Amendment\) \(No.2\) Regulations 2018 \(SI 2018, No. 443\)*](#).

The regulations make changes to the funding for students starting postgraduate pre-registration courses in nursing, midwifery, and the allied health professions. From 1 August 2018, these students will not be entitled to NHS bursaries and will instead be eligible to access loans from the Student Loans Company. The regulations make the same changes for most pre-registration dental hygiene and dental therapy students starting courses from August 2018.

The changes bring support for these students into line with changes made in August 2017 for other healthcare students.

The procedural background to the regulations has been described as “unprecedented” by the House of Lords Secondary Legislation Scrutiny Committee. Further information is provided in section two of this briefing.

1. Policy background: abolition of NHS bursaries

In April 2016, the Government launched a consultation on reforming funding for healthcare students: [Reforming healthcare education funding: creating a sustainable future workforce](#). The consultation proposed that NHS bursaries should be abolished for most healthcare courses including postgraduate courses from August 2017:

New postgraduate students who commence pre-registration courses in the following subjects from 1 August 2017 will no longer be eligible for an NHS bursary or to have their tuition fees paid by the NHS.

This will impact on students undertaking pre-registration postgraduate courses in the following subjects:

- nursing - adult
- nursing – children
- nursing - mental health
- nursing - learning and disability
- midwifery
- dietetics
- occupational therapy
- orthoptics
- orthotics and prosthetics
- physiotherapy
- podiatry/chiropractic
- radiography (diagnostic and therapeutic)
- speech and language therapy
- operating department practice
- dental hygiene
- dental therapy¹

NHS Bursaries

For new full-time students starting in 2016-17 the NHS Bursary consisted of the following elements:

- A **non-means tested grant** of £1,000 per year (pro-rata for part-time students)
- A **means tested bursary** to help with living costs of up to:
 - £3,191 for students living away from home and in London
 - £2,643 for students living away from home and outside London
 - £2,207 for students living at home.
- Other **bursary elements** such as extra week's allowances for courses that run for longer than 30 weeks and 3 days each academic year, and practice placement expenses.

Students who qualified for a bursary also had the costs of their **tuition paid** directly to their higher education institution by the NHS. They were also able to apply for a non-income assessed **reduced rate maintenance loan** from Student Finance England.

¹ Department of Health, [Reforming healthcare education funding: creating a sustainable future workforce](#), June 2016, p12.

The consultation proposed that from 2017 postgraduate students on healthcare courses should be funded by **postgraduate loans**:

Students on full-time pre-registration postgraduate masters' courses which are one or two years in length (or equivalent part-time courses studied at 50 percent and 3 year part-time courses where there is no full-time equivalent) would be able to apply for a postgraduate masters loan. Students would be able to borrow up to £10,000 over the duration of their course to use towards their fees and living costs. This loan would not be means tested.²

1.1 Transition arrangements

The Government response to the consultation, [Reforming healthcare education funding: creating a sustainable future workforce. Government Response to public consultation July 2016](#), acknowledged that the proposals on postgraduate students might cause difficulties. The Government would, it said, not implement a new funding model for postgraduate students from 2017 and would instead consider options for a long-term solution:

There is therefore a risk that were funding not available to prospective postgraduate healthcare applicants, student numbers, and therefore workforce supply, could fall. For pre-registration postgraduate courses specifically, a number of responses proposed that funding should be made available on the same terms as for undergraduate students (as currently happens for students of the Postgraduate Certificate in Education). **The government is considering this option and others as a long-term solution, but will not be implementing a new funding model for pre-registration postgraduate students beginning their course in 2017.**³

The response added that the Government would put in place **transition arrangements** for postgraduate students in 2017/18, after which these students would transfer onto the standard student support system from 2018/19:

Postgraduate students

The consultation acknowledged that, under the current higher education student loans system, there are a number of postgraduate courses which would not be eligible for the postgraduate master's loans package, which at £10,000 has been designed as a contribution to a student's costs. There is therefore a risk that were funding not available to prospective postgraduate healthcare applicants, student numbers, and therefore workforce supply, could fall. For the purposes of securing longer term workforce supply, the government will, **for the cohort starting in 2017/18 and for a capped number of students, provide a bursary for tuition and maintenance to meet the full costs of the course for postgraduate students.** This will be a transitional arrangement and the intention of the government in the long term is for these courses to **reform to fit the standard student funding model from September 2018.**⁴

1.2 Dental hygiene and dental therapy students

In its consultation response, the Government also noted feedback suggesting that including Dental Hygiene and Dental Therapy courses in the scope of the reforms could have a "detrimental effect on workforce supply." This is because these courses are

² Department of Health, [Reforming healthcare education funding: creating a sustainable future workforce](#), June 2016, p13.

³ Department of Health, [Reforming healthcare education funding: creating a sustainable workforce. Government response to public consultation](#), July 2016, p10

⁴ *Ibid*, p16.

supplied by dental schools, not universities, meaning that students would not be eligible for loans from the Student Loans Company.⁵

The Government stated that it would fund a capped number of students in 2017/18 on the same terms as the existing system (i.e. NHS bursaries). This was intended as a transitional arrangement, however, and the response stated that the Government's long-term intention was for "these courses to reform to fit the standard student funding model."⁶

1.3 Regulations

[The Education \(Student Support\) \(Amendment\) \(No.2\) Regulations 2018](#) SI 2018 No. 443 amends the student support regulations so that eligible full-time students starting postgraduate pre-registration courses in nursing, midwifery, and the allied health professions from 1 August 2018 onwards move onto the same living costs support as undergraduate students starting full-time higher education courses in 2018/19.

The regulations also provide for corresponding changes to be made for full-time and part-time undergraduate pre-registration courses in dental hygiene and dental therapy. However, students at five institutions studying these courses will continue to have access to NHS bursaries for the duration of their course, with these providers expected to reform their courses to fit the standard model from August 2019.

Under the regulations, students holding an equivalent of higher level qualification who want to start a full-time postgraduate pre-registration course in nursing, midwifery and the allied health professions will be able to apply for a fee loan and living costs support.

Further background information to the regulations is provided in a Government policy paper: [Healthcare education funding for postgraduate, dental hygiene and dental therapy students](#).

Explanatory memorandum and equality analysis

These regulations were laid with an [Explanatory Memorandum](#)⁷ and an [Equality Analysis](#).⁸ The Equality Analysis contained a summary of the impact of the proposals:

The reforms **will increase the amount of student loan borrowing for postgraduate students and could lead to a fall in student numbers**. The government has acknowledged that, due to the student intake, the impact will fall largely on women, older students and, to a lesser extent, students from ethnic minorities. It has taken steps to mitigate some of these risks. The new loans system will offer more upfront support, particularly for disabled students, in-built protection for low earners, significant support for childcare and an exceptional hardship fund.

The government worked through several options for the reforms. Retaining the bursary was unsustainable for universities and the workforce supply, the PGML package was inadequate and offered poor coverage whilst self-funding may have led to a drastic fall in student numbers and made courses unviable. Therefore **the model proposed is the most viable option to ensure the long-term sustainability of university courses**, the postgraduate student intake and the needs of the healthcare workforce.⁹

⁵ Department of Health, [Reforming healthcare education funding: creating a sustainable workforce. Government response to public consultation](#), July 2016, p17.

⁶ *Ibid.*

⁷ [Explanatory Memorandum](#) to the *Education (Student Support) (Amendment) (No. 2) Regulations 2018 No. 443*

⁸ Department of Health and Social Care, [Equality Analysis Reforming healthcare education funding: creating a sustainable future workforce \(Revised Edition\)](#), February 2018

⁹ *Ibid.*, p28.

A report by the [House of Lords Secondary Legislation Scrutiny Committee on the 8 March 2018](#)¹⁰ analysed a previous set of regulations ([SI 2018 No. 136](#)) which had the same effect as the SI under debate (see section two below). The Lord's debate discussed the impact of the abolition of NHS bursaries and concluded:

We consider that it must now be the time for the Government to take a definitive view of the effect of the changes from the 2017 Regulations on participation in nursing courses, and judge the funding reforms by results, rather than by aspirations. The review of post-18 education now underway includes assessing whether the funding system promotes the skills needed by our society: evidence already available from the healthcare education sector must surely be central to this assessment.¹¹

¹⁰ House of Lords [Secondary Legislation Scrutiny Committee 21st Report of Session 2017–19 8 March 2018](#)
HL Paper 88

¹¹ *Ibid.*, p7.

2. Parliamentary procedure

The parliamentary treatment of these regulations has been described in a House of Lords report as ‘unprecedented’.¹² The complex parliamentary process is outlined in section 3 of the [explanatory memorandum to the regulations](#). A brief summary is provided below.

2.1 SI 2018 No. 136

[The Education \(Student Support\) \(Amendment\) Regulations 2018](#) SI 2018 No 136 were laid before Parliament on 6 February 2018.

The regulations contained provisions relating to student support for students starting postgraduate pre-registration courses in nursing, midwifery, and the allied health professions from 1 August 2018 onwards, and students starting undergraduate pre-registration courses in dental profession subjects from 1 August 2018 onwards. This instrument would **remove NHS bursaries from these students and to move them onto the standard student support package of loans**.

This SI was subject to the negative resolution procedure.

Early Day Motion (EDM) 937

On 8 February 2018 [EDM 937](#) was tabled which called for the annulment of SI 2018 No 136. The primary sponsor of the EDM was Jeremy Corbyn; EDMs which are sponsored by the leader of the opposition are generally given time for debate.

In March 2018 Valerie Vaz MP asked about the timing of a debate on the regulations on two occasions.¹³

A debate did not occur within the 40 day praying period and the SI **came into force on 27 February 2018**.

A notice for regret motion was also tabled by the Opposition in the House of Lords on 27 February 2018.

2.2 Withdrawal of SI 2018 No. 136

On 26 March 2018, during a Point of Order, the Speaker said:

“it is possible for the Government to withdraw a particular statutory instrument while wishing to preserve the intention to give effect to the policy contained therein, and to table another statutory instrument” ([HC Deb 26 March 2018 c548](#)).

On 27 March 2018, the [Education \(Student Support\) \(Revocation, Amendment and Saving Provision\) Regulations 2018](#) SI 2018/434 were laid as part of arrangements to give effect to the request from the Opposition for a debate in government time. The SI revoked SI 2018 No. 136, subject to provisions ensuring that students whose application for loans had already been submitted were unaffected by the revocation.

2.3 SI 2018 No. 443

After the regulations were made revoking SI 2018/136, the [Education \(Student Support\) \(Amendment\) \(No. 2\) Regulations 2018](#) SI 2018/443 were laid before Parliament on 28 March 2018. These regulations reinstated with near-immediate effect the original policy intention of S.I. 2018/136 and re-started the 40 day praying period to enable a debate.

¹² House of Lords, [Secondary Legislation Scrutiny Committee 26th Report of Session 2017–19](#),

¹³ [HC Deb 8 March 2018 c472](#) and [HC Deb 15 March 2018 c999](#)

On 18 April 2018, [EDM 1179](#) was tabled calling for the annulment of the regulations. The primary sponsor of the EDM is Jeremy Corbyn.

House of Lords Secondary Legislation Scrutiny Committee report

A report by the [House of Lord Secondary Legislation Scrutiny Committee on 26 April 2018](#) analysed the merits of SI 2018 No. 443.¹⁴ In the report, Lord Trefgarne, the Chairman of the Secondary Legislation Scrutiny Committee, criticised the handling of the regulations:

The first relates to what, in the experience of this Committee, is an unprecedented decision by the Government, to revoke one set of Regulations and replace them with a second set, with unchanged policy content, solely in order to facilitate a Parliamentary debate. We look to the Government to act in a timely and effective manner to enable Parliamentary scrutiny of secondary legislation: the handling of these Regulations does not meet that expectation.

Our second, no less strongly felt concern is with the wider impact on recruitment to post-graduate nursing courses which may result from the switch from bursary to loan support, and from the uncertainty caused in recent weeks by the controversy surrounding the Regulations. Universities generally deal in January with recruitment to courses starting in the following September: significant numbers of potential students may well have been dissuaded from applying for such courses by the effect of these Regulations, and the way in which they have been handled by the Government. This cannot have been the intention.¹⁵

The Committee noted that Steve Barclay, Minister of State for Health, had responded to these concerns:

[The] Department has liaised with the Student Loans Company and with other key stakeholders to ensure that students are provided with the necessary clarity: because the policy intention has not changed, he anticipates the impact on students to be minimal. His letter also states that the Government are using the additional time to engage with colleagues and key stakeholders and he hopes to be able to update the House on this when the debate is eventually scheduled.¹⁶

“Our particular concern was the effect that this extended period of uncertainty would have on Universities and on potential applicants, who may well have been dissuaded from applying for such courses”

[House of Lords
Secondary
Legislation Scrutiny
Committee, 26
April 2018](#)

2.4 Impact

The [Explanatory Memorandum](#) to SI 2018 No. 443 sets out the impact of annulling the first set of regulations and replacing it with an identical set shortly afterwards:

The impact of laying S.I. 2018/434 was considered to impact about 100 students who had already applied for the standard student loan package from the Student Loans Company, and the estimated fewer than five students who may have applied between midnight of 27 March and midnight 28 March when this instrument comes into force.

We have ensured that all eligible students are able to apply for the standard student loan package under either S.I 2018/136 or this instrument.

The impact on business, charities or voluntary bodies is as follows: for eligible students starting (i) postgraduate pre-registration courses in nursing, midwifery and the allied health professions or (ii) undergraduate pre-registration courses in dental profession subjects in 2018/19, replacing NHS bursaries with the standard student finance arrangements may increase funding to Higher Education providers as tuition fee

¹⁴ House of Lords, [Secondary Legislation Scrutiny Committee, 26th Report of Session 2017–19, HL Paper 125](#), 26 April 2018.

¹⁵ *Ibid.*, Appendix 3, p30.

¹⁶ *Ibid.*, p7.

payments and teaching grant funding will, on average, be higher under the new system. The impact on the public sector is minimal.¹⁷

2.5 Territorial extent

The regulations apply to England only.

Information on funding for healthcare students in other devolved regions is available on the following websites:

- Scotland: NHS careers [Financial support for medical and dental students – Scotland](#)
- Wales: [NHS Wales Student Awards Services](#)
- Northern Ireland: [NI Direct Health professional courses;](#)
- [NHS Health Careers Financial support for medical and dental students – Northern Ireland](#)

¹⁷ [Explanatory Memorandum](#) to the *Education (Student Support) (Amendment) (No. 2) Regulations 2018 No. 443*, pp5-6.

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