

Cylchlythyr | Circular

Interim Postgraduate Taught (PGT) Masters support package for AY 2018/19

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This circular provides details of HEFCW's interim Postgraduate Taught (PGT) Masters support package for students ordinarily resident in Wales and EU students in academic year AY 2018/19, which is to be delivered for a single year prior to the implementation of the Student Loans Company (SLC) PGT support package in AY 2019/20.

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Introduction

1. [The Review of Student Support and Higher Education Funding in Wales](#) ('The Diamond Review') included recommendations on PGT Masters provision for students ordinarily resident in Wales and EU students.
2. Recognising the value of postgraduate study for students, the economy and society, and acknowledging that in some fields, postgraduate qualifications are becoming the expected standard for individuals to have attained, the Welsh Government partially accepted the recommendations in their published response in November 2016 ([Welsh Government response to recommendations](#)). The Welsh Government have confirmed to HEFCW, in May 2017, that the following will be implemented in Wales:

Support for PGT students

- *'Postgraduate students receive an equivalent level of maintenance and tuition fee support as undergraduate students (i.e. Tuition Fee Loan up to the current £9,000 maximum). However, this support will be provided as a contribution to study rather than as specific elements for tuition and maintenance.*
- *A re-application process should be introduced for any student seeking to undertake a PGT course (whether as an additional year of study added on to their undergraduate degree course or as a stand-alone Masters degree course).'¹*

PGT tuition fee level

- *'To control the amount of public investment/government contribution towards the cost of PGT provision it is recommended that:*
 - *HEIs in Wales continue to set their own fee levels for PGT provision.*
 - *HEFCW would also be required to obtain and monitor evidence of cost data as part of a basket of goods comparison.'*
3. Whilst they accept the principle that postgraduate students should be entitled to the same level of support as undergraduate students, the Welsh Government consider the complexity in regulating postgraduate courses would outweigh the benefits of providing support in this way. The Welsh Government will, therefore, prepare legislation to allow a means-tested contribution to the costs of undertaking a postgraduate course. The general contribution can be used to cover students' tuition fees or maintenance costs and will be similar to the undergraduate full-time support. The support will only be available for one year (or on a pro-rata basis if study is undertaken over a period of up to four years) and will be portable, and so available to students wherever they choose to study in the UK. It is intended to minimise bureaucracy while providing the students with flexibility.

¹ Welsh Government have confirmed that the interim package does not include integrated Masters courses. The intention is for support for students on these courses to continue to be funded in the same way as at present.

4. In February 2017, the Welsh Government informed HEFCW that the SLC were unable to implement the Diamond package of support for postgraduate students undertaking a taught Masters course in time for implementation in AY 2018/19. As a result, the Welsh Government are providing an interim package of support to students, through HEFCW. HEFCW will allocate this funding to Welsh HE providers to provide students with additional funding support for their PGT Masters costs. This will be in addition to a postgraduate loan, administered by the SLC, which is available from AY 2017/18 to Welsh domiciled students studying throughout the UK ([Support for Students on PG Masters Degrees](#)).
5. The Welsh Government confirmed that they proposed to make this funding available to HEFCW under section 68 of the Further and Higher Education Act 1992, and confirmed through the [Cabinet Secretary Statement - 18 October 2017](#) that this would be £5m in financial year (FY) 2018-19 and £5m in FY 2019-20, prior to the SLC implementation of the PGT funding scheme from August 2019. The total of £10m is expected to provide funding for full-time (FT) and part-time (PT) students starting in AY 2018/19, including any continuing support beyond AY 2018/19 for PT students that start under these arrangements in AY 2018/19. This funding has not yet been confirmed and reflected in the HEFCW budget from Welsh Government, but this funding is expected to be included in HEFCW's 2018-19 remit letter.
6. The frequently asked questions relating to the student finance support in Wales 2018/19 statement, published on 11 July 2017 ([FAQ-Student Finance Support 2018/19](#)), indicated that future PGT support funding is expected to be equivalent to around £4,000 per student when the full scheme is implemented. It should be noted that this figure was derived based on certain assumptions by the Welsh Government and so will be influenced by changes in factors such as student recruitment and demand for support.
7. Subject to formal Welsh Government funding confirmation, HEFCW intend to deliver a package of funding support for postgraduate Masters provision in Welsh providers in AY 2018/19. Although HEFCW cannot fund students directly, the Welsh Government's request is for HEFCW to provide funding via the Welsh higher education providers (HEPs). The funding package will be structured in such a way that HEFCW can provide the funding to providers for postgraduate Masters provision, to provide support for postgraduate Masters students, both those studying on a full-time basis and those studying on a part-time basis.
8. Welsh Government have clarified that the eligible population will be the same as the current eligible population for loans set out in the [2017/18 Postgraduate Masters Degree Loans regulations](#) (currently there are few changes planned for AY 2018/19). It will include some research programmes, where that research leads to a Masters degree, but will not include, for example, PhDs, integrated Masters and PG Diplomas.

Consultation

9. In August 2017 we issued a consultation ([W17/20HE](#)) seeking comments on HEFCW's proposals for an interim PGT support package for AY 2018/19, to be delivered for a single year, prior to the implementation by the SLC in AY 2019/20 of a PGT support package, for both full-time and part-time Welsh and EU domiciled students.
10. It outlined the background to HEFCW's proposals and posed a number of questions, the responses to which we used to inform, develop and refine the final arrangements.

Consideration of Responses

11. Responses to the questions posed were varied and wide-ranging, as might be expected given the diverse HE sector in Wales. However, there were recurring themes which centred around recognition of the complexity of developing a simple one-year solution while maintaining a reasonable balance between the implementation and operational work required by HEFCW and the sector.
12. As a result of historic recruitment fluctuations, and the expected increase in PGT numbers at some institutions in AY 2018/19, the sector had a number of concerns around our proposals for data sources for the allocation method and whether there would be a cap on the funding allocations, with clawback applied for under allocation.
13. In terms of our role in prescribing the allocation method in institutions, and the criteria that they might use to distribute the funding, the responses to this question were particularly disparate.
14. Officers considered all the issues which were raised in the responses and the themes that were recurring, addressing them where possible in order to develop the final arrangements for the PGT Interim Support Package in AY 2018/19.

Arrangements for sector distribution

15. Subject to Welsh Government formally confirming the funding allocation, the PGT Interim Support funding for AY 2018/19 will be distributed to the sector on the basis of their AY 2018/19 forecast PGT recruitment data. This data is based on completions, with the only issue being that the proposed scheme is for students on Masters courses only and the forecast data does not split PGT numbers between Masters and non-Masters. For that reason, we have also used the AY 2015/16 HESA data, which includes the split of PGT in Masters and non-Masters, and have applied the proportion of PGT that is Masters to the forecasts data to

estimate the number of Masters students starting in AY 2018/19. These estimates have been verified with institutions prior to using them in the final allocations, and institutions have been allowed to make changes to the estimates to reflect more recent information where necessary. As a result of these changes, the numbers of PGT students included in the calculation of the allocations to institutions has increased.

16. Although the Cabinet's Secretary's statement confirmed a total allocation of £10m, using the pre-verification estimates of PGT Masters new entrants in AY 2018/19, allocating £4,000 per student (paragraph 1.6 refers) would have resulted in the total required being £10.935m, which exceeds the £10m available.
17. The Welsh Government have confirmed that, in principle, they agree to fund this by providing an additional £935k in FY 2020-21, but have stated that this will be the maximum funding allocation available.
18. Using this potential maximum funding envelope of £10.935m and the verified revised estimates of PGT Masters students in AY 2018/19, results in an amount allocated per new entrant (FT and PT) of £3,416. This is the basis on which the institutions will receive their allocation from HEFCW.
19. The Welsh Government have indicated that the £10.935m should in part be a contribution to support those PT students continuing into AY 2019/20 (those that start in 2018/19). Institutions should therefore be aware that the PT student allocation of £3,416 per entrant is to cover PT entry into AY 2018/19 and the continuation of their studies. Continuing PT students will not be included in the full scheme when it is introduced through the SLC in AY 2019/20.

Internal Institutional Allocation

20. We do not expect institutions to replicate our method of allocation, and we expect there may be variation between the institutions in the method of award that they adopt.
21. Although institutions are required to devise and operate their own method of allocation, they should only award the funding to eligible students (as defined in [2017/18 Postgraduate Masters Degree Loans regulations](#) – see paragraph 1.8 above).
22. In terms of establishing criteria for the allocations, institutions may wish to consider some of the criteria that were used in English institutions for HEFCE's Postgraduate Support Scheme 2015/16 which was evaluated in August 2017 ([Evaluation of the Postgraduate Support Scheme 2015/16](#)).
23. Potential criteria that might be used are being:

- in receipt of Disabled Students' Allowance (DSA);
 - a care leaver;
 - from a low income household;
 - from a low participation background;
 - in receipt of an UG bursary and/or maintenance loan;
 - from a Black, Asian or Minority Ethnic group.
24. As institutions develop their own method of allocation, we would also remind them that this is a one year transition arrangement, and as such we would encourage simplicity, transparency and ease of administration. Institutions should also ensure that any publicity takes into account any advice issued from the Competition and Markets Authority (CMA).
25. Given that most, if not all, institutions already operate bursary schemes, we do not consider it necessary to allocate any of this funding for administrative costs to run the interim package.

Monitoring and Clawback

26. After the end of the AY 2018/19 (for FT and PT students) and AY 2019/10 onwards (for PT students), we will claw back funding if necessary on the basis of the actual number of completed PGT Masters entrants, against the verified estimates used in the allocation of funding. These data will be collected as part of the Higher Education Students Early Statistics (HESES) survey. Using the allocation per student of £3,416 (paragraph 4.4 refers), if the institution fails to deliver the estimated numbers against which the allocation was provided, we would reclaim this amount per student multiplied by the number shortfall.
27. Therefore, we will not clawback on the basis of the actual awards given, or funding spent, thus still leaving each institution free to have their own allocation method. If the clawback results in funding being available we will consider redistribution.

Benefits of proposed method

28. This method has been developed as a result of the responses provided to the consultation. Its design:
- allows timely distribution of the fund;
 - is transparent, simple and consistently applied by HEFCW across all institutions;
 - addresses concerns about the proposed baseline used for allocation and the comments that recruitment for PGT is expected to be higher in AY 2018/19 than it has been in previous years;
 - encourages the recruitment and retention of PGT students in AY 2018/19;

- provides some guidance for the development of institutional awards mechanisms, without being prescriptive, allowing institutions to provide the level of support for their internal allocations they consider appropriate for their students.

Timetable

29. The detail of the proposed allocations for each provider is included at Annex A. We cannot make any firm financial commitment, or payments, until formal confirmation of the funding has been received from the Welsh Government. However, we currently intend to pay the allocation based on FT student numbers in two equal parts, one in August 2018 and one in April 2019. The allocation relating to the PT student numbers will be paid in four equal instalments; August 2018, April 2019, August 2019 and April 2020. Should we have to amend this profile, we will inform you as soon as practically possible.

Further information

30. For further information, contact Leanne Holborn (telephone 029 2085 9723; email leanne.holborn@hefcw.ac.uk).

Assessing the impact of our policies

31. We have carried out an impact assessment screening to help safeguard against discrimination and promote equality. We also considered the impact of policies on the Welsh language, and Welsh language provision within the HE sector in Wales and potential impacts towards the goals set out in the Well-Being of Future Generations (Wales) Act 2015 including our Well-Being Objectives. Contact equality@hefcw.ac.uk for more information about impact assessments.
32. A similar responsibility rests on higher education providers to assess the impact of their proposals for distribution, to safeguard against discrimination and promote equality.

PGT interim allocation

Annex A

Institution	Mode of study	Verified estimated number of new entrant Masters in AY 2018/19	Funding allocation based on £3,416 per student
University of South Wales	Full-time	464	1,585,024
	Part-time	402	1,373,232
Aberystwyth University	Full-time	105	358,680
	Part-time	38	129,808
Bangor University	Full-time	167	570,472
	Part-time	85	290,360
Cardiff University	Full-time	462	1,578,192
	Part-time	185	631,960
University of Wales Trinity Saint David	Full-time	32	109,312
	Part-time	139	474,824
Swansea University	Full-time	443	1,513,288
	Part-time	178	608,048
Cardiff Metropolitan University	Full-time	226	772,016
	Part-time	109	372,344
Wrexham Glyndŵr University	Full-time	72	245,952
	Part-time	40	136,640
Open University in Wales	Part-time	54	184,464
Total		3,201	10,934,616