



## BRIEFING PAPER

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# Reform of support for healthcare students in England

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## Summary

Currently students accepted on an NHS funded course in England that leads to professional registration as a nurse, midwife or other allied health professional may be eligible for an NHS Bursary to help with the costs of studying.

For new full-time students starting in 2015-16 the NHS Bursary consists 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 qualify for a bursary will also have the costs of their **tuition paid** directly to their higher education institution by the NHS. Healthcare students may also apply for a non-income assessed **reduced rate maintenance loan** from Student Finance England.

This briefing applies to the Bursary Scheme in place for eligible students studying in England. Students ordinarily resident in Scotland, Wales and Northern Ireland who are studying in England may be eligible for a bursary under this scheme. Different schemes are in place for students studying in Scotland, Wales and Northern Ireland.

### Government proposals for reform

The Autumn Statement 2015 announced that the Government intended to replace NHS Bursaries with student loans for students starting courses in nursing, midwifery and allied health subjects. It additionally said that the cap on the number of student places for these courses would be removed.

Under the proposals as they stand, from September 2017 new students on nursing, midwifery and allied health professions pre-registration courses in England, will take out maintenance and tuition loans, rather than getting an NHS Bursary. The Government has stated that it expects the reform to provide up to 10,000 additional nursing and health professional training places over the course of the 2015 Parliament.

It is expected that a consultation on the proposals will start in January 2016.

# 1. Background

Section 63 of the *Health Services and Public Health Act 1968* provides the Secretary of State for Health with the power to make grants, pay fees, and pay allowances, to people who have accepted places on training courses for employment in the National Health Service.<sup>1</sup> These grants and allowances are known as NHS Bursaries.

NHS Bursaries are paid in line with rules known as the NHS Bursary Scheme, which is administered in England by the NHS Business Services Authority. Although administered by the Business Services Authority, the Health Secretary retains overall responsibility for the NHS Bursary Scheme.

In 2011, substantial changes were made to the NHS Bursary Scheme for students starting courses from September 2012, the rules of the scheme therefore vary depending on when a student started their course.

This briefing provides information about NHS Bursaries for nurses, midwives, and allied health professionals only. Support for medical and dental students is covered in a separate briefing: [Support for medical students in England in 2014/15 and 2015/16](#).

## 1.1 Statistics on nursing and midwifery students

The table opposite shows trends in the number of commissioned (funded) places in England. The number of places for nurses fell from almost 25,000 in 2004-05, to around 17,500 in 2012-13; a fall of around 30%. Recent increases have taken their number to just over 20,000. Midwifery places increased between 2007 and 2009 and have been broadly stable since then. 97-98% of nursing places were taken up in recent years.<sup>2</sup> Between 75% and 80% of starters complete their courses.

Across all UK higher education institutions there were 25,145 full-time home first degree students who started studying nursing and midwifery in 2013-14. In the same year there were 65,130 home students across all years of these courses. These totals include students not funded through the NHS in England. A further 18,600 started studying other subjects allied to medicine (58,000 across all years). Again these figures include students/courses not funded by the NHS in England.<sup>3</sup>

### Pre-registration nursing and midwifery places, England

	Nursing	Midwifery
2000-01	19,460	1,983
2001-02	20,668	2,029
2002-03	21,949	2,250
2003-04	23,553	2,285
2004-05	24,956	2,425
2005-06	24,520	2,380
2006-07	22,964	2,170
2007-08	21,569	2,115
2008-09	21,732	2,274
2009-10	21,337	2,537
2010-11	20,327	2,493
2011-12	18,069	2,507
2012-13	17,546	2,578
2013-14	18,056	2,588
2014-15	19,206	2,563
2015-16	20,033	2,605

Source: PQ HL4111 [on Health Professions: Training] 5 December 2015

<sup>1</sup> *Health Services and Public Health Act 1968*, section 63

<sup>2</sup> PQ 215610 [on Health Professions: Training] 21 November 2014

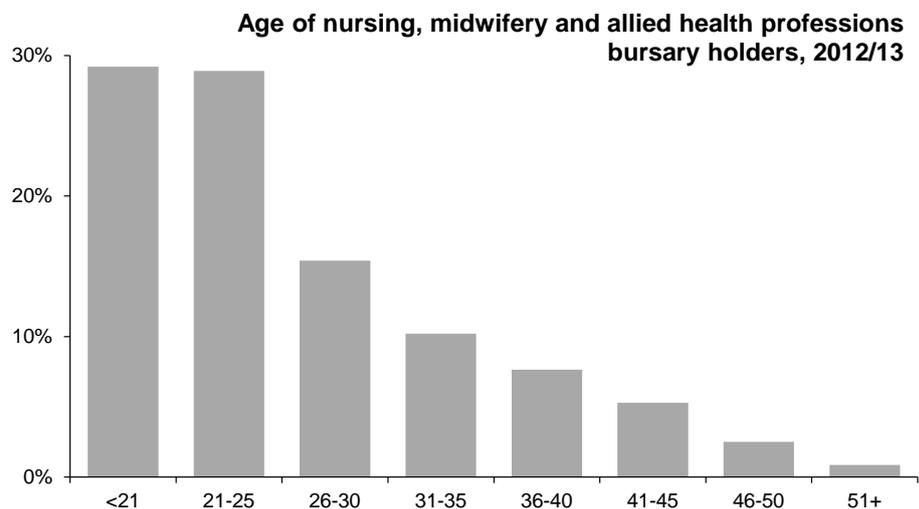
<sup>3</sup> *Students in Higher Education Institutions 2013/14*, HESA

Data from UCAS gives slightly more up to date figures. In 2014-15 there were 21,205 accepted applicants from England to nursing/ midwifery courses, plus 19,400 on other subjects allied to medicine.<sup>4</sup>

The latest detailed analysis of bursary recipients in England is for academic year 2012/13. There were 75,800 nursing, midwifery and allied health profession students at the time across all years of study. A breakdown by profession is given opposite. Total expenditure was £388 million. This total increased from £360 million in 2003/04 to a peak of £450 million in 2010/11; an overall increase of 3% in real terms. Spending fell in the following two years, by 17% in real terms, as the number of nursing places fell.<sup>5 6</sup>

Student nurses, midwives and allied professions tend to be older than other undergraduates. A breakdown of 2012/13 numbers by age is given below. For comparison 61% of all full-time first degree students in the UK were aged under 21 (compared to 29% of these bursary holders) and 5% aged 30 or over (compared to 28%).<sup>78</sup>

<b>Bursary holders in 2012/13</b>	
<b>Nursing &amp; Midwifery</b>	<b>59,508</b>
Nursing	53,583
Midwifery	5,925
<b>Allied Health Professions</b>	<b>16,335</b>
Chiroprody / Podiatry	987
Dietetics	1,080
Occupational Therapy	4,222
Orthoptics	214
Physiotherapy	4,106
Prosthetics and Orthotics	99
Radiography	3,053
Radiotherapy	580
Speech & Language Therapy	1,994



25% of nursing degree students were from an ethnic minority background, only just above the rate for all UK first degree students of 22%. However, 14% of nursing students were from a Black ethnic group compared to 6% overall.<sup>9</sup>

## 1.2 Cost of training a nurse and other allied health professionals

The Personal Social Service Research Unit at the University of Kent has estimated the full costs of training various health professions for many years. Their latest estimates for nurses (2014-15) is that the total cost of tuition is around £24,000. Costs linked to clinical placements increase

<sup>4</sup> HESA, *Students in higher education institutions 2013/14*, HESA; End of cycle data resources, UCAS.

<sup>5</sup> Values adjusted using financial year GDP deflators at January 2016

<sup>6</sup> [NHS Student Bursaries End of Year Report Academic Year 2012/13](#), NHS Business Services Authority

<sup>7</sup> *ibid.*

<sup>8</sup> *Students in higher education institutions 2012/13*, HESA

<sup>9</sup> *ibid.*

this cost to £29,000. However, the largest element of their total estimate are the costs of living expenses while training/studying and lost 'production' when they are away from their posts training. This increases the total pre-registration 'investment' for a nurse to around £81,000. Equivalent total investment figures for other allied professions are given below (tuition only costs in brackets):<sup>10</sup>

- Physiotherapist £69,000 (£25,500)
- Occupational therapist £69,000 (£25,500)
- Speech and language therapist £72,000 (£28,000)
- Dietician £69,000 (£25,500)
- Radiographer £74,000 (£30,500)

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<sup>10</sup> [Unit Costs of Health and Social Care 2015](#), PSSRU

## 2. Support for students starting courses in 2015-16

Students accepted on an NHS funded course that leads to specified professional registration may be eligible for an NHS Bursary to help with the costs of studying. The courses included in the scheme are nursing, midwifery and other allied health profession (AHP) areas such as physiotherapy, chiropody, speech and language therapy, and radiography. A full list of eligible healthcare courses is provided on page 5 of the NHS Business Services Authority's [guide to student bursaries 2015-16](#).

The NHS bursary has various elements; for new full-time students starting in 2015-16 it provides:

- 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.<sup>11</sup>
- Other **bursary elements** including an extra weeks allowance for courses that run for longer than 30 weeks and 3 days each academic year, and practice placement expenses. Further information on the full list of bursary elements is available on pages 6-8 of the NHS Business Services Authority's [guide](#).<sup>12</sup>

Eligible students can receive a bursary in each year of their training, normally paid in monthly instalments. Bursary awards are not subject to income tax deductions, or national insurance contributions.

Students who qualify for a bursary will also have the costs of their **tuition paid** directly to their higher education institution by the NHS.

### Box 1: Students from Scotland, Wales and Northern Ireland

NHS Bursaries for nursing, midwifery and the AHPs are available to students who are studying in England but are ordinarily resident in Scotland, Wales or Northern Ireland – i.e. the bursary is paid based on where the student is studying, rather than where they live. Different schemes are in place for students studying in Scotland, Wales and Northern Ireland.

This situation only applies to courses in nursing, midwifery and the AHPs. In contrast, each UK country is responsible for its own medical and dental students, wherever they study in the UK.<sup>13</sup>

<sup>11</sup> NHS Business Services Authority, [Financial help for healthcare students 2015-16](#), August 2015, p22

<sup>12</sup> NHS Business Services Authority, [Your guide to NHS student bursaries 2015-16](#), pp7-8

<sup>13</sup> Department of Health, [The NHS Bursary Scheme New Rules: Fourth Edition](#), February 2015, p17

Students who are eligible to apply for an NHS Bursary may also apply for a non-income assessed **reduced rate maintenance loan** from Student Finance England.<sup>14</sup> The maximum loan for the 2015-16 academic year is:

- £1,744 for students living with their parents
- 2,324 for students living away from their parents and outside London
- £3,263 for students living away from their parents and inside London.

The loan is reduced in the final year of the course.<sup>15</sup>

Further information on the NHS Bursary Scheme is available from the following sources:

- NHS Business Services Authority, [\*Your guide to NHS Student Bursaries 2015-16\*](#), November 2014.
- NHS Business Services Authority, [\*Financial help for healthcare students 2015-16\*](#), August 2015.
- Department of Health, [\*The NHS Bursary Scheme New Rules: Fourth Edition\*](#), February 2015
- [Student Bursaries](#), website of the NHS Business Services Authority, last accessed 14 December 2015.

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<sup>14</sup> Student Finance England, [\*Higher Education Student Support in England 2015-16: NHS\*](#), December 2015, p3

<sup>15</sup> As above, p11

### 3. Proposal for reform - Joint Statement by Council of Deans of Health and Universities UK

In June 2015, the Council of Deans of Health and Universities UK (UUK) issued a joint statement, [Reforming initial education funding for nursing, midwifery and AHP students in England](#). The statement said that student number controls were creating difficulties with workforce planning and funding through grants was causing difficulties with under funding for courses and students. The statement set out the case for reform of funding:

The current funding system is also no longer working for either students or universities. Although NHS-funded students mostly have grants rather than loans they often have less to live on, despite their courses being significantly longer (42 weeks a year compared to 30). Their funding is also reduced further in their crucial third year, making financial hardship a key issue. In one London university, 63% of the whole university's hardship fund went to NHS-funded students in 2012/13. Funding for nursing and physiotherapy degrees is also now lower than any other subject in higher education, even though these courses put much higher demands on universities in areas such as quality assurance, laboratory space and simulation kit.

The statement asked the Government to change student funding from grants to loans:

There are no easy decisions in reforming education funding. But given the compelling case for change, the Government needs to consider urgently whether the current system of NHS-funded grants can be moved to a system of student loans. Nursing, midwifery and many allied health professions have an outstanding record in widening participation to higher education and attract many mature students, who bring a wealth of experience to their future careers in health and social care. Appropriate safeguards must therefore be put in place to ensure that these students are not unduly deterred from studying and that access to these health professions remains open to all.

It also suggested that the Government could consider partly repaying loans to attract students into the profession.

An article in the *Times Higher Education* discussed the statement and contained the following comments:

Steve West, chair of Universities UK's Health Education and Research Policy Network and vice-chancellor of the University of the West of England, said: "It is time for change."

He added: "Students are not receiving enough financial support to meet their day-to-day costs of living and universities receive less for many of these courses than they actually cost to deliver, and less than the £9,000 fee that universities receive for other subjects."

Dame Jessica Corner, chair of the CDH, said that nursing, midwifery and allied health professional courses had an "outstanding record" in widening participation.

“There are risks to change but if we want the numbers of health professionals that we know future patients will need, the system must be overhauled,” she added.<sup>16</sup>

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<sup>16</sup> [“Universities call for nurse education funding reform”](#), *Times Higher Education*, 30 June 2015

## 4. Autumn Statement 2015 announcement

The Autumn Statement 2015 announced that the Government intended to replace NHS Bursaries with student loans for students starting courses in nursing, midwifery and the AHPs from September 2017. It additionally said that the cap on the number of student places for these courses would be removed:

The Spending Review reforms the funding system for health students by replacing grants with student loans and abolishing the cap on the number of student places for nursing, midwifery and allied health subjects. The current grant system means that there is a cap on student nurses and over half of all applicants to nursing courses are turned away.<sup>17</sup>

Under the proposals, from September 2017, new students on nursing, midwifery and AHP pre-registration courses in England will take out maintenance and tuition loans, rather than getting an NHS Bursary.<sup>18</sup>

The Autumn Statement document stated that the reform will allow universities to provide up to an additional 10,000 nursing and health professional training places:

This reform will enable universities to provide up to 10,000 additional nursing and other health professional training places this Parliament. This will ensure that there are enough nurses for the NHS while cutting the current reliance on expensive agency staff. The move to loans will also mean access to 25% more financial support for health students during their studies. The government will work with key stakeholders to implement the reforms.<sup>19</sup>

### 4.1 Amount of support under the proposed system

The Autumn Statement 2015 document stated that the change from grants to loans will increase the money available to students while studying their course by 25 per cent. Students will make a contribution to this support in the form of loan repayments if they earn enough following their training.

The Council of Deans of Health has provided a [briefing](#) for students on the proposed change, which included the following caveat: "This isn't official or definitive information but it is our best current understanding of the Government's proposals in the 2015 Spending Review." The briefing states that students will have more 'cash in hand' under the new loans system than under the existing bursary system. It compared

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<sup>17</sup> HM Treasury, [Spending Review and Autumn Statement](#), November 2015, p31

<sup>18</sup> Council of Health Deans, [The 2015 Spending Review Changes to Nursing, Midwifery and AHP Education – Background Information for Students](#), 25 November 2015. HM Treasury, [Spending Review and Autumn Statement](#), November 2015, p126. Also see the Chancellor's reference to the proposals affecting new students at [HC Deb 25 November 2015 c1363](#).

<sup>19</sup> HM Treasury, [Spending Review and Autumn Statement](#), November 2015, p32

the maintenance support under the old and new systems as follows (emphasis in original):

- **Students inside London and living away from the parental home:** the maximum amount per year would increase from **£8,750 to £12,054 (a 38% increase)**;
- **Students outside of London and living away from the parental home:** the maximum amount per year would increase from **£6,975 to £9,257 (a 33% increase)**;
- **Students living in the parental home:** the maximum amount per year would increase from **£6,064 to £7,592 (a 25% increase)**.<sup>20</sup>

## 4.2 Savings from the proposals

An article in the *Guardian* said that abolishing bursaries for nurses could save an estimated £826 million a year:

The Department of Health currently spends £826m a year to help fund about 60,000 student nurses in England through their three-year degree courses. That £826m comes from the £5bn a year the department gives to Health Education England (HEE), the NHS education and training body, which distributes the money to student nurses.<sup>21</sup>

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<sup>20</sup> [The 2015 Spending Review Changes to Nursing, Midwifery and AHP Education – Background Information for Students](#), Council of Deans Health, 25 November 2015

<sup>21</sup> ["George Osborne considers axing student nurse bursaries"](#), *The Guardian*, 21 November 2015

## 5. Reaction to the announcement

A number of stakeholders issued statements commenting on the announcement that NHS Bursaries would be replaced with loans. This included:

### **The Royal College of Midwives**

On 25 November 2015 the Royal College of Midwives issued a statement saying:

“Today’s announcement is extremely worrying. There has been no consultation on the proposed changes and therefore no opportunity to highlight the huge and negative impact that this will have on midwifery student numbers.

“The cuts are likely to deter many potential students from entering the profession which is not good news for the future of midwifery in the UK. Cutting public funding to train frontline staff in an already struggling and understaffed maternity service just doesn’t make sense.

“It’s already deeply frustrating for midwives that they often cannot provide the quality of maternity care that women and their babies deserve because they don’t have the time and are so short staffed as demand on maternity services increases.

“Today’s announcement is another blow to the profession. The axing of student bursaries will inevitably make midwifery an unattainable and less attractive profession to thousands of potentially excellent midwives that our maternity services so badly need.”<sup>22</sup>

A day later, on 26 November, the Royal College issued a further statement:

Jon Skewes says; “Quite often after CSR announcements such as this, the dust settles and you can see the small print. Today the RCM has unearthed the true cost to now train as a midwife in the UK and it is most unsettling.

Our understanding as of today is student midwives and nurses will now also be saddled with seeking a loan for both their student support and tuition fees. The combined cost could potentially burden student midwives with a debt of £65,000 for a three year degree programme.

These plans are appalling and will deter great future midwives that the NHS so badly needs. Many midwives already make huge personal and financial sacrifices and now the burden of future debt will exclude many fantastic potential midwives.

Women with children and those who already have a first degree will be particularly hit hard; many of these women already make up a large proportion of our current midwifery student base.

The implications of yesterday’s announcement by George Osborne are wide reaching and extremely damaging for a profession that is already overworked and understaffed.

The government is aware of the existing shortage of midwives in England and should be doing everything they can to make the

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<sup>22</sup> [‘Cuts to student midwife bursaries detrimental to the profession says RCM’](#), Royal College of Midwives, last accessed 25 November 2015.

profession more attractive rather than deterring hardworking, talented women and men from a career they are so committed to and an NHS service that so desperately needs them.”<sup>23</sup>

### **Council of Deans of Health**

The Council of Deans of Health, which represents UK university health faculties, stated:

Professor Dame Jessica Corner, Chair of the Council of Deans of Health said:

‘We have a workforce crisis in health and social care and we’re still educating fewer students than the NHS needs. We recognise that this has been a difficult decision for the government but are pleased that the government has found a way forward. Carefully implemented, this should allow universities in partnership with the NHS to increase the number of training places and also improve day to day financial support for students while they are studying.’

The plan means that students will have access to more day to day maintenance support through the loans system and recognises that these disciplines are higher cost, science-based subjects.”<sup>24</sup>

### **Royal College of Nursing**

On 25 November 2015, the Royal College of Nursing issued a statement saying:

Janet Davies, RCN Chief Executive & General Secretary said:

“A realistic long term funding settlement for the NHS has been desperately needed for some time and whilst today’s commitment is positive, student nurses shouldn’t be the ones having to pay for it.

“The Government has finally recognised that there is a nursing shortage and a promise of 10,000 extra health professionals in this Parliament will be a boost to the health service.

“Student nurses aren’t like other students. 50% of their time is spent in clinical practice working directly with patients and their families and they have a longer academic year. These proposals will saddle future generations of these student nurses with even more debt and financial pressures and unless nurses pay improves, many graduates will never be in a position to pay their loans back.

“The ring-fence to nursing student funding has been removed and a precious link between the NHS and its nurses is potentially at risk, making it harder to plan for the future workforce.

“There are still a lot of question marks about how the system will actually work but the RCN is certain that anything that makes people worse off or deters them from becoming nurses, would be a big loss to our society.

“For the benefit of future nurses and for their patients, the RCN hopes to be able to work with the Government to design a practical and sensible solution which addresses some of these very real risks.”<sup>25</sup>

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<sup>23</sup> [‘Government saddles student midwives with £65,000 debt’](#), Royal College of Midwives, 26 November 2015

<sup>24</sup> [University bodies give initial backing to health education funding reforms](#), Council of Deans Health, 25 November 2015.

<sup>25</sup> [RCN responds to the Autumn Statement and Spending Review](#), Royal College of Nursing, 25 November 2015.

## 5.1 Parliamentary debate

### E-petition

An e-petition, [Keep the NHS Bursary](#), has, as of 15 December 2015, received 147,149 signatures. It is expected that the e-petition will be debated in Parliament on 11 January 2016.

### Adjournment debate

An end of day adjournment debate on the proposed reforms was held in the House of Commons on 14 December 2015.

Opening the debate, Wes Streeting MP highlighted that nursing and midwifery students are required to work in hospitals throughout their degrees, and he asked the Minister whether he intended to pay them for the hours they worked in future. He then went on to raise a number of concerns with the proposed reforms, including the higher debt that students would have as a result of the changes. He also asked if any changes were to be made to the additional allowances that are currently available under the NHS Bursary.<sup>26</sup>

In response, the Parliamentary Under-Secretary of State for Health, Ben Gummer, set out the Government's rationale for the change, stating that nursing course were heavily oversubscribed and that the proposals would allow extra places to be made available:

The hon. Gentleman will be aware that nursing remains one of the few subjects not within the purview of the current student finance system. To our mind, the current system is not delivering as it should for either students or patients. Simply put, nursing is one of the most oversubscribed subjects in the whole academic range, and the fifth most popular subject that UCAS offers. Last year, there were 57,000 applicants for the 20,000 nursing places available.

I do not wish to go down the route of discussing NHS finance, because it will lead us to a place that is not easy for the hon. Gentleman's argument and not particularly realistic. There is no way that any Government of any stripe would be able to offer a place to every single person with the necessary qualifications who wished under the current funding system to apply for a nursing place. The question for us is this: how do we change the system to give more people the opportunity to study nursing, and do so in a way that we are able better to supply the nurses and the nursing positions required in the NHS?<sup>27</sup>

The Minister also confirmed that, under the proposed reforms, mature students will be able to take out a second student loan for a nursing, midwifery or AHP degree.<sup>28</sup>

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<sup>26</sup> [HC Deb 14 December 2015 cc1372-3](#)

<sup>27</sup> [HC Deb 14 December 2015 c1377](#)

<sup>28</sup> As above, [c1381](#)

## 6. Next steps

In the adjournment debate on 14 December 2015, the Minister stated that a consultation on the reforms would start in January 2016 and that an economic impact assessment and an equality impact assessment would be published alongside it. He said that, among other things, the consultation will look at how mature students should be supported, and at the funding of clinical placements.<sup>29</sup>

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<sup>29</sup> As above, [c1381](#)

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