



BRIEFING PAPER

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Reform of support for healthcare students in England

By Susan Hubble, David
Foster and Paul Bolton

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Summary

Current financial support and plans for reform

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

For new full-time students starting in 2016-17 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 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.

Withdrawal of bursary for new students starting in England in September 2017 – nursing, midwifery and allied health professions

From August 2017, new students on most nursing, midwifery and allied health professions pre-registration courses will not be entitled to bursary support. Instead, they will be able to apply for mainstream student finance in the form of repayable student loans. Some additional funding and transitional bursary funding will be available for particular groups.

The changes will only affect new students; they will not apply retrospectively to those who began their course in 2016 or earlier.

The Government has said it expects the reform to provide up to 10,000 additional nursing and health professional training places over the course of this Parliament; it has also said that the cap on the number of student places for nursing, midwifery and allied health professions will be removed.

The reforms were originally announced in the Autumn Statement 2015. The Government consulted on the proposals between April and June 2016, and published its consultation response in July 2016.

These changes will not apply to NHS bursaries for medical and dental students.

Applications for nursing in 2017

The first data on applicants under the reformed support system cover the period to mid-January 2017. Up to that point there were 10,000 fewer applicants from England, a fall of 23%.

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.¹ 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 scheme.

In 2011, substantial changes were made to the 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 in England 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.² Between 75% and 80% of starters complete their courses.

Across all UK higher education institutions there were 26,340 full-time home first degree students who started studying nursing and midwifery in 2014-15. In the same year there were 69,125 home students across all years of these courses. These totals include students not funded through the NHS in England. A further 19,100 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.³

Data from UCAS gives more up to date figures. In 2016/17 there were 22,625 accepted applicants from England to nursing/ midwifery courses, up from below 19,000 in 2011 and 2012 and the highest figure since UCAS started dealing with most nursing applicants in 2008. There were

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

¹ *Health Services and Public Health Act 1968*, section 63

² PQ 215610 [on Health Professions: Training] 21 November 2014

³ *Students in Higher Education Institutions 2014/15*, HESA

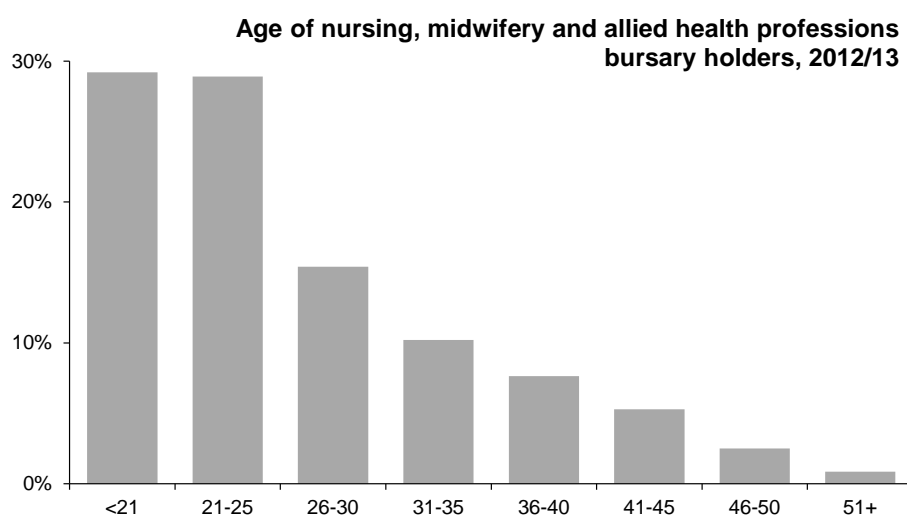
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also 20,200 accepted applicants to other subjects allied to medicine in 2016.⁴

The first data on applicants under the reformed support system cover the period to mid-January so may be affected by later applications. They show an overall fall of 11,000 or 20% across all domicile groups; the most 'notable' decrease in any subject according to UCAS. This was driven by the 10,000 fewer applicants from England, a fall of 23%. There were much smaller reductions from Scotland (4%), Wales (11% and Northern Ireland (7%). The decline in applications to nursing from older groups was even larger at 28% among those aged 20+ compared to 10% among 18 year olds.⁵

The latest analysis of bursary recipients in England is for academic year 2015/16. There were 75,300 successful nursing, midwifery and allied health profession applicants for bursaries students at the time including new and continuing students. Total expenditure was £370 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 four years, by 25% in real terms, as the number of nursing places fell. There was a small increase in 2015/16 of around 2% in real terms.^{6 7}

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%).^{8 9}



25% of nursing degree students were from an ethnic minority background, only just above the rate for all UK first degree students of

Successful bursary applications 2015/16

Nursing & Midwifery	58,662
Nursing	52,259
Midwifery	6,403
Allied Health Professions	16,647
Chiropody / Podiatry	949
Dietetics	1,084
Occupational Therapy	4,052
Orthoptics	232
Physiotherapy	4,258
Prosthetics and Orthotics	99
Radiography	3,172
Radiotherapy	808
Speech & Language Therapy	1,993

⁴ End of cycle data resources, UCAS.

⁵ [2017 cycle applicant figures – January deadline](#), UCAS

⁶ Values adjusted using financial year GDP deflators at January 2017

⁷ [Student Services Annual Report 2015/16](#), NHS Business Services Authority

⁸ [NHS Student Bursaries End of Year Report Academic Year 2012/13](#), NHS Business Services Authority

⁹ [Students in higher education institutions 2012/13](#), HESA

22%. However, 14% of nursing students were from a Black ethnic group compared to 6% overall.¹⁰

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 (2015-16) is that the total cost of tuition is around £24,000. Costs linked to clinical placements increase 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 £85,600. Equivalent total investment figures for other allied professions are given below (tuition only costs in brackets):¹¹

- Physiotherapist £72,800 (£25,500)
- Occupational therapist £72,800 (£25,500)
- Speech and language therapist £75,300 (£28,000)
- Dietician £72,800 (£25,500)
- Radiographer £77,800 (£30,500)

¹⁰ *ibid.*

¹¹ [Unit Costs of Health and Social Care 2016](#), PSSRU

2. Support for students starting courses in 2016-17

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 2016-17](#).

The NHS bursary has various elements; for new full-time students starting in 2016-17 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.¹²
- 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](#).¹³

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.¹⁴

¹² NHS Business Services Authority, [Financial help for healthcare students 2016-17](#), August 2015, p22

¹³ NHS Business Services Authority, [Your guide to NHS student bursaries 2016-17](#), pp7-8

¹⁴ Department of Health, [The NHS Bursary Scheme New Rules: Fifth Edition](#), May 2016, p. 17

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.¹⁵ The maximum loan for the 2016-17 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.¹⁶

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

- NHS Business Services Authority, [Your guide to NHS Student Bursaries 2016-17](#), November 2015.
- NHS Business Services Authority, [Financial help for healthcare students 2016-17](#), May 2016.
- Department of Health, [The NHS Bursary Scheme New Rules: Fifth Edition](#), May 2016
- [Student Bursaries](#), website of the NHS Business Services Authority, last accessed 2 November 2016.

2.1 NHS bursaries for medical and dental students

Undergraduate medical and dental students are also eligible to apply for NHS bursaries in the final years of their courses; there are different arrangements for graduate entry medicine programmes. NHS bursaries for medical and dental students will not be affected by the proposed changes.

General background information on financial support for medical and dental students can be found on the NHS careers website:

- [NHS website article, 'Financial support for medical and dental students – England'](#), undated.

¹⁵ See: Department for Business, Innovation and Skills, [Loan, grant and tuition fee rates for academic year 2016/17](#), p. 6

¹⁶ 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 *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.¹⁷

¹⁷ [“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.¹⁸

Under the proposals, from September 2017, new students on nursing, midwifery and AHP pre-registration courses in England would take out maintenance and tuition loans, rather than getting an NHS Bursary.¹⁹

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.²⁰

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 would make a contribution to this support in the form of loan repayments if they earned 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

¹⁸ HM Treasury, *Spending Review and Autumn Statement*, November 2015, p31

¹⁹ Council of Deans of Health, *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](#).

²⁰ *Ibid.*, 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)**.²¹

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.²²

²¹ [The 2015 Spending Review Changes to Nursing, Midwifery and AHP Education – Background Information for Students](#), Council of Deans of Health, 25 November 2015

²² ["George Osborne considers axing student nurse bursaries"](#), *The Guardian*, 21 November 2015

5. Reaction to the announcement

A number of stakeholders commented on the proposal to replace NHS Bursaries with loans.

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.”²³

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 profession more attractive rather than deterring hardworking,

²³ [‘Cuts to student midwife bursaries detrimental to the profession says RCM’](#), Royal College of Midwives, last accessed 25 November 2015.

talented women and men from a career they are so committed to and an NHS service that so desperately needs them.”²⁴

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.”²⁵

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.”²⁶

²⁴ [‘Government saddles student midwives with £65,000 debt’](#), Royal College of Midwives, 26 November 2015

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

²⁶ [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](#), received around 163,000 signatures. The petition led to a debate on 11 January 2016: [NHS Bursary](#).²⁷

The main issues raised during the debate were: the impact that the changes could have on the recruitment of mature students²⁸ and students with dependants²⁹ and the impact that the changes could have on the income of nursing students as these courses allow less time for students to work outside their course.³⁰ Louse Haigh MP also referred to a survey in which nine out of ten nurses said that they would not have gone into training under the new proposals.³¹

The then health Minister, Ben Gummer, responded saying the changes would create a 25 percent increase in support for nursing students³² and allow an increase in the number and quality of nursing courses.³³

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.³⁴

In response, Mr 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

²⁷ [HC Deb 11 January 2016 c201 WH](#)

²⁸ Helen Jones HC Deb 11 January 2016 c205

²⁹ Stella Creasy *ibid* c203

³⁰ Paul Scully *ibid* c 207

³¹ *Ibid* c211

³² *Ibid* c238

³³ *Ibid* c236

³⁴ [HC Deb 14 December 2015 cc1372-3](#)

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?³⁵

6. Consultation – April 2016

A consultation on the removal of NHS bursaries from healthcare students - [The case for health education funding reform](#) - opened on 7 April 2016 and closed on 30 June 2016.³⁶ This sought responses to ten questions and among other things asked respondents to consider the following:

- Whether there were other courses to which these changes should be extended.
- Whether there were circumstances in which the standard student support system would be inadequate or limit participation.
- Whether increasing support for living costs by around 25% would ensure a diverse population of students.
- Whether there were other measure that could be considered.

The Department of Health published an equality analysis and impact assessment alongside the consultation – all publications are available on the GOV.UK website at [- Changing how healthcare education is funded](#).

6.1 Equality analysis

The original Equality Analysis published alongside the consultation contained the following summary of the potential effects of proposals:

Summary of Analysis

Nursing, midwifery and AHP students are much more likely to be female, over 25 years of age, have dependants and are slightly more likely to have non-white ethnicity. There are non-repayable grants or allowances in place under both systems for disabled students, and to help students with costs associated with childcare and other caring responsibilities. These are generally higher under the standard student support system than the current NHS Bursary Scheme.

Placing new nursing, midwifery and AHP students on the student support system will, in general, provide more living cost support for students during their studies, as the student support system is substantially more than the combination of means-tested and non-means-tested bursaries. However, these new arrangements would increase the time period of student loan repayments students have upon graduation. Concerns about the impact on participation could be mitigated by evidence that increases in fees in the wider higher education system did not have a detrimental impact on application numbers for university, including among lower income groups. In fact, statistics show that in the wider system students are now more likely to apply to university than they were in 2010. It is important to note that the policy would place nursing, midwifery and AHP students on the same student support system as the general student population. There is a built in protection for the lowest earners whereby loan repayments cease where earnings drop below £21,000.

³⁶ Department of Health, [Changing how healthcare education is funded](#), April 2016

There are also considerations around the working patterns associated with clinical placements and the associated issue of travel expenses. The NHS Bursary scheme pays travel expenses to cover the additional cost of travelling to attend a student's clinical placement. Whilst the BIS scheme does have a travel expenses allowance for some students; it does require students to pay the first £303 of their expenses. Again, we have set out in the consultation our commitment to principles of fair access and will consider in further detail the consultation responses on this issue.³⁷

6.2 Impact Assessment

The Impact Assessment contain the following summary of the non-monetised impact of the proposals. The Government said the changes could work to increase the supply of nurses, reduce the drop-out rate from courses and change the profile of nursing students:

Non-monetised impacts

In addition to the monetised costs and benefits set out above, this reform may have further impacts which cannot be fully quantified at this time based on the available evidence.

These reforms should **reduce the risk that the number of courses is constrained by short term financial issues**. In addition, removing the caps on numbers of students and allowing HEIs the ability to increase the number of places offered should **increase the overall number of courses offered**. Based on historical evidence on numbers of commissioned places, it has been estimated that an additional 10,000 places might be made available by the end of this parliament.

Additional students should lead to **increased domestic supply of nurses and AHPs in future years. This additional supply should reduce reliance on more costly Agency staff, and/or the need to recruit abroad to fill vacancies**. The positive value of these impacts is difficult to quantify with certainty and is therefore considered as a non-monetised impact. Nevertheless, the current cost of agency staffing implies that this non-monetised impact could be significant.

More closely linking the costs of studying to the student may also **reduce the level of drop outs from courses**. It might also increase the incentives to continually adapt and improve courses to meet the demands of students. Evidence suggests that since tuition fees were introduced, the dropout rate has fallen to an all-time low of 5.7% from a high of 7.9% in 1998/1999. Attrition from nursing courses is currently around 10% (HEFCE data).

The change in funding might change the type of student who decides to train for nursing, midwifery or AHPs. There is no robust set of information to make this assessment. Whilst moving to the standard student support system might discourage some potential students, in other respects by no longer making nursing, midwifery and AHPs a "low debt" course in comparison to others, it is possible **that students might be more committed to studying healthcare as a profession**.³⁸

³⁷ Department of Health, [Equality Analysis \(Consultation stage\)](#), April 2016, pp. 27-8

³⁸ Department of Health, [Impact Assessment](#), April 2016, p. 13. Emphasis added.

7. Government response to consultation and next steps: July 2016

7.1 Plans will go ahead but additional funding for some groups

The Government published its response to the consultation in July 2016. This confirmed that it would go ahead with plans to remove NHS Bursaries for nursing, midwifery and allied health professional courses. For most new students beginning courses after 1 August 2017, the bulk of student support will be provided through repayable income-contingent student loans.

However, some non-repayable funding would be made available in order to “prevent a fall in both the number and diversity of these students, and otherwise to ensure there is a continued workforce supply of healthcare workers.”³⁹

Full details of the extra funding is set out in Section 4 of the Department of Health’s consultation response:

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

In summary, the support proposed included is:

- **Tuition funding and bursaries for a capped number of pre-registration postgraduate students beginning their courses in 2017.** This is transitional funding, for 2017 only, while a longer-term solution developed for this group.
- **Exceptional hardship fund:** the Department of Health would work with professional bodies to develop a scheme, with more details to follow in due course.
- **£1000 childcare cost funding, per student with dependents.** This will be in addition to any childcare funding entitlement under the standard student support package.
- **£303 travel expenses non-repayable grant.** This is to ensure students under the new system are not disadvantaged compared to those in receipt of an NHS Bursary.
- **Re-imburement of costs for secondary accommodation during clinical placements,** where a student is financially disadvantaged by having to study away from their main location.

³⁹ Department of Health, [Reforming healthcare education funding: creating a sustainable future workforce Government Response to public consultation](#), July 2016, p. 15

This will be available providing “the case for both educational provision and value for money can be demonstrated”.⁴⁰

- **Transitional funding for postgraduate students.** For the cohort starting in 2017/18 and for a capped number of students, the Government will provide a bursary for tuition and maintenance to meet the full costs of the course.
- **Providing access to student loans for those undertaking midwifery, nursing or AHP courses as a second degree.** The usual position is that students undertaking equivalent-level qualifications are not entitled to student support, although there are a number of exceptions.
- **Support for part-time students beginning in 2017-18.** The Department of Health will continue to provide *maintenance* bursary support for a capped number of new part-time students beginning courses in 2017/18. This will last for the duration of their course. However, the intention for part-time students commencing studies in 2018/19 is to offer funding via tuition fee and maintenance *loans*.
- **Continued funding of a capped number of dental hygiene and dental therapy courses** on a non-repayable basis, as now, for 2017 starters. This is intended to be a transitional measure, and providers whose courses do not currently entitle their students to apply for standard student finance will be expected to reform their programmes.

Alongside the response to the consultation, the Department of Health also published an updated equality assessment:

- [Department of Health, Equality analysis \(response to consultation\), July 2016](#)

The consultation response also said the Government would release further details on a range of other issues in due course, including:

- Healthcare student funding post-bursary reform;
- System architecture for clinical placement commissioning;
- The protection of small-entry specialised subjects.⁴¹

⁴⁰ Department of Health, [Reforming healthcare education funding: creating a sustainable future workforce Government Response to public consultation](#), July 2016, p. 16

⁴¹ Department of Health, [Reforming healthcare education funding: creating a sustainable future workforce Government Response to public consultation](#), July 2016, pp 11; 16; 18.

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