

## Part 3

### Access Bursaries and Hardship Fund: guidance 2001-02

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## **Introduction**

1. This guidance sets out the changes to the Access Bursaries and the Hardship Fund for 2001-02. It covers advice on administration of Access Bursaries, the Hardship Fund and the Fee Waiver scheme for part-time students.
2. Section 1: 'Essential Information for Administrators' contains new information, and experienced administrators may only need to refer to this. The guidance also contains a section on frequently asked questions, and a list of contacts at the Department and the Council, should administrators have any queries.
3. Access Bursaries, Fee Waivers and the Hardship Fund play a key part in helping to deliver the Government's widening access policies. A substantial new package of support will be available in 2001-02 for all students who have dependent children. This package includes the Childcare Grant, increased Dependant's Allowance, a new travel and equipment grant, and Bursaries for new and continuing students. In the light of this extra financial support, much of which is designed specifically to meet childcare costs which up to now have been one of the main areas for help from the Hardship Fund, institutions may wish to review their criteria for awarding payments from the Fund.
4. The Secretary of State attaches continuing importance to the role that he expects institutions to undertake in the effective delivery of the Government's access measures. Additional resources have already been allocated to institutions for their administration costs in 2000-01. From 2001-02, the Council will provide institutions with 2.5 per cent of the total amounts available for Access Bursaries, the Hardship Fund, the Fee Waiver fund and Opportunity Bursaries to improve the promotion and administration of the range of student support services delivered through institutions. This is in addition to the expenditure which they are already devoting to these activities. The Secretary of State also expects institutions to look to other resources available to them and to give appropriate priority to funding the sort of comprehensive service necessary to attract and support the most vulnerable students.
5. The Department plans to carry out a short Review in late summer 2001, which will follow up some of the issues identified in the 1999 Review, as part of the continuing evaluation of policies on widening access. More information will be provided later in the spring.

## **Funding in 2001-02**

6. A total of £86,753,000 has been set aside for Access Bursaries, the Hardship Fund, the Fee Waiver Fund and Opportunity Bursaries in 2001-02.
7. This document (Part 2, page 11) contains revised allocations for Opportunity Bursaries following the decision by the Secretary of State to include Education Action Zones in the Excellence Challenge. The Department has already issued information to institutions about the extension of Opportunity Bursaries to Education Action Zones for 2001-02. Further guidance about Opportunity Bursaries will be sent out by the Department shortly. Information on applying for Opportunity Bursaries has also been sent to Education Action Zone contacts.
8. Institutions will receive a single allocation for other Access Bursaries and the Hardship Fund. This will provide greater flexibility to manage the resources allocated as well as making the administration more straightforward. Allocations for Fee Waivers will be notified in January 2002, based on the number of Fee Waivers given in 2000-01.
9. The amount for Access Bursaries is 15 per cent of the national Access and Hardship Fund allocation. Institutions should therefore expect to spend at least 15 per cent of their own Access and Hardship Fund allocation on these Bursaries and may wish to spend significantly more.
10. The total amount of funding for 2002-03 and 2003-04 is expected to be at broadly the same levels.

## **Section 1: Essential information for administrators**

### **Funding to improve administration**

11. The Secretary of State attaches great importance to the effective delivery of widening access programmes and appropriate student support services at institutions, and has agreed that additional funding should be made available to improve the administration of student support funds, and the wide range of student support activities offered by institutions. These activities include:

- the assessment of applications for Bursaries and other financial help
- the payment of resources directly to students
- financial advice, budget management and debt counselling
- other advisory services
- the promotion and publicising of financial help for students.

12. *Access and Hardship Funds: good practice in higher education* provides advice from the Department on promoting and administering the Funds. In particular, it emphasises the importance of being proactive in the use of the Funds, so that the most vulnerable students know what help they will receive before they start their course, when some might otherwise decide against higher education because of financial concerns. It also stresses the importance of reaching a timely decision on awards, so that students receive help when they need it.

13. Institutions are encouraged to use some of their administration funding to ensure that the Bursaries and Hardship Fund are publicised effectively to prospective and existing students. Institutions may wish to consider organising similar publicity initiatives to those undertaken very successfully last year for the Mature Student Bursaries.

14. Institutions may wish to channel some of their administration funding through Student Union student support services where appropriate.

### **Support for HE students at FE colleges**

15. Support from Access Bursaries, the Hardship Fund and the Fee Waiver scheme for HE students on franchised courses are the responsibility of the parent HEI, but support for other HE students at FE colleges are the responsibility of the college. Funding for these students, both for fee waivers and for help with living costs has generally been much less than for students at HE institutions, or those on franchised courses. The Department plans to provide ring-fenced funding to FE colleges for these students from 2001-02. Additional resources have been set aside and a total of £4,849,000 will be available for these students in 2001-02.

### **Support for students with dependent children**

16. From September 2001, all students with dependent children will be eligible to apply for additional targeted support, much of which is non-discretionary. The key elements of this new package are as follows.

#### For student parents in receipt of dependants' allowances

- an increase of £250 in the first child dependants grant
- a new grant for travel and books/equipment of £500
- transitional arrangements for existing lone parent students who may choose to retain the Lone Parents' Grant or to apply for the Childcare Grant
- bursaries through the Access Fund for both new and existing students. Students with children who are eligible for a dependants' grant and who are not entitled to the Lone Parents' Grant will be able to apply for an additional Bursary of up to £500, depending on need. Existing students who decide to retain the Lone Parents' Grant can apply for a Bursary of up to £1,000.

#### For lone parents on low incomes, or students where the partner is also a full-time student, or is disabled and unable to help with childcare

- the Childcare Grant will cover 85 per cent of actual costs during term time and short vacations, and 70 per cent of actual costs during the long vacation up to a maximum of £150 per week eligible costs (£100 per week eligible costs if there is only one child). Only students who have accredited or registered childcare will be eligible for this grant. A definition of accredited or registered childcare is at **Annex A**

17. The Childcare Grant, and the new travel and books/equipment grant will be fully disregarded by the DSS for benefits purposes in addition to the disregard already applicable for the student loan. Bursaries will also be disregarded if they are given to meet course-related costs.

18. The childcare and travel and books/equipment grants will be administered through local education authorities (LEAs) and paid to students by the Student Loans Company. An additional £15million has been set aside following the Spending Review to help fund this new package.

#### **Bursaries in 2001-02**

19. There will be 4 categories for support from Bursaries in 2001-02:

- continuing students who choose to retain the Lone Parents' Grant
- new and continuing students with dependent children
- Opportunity Bursaries for young disadvantaged students
- Bursaries for students not receiving any of the above.

#### Bursaries for continuing students who decide to retain Lone Parents' Grant in 2001-02.

20. In 2000-01, Bursaries of up to £1,000 were available through the Access Bursary Fund for mature students over 25 with dependent children, especially lone parents, to help with childcare and other course-related costs. These Bursaries are now an element of the transitional arrangements in 2001-02 for continuing students who opt to retain the Lone Parents Grant. Continuing lone parent students who receive the Lone Parents' Grant in 2001-02 will be eligible to receive a Bursary of up to £1,000 regardless of whether they received such a Bursary in 2000-01. The Bursaries will no longer depend on the age of the student. They may also, exceptionally, be given to students who received one of these Bursaries in 2000-01 but who do not have dependent children, as these students will not be eligible for any of the new package. Where continuing student parents are not lone parents, they will be better off under the new package whether or not they qualify for the Childcare Grant.

21. The Bursary is intended to help with childcare and other course-related costs. Unless their circumstances have changed, continuing students who receive one of these Bursaries should be awarded the same level of support that they received in 2000-01. Where institutions used some of their Hardship Fund allocation to provide Bursaries of more than £1,000 in 2000-01, they can do so again in 2001-02. Institutions should advise continuing students to apply through their LEA so that they can determine whether they are eligible for the Childcare Grant or whether they wish to retain the Lone Parents' Grant and therefore the level of Bursary that may be available.

#### New Access Bursaries for students with dependent children

22. The Department has provided for Access Bursaries of up to £500 for students with children who are receiving the dependants' grant, and who do not receive the Lone Parents' Grant. To qualify for these Bursaries, students must either be (i) in their first year of full-time study or (ii) in their second or subsequent year of full-time study but not in receipt of either a Lone Parents Grant or the £1,000 Bursary for continuing students referred to in paragraphs 20 and 21. The funding which the Department has provided enables institutions to offer a Bursary of up to £500 to every student parent in one of the above categories who is in receipt of a dependants' grant. However, institutions may choose to give a higher Bursary if they judge this is appropriate and institutions have discretion to judge students' individual needs in deciding how much Bursary to give.

23. These Bursaries are intended to meet childcare where the Childcare Grant does not cover all such costs; and specific child-related or course-related costs. For example, some student parents will use informal childcare, and will not qualify for the Childcare Grant. Others will have little or no childcare costs; for example, if their children are older, but have other child-related or course related expenses. Others may receive substantial help from the Childcare Grant, but need further help to meet all their childcare costs. The Bursaries can also be used to pay for course-related costs, such as books or travel not met by the books/equipment or travel grants, or for educational expenses for their children, such as school uniform, sports kit or equipment, or school trips. They may also be used for other child-related expenses if provided as a single payment.

24. Institutions are encouraged to offer students an Access Bursary before they start the course, or in the case of continuing students, before the start of the next academic year. In the case of continuing students, such an offer may be critical in helping them to decide whether to opt for the new or transitional arrangements, and in the case of new students, may influence their decision to begin the course. For continuing students, any offer should be on the basis that the student will not receive the Lone Parents' Grant. Institutions may also find it helpful to ask the student how much they estimate they might receive from the Childcare Grant.

#### **Other Bursaries**

25. In addition to the two categories of Bursary explained above, institutions continue to have discretion to award other Bursaries. There is no longer a limit on the amount that institutions can spend on these additional Bursaries. Institutions might consider using this flexibility to offer Bursaries to students from disadvantaged backgrounds who are not eligible for an Opportunity Bursary.

#### **Payment of Bursaries to continuing and new students**

26. Students should not be paid until they are in attendance on the course. Institutions can pay students in instalments or in a lump sum. The Bursary can also be paid to a third party.

27. In most cases, we expect continuing students to be able to determine whether they will be eligible for the Childcare Grant and therefore whether they will wish to retain their Lone Parents' Grant instead. In cases where there is doubt over whether a student will be eligible for the Lone Parents' Grant, institutions may wish to consider offering a Bursary of £500, with the balance to be paid once it is clear that the student will not be eligible for the Childcare Grant.

## **Treatment of Bursaries by the DSS**

28. Any Bursaries will be disregarded by the DSS for benefits purposes as long as they are not for general living costs. It will help students who have received a Bursary in claiming benefits if they are given a document to present to their local Benefits Agency. The suggested form of words is at **Annex B**.

## **Eligibility of students from Wales, Northern Ireland and Scotland**

29. Students from Wales, Northern Ireland or Scotland are eligible to apply for Bursaries or for help from the Hardship Fund. Institutions should take into account any support the student is receiving from their country of domicile. Statutory support in Scotland differs from that in the rest of the UK. Where institutions have a query about the support a Scottish student is receiving, or entitled to receive, they are advised to ring the Student Awards Agency for Scotland helpline on 0131 476 8212.

## **Priority for help from the Hardship Fund**

30. Student parents, especially lone parents, remain a priority for support. Institutions may wish to consider setting aside a proportion of their allocation of funds to ensure they can meet applications for Bursaries from such students. Institutions should ensure that they are also able to meet the needs of other vulnerable students from the Hardship Fund. Students who began their courses in 2000-01, or earlier, may need more help than those who begin courses in 2001-02. Other priorities should be:

- mature students with other financial commitments
- disabled students
- final year students
- care leavers over the age of 24 who do not have their accommodation provided by the Local Authority following the introduction of the Care Leavers Act from October 2001.

## **Other changes for 2001-02**

### Help for students who are not able to attend the course

31. In certain circumstances, students may still receive help from the Hardship Fund or through a Bursary if they have stopped attending their course. Section 2 sets out the current advice on helping such students.

### Help with the costs of diagnostic tests for disabled students

32. Disabled students, especially those with dyslexia, may have difficulty meeting the cost of the diagnostic test which they need to undertake when applying for a Disabled Students Allowance. The cost cannot be provided by the DSA, even retrospectively, for legal reasons. Assistance in meeting the cost of the test, and associated costs such as travel to and from the assessment centre, may be provided through the Hardship Fund. Institutions are asked to note that it is not necessary for students to have applied for a Hardship Loan before receiving help to pay for a diagnostic test.

### Changes to eligibility for fee waivers

33. The annual net income threshold which applies to tax credit recipients has increased to £11,543.

34. Where a student is in receipt of Incapacity Benefit, Severe Disablement Allowance or Disability Living Allowance and their sole income is from welfare benefits, they are eligible for a fee waiver. These disability benefits are not means-tested, and students who are eligible for them may have income from other sources. Receipt of these benefits does not therefore automatically entitle the student to receive a fee waiver.

35. A few part-time students may be on the New Deal programme and in receipt of allowances. These students do not receive Job Seeker's Allowance (JSA), but part of their allowance includes Income Support, and they are therefore eligible for a fee waiver.

## Section 2: Hardship Fund guidance

### Purpose and scope

#### Purpose

1. The Hardship Fund provides financial help to students who face difficulty in meeting their living costs, or course costs, whether it is due to their personal circumstances (for example, student parents or disabled students) or because they fall into hardship unexpectedly.

#### Eligibility

2. Institutions can use the Hardship Fund to help home students in one of the following categories:

- undergraduate students, either full-time or part-time, following a higher education course including sandwich courses and any periods of placement and foundation degrees
- postgraduate students, either full or part-time, following a course of higher education at a level above first degree
- further education students, either full or part-time, who are aged 16 or over and are following a course of further education, including sandwich courses and any periods of placement.

3. A home student is defined as one who meets certain conditions that also apply to eligibility for a student loan. Full details on eligibility and residency rules are at **Annex C**.

#### Part-time students

4. To qualify for help, a part-time student must be studying at least 50 per cent of a full-time course. An exception to this limit can be made in the case of disabled students whose disability prevents them from studying at least 50 per cent of a full-time course. These students are not eligible for a Disabled Students Allowance (DSA) and may need some additional support. These students must be studying for at least 25 per cent of a full-time course in order to be eligible for payment from the Hardship Fund.

#### NHS Bursary holders

5. Students who receive a means-tested NHS Bursary are eligible to apply for help from the Hardship Fund (but will not be eligible for the new Access Bursaries as they are not eligible for the new package of support for student parents). Students who receive an NHS Bursary which is not means-tested are not eligible.

#### Teacher trainees

6. Students on initial teacher training courses must have applied for help from the Secondary Shortage Subject Scheme, if eligible, before applying for the Hardship Fund. Postgraduates (PGCE) trainees eligible for the training salaries announced on 30 March 2000 should expect to have these taken into account when making an application for help from the Hardship Fund (including Bursaries). There may, exceptionally, be a few students on flexible PGCE courses who are in financial hardship. They are eligible to apply for the Hardship Fund and in cases where the student is also eligible for student support, either a continuing or a new Bursary. Institutions should take into account any other income the student receives, such as their training salary or a student loan, and must ensure that their support from the Hardship Fund only covers the period that the student is on the course.

#### Dance and Drama Award students

7. Students in receipt of a Dance and Drama Award for a higher education course, and who meet the residency requirements, are eligible for the Hardship Fund, via their connected higher education institution. Their numbers have been taken into account in allocating funding to the connected institution. Institutions should ensure that Dance and Drama Award students are aware of the Hardship Fund and

know where to apply for help. A list of connected institutions is at **Annex D**.

## **Treatment of student loans**

### Full-time students

#### *Main student loan*

8. A full-time student must have taken out a student loan, if eligible, and applied for the full amount to which they are entitled, before receiving help from the Hardship Fund. The only exception to this rule will be emergency payments to students at the beginning of term. Institutions should contact the Student Loans Company if they are unsure whether a student has taken out their maximum entitlement.

#### *Hardship Loan*

9. The Department is currently reviewing the criteria for the Hardship Loan scheme, including which students should be expected to take out a Hardship Loan before receiving help from the Hardship Fund. Institutions should refer to the Hardship Loan Guidance for 2001-02, which will be issued in June 2001, for further advice. The Department will issue a Student Support Information Note in spring 2001 with details of the changes.

### Part-time students

10. Part-time students who are eligible for a loan but have chosen not to apply for one, should not receive help from the Hardship Fund. Where part-time students have applied, or are intending to apply for their loan during the first term, they may be given help from the Hardship Fund, but any subsequent payments or instalments of payments should only be made after the student has confirmed their application or received their loan. Institutions should take into account the £500 they expect to receive from the loan when assessing the students' income. Part-time students who are not eligible for the part-time loan may still apply to the Hardship Fund, although institutions will want to look carefully at their need, given that their income is too high to receive a loan.

### Students on benefit in the second and subsequent year of their course

11. First year students who have not yet registered with their institution will still be able to claim any income-related benefit to which they are entitled until they commence their course. For continuing students, however, the DSS takes the student loan into account from the first benefit week in September to last benefit week in June inclusive. These students may find themselves with insufficient support during the period from the first benefit week in September until they receive their loan cheque, and may need help from the Hardship Fund. Institutions may wish to set aside some funds which they can carry forward into the new academic year in order to ensure they have sufficient resources to help these and other students who may need help during the summer vacation period. Institutions should note that students on benefit will not have their benefit payment reduced during the long vacation, usually from 30 June to 1 September, because their student loan will already have been treated as income over the 'period payable'.

### Short-term loans to students who have not received their loan cheques

12. We expect there to be very few students who will not have received their loan cheque at the start of the academic year, but there may be some who make a late decision to enter higher education, and who therefore do not apply for support in time to receive their cheque early in the term. Where students in this position are going to be in hardship, the Secretary of State asks institutions to help them with a payment from the Hardship Fund. This should be in the form of a short-term loan. Institutions only need to help with students' immediate needs over a few days or weeks, and only if the student has no other resources, such as parental support or summer job savings. Institutions should make every effort to recover these loans, unless they have been converted to a grant payment because of the student's general circumstances. More detailed guidance is at **Annex E**.

### Students on franchised courses at FE colleges

13. Institutions are reminded that students who undertake a franchised course at an FE college, or who are on a course provided jointly by an HE and an FE institution, remain the responsibility of the 'parent' HEI. Students on franchised or partnership courses should be able to apply for help from the Hardship Fund just as easily as those at the parent HEI, and wherever possible, through the college they are attending. HEIs should consider setting aside an appropriate proportion of their Hardship Fund for students on these courses for the FE college to administer. Institutions should also ensure that students at distant campuses are able to apply for the Hardship Fund, and wherever possible, that they can do so at the campus they attend.

### Sick students and other students who are unable to attend their course

14. Students may still receive help from student support funds if they have stopped attending their course in certain circumstances.

- **Full-time undergraduates**

In the case of full-time undergraduates, the Student Support Regulations allow for an automatic disregard of absence for 60 days, if the student is ill. A student is entitled to receive any instalment of student loan and other allowances during this period. Where a student is not attending for other reasons, such as bereavement or illness, continuation of loan instalments and other allowances is at the discretion of the LEA. Institutions may make payments from the Hardship Fund during this period where the LEA continues to support the student. If the HEI has notified the LEA that the student has withdrawn from the course, and ceases to support the student, institutions should not make payments from the Hardship Fund.

At the end of the 60 days, LEAs have discretion to continue to support students. Institutions also have discretion to provide help through the Hardship Fund in these circumstances, provided they are satisfied that a student has not abandoned, withdrawn from or been expelled from the course and that the student intends to return to the course. They should take into account any financial support the student is receiving.

- **Other students**

Institutions have discretion to make payments to other students from the Hardship Fund if they are not attending their course for reason of illness, caring responsibility or some other reason. The institution must be satisfied that the student has not abandoned, withdrawn from or been expelled from the course, and that the student is intending to return to the course. Institutions should take into account any DSS benefit or other financial support which the student is receiving. Postgraduate students who are not attending because they are writing up their thesis may receive help from the Hardship Fund at the institution's discretion.

### When and how payments from the Hardship Fund should be made

15. Hardship Funds, like Bursaries, can be agreed in principle prior to the start of the academic year. This is particularly helpful for financially vulnerable students, such as those on low incomes with children. Payment cannot be made until the student has started the course. The Hardship Fund should not normally be used to make very small payments; we recommend a minimum level of £100. Very large payments reduce the money available to other students. We recommend that the maximum a student should receive from the Hardship Fund should be £3,500, except in cases where a student has been awarded a new or continuing Access Bursary, where we recommend a total award from the combined funds of £4,500. Payments can be made directly to a student, or to a third party with the student's permission. Help can also be given indirectly through the provision of items (such as a PC) or through a short-term loan.

### How payments from the Hardship Fund will be treated by the DSS

16. Any payment from the Hardship Fund which is for course-related costs, such as childcare will be disregarded by the DSS for benefits purposes. Any payment which is a 'one-off', such as paying an electricity bill, will be disregarded provided the student's capital holding does not exceed £3,000. Where Hardship Fund payments are for everyday living costs such as rent, food, utilities or clothing, and are not

paid as a 'one-off' they will be taken into account for benefits purposes with a £20 a week disregard. This £20 disregard will include the student loan if applicable. It will help students who have received a payment from the Hardship Fund in claiming benefits if they are given a document to present to their local Benefits Agency. The suggested form of words is at **Annex B**.

## **Section 3: Guidance on Fee Waivers for part-time students**

### **Introduction**

1. The fee waiver scheme for part-time students was introduced in 1998-99 for students who lost their jobs after starting their course. The scheme was expanded in 1999-2000 for students on certain benefits or tax credit recipients on low incomes. The eligibility criteria for the fee waiver scheme in 2001-02 are broadly the same as in 2000-01.

### **Eligibility**

2. Home or EU students (see **Annex C** for a definition of a home student) undertaking a part-time undergraduate course which is equivalent to at least 50 per cent of a full-time course are eligible for fee waivers, depending on their circumstances. An EU student is one who is a national of a member State of the European Community or a child of such a person who has been ordinarily resident in the European Economic Area (EEA) throughout the three year period preceding the first day of his or her course, excluding any periods wholly or mainly for the purpose of receiving full-time education.

3. When deciding whether a course is 50 per cent FTE or not, institutions should consider how long it would take to achieve the relevant qualification if the course were taken full time. If the part-time course would take more than twice as long to complete as a full-time course, it is unlikely that a student on that course would qualify for a fee waiver. It can be difficult to assess this 50 per cent rule where no full-time equivalent course exists. In these cases, institutions may find it useful to compare the length of study to a more measurable course, perhaps in another institution if appropriate.

### **Previous study**

4. Students are not eligible for a fee waiver if they already have a degree qualification, except where they have lost their job since starting their course. Where students have undertaken higher education study, but did not complete their degree (or other qualification) they are still eligible. Students who have a sub-degree HE qualification which they want to top up to degree level are also eligible.

### **NHS Bursary holders**

5. Part-time students with both means-tested and non means-tested NHS Bursaries have their fees paid by the NHS, and therefore do not qualify for a DfEE fee waiver.

### **Students who lose their job**

6. Students who have been in employment of at least 20 hours a week for at least six months, and who lose their job through no fault of their own after starting their course, can have their fees waived. If they regain employment later in the academic year, they will not have to pay any fees until the start of the next academic year (depending on their circumstances). A student is eligible for consideration at any stage during the academic year in which the student loses their job.

### **Students on benefits or low incomes**

7. A student in receipt of any of the following benefits is eligible for a fee-waiver:

- Housing Benefit
- Income Support
- Council Tax Benefit
- income-related Job Seeker's Allowance
- Working Families' Tax Credit / Disabled Person's Tax Credit (see paragraph 8).

N.B. A few students may be on the New Deal allowance. These students do not receive JSA, but part of their allowance includes Income Support, and they are therefore eligible for a fee waiver.

8. Tax credit recipients on low incomes are also eligible for a fee waiver. The income threshold is the

same as that for free prescriptions, i.e. a net income of less than £11,543. Tax credit recipients whose income is below the threshold will have received an award notice certifying that they are eligible for free prescriptions. These students are eligible for a fee waiver. Those whose income is above that threshold will not be eligible.

### **Students who receive disability benefits**

9. Where a student receives Incapacity Benefit, Severe Disablement Allowance or Disability Living Allowance, and their sole income is from welfare benefits, they are eligible for a fee waiver. These disability benefits are not means-tested, but students who receive them may still be on a low income, but may not receive Income Support or other means-tested benefits. Fee waivers should not be given to students who have income from sources other than welfare benefits.

### **Part-time loans**

10. Eligibility for the fee waiver does not depend on the student taking out their £500 loan. Please note however that part-time students who are eligible for a loan, but choose not to apply, are not eligible for help from the Hardship Fund.

### **Assessing students for the fee waiver**

11. Institutions should assess students for fee waivers. LEAs will assess applications for part-time loans separately. HEIs will not need to undertake complicated means-testing. The student's local Benefits Agency office or Local Authority should be able to provide proof of receipt of benefits.

## Section 4: Financial conditions and auditing requirements

1. Institutions must observe the following:
  - a. The funds must only be used for the purposes specified in this guidance.
  - b. The funds must only be made available to eligible students as specified in this guidance.
  - c. Any interest gained on the fund must be
    - i. paid to students as part of the normal allocation of the resources available
    - ii. used to pay for the training of staff in the administration of the funds or in advising students on money matters (finance or debt counselling) or **additional** staffing costs
    - iii. used to defray audit costs
    - iv. used for publicising the funds.
  
2. Each institution's auditors are required to certify that **all** student support funds (including funds for fee waivers for part-time students) and any interest earned on them, have been applied in accordance with the terms and conditions of the grant and this guidance. This can be done by accounting for both funds within the main audited accounts which institutions send to the Council by 31 December each year. The funds should be treated as a balance sheet item, not as income. Institutions must show in the note to their audited accounts how the funds were used in the previous academic year, giving receipts, payments and closing balance. Institutions must identify in their monitoring returns any interest accrued on the balance of these funds.

## Section 5: Frequently asked questions

### Access Bursaries

#### **Are the Bursaries only for mature students?**

No. Age is not a consideration – it is whether the student has dependent children that matters.

#### **These Bursaries are for ‘up to £500’. Can’t we give more?**

Yes. We have provided specific funding so that every student parent in receipt of a dependants’ grant can be considered for a Bursary. It is for institutions to assess individual need. They can give less, or more, than £500. The maximum a student can receive from the combined Hardship and Bursary Funds is £4,500.

#### **Can a student receive an Access Bursary if they are also receiving the Childcare Grant?**

Yes, if they are eligible.

#### **Must a student receive the Childcare Grant in order to have an Access Bursary?**

No. The student must be in receipt of a dependants’ allowance, and must not be in receipt of Lone Parents’ Grant. Students with informal childcare, for example, will not be able to receive the Childcare Grant, but may be eligible for the other elements of the new package including the Access Bursary.

### Continuing Bursaries

#### **Can institutions give out *new* Bursaries?**

Yes. If a student is receiving the Lone Parents’ Grant in 2001-02, they can have one of these Bursaries, even if they did not have one last year.

#### **Can new students have these Bursaries?**

No. These Bursaries are only available to continuing students under the transitional arrangements.

#### **Can a student receive both a continuing Bursary and a new Access Bursary?**

No. The two Bursary schemes are mutually exclusive. Continuing Bursaries are for students under the transitional arrangements, who opt for the Lone Parents’ Grant. The Access Bursaries are for students under the new package of support. But if an institution is concerned that the amount of Bursary is not enough for an individual student, it can offer a larger Bursary if it wishes to.

#### **Are these Bursaries for mature students only?**

No. Age is not a consideration. Any student who opts to retain the Lone Parents’ Grant can receive a Continuing Bursary, regardless of age and regardless of whether they had a Mature Students Bursary in 2000-01.

### Hardship Funds

#### **Are NHS students eligible for the Hardship Fund?**

Yes, if they are eligible for a means-tested NHS Bursary. If they receive a non-means-tested NHS Bursary, they are not eligible for the Hardship Fund.

#### **Some Muslim students will not take out a loan because they believe it is against their religion. Are they eligible for the Hardship Fund?**

Students must take out their student loan, if they are eligible for one, in order to be eligible for the Hardship Fund. Institutions may find it helpful to explain that the interest rate attached to student loans merely repays the loan in real terms, and is tied, by primary legislation, to the rate of inflation. It is not interest in the commercial sense of the word, and no profit is made from the interest paid by borrowers.

#### **Can the Hardship Fund be used to help a student whose parents refuse to make their contribution to his or her living costs?**

The Hardship Fund should not be used simply to make good a lack of parental contribution as a matter of

course. The fund is intended to help students in hardship, and on that basis an institution may help any eligible student in need. It is important to emphasise, however, that institutions should treat such cases carefully, and that it is made clear that no student has an automatic right to a payment from the Hardship Fund where the parental contribution is lacking. Institutions must check that the student has applied for the maximum loan they are entitled to. Where a student's parents have refused to complete a financial assessment form and the student has therefore only been able to take out the non means-tested element of the loan, this does not make them ineligible for the Hardship Fund.

**How do institutions decide if a student's course is 50 per cent FTE where there is no full-time equivalent course to compare it to?**

The Department cannot provide a ruling on this. As a guide, institutions should consider how long it would take to achieve the relevant qualification if the course were taken full time. If the part-time course would take more than twice as long to complete as a full-time course, it is unlikely that a student on the course would be eligible for help from the Hardship Fund.

**Can the Hardship Fund be used to pay arrears on student loans, where the student has defaulted?**

No. However, if a student is in hardship as a result of not being able to receive a student loan, that student would be able to apply for help in meeting their living costs.

**Can students apply more than once during an academic year for help from the Hardship Fund?**

Yes. Students' circumstances can change in the course of a year, and there should not be any set limit on the number of times a student can apply for help from the fund.

**Can the Hardship Fund be used to pay for communal activities such as a minibus to transport disabled students?**

No. The Hardship Fund cannot be used to pay for capital expenditure over £2,500 and should only be used in accordance with the conditions set out in Section 3.

**Where can I get further advice on how to administer Access and Bursary Funds?**

The Department has published 'Access and Hardship Funds: Good Practice in Higher Education'. Copies can be obtained by ringing 0800 731 9133. If institutions would like further advice or clarification, please ring one of the contact names listed at the beginning of the publication.

**We gave Hardship Funds last year to a student who we later found out was ineligible. As it wasn't the student's fault, can we continue to support the student this year?**

Payments from the Hardship Fund should not be given to ineligible students, even where previous payments were made as a result of a mistake or misunderstanding.

**Can a student have help from the Hardship Fund even if they have already had an Opportunity Bursary?**

Yes, if the institution considers that they need additional financial support.

## **Fee Waivers**

**Are EU students eligible to apply for fee waivers?**

Yes. In order to be eligible, an EU student must have been living in the European Economic Area (EEA) for the last three years prior to the first day of their course, excluding any periods wholly or mainly for the purpose of receiving full-time education. They must also meet the specific qualifying criteria.

**What other help is available to part-time students?**

Loans of £500 are available to students on low incomes and on certain benefits. Students should contact their LEA to apply for these loans.

In addition to the student loan of £500, part-time students whose course is equivalent to 50 per cent or more of a full-time course are also eligible to apply for the Disabled Students Allowance. Part-time students are eligible for help from the Hardship Fund, provided their course is 50 per cent FTE, and in the case of students unable to attend a 50 per cent FTE course because of their disability, they may apply for help from the Hardship Fund if their course is 25 per cent FTE.

## Annex A: Definition of registered and accredited childcare

Day care settings that cater for children under the age of 8 and which operate for 2 hours or more per day and more than 5 days per year are required to register with and be inspected annually by local authority social services under the Children Act 1989. Please note that from September 2001 day care providers will need to register with OFSTED's new Early Years Directorate instead. If students are unsure whether the day care for their children is registered or not, they should check with the **Children's Information Service of the Local Authority** in which the day care is situated. Because the Children Act only covers children under the age of 8, day care providers which only provide for children aged 8 and above are not required to register but can be accredited.

At time of publication, three organisations' quality assurance schemes have been accredited. These are Kids Club Network, Northumberland Out of School Initiative and Somerset and Torbay Early Years and Childcare Team.

The following are types of day care which require registration:

**Day nurseries:** these look after under 5s for the length of the adult working day. They may be run by social services departments, voluntary organisations, community groups, private companies, employers or individuals, or a combination of any of these on a partnership basis.

**Creches:** these are similar to day nurseries

**Playgroups/pre-schools:** these usually provide education and care for children aged 3-6, although some take children aged 2½. Sessions last no longer than 4 hours.

**Extended day playgroups:** these provide for children for more than 4 hours a day.

**Private nursery school:** these deal almost exclusively with children under 5, and differ from a private day nursery in a number of respects, for example children are under the oversight of a qualified teacher.

**Out of school clubs:** these care for school age children in the absence of the parents or carers from the end of the school day until the parent can collect the child, or sometimes before school starts. They are not open access.

**Open Access Schemes and Adventure Playgrounds:** these provide open access play facilities for children of all ages but are normally attended by children of school age. There will be some supervision. They will be open all day in the holidays and at half term.

**Registered childminders:** these look after children under 5 (and school aged children outside school hours and during holidays) in domestic premises. Parents and childminders negotiate the terms and conditions.

**Early Excellence Centres:** this is a unique pilot programme which offers integrated early education from 0–5 years old, childcare, health and family services for children and families.

*Further information about childcare can be obtained from your local authority or from [www.childcarelink.gov.uk](http://www.childcarelink.gov.uk).*

## **Annex B: Form of words for students to give their Benefits Office**

[Name of student] has received a payment of [£ amount] from the Hardship Fund/Access Bursary Fund provided by the Government.

Delete as appropriate:

- (i) It is a single payment.
- (ii) It is part of a series of [number] payments which will be made during the period [enter period].
- (ii) The payment is a short-term loan which is repayable when the student receives the first instalment of the student loan.

To the best of my knowledge the student has not applied for this payment to meet everyday living costs.

----- (Signed)

on behalf of [stamp or other identification of institution]

## **Annex C: Residency requirements**

1. In order to be eligible for a grant from the Hardship or Access Bursary fund, the student must fall within a category mentioned in Schedule 1 to the Education (Student Support) Regulations 2000 (SI 2000/1121) or the equivalent categories in the Education (Student Loans) (Scotland) Regulations 1999 or the Education (Student Support) (Northern Ireland) Regulations 1999. This is the case unless the student holds an LEA discretionary award under section 1(6) of the Education Act 1962 awarded prior to 1994-95, and subject to special rules for European nationals and assistance with fees. The following is only a summary of the categories, and the Schedule should be referred to for a definitive list. The wording in this annex follows that of the relevant legislation, where appropriate.

2. Taking first of all the most straightforward type of case, a student will meet the requirements if:

- on the first day of his course, if it is on or after 1 August 1997, he is settled in the United Kingdom or Islands within the meaning of the Immigration Act 1971, and
- for the three years preceding that date he has been ordinarily resident in the UK or Islands wholly or mainly for purposes other than receiving full-time education.

3. In applying these rules, institutions will need to take account of the following:

- a. A student will be settled in the UK if he is ordinarily resident and is not subject under immigration law to any restriction on the length of his stay.
- b. A person is not subject to any restriction on the length of his stay in the UK if he is a British citizen or if his passport has been stamped to the effect that the holder has an indefinite right of residence in the UK.
- c. Evidence of British citizenship is a UK passport stating that the holder is a British citizen, or a UK birth certificate, coupled with evidence of identity.
- d. A student who has lived outside the UK and Islands during all or part of the three year period mentioned above because he or his family were temporarily employed abroad may be treated as if his ordinary residence had not been interrupted.
- e. A student who lived in the UK and Islands during the three year period mentioned above but who would not have done so if he had not been attending a full-time course would not meet the above requirements.

### **Students from the Channel Islands and the Isle of Man**

4. Students who move from the Channel Islands or the Isle of Man for the purposes of attending the course (or a previous course if they did not take a break between the two courses, disregarding the intervening vacation) are not eligible for help from the Hardship or Access Bursary Funds.

### **Settled status**

5. The requirement for settlement within the UK within the meaning of the Immigration Act 1971 is new, and only applies in relation to students starting courses on or after 1 August 1997.

6. In certain circumstances, outlined below, students can meet the residence requirements even though they do not meet the three year and settled status rules. Further guidance on ordinary residence is given in paragraphs 14 and 15 below.

### **Refugees and those granted exceptional leave to remain**

7. The residence conditions do not apply to a student who has been granted refugee status in the UK, or whose parent (including step-parent) or spouse has been granted that status. Such a student is eligible to receive help from the Hardship or Access Bursary Funds as soon as refugee status has been granted. However, only those pre-existing family members (i.e. the spouse and/or minor children) who

were dependant on the applicant at the time the application for asylum was made, and who were included on that application, can be considered to meet the requirement to be classed as the spouse or child of a refugee for student support purposes. Students who have been granted exceptional leave to remain are not eligible until they have satisfied the three year ordinary residence rule mentioned above, although they are not required to satisfy the requirements of settled status.

### **Students granted indefinite leave to remain**

8. In order to clear a backlog of applications, the Home Office has decided that where a person applied for asylum before 1 July 1993, it can give that person indefinite leave to remain. Normally, students must be granted indefinite leave to remain before they start their course in order to be eligible for student support, but the rules have changed this year. Students who applied for asylum before 1 July 1993, and who have been granted indefinite leave to remain as part of the Home Office's backlog clearance, are eligible for the Hardship Fund after indefinite leave has been granted, even if this is after they have started their course. They must, however, still have satisfied the three year ordinary residence requirement before the start of the course. Students should have a letter from the Home Office which makes it clear that the indefinite leave to remain was awarded because they were an asylum seeker who applied for asylum before 1 July 1993, and that the indefinite leave was granted exceptionally outside the Home Office rules.

### **EEA migrant workers**

9. European Economic Area nationals employed in the UK, including UK nationals, their spouses and their children, who do not pass the three year ordinary residence test will meet the residence requirements provided that:

- (i) the EEA national has 'migrant worker status' through having been employed in the UK (not necessarily continuously) since he last entered the UK (brief absences abroad, for example on holiday, should be disregarded). In the case of a UK national, this will be having moved to the UK after a period of employment elsewhere in the EEA. An EEA national who has come to the UK for the purposes of seeking work but is not able to obtain employment immediately may be considered as a migrant worker for a period of up to six months if he/she is actively seeking work;
- (ii) where the student is the spouse or child of the EEA national with migrant worker status, the student is ordinarily resident in the UK as a result of the migrant worker's employment in the UK; and
- (iii) the student has been ordinarily resident in the EEA (the European Community, Iceland, Liechtenstein and Norway) throughout the period covered by the three year rule, and has not during any part of that period been so resident wholly or mainly for the purpose of receiving full-time education.

### **Other European nationals**

10. Other EU nationals are entitled to assistance with tuition fees on the same basis as home students provided that they have been ordinarily resident in the EEA throughout the three year period immediately preceding the first day of the first academic year of the course. However, they are not normally eligible for living cost support.

11. To be eligible for living cost support, EU nationals or their children who are not migrant workers, or the spouse or child of a migrant worker, must be able to show that they been ordinarily resident in the UK and Islands throughout the relevant three year period and also that they have settled status in the UK. Under EC law nationals of EEA member states (including EU nationals) are granted the right to live and work in the UK. This is called a right of residence. EEA nationals have a right of residence providing they are working in the UK or they are not economically active but do have sufficient funds to finance their stay without claiming public funds.

12. EEA nationals do not automatically have settled status in the UK. This is something they may apply for if they wish to do so. It is not compulsory in terms of immigration status and they may stay in the UK for as long as they want so long as they meet the requirements above. Application may be made to the Home Office for permission to remain indefinitely in the UK if:

- the applicant has held a residence permit for 5 years; and
- still has a right of residence in the UK; and
- has been working in the UK, or been financially self-supporting for at least 4 years and is still doing this.

Permission to remain indefinitely will not normally be granted to a student.

### **Members of the armed forces: their spouses and children**

13. We have changed the residency requirements so that spouses and children of members of the armed forces can normally meet them even if they have been abroad for the last three years. From 2000-01 onwards, members of the armed forces (that is, regular military and air forces and the Royal Navy) are treated as being temporarily employed for any period during which they serve outside the UK as members of these forces. This means that their spouses and children are classed as being 'ordinarily resident' in the UK for the purposes of eligibility for Access Bursary and Hardship Funds. This does not apply to armed forces personnel who are not engaged on active service, as teachers and other support staff, as they are not under the same degree of compulsion to work abroad; neither does it apply to reservists. It also only applies to students who started in 1998 or later (unless they are taking an 'end-on' course, or unless they fell within the gap year provisions in 1998).

### **Definition of ordinary residence**

14. Interpretation of 'ordinary residence' is, in the last resort, a matter for the courts. A judgement by the House of Lords in 1982 clarified the law (*Shah v Barnet London Borough Council*, reported in [1983] 2 WLR 16). It held that ordinary residence is habitual and normal residence from choice for a settled purpose apart from temporary or occasional absences. The Department can offer advice in such cases but is not able to provide definitive rulings.

15. Temporary or occasional absences from the UK do not break ordinary residence. For example, trips abroad on holiday or for business would not normally break ordinary residence. As the courts have not defined 'temporary or occasional', each case must be judged on its own facts. Institutions should not apply universal rules of thumb or specified periods of time to decide what constitutes a temporary or occasional absence. Further, for these purposes, absences abroad because the student, his spouse or his parent was temporarily employed abroad will not be considered to break ordinary residence in the UK even though the absence would not otherwise be regarded as temporary or occasional.

16. Institutions should note that an applicant's immigration status may readily be established or verified by reference to the stamp or stamps in his passport or travelling document. If an applicant's case is currently under consideration by the Home Office he should be able to produce documentary evidence of this consideration.

17. If an applicant's immigration status is not clear, institutions can contact the Immigration Status Enquiry Unit (ISEU) at the Home Office which deals with all enquiries about known asylum seekers. Addresses for these are given in paragraph 20 below.

### **Documents**

18. In some cases, institutions may require documentation from a student to verify eligibility, but the necessary documents will be with the LEA. Institutions should contact the LEA when this occurs to verify that they hold the documents and that the information provided by the student is correct.

### **Further advice**

19. The information above is a summary of the principal points likely to be of relevance to institutions. More detailed information is available in the DfEE publication 'Notes for Guidance' which can be obtained from:

Student Support Division  
Further and Higher Education and Youth Training Directorate  
Department for Education and Employment  
Room 215  
Mowden Hall  
DARLINGTON  
Co Durham  
DL3 9BG  
tel 01325 392822

20. The Home Office enquiry points given below operate independently and if advice from both is required it will be necessary to write to both separately.

Immigration Status Enquiry Unit  
3rd Floor  
Apollo House  
Wellesley Road  
CROYDON  
Surrey  
CR9 2BY  
tel 020 8760 8686

Asylum Screening Unit  
2nd Floor  
Lunar House  
Wellesley Road  
CROYDON  
Surrey  
CR9 2BY

## Annex D: Dance and Drama Awards: connected institutions

| <b>Private institution</b>                      | <b>Connected HEI</b>              |
|---|-----------------------------------|
| Bristol Old Vic Theatre School                  | University of the West of England |
| Birmingham School of Speech & Drama             | University of Central England     |
| Bird College – Dance & Theatre Performance      | University of Greenwich           |
| Guildford School of Acting                      | University of Surrey              |
| Italia Conti Academy of Theatre Arts Ltd        | South Bank University             |
| Laban Centre London                             | City University                   |
| London Contemporary Dance School                | University of Kent at Canterbury  |
| London Studio Centre                            | Middlesex University              |
| Mountview Conservatoire for the Performing Arts | Middlesex University              |
| Royal Academy of Dancing                        | University of Durham              |

## Annex E: Advice on issuing short-term loans from the Hardship Fund

1. Institutions will need to make some checks before making a Hardship Fund payment to students needing a short-term loan. A suggested checklist is below:

- full name, contact address, telephone number and proof of identity
- the student is registered or enrolled on a designated course
- the student has applied for a loan (or at least requested an application form from the LEA)
- if the student has changed course since the original application, that he has informed the LEA
- basic eligibility (see below).

2. If these checks suggest a payment should be made, the student should be asked to sign a declaration of eligibility, if their eligibility as a home student has not already been established by the LEA. Some wording is suggested here.

'I, [name of student] hereby certify that to the best of my knowledge I fulfil the following criteria:

There are no restrictions on my stay and I am therefore 'settled' within the UK (as defined in the Immigration Act 1971). [Anyone with full refugee status or with exceptional leave to remain or enter the UK meets this requirement.]

I have been ordinarily resident within the UK or Islands for three years immediately before the start of my course. [Students with full refugee status do not need to meet this requirement, and EEA migrant workers (or their spouses/children) must have been resident within the European Economic Area, rather than the UK and Islands.]

None of this time was wholly or mainly for the purposes of receiving full-time education.'

3. If a student gives inconsistent information, or if the institution is aware of contradictory evidence, it should not make a payment. In these circumstances, the student could be asked to return later, to allow time for further checks to be made, for example with the LEA. Where necessary, institutions could make a very small payment to tide such students over until the date of the next interview.

4. Institutions should also ask the student to sign a declaration that they will repay the loan. Some recommended wording is below. This gives institutions the flexibility to pursue the non-repayment of loans if a student leaves the course or does not receive a student loan:

'I acknowledge receipt of cash/cheque/(other....) of [£ ] from [name of institution]. I hereby promise to repay this amount in full (i) within 10 days of receiving the first instalment of my main student loan, or (ii) at the end of the academic year, or (iii) when I leave the course, whichever is the earlier.'

